A BILL FOR AN ACT

CONCERNING REQUIREMENTS TO ENGAGE IN THE BUSINESS OF DEALING IN FIREARMS, AND, IN CONNECTION THEREWITH, ESTABLISHING A STATE FIREARMS DEALER PERMIT.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill requires a firearms dealer (dealer) to obtain a state firearms dealer permit (state permit) in order to engage in the business of dealing in firearms in Colorado. Engaging in the business of dealing in firearms without a permit is an unclassified felony, punishable by a fine of up to $250,000. In order to be eligible for a state permit, the dealer
must hold a federal firearms license; not have had a federal, state, or local license to deal firearms or ammunition revoked, suspended, or denied within the prior 3 years; and not have violated any state or federal law concerning the possession, purchase, or sale of firearms in the 3 years before applying for the license. The department of revenue (department) is responsible for issuing state permits. The fee for issuing a permit is $400, which may be adjusted annually by the department.

The department shall revoke a dealer's state permit if the dealer:

- No longer holds a valid federal firearms license;
- Does not permit a required inspection of the dealer's business or a required record; or
- Is convicted of trafficking in firearms, obtaining a firearm for or transferring a firearm to a person who is ineligible to possess a firearm, or unlawfully selling or transferring a firearm component or accessory.

If the department finds that a dealer failed to post a required notice about unlawful purchase, report a suspected unlawful purchase, or failed to make a required record, the department shall issue a warning and, for a second or subsequent offense, may revoke the dealer's state permit.

If the department finds that the dealer has violated other federal, state, or local laws concerning the sale of firearms or firearm components, the department shall:

- For a first offense, issue a warning; and
- For a second offense, revoke the dealer's state permit.

The denial or revocation of a permit is subject to the requirements of the "State Administrative Procedure Act".

The bill requires a dealer and each employee of a dealer to annually complete a training course developed or approved by the department. The bill requires a dealer to:

- Secure each firearm in a manner that prevents a customer or other member of the public from accessing or using the firearm, except when the firearm is being shown to a customer, repaired, or otherwise worked on; and
- Report to law enforcement when the dealer suspects an employee is involved in a straw purchase or theft of a firearm.

The bill prohibits a dealer from selling or transferring a firearm outside of the dealer's posted business hours or to a person who the dealer knows or suspects is under the influence of alcohol or a controlled substance.

The bill prohibits a dealer from employing a person who is prohibited from possessing a weapon or who has been convicted of a misdemeanor within the 5 previous years that would result in the person being denied transfer of a firearm following a criminal history record check. The bill requires a dealer's employees to annually submit to a
criminal history record check. If a dealer employs a person who is ineligible to possess a firearm or employs a person without conducting a required background check of the person, the department shall, for a first offense, issue a warning and, for a second offense, revoke the dealer's state permit.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, amend 18-12-401 as follows:

18-12-401. Definitions. As used in this part 4, unless the context otherwise requires:

(1) (a) "Firearms" means a pistol, revolver, or other weapon of any description, loaded or unloaded, from which any shot, bullet, or other missile can be discharged, the length of the barrel of which, not including any revolving, detachable, or magazine breech, does not exceed twelve inches:

(b) "Firearms" does not include firearms, as defined in subsection (1)(a) of this section, for which ammunition is not sold or which there is reasonable ground for believing are not capable of being effectually used.

"DEALER" MEANS A FEDERALLY LICENSED FIREARM DEALER AS DEFINED IN SECTION 18-12-101.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE CREATED PURSUANT TO SECTION 24-35-101.


(4) "ENGAGED IN THE BUSINESS" HAS THE SAME MEANING SET FORTH IN 18 U.S.C. SEC. 921 (a)(21) AND ANY FEDERAL REGULATIONS PROMULGATED THEREUNDER.

(5) "FEDERAL FIREARMS LICENSE" MEANS A LICENSE TO IMPORT,
MANUFACTURE, OR DEAL IN FIREARMS ISSUED PURSUANT TO 18 U.S.C. SEC. 923.

(6) "STATE PERMIT" MEANS THE STATE FIREARMS DEALER PERMIT REQUIRED PURSUANT TO SECTION 18-12-401.5.

