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Testimony of Representative Amy D. Kuhn introducing

LD 1821, An Act to Ensure Responsible Business Practices by Licensed Firearm Dealers

Before the Joint Standing Committee on Judiciary

Senator Carney and distinguished members of the Judiciary Committee, my name is Amy Kuhn and I proudly represent House District 111, which is most of Falmouth. It is a pleasure to be with you today to introduce **LD 1821, An Act to Ensure Responsible Business Practices by Licensed Firearm Dealers**.

Federal firearm licensees (FFLs) play a pivotal role in the legal sale and distribution of firearms in the United States. While federal law and regulations administered by the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) establish a baseline for dealer conduct, states have the authority to adopt thoughtful, common-sense additional safeguards that are tailored to local needs. In fact, 16 states have done so. This bill seeks to enhance public safety here in Maine by filling critical gaps in dealer security, employee vetting and training, record keeping and reporting and overall business and consumer awareness about responsible gun ownership.

§503 Security Standards

This section of the bill directs the Department of Public Safety (DPS) to engage in rulemaking and adopt standards specifying the minimum-security requirements for firearm dealers in order to deter theft of firearms and their subsequent use in crimes. According to ATF data, thousands of firearms are stolen from FFLs annually in the United States, often due to inadequate security.¹ In Maine, between 2017 and 2021, there were 23 thefts from FFLs in Maine, which included 172 firearms.² Preventing these losses from legal inventory is vital for public safety.

Rather than adopting specific security requirements laid out in other similar state laws, the bill directs DPS to engage in a public process here to identify the right standards for Maine. I would further note that today, reliable security features are more accessible than ever. For example, a

¹ Bureau of Alcohol, Tobacco, Firearms and Explosives. (2024). *Federal Firearms Licensee Theft/Loss Report – 2023*: <https://www.atf.gov/resource-center/federal-firearms-licensee-theftloss-report-2023>

² <https://www.wmtw.com/article/how-guns-from-maine-are-connected-to-crimes-across-the-country/430855> 38

formerly expensive camera and alarm system can now be purchased online from Simplisafe or Best Buy for a couple hundred dollars or less.

§504 Employee Vetting and Training

This bill requires that a dealer may not employ an individual to handle, sell or deliver firearms unless the person is at least 18 years old and is not prohibited from possessing a firearm. Importantly, this prohibited person limitation is narrowly tailored to only prohibit individuals from working directly with firearms. For example, a prohibited person would still be eligible to work, for example, in the fishing section of Cabelas or in the camping section at L.L. Bean.

In addition to employee vetting, a dealer must also provide training to employees on critical topics such as awareness of federal and state laws governing firearm transactions, how to recognize fraudulent activity and how to recognize individuals in crisis who may pose a threat to themselves or others. Notably, the bill does not prescribe exactly what the training is or how comprehensive it must be. Rather, it directs DPS to develop a curriculum that is right for Maine. I imagine the department could do this by contracting with entities that have relevant expertise here in our state, such as the Sportsman's Alliance of Maine and/or NAMI Maine (the National Alliance on Mental Illness).

On this point, I have to underscore the relevance of the testimony that we all heard during our last day of firearm public hearings. As my colleagues will recall, we heard numerous real-world stories about the gaps in dealers' knowledge that impacts their compliance with state law. For example, we heard multiple times that there is confusion among dealers about how to implement the 72-hour waiting period. Does the clock start when the customer orders the weapon in-store or can it begin when a customer completes an online purchase, allowing them to come in and pick it up three days later. With respect to assessing mental illness concerns, we heard another dealer describe having to "navigate" customers' words and actions "all day long" in order to determine their intent. Is this purchase for hobby or personal security or might they be considering harm to themselves or others? They ask themselves questions like, "Is the customer even looking over the gun?" And, "Do they want to buy only limited ammunition?"

I firmly believe that most FFLs in our state take these responsibilities seriously and intend to comply with all relevant regulations and best practices, but as we saw, the fact is that confusion exists, and consistency in every store across our state could help prevent harm and instill consumer trust.

§505, 506 Recordkeeping and Reporting

The bill requires a FFL to maintain certain record keeping practices, such as maintaining firearm transaction records, firearm traces initiated by the ATF and keeping a monthly record of their inventory. A dealer is required to keep these records confidential except for access by law enforcement upon request during regular business hours. Dealers must also report transactions involving more than one pistol or revolver and report any thefts or losses. These requirements also are intended to address the risk of trafficking or theft.

I would note that nearly all of this record keeping and reporting requirements already exist under federal law, so dealers are already doing this. Mandating important record keeping and

collaboration with law enforcement strengthens compliance with state and federal law, assists law enforcement in criminal investigations and enhances transparency.

§509 Consumer Education

The bill requires dealers to post notices in stores about existing state and federal laws, such as those regarding child endangerment or background checks, the proper use of firearm locking devices and suicide prevention. Suicide prevention, in particular, is an urgent public health concern in Maine, and access to information about mental health resources at the point of sale could save lives.

§507, 508 Compliance

This bill seeks to carefully promote compliance without creating a lot of red tape for FFLs or undue burdens for DPS. Under this bill, there are no annual inspections or mandatory compliance audits. Instead, dealers are required to self-certify once per year to the DPS that they are in compliance with the requirements of the law. In the event of a reported concern, law enforcement would be allowed to investigate, and enter the premises during business hours to conduct an inspection if needed.

The department will also prepare and publish an annual report indicating the number of dealers in compliance, the number out of compliance and the number of inspections that occurred so that the public can evaluate the safety of Maine's FFL industry. This data will help the public and the Legislature assess the efficacy and efficiency of the law as enacted.

In terms of penalties, a dealer who violates any requirement of the bill commits a civil violation with accompanying fines. A dealer who knowingly provides false information in an annual compliance report commits a Class C crime. The potential for a criminal penalty is present because knowing disregard of legal requirements by an individual engaged in a regulated industry is a very serious offense and ought to be treated as such.

This legislation does not infringe upon the rights of lawful gun owners or responsible dealers. Instead, it supports legitimate businesses by establishing clear, reasonable standards that promote public trust and reduce risks associated with gun trafficking, theft and misuse. Dealers who are already committed to responsible practices will find these requirements align with industry best practices and foster safer communities.

By enacting the Firearm Dealer Responsible Business Practices Act, Maine has the opportunity to promote responsible firearm commerce while enhancing public safety. Dealer regulations in other states have made those states safer. For example, in-state trafficking was 64 percent lower in places with strong gun dealer regulations and oversight.³ Another study found that state licensing requirements and laws requiring or allowing inspections or audits of gun dealers were independently associated with significantly lower firearm homicide rates.⁴ I urge the committee

³ Webster, Vernick, & Bulzacchelli, "Effects of state-level firearm seller accountability policies on firearm trafficking," *Journal of Urban Health* (2009), <https://link.springer.com/article/10.1007/s11524-009-9351-x>.

⁴ Irvin, et al., "Evaluating the effects of state regulation of federally licensed firearms dealers on firearm homicide," *Am J Public Health* (2014), <https://pmc.ncbi.nlm.nih.gov/articles/PMC4103238/>

to support this legislation to ensure that firearm dealers operate with the diligence and integrity our communities deserve.

Thank you for the opportunity to present this bill. I would be happy to answer any questions and will return for the work session to address any concerns that may arise today.