

HOUSE BILL NO. 5065

September 26, 2025, Introduced by Reps. Hope, Breen, Conlin, Martus, B. Carter, Price, Young, Byrnes, Brixie, Rheingans and Longjohn and referred to Committee on Government Operations.

A bill to amend 1927 PA 372, entitled

"An act to regulate and license the selling, purchasing, possessing, and carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices; to prohibit the buying, selling, or carrying of certain firearms, gas ejecting devices, and electro-muscular disruption devices without a license or other authorization; to provide for the forfeiture of firearms and electro-muscular disruption devices under certain circumstances; to provide for penalties and remedies; to provide immunity from civil liability under certain circumstances; to prescribe the powers and duties of certain state and local agencies; to prohibit certain conduct against individuals who apply for or receive a license to

carry a concealed pistol; to make appropriations; to prescribe certain conditions for the appropriations; and to repeal all acts and parts of acts inconsistent with this act,"

(MCL 28.421 to 28.435) by adding sections 12c, 14b, and 14c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12c. (1) Beginning 18 months after the effective date of
2 the initial rules promulgated under this section, a dealer in this
3 state shall possess a license issued under this section.

4 (2) A person shall obtain a license for each location in which
5 the person is dealing firearms in this state.

6 (3) A person seeking to deal firearms shall, for each location
7 in which the person plans to sell firearms, pay a fee of \$250.00 to
8 the department and submit an application to the department on a
9 form and in a manner prescribed by the department. A fee collected
10 under this subsection must be deposited in the licensing and
11 regulation fund created in section 3 of the state license fee act,
12 1979 PA 152, MCL 338.2203.

13 (4) The department shall issue a license to an applicant that
14 meets all of the following:

15 (a) Has been granted and holds a federal firearms license.

16 (b) Possesses every license required by the local unit of
17 government where the person is dealing firearms.

18 (c) Submits to the department an affidavit signed by the
19 applicant that states that the applicant and each of the
20 applicant's employees or agents who will handle or have access to a
21 firearm at the place of business meet all of the following:

22 (i) Are not less than 21 years of age.

23 (ii) Are eligible to possess a firearm under state and federal
24 law.

25 (iii) Do not have a criminal history related to firearms, theft,

1 assault, or a violent crime.

2 (5) An applicant for a license under this section shall
3 certify the accuracy of the information provided in the
4 application.

5 (6) A license is not transferable.

6 (7) The department shall issue a certificate of licensure to a
7 person that is granted a license.

8 (8) A dealer shall display the certificate of licensure
9 prominently and where visible to the public on the premises where
10 the dealer is dealing firearms.

11 (9) A license expires 1 year after the date of issuance. A
12 dealer may renew the dealer's license before the license expires by
13 submitting a renewal application to the department with a renewal
14 fee of \$200.00, proof acceptable to the department that the dealer
15 holds a valid federal firearms license, and the most recent
16 inventory reconciliation record described under section 14b(1)(k).
17 A renewal fee collected under this subsection must be deposited in
18 the licensing and regulation fund created in section 3 of the state
19 license fee act, 1979 PA 152, MCL 338.2203.

20 (10) A person that does not renew a license under subsection
21 (9) on or before the expiration date of the license shall not deal
22 firearms. If a person does not renew a license under subsection (9)
23 on or before the expiration date of the license, that person must
24 apply for a new license under this section.

25 (11) The department shall develop or approve a training course
26 for a dealer and the dealer's employees and agents who handle or
27 access firearms at the business location that covers all of the
28 following topics:

29 (a) State and federal law governing the sale and transfer of

1 firearms and ammunition.

2 (b) Recognizing and identifying straw purchasers, firearms
3 trafficking, and fraudulent activities.

4 (c) Indicators that a person is attempting to purchase a
5 firearm illegally.

6 (d) Recognizing and identifying indicators that a person
7 intends to use a firearm for unlawful purposes.

8 (e) Recognizing and identifying indicators that an individual
9 intends to use the firearm for self-harm.