SECTION 2. In Colorado Revised Statutes, add 18-12-401.5 as follows:

18-12-401.5. Permit required - issuing agency - cash fund - inspections - penalty - report - rules - repeal. (1) (a) BEGINNING JULY 1, 2025, EVERY DEALER MUST OBTAIN A STATE PERMIT IN ORDER TO ENGAGE IN THE BUSINESS OF DEALING IN FIREARMS IN THIS STATE.

(b) A STATE PERMIT ISSUED PURSUANT TO THIS SECTION IS NOT TRANSFERRABLE.

(c) A PERSON WHO ENGAGES IN THE BUSINESS OF DEALING IN FIREARMS OTHER THAN DESTRUCTIVE DEVICES WITHOUT A STATE PERMIT IS GUILTY OF AN UNCLASSIFIED FELONY AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS.

(2) (a) THE DEPARTMENT SHALL ISSUE STATE PERMITS PURSUANT TO THIS SECTION.

(b) (I) THE DEPARTMENT SHALL PROMULGATE RULES NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION, INCLUDING ESTABLISHING THE PROCESS FOR APPLYING FOR AND OBTAINING A STATE PERMIT. THE DEPARTMENT SHALL NOT PROMULGATE RULES THAT ALTER THE ELIGIBILITY CRITERIA FOR OBTAINING A PERMIT, BUT THE DEPARTMENT MAY COLLECT ANY INFORMATION IT DEEMS NECESSARY TO VERIFY AN APPLICANT’S ELIGIBILITY. THE DEPARTMENT MAY DEVELOP A SIMPLIFIED APPLICATION FOR PERMIT RENEWALS.
(II) (A) The department's initial rules promulgated pursuant to this subsection (2)(b) must be effective no later than February 1, 2025.

(B) This subsection (2)(b)(II) is repealed, effective July 31, 2025.

(c) (I) The fee for a state permit issued on or before June 30, 2026, is four hundred dollars. The department shall annually review the fee and, for permits issued on and after July 1, 2026, may annually adjust the fee based on the costs for administering this section. The department shall not adjust the fee more than once each year and shall not adjust the fee by more than twenty-five dollars each year.

(II) The department shall transmit the fees collected pursuant to this subsection (2)(c) to the state treasurer, who shall deposit the money in the firearm dealer permit cash fund, created in subsection (2)(d) of this section.

(d) The firearm dealer permit cash fund is created in the state treasury. The fund consists of money credited to the fund pursuant to subsection (2)(c) of this section and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the firearm dealer permit cash fund to the fund. Money in the fund is continuously appropriated to the department for the costs of issuing permits and conducting inspections pursuant to this section.

(3) In order to be eligible for a state permit, a dealer
MUST:

(a) Hold a valid federal firearms license;
(b) Not have had a license or permit to sell, lease, transfer, purchase, or possess a firearm or ammunition from the federal government, any state, or a subdivision of any state, revoked, suspended, or denied for good cause within three years before submitting an application; and
(c) Not have been convicted for a violation of any provision of this article 12; any Colorado or any other state’s law concerning the possession, purchase, or sale of firearms; or any federal law concerning the possession or sale of firearms in the three years before submitting an application for a state permit.

(4) (a) A person applying for a state permit pursuant to this section must complete an application as provided by department rule and pay the application fee established by the department.
(b) (I) The department shall act upon a state permit application made pursuant to this section no later than sixty days after the date the application is received; except that for good cause, the department may extend the deadline to act for an additional sixty days.
(II) (A) A dealer who submits a sufficient application on or before May 2, 2025, may continue to engage in the business of dealing in firearms pursuant to state law until the department has acted upon the application. For the purposes of this subsection (4)(b)(II), an application is sufficient if it includes on
ITS FACE INFORMATION NECESSARY TO SHOW THAT THE APPLICANT IS
ELIGIBLE FOR A STATE PERMIT.

(B) THIS SUBSECTION (4)(b)(II) IS REPEALED, EFFECTIVE JUNE 30,
2026.

(c) THE DEPARTMENT SHALL ISSUE A STATE PERMIT UNLESS THE
APPLICANT DOES NOT MEET THE ELIGIBILITY REQUIREMENTS DESCRIBED
IN SUBSECTION (3) OF THIS SECTION OR THE APPLICANT HAS MADE A FALSE
STATEMENT ON THE APPLICATION.

(d) A STATE PERMIT ISSUED PURSUANT TO THIS SECTION IS VALID
FOR THREE YEARS.

