



Testimony of Tanya Schardt, Senior Counsel & Senior Director of State Policy, Brady
Support for HB24-1353
Before the Colorado Senate Finance Committee

Chair Mullica, Vice Chair Kolker, and distinguished members of the Senate Judiciary Committee,

Founded in 1974, Brady works across Congress, courts, and communities, uniting gun owners and non-gun owners alike, to take action, not sides, and end America's gun violence epidemic. Our organization today carries the name of Jim Brady, who was shot and severely injured in the assassination attempt on President Ronald Reagan. Jim and his wife, Sarah, led the fight to pass federal legislation requiring background checks for gun sales. Brady continues to uphold Jim and Sarah's legacy by uniting Americans from coast to coast, red and blue, young and old, liberal and conservative, to combat the epidemic of gun violence. **To this aim, the Brady Campaign to Prevent Gun Violence encourages legislators to support HB24-1353, which will ensure safer business practices, create a barrier to gun trafficking, and prevent gun violence before it happens.**

Colorado leaders have persisted in prioritizing the safety and well-being of all Coloradans by enacting and implementing proactive, research-informed policy solutions that prevent gun violence, save lives, and spare entire communities from loss, trauma and cycles of violence. And still, every 10 hours, a Coloradan is shot and killed by a gun, with over 900 citizens dying each year.¹ One firearm death is one too many and Colorado can do more – like pass HB24 – to ensure the safety of its citizens.

Gun Dealers Play a Critical Role in Preventing Violence in our Communities

Gun dealers play the critical role of gatekeepers to those wishing to acquire a firearm. Their conduct has a direct bearing on whether guns are diverted to the illegal market through straw sales or theft or made available to individuals who would harm themselves or others. The majority of illegal guns begin as legal firearms, initially built by licensed manufacturers and sold by dealers that are subsequently funneled into an illegal market, often through straw purchases. The term

¹ Centers for Disease Control and Prevention (CDC), *WISQARS Injury Data*, <https://www.cdc.gov/injury/wisqars/index.html>

“straw purchase” refers to the criminal act of purchasing a firearm on behalf of another, an act that undermines the National Instant Criminal Background Check System (NICS) and makes it more difficult for law enforcement to trace guns or bullet casings found at crime scenes.² The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the sole federal agency with regulatory and oversight authority over the gun industry, and has identified straw purchases as the most frequent type of trafficking channel and shockingly, ATF inspection reports reveal that dealers that allow straw purchases are often allowed to stay in business.³

Theft of guns is another common channel through which legal firearms become illegal weapons and it is the responsibility of Gun dealers to ensure that their businesses are not susceptible to theft. Gun theft is on the rise and the threat of stolen guns to public safety is substantial. Nearly 175,000 firearms were reported “stolen or lost” by dealers between 2004 and 2011;⁴ burglaries from dealers increased 48 percent and robberies increased 175 percent between 2012 and 2016.⁵ Most stolen guns are recovered in connection with crime near the location where the theft took place.⁶ ATF has expressed concerns about persistent theft from licensed dealers in 2018, calling it one of the agency’s primary “external challenges.”

Gun Dealers are Not Sufficiently Regulated

Gun dealers are the number one line of defense to preventing the diversion of firearms to the illegal market, but an average of *only eight percent* of gun dealers are inspected yearly by the ATF.⁷ Although the ATF is the sole federal agency with the authority to oversee dealers in the United States, the agency provides little to no regulation, is systematically underfunded, and is legally restricted in its inspection authority, creating a dangerous regulatory gap through which thousands of firearms are stolen, sold to prohibited individuals, or take various other paths to become trafficked firearms. Federal law does not require gun dealers to adhere to safe business practices or train their employees on recognizing signs of illegal or dangerous activity, nor are there federal requirements concerning security standards, video or audio recording of sales and premises, or liability insurance.

These regulatory failures put all Coloradans at risk and speak to the urgent need for Colorado to require that the over 2,000 dealers in the state engage in safe business practices and institute comprehensive security measures that prevent guns from being diverted to the criminal market through straw purchases, trafficking, firearms loss, or theft.⁸ While Colorado has worked to fill

² Eaton Joshua, (November 2021). *The US Has a lot of Guns Involved in Crimes but Very Little Data on Where They Came From*, FiveThirtyEight <https://fivethirtyeight.com/features/the-u-s-has-a-lot-of-guns-involved-in-crimes-but-very-little-data-on-where-they-came-from/#:~:text=Because%20straw%20purchasing%20can%20be%20so%20hard%20to,them%20%5Bfrom%20legally%20owning%20a%20gun%5D%2C%E2%80%9D%20he%20said>.

