

B-Engrossed House Bill 3076

Ordered by the House June 23
Including House Amendments dated April 15 and June 23

Sponsored by Representatives KROPF, GRAYBER, Senator REYNOLDS, Representative MCDONALD, Senator BROADMAN; Representatives ANDERSEN, DOBSON, GAMBA (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates a state gun dealer licensing program administered by the DOJ. The Act takes effect on the 91st day after sine die. (Flesch Readability Score: 74.8).

[Digest: The Act creates a state gun dealer licensing program administered by the DOJ. The Act takes effect when the Governor signs it. (Flesch Readability Score: 72.6).]

Establishes a state gun dealer licensing program. Requires a license for **specified** dealers selling firearms, frames, receivers and unfinished frames and receivers beginning *[January]* **July 1, 2027, [or October 15, 2027, for certain federal firearms licensees]** **and for all other dealers, beginning July 1, 2028.**

Authorizes the Department of Justice to establish licensing fees. Specifies eligibility criteria for obtaining the license. Directs the department to conduct licensee inspections. Specifies circumstances that result in license suspension or revocation or the imposition of a civil penalty. Directs the department to adopt rules concerning licensee employee training, the storage of firearms and ammunition by licensees and other security requirements. Requires licensee employee background checks and specifies requirements for recordkeeping. Punishes the selling of a firearm by a dealer without a license by a maximum of five years' imprisonment, \$125,000 fine, or both. Directs the department to submit an annual report on the licensing program to the Legislative Assembly. Establishes the Firearm Dealer License Fund.

Requires a transferor at a gun show to hold a state license.

Appropriates moneys to the Department of Justice for the licensing program.

[Declares an emergency, effective on passage.]

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to gun dealer licenses; creating new provisions; amending ORS 166.433, 166.436, 166.438 and
3 166.441; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. As used in sections 1 to 9 of this 2025 Act:**

6 (1)(a) **"Dealer"** means a person or business, located in this state, engaged in the whole-
7 sale or retail business of selling firearms, frames, receivers or unfinished frames or receiv-
8 ers, and who has, or who is required under federal law to have, a federal firearms license
9 under 18 U.S.C. 923(a).

10 (b) **"Dealer"** does not include a person or business that sells, on average, 10 or fewer
11 firearms, frames, receivers or unfinished frames or receivers, within any 12-month period
12 that the person or business has engaged in such sales.

13 (2) **"Department"** means the Department of Justice.

14 (3) **"Federal firearms license"** means a license to import, manufacture or deal in firearms
15 issued pursuant to 18 U.S.C. 923.

16 (4) **"Firearm"** has the meaning given that term in ORS 166.210.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (5) "Frame" has the meaning given that term in ORS 166.210.

2 (6) "Receiver" has the meaning given that term in ORS 166.210.

3 (7) "Retailer" means a dealer who operates a store open to the public from which the
4 dealer engages in the business of selling, transferring or facilitating the sale or transfer of
5 firearms.

6 (8) "State license" means the state firearms dealer license issued under sections 2 and 3
7 of this 2025 Act.

8 (9) "Unfinished frame or receiver" has the meaning given that term in ORS 166.210.

9 **SECTION 2.** (1)(a) Beginning July 1, 2027, a state license is required for a dealer to sell
10 firearms, frames, receivers and unfinished frames and receivers in this state, if the dealer
11 sells, based upon the average annual firearm sales of the dealer during the prior three years,
12 more than 251 firearms per year, and does not hold only a Type 02 Federal Firearms License.

13 (b) Beginning July 1, 2028, a state license is required for all dealers to sell firearms,
14 frames, receivers and unfinished frames and receivers in this state.

15 (2) The Department of Justice shall issue state firearms dealer licenses in accordance
16 with this section and section 3 of this 2025 Act.

17 (3)(a) The department shall adopt rules necessary for the implementation of this section
18 and section 3 of this 2025 Act, including rules establishing the process for applying for and
19 obtaining a state license.

20 (b) The department may not adopt a rule that modifies the eligibility criteria for obtain-
21 ing a state license under this section and section 3 of this 2025 Act, but the rules may au-
22 thorize the collection of any information the department deems necessary to verify an
23 applicant's eligibility.

24 (4) The department shall develop an application form for initial state license applications
25 and state license renewals.

26 (5)(a) The department is authorized to establish and collect a state license application fee,
27 based on the department's actual costs, to reasonably reimburse the department for the
28 costs of carrying out the provisions of sections 1 to 9 of this 2025 Act.

29 (b) The department may establish a reduced fee for state license renewal applications.

30 (c) The department shall deposit all fees collected under this section into the Firearm
31 Dealer License Fund established by section 10 of this 2025 Act.

32 (6)(a) For state licenses issued before July 1, 2027, for dealers described in subsection
33 (1)(a) of this section, and for state licenses issued before July 1, 2028, for all other dealers,
34 the fee for the initial issuance of the license shall be based upon the average annual firearm
35 sales of the dealer during the prior three years as described in paragraph (b) of this sub-
36 section. If the dealer has not been in business for three years, the fee shall be the amount
37 described in paragraph (b) of this subsection based upon the average annual firearm sales
38 over the time the dealer has been in business. If the dealer has not previously sold firearms
39 prior to the application, the fee shall be \$500, or the amount described in paragraph (b) of
40 this subsection based on the dealer's good faith estimate of projected sales, whichever
41 amount is smaller.

42 (b) The fee based on actual or projected sales is as follows:

43 (A) \$50 for the sale of 11 to 50 firearms per year.

44 (B) \$250 for the sale of 51 to 250 firearms per year.

45 (C) \$500 for the sale of 251 to 750 firearms per year.

