



SPONSOR: Sen. Sokola

DELAWARE STATE SENATE
153rd GENERAL ASSEMBLY

SENATE BILL

AN ACT TO AMEND TITLE 11, TITLE 16, TITLE 24, AND TITLE 29 OF THE DELAWARE CODE RELATING TO DEADLY WEAPONS DEALERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Three-fifths of all members elected to each house thereof concurring therein):

1 Section 1. Amend Title 24 of the Delaware Code by making deletions as shown by strike through and insertions as
2 shown by underline as follows:

3 Chapter 9B. Firearm Dealers.

4 Subchapter I. General Provisions.

5 § 901B. Definitions.

6 For the purposes of this chapter:

7 (1) “Ammunition” means as defined in 18 U.S.C. § 921.

8 (2) “Background check” means a fingerprint-based State and national criminal history record check completed
9 by the SBI and the Federal Bureau of Investigation (FBI).

10 (3) “Business location” means the building in which a licensee sells or transfers firearms.

11 (4) “Bureau” means the federal Bureau of Alcohol, Tobacco, Firearms and Explosives.

12 (5) “Conviction” means a verdict of guilty or an adjudication of delinquency by the trier of fact, whether
13 judge or jury, or a plea of guilty or a plea of nolo contendere accepted by the court. “Conviction” includes a dismissal
14 entered after a period of probation, suspension, or deferral of sentence, and also includes equivalent dispositions by
15 courts in jurisdictions other than this State.

16 (6) “Deadly weapon” means as defined in § 222 of Title 11.

17 (7) “Division” means the Division of Professional Regulation except when used in the name, “Division of
18 Legislative Services”.

19 (8) “DOJ” means the Delaware Department of Justice.

20 (9) “DSP” means the Delaware State Police.

21 (10) “Federal firearms license” or “FFL” means a license under 18 U.S.C. § 923.

22 (11) “Felony” means a felony offense under the laws of this State or any other jurisdiction.

23 (12) “Firearm” means as defined in 18 U.S.C. § 921, except that “firearm” does not include any of the
24 following:

25 a. Flare gun or other pyrotechnic visual distress signaling device.

26 b. A powder-actuated tool or other device designed solely to be used for construction purposes.

27 (13) “Firearm dealer” means a person that engages in the wholesale or retail sale or transfer of firearms,
28 including a pawnbroker, and that has, or is required to have, a federal firearms license. A “firearm dealer” does not
29 include a person that has sold or transferred 10 or fewer firearms within any 12-month period that the person has
30 engaged in selling or transferring firearms.

31 (14) “Fund” means the Firearm Licensing Fund under § 959B of this title.

32 (15) “Licensee” means the holder of a state license.

33 (16) “License fee” means the initial license fee for a state license or a renewal license fee for a state license.

34 (17) “Pawnbroker” means as defined under 18 U.S.C. § 921.

35 (18) “Person” means a partnership, corporation, company, association, firm, society, joint-stock company, or
36 other legal entity, including each responsible person associated with that entity, or an individual.

37 (19) “Responsible person” means an individual who possesses, directly or indirectly, the power to direct or
38 cause the direction of the management and policies of a partnership, corporation, company, association, firm, society,
39 joint-stock company, or other legal entity, as that management and policy pertains to firearms.

40 (20) “SBI” means the State Bureau of Identification.

41 (21) “Sell” or “sale” means the actual approval of the delivery of a firearm in consideration of payment or a
42 promise of payment or the intention to deliver a firearm in consideration of payment or a promise of payment.

43 (22) “State license” means a license issued by the Division that allows a firearm dealer to sell or transfer a
44 firearm.

45 (23) “Trace request” means a request by the Bureau for information contained in the records required to be
46 kept under Chapter 44 of Title 18 of the United States Code and the implementing federal regulations for determining
47 the disposition of a firearm in the course of a bona fide criminal investigation.

48 (24) “Transfer” means the delivery or the intended delivery of a firearm to another person without
49 consideration of payment or promise of payment, including gifts and loans.

50 (25) “Unlicensed person” means a person that is not a licensee or a federal firearms license holder.

51 § 902B. Applicability.

52 (a) A person that does not meet the definition of “firearm dealer” is required to obtain a special license to sell
53 deadly weapons if that person would be required to obtain that license under Chapter 9 of this title.

54 (b) A person that previously did not meet the definition of “firearm dealer” because that person sold or transferred
55 10 or fewer firearms but subsequently sells or transfers more than 10 firearms within a 12-month period, must comply with
56 § 903B and § 904B of this title within 12 months of exceeding the threshold.

57 (c) Except as otherwise indicated, a firearm dealer shall comply with the provisions of Chapter 9 of this title with
58 which a person licensed under Chapter 9 of this title must comply.

59 Subchapter II. Licensure.

60 § 903B. License; general.

61 (a) Notwithstanding § 901 of this title, instead of a special license to sell deadly weapons, a firearm dealer must
62 obtain a state license and comply with the provisions in this chapter to sell or transfer a firearm in this State.

63 (b) The Division shall develop a standardized application for a firearm dealer to use to apply for a state license.

64 (c) The Division shall develop a standard state license certificate that shows a firearm dealer has obtained a state
65 license.

66 § 904B. Requirements for a state license.

67 (a) To obtain a state license, an applicant must submit to the Division all of the following:

68 (1) A completed application.

69 (2) The applicable license fee under § 906B of this title.

70 (3) The identity of all responsible persons.

71 (4) A copy of the firearm dealer’s, if an individual, valid driver’s license or state identification card.

72 (5) A copy of all responsible persons’ valid driver’s licenses or state identification cards.

73 (6) The business location or expected business location, and, when possible, proof of a lease or deed for the
74 business location.

75 (7) Any required documents for opening a business in the county or municipality in which the business is
76 located.

77 (8) Proof of the liability insurance required under § 919B of this title.

78 (9) Proof of a valid federal firearms license.

79 (10) Any other information required by the Division.

80 (b) An applicant for a state license shall, at the applicant’s expense, complete a background check. The results of
81 the background check must be provided to the Division.

82 (c) All responsible persons for the firearm dealer shall, at the responsible persons' expense, complete a
83 background check. The results of the background checks must be provided to the Division.

84 (d) The SBI must be the intermediary for the purpose of this section and the Division must be the screening point
85 for the receipt of the background checks.

86 (e) The Division shall grant a state license completed in accordance with subsections (a) through (c) of this section
87 unless the applicant or any responsible person is ineligible under § 905B of this title.

88 (f)(1) Except as provided in paragraphs (f)(2) or (f)(3) of this section, the Division shall determine whether to
89 grant an applicant's initial application for a state license within 30 calendar days after the filing of the application.

