107TH CONGRESS 1ST SESSION **S. 890**

To require criminal background checks on all firearms transactions occurring at events that provide a venue for the sale, offer for sale, transfer, or exchange of firearms, and to provide additional resources for gun crime enforcement.

IN THE SENATE OF THE UNITED STATES

MAY 15, 2001

Mr. MCCAIN (for himself, Mr. LIEBERMAN, Mr. SCHUMER, Mr. DEWINE, and Mr. CARPER) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

- To require criminal background checks on all firearms transactions occurring at events that provide a venue for the sale, offer for sale, transfer, or exchange of firearms, and to provide additional resources for gun crime enforcement.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

- 4 This Act may be cited as the "Gun Show Loophole
- 5 Closing and Gun Law Enforcement Act of 2001".

TITLE I—GUN SHOW LOOPHOLE CLOSING ACT OF 2001

3 SEC. 101. SHORT TITLE.

4 This title may be cited as the "Gun Show Loophole5 Closing Act of 2001".

6 SEC. 102. DEFINITIONS.

7 Section 921(a) of title 18, United States Code, is8 amended by adding at the end the following:

9 "(35) SPECIAL FIREARMS EVENT.—The term
10 'special firearms event'—

"(A) means any event at which 75 or more
firearms are offered or exhibited for sale or exchange, if 1 or more of the firearms has been
shipped or transported in, or otherwise affects,
interstate or foreign commerce; and

"(B) does not include an offer or exhibit of
firearms for sale or exchange by an individual
from the personal collection of that individual,
at the private residence of that individual, if the
individual is not required to be licensed under
sections 923 and 931.

"(36) SPECIAL FIREARMS EVENT FREQUENT
OPERATOR.—The term 'special firearms event frequent operator' means any person who operates 2 or
more special firearms events in a 6 month period.

"(37) SPECIAL FIREARMS EVENT INFREQUENT
 OPERATOR.—The term 'special firearms event infre quent operator' means any person who operates not
 more than 1 special firearms event in a 6 month pe riod.

6 "(38) Special firearms event licensee.— 7 The term 'special firearms event licensee' means any 8 person who has obtained and holds a valid license in 9 compliance with section 931(d) and who is author-10 ized to contact the national instant criminal back-11 ground check system on behalf of another individual 12 who is not licensed under this chapter for the pur-13 pose of conducting a background check for a poten-14 tial firearms transfer at a special firearms event in 15 accordance with section 931(c).

16 "(39) Special firearms event vendor.— 17 The term 'special firearms event vendor' means any 18 person who is not required to be licensed under sec-19 tion 923, who exhibits, sells, offers for sale, trans-20 fers, or exchanges 1 or more firearms at a special 21 firearms event, regardless of whether or not the per-22 son arranges with the special firearms event pro-23 moter for a fixed location from which to exhibit, sell, 24 offer for sale, transfer, or exchange 1 or more fire-25 arms.".

1	SEC. 103. REGULATION OF FIREARMS TRANSFERS AT SPE-
2	CIAL FIREARMS EVENTS.
3	(a) IN GENERAL.—Chapter 44 of title 18, United
4	States Code, is amended by adding at the end the fol-
5	lowing:
6	"§931. Regulation of firearms transfers at special
7	firearms events
8	"(a) Special Firearms Event Operators.—
9	"(1) REGISTRATION OF SPECIAL FIREARMS
10	EVENT OPERATORS.—
11	"(A) IN GENERAL.—It shall be unlawful
12	for any person to operate a special firearms
13	event unless that person registers with the Sec-
14	retary in accordance with regulations promul-
15	gated by the Secretary.
16	"(B) FEES.—The Secretary shall be pro-
17	hibited from imposing or collecting any fee from
18	special firearms event operators in connection
19	with the registration requirement in subpara-
20	graph (A).
21	"(2) Responsibilities of special firearms
22	EVENTS FREQUENT OPERATORS.—It shall be unlaw-
23	ful for a special firearms events frequent operator to
24	organize, plan, promote, or operate a special fire-
25	arms event unless that operator—

