

116TH CONGRESS  
1ST SESSION

# H. R. 4872

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States Code, to restrict the ability of a person whose Federal license to import, manufacture, or deal in firearms has been revoked, whose application to renew such a license has been denied, or who has received a license revocation or renewal denial notice, to transfer business inventory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.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2019

Mr. CICILLINE (for himself, Mr. SIRES, Mr. SWALWELL of California, Ms. NORTON, Mr. COHEN, Ms. DEGETTE, and Mr. NADLER) introduced the following bill; which was referred to the Committee on the Judiciary

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## 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States Code, to restrict the ability of a person whose Federal license to import, manufacture, or deal in firearms has been revoked, whose application to renew such a license has been denied, or who has received a license revocation or renewal denial notice, to transfer business inventory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 of the  
22 person—

23               “(I) into a personal collection of the per-  
24 son; or

1 “(II) to an employee of the person, or to  
2 an individual described in section 923(d)(1)(B)  
3 with respect to the person; or

4 “(ii) receive a firearm that was a business in-  
5 ventory firearm of the person as of the date the per-  
6 son 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 second 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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