90 (2) Unless the applicant, if an individual, or a responsible person has a valid Delaware driver's license or a
91 valid Delaware state identification card, the Division has up to 60 calendar days to determine whether to grant an
92 applicant's initial application for a state license.

93 (3) If the results of a background check are delayed or in the event of an electronic failure or similar
94 emergency beyond the control of the Division, the Division shall immediately notify the applicant of the reason for,
95 and estimated length of, the delay. After a notification under this paragraph (f)(3), the Division shall make its
96 determination on resolution of the delay, failure, or emergency.

97 § 905B. Ineligibility for a state license.

98 (a) A person is ineligible to obtain a state license if any of the following apply:

99 (1) The federal government, a state, or a subdivision of a state, has revoked, suspended, or denied the person's
100 permit or license to sell, lease, transfer, purchase, or possess a firearm or ammunition unless either of the following:

101 a. The revocation, suspension, or denial was due to an incomplete or incorrect application.

102 b. It has been 5 or more years since the revocation, suspension, or denial.

103 (2) The person is a person prohibited from purchasing, owning, possessing, or controlling a deadly weapon or
104 ammunition for a firearm under § 1448 of Title 11.

105 (3) The person is ineligible for a license to carry a concealed deadly weapon under § 1441 of Title 11.

106 (4) The person does not hold a valid FFL.

107 (5) The person knowingly makes a false statement on that person's application for that person's state license
108 or application to renew that person's state license.

109 (b) A person is ineligible to serve as a responsible person if any of the following apply:

110 (1) The federal government, a state, or a subdivision of a state, has revoked, suspended, or denied the person's
111 permit or license to sell, lease, transfer, purchase, or possess a firearm or ammunition unless either of the following:

- 112 a. The revocation, suspension, or denial was due to an incomplete or incorrect application.
- 113 b. It has been 5 or more years since the revocation, suspension, or denial.
- 114 (2) The person is a person prohibited from purchasing, owning, possessing, or controlling a deadly weapon or
115 ammunition for a firearm under § 1448 of Title 11.
- 116 (3) The person is ineligible for a license to carry a concealed deadly weapon under § 1441 of Title 11.
- 117 (4) The person is not a responsible person on the FFL.
- 118 (5) The person knowingly makes a false statement on the application for a state license or application to renew
119 a state license.
- 120 (c) Notwithstanding paragraphs (a)(2) or (b)(2) of this section, a person subject to temporary prohibition order
121 under § 1448(a)(11) of Title 11 may, while the order is in effect, obtain or retain a state license if the person does all of the
122 following:
- 123 (1) Designates a responsible person who is not ineligible to serve under subsection (b) of this section to
124 operate the business operating under the state license while the order is in effect.
- 125 (2) On designation of a responsible person, ceases serving as a responsible person while the order is in effect.
- 126 (3) Complies with all requirements in the order.
- 127 (4) Maintains records of compliance with 27 C.F.R. § 555.57.
- 128 § 906B. Fees; licensure.
- 129 (a) Notwithstanding § 902(a) of this title, the Division shall establish the license fee amounts owed by a firearm
130 dealer or licensee based on all of the following criteria:
- 131 (1) a. The license fee must be based on a firearm dealer's or licensee's average annual firearms sales and
132 transfers during the previous 3 years from the application date.
- 133 b. If the firearm dealer or licensee has been in business for less than 3 years, the per year sales and
134 transfers are calculated by taking the average of the firearm sales and transfers made during the time that the
135 firearm dealer or licensee has been in business.
- 136 c. The Division may set the initial license fee as the lesser of a flat fee or the fee that best aligns with a
137 good faith estimate by the Division of the projected average annual sales or transfers if a person does not meet the
138 definition of a firearm dealer because they have sold or transferred less than 11 firearms within a 12-month period.
- 139 (2) The license fee owed must be established for the following ranges of firearms sold and transferred:
- 140 a. If the firearm dealer or licensee sold and transferred 11 to 25 firearms per year.
- 141 b. If the firearm dealer or licensee sold and transferred 26 to 50 firearms per year.

- 142 c. If the firearm dealer or licensee sold and transferred 51 to 250 firearms per year.
- 143 d. If the firearm dealer or licensee sold and transferred 251 to 750 firearms per year.
- 144 e. If the firearm dealer or licensee sold and transferred 751 to 1,000 firearms per year.
- 145 f. If the firearm dealer or licensee sold and transferred more than 1,000 firearms per year.

146 (3) The license fees in paragraphs (a)(2)a. through f. of this section must be directly proportional to the
147 average annual sales and transfers.

148 (4) The license fees established must reflect the projected cost of administering this chapter.

149 (b) (1) The Division shall annually review the cost of the license fees.

150 (2) The Division may adjust the license fees based on the costs of administering this chapter.

151 (3) The Division may not adjust the fees more than once per year.

152 (4) The Division may not adjust the fees by more than 10% per year and may not lower license fees below the
153 amount projected necessary to administer this chapter or raise license fees above the amount projected necessary to
154 administer this chapter.

155 § 907B. State license renewal.

156 (a) The Division shall develop a standardized state license renewal application that requires an applicant to do both
157 of the following:

158 (1) Certify, in writing and under the penalty of perjury, that that the licensee and any responsible person is not
159 ineligible under § 905B of this title and is in compliance with all other requirements under this chapter and Chapter 9
160 of this title.

161 (2) Pay the applicable license renewal fee under § 906B of this title.

162 (b) Notwithstanding § 902(a) of this title, a licensee shall annually submit to the Division the application
163 developed under subsection (a) of this section to renew that licensee's state license.

164 (c) Except as provided in § 908B of this title, all responsible persons and the licensee, if the licensee is an
165 individual, shall, at the responsible persons' and licensee's expense, complete a background check. The results of the
166 background check must be provided to the Division.

167 (d) The SBI must be the intermediary for the purpose of this section and the Division must be the screening point
168 for the receipt of the background checks.

169 (e) The Division shall notify the licensee at least 90 calendar days before the expiration date of that licensee's state
170 license.

171 (f)(1) A licensee that submits a timely and sufficient renewal application may continue to sell or transfer a firearm
172 while the Division considers that licensee’s renewal application.

173 (2) The Division may do 1 or more of the following to a licensee that does not submit a timely and sufficient
174 renewal application:

175 a. Require the licensee to pay a late application fee.

176 b. Prohibit the licensee from selling or transferring a firearm until a renewal decision is made.

177 (3) For purposes of this subsection, a renewal application is “sufficient” if it includes on its face the
178 information necessary to show that the licensee is eligible for renewal.

179 (g) The Division shall decide whether to grant the renewal application no later than 60 calendar days after the date
180 that the application is received.

181 (h) The Division shall provide an updated state license certificate under § 903B(c) of this title for a licensee whose
182 renewal application is approved.

