

113TH CONGRESS
1ST SESSION

H. R. 238

To amend chapter 44 of title 18, United States Code, to restrict the ability of a person whose Federal license to import, manufacture, or deal in firearms has been revoked, whose application to renew such a license has been denied, or who has received a license revocation or renewal denial notice, to transfer business inventory firearms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2013

Ms. MENG introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend chapter 44 of title 18, United States Code, to restrict the ability of a person whose Federal license to import, manufacture, or deal in firearms has been revoked, whose application to renew such a license has been denied, or who has received a license revocation or renewal denial notice, to transfer business inventory firearms, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Fire Sale Loophole
3 Closing Act”.

4 **SEC. 2. RESTRICTIONS ON THE ABILITY OF A PERSON
5 WHOSE FEDERAL LICENSE TO IMPORT, MAN-
6 UFACTURE, OR DEAL IN FIREARMS HAS BEEN
7 REVOKED, WHOSE APPLICATION TO RENEW
8 SUCH A LICENSE HAS BEEN DENIED, OR WHO
9 HAS RECEIVED A LICENSE REVOCATION OR
10 RENEWAL DENIAL NOTICE, TO TRANSFER
11 BUSINESS INVENTORY FIREARMS.**

12 (a) RESTRICTIONS.—Section 922 of title 18, United
13 States Code, is amended by adding at the end the fol-
14 lowing:

15 “(aa)(1)(A) It shall be unlawful for a person who has
16 been notified by the Attorney General that the Attorney
17 General has made a determination to revoke a license
18 issued to the person under this chapter to import, manu-
19 facture, or deal in firearms, or to deny an application of
20 the person to renew such a license, to—

21 “(i) transfer a business inventory firearm
22 of the person—

23 “(I) into a personal collection of the
24 person; or

1 “(II) to an employee of the person, or
2 to an individual described in section
3 923(d)(1)(B) with respect to the person; or
4 “(ii) receive a firearm that was a business
5 inventory firearm of the person as of the date
6 the person received the notice.

7 “(B) Subparagraph (A) shall not apply with respect
8 to a license revocation or denial determination that is re-
9 scinded.

10 “(2)(A) It shall be unlawful for a person, on or after
11 the effective date of the revocation of a license issued to
12 the person under this chapter to import, manufacture, or
13 deal in firearms, or (in the case that the application of
14 the person to renew such a license is denied) on or after
15 the date the license expires, to—

16 “(i) engage in conduct prohibited by paragraph
17 (1); or

18 “(ii) transfer to any other person (except a per-
19 son licensed under this chapter or a Federal, State,
20 or local law enforcement agency) a firearm that was
21 a business inventory firearm of the person as of the
22 effective date or expiration date, as the case may be.

23 “(B) Subparagraph (A) shall not apply with respect
24 to a license revocation or denial determination that is re-
25 versed.”.

1 (b) BUSINESS INVENTORY DEFINED.—Section
2 921(a) of such title is amended by adding at the end the
3 following:

4 “(36) BUSINESS INVENTORY FIREARM.—The term
5 ‘business inventory firearm’ means, with respect to a per-
6 son, a firearm required by law to be recorded in the acqui-
7 sition and disposition logs of any firearms business of the
8 person.”.

9 (c) CONFORMING AMENDMENT.—Section 923(c) of
10 such title is amended in the 2nd sentence by inserting
11 “section 922(aa) and to” after “subject only to”.

12 (d) PENALTIES.—Section 924(a) of such title is
13 amended by adding at the end the following:.

14 “(8) Whoever knowingly violates section 922(aa)
15 shall be fined under this title, imprisoned not more than
16 1 year (or, if the violation was willful, 5 years), or both.”.

17 (e) REQUIREMENT THAT LICENSE REVOCATION OR
18 APPLICATION DENIAL NOTICE INCLUDE TEXT OF LAW
19 PROHIBITING DEALING IN FIREARMS WITHOUT A FED-
20 ERAL FIREARMS LICENSE AND RESTRICTING TRANSFER
21 OF FIREARMS AFTER RECEIPT OF OFFICIAL LICENSE
22 REVOCATION OR RENEWAL APPLICATION DENIAL NO-
23 TICE.—Section 923(f)(1) of such title is amended in the
24 last sentence by inserting “, and shall set forth the provi-
25 sions of Federal law and regulation which prohibit a per-

1 son not licensed under this chapter from engaging in the
2 business of dealing in firearms or are relevant in deter-
3 mining whether a person is doing so, and the provisions
4 of section 922(aa)” before the period.

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