

HB 3076 A -A3 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

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Meeting Dates: 6/18

WHAT THE MEASURE DOES:

The measure creates procedural and eligibility requirements for the application, issuance, and oversight authority of state firearms dealer licenses. The measure also establishes minimum requirements for the employees of a licensed firearms dealer as well as minimum security and storage requirements for a place of business where firearms are sold. The measure directs the Oregon Department of Justice and the Oregon State Police to adopt rules as necessary to implement the measure. The measure declares an emergency and is effective on passage.

Detailed Summary

Section 1

Defines the following terms:

- Dealer
- Department
- Federal firearms license
- Firearm
- Frame
- Receiver
- Retailer
- State license
- Unfinished frame or receiver

Section 2

- Requires all dealers to be licensed by the Oregon Department of Justice (DOJ) beginning January 1, 2027, in accordance with measure.
- Requires DOJ to adopt rules consistent with eligibility requirements provided by the measure and necessary for implementation of licensing directive.
- Authorizes DOJ to establish and collect a license application and renewal fee, to be deposited into the Firearm Dealer License Fund, with certain limitations. Directs DOJ to publish application fees on its website.
- Provides fee schedule for licenses issued before January 1, 2027, based upon the average annual firearm sales of the dealer, from \$50 for the sale of 11 to 50 firearms per year and up to \$1,500 for the sale of 1,001 or more firearms per year.
- Requires DOJ to review the fee annually and allows it to adjust the fee no more than once per year and by no more than a 20 percent increase per year.

Section 3

- Establishes eligibility requirements for a state firearms dealer license, including that the person
 - Holds and is eligible for a valid federal firearms license
 - Has never had a permit or license revoked, suspended, or denied within five years
 - Has not been convicted of violating federal or state law relating to possession or purchase of firearms within 10 years, and
 - Provides proof of Oregon residence and place of business.
- Allows 60 days for DOJ to determine applicant eligibility with allowable extension for good cause for up to an additional 60 days.

- Provides that licenses are valid for three years, are not transferable, and may be renewed within 90 days prior to expiration.
- Allows for appeal of decision by an applicant if denied a state license.

Section 4

- Directs DOJ to conduct inspections at least once every three years of each state license holder's business for compliance with the requirements of the measure.
- Permits DOJ to conduct reasonable periodic unannounced inspections of retailer licensees' businesses during regular business hours.
- Permits DOJ to conduct inspections of non-retailer licensees' businesses with at least 24 hours' notice.
- Requires DOJ to adopt rules concerning notice, scope, and frequency of inspections.

Section 5

- Authorizes DOJ to impose civil penalties for unlawful transfers or failure to comply with provisions of measure or certain state, federal, or local laws.
- Requires revocation of a state license in certain cases as described by the measure and prohibits issuance of a new state license for at least five years after revocation.
- Requires DOJ to notify the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) within 48 hours of a revocation becoming effective.
- Requires all penalties recovered pursuant to this provision to be deposited into the Firearm Dealer License Fund established by the measure.
- Allows licensee to appeal revocation of state license by DOJ.

Section 5a

- Directs DOJ to develop or approve training courses for licensees and persons working with licensees if they will be handling firearms.
- Provides minimum requirements for approved training courses.
- Requires a licensee to complete an approved training course within 30 days of being issued a state license and persons working with licensees to complete a course within 30 days of their first day of work for the licensee and annually while working with licensee.
- Requires licensee to submit a criminal history record check for certain individuals working with licensee to be completed within seven days prior to the person's first day of work.
- Requires a person working with a licensee to submit for fingerprinting with a law enforcement agency or approved third party to be provided to OSP.
- Directs OSP to conduct a fingerprint-based criminal history record check and return the results to DOJ to determine whether a person is qualified for employment with the licensee and notify the licensee of the results
- Requires a person working with the licensee to submit to a fingerprint-based criminal history record check annually and for licensee to maintain records of each as described.

Section 6

- Requires DOJ to adopt rules for secure storage of firearms and ammunition by firearms licensees to prevent unauthorized access.
- Establishes minimum requirements for retailer licensee places of business relating to storage and security of firearms and ammunition located within or on the retailers premises.
- Provides minimum security requirements for points of entry to and windows of a retailer.
- Requires a licensee's business premises to be monitored by video surveillance and establishes minimum security alarm and video and audio surveillance criteria.
- Requires certain locations of business to be monitored and visible by qualifying surveillance systems and digital recordings of surveillance maintained.