183 § 908B. Background check through the Rap Back System.

184 If the “Rap Back System” as defined by § 8502 of Title 11 is available to SBI, then all of the following:

185 (1) The SBI shall provide to the Division all subsequent criminal history record information available through
186 the Rap Back System for a licensee or responsible person that had a background check performed under § 904B(b) or
187 (c) of this title and was subject to a background check under § 907B(c) of this title.

188 (2) The annual background checks under § 907B(c) of this title will be replaced by use of the Rap Back
189 System.

190 (3) The SBI shall inform the Division when a Rap Back System is available.

191 (4) The Division shall inform licensees that the annual background checks are no longer required and that the
192 Rap Back System will be used instead of the background checks under § 907B(c) of this title.

193 Subchapter III. Business requirements.

194 § 915B. Location.

195 (a) Except as provided in subsection (d) of this section, a licensee may only sell or transfer a firearm in this State at
196 the licensee’s business location.

197 (b) A licensee shall post at the business location the licensee’s business hours.

198 (c) Except as provided in subsection (d) of this section, a licensee may only sell or transfer a firearm in this State
199 during the licensee’s posted business hours.

200 (d) (1) A licensee may conduct business temporarily at a location in this State other than the licensee's business
201 location and at times differing from posted business hours if the licensee is conducting business at a gun show sponsored by
202 a national, state, or local organization, or an affiliate of any of those organizations, engaged in the collection, competitive
203 use, or other sporting use of firearms in the community.

204 (2) Paragraph (d)(1) of this section does not authorize a licensee to conduct business in or from a motor
205 vehicle.

206 (e) Advertising that firearms are for sale does not constitute selling or transferring a firearm.

207 § 916B. Security.

208 (a) A licensee's business location and any place that, for business purposes, the licensee stores or displays firearms
209 or ammunition must be equipped with a functioning security alarm system that complies with regulations promulgated
210 under subsection (c) of this section.

211 (b)(1) Subject to paragraphs (b)(2) and (b)(3) of this section, a licensee's business location must be equipped with
212 a functioning digital surveillance system that complies with regulations adopted under subsection (c) of this section and
213 operates in a manner that deters theft and enables the system to record all of the following:

214 a. The individuals involved in a firearms transaction.

215 b. All areas where firearms are handled, displayed, sold, or transferred.

216 c. Any entrance, access, or exit to all firearm storage areas.

217 d. Any entrance, access, or exit to the business location.

218 (2) Except as otherwise required under subsection (c) of this section, a licensee that sells or transfers on
219 average 50 or fewer firearms per year, as calculated under § 906B of this title, is only required to ensure that the digital
220 surveillance system records any time an individual enters or exits the business location.

221 (3) Except as otherwise required under subsection (c) of this section, a licensee whose business location is
222 also a residential dwelling is only required to ensure that the digital surveillance system records any time the licensee
223 sells or transfers a firearm.

224 (4) A licensee shall maintain all recordings for at least 3 years.

225 (c) The Division shall adopt security regulations to establish requirements for the secure storage and display of
226 firearms and ammunition to prevent unauthorized access. The Division's regulations must include all of the following:

227 (1) Provisions about the location and manner that firearms and ammunition must be stored and displayed in
228 both a temporary and a permanent business location.

229 (2) Specifications for any required secure rooms, safes, locking devices, and physical barriers.

230 (3) Building security requirements for any building in which firearms or ammunition are stored, displayed,
231 sold, or transferred.

232 (4) Security alarm system specifications.

233 (5) Digital surveillance system specifications, and related specifications including all of the following:

234 a. Lighting requirements in surveilled areas.

235 b. Type of video and audio recordings required.

236 c. Any areas in addition to those identified in paragraph (b)(1) of this section that must be surveilled.

237 d. Notification of surveillance to the public.

238 (6) Security requirements specific to licensees with business locations that are also a residential dwelling.

239 (d) The Division shall consider industry standards and best practices when adopting regulations under subsection
240 (c) of this section.

241 (e) A licensee shall comply with all applicable security regulations adopted under subsection (c) of this section.

242 (f) It is not a violation of this section if the systems, features, devices, or media required by this section become
243 temporarily inoperable through no fault of the licensee.

244 § 917B. Access to a surveillance system and disclosure of security footage.

245 A licensee may not allow access to the surveillance system or disclose surveillance recordings obtained under §
246 916B of this title to any person except as follows:

247 (1) A licensee shall allow access to the surveillance system and disclose surveillance recordings as follows:

248 a. As required by a search warrant.

249 b. In response to a court order.

250 c. As part of a DSP inspection of the licensee's business location.

251 (2) A licensee may allow access to the surveillance system and disclose surveillance recordings as follows:

252 a. In response to an insurance claim.

253 b. As needed to assist with an active law-enforcement investigation.

254 c. As needed for business or repair purposes.

255 § 918B. License display requirements.

256 A licensee shall display the licensee's state license certificate or a copy of the certificate as follows:

257 (1) At the licensee's business location in the area where firearms are sold or transferred.

258 (2) In the area where firearms are sold or transferred when engaging in business at a temporary location under
259 § 915B(d)(1) of this title.

260 (3) In a manner that allows the certificate or copy to be easily read.

261 § 919B. Liability insurance required.

262 A licensee shall carry a minimum of \$1,000,000 of general liability insurance coverage, listing the licensed
263 business as the certificate holder.

264 § 920B. Annual report to the Attorney General.

265 (a) A licensee shall annually, by June 30 of each year, report to the Attorney General all of the following:

266 (1) The total number of trace requests received.

267 (2) For each trace, the make, model, and caliber or gauge of the firearm, and the date of sale or transfer.

268 (3) Whether the licensee was inspected by the Bureau, and if so, copies of any report or letters received from
269 the Bureau about the results of that inspection.

270 (b) The DOJ shall prepare a report of the information in subsection (a) of this section, including copies of the
271 Bureau inspection reports and letters received, and submit it annually, no later than August 1 of each year, to all of the
272 following:

273 (1) The Secretary of the Senate, for distribution to all Senators.

274 (2) The Chief Clerk of the House of Representatives, for distribution to all Representatives.

275 (3) The Director and the Librarian of the Division of Legislative Services.

276 (c)(1) Subject to paragraph (c)(2) of this section, the DOJ shall publish the report on the DOJ's website no more
277 than 90 calendar days after submission to the General Assembly under subsection (b) of this section.

278 (2) The DOJ may summarize the information contained within Bureau inspection letters or reports or the DOJ
279 may post copies of the Bureau inspection letters or reports.

280 § 921B. Other licensee duties.