1 (D) \$1,000 for the sale of 751 to 1,000 firearms per year.

2 (E) \$1,500 for the sale of 1,001 or more firearms per year.

3 (c) The department shall annually review the fees described in this subsection. For state
4 licenses issued or renewed on or after July 1, 2027, for dealers described in subsection (1)(a)
5 of this section, and for state licenses issued or renewed on or after July 1, 2028, for all other
6 dealers, the department may annually adjust the fee based on the costs of carrying out the
7 provisions of sections 1 to 9 of this 2025 Act. The department may not adjust any fee more
8 than once per year and may not increase any fee by more than 20 percent per year.

9 (d) The department shall ensure that the current fees for the initial issuance and renewal
10 of state licenses are published on the department's website.

11 **SECTION 3.** (1) A person is eligible for a state firearms dealer license if the person:

12 (a) Currently holds and is eligible for a valid federal firearms license;

13 (b) Has never had a permit or license to sell, lease, transfer, purchase or possess a
14 firearm or ammunition from the federal government, any state or any subdivision of a state,
15 or an application for such a permit or license, revoked, suspended or denied for good cause
16 within the five years prior to submitting an application for a state license;

17 (c) Has not been convicted of violating any federal or state law concerning the pos-
18 session, purchase or sale of firearms within the 10 years prior to submitting an application;
19 and

20 (d) Provides proof of residence in Oregon and the physical address of the place where
21 business will be conducted.

22 (2) A person applying for or renewing a state license under this section shall complete a
23 Department of Justice application and pay the fee established by the department under sec-
24 tion 2 of this 2025 Act.

25 (3)(a) The department shall make a determination on a state license application within
26 60 days after the application is received.

27 (b) Notwithstanding paragraph (a) of this subsection, the department may for good cause
28 extend the determination time period by an additional 60 days.

29 (4) The department shall issue a state license to an applicant unless the applicant does
30 not meet the eligibility requirements described in subsection (1) of this section or the appli-
31 cant makes a false statement on the application.

32 (5) A state license issued under this section is valid for three years and is not
33 transferable.

34 (6)(a) A licensee may apply for renewal of a state license at any time within the 90 days
35 prior to expiration of the state license. The department may not accept a renewal application
36 after the state license has expired.

37 (b) The department shall notify a licensee of the state license expiration date 90 days
38 prior to the expiration.

39 (c) Notwithstanding section 2 (1) of this 2025 Act, a licensee who submits a timely and
40 sufficiently complete renewal application may continue to engage in the business of dealing
41 in firearms until the department has made a determination on the renewal application. For
42 purposes of this paragraph, an application is sufficiently completed if the application includes
43 all information necessary to make a determination that the applicant is eligible for state li-
44 cense renewal and the licensee has not made any false statements on the application.

45 (d) The department shall make a determination on a state license renewal application

1 within 60 days after the renewal application is received.

2 (7) The decision by the department to refuse to issue or renew a state license under this
3 section may be appealed as a contested case under ORS chapter 183.

4 **SECTION 4.** (1) The Department of Justice shall conduct on-site inspections, in accord-
5 ance with this section, of each state license holder's place of business to ensure that the
6 licensee is complying with the requirements to hold a state license described in sections 5a
7 and 6 of this 2025 Act and rules adopted pursuant to sections 5a and 6 of this 2025 Act.

8 (2)(a) The department may conduct reasonable periodic unannounced inspections of a
9 retailer licensee's place of business during the retailer licensee's regular business hours.

10 (b) The department may conduct inspections of licensees other than retailer licensees
11 after providing at least 24 hours' notice.

12 (3)(a) The department shall adopt rules concerning the notice requirements and the scope
13 of inspections conducted under this section.

14 (b) The department shall adopt rules concerning the frequency of inspections conducted
15 under this section. The rules must require that each licensee be inspected at least once every
16 four years.

17 **SECTION 5.** (1) Except as provided in subsection (2) of this section, if the Department
18 of Justice determines that a licensee transferred a firearm in violation of ORS 166.400, failed
19 to comply with any of the requirements of section 5a or 6 of this 2025 Act or rules adopted
20 pursuant to section 5a or 6 of this 2025 Act, or violated any other state, federal or local law
21 for which the penalty includes revocation of the licensee's federal firearm license, the de-
22 partment may:

23 (a) For a first offense, issue a warning to the licensee that includes a description of the
24 offense and the penalty for subsequent offenses, or impose a civil penalty of up to \$1,000 per
25 violation.

26 (b) For a second or subsequent offense, suspend or revoke the licensee's state license,
27 issue a warning or impose a civil penalty of up to \$5,000 per violation.

28 (2)(a) The department shall revoke a state license if the licensee:

29 (A) No longer holds a valid federal firearms license;

30 (B) Knowingly employs a person in violation of section 5a of this 2025 Act;

31 (C) Is prohibited from possessing or purchasing firearms under federal or state law;

32 (D) Is no longer a resident of this state; or

33 (E) Is convicted of any of the following:

34 (i) A felony under state or federal law;

35 (ii) A state or federal crime that results in the licensee being prohibited from purchasing
36 or possessing a firearm or ammunition;

37 (iii) A crime containing as an element purchasing or otherwise obtaining a firearm on
38 behalf of, or for transfer to, a person who cannot lawfully purchase or possess a firearm;

39 (iv) A conviction under ORS 166.412 (14) or 166.418;

40 (v) Providing false information in connection with a transfer of a firearm under ORS
41 166.416; or

42 (vi) Trafficking in firearms under 18 U.S.C. 933.