(5) (a) A DEALER MAY APPLY FOR RENEWAL OF THE DEALER'S
STATE PERMIT AT ANY TIME IN THE NINETY DAYS PRIOR TO THE
EXPIRATION OF THE PERMIT. THE DEPARTMENT SHALL NOT ACCEPT A
RENEWAL APPLICATION SUBMITTED AFTER THE EXPIRATION OF THE
DEALER'S PERMIT.

(b) NINETY DAYS PRIOR TO THE EXPIRATION OF A STATE PERMIT,
THE DEPARTMENT SHALL NOTIFY THE DEALER OF THE PERMIT EXPIRATION
DATE.

(c) A DEALER WHO SUBMITS A TIMELY AND SUFFICIENT RENEWAL
APPLICATION MAY CONTINUE TO ENGAGE IN THE BUSINESS OF DEALING IN
FIREARMS PURSUANT TO STATE LAW UNTIL THE DEPARTMENT HAS ACTED
UPON THE RENEWAL APPLICATION. FOR THE PURPOSES OF THIS SUBSECTION
(5)(c), A RENEWAL APPLICATION IS SUFFICIENT IF IT INCLUDES ON ITS FACE
INFORMATION NECESSARY TO SHOW THAT THE APPLICANT IS ELIGIBLE FOR
STATE PERMIT RENEWAL.

(d) THE DEPARTMENT SHALL ACT UPON A RENEWAL APPLICATION
MADE PURSUANT TO THIS SUBSECTION (5) NO LATER THAN SIXTY DAYS
AFTER THE DATE THE APPLICATION IS RECEIVED.

(6) (a) SUBJECT TO AVAILABLE APPROPRIATIONS, THE DEPARTMENT SHALL CONDUCT AN ON-SITE INSPECTION OF A RANDOM SELECTION OF FIFTEEN PERCENT OF STATE PERMIT HOLDERS EACH YEAR, INCLUDING INSPECTING A SELECTED PERMIT HOLDER'S PLACE OF BUSINESS, TO ENSURE THAT THE PERMIT HOLDER IS COMPLYING WITH THE REQUIREMENTS TO HOLD A STATE PERMIT.

(b) IN ADDITION TO THE INSPECTIONS REQUIRED IN SUBSECTION (6)(a) OF THIS SECTION, THE DEPARTMENT MAY CONDUCT PERIODIC UNANNOUNCED INSPECTIONS OF A DEALER AND THE DEALER'S PLACE OF BUSINESS DURING THE DEALER'S REGULAR BUSINESS HOURS TO ENSURE THAT THE DEALER IS COMPLYING WITH THE REQUIREMENTS TO HOLD A STATE PERMIT.

(7) (a) EXCEPT AS PROVIDED IN SUBSECTION (8) OF THIS SECTION, IF THE DEPARTMENT FINDS THAT A DEALER FAILED TO POST THE REQUIRED NOTICE CONCERNING UNLAWFUL PURCHASES OR FAILED TO REPORT A SUSPECTED UNLAWFUL PURCHASE, IN VIOLATION OF SECTION 18-12-111 OR FAILED TO MAKE A RECORD REQUIRED PURSUANT TO SECTION 18-12-402, THE DEPARTMENT SHALL ISSUE A WARNING TO THE DEALER THAT INCLUDES A DESCRIPTION OF THE OFFENSE. FOR A SECOND OR SUBSEQUENT OFFENSE THE DEPARTMENT MAY REVOKE THE DEALER'S STATE PERMIT. A DEALER WHO HAS HAD A STATE PERMIT REVOKED PURSUANT TO THIS SUBSECTION (7)(a) MAY APPLY FOR A NEW PERMIT NO SOONER THAN THREE YEARS AFTER THE REVOCATION.