281 (a) A licensee shall promptly notify the Bureau and DSP about any loss, theft, or unlawful transfer of any firearm
282 or ammunition, including if caused by the licensee's employee, contractor, or volunteer, as soon as practicable and no later
283 than 24 hours after the licensee knows or should have known about the loss, theft, or unlawful transfer.

284 (b) A licensee shall promptly respond to a request from a law-enforcement agency, including requests for
285 documents and records, no later than 24 hours after receiving the request.

286 (c) A licensee shall report to the Division changes in any of the following within 14 calendar days of the change:

287 (1) Business location.

288 (2) Responsible persons.

289 (d)(1) A licensee shall establish and maintain a book or electronic database of firearms acquisitions and
290 dispositions that includes all of the following records about each firearm:

291 a. The make, model, caliber or gauge, and serial number of the firearm.

292 b. Date of acquisition and date of sale or transfer.

293 c. Identity of the purchaser or transferee.

294 d. Purchase permit information.

295 e. Any additional information under § 904(a) of this title.

296 (2) The licensee shall account for all firearms acquired but not yet disposed of through an inventory check
297 prepared once per month.

298 (3) A licensee shall have the book or database accessible in the licensee's business location.

299 (4) A licensee shall submit the records within the book or database to the Division, biannually, by every April
300 30 and October 30. The licensee shall submit only the records that they did not previously submit to the Division under
301 this paragraph (d)(4).

302 (5) The licensee shall make the licensee's records available to a law-enforcement agency and to the
303 manufacturer of the firearm on request.

304 (6) The Division shall adopt regulations regarding how long the records under this subsection must be retained
305 and any required record formatting.

306 (e) A licensee shall maintain records of criminal firearm traces initiated by the Bureau, including all federal Form
307 4473 transaction records, for at least 6 years.

308 (f) The information under § 904(b) of this title except that the record must list and include the required information
309 about all employees, contractors, and volunteers who perform the functions under § 931B(b)(1) of this title.

310 (g) A licensee shall back up all required records and maintain those records in either of the following ways:

311 (1) If using a paper-based system, backup monthly, and store in a secure container designed to prevent loss by
312 fire, theft, or flood.

313 (2) If using an electronic record system, back up at the close of each business day, to an external server or
314 over the internet.

315 Subchapter IV. Training.

316 § 930B. Training course requirements.

317 (a) The DSP shall develop a training course or approve a training course for licensees, responsible persons, and the
318 licensees' employees, contractors, and volunteers.

- 319 (b) The training under subsection (a) of this section must:
- 320 (1) Be available online.
- 321 (2) Include instruction on all of the following topics:
- 322 a. State and federal laws governing the sale and transfer of firearms and ammunition.
- 323 b. Recognizing and identifying straw purchasers, firearms trafficking, and fraudulent activity.
- 324 c. Indicators that a person is attempting to purchase a firearm illegally.
- 325 d. Recognizing and identifying indicators that an individual intends to use a firearm for unlawful
- 326 purposes.
- 327 e. Recognizing and identifying indicators that an individual intends to use a firearm for self harm.
- 328 f. Preventing theft or burglary of firearms and ammunition.
- 329 g. Responding to the circumstances in paragraphs (b)(2)b. through (b)(2)f. of this section, and any
- 330 applicable reporting requirements.
- 331 h. Effectively teaching consumers rules about firearm safety, including the safe handling and storage of
- 332 firearms.
- 333 i. Any other reasonable business practices DSP determines will deter firearm trafficking or the unlawful
- 334 use of firearms.
- 335 (3) Include an examination component with at least 20 exam questions derived from the course material and
- 336 intended to confirm that the participant understands the information covered.
- 337 (4) Structure the examination in such a way that a biennial participant is meaningfully tested.
- 338 (c) A participant must correctly answer at least 70% of the exam questions to successfully complete the training
- 339 course.
- 340 (d) Participants who successfully complete the training course must be provided with a certificate of completion.
- 341 (e) The certificate of completion must clearly show the date that the training course was completed.
- 342 § 931B. Training.
- 343 (a) A licensee, if the licensee is an individual, and all responsible persons shall successfully complete a training
- 344 course under § 930B of this title biennially.
- 345 (b)(1) An employee, contractor, or volunteer working for a licensee shall, biennially, successfully complete the
- 346 training course under § 930B of this title if that employee, contractor, or volunteer performs any of the following functions
- 347 in the course of the employee's, contractor's, or volunteer's work for the licensee:
- 348 a. Handles firearms or ammunition.

349 b. Processes the sale or transfer of firearms or ammunition.

350 (2) Unless an employee, contractor, or volunteer has already successfully completed the biennial training
351 requirement under § 931B of this title, the employee, contractor, or volunteer shall successfully complete the training
352 within 30 calendar days after that employee's, contractor's, or volunteer's first day of work for the licensee or within
353 30 calendar days after the employee's, contractor's, or volunteer's work duties change to entail the functions in
354 paragraphs (b)(1)a. through (b)(1)b. of this section.

355 § 932B. Certificate of training.

356 (a) A licensee shall maintain certificates of completion for each individual required under § 931B of this title to
357 have successfully completed the training under § 930B of this title.

358 (b) A licensee shall make the certificates of completion available to the DSP during an on-site inspection of the
359 licensee's business location.

360 Subchapter V. Employee, contractor, and volunteer requirements.

361 § 938B. Background checks required.

362 (a) A licensee shall require an employee, volunteer, or contractor who will perform the functions under §
363 931B(b)(1) of this title or will have access to the locations where firearms are stored or displayed to undergo a background
364 check before the employee, contractor, or volunteer may perform the functions under § 931B(b)(1) of this title or have
365 access to the locations where firearms are stored or displayed.

366 (b) A licensee shall require the employee, volunteer, or contractor to undergo a background check annually.

367 (c) A licensee shall require a new employee, volunteer, or contractor who will perform the functions under §
368 931B(b)(1) of this title or will have access to the locations where firearms are stored or displayed to undergo a background
369 check regardless of when that employee, volunteer, or contractor last had a background check completed.

370 (d) For purposes of this section, the SBI must be the intermediary, and the Division must be the screening point for
371 the receipt of a background check.

372 (e) If the "Rap Back System" as defined by § 8502 of Title 11 is available to SBI, then all of the following:

373 (1) The SBI shall provide to the Division all subsequent criminal history record information available through
374 the Rap Back System for a current employee, contractor, or employee subject to a background check under this section.

375 (2) The annual background checks under subsection (b) of this section will be replaced by use of the Rap
376 Back System.

377 (3) The SBI shall inform the Division when a Rap Back System is available.

378 (4) The Division shall inform licensees that the annual background checks are no longer required and that the
379 Rap Back System will be used instead of the background checks under this section.

380 (f) The Division, based on the results of the background check or Rap Back System notifications, shall inform the
381 licensee about whether the employee, contractor, or volunteer is eligible under § 939B of this title.