43 (b) A dealer whose state license is revoked solely because the dealer no longer holds a
44 valid federal firearms license under paragraph (a)(A) of this subsection may apply for a new
45 state license any time after the person obtains a valid federal firearms license.

1 (c) A licensee whose state license is revoked under paragraph (a)(B) to (E) of this sub-
2 section may apply for a new state license no sooner than five years after the revocation.

3 (3) The department may revoke a state license if the licensee unreasonably refuses to
4 allow the department to conduct an on-site inspection pursuant to section 4 of this 2025 Act.

5 (4)(a) If the department determines that a licensee violated state or federal law related
6 to the possession, sale or purchase of firearms, the department:

7 (A) For a first offense, shall issue a warning to the licensee that includes a description
8 of the violation.

9 (B) For a second or subsequent offense, may revoke the licensee's state license.

10 (b) A licensee whose state license is revoked under this subsection may apply for a new
11 state license no sooner than three years after the revocation.

12 (5)(a) Unless the department determines that revocation is appropriate for a specific vi-
13 olation, when a licensee has engaged in conduct for which revocation of the licensee's state
14 license is authorized under this section, the licensee shall be provided notice of the violation
15 and information concerning how to remedy the violation, and given the opportunity to rem-
16 edy the violation and submit proof of the remedy to the department within 90 days of re-
17 ceiving the notice.

18 (b) The failure to remedy a violation as described in this subsection constitutes inde-
19 pendent grounds for the department to revoke the licensee's state license.

20 (6) If the department revokes a state license under this section, the department shall
21 notify the Bureau of Alcohol, Tobacco, Firearms and Explosives of the revocation within 48
22 hours of the revocation becoming effective. The notification shall occur by both phone call
23 and a subsequent letter documenting the reason for the revocation and describing what
24 action will be taken concerning the licensee's inventory and records.

25 (7)(a) Civil penalties under subsection (1) of this section shall be imposed in the manner
26 provided by ORS 183.745.

27 (b) All penalties recovered under subsection (1) of this section shall be deposited into the
28 Firearm Dealer License Fund established under section 10 of this 2025 Act.

29 (8) A decision by the department to revoke or suspend a state license under this section
30 may be appealed as a contested case under ORS chapter 183.

31 (9) The department shall adopt rules concerning the specific violations and corresponding
32 penalties described in this section.

33 **SECTION 5a.** (1)(a) The Department of Justice shall develop a training course, or approve
34 training courses provided by other entities, for licensees and persons who are employed by,
35 volunteer for or contract with licensees who will handle or engage in the sale or other
36 transfer of firearms as part of the person's official duties. The training must be available in
37 an online format. The department shall adopt rules concerning the format of the training,
38 the testing administered upon completion of the training, the passing score for the testing
39 and the format of the proof of completion of the training.

40 (b) The training described in this subsection must include instruction on the following
41 subjects:

42 (A) Federal and state laws governing the sale and transfer of firearms and ammunition;

43 (B) Recognizing and identifying straw purchasers, firearm trafficking and fraudulent ac-
44 tivity;

45 (C) Recognizing and identifying indicators that a person is attempting to purchase a

1 **firearm unlawfully;**

2 **(D) Recognizing and identifying indicators that an individual intends to use a firearm for**
3 **unlawful purposes or self-harm;**

4 **(E) Preventing theft or burglary of firearms and ammunition;**

5 **(F) Responding to circumstances described in subparagraphs (A) to (E) of this paragraph,**
6 **and any applicable reporting requirements; and**

7 **(G) Any other reasonable business practices that the department determines will deter**
8 **firearm trafficking or the unlawful use of firearms.**

9 **(c) A licensee shall, within 30 days after the date of being issued a state license under**
10 **sections 2 and 3 of this 2025 Act, complete the training course described in paragraph (a) of**
11 **this subsection, and annually thereafter so long as the licensee holds the state license.**

12 **(d) An employee, volunteer or contractor of a licensee who, in the course of the person's**
13 **duties, handles a firearm or processes the sale, loan or other transfer of a firearm shall,**
14 **within 30 days after the first day of work for the licensee, or within 30 days after the licensee**
15 **is issued a state license, complete the training course described in paragraph (a) of this**
16 **subsection.**

17 **(e) An employee, volunteer or contractor of a licensee required to complete an initial**
18 **training course under this subsection is also required to annually thereafter complete the**
19 **training course while employed by, volunteering for or contracting with the licensee.**

20 **(f) A licensee shall maintain the training records of the licensee and each employee,**
21 **volunteer or contractor of the licensee who handles or engages in the sale or other transfer**
22 **of firearms as part of the person's official duties, and shall make the records available to the**
23 **department during an on-site inspection of the licensee's place of business conducted pursu-**
24 **ant to section 4 of this 2025 Act.**

25 **(2)(a) For an employee, volunteer or contract position that, in the course of the person's**
26 **duties, involves handling or engaging in the sale or other transfer of firearms, a licensee**
27 **may not allow a person to occupy the position who:**

28 **(A) Is prohibited from possessing or purchasing firearms under state or federal law;**

29 **(B) Has been convicted of an offense described in ORS 166.250 or 166.470 (1), or a violent**
30 **felony as defined in ORS 147.500, within five years prior to the date the person applies to**
31 **work for the licensee; or**

32 **(C) Has had the person's own state license or federal firearms license revoked within the**
33 **previous 10 years.**

34 **(b) In order to determine whether a licensee may allow a person to be employed or work**
35 **as a volunteer or contractor in a capacity in which the person will handle or engage in the**
36 **sale or other transfer of firearms consistent with this subsection, the licensee shall require**
37 **the person to submit to a criminal history record check as described in subsection (3) of this**
38 **section. A licensee shall only accept the results of a criminal history record check completed**
39 **within seven days prior to the person's first day of work.**

40 **(3)(a) Before a person begins employment for, volunteers for or contracts with a licensee**
41 **in a capacity in which the person will handle or engage in the sale or transfer of firearms,**
42 **the person shall submit to a fingerprint-based criminal history record check.**

43 **(b) The person shall have the person's fingerprints taken by a local law enforcement**
44 **agency or any third party approved by the Department of State Police for the purpose of**
45 **obtaining a fingerprint-based criminal history record check. The person shall authorize the**

1 entity taking the fingerprints to submit, and the entity shall submit, the complete set of
2 fingerprints to the Department of State Police.