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- States to whom a licensee must provide access to a surveillance system and recordings, as well as who a licensee is prohibited from sharing access with.
- Establishes minimum general liability insurance policy requirements for licensees and authorizes a local governing body to increase minimum requirements set by provision.
- Restricts the sale of firearms by a licensee except as described by provisions of measure.
- Requires a licensee to maintain certain records of all acquisitions and dispositions and inventory at the licensee's place of business, for a time period, and in the manner described by the measure.
- Requires licensees to post a sign meeting the minimum requirements described by the measure that states "Warning: If you or a loved one is experiencing distress or depression, call or text 988 to connect with the 988 Suicide and Crisis Lifeline" and to distribute a notice including the same information to each purchaser at the time of sale of every firearm.

Section 7

- Directs a licensee to maintain certain information of all firearm trace requests for six years and to provide an annual report to the Attorney General as described by measure.

Section 8

- Provides that a firearms dealer who knowingly sells firearms without a valid state license commits a Class C felony.

Section 9

- Requires DOJ to submit a report to the Legislative Assembly, beginning January 15, 2027, that includes certain information relating to the number of state license applications and renewals received, granted, denied, and revoked; inspections conducted of licensees; warnings issued for violations of licensee requirements; costs related to inspections and licensing; and, race, gender and geographic location of applicants for state licenses.
- Requires report to be publicly available within three months after submission to the Legislative Assembly.

Section 10

- Establishes the Firearm Dealer License Fund for funds deposited as described by measure and directs interest earned by the fund to be credited and deposited in the fund for appropriation to DOJ for implementation of measure directives.

Section 11

- Provides that a state license is required for all dealers to sell firearms, frames, receivers, and unfinished frames and receivers on and after January 1, 2027.
- Requires any person who works with a licensed firearm dealer and who, in the course of the person's duties, handles a firearm or ammunition or processes the sale or transfer of a firearm or ammunition to complete a training course as described in the measure no later than January 1, 2027.
- Exempts dealers that hold only a Type 02 Federal Firearms License and who submit a sufficiently completed application prior to October 15, 2027.

Section 12

- Makes section six of the measure effective on January 1, 2027, and authorizes DOJ to adopt rules before the operative date as necessary to undertake and exercise all of the duties assigned by the measure.

Section 13-15

Makes conforming amendments and repeals finding in ORS 166.433(1).

Section 16

Applies OSP gun show form to gun dealers.

Sections 17-18

- Makes sections 13-16 effective January 1, 2027.
- Declares an emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A3 The amendment modifies the dates by which firearms dealers must apply for a license and be licensed, changes the frequency with which the Department of Justice carries out inspections of firearms dealers, and removes the emergency clause from the bill.

Section 2 is amended to separate firearms dealers into two categories for the sake of the date licensure is required. For those that sell more than 251 firearms annually and do not hold only a Type 02 Federal Firearms License, the operative date for licensure is July 1, 2027. Beginning July 1, 2028, a state license is required for all dealers to sell firearms, frames, receivers and unfinished frames and receivers in Oregon.

Section 4 is modified to require onsite inspections of firearms dealers every four years instead of every three years.

Section 11 changes the application deadlines under which a state license applicant is required to apply in order to be eligible to be issued a state license.

Finally, the amendment removes the emergency clause.

BACKGROUND:

ORS 166.412 defines 'gun dealer' as a person engaged in the business, as defined in 18 U.S.C. 921, of selling, leasing, or otherwise transferring a firearm, whether the person is a retail dealer, pawnbroker, or otherwise. Oregon has no law requiring firearms dealers to obtain a state license or permit. However, firearms dealers are subject to Oregon statutes governing transfers of firearms generally.

Under current law, a gun dealer may transfer a firearm to a transferee if the dealer receives a unique approval number from the Oregon Department of State Police (OSP), and within 48 hours of completing the transfer, the dealer notifies OSP that the transfer has occurred. If a person transfers a firearm where a criminal background check is required prior to the transfer, the person shall transfer the firearm with an engaged trigger or cable lock or in a locked container. Oregon further requires that a gun dealer shall post in a prominent location in the gun dealer's place of business a notice, in block letters not less than one inch in height, that states, "The purchaser of a firearm has an obligation to store firearms in a safe manner and to prevent unsupervised access to a firearm by a minor. If a minor or unauthorized person obtains access to a firearm and the owner failed to store the firearm in a safe manner, the owner may be in violation of the law."

House Bill 3076 A establishes an Oregon firearms dealer licensing requirement and provides minimum standards for eligibility for the license. It creates oversight and implementation requirements for DOJ and OSP. The measure also establishes minimum security and storage requirements for a licensed firearm dealer's place of business.