382 (g) The background check requirements under this section are in place of the background check requirements
383 under § 904(b) of this title.

384 § 939B. Other employee, contractor, or volunteer requirements.

385 A licensee shall require an employee, contractor, or volunteer who performs the functions under § 931B(b)(1) of
386 this title or has access to the locations where firearms are stored or displayed to satisfy all of the following:

387 (1) Be at least 21 years old.

388 (2) Be eligible to possess a firearm under the laws of this State and federal law.

389 Subchapter VI. Penalties.

390 § 945B. Penalties.

391 (a) The Division shall revoke a state license if the licensee:

392 (1) Subject to subsection (e) of this section, no longer holds a valid FFL.

393 (2) Subject to subsection (e) of this section, knowingly employs, contracts with, or allows as a volunteer a
394 person in violation of § 931B, § 938B, or § 939B of this title.

395 (3) Is or becomes prohibited from possessing or purchasing firearms under any state or federal law.

396 (4) Is convicted of any of the following:

397 a. A felony.

398 b. Trafficking in firearms under 18 U.S.C. § 933 or aiding and abetting the trafficking of firearms under
399 18 U.S.C. § 2.

400 (b) The Division shall revoke a licensee's state license if a licensee knows or should have known that a responsible
401 person is in violation of subsection (a) of this section, and the licensee allows that responsible person to continue serving as
402 a responsible person while that responsible person would otherwise be ineligible to do so.

403 (c) Except as provided in subsections (a) and (b) of this section, if the Division finds that a licensee failed to
404 comply with any other provisions of this chapter or any other State law, the Division may do the following:

405 (1) For a first occurrence, issue a warning to the licensee that includes a description of the violation and the
406 penalty for subsequent violations.

407 (2) For a subsequent occurrence, do any of the following:

408 a. Issue a warning under paragraph (c)(1) of this section.

409 b. Impose a civil penalty.

410 c. Revoke the licensee’s state license.

411 (d) Before the Division may impose a civil penalty or revoke a license under this section, the licensee must be

412 given notice and the opportunity to be heard in accordance with the Administrative Procedures Act, Chapter 101 of Title

413 29.

414 (e)(1) A firearms dealer whose state license is revoked solely because that person no longer holds a valid federal

415 firearm license may apply for a new state license any time after that person obtains a valid FFL.

416 (2) A firearms dealer whose state license is revoked for knowingly employing, contracting with, or allowing

417 as a volunteer a person in violation of § 931B, § 938B, or § 939B of this title may apply for a new state license no

418 sooner than 5 years after the revocation date.

419 (f) A person required to obtain a license under § 903B of this title who sells or transfers a firearm without a license

420 is guilty of a class C felony.

421 (g) A civil penalty under paragraph (c)(2)b. of this section may be from \$1,000 through \$3,000, including costs.

422 Subchapter VII. State duties and authorities.

423 § 950B. Division duties.

424 (a) The Division may adopt rules and regulations to implement this chapter. The Division may not alter the

425 eligibility criteria for obtaining a license but may require the collection of additional information needed to verify an

426 applicant’s eligibility.

427 (b) The Division shall report any violation of this chapter by a licensee to the Bureau.

428 (c) The Division shall coordinate and share with the DSP the information needed to allow DSP to fulfil DSP’s

429 responsibilities under §§ 951B and 952B of this title.

430 (d)(1) The Division shall annually collect and report all of the following about the preceding fiscal year:

431 a. The number of license applications received, granted, and denied.

432 b. The number of on-site inspections conducted by the DSP and the number of licensees inspected.

433 c. The number of warnings issued to licensees and the basis for the issued warnings.

434 d. The number of civil penalties issued against licensees and the basis for the issued civil penalties.

435 e. The number of licenses revoked and the basis for revocation.

436 f. The total amount of license fees and civil penalties collected and deposited into the Fund under § 959B

437 of this title.

438 g. The total amount spent on licensing costs and inspections under this chapter.

439 h. The number of stolen firearms reported by licensees.

440 i. The number of lost firearms reported by licensees.

441 j. The amount of stolen ammunition reported by licensees.

442 k. The amount of lost ammunition reported by licensees.

443 (2) The report may include any of the following demographic information about individuals under paragraphs

444 (d)(1)a. through (d)(1)e. of this section:

445 a. Race and ethnicity.

446 b. Sex.

447 c. Geographic location.

448 (3) The Division shall submit the report annually, no later than December 1 of each year, to all of the

449 following:

450 a. The Secretary of the Senate, for distribution to all Senators.

451 b. The Chief Clerk of the House of Representatives, for distribution to all Representatives.

452 c. The Director and the Librarian of the Division of Legislative Services.

453 d. The Controller General of the Office of the Controller General.

454 (4) The Division shall publish the report on the Division's website no more than 90 calendar days after

455 submission to the General Assembly under paragraph (d)(3) of this section.

456 § 951B. Delaware State Police duties and authority.

457 (a) DSP may investigate a person's breach of this chapter.

458 (b) DSP shall coordinate and share with the Division the information needed to allow Division to fulfil the

459 Division's responsibilities under § 950B of this title.

460 § 952B. On-site inspection.

461 (a) The DSP shall conduct an on-site inspection of each licensee's business location at least once every 2 years to

462 ensure compliance with this chapter and Chapter 9 of this title.

463 (b) In addition to the inspections under subsection (a) of this section, DSP may conduct reasonable periodic

464 inspections of a licensee's place of business during the licensee's regular posted business hours to ensure compliance with

465 this chapter and Chapter 9 of this title.

466 (c) The DSP may inspect licensee records to ensure compliance with this chapter and Chapter 9 of this title.

467 Subchapter VIII. Firearm Licensing Fund.

468 § 959B. Firearm Licensing Fund.

469 (a) The Firearm Licensing Fund is created in the State Treasury.

470 (b) Any money, including civil penalties and late fees, collected under this chapter must be deposited into the
471 Fund.

472 (c) Proceeds in the Fund must be used only for the provision of implementing Chapter 9 of this title and this
473 chapter.

474 (d) The Division and DSP may use the proceeds in the Fund to cover implementation costs.

475 (e) Any unspent funds remaining at the end of the fiscal year do not revert to the General Fund and will carry over.

476 Section 2. Amend § 901, Title 24 of the Delaware Code by making deletions as shown by strike through and
477 insertions as shown by underline as follows:

478 § 901. License requirement.

479 No person shall engage in the business of selling any pistol or revolver, or stiletto, steel or brass knuckles, or other
480 deadly weapon made especially for the defense of one's person without first having obtained a license therefor, which
481 license shall be known as "special license to sell deadly weapons." weapons" or a state license under Chapter 9B of this
482 title. No person licensed or unlicensed shall possess, sell or offer for sale any switchblade knife.