3 (c) If an approved third party obtains the fingerprints, the fingerprints may be electron-
4 ically captured using equipment approved by the Department of State Police.

5 (d) The Department of State Police shall first use the person's fingerprints to conduct a
6 criminal history record check using the records of the Department of State Police. If au-
7 thorized by federal law, the Department of State Police shall then forward the fingerprints
8 to the Federal Bureau of Investigation for the purpose of conducting a fingerprint-based
9 criminal history record check. The Department of State Police, the Department of Justice,
10 the person and the entity that obtained the fingerprints shall comply with the Federal Bu-
11 reau of Investigation's requirements to conduct a criminal history record check.

12 (e) The Department of State Police shall return the results of the criminal history record
13 check to the Department of Justice, and the Department of Justice is authorized to receive
14 the results of the Federal Bureau of Investigation's criminal history record check. The de-
15 partment shall use the information resulting from the criminal history record check to de-
16 termine whether a person is qualified for employment under this subsection, and shall notify
17 the licensee of the results of the investigation within a reasonable amount of time.

18 (f) If the Federal Bureau of Investigation is unable to complete a fingerprint-based
19 criminal history record check of a person, the Department of State Police shall inform the
20 Department of Justice, and the Department of State Police may use the criminal history
21 record check of the person conducted using the records of the Department of State Police
22 as a substitute.

23 (g) If the results of a criminal history record check performed under this subsection re-
24 veal a record of arrest without a disposition, the Department of Justice shall require the
25 person to submit to a name-based judicial record check.

26 (h) An employee, volunteer or contractor of a licensee who handles or engages in the sale
27 or other transfer of firearms as part of the person's official duties shall annually submit to
28 a fingerprint-based criminal history record check as described in this subsection.

29 (i) A licensee shall maintain a copy of the notice following each criminal history record
30 check conducted under this subsection indicating that a person is qualified for employment,
31 volunteering or contracting. The licensee shall maintain a copy of the notice for the duration
32 of the person's employment, or during the time period that the person volunteers for or
33 contracts with the licensee, and shall make the notice available to the department during
34 an on-site inspection of the licensee's place of business.

35 (4) If a licensee knows or has reason to believe an employee, volunteer or contractor is
36 involved in the theft of a firearm from the licensee's place of business, the licensee shall
37 report the theft within 48 hours after having knowledge of the theft, or reason to believe a
38 theft occurred, to a law enforcement agency with jurisdiction over the licensee's place of
39 business.

40 (5) The department may adopt rules necessary to carry out the provisions of this section.

41 **SECTION 6.** (1)(a) The Department of Justice shall adopt rules for the secure storage of
42 firearms and ammunition by retailer licensees and other licensees in a manner that prevents
43 unauthorized access. The rules must include but are not limited to:

44 (A) Provisions concerning the locations where firearms may be stored;

45 (B) Provisions concerning how firearms must be stored, including specifications for se-

1 cure rooms, safes, locking devices and physical barriers; and

2 (C) Specifications for securing buildings, doors and windows of the licensee's place of
3 business to prevent unauthorized entry.

4 (b) The department shall consider industry standards and best practices when adopting
5 rules described in this subsection.

6 (2) A licensee may not conduct business or store firearms or ammunition at the
7 licensee's place of business unless the licensee securely stores firearms and ammunition in
8 accordance with the rules described in subsection (1) of this section.

9 (3)(a) A licensee may not sell or store firearms at the licensee's place of business, or any
10 place that firearms are sold or otherwise transferred, unless the location is equipped with a
11 security alarm system.

12 (b) The department shall adopt rules concerning the specifications for alarm systems
13 described in this subsection.

14 (c) It is not a violation of this subsection if the alarm system becomes temporarily in-
15 operable through no fault of the licensee, provided that the licensee takes reasonable steps
16 to ensure that the alarm system becomes operable within 30 days of having notice of the
17 inoperability.

18 (4)(a) A licensee shall ensure that the licensee's business premises, or any place that
19 firearms are sold or otherwise transferred, is monitored by a digital video surveillance sys-
20 tem as described in this subsection.

21 (b) A retailer licensee or a licensee who sells more than 50 firearms per year shall ensure
22 that the video surveillance system is capable of operating 24 hours a day, either recording
23 continuously or upon motion activation. A licensee other than a retailer who sells 50 or fewer
24 firearms per year shall ensure that the video surveillance system records a customer at any
25 time that the customer is on the premises.

26 (c) The video surveillance system must operate in a manner that deters theft and that
27 enables the system to record:

28 (A) Individuals involved in firearms transactions;

29 (B) All areas where firearms are handled or transferred; and

30 (C) The entrance or access area to any firearm storage location.

31 (d) The department shall adopt rules concerning the specifications for video surveillance
32 systems described in this subsection. The rules must contain specifications concerning the
33 lighting of recorded locations, the type of video and audio recordings required, locations that
34 must be surveilled, reporting to law enforcement agencies, public notice requirements and
35 verification of surveillance compliance.