(b) EXCEPT AS PROVIDED IN SUBSECTION (8) OF THIS SECTION, IF THE DEPARTMENT FINDS THAT A DEALER TRANSFERRED A FIREARM WITHOUT A LOCKING DEVICE OR FAILED TO POST THE REQUIRED NOTICE
CONCERNING LOCKING DEVICES, IN VIOLATION OF SECTION 18-12-405;
FAILED TO COMPLY WITH ANY OF THE REQUIREMENTS OF SECTION
18-12-406; VIOLATED ANY OTHER PROVISION OF THIS ARTICLE 12 OR ANY
OTHER STATE OR LOCAL LAW CONCERNING THE SALE OF FIREARMS; OR
VIOLATED ANY FEDERAL LAW OR RULE CONCERNING THE SALE OF
FIREARMS OR FIREARM COMPONENTS FOR WHICH THE PENALTY INCLUDES
POTENTIAL REVOCATION OF THE PERSON’S FEDERAL FIREARMS LICENSE,
THE DEPARTMENT SHALL:
   (I) FOR A FIRST OFFENSE, ISSUE A WARNING TO THE DEALER THAT
INCLUDES A DESCRIPTION OF THE OFFENSE AND THE PENALTY FOR
SUBSEQUENT OFFENSES; AND
   (II) FOR A SECOND OR SUBSEQUENT OFFENSE, REVOKE THE
DEALER’S STATE PERMIT. A DEALER WHO HAS HAD A STATE PERMIT
REVOKED PURSUANT TO THIS SUBSECTION (7)(b) MAY APPLY FOR A NEW
PERMIT NO SOONER THAN THREE YEARS AFTER THE REVOCATION.
   (8)(a) NOTWITHSTANDING SUBSECTION (7) OF THIS SECTION, THE
DEPARTMENT SHALL REVOKE A STATE PERMIT IF THE STATE PERMIT
HOLDER:
   (I) NO LONGER HOLDS A VALID FEDERAL FIREARMS LICENSE;
   (II) REFUSES TO ALLOW THE DEPARTMENT TO CONDUCT AN
ON-SITE INSPECTION PURSUANT TO SUBSECTION (6) OF THIS SECTION;
   (III) REFUSES TO PERMIT AN OFFICER TO INSPECT A RECORD AS
REQUIRED IN SECTION 18-12-402; OR
   (IV) IS CONVICTED OF ANY OF THE FOLLOWING:
   (A) PURCHASING OR OTHERWISE OBTAINING A FIREARM ON BEHALF
OF, OR FOR TRANSFER TO, A PERSON WHO IS INELIGIBLE TO POSSESS A
FIREARM PURSUANT TO SECTION 18-12-111 OR 18 U.S.C. SEC. 932;
(B) TRANSFERRING A FIREARM PRIOR TO RECEIVING THE RESULTS
OF A BACKGROUND CHECK PURSUANT TO SECTION 18-12-112.5;

(C) TRAFFICKING IN FIREARMS PURSUANT TO 18 U.S.C. SEC. 933,
OR AIDING AND ABETTING TRAFFICKING IN FIREARMS;

(D) SELLING OR OTHERWISE TRANSFERRING A FIREARM TO A
PERSON WHO IS INELIGIBLE TO POSSESS THE FIREARM PURSUANT TO STATE
OR FEDERAL LAW; OR

(E) SELLING OR OTHERWISE TRANSFERRING A FIREARM
COMPONENT OR ACCESSORY, AS DEFINED IN SECTION 29-11.7-101.5, TO
ANOTHER PERSON IN VIOLATION OF FEDERAL, STATE, OR LOCAL LAW.

(b) (I) A PERSON WHOSE STATE PERMIT IS REVOKED SOLELY
BECAUSE THE PERSON NO LONGER HOLDS A VALID FEDERAL FIREARMS
LICENSE, PURSUANT TO SUBSECTION (8)(a)(I) OF THIS SECTION, MAY APPLY
FOR A NEW STATE PERMIT ANY TIME AFTER THE PERSON OBTAINS A VALID
FEDERAL FIREARMS LICENSE.

(II) A PERSON WHOSE STATE PERMIT IS REVOKED PURSUANT TO
SUBSECTIONS (8)(a)(II) TO (8)(a)(IV) OF THIS SECTION MAY APPLY FOR A
NEW PERMIT NO SOONER THAN THREE YEARS AFTER THE REVOCATION.

(9) IF THE DEPARTMENT REVOKES A DEALER'S STATE PERMIT, THE
DEPARTMENT MUST NOTIFY THE UNITED STATES BUREAU OF ALCOHOL,
TOBACCO, FIREARMS, AND EXPLOSIVES OF THE REVOCATION AND THE
REASON FOR THE REVOCATION.

(10) THE DENIAL OR REVOCATION OF A STATE PERMIT PURSUANT
TO THIS SECTION IS SUBJECT TO THE REQUIREMENTS DESCRIBED IN
SECTIONS 24-4-104 AND 24-4-105, AND JUDICIAL REVIEW PURSUANT TO
SECTION 24-4-106.