483 This section shall not apply to toy pistols, pocket knives or knives used for sporting purposes and in the domestic
484 household, or surgical instruments or tools of any kind.

485 Section 3. Amend § 903A, Title 24 of the Delaware Code by making deletions as shown by strike through and
486 insertions as shown by underline as follows:

487 § 903A. Sale to individuals on the Voluntary Firearms Do-Not-Sell Registry [For application of this section, see
488 84 Del. Laws, c. 372, § 3].

489 (a) For purposes of this section:

490 (1) "Dealer" or "licensee" means as defined in § 904A of this chapter.

491 (c) An unlicensed person may not knowingly sell or transfer any firearm to an individual who is enrolled on the
492 Registry. On behalf of the unlicensed person, a dealer holding a license under this chapter or Chapter 9B of this title must
493 check the Registry when facilitating a sale or transfer of a firearm under § 904A of this chapter.

494 Section 4. Amend § 904, Title 24 of the Delaware Code by making deletions as shown by strike through and
495 insertions as shown by underline as follows:

496 § 904. Records.

497 (a) Any person desiring to engage in the business described in this chapter shall keep and maintain in the place of
498 business at all times a record in accordance with this section and all applicable federal laws and ~~regulations (including,~~
499 ~~without limitation, 18 U.S.C. § 921 et seq. and 27 C.F.R. 478.121 et seq.).~~ regulations. In such the record the
500 businessperson shall enter the date of the sale, the name and address of the person purchasing any deadly weapon, the
501 number and kind of deadly weapon so purchased, the age of the purchaser, the mode of identification bearing a picture
502 (except as provided in § 1448B(f) of Title 11) which ~~shall include but it is not limited to~~ includes a driver's license, and
503 any other information as ~~shall be~~ required by federal law and regulation. The record shall at all times be open for inspection
504 by any judge, justice of the peace, police officer, constable or other peace officer of this State.

505 (c) ~~Notwithstanding any provision to the contrary,~~ Except as provided in § 952B of this title, any inspection by a
506 judge, justice of the peace, police officer, constable, or other peace officer of this State shall be reasonable under the
507 circumstances existing at the time and shall only be made pursuant to and in furtherance of an open criminal investigation
508 or during the course of a criminal prosecution.

509 Section 5. Amend § 904A, Title 24 of the Delaware Code by making deletions as shown by strike through and
510 insertions as shown by underline as follows:

511 § 904A. Background checks for sales between unlicensed persons.

512 (a) For purposes of this section:

513 (1) "Dealer" means any person licensed as a deadly weapons dealer under this chapter and 18 U.S.C. § 921 et
514 seq. or a person licensed under Chapter 9B of this title.

515 (c) ~~Nothing in this section, or any other section of the Code, authorizes or permits the State or any agency,~~
516 ~~department, or instrumentality thereof to establish any system for the registration of firearms, firearm owners, or firearm~~
517 ~~transactions or dispositions, except with respect to persons prohibited from receiving a firearm under Chapter 5 of Title 11.~~
518 ~~Any such system of registration is expressly prohibited. [Repealed].~~

519 Section 6. Amend § 1448A Title 11 of the Delaware Code by making deletions as shown by strike through and
520 insertions as shown by underline as follows:

521 § 1448A. Background checks for sales of firearms [Effective until implementation of 84 Del. Laws, c. 259, § 1,
522 pursuant to §§ 5 and 6 of the act].

523 (k) Records, data, information, or reports containing the name, address, date of birth, or other identifying data of
524 either the transferor or transferee or which contain the make, model, caliber, serial number, or other identifying data of any
525 firearm which are required, authorized, or maintained under this section, § 1448B of this title, ~~or~~ by Chapter 9 of Title 24,

526 or by Chapter 9B of Title 24, are not subject to disclosure or release under the Freedom of Information Act, Chapter 100 of
527 Title 29.

528 Section 7. Amend § 1448A Title 11 of the Delaware Code by making deletions as shown by strike through and
529 insertions as shown by underline as follows:

530 § 1448A. Background checks and handgun qualified purchaser permit required for sales of firearms [Effective
531 upon implementation of 84 Del. Laws, c. 259, § 1, pursuant to §§ 5 and 6 of the act].

532 (k) Records, data, information, or reports containing the name, address, date of birth, or other identifying data of
533 either the transferor or transferee or which contain the make, model, caliber, serial number, or other identifying data of any
534 firearm which are required, authorized, or maintained under this section, § 1448B of this title, ~~or~~ by Chapter 9 of Title 24,
535 or by Chapter 9B of Title 24, are not subject to disclosure or release under the Freedom of Information Act, Chapter 100 of
536 Title 29.

537 Section 8. Amend § 1448B Title 11 of the Delaware Code by making deletions as shown by strike through and
538 insertions as shown by underline as follows:

539 § 1448B. Background checks for sales of firearms — Unlicensed persons [Effective until implementation of 84
540 Del. Laws, c. 259, § 1, pursuant to §§ 5 and 6 of the act].

541 (b) For purposes of this section:

542 (1) “Licensed dealer” means any person licensed as a deadly weapons dealer under Chapter 9 of Title 24 and
543 18 U.S.C. § 921 et seq. or a person licensed as a firearm dealer under Chapter 9B of Title 24.

544 (f) The State Bureau of Identification (the “Bureau”) shall facilitate the sale or transfer of any firearm in which the
545 prospective buyer is a bona fide member or adherent of an organized church or religious group, the tenets of which prohibit
546 photographic identification, under the following procedure:

547 (4) The Bureau shall maintain a record of all background checks conducted under this section to the same
548 extent as is required of licensed dealers under Chapter 9 of Title ~~24-24~~ and Chapter 9B of Title 24.

549 Section 9. Amend § 1448B, Title 11 of the Delaware Code by making deletions as shown by strike through and
550 insertions as shown by underline as follows:

551 § 1448B. Background checks and handgun qualified purchaser permit required for sales of firearms — Unlicensed
552 persons [Effective upon implementation of 84 Del. Laws, c. 259, § 1, pursuant to §§ 5 and 6 of the act].

553 (b) For purposes of this section:

554 (2) “Licensed dealer” means any person licensed as a deadly weapons dealer under Chapter 9 of Title 24 and
555 18 U.S.C. § 921 et seq. or a person licensed as a firearm dealer under Chapter 9B of Title 24.

556 (f) The State Bureau of Identification (the “Bureau”) shall facilitate the sale or transfer of any firearm in which the
557 prospective buyer is a bona fide member or adherent of an organized church or religious group, the tenets of which prohibit
558 photographic identification, under the following procedure:

559 (4) The Bureau shall maintain a record of all background checks conducted under this section to the same
560 extent as is required of licensed dealers under Chapter 9 of Title 24, 24 and Chapter 9B of Title 24.