36 (e) It is not a violation of this subsection if the video surveillance system becomes tem-
37 porarily inoperable through no fault of the licensee, provided that the licensee takes rea-
38 sonable steps to ensure that the system becomes operable within 30 days of having notice
39 of the inoperability.

40 (f) Video surveillance system recordings must be maintained for a minimum of three
41 years.

42 (g) A licensee may not use, share, allow access or otherwise release video surveillance
43 system recordings to any person except as follows:

44 (A) A licensee shall allow access to the surveillance system to an agent of the depart-
45 ment conducting an inspection of the licensee's premises, for the purpose of inspecting the

1 system for compliance with this subsection under circumstances in which a search warrant
2 or court order is not required.

3 (B) A licensee shall allow access to the surveillance system pursuant to a search warrant
4 or other court order.

5 (C) A licensee may allow access to the surveillance system or may release recordings to
6 any person in response to an insurance claim or as part of the civil discovery process, in-
7 cluding but not limited to in response to a subpoena, a request for production or inspection
8 or other court order.

9 (5)(a) A licensee shall carry a general liability insurance policy providing at least \$1
10 million of coverage per incident.

11 (b) This subsection does not preclude any local authority or local governing body from
12 enacting or enforcing a more stringent requirement regarding the maintenance of liability
13 insurance.

14 (6) A licensee may not sell or transfer a firearm:

15 (a) Outside of the licensee's posted business hours, except that a licensee may sell or
16 transfer a firearm at a gun show as defined in ORS 166.432 outside of the licensee's posted
17 business hours.

18 (b) To a person the licensee knows or has reason to believe is under the influence of al-
19 cohool or a controlled substance as defined in ORS 475.005.

20 (7)(a) A licensee may temporarily conduct business at a location other than the place of
21 business designated in the license if the temporary location is within Oregon and is the lo-
22 cation of a gun show as defined in ORS 166.432. Nothing in this paragraph authorizes a
23 licensee to conduct business in or from a motorized or towed vehicle.

24 (b) When temporarily conducting business under this subsection, the licensee shall com-
25 ply with all other requirements imposed on licensees by this section. The failure of a licensee
26 to comply with the other requirements of this section while conducting business at a tem-
27 porary location may result in the licensee's state license being revoked.

28 (8)(a) A licensee shall establish and maintain a record book or an electronic record of all
29 acquisitions and dispositions, inventory and other records at the licensee's place of business,
30 in such form and for such a period of time as the department shall require by rule. The
31 licensee shall submit copies of the records to the department on a schedule established by
32 the department by rule. The records must at a minimum include the following:

33 (A) The make, model, caliber or gauge, manufacturer's name and serial number of all
34 firearms that are acquired or disposed of, recorded no later than one business day after the
35 acquisition or disposal.

36 (B) A monthly inventory of firearms acquired but not yet disposed of.

37 (C) Firearm disposition information, including the serial numbers of firearms sold, dates
38 of sale, the identity of purchasers and details of the permit to purchase issued under ORS
39 166.505.

40 (D) Criminal firearm traces initiated by the Bureau of Alcohol, Tobacco, Firearms and
41 Explosives.

42 (b) If the records described in paragraph (a)(A) of this subsection:

43 (A) Are kept in a record book, the licensee shall maintain a monthly backup of the re-
44 cords in a secure container designed to prevent loss by fire, theft or flood.

45 (B) Are kept electronically, the licensee shall back up the records on an external server

1 or over the Internet at the close of each business day.

2 (c) A licensee shall maintain the records described in paragraph (a)(B) of this subsection
3 in a secure location.

4 (d) A licensee shall maintain the records described in paragraph (a)(C) of this subsection
5 and, unless otherwise provided by law, make the records available at any time to a law
6 enforcement agency and to the manufacturer of the firearm or the manufacturer's designee.

7 (e) A licensee shall retain all ATF Form 4437 transaction records in the licensee's place
8 of business in a secure container designed to prevent loss by fire, theft or flood.

9 (f) Notwithstanding paragraph (a) of this subsection, a licensee operating a retail location
10 that sells more than 10 firearms per year must implement an electronic record-keeping sys-
11 tem to keep track of changing inventory that updates the make, model, caliber or gauge and
12 serial number of each firearm received or sold by the licensee. Each retail sale or purchase
13 must be recorded in the electronic system within 24 hours of the transaction. A shipment
14 of firearms from a manufacturer or wholesaler must be recorded in the electronic system
15 no later than five business days after the shipment is received or within 24 hours after the
16 firearms are entered into inventory, whichever occurs first. The licensee shall maintain the
17 electronic records described in this paragraph for at least the time period required by 27
18 C.F.R. 478.129 or any successor federal law regulating the retention of records.

19 (9) The department shall adopt rules concerning licensee requirements for suicide risk
20 education outreach, which may include but are not limited to requirements to display signs
21 at the licensee's place of business or offer pamphlets to firearm purchasers.

22 (10) The department may adopt rules necessary to carry out any provision of this section.

23 **SECTION 7. (1) A licensee shall:**

24 (a) Maintain for six years copies of all firearm trace requests received, including no-
25 tations for trace requests received by phone.

26 (b) Provide an annual report to the Attorney General concerning trace requests that in-
27 cludes at a minimum the following information:

28 (A) The total number of trace requests received;

29 (B) For each trace request, the make and model of the firearm and date of sale; and

30 (C) Whether the licensee was inspected by the Bureau of Alcohol, Tobacco, Firearms and
31 Explosives, and copies of any reports of violation notifications or letters received from the
32 bureau.

33 (2) Beginning no later than July 15, 2027, and annually thereafter, the Attorney General
34 shall publish a report in a manner available to the public outlining the information provided
35 under this section.