10 (f) Preventing theft or burglary of firearms and ammunition.

11 (g) Responding to the circumstances in subdivisions (a) to (f)
12 and any applicable reporting requirements.

13 (h) Effectively teaching individuals firearm safety rules,
14 including safe handling and storage.

15 (i) Any other reasonable business practices the department
16 determines will deter firearm trafficking or the unlawful use of
17 firearms.

18 (12) Each year, a dealer and the dealer's employees and agents
19 who handle or access firearms in the course of the employee's or
20 agent's duties must successfully complete the training course under
21 subsection (11). The dealer and the dealer's employees and agents
22 must pass a written examination provided by the department that is
23 related to the training required under subsection (11) with a score
24 of not less than 70%.

25 (13) The department, after notice and an opportunity for an
26 evidentiary hearing under the administrative procedures act of
27 1969, 1969 PA 306, MCL 24.201 to 24.328, may deny, limit, suspend,
28 or revoke a dealer's license if the dealer does any of the
29 following:

1 (a) Violates this section or a rule promulgated under this
2 section.

3 (b) Violates section 14b.

4 (c) Does not properly maintain all appropriate records
5 required in accordance with a federal firearms license for 4 years.

6 (14) Not later than January 1, 2027, the department shall
7 promulgate rules to implement this section and section 14b under
8 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
9 to 24.328. In promulgating rules under this subsection, the
10 department may consult academic experts with resources on best
11 practices for dealers dealing firearms. The department shall
12 develop and administer a written examination related to the
13 training requirements under subsection (11).

14 (15) As used in this section and sections 14b and 14c:

15 (a) "Dealer" means a person that is located in this state that
16 is engaged in the wholesale or retail business of selling firearms,
17 frames, receivers, or unfinished frames or receivers and that has,
18 or that is required under federal law to have, a federal firearms
19 license under 18 USC 923. Dealer does not include a person that
20 sells 8 or fewer firearms, frames, receivers, or unfinished frames
21 or receivers within any 12-month period that the person has engaged
22 in those sales.

23 (b) "Dealing firearms" means devoting time, attention, and
24 labor to selling firearms as a regular course of trade or business.
25 Dealing firearms does not include either of the following:

26 (i) Making occasional sales, exchanges, or purchases of
27 firearms for the enhancement of a personal collection or for a
28 hobby or that sells all or part of the person's personal collection
29 of firearms.

1 (ii) Engaging only in the business of gunsmith services,
2 including, but not limited to, engraving, customizing, refinishing,
3 or repairing firearms.

4 (c) "Department" means the department of licensing and
5 regulatory affairs.

6 (d) "License" means an authorization granted by the department
7 to deal firearms in this state.

8 (e) "Person" means an individual or a partnership,
9 corporation, limited liability company, association, governmental
10 entity, or other legal entity.

11 (f) "Violent crime" includes, but is not limited to, murder,
12 rape, robbery, aggravated assault, or stalking.

13 Sec. 14b. (1) A dealer shall do all of the following:

14 (a) Any time the dealer is not open for business, ensure that
15 every firearm is stored or secured in 1 of the following ways:

16 (i) Stored in a locked fireproof safe or vault on the dealer's
17 premises.

18 (ii) Secured with a hardened steel rod or cable.

19 (b) Except in the immediate presence of and under the direct
20 supervision of an employee or agent of the dealer whose duties
21 include firearm sales, any time the dealer is open for business,
22 ensure that every firearm is unloaded, inaccessible to the public,
23 and stored or secured in 1 of the following ways:

24 (i) Stored in a locked case so that a customer seeking access
25 to the firearm must ask an employee or agent of the dealer for
26 assistance.

27 (ii) Secured with a hardened steel rod or cable.

28 (c) Except in the immediate presence of and under the direct
29 supervision of an employee or agent of the dealer whose duties

1 include firearms sales, any time the dealer is open for business,
2 ensure that all ammunition is stored so that the ammunition is
3 inaccessible to the public and secured within a locked case so that
4 a customer seeking access to the ammunition must ask an employee or
5 agent of the dealer for assistance.