³ Bureau of Alcohol, Tobacco, Firearms and Explosives, (2000). *Following the Gun: Enforcing Federal Laws against Firearms Traffickers* <http://www.nfaoa.org/documents/ATF-%20Following%20the%20Gun.%20Enforcing%20Federal%20Laws%20Against%20Firearms%20Traffickers.pdf>.

⁴ *Review of ATF’s Federal Firearms Licensee Inspection Program* (April 2013). Evaluation and Inspections Division, Office of the Inspector General, U.S. Department of Justice. <https://oig.justice.gov/reports/2013/e1305.pdf>.

⁵ Parsons Chelsea & Vargas Eugenio Weigend. (July 2017). *Stolen Guns in America: A State-by-State Analysis*, CENTER FOR AMERICAN PROGRESS <https://www.americanprogress.org/issues/guns-crime/reports/2017/07/25/436533/stolen-guns-america/>.

⁶ Freskos, Brian (November 2017). *Missing Pieces: Gun theft from legal owners is on the rise, fueling violent crime across America*, THE TRACE. <https://www.thetrace.org/features/stolen-guns-violent-crime-america/>.

⁷ See ATF, *Fact Sheet – Facts and Figures for Fiscal Years 2015 – 2019*.

⁸ U.S. Bureau of Alcohol, Tobacco, Firearms & Explosives, Federal Firearms Listings, <https://www.atf.gov/firearms/listing-federal-firearms-licensees>.

some of these gaps, it must further strengthen gun dealer standards and oversight to create an environment where dealers have the tools they need to prevent gun trafficking and understand that they have a responsibility to engage in responsible business practices.

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.⁹ Negligent, irresponsible, and illegal conduct by gun dealers has immense consequences, 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.¹⁰ These guns do not just appear on America's streets. Appropriate conduct by gun dealers and their employees is critical to keeping guns out of the communities disproportionately impacted by gun violence.

According to ATF's latest data, a small percentage of dealers are the source of most crime guns in these impacted communities.¹¹ These dealers often willfully engage in illegal or irresponsible behavior by selling or transferring guns that they know will be trafficked into areas of high crime. Further, they profit off of this behavior and participate in an economic system that perpetuates systemic poverty and structural violence, both factors that are at least partly responsible for the high rates of gun violence in these communities. Offending dealers typically sit outside these communities, frequently in less diverse and more affluent suburbs, and profit off of irresponsible or illegal sales that drive guns into cities that later turn up at crime scenes.¹² Without action to require dealers to implement safe and responsible business practices, these trends will continue.

The harms from this violence stretch beyond the victims themselves. In addition to collective trauma, communities burdened by fear cannot prioritize quality of life. Gun violence perpetuates racial inequities by sustaining multi-generational cycles of violence, poverty, and trauma. Codifying recognized practices and minimum security standards provides needed standards for gun dealers to reduce trafficking and sales of firearms in communities of color and combat these issues.

This Bill Will Prevent Gun Violence Before it Happens

This legislation is critical to curbing dangerous sales, preventing guns from being diverted into the criminal market, and reducing the likelihood of straw purchases, theft, burglary, and loss of inventory. This bill strengthens gun dealer standards and oversight in Colorado to ensure that gun dealers have the tools they need to prevent gun trafficking and understand that they have an obligation to engage in responsible business practices, and allows the State to engage in critical inspections practices to ensure dealers are adhering to those responsible business practices.

Conclusion

⁹ CDC, Fatal Injury and Violence Data (February 2022), <https://www.cdc.gov/injury/wisqars/fatal.html>

¹⁰ ATF, *Data & Statistics* (January 2022), <https://www.atf.gov/resource-center/data-statistics>

¹¹ Collins, G. (May 2021). *Who Sold That Gun? Nobody's Telling*, New York Times <https://www.nytimes.com/2021/05/12/opinion/gun-laws-firearm.html>

¹² *Crime Guns in Impacted Communities*, Brady. <https://www.bradyunited.org/reports/crime-guns-in-impacted-communities>.