(11) (a) NO LATER THAN AUGUST 1, 2026, AND NO LATER THAN
AUGUST 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT
A REPORT TO THE JOINT BUDGET COMMITTEE ABOUT FIREARM DEALER
PERMITTING IN THE PRIOR STATE FISCAL YEAR. THE REPORT MUST
INCLUDE, AT A MINIMUM, THE NUMBER OF PERMIT APPLICATIONS
RECEIVED, GRANTED, AND DENIED; THE NUMBER OF PERMITS REVOKED
AND THE BASIS FOR THE REVOCATION; THE NUMBER OF DEALER
INSPECTIONS CONDUCTED; THE AMOUNT OF FEE MONEY COLLECTED AND
DEPOSITED INTO THE FIREARM DEALER PERMIT CASH FUND AND THE
AMOUNT OF MONEY SPENT FROM THE FUND; AND THE TOTAL AMOUNTS
SPENT ON PERMITTING COSTS AND INSPECTION COSTS. THE REPORT MAY
INCLUDE INFORMATION ABOUT THE RACE, GENDER, AND GEOGRAPHIC
LOCATION OF PERSONS WHO APPLIED FOR A PERMIT, INCLUDING WHETHER
THE APPLICATION WAS GRANTED OR DENIED, AND PERSONS WHOSE
PERMITS WERE REVOKED.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
REQUIREMENT TO SUBMIT THE REPORT DESCRIBED IN THIS SUBSECTION
(11) CONTINUES INDEFINITELY.

SECTION 3. In Colorado Revised Statutes, add 18-12-406 as
follows:

18-12-406. Requirements for firearms dealers - training -
securing firearms - sale outside of business hours prohibited - rules
- penalty. (1) (a) The department shall develop training or
approve training courses provided by other entities for dealers
and dealers' employees. The training must be available in an
online format and include an examination with at least twenty
questions derived from the course material and intended to
confirm that a course participant understands the information
covered in the course. The department, or other trainer conducting the training, shall give a participant who answers at least seventy percent of the examination questions correctly a printable certificate of completion that is valid for one year after the date of completion. The training must include instruction regarding the following:

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

(II) Recognizing and identifying straw purchasers and fraudulent activity;

(III) Indicators that a person is attempting to purchase a firearm illegally;

(IV) Recognizing and identifying indicators that an individual intends to use a firearm for unlawful purposes;

(V) Recognizing and identifying indicators that an individual intends to use a firearm for self-harm;

(VI) Preventing theft or burglary of firearms and ammunition;

(VII) Responding to circumstances described in subsections (1)(a)(I) to (1)(a)(VI) of this section, and any applicable reporting requirements;

(VIII) Effectively teaching consumers rules of firearm safety, including the safe handling and storage of firearms; and

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

(b) A dealer shall, within thirty days after the date the
PERMIT IS ISSUED AND ANNUALLY THEREAFTER, COMPLETE A TRAINING COURSE DEVELOPED OR APPROVED BY THE DEPARTMENT PURSUANT TO THIS SUBSECTION (1).

(c) (I) AN EMPLOYEE OF A DEALER WHO, IN THE COURSE OF THE EMPLOYEE'S DUTIES, HANDLES A FIREARM OR AMMUNITION OR PROCESSES THE SALE, LOAN, OR TRANSFER OF FIREARMS OR AMMUNITION SHALL, WITHIN THIRTY DAYS AFTER THE EMPLOYEE'S FIRST DAY OF WORK FOR THE DEALER AND ANNUALLY THEREAFTER, COMPLETE A TRAINING COURSE DEVELOPED OR APPROVED BY THE DEPARTMENT PURSUANT TO THIS SUBSECTION (1). A PERSON EMPLOYED BY A DEALER ON THE EFFECTIVE DATE OF THIS SECTION SHALL COMPLETE THE EMPLOYEE'S FIRST TRAINING COURSE NO LATER THAN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

(II) A DEALER SHALL MAINTAIN THE TRAINING RECORDS OF EACH EMPLOYEE AND SHALL MAKE THE RECORDS AVAILABLE TO THE DEPARTMENT DURING AN ON-SITE INSPECTION OF THE DEALER'S PLACE OF BUSINESS.