"(A) has an annual operating license for 1 2 special firearms events frequent operators 3 issued by the Secretary pursuant to regulations 4 promulgated by the Secretary; 5 "(B) not later than 30 days before com-6 mencement of the special firearms event, noti-7 fies the Secretary of the date, time, duration, 8 and location of the special firearms event, the 9 vendors planning to participate, and any other 10 information concerning the special firearms 11 event as the Secretary may require by regula-12 tion: 13 "(C) not later than 72 hours before com-14 mencement of the special firearms event, sub-

mencement of the special firearms event, submits to the Secretary an updated list of all special firearms event vendors planning to participate, and any other information concerning
such vendors as the Secretary may require by
regulation;

"(D) before commencement of the special
firearms event, or in the case of a vendor who
arrives after the commencement of the event,
upon the arrival of the vendor, verifies the identity of each special firearms event vendor participating in the special firearms event by exam-

	0
1	ining a valid identification document (as defined
2	in section $1028(d)(2)$) of the vendor containing
3	a photograph of the vendor;
4	"(E) before commencement of the special
5	firearms event, or in the case of a vendor who
6	arrives after the commencement of the event,
7	upon the arrival of the vendor, requires each
8	special firearms event vendor to sign—
9	"(i) a ledger with identifying informa-
10	tion concerning the vendor; and
11	"(ii) a notice advising the vendor of
12	the obligations of the vendor under this
13	chapter;
14	"(F) notifies each person who attends the
15	special firearms event of the requirements of
16	this chapter, in accordance with such regula-
17	tions as the Secretary shall prescribe;
18	"(G) not later than 5 days after the last
19	day of the special firearms event, submits to the
20	Secretary a copy of the ledger and notice de-
21	scribed in subparagraph (E); and
22	"(H) maintains a copy of the records de-
23	scribed in subparagraphs (C) through (E) at
24	the permanent place of business of the operator

1	for such period of time and in such form as the
2	Secretary shall require by regulation.
3	"(3) Responsibilities of special firearms
4	EVENTS INFREQUENT OPERATORS.—It shall be un-
5	lawful for a special firearms event infrequent oper-
6	ator to organize, plan, promote, or operate a special
7	firearms event unless that person—
8	"(A) not later that 30 days before com-
9	mencement of the special firearms event, noti-
10	fies the Secretary of the date, time, duration,
11	and location of the special firearms event;
12	"(B) not later than 72 hours before com-
13	mencement of the special firearms event, sub-
14	mits to the Secretary a list of all special fire-
15	arms event vendors planning to participate in
16	the special firearms event and any other infor-
17	mation concerning such vendors as the Sec-
18	retary may require by regulation;
19	"(C) before commencement of the special
20	firearms event, or in the case of a vendor who
21	arrives after the commencement of the event,
22	upon the arrival of the vendor, verifies the iden-
23	tity of each special firearms event vendor par-
24	ticipating in the special firearms event by exam-
25	ining a valid identification document (as defined

1	in section $1028(d)(2)$) of the vendor containing
2	a photograph of the vendor;
3	"(D) before commencement of the special
4	firearms event, or in the case of a vendor who
5	arrives after the commencement of the event,
б	upon the arrival of the vendor, requires each
7	special firearms event vendor to sign—
8	"(i) a ledger with identifying informa-
9	tion concerning the vendor; and
10	"(ii) a notice advising the vendor of
11	the obligations of the vendor under this
12	chapter;
13	((E) notifies each person who attends the
14	special firearms event of the requirements of
15	this chapter, in accordance with such regula-
16	tions as the Secretary shall prescribe;
17	"(F) not later than 5 days after the last
18	day of the special firearms event, submits to the
19	Secretary a copy of the ledger and notice de-
20	scribed in subparagraph (D); and
21	"(G) maintains a copy of the records de-
22	scribed in subparagraphs (B) through (D) at
23	the permanent place of business of the special
24	firearms event promoter for such period of time

and in such form as the Secretary shall require
 by regulation.

3 "(b) Responsibilities of Transferors Other
4 Than Licensees.—

"(1) IN GENERAL.—If any part of a firearm 5 6 transaction takes place at a special firearms event, 7 or on the curtilage of the event, it shall be unlawful 8 for any person who is not licensed under this chap-9 ter to transfer a firearm to another person who is 10 not licensed under this chapter, unless the firearm 11 is transferred through a licensed importer, licensed 12 manufacturer, licensed dealer, or a special firearms 13 event licensee in accordance with subsection (c).