36 **SECTION 8. (1) A person who is a dealer and who knowingly sells firearms without a**
37 **valid state license issued under sections 2 and 3 of this 2025 Act commits a Class C felony.**

38 (2) Any firearm transferred or possessed in violation of this section is an instrumentality
39 of the crime and subject to forfeiture under ORS chapter 131A.

40 **SECTION 9. (1) Beginning no later than July 15, 2027, and annually thereafter, the De-**
41 **partment of Justice shall submit a report to the Legislative Assembly, in the manner pro-**
42 **vided in ORS 192.245, concerning firearm dealer licensing under sections 1 to 9 of this 2025**
43 **Act within the prior fiscal year. The report must include, at a minimum:**

44 (a) The number of state license applications received, including renewal applications and
45 the number of state licenses granted, renewed and denied;

1 (b) The number of state licenses revoked and the reason for each revocation;

2 (c) The number of licensee inspections conducted;

3 (d) The number of warnings issued to licensees for violating the requirements of sections
4 1 to 9 of this 2025 Act and the basis for each warning;

5 (e) The amount of fees collected and deposited into the Firearm Dealer License Fund
6 established under section 10 of this 2025 Act and the amount expended from the fund; and

7 (f) The total amount spent by the department on licensing costs and inspection costs.

8 (2) The report described in this section may include information about the race, gender
9 and geographic location of persons who applied for a state license, including whether the
10 application was granted or denied, and persons whose state licenses were revoked.

11 (3) The report described in this section shall be made available to the public no later than
12 three months after submission to the Legislative Assembly.

13 **SECTION 10.** The Firearm Dealer License Fund is created, separate and distinct from the
14 General Fund. The Firearm Dealer License Fund consists of moneys deposited into the fund
15 under sections 2 and 5 of this 2025 Act and any other moneys that the Legislative Assembly
16 may appropriate or transfer to the fund. Interest earned by the fund shall be credited to
17 and deposited in the fund. Moneys in the fund are continuously appropriated to the Depart-
18 ment of Justice for the purpose of carrying out the provisions of sections 1 to 9 of this 2025
19 Act.

20 **SECTION 11.** (1)(a) Except as provided in paragraph (b) of this subsection, a state license
21 is required for a dealer who sells, based upon the average annual firearm sales of the dealer
22 during the prior three years, more than 251 firearms per year, to sell firearms, frames, re-
23 ceivers and unfinished frames and receivers in this state on or after July 1, 2027.

24 (b) For any dealer not described in paragraph (a) of this subsection, and for a dealer who
25 holds only a Type 02 Federal Firearms License, a state license is required for the dealer to
26 sell firearms, frames, receivers and unfinished frames and receivers in this state on or after
27 July 1, 2028.

28 (2)(a) Notwithstanding subsection (1) of this section:

29 (A) A dealer described in subsection (1)(a) of this section who submits a sufficiently
30 completed application prior to July 1, 2027, may continue to engage in the business of dealing
31 in firearms until the Department of Justice has made a determination on the application.

32 (B) A dealer described in subsection (1)(b) of this section who submits a sufficiently
33 completed application prior to July 1, 2028, may continue to engage in the business of dealing
34 in firearms until the Department of Justice has made a determination on the application.

35 (b) For purposes of this subsection, an application is sufficiently completed if the appli-
36 cation includes all information necessary to make a determination that the applicant is eli-
37 gible for a state license.

38 (3)(a) The Department of Justice shall adopt the initial set of rules required by section
39 2 of this 2025 Act by no later than August 1, 2026.

40 (b) The department shall open the application process for state licensing on or before
41 January 1, 2027.

42 (c) A state license applicant required to have a license by July 1, 2027, must apply for a
43 state license by March 1, 2027, in order to be eligible to be issued a state license prior to July
44 1, 2027. A state license applicant required to have a license by July 1, 2028, must apply for a
45 state license by March 1, 2028, in order to be eligible to be issued a state license prior to July

1 1, 2028.

2 (d) Notwithstanding section 3 (3) of this 2025 Act, the department shall make a determi-
3 nation on a state license application received prior to March 1, 2027, by no later than June
4 30, 2027.

5 (4) A person who is an employee, volunteer or contractor of a dealer on the date on
6 which the dealer is required to have a state license under subsection (1) of this section and
7 who, in the course of the person's duties, handles or engages in the sale or other transfer
8 of a firearm, shall complete the training course described in section 5a (1)(a) of this 2025 Act
9 by the date on which the dealer is required to have a state license, unless granted an ex-
10 tension by the department.

11 (5) A person who is employed by, is volunteering for or is contracted to work with a
12 dealer, in a capacity in which the person handles or engages in the sale or other transfer of
13 firearms, on the date on which the dealer is required to have a state license under subsection
14 (1) of this section, who is required to obtain a criminal history record check under section
15 5a of this 2025 Act, and who submits fingerprints for the criminal history record check prior
16 to the date on which the dealer is required to have a state license, may continue with em-
17 ployment, volunteering or working pursuant to the contract until the department determines
18 whether the employee, volunteer or contractor is qualified.

19 (6) The definitions in section 1 of this 2025 Act apply to this section.

20 **SECTION 12.** (1)(a) Section 6 of this 2025 Act becomes operative on July 1, 2027.

21 (b) Section 8 of this 2025 Act becomes operative on July 1, 2027.

22 (2) The Department of Justice may adopt rules and take any other action before the op-
23 erative date specified in subsection (1)(a) of this section that is necessary to enable the de-
24 partment, on and after the operative date specified in subsection (1)(a) of this section, to
25 undertake and exercise all of the duties, functions and powers conferred on the department
26 by section 6 of this 2025 Act.