(2) A DEALER SHALL NOT CONDUCT BUSINESS OR STORE FIREARMS AT THE DEALER'S PLACE OF BUSINESS UNLESS THE DEALER SECURES EACH FIREARM, EXCEPT WHEN THE FIREARM IS BEING SHOWN TO A CUSTOMER, REPAIRED, OR OTHERWISE WORKED ON, IN A MANNER THAT PREVENTS A CUSTOMER OR OTHER MEMBER OF THE PUBLIC FROM ACCESSING OR USING THE FIREARM. SECURING A FIREARM MAY INCLUDE KEEPING THE FIREARM IN A LOCKED CONTAINER, INCLUDING A LOCKED DISPLAY CASE; PROPERLY INSTALLING A LOCKING DEVICE ON THE FIREARM; OR, IF THE FIREARM IS A PERSONALIZED FIREARM, ACTIVATING THE SAFETY CHARACTERISTICS OF THE FIREARM.
A DEALER SHALL NOT SELL OR TRANSFER A FIREARM:

(a) OUTSIDE OF THE DEALER’S POSTED BUSINESS HOURS; EXCEPT THAT A DEALER MAY SELL OR TRANSFER A FIREARM AT A GUN SHOW, AS DEFINED IN SECTION 18-12-506, OUTSIDE OF THE DEALER’S POSTED BUSINESS HOURS; OR

(b) TO A PERSON THE DEALER KNOWS OR SUSPECTS IS UNDER THE INFLUENCE OF INTOXICATING LIQUOR OR OF A CONTROLLED SUBSTANCE, AS DEFINED IN SECTION 18-18-102 (5).

(4) IF A DEALER KNOWS OR SUSPECTS THAT AN EMPLOYEE OF THE DEALER IS INVOLVED IN THE THEFT OF A FIREARM FROM THE DEALER’S BUSINESS, THE DEALER SHALL REPORT THE THEFT WITHIN FORTY-EIGHT HOURS AFTER LEARNING OF THE THEFT TO A LAW ENFORCEMENT AGENCY WITH JURISDICTION OVER THE DEALER’S PLACE OF BUSINESS.

(5) THE DEPARTMENT MAY PROMULGATE RULES NECESSARY TO IMPLEMENT THIS SECTION.

(6) A VIOLATION OF ANY PROVISION OF THIS SECTION BY A DEALER IS A VIOLATION OF STATE LAW CONCERNING THE SALE OF FIREARMS AND IS SUBJECT TO THE PENALTIES DESCRIBED IN SECTION 18-12-401.5 (7).

SECTION 4. In Colorado Revised Statutes, add 18-12-407 as follows:

18-12-407. Dealer employee requirements - background check - penalty - repeal. (1) A DEALER SHALL NOT EMPLOY A PERSON WHO, IN THE COURSE OF THE PERSON’S DUTIES, HANDLES A FIREARM OR AMMUNITION OR PROCESSES THE SALE, LOAN, OR TRANSFER OF FIREARMS OR AMMUNITION, WHO:

(a) HAS BEEN CONVICTED OF AN OFFENSE THAT PROHIBITS THE PERSON FROM POSSESSING A WEAPON PURSUANT TO SECTION 18-12-108;
(b) HAS BEEN CONVICTED OF A MISDEMEANOR OFFENSE DESCRIBED IN SECTION 24-33.5-424 (3)(b.3) WITHIN FIVE YEARS BEFORE THE DATE OF THE PERSON’S EMPLOYMENT APPLICATION; OR

(c) IS PROHIBITED FROM POSSESSING A FIREARM PURSUANT TO 18 U.S.C. SEC. 922 (g).

(2) IN ORDER TO DETERMINE WHETHER THE DEALER MAY EMPLOY A PERSON CONSISTENT WITH THIS SECTION, THE DEALER SHALL REQUIRE A PROSPECTIVE EMPLOYEE TO SUBMIT TO A CRIMINAL HISTORY RECORD CHECK AS DESCRIBED IN SUBSECTION (3) OF THIS SECTION. A DEALER SHALL ONLY ACCEPT THE RESULTS OF A CRIMINAL HISTORY RECORD CHECK COMPLETED WITHIN SEVEN DAYS BEFORE THE EMPLOYEE’S FIRST DAY OF WORK.