14 "(2) CRIMINAL BACKGROUND CHECKS.—A per15 son who is subject to the requirement of paragraph
16 (1) shall not—

17 "(A) transfer the firearm to the transferee
18 until the licensed importer, licensed manufac19 turer, licensed dealer, or a special firearms
20 event licensee through which the transfer is
21 made makes the notification described in sub22 section (c)(2)(A); or

23 "(B) transfer the firearm to the transferee24 if the person has been notified under subsection

(c)(2)(B) that the transfer would violate section
 922 or would violate State law.

3 "(3) ABSENCE OF RECORDKEEPING REQUIRE4 MENTS.—Nothing in this section shall permit or au5 thorize the Secretary to impose recordkeeping re6 quirements on any nonlicensed special firearms event
7 vendor.

8 "(c) RESPONSIBILITIES OF LICENSEES.—A licensed 9 importer, licensed manufacturer, licensed dealer, or special 10 firearms event licensee who agrees to assist a person who 11 is not licensed under this chapter in carrying out the re-12 sponsibilities of that person under subsection (b) with re-13 spect to the transfer of a firearm shall—

14 "(1) except as provided in paragraph (2), com-15 ply with section 922(t) as if transferring the firearm 16 from the inventory of the licensed importer, licensed 17 manufacturer, or licensed dealer to the designated 18 transferee (although a licensed importer, licensed 19 manufacturer, or licensed dealer complying with this 20 subsection shall not be required to comply again 21 with the requirements of section 922(t) in delivering 22 the firearm to the nonlicensed transferor);

"(2) not later than 3 business days (meaning a
day on which State offices are open), or if the event
is held in a State that has been certified by the At-

1	torney General under section 104 of the Gun Show
2	Loophole Closing Act of 2001, not later than 24
3	hours (or 3 business days if additional information
4	is required in order to verify disqualifying informa-
5	tion from a State that has not been certified by the
6	Attorney General) notify the nonlicensed transferor
7	and the nonlicensed transferee—
8	"(A) of any response from the national
9	criminal background check system, or if the li-
10	censee has had no response from the national
11	criminal background check system within the
12	time period set forth in paragraph (2), notify
13	the nonlicensed transferor that no response has
14	been received and that the transfer may pro-
15	ceed; and
16	"(B) of any receipt by the licensed im-
17	porter, licensed manufacturer, or licensed dealer
18	of a notification from the national instant
19	criminal background check system that the
20	transfer would violate section 922 or would vio-
21	late State law;
22	"(3) in the case of a transfer of 2 or more fire-
23	arms on a single day to a person other than a li-
24	censee, prepare a report of the multiple transfers,
25	which report shall be—

1	"(A) on a form specified by the Secretary;
2	and
3	"(B) not later than the close of business
4	on the date on which the multiple transfer oc-
5	curs, forwarded to—
6	"(i) the office specified on the form
7	described in subparagraph (A); and
8	"(ii) the appropriate State law en-
9	forcement agency of the jurisdiction in
10	which the transfer occurs; and
11	"(4) comply with all record keeping require-
12	ments under this chapter.
13	"(d) Special Firearms Event License.—
14	"(1) IN GENERAL.—The Secretary shall issue a
15	special firearms event license to a person who sub-
16	mits an application for a special firearms event li-
17	cense in accordance with this subsection.
18	"(2) Application.—The application required
19	by paragraph (1) shall be approved if—
20	"(A) the applicant is 21 years of age or
21	over;
22	"(B) the application includes a photograph
23	and the fingerprints of the applicant;
24	"(C) the applicant (including, in the case
25	of a corporation, partnership, or association,