561 Section 10. Amend § 1448D, Title 11 of the Delaware Code by making deletions as shown by strike through and
562 insertions as shown by underline as follows:

563 § 1448D. Handgun qualified purchaser permit required to purchase handguns [For application of this section, see
564 84 Del. Laws, c. 259, § 5].

565 (g) The following persons are exempt from the training requirements of this section:

566 (5) Federal firearms licensees and Delaware deadly weapons dealers licensed and regulated under Chapter 9
567 of Title 24; or firearm dealers licensed and regulated under Chapter 9B of Title 24;

568 Section 11. Amend § 1468, Title 11 of the Delaware Code by making deletions as shown by strike through and
569 insertions as shown by underline as follows:

570 § 1468. Definitions related to large-capacity magazines.

571 For purposes of this section and §§ 1469 and 1469A of this title:

572 (3) “Licensed firearms dealer” means a person licensed under Chapter 9 of Title 24 ~~or~~ and 18 U.S.C. § 921 et
573 seq. or a person licensed under Chapter 9B of Title 24.

574 Section 12. Amend § 6202, Title 16 of the Delaware Code by making deletions as shown by strike through and
575 insertions as shown by underline as follows:

576 § 6202. The Delaware Gun Shop Project.

577 (d) Educational materials. — (1) The Gun Shop Project shall develop and create suicide prevention education
578 materials that include all of the following:

579 a. Information on understanding the various clinical signs, symptoms, and indicators that might lead an
580 individual to consider suicide.

581 b. Available suicide prevention resources.

582 (2) The educational materials under paragraph (d)(1) of this section must be provided through all of the
583 following methods:

584 b. An online training course for deadly weapons dealers licensed under Chapter 9 of Title 24, firearms
585 dealers licensed under Chapter 9B of Title 24, and other customers.

586 (e) The Gun Shop Project shall submit a written report as part of the Coalition’s annual report under this chapter,
587 with a copy submitted to the Director and the Librarian of the Division of Legislative Services. The annual report must
588 include all of the following:

589 (2) Number of participating deadly weapons ~~dealers~~, dealers under Chapter 9 of Title 24 and firearms dealers
590 under Chapter 9B of Title 24.

591 Section 13. Amend § 8735, Title 29 of the Delaware Code by making deletions as shown by strike through and
592 insertions as shown by underline as follows:

593 § 8735. Division of Professional Regulation.

594 (a) The Division of Professional Regulation (Division) has the powers, duties, and functions set forth under this
595 section. The Division shall be responsible for the administrative, ministerial, budgetary, clerical, and exclusive investigative
596 functions, including the appointment, removal, compensation, and duties of employees, as provided by law of the following
597 commissions, boards, and agencies, with the exception that the Secretary of State is not precluded from entering into a
598 memorandum of understanding with the Secretary of the Department of Health and Social Services (DHSS) for the purpose
599 of allowing employees of DHSS to function as inspectors, investigators, and administrative support for the Board of
600 Pharmacy and as provided paragraph (a)(6) of this section:

601 (6) Licensing of deadly weapons dealers as set forth in Chapter 9 of Title ~~24~~; 24 and firearm dealers under
602 Chapter 9B of Title 24, except that the Delaware State Police shall have concurrent investigatory jurisdiction over
603 investigatory functions involving deadly weapons dealers and firearms dealers under Chapters 9 and 9B of Title 24;

604 (x) (1) Because professional licensing requirements can be a substantial barrier to those with a criminal history
605 who are attempting to enter and advance in the workforce and a potential limitation on a robust workforce, it is the policy of
606 this State that criminal history records should disqualify applicants for professional licensure under chapters of Title 24
607 administered by the Division of Professional Regulation only in the limited circumstances set forth in this subsection. The
608 provisions of this subsection apply to all license procedures in Title 24 except those set forth in Chapters 9, 9B, 12, 13, 23,
609 28, 54, and 55.

610 Section 13. This Act is effective immediately and is to be implemented 1 year from the date of this Act’s
611 enactment except for as provided in Sections 14 and 15 of this Act.

612 Section 14. If a person with a valid special license to sell deadly weapons under Chapter 9 of Title 24 will be
613 required to obtain a state license under this Act and applies for the state license on or by [455 days after this Act’s
614 enactment] then that person may sell or transfer firearms until the Division of Professional Regulation has acted upon that
615 person’s application for a state license under Chapter 9B of Title 24, as contained in Section 1 of this Act.

616 Section 15. The first reports or submissions due under this Act are due as follows:

617 (1) The first report under § 920B(a) of Title 24, as contained in Section 1 of this Act, is due the first June 30
618 on or after [455 days after this Act's enactment].

619 (2) The first report under § 920B(b) of Title 24 as contained in Section 1 of this Act, is due the first August 1
620 on or after [455 days after this Act's enactment].

621 (3) The first submission of records to the Division under § 921B(d)(3) of Title 24, as contained in Section 1 of
622 this Act, is due the first April 30 or October 30 on or after [455 days after the Act's enactment], whichever comes first.

623 (4) The first report under § 950B(d) of Title 24, as contained in Section 1 of this Act, is due the first
624 December 1 on or after [455 days after this Act's enactment].

SYNOPSIS

This Act requires firearm dealers to obtain a state license to sell or transfer firearms instead of the license to sell deadly weapons under Chapter 9 of Title 24. For purposes of this Act, a "firearm dealer" means a person that engages in the wholesale or retail sale or transfer of firearms, including a pawnbroker, and that has, or is required to have, a federal firearms license. A "firearm dealer" does not include a person that has sold or transferred 10 or fewer firearms within any 12-month period that the person has engaged in selling or transferring firearms. However, people that do not meet the definition of "firearm dealer" under this Act shall still be required to obtain a license to sell deadly weapons under Chapter 9 of Title 24.

As is currently the practice with the license to sell deadly weapons under Chapter 9 of Title 24, the Division of Professional Regulation (Division) shall create a standardized application for the license under Chapter 9B.

The new state license under Chapter 9B of Title 24 modifies Delaware's current firearm dealer licensing practices as follows:

(1) Establishes in statute factors that make a person ineligible to obtain a state license to sell or transfer firearms or to serve as a responsible person for a state license holder (licensee). A "responsible person" is defined as a person who directly or indirectly has the power to direct the management and policies as that management and policy relates to firearms. A responsible person is required under federal law to be included on a federal firearms license. Ineligibility is not always permanent and there are exemptions in this Act.

