

Members of the U.S. House Judiciary Committee U.S. House of Representatives Washington, DC 20515

June 26, 2024

Dear Members of the Judiciary Committee:

On behalf of Police Leaders for Community Safety, a new nonpartisan national organization of police leaders from across the nation, we write in opposition to H.J. RES 144, an effort that would disapprove of the rule submitted by the Bureau of Alcohol, Tobacco, Firearms and Explosives, (ATF), Department of Justice, and cause it to have no force or effect, relating to the definition of 'Engaged in the Business' as a Dealer in Firearms.

In 2023, the Bipartisan Safer Communities Act (BSCA) became law, and the ATF began the process of rulemaking for the implementation of the law. The new rules went into effect in May of 2024. One of those rules broadens the definition of when a person is considered "engaged in the business" as a dealer in firearms other than a gunsmith or pawnbroker. This final rule incorporates the BSCA's definitions of "predominantly earn a profit" and "terrorism," and amends the regulatory definitions of "principal objective of livelihood and profit" and "engaged in the business" to ensure each conforms with the BSCA's statutory changes and can be relied upon by the public. The rule also clarifies what it means for a person to be "engaged in the business" of dealing in firearms and to have the intent to "predominantly earn a profit" from the sale or disposition of firearms. In addition, it clarifies the term "dealer" and defines the term "responsible person." These clarifications and definitions assist people in understanding when they are required to have a license to deal in firearms. Consistent with the Gun Control Act ("GCA") and existing regulations, the rule also defines the term "personal collection" to clarify when persons are not "engaged in the business" because they make only occasional sales to enhance a personal collection or for a hobby, or if the firearms they sell are all or part of a personal collection.

The clarity provided in the new rule is also warranted due to advancements in manufacturing (e.g., 3D printing) and distribution technology (e.g., internet sales) and changes in the marketplace for firearms and related products (e.g., large-scale gun shows) have changed the various ways individuals shop for firearms, and therefore have

created a need for further clarity in the regulatory definition of "dealer" and who is 'engaged in business'. The proliferation of new communications technologies and ecommerce has made it far easier for persons intending to make a profit to advertise and sell firearms to a large potential market at minimal cost and with minimal effort, using a variety of means, and often as a part-time activity. The proliferation of sales at larger-scale gun shows, flea markets, similar events, and online has altered the marketplace since the GCA was enacted in 1968.

This transformed marketplace has also impacted public safety in our communities. Felons and others prohibited from firearm possession have been able to evade background checks by purchasing firearms from unlicensed dealers who are not required to use the federal background check system before transferring a gun. According to the ATF, unlicensed gun dealers have been the largest source of illegally trafficked firearms, accounting for more than 40% of this illicit activity.

For these reasons, Police Leaders for Community Safety believes the clarifications in the new rules help to explain the terms and provisions of the law so that purchases and sales of firearms can occur in such a manner as to accommodate new forms of commerce and enhance public safety. The new rules and clarifications should stand as written.

Singerely,

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Chair, Police Leaders for Community Safety