1	any individual possessing, directly or indirectly,
2	the power to direct or cause the direction of the
3	management and policies of the corporation,
4	partnership, or association) is not prohibited
5	from transporting, shipping, or receiving fire-
6	arms or ammunition in interstate or foreign
7	commerce under subsection (g) or (n) of section
8	922;
9	"(D) the applicant has not willfully vio-
10	lated any of the provisions of this chapter or
11	regulations issued thereunder;
12	"(E) the applicant has not willfully failed
13	to disclose any material information required,
14	or has not made any false statement as to any
15	material fact, in connection with his application;
16	and
17	"(F) the applicant certifies that—
18	"(i) the applicant meets the require-
19	ments of subparagraphs (A) through (D)
20	of section $923(d)(1)$;
21	"(ii) the business to be conducted
22	under the license is not prohibited by State
23	or local law in the place where the licensed
24	premises is located; and

"(iii) the business will not be con-1 2 ducted under the license until the requirements of State and local law applicable to 3 4 the business have been met. 5 "(3) Application and approval.— 6 "(A) IN GENERAL.—On approval of an ap-7 plication as provided in this subsection and pay-8 ment by the applicant of a fee of \$200 for 3 9 years, and upon renewal of valid registration a 10 fee of \$90 for 3 years, the Secretary shall issue 11 to the applicant an instant check registration, 12 and advise the Attorney General of that registration. 13 14 "(B) NICS.—A special firearms licensee 15 may contact the national instant criminal back-16 ground check system established under section 17 103 of the Brady Handgun Violence Prevention 18 Act (18 U.S.C. 922 note) for information about 19 any individual desiring to obtain a firearm at a 20 gun show from any special firearms event ven-21 dor who has requested the assistance of the reg-22 istrant in complying with subsection (c) with re-23 spect to the transfer of the firearm, during the 24

3-year period that begins with the date the reg-

14

istration is issued.

1	"(4) REQUIREMENTS.—The requirements for a
2	special firearms event licensee shall not exceed the
3	requirements for a licensed dealer and the record
4	keeping requirements shall be the same.
5	"(5) RESTRICTIONS.—
6	"(A) BACKGROUND CHECKS.—A special
7	firearms event licensee may have access to the
8	national instant criminal background check sys-
9	tem to conduct a background check only at a
10	special firearms event and only on behalf of an-
11	other person.
12	"(B) TRANSFER OF FIREARMS.—A special
13	firearms event licensee shall not transfer a fire-
14	arm at a special firearms event.
15	"(e) FIREARM TRANSACTION DEFINED.—In this sec-
16	tion, the term 'firearm transaction'—
17	"(1) includes the sale, offer for sale, transfer,
18	or exchange of a firearm; and
19	"(2) does not include—
20	"(A) the mere exhibition of a firearm; or
21	"(B) the sale, transfer, or exchange of fire-
22	arms between immediate family, including par-
23	ents, children, siblings, grandparents, and
24	grandchildren.".

(b) PENALTIES.—Section 924(a) of title 18, United
 States Code, is amended by adding at the end the fol lowing:

4 "(7)(A)(i) Whoever knowingly violates section
5 931(a)(1) shall be—

6 "(I) fined under this title, imprisoned not more
7 than 2 years, or both; and

8 "(II) in the case of a second or subsequent con9 viction, such person shall be fined under this title,
10 imprisoned not more than 5 years, or both.

11 "(ii) Whoever knowingly violates section 931(a)(2)
12 shall be fined under this title, imprisoned not more than
13 5 years, or both.

14 "(iii) Whoever knowingly violates section 931(a)(3)
15 shall be fined under this title, imprisoned not more than
16 2 years, or both.

17 "(B) Whoever knowingly violates section 931(b) shall18 be—

19 "(i) fined under this title, imprisoned not more20 than 2 years, or both; and

"(ii) in the case of a second or subsequent conviction, such person shall be fined under this title,
imprisoned not more than 5 years, or both.

"(C) Whoever knowingly violates section 931(c) shall
 be fined under this title, imprisoned not more than 5
 years, or both.

