OPEN LETTER TO ALL COLORADO FEDERAL FIREARMS LICENSEES

The purpose of this letter is to provide guidance on your obligations as a federal firearms licensee (FFL) in Colorado. The following guidance is intended to assist you in accomplishing this goal.

Colorado House Bill 21-1298 (HB1298), with an effective date of June 19, 2021, has generated questions from industry members as to how this state law may affect them while engaged in firearms business activities.

As you know, the Brady Handgun Violence Prevention Act (the Brady Act), 18 U.S.C. § 922(t), generally requires FFLs to initiate a background check before transferring a firearm to an unlicensed person. The Colorado Bureau of Investigation (CBI) serves as the state point of contact (POC) for implementation of the Brady Act. As such, FFLs in Colorado are required to contact the CBI prior to transferring a firearm. The CBI conducts the required background checks and provides FFLs with a response as to whether they may continue the firearm transaction.

HB1298 establishes a state requirement for an FFL in Colorado to obtain approval, in the form of a “proceed” response, from the CBI prior to any firearm transfers. HB1298 prohibits the CBI from approving a firearm transfer until the CBI determines that its background investigation is complete and that the transfer would not violate federal prohibitions on firearms possession or result in a violation of state law. Prior to the passage of HB1298, if an FFL contacted the CBI for the required background check and received a “delay” response, the FFL could transfer the firearm prior to receiving the results of the required background check after three business days had elapsed since the FFL initiated the background check. Under HB1298, Colorado FFLs are now required to wait for a “proceed” response from the CBI prior to the transfer of a firearm to an unlicensed person, even if three business days or more have passed.

Additionally, individuals who have been denied a firearm transfer following a background check may request a review of the denial and of the instant criminal background check records that prompted their denial. Prior to HB1298, the CBI was required to review background check records that prompted the denial and render a final administrative decision regarding the denial within 30 days. HB1298 establishes a 60-day deadline for the CBI to conduct the review and render a final administrative decision.

As you know, Federal law, 18 U.S.C. § 922(b)(2), makes it unlawful for any licensed importer, licensed manufacturer, licensed dealer, or licensed collector to sell or deliver any firearm to any person in any State where the purchase or possession by such person of such firearm would be in violation of any State law or any published ordinance applicable at the place of sale, delivery or other disposition, unless the licensee knows or has reasonable cause to believe that the purchase or possession would not be in violation of such State law or such published ordinance.
Therefore, FFLs in Colorado must comply with HB1298, which prohibits an FFL from transferring a firearm to an unlicensed person until the FFL has obtained approval for the firearms transfer from the CBI. Colorado FFLs may no longer transfer a firearm after three business days have elapsed since initiating a background check, but rather they must now wait for a “proceed” response from the CBI.

If you have questions regarding federal firearms laws and regulations, please contact your local ATF office. ATF works closely with the firearms industry and appreciates the important role the industry plays in combating violent crime. A list of ATF field office phone numbers is found at https://www.atf.gov/contact/atf-field-divisions.

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