27 (3) Section 6 of this 2025 Act, and any rules adopted pursuant to section 6 of this 2025
28 Act, apply to:

29 (a) Licensees who sell, based upon the average annual firearm sales of the licensee during
30 the prior three years, more than 251 firearms per year, beginning July 1, 2027.

31 (b) Licensees not described in paragraph (a) of this subsection, and licensees who hold
32 only a Type 02 Federal Firearms License, beginning July 1, 2028.

33 (4) Section 8 of this 2025 Act applies to:

34 (a) Dealers who sell, based upon the average annual firearm sales of the dealer during
35 the prior three years, more than 251 firearms per year, beginning July 1, 2027.

36 (b) Dealers not described in paragraph (a) of this subsection, and dealers who hold only
37 a Type 02 Federal Firearms License, beginning July 1, 2028.

38 **SECTION 13.** ORS 166.433 is amended to read:

39 166.433. The people of this state find that[:]

40 [(1) *The laws of Oregon regulating the sale of firearms contain a loophole that allows people other*
41 *than gun dealers to sell firearms at gun shows without first conducting criminal background checks;*
42 *and]*

43 [(2)] it is necessary for the safety of the people of Oregon that any person who transfers a
44 firearm at a gun show be required to request a criminal background check before completing the
45 transfer of the firearm.

1 **SECTION 14.** ORS 166.436 is amended to read:

2 166.436. (1) The Department of State Police shall make the telephone number established under
3 ORS 166.412 (5) available for requests for criminal background checks under this section from per-
4 sons who *[are not gun dealers]* **have a state license as defined in section 1 of this 2025 Act** and
5 who are transferring firearms at gun shows.

6 (2) Prior to transferring a firearm at a gun show, a transferor *[who is not a gun dealer]* shall
7 by telephone verify that the transferee has a valid *[permit-to-purchase]* **permit to purchase** a
8 firearm under ORS 166.505, and request that the department conduct a criminal background check
9 on the recipient upon providing the following information to the department:

- 10 (a) The name, address and telephone number of the transferor;
- 11 (b) The make, model, caliber and manufacturer's number of the firearm being transferred;
- 12 (c) The name, date of birth, race, sex and address of the recipient;
- 13 (d) The Social Security number of the recipient if the recipient voluntarily provides that number;
- 14 (e) The address of the place where the transfer is occurring; and
- 15 (f) The type, issuer and identification number of a current piece of identification bearing a re-
16 cent photograph of the recipient presented by the recipient. The identification presented by the re-
17 cipient must meet the requirements of ORS 166.412 (4)(a).

18 (3)(a) Upon receipt of a request for a criminal background check under this section, the de-
19 partment shall immediately, during the telephone call or by return call:

20 (A) Determine from criminal records and other information available to it whether the recipient
21 is disqualified under ORS 166.470 from completing the transfer or is otherwise prohibited by state
22 or federal law from possessing a firearm; and

23 (B) Notify the transferor when a recipient is disqualified from completing the transfer or provide
24 the transferor with a unique approval number indicating that the recipient is qualified to complete
25 the transfer. The unique approval number is a permit valid for 24 hours for the requested transfer.
26 If the firearm is not transferred from the transferor to the recipient within 24 hours after receipt
27 of the unique approval number, a new request must be made by the transferor.

28 (b) If the department is unable to determine whether the recipient is qualified for or disqualified
29 from completing the transfer within 30 minutes of receiving the request, the department shall notify
30 the transferor and provide the transferor with an estimate of the time when the department will
31 provide the requested information.

32 (c) The transferor may not transfer the firearm unless the transferor receives a unique approval
33 number from the department and, within 48 hours of the completed transfer, the transferor shall
34 notify the state that the transfer to the permit holder was completed.

35 (4) A public employee or public agency incurs no criminal or civil liability for performing the
36 criminal background checks required by this section, provided the employee or agency acts in good
37 faith and without malice.

38 (5)(a) The department may retain a record of the information obtained during a request for a
39 criminal background check under this section for the period of time provided in ORS 166.412 (7),
40 *as amended by section 6, chapter 1, Oregon Laws 2023*.

41 (b) The record of the information obtained during a request for a criminal background check
42 under this section is exempt from disclosure under public records law.

43 (c) If the department determines that a recipient is prohibited from possessing a firearm under
44 ORS 166.250 (1)(c), the department shall report the attempted transfer, the recipient's name and any
45 other personally identifiable information to all federal, state and local law enforcement agencies and

1 district attorneys that have jurisdiction over the location or locations where the attempted transfer
2 was made and where the recipient resides.

3 (d) If the department determines that, based on the judgment of conviction, the recipient is
4 prohibited from possessing a firearm as a condition of probation or that the recipient is currently
5 on post-prison supervision or parole, the department shall report the attempted transfer to the
6 recipient's supervising officer and the district attorney of the county in which the conviction oc-
7 curred.

8 (e) If the department determines that the recipient is prohibited from possessing a firearm due
9 to a court order described in ORS 166.255 (1)(a), the department shall report the attempted transfer
10 to the court that issued the order.

11 (f) If the department determines that the recipient is under the jurisdiction of the Psychiatric
12 Security Review Board, the department shall report the attempted transfer to the board.

13 (g) Reports required by paragraphs (c) to (f) of this subsection shall be made within 24 hours
14 after the determination is made, unless a report would compromise an ongoing investigation, in
15 which case the report may be delayed as long as necessary to avoid compromising the investigation.