4 "(D) In addition to any other penalties imposed 5 under this paragraph, the Secretary may, with respect to 6 any person who violates any provision of section 931— 7 "(i) if the person is registered pursuant to sec-8 tion 931(a), after notice and opportunity for a hear-9 ing, suspend for not more than 6 months or revoke 10 the registration of that person under section 931(a); 11 and 12 "(ii) impose a civil fine in an amount equal to 13 not more than \$10,000.". 14 (c) TECHNICAL AND CONFORMING AMENDMENTS.— 15 Chapter 44 of title 18, United States Code, is amended in the chapter analysis, by adding at the end the following: 16 "931. Regulation of firearms transfers at special firearms events.". 17 SEC. 104. OPTION FOR 24-HOUR BACKGROUND CHECKS AT 18 SPECIAL FIREARMS EVENTS FOR STATES 19 WITH **COMPUTERIZED** DISQUALIFYING 20 **RECORDS AND PROGRAMS TO** IMPROVE

21 **STATE DATABASES.**

22 (a) Option for 24-Hour Requirement.—

23 (1) IN GENERAL.—Effective 3 years after the
24 date of enactment of this Act, a State may apply to

the Attorney General for certification of the 24-hour
 verification authority of that State.

CERTIFICATION.—The Attorney General 3 (2)4 shall certify a State for 24-hour verification author-5 ity only upon a clear showing by the State that not 6 less than 95 percent of all records containing infor-7 mation that would disqualify an individual under 8 subsections (g) and (n) of section 922 of title 18, 9 United States Code, or under State law, is available 10 on computer records in the State, and is searchable 11 under the national instant criminal background 12 check system established under section 103 of the 13 Brady Handgun Violence Prevention Act (18 U.S.C. 14 922 note).

(3) DISQUALIFYING INFORMATION.—Such disqualifying information shall include, at a minimum,
the disqualifying records for that State going back
30 years from the date of application to the Attorney General for certification.

(4) 24-HOUR PROVISION.—Upon certification by
the Attorney General, the 24-hour provision in section 931(c)(2) of title 18, United States Code, shall
apply to the verification process (for transfers between unlicensed persons) in that State unless additional information is required in order to verify dis-

qualifying information from a State that has not
 been certified by the Attorney General, in which case
 the 3 business day limit shall apply.

4 (5) ANNUAL REVIEW.—The Attorney General
5 shall annually review and revoke for any State not
6 in compliance the certification required in the
7 amendment made by paragraph (1).

8 (b) PRIORITY.—The Attorney General shall give pri-9 ority to background check requests at special firearms 10 events made pursuant to section 931 of title 18, United 11 States Code, as added by this Act.

(c) STUDY.—Not later than 180 days after the date
of enactment of this Act, the Attorney General shall identify and report to Congress the reasons for delays in background checks at the Federal and State levels and include
recommendations for eliminating those delays.

17 (d) Grant Program.—

(1) IN GENERAL.—The Attorney General is authorized to make grants to States to assist in the
computerization of the criminal conviction records
and other disqualifying records of that State and
with other issues facing States that want to apply
for certification under section 104(a) of this title.

24 (2) AUTHORIZATION.—There are authorized to25 be appropriated such sums as are necessary for fis-

cal years 2002 through 2004 to carry out this sub section.

3 SEC. 105. INSPECTION AUTHORITY.

4 Section 923(g)(1)(B), of title 18, United States Code,
5 is amended by striking "or licensed dealer" and inserting
6 "licensed dealer, or special firearms event operator".

7 SEC. 106. INCREASED PENALTIES FOR SERIOUS RECORD-8 KEEPING VIOLATIONS BY LICENSEES.

9 Section 924(a)(3) of title 18, United States Code, is
10 amended to read as follows:

((3)(A) Except as provided in subparagraph 11 12 (B), any licensed dealer, licensed importer, licensed 13 manufacturer, licensed collector, or special firearms 14 event licensee who knowingly makes any false state-15 ment or representation with respect to the informa-16 tion required by this chapter to be kept in the 17 records of a person licensed under this chapter, or 18 violates section 922(m) shall be fined under this 19 title, imprisoned not more than 1 year, or both.