(2) Heightened and more specific security requirements including that a licensee must:

- a. Post business hours and proof of licensure.
- b. Only sell or transfer firearms at their business location, except when conducting business at an allowable temporary business location.
- c. Equip their business location and any place that, for business purposes, the licensee stores or displays firearms or ammunition with a functioning security alarm system.
- d. Equip their business location with a functioning digital surveillance system that surveils certain key areas, such as entrances and exits.

The Division shall adopt security regulations to establish requirements for the secure storage and display of firearms and ammunition to prevent unauthorized access. Special provisions are included to address the unique operations of a licensee that sells or transfers on average 50 or fewer firearms and a licensee whose business location is also a residential dwelling. It is not a violation of this Act if the security features required by this Act become temporarily inoperable through no fault of the licensee.

(3) Heightened and centralized recordkeeping and reporting such as:

- a. A licensee shall annually report information about trace requests and federal inspections to the State Attorney General. The Attorney General shall compile the information and provide it to the General Assembly and make it publicly available.

b. A licensee shall promptly notify the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the Delaware State Police (DSP) about any loss, theft, or unlawful transfer of any firearm or ammunition, including if caused by the licensee's employee, contractor, or volunteer.

c. A licensee shall report certain changes to the Division, including change of business location and responsible persons.

d. A licensee shall establish and maintain a book or electronic database with the information required in this Act, including inventory and disposition, as well follow the information backup and storage requirements to ensure records remain available.

e. A licensee shall have the book or database accessible in the licensee's business location and shall submit the records therein to the Division, biannually, by every April 30 and October 30.

f. The Division shall collect information and report about licensee compliance and data on lost and stolen firearms and ammunition. The report must be publicly available.

(4) Requires background checks for contractors and volunteers with access to the licensee's firearms or performing certain tasks for a licensee. Licensees, responsible persons, and employees already undergo background checks under current law and must continue to do so under this Act. Licensees (if individuals) and responsible persons must now obtain annual background checks, as is currently the practice with employees. If the "Rap Back System" as defined by § 8502 of Title 11 becomes available, annual background checks will be replaced by use of the Rap Back System.

(5) Training requirements.

a. The DSP shall develop a training course or approve a training course for licensees, responsible persons, and the licensees' employees, contractors, and volunteers. Training must include topics designed to help prevent the entry of firearms into the illegal market.

b. The training must be successfully completed biennially. Only those employees, contractors, or volunteers who handle firearms or ammunition or process the sale or transfer of firearms or ammunition must complete the training.

(6) A recurring inspection by the DSP to ensure firearm dealers are in compliance with State law.

a. The DSP shall conduct an on-site inspection of each licensee's business location at least once every 2 years to ensure compliance with this Act.

b. DSP may conduct reasonable periodic inspections of a licensee's place of business during the licensee's regular posted business hours and of a licensee's records to ensure compliance with this Act.

c. DSP and the Division shall work together to ensure each entity has the information and authorities needed to carry out their duties under this Act.

(7) Establishes civil penalties and possible license revocation in the event of violations.

a. The Division is required to revoke a state license if a licensee:

1. No longer holds a valid FFL.

2. Knowingly employs, contracts with, or allows as a volunteer a person in violation of this Act.

3. Is or becomes prohibited from possessing or purchasing firearms under any state or federal law.

4. Knows or should have known that a responsible person is ineligible to serve as a responsible person and the licensee allows that responsible person to continue to serve as a responsible person.

b. The Division has the flexibility to consider the severity of any other violations and assess an appropriate penalty as follows:

1. For a first occurrence, issue a warning to the licensee that includes a description of the violation and the penalty for subsequent violations.

2. For a subsequent occurrence, the Division may issue a warning; assess a civil penalty; or revoke the licensee's state license.

A civil penalty under this Act may be from \$1,000 through \$3,000, including costs.

(8) Requires the Division to set license fees that will be directly proportional to the average annual firearm sales and transfers for the following transaction ranges:

a. If the firearm dealer or licensee sold and transferred 11 to 25 firearms per year.

b. If the firearm dealer or licensee sold and transferred 26 to 50 firearms per year.

c. If the firearm dealer or licensee sold and transferred 51 to 250 firearms per year.

d. If the firearm dealer or licensee sold and transferred 251 to 750 firearms per year.

e. If the firearm dealer or licensee sold and transferred 751 to 1,000 firearms per year.

f. If the firearm dealer or licensee sold and transferred more than 1,000 firearms per year.

The cost of license fees may not be set higher than the cost of administering this Act. The Act also provides license fee guidance for people who have sold or transferred less than 11 firearms but wish to obtain a license under this Act. Any fees collected under this Act will be placed in the Firearm Licensing Fund. The Division and DSP may use the proceeds in the Fund to cover implementation costs.

These changes to Delaware's licensing system are in recognition of a growing body of evidence that demonstrates that firearms dealers' sales practices affect the probability of firearms entering the illegal market, and that policies designed to hold dealers accountable can curtail illegal use of firearms and the concomitant crimes.

According to the Johns Hopkins University Center for Gun Violence Solutions, utilizing data from the Centers for Disease Control, firearms are used in 78% of homicides that occur in Delaware. In addition to loss of life, firearm violence has an economic impact, costing Delawareans \$1.3 billion per year, which amounts to \$1,236 per resident. An article in the Journal of Urban Health found that in-state trafficking was 64 percent lower in places with strong firearm dealer regulations and oversight. A study published in the American Journal of Public Health, examining 20 years of data, found that state licensing requirements and laws requiring or allowing inspections or audits of firearm dealers were independently associated with significantly lower firearm homicide rates. The ATF has oversight over firearms dealers, but its efforts are insufficient. Though the ATF aims to inspect firearm dealers at least every three years, at the rate inspections are performed, a dealer can expect inspection only once every 9 years. ATF data reveals that, when they occur, dealer inspections generally yield a large number of violations. In sum, the frequency of violations and the rarity of inspections allow the possibility that dealers are violating law each year without any corrective action by the ATF.

Sections 2 through 12 of this Act update existing Code to account for the creation of Chapter 9B in Title 24.

Section 13 through Section 15 provide information on the effective date and implementation of this Act. This Act is effective immediately and is to be implemented 1 year from the date of this Act's enactment except as follows:

a. If a person with a valid special license to sell deadly weapons under Chapter 9 of Title 24 applies for a state license on or by 455 days after this Act's enactment then that person may sell or transfer firearms until the Division of Professional Regulation has acted upon that person's application for a state license under Chapter 9B of Title 24, as contained in Section 1 of this Act.

b. Initial reports will not be due until at least on or after 455 days after this Act's enactment.

This Act requires a greater-than-majority vote for passage because Article VIII, §§ 10(a), 11(a) of the Delaware Constitution requires the affirmative vote of 3/5 of the members elected to each house of the General Assembly to impose a tax or license fee or increase the effective rate of any tax levied or license fee imposed by the State.

Author: Senator Sokola