

H.R. 7977

Firearms Retailer Code of Conduct Act of 2020



Gun violence is a public health epidemic in America, a grim reality reflected in a firearm homicide rate that is [25 times higher](#) than other high-income countries. While most laws focus on the purchase or illegal use of firearms, the actions of federally licensed firearms dealers (FFLs) play a critical role in preventing violence in our communities.

Almost all guns enter circulation through the legal market, built by licensed manufacturers and sold by FFLs. Gun dealers play the critical role of gatekeepers, and their conduct has a direct bearing on whether guns are diverted to the illegal market or to individuals who would harm themselves or others. While the [Brady Background Check System](#) confirms the eligibility of potential gun purchasers, FFLs are best positioned to prevent the initial sale of firearms where trafficking or straw purchasing is suspected, where purchasers are intoxicated, or if customers display behavioral factors that indicate they are at risk of harming themselves or others in the immediate aftermath of the purchase.

The consequences of negligent, irresponsible, or illegal conduct by gun dealers is immense, especially for communities of color that bear the heaviest burden of gun violence. Every year, hundreds of thousands of guns used in crime are recovered and traced by law enforcement, nearly [1.5 million between 2014 and 2018](#). Tens of thousands of guns are [trafficked across state lines](#), often from states with weak laws to states with much stronger laws. For instance, [87% of guns traced to crime in New Jersey](#), which has some of the strongest gun laws in the country, are trafficked in from out of state. Guns do not simply appear on America's streets, and good behavior by gun dealers and their employees is critical to keeping guns out of impacted communities.

GUN DEALERS ARE NOT SUFFICIENTLY REGULATED

FFLs shoulder a heavy responsibility for preventing guns from ending up in the hands of those who should not have them, and yet, [getting a license to sell firearms is incredibly easy](#). While the FFL license holders themselves must undergo background checks and interviews, there are no federal requirements for their employees to do the same. Also, neither the licensee nor their employees are required to undergo formal testing to sell firearms. Additionally, there are no legal requirements that require gun dealers to adhere to safe business practices or train their employees on recognizing signs of illegal activity. While the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) considers FFLs to be "the first line in maintaining the security and lawful transfer of

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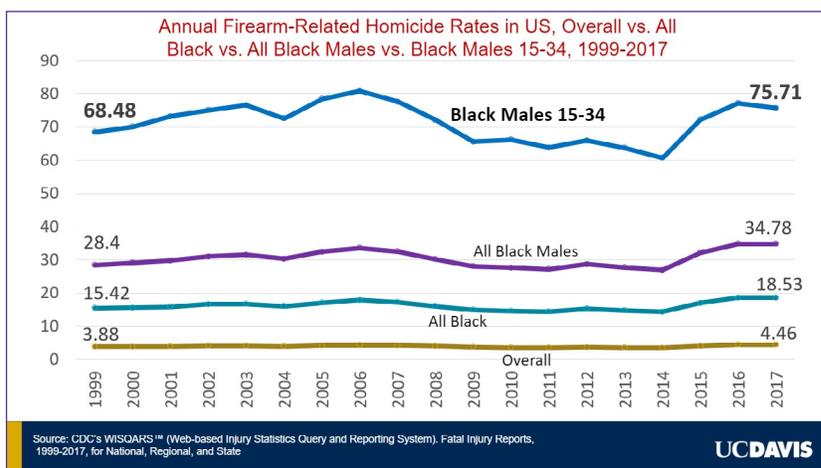


firearms” and issues detailed guidance on safe business practices FFLs can adopt on a voluntary basis, they provide almost no oversight of those business practices. Without proper training or clearly defined and enforceable business practices, and ensuring that all employees that sell guns are legally able to possess them, irresponsible or complicit FFLs will continue to remain a major source of guns used in crime across America.

THE DISPROPORTIONATE IMPACT OF ILLEGAL GUNS IN COMMUNITIES OF COLOR

While most Americans have been touched by gun violence in some way, communities of color are disproportionately impacted by this epidemic. According to [CDC data](#), 89% of gun homicides take place in urban settings, and 73% of gun homicide victims are Black or Hispanic. As Dr. Shani Buggs from the University of California, at Davis, Gun Violence Research Center notes: “The diversion of firearms to the illicit market has the greatest impact on Black and Brown communities across the U.S. This impact has been felt among the youth and families in those communities for decades. According to CDC data, Black males ages 15-34 die by gun violence at a rate that is at least 16 times of the overall U.S. population and have since the 1990s. This tragic and preventable loss of thousands of lives each year has continued for over 20 years.”

The repercussions stretch well beyond the victims of gun violence themselves. In addition to collective trauma, communities burdened by fear cannot prioritize quality of life. Gun violence in communities of color perpetuates racial inequities by sustaining multi-generational cycles of violence, poverty, and trauma.



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FIREARMS RETAILER CODE OF CONDUCT ACT OF 2020



The Firearms Retailer Code of Conduct Act of 2020 gives gun dealers and their employees the tools needed to reduce the number of guns being diverted to the illegal market or to individuals who pose an immediate risk to themselves or others, and provides a means to hold irresponsible, negligent, or criminal dealers accountable for their actions by:

- Requiring firearm retailers and their employees to complete regular training to prevent illegal sales and enhance their business practices;
- Creating a prohibition on selling firearms to persons that the dealer knows, or should reasonably know, are straw purchasers or gun traffickers, are intoxicated, or are intent on harming themselves or others;
- Requiring dealers to report individuals who they know are straw purchasers or gun traffickers to ATF and local law enforcement;
- Requiring the posting of written protocol at points of sales which include indicators of straw purchasing and gun trafficking, as well as instructions on how to ascertain that a customer is a lawful purchaser;
- Requiring all employees who sell guns to get background checks to ensure they are eligible to handle firearms; and
- Requiring firearm retailers to maintain \$1 million in liability insurance while in the business of selling firearms, to ensure that victims of negligent, irresponsible, or criminal actions can be compensated.