20 "(B) If the violation described in subparagraph
21 (A) is in relation to an offense—

"(i) under paragraph (1) or (3) of section
922(b), such person shall be fined under this
title, imprisoned not more than 5 years, or
both; or

"(ii) under subsection $(a)(6)$ or (d) of sec-
tion 922, such person shall be fined under this
title, imprisoned not more than 10 years, or
both.".
SEC. 107. INCREASED PENALTIES FOR VIOLATIONS OF
CRIMINAL BACKGROUND CHECK REQUIRE-
MENTS.
Section 924(a) of title 18, United States Code, is
amended—
(1) in paragraph (5) , by striking "subsection
(s) or (t) of section 922" and inserting "section
922(s)"; and
(2) by adding at the end the following:
"(8) Whoever knowingly violates section $922(t)$
shall be fined under this title, imprisoned not more
than 5 years, or both.".
SEC. 108. RULE OF INTERPRETATION.
A provision of State law is not inconsistent with this
title or an amendment made by this title if the provision
imposes a regulation or prohibition of greater scope or a
penalty of greater severity than any prohibition or penalty
imposed by this title or an amendment made by this title.

1 SEC. 109. EFFECTIVE DATE.

2 This title and the amendments made by this title3 shall take effect 180 days after the date of enactment of4 this Act.

5 TITLE II—GUN LAW 6 ENFORCEMENT ACT OF 2001

7 SEC. 201. SHORT TITLE.

8 This title may be cited as the "Gun Law Enforcement9 Act of 2001".

10 SEC. 202. STATE AND LOCAL GUN CRIME PROSECUTORS.

(a) PURPOSE.—The purpose of this section is to—
(1) provide funding for State and local prosecutors to focus on gun prosecutions in high gun crime
areas; and

(2) double funding for such programs from fis-cal year 2001 to 2002.

(b) AUTHORIZATION.—There are authorized to be appropriated \$150,000,000 for fiscal year 2002 to the Attorney General to provide grants to States and units of local
government to support prosecutions in high gun crime
areas by State and local prosecutors.

22 SEC. 203. NATIONAL PROJECT EXILE.

(a) PURPOSE.—The purpose of this section is to provide funding to replicate the success of the Project EXILE
program.

(b) AUTHORIZATION.—There are authorized to be ap propriated \$20,000,000 for fiscal year 2002 to the Attor ney General to provide for additional Assistant United
 States Attorneys to establish not to exceed 100 Project
 EXILE programs with local United States Attorneys and
 local jurisdictions.

7 (c) MEDIA AWARENESS.—From amounts authorized
8 by subsection (b), the Attorney General may provide funds
9 to participating local jurisdictions.

10 SEC. 204. FUNDING FOR ADDITIONAL ATF AGENTS.

There are authorized to be appropriated \$18,000,000
for fiscal year 2002 to the Secretary of the Treasury for
the purpose of funding the hiring of an additional 200
agents for the Bureau of Alcohol, Tobacco, and Firearms.
SEC. 205. GUN TRACING AND YOUTH CRIME GUN INTERDICTION.

- 17 There are authorized to be appropriated \$20,000,000
 18 for fiscal years 2002 through 2005 to the Secretary of
 19 the Treasury for the purpose of—
- 20 (1) funding additional resources for the Bureau
 21 of Alcohol, Tobacco, and Firearms to trace guns in22 volved in gun crimes; and
- (2) expanding the Youth Crime Gun Interdiction Initiative to 250 cities over the 4 years funding
 is authorized.

24

1 SEC. 206. SMART GUN TECHNOLOGY.

There are authorized to be appropriated \$10,000,000 for fiscal year 2002 to the National Institute for Justice for the purpose of making grants to research entities developing technologies that limit the use of a gun to the owner.

7 SEC. 207. REPORT ON BRADY ENFORCEMENT.

8 Not later than February 1 of each year— 9 (1)the Attorney General shall report to 10 Congress— 11 (A) the number of prosecutions resulting 12 from background checks conducted pursuant to 13 the Brady Handgun Violence Prevention Act; (B) what barriers exist to prosecutions 14 15 under that Act; and 16 (C) what steps could be taken to maximize 17 prosecutions; and 18 (2) the Secretary of Treasury shall report to 19 Congress— 20 (A) the number of investigations conducted 21 pursuant to the Brady Handgun Violence Pre-22 vention Act; 23 (B) the number of investigations initiated 24 but not pursued under that Act; 25 (C) the number of firearms retrieved as 26 transferred in contravention of that Act; and

(D) what barriers exist to investigations
 under that Act.