(3) (a) BEFORE A PERSON BEGINS WORK FOR THE DEALER, THE PERSON SHALL SUBMIT TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. THE PERSON SHALL PAY THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK.

(b) THE PERSON SHALL HAVE THE PERSON’S FINGERPRINTS TAKEN BY A LOCAL LAW ENFORCEMENT AGENCY OR ANY THIRD PARTY APPROVED BY THE COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF OBTAINING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. THE PERSON SHALL AUTHORIZE THE ENTITY TAKING THE PERSON’S FINGERPRINTS TO SUBMIT, AND THE ENTITY SHALL SUBMIT, THE COMPLETE SET OF THE PERSON’S FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK.

(c) IF AN APPROVED THIRD PARTY TAKES THE PERSON’S FINGERPRINTS, THE FINGERPRINTS MAY BE ELECTRONICALLY CAPTURED
USING COLORADO BUREAU OF INVESTIGATION-APPROVED LIVESCAN EQUIPMENT. THIRD-PARTY VENDORS SHALL NOT KEEP THE PERSON'S INFORMATION FOR MORE THAN THIRTY DAYS.

(d) The Colorado Bureau of Investigation shall use the person's fingerprints to conduct a criminal history record check using the bureau's records. The Colorado Bureau of Investigation shall also forward the fingerprints to the federal bureau of investigation for the purpose of conducting a fingerprint-based criminal history record check. The Colorado Bureau of Investigation, the person, the department, and the entity taking fingerprints shall comply with the federal bureau of investigation's requirements to conduct a criminal history record check.

(e) The Colorado Bureau of Investigation shall return the results of its criminal history record check to the department, and the department is authorized to receive the results of the federal bureau of investigation's criminal history record check. The department shall use the information resulting from the criminal history record checks to investigate and determine whether a person is qualified for employment pursuant to this section.

(f) When the federal bureau of investigation is unable to complete a fingerprint-based criminal history record check of a person, the Colorado Bureau of Investigation shall inform the department, and the department may conduct a name-based criminal history record check of the person using Colorado Bureau of Investigation's records as a substitute for the
FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK REQUIRED IN THIS SECTION.

(g) When the results of a criminal history record check of a person performed pursuant to this subsection (3) reveal a record of arrest without a disposition, the department shall require the person to submit to a name-based judicial record check, as defined in section 22-2-119.3 (6)(d).

(h) An employee of a dealer shall annually submit to a fingerprint-based criminal history record check in the manner described in this subsection (3).

(4) A dealer shall maintain a copy of the notice from the department following each background check conducted pursuant to subsection (3) of this section indicating that a person is qualified for employment. The dealer shall maintain a copy of the notice for the duration of the person's employment and shall make the notice available to the department during an on-site inspection of the dealer's place of business.

(5) (a) Notwithstanding the requirement in subsection (1) of this section, a person employed by a dealer on the effective date of this section who submits fingerprints for a background check pursuant to subsection (3) of this section before July 8, 2025, may continue employment without the results of a background check until the department determines whether the employee is qualified for employment pursuant to this section following the background check.

(b) This subsection (5) is repealed, effective December 31, 2025.
(6) If a dealer employs a person in violation of this section, the department shall:

(a) For a first offense, issue a warning to the dealer that includes a description of the offense and the penalty for subsequent offenses; and

(b) For a second or subsequent offense, revoke the dealer's state permit. A dealer who has had a state permit revoked pursuant to this subsection (6)(b) may apply for a new permit no sooner than three years after the revocation.

SECTION 5. In Colorado Revised Statutes, 18-12-111, add (3) as follows:

18-12-111. Unlawful purchase of firearms - report to law enforcement - penalties. (3) (a) If a firearms dealer who holds a state permit to deal firearms pursuant to Section 18-12-401.5 suspects that a person, including an employee, purchased or attempted to purchase a firearm in violation of this section, the dealer shall report that information to a law enforcement agency with jurisdiction over the dealer's place of business.

(b) Failure to make the report required by this subsection (3) within forty-eight hours after the firearm purchase or attempted firearm purchase is a violation of state law concerning the sale of firearms and is subject to the penalties described in Section 18-12-401.5 (7).

SECTION 6. Effective date. This act takes effect upon passage; except that sections 3, 4, and 5 of this act take effect July 1, 2025.

SECTION 7. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety or for appropriations for
the support and maintenance of the departments of the state and state
institutions.