As firearm sales skyrocketed across the country and within the state of Colorado in past years, Coloradans experienced major surges in both fatal and non-fatal shootings with tragic consequences. The epidemic of gun violence across Colorado necessitates comprehensive solutions, of which HB24-1353 plays a substantial part. Ensuring gun sellers are held to certain standards of responsible business practices will target the exact types of gun violence that Colorado faces today. **Brady strongly urges legislators to support HB24-1353 to help prevent gun violence in Colorado that will help and save countless lives.**

Sincerely,
Tanya Schardt
Senior Counsel & Senior Director of State Policy
The Brady Campaign to Prevent Gun Violence

Testimony in opposition to: HB24-1353 Firearms Dealers Requirements and Permits.
Senate Finance Committee

Thank you, Chair and Committee

My name is Robert Edmiston. I am with the Firearms Coalition of Colorado, an NRA-affiliated, all-volunteer, grassroots organization dedicated to the protection of individual rights and public safety. I am a former U.S. Army officer and vocational rehabilitation counselor. I have a master's degree in psychology, counseling, and guidance.

While we appreciate the efforts of the sponsors, I am writing in opposition to the measure under consideration. We believe the bill is unnecessary, involves Colorado in a messy federal legal situation, and is an unconstitutional burden on a natural right, especially for persons with economic disadvantages. The bill will do nothing to reduce crime, and will embolden criminals through a reduction in legally armed honest citizens.

The Bureau of Alcohol, Tobacco, Firearms, and Explosives (BATFE) already strictly regulates firearms dealers in Colorado. This bill adds a redundant layer of bureaucratic red tape to the administrative burdens borne by businesses dealing in guns. This onus will fall particularly hard on small gun shops with a few employees, driving many of them to go out of business or to leave the state in search of a more workable regulatory environment.

Fewer gun stores will result in reduced competition, higher prices, and will price many economically disadvantaged individuals out of their ability to exercise a constitutional right to armed self-defense. The bill will have a disparate impact on marginalized communities that may be experiencing higher crime rates for economic reasons.

Page 3, Line 20 reads as follows:

(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.

This definition embroils Colorado in the current federal controversy surrounding BATFE rule making, which seeks to define virtually anyone who sells a firearm to make a profit as a "gun dealer." Collectors, who purchase guns as investments, do not intend to sell them at a loss.

We believe this measure is a totally useless burden on legal gun dealers, an economic disaster for lower income citizens, and an infringement on the constitutional rights of all Colorado citizens.

We urge a "No" vote by members of the committee.

Thank you for your consideration.

Robert Edmiston
Volunteer Lobbyist
The Firearms Coalition of Colorado
PO Box 1454, Englewood, CO 80150-1454

Thursday, May 2, 2024

Good Afternoon, Mr. Chair and Members of the Finance Committee,

My name is Marcella Schieffelin, I live in Mesa County, and I am speaking on my behalf.

I thank the bill sponsors for bringing this piece of legislation forward.

I express my strong support for Colorado HB 24-1353, which addresses critical gaps in the oversight and regulation of firearms dealers. This bill is essential for enhancing public safety, reducing illegal firearms trafficking, and preventing gun violence in our communities.

There are three key reasons why Colorado HB 24-1353 is vital for promoting public safety and reducing gun violence:

1. **Enhancing Oversight:** State-level permits provide an additional layer of oversight and accountability. This can help ensure that gun dealers comply with both federal and state regulations, reducing the likelihood of illegal sales or other violations.

Firearms dealers serve as the primary gateway for guns entering the consumer market, yet they are subject to minimal federal oversight. With over 52,900 individuals holding federal firearms licenses, the current regulatory framework is insufficient to address the risks associated with unchecked firearm sales. The limited frequency of unannounced inspections, high burden of proof for prosecution, and inadequate resources allocated to ATF hinder its ability to hold non-compliant dealers accountable. As a result, only a fraction of inspected dealers face license revocation or prosecution for violations, leaving many rogue dealers unchecked.

2. **Promoting Public Safety:** By requiring gun dealers to obtain state permits, authorities can better track and monitor firearm transactions

within the state. This can help prevent the illegal sale or transfer of firearms, reduce gun violence, and promote public safety.

The importance of regulation is further underscored by the staggering number of firearms reported missing from dealers' inventories, totaling 174,679 between 2004 and 2011. These missing guns pose a significant risk to public safety as they may be used in criminal activities and cannot be traced to their initial purchasers. The potential consequences of stolen firearms were tragically illustrated by the case of a single stolen gun in Chicago, which resulted in 24 shootings, including two fatalities, in less than two years.

3. Supporting State and Local Authorities: State-level permits empower state and local authorities to play a more active role in regulating firearms within their jurisdictions. This can foster collaboration between different levels of government and promote more effective enforcement of gun laws.

In conclusion, Colorado HB 24-1353 is a vital step towards addressing the deficiencies in firearms dealer oversight and protecting our communities from gun violence and illegal firearms trafficking. I urge the Committee to support this bill and prioritize the safety and well-being of all Coloradans.

Thank you for your attention to this critical matter.