6 (d) Secure the premises where the dealer is dealing firearms
7 with a security alarm system that is installed and maintained by a
8 security alarm contractor.

9 (e) Equip the premises where the dealer is dealing firearms
10 with adequate lighting to ensure the video surveillance system
11 described in subdivision (f) can capture visible video at loading
12 docks, shipping and receiving docks, and any place on the dealer's
13 premises where customers have access, and can capture the facial
14 features of a purchaser or transferee.

15 (f) Monitor the premises where the dealer is dealing firearms
16 with a video surveillance system that meets all of the following
17 requirements:

18 (i) Includes cameras, monitors, digital video recorders, and,
19 if necessary, cabling.

20 (ii) Has sufficient cameras in number and location to monitor
21 the critical areas of the premises, including, but not limited to,
22 all places where firearms or ammunition are stored, handled, sold,
23 transferred, or carried, including, but not limited to, all
24 counters, safes, vaults, cabinets, cases, entryways, and parking
25 lots.

26 (iii) Whenever the dealer is open for business, operates
27 continuously, without interruption.

28 (iv) Whenever the dealer is not open for business, is triggered
29 by a motion detector and begins recording immediately on detection

1 of any motion within the monitored area.

2 (v) Records the sale or transfer of a firearm or ammunition so
3 that the facial features of the purchaser or transferee are clearly
4 visible.

5 (vi) When recording, records continuously and retains color
6 images of the monitored area.

7 (vii) Produces retrievable and identifiable images and video
8 recordings on media approved by local law enforcement that can be
9 enlarged through projection or other means and can be made a
10 permanent record for use in a criminal investigation.

11 (viii) Is capable of delineating on playback the activity and
12 physical features of individuals or areas within the premises.

13 (g) Ensure the video surveillance system described in
14 subdivision (f) is maintained in proper working order at all times.
15 If the system becomes inoperable, the dealer shall repair or
16 replace the system not later than 7 calendar days after the system
17 becomes inoperable. The dealer shall inspect the system not less
18 than once each week to ensure that the system is operational and
19 images are being recorded and retained as required.

20 (h) Retain images or recordings under subdivision (e) or (f)
21 in a readily accessible format for not less than 6 years after the
22 date the image or recording is captured and make those images or
23 recordings available for inspection by federal, state, or local law
24 enforcement on request.

25 (i) Conduct a criminal history check for a potential employee
26 or agent who will handle or have access to a firearm at the
27 dealer's place of business. The dealer shall not hire an individual
28 who is prohibited from purchasing or possessing a firearm under
29 state or federal law or who has a criminal history related to

1 firearms, theft, assault, or a violent crime.

2 (j) Conduct a criminal history check for an employee or agent
3 who handles or will handle or have access to a firearm at the
4 dealer's place of business when the dealer renews the dealer's
5 license under section 12c(9).

6 (k) Conduct inventory reconciliation each year. The dealer
7 shall retain a record of the inventory reconciliation and file a
8 record of the inventory reconciliation with the department.

9 (l) Make the premises where the dealer is dealing firearms
10 available for inspection and search by a law enforcement officer
11 empowered to enforce this act during regular business hours or when
12 the premises are occupied by the dealer or an employee or agent of
13 the dealer. Evidence of a violation of this section or rules
14 promulgated under section 12c discovered under this subsection may
15 be seized and used in an administrative or court proceeding.

16 (2) A dealer shall not sell a firearm in either of the
17 following situations:

18 (a) The dealer knows or reasonably should know that an
19 individual seeking to purchase a firearm is any of the following:

20 (i) A threat to the individual or another individual.

21 (ii) Intoxicated or under the influence of a controlled
22 substance.

23 (iii) Seeking to purchase a firearm on behalf of another
24 individual who is ineligible to purchase a firearm under state or
25 federal law.

26 (b) The sale would occur at a time that is not within the
27 dealer's normal business hours.

28 (3) A dealer shall notify law enforcement if either of the
29