16 (h) On or before January 31 of each year, a law enforcement agency or a prosecuting attorney's
17 office that received a report pursuant to paragraph (c) of this subsection during the previous cal-
18 endar year shall inform the department of any action that was taken concerning the report and the
19 outcome of the action.

20 (i) The department shall annually publish a written report, based on any information received
21 under paragraph (h) of this subsection, detailing the following information for the previous year:

22 (A) The number of recipients whom the department determined were prohibited from possessing
23 a firearm under ORS 166.250 (1)(c), arranged by category of prohibition;

24 (B) The number of reports made pursuant to paragraph (c) of this subsection;

25 (C) The number of investigations arising from the reports made pursuant to paragraph (c) of this
26 subsection, the number of investigations concluded and the number of investigations referred for
27 prosecution, all arranged by category of prohibition; and

28 (D) The number of criminal charges arising from the reports made pursuant to paragraph (c) of
29 this subsection and the disposition of the charges, both arranged by category of prohibition.

30 (6) The recipient of the firearm must be present when the transferor requests a criminal back-
31 ground check under this section.

32 (7)(a) Except as otherwise provided in paragraph (b) of this subsection, a transferor who receives
33 notification under this section that the recipient is qualified to complete the transfer of a firearm,
34 has the recipient fill out the form required by ORS 166.438 (1)(a) and retains the form as required
35 by ORS 166.438 (2) is immune from civil liability for any use of the firearm from the time of the
36 transfer unless the transferor knows, or reasonably should know, that the recipient is likely to
37 commit an unlawful act involving the firearm.

38 (b) The immunity provided by paragraph (a) of this subsection does not apply:

39 (A) If the transferor knows, or reasonably should know, that the recipient of the firearm intends
40 to deliver the firearm to a third person who the transferor knows, or reasonably should know, may
41 not lawfully possess the firearm; or

42 (B) In any product liability civil action under ORS 30.900 to 30.920.

43 **SECTION 15.** ORS 166.438 is amended to read:

44 166.438. (1) A transferor [*who is not a gun dealer*] may not transfer a firearm at a gun show
45 unless the transferor **has a state license as defined in section 1 of this 2025 Act and:**

1 [(a)(A)] (a) Verifies with the Department of State Police that the recipient has a valid permit-
2 to-purchase issued under ORS 166.505;

3 [(B)] (b) Requests a criminal background check under ORS 166.436 prior to completing the
4 transfer;

5 [(C)] (c) Receives a unique approval number from the department indicating that the recipient
6 is qualified to complete the transfer; and

7 [(D)] (d) Has the recipient complete the form described in ORS 166.441[; or]

8 [(b) Completes the transfer through a gun dealer].

9 (2) The transferor shall retain the completed form referred to in subsection (1) of this section
10 for at least five years and shall make the completed form available to law enforcement agencies for
11 the purpose of criminal investigations.

12 (3) A person who organizes a gun show shall post in a prominent place at the gun show a notice
13 explaining the requirements of subsections (1) and (2) of this section. The person shall provide the
14 form required by subsection (1) of this section to any person transferring a firearm at the gun show.

15 [(4) Subsection (1) of this section does not apply if the transferee is licensed as a dealer under 18
16 U.S.C. 923.]

17 [(5)(a)] (4)(a) Failure to comply with the requirements of subsection (1), (2) or (3) of this section
18 is a Class A misdemeanor.

19 (b) Notwithstanding paragraph (a) of this subsection, failure to comply with the requirements
20 of subsection (1), (2) or (3) of this section is a Class C felony if the person has two or more previous
21 convictions under this section at the time of the offense.

22 [(6)] (5) It is an affirmative defense to a charge of violating subsection (1) or (3) of this section
23 that the person did not know, or reasonably could not know, that more than 25 firearms were at the
24 site and available for transfer.

25 **SECTION 16.** ORS 166.441 is amended to read:

26 166.441. (1) The Department of State Police shall develop a form to be completed by a person
27 seeking to obtain a firearm at a gun show from a transferor [other than a gun dealer]. The depart-
28 ment shall consider including in the form all of the requirements for disclosure of information that
29 are required by federal law for over-the-counter firearms transactions.

30 (2) The department shall make the form available to the public at no cost.

31 **SECTION 17.** The amendments to ORS 166.433, 166.436, 166.438 and 166.441 by sections 13
32 to 16 of this 2025 Act become operative on July 1, 2027.

33 **SECTION 18.** In addition to and not in lieu of any other appropriation, there is appro-
34 priated to the Department of Justice, for the biennium beginning July 1, 2025, out of the
35 General Fund, the amount of \$3,694,355, for deposit into the Firearm Dealer License Fund
36 established by section 10 of this 2025 Act, for administration of sections 1 to 9 of this 2025
37 Act.

38 **SECTION 19.** Notwithstanding any other law limiting expenditures, the limitation on
39 expenditures established by section 2 (1), chapter ___, Oregon Laws 2025 (Enrolled House Bill
40 5014), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses
41 from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery
42 funds and federal funds, collected or received by the Department of Justice, for the Office
43 of the Attorney General and Administration, is increased by \$1,948,124, for the Firearm
44 Dealer License program.

45 **SECTION 20.** Notwithstanding any other law limiting expenditures, the limitation on

1 **expenditures established by section 2 (3), chapter __, Oregon Laws 2025 (Enrolled House Bill**
2 **5014), for the biennium beginning July 1, 2025, as the maximum limit for payment of expenses**
3 **from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery**
4 **funds and federal funds, collected or received by the Department of Justice, for the Civil**
5 **Enforcement Division, is increased by \$1,746,231, for the Firearm Dealer License program.**

6 **SECTION 21. This 2025 Act takes effect on the 91st day after the date on which the 2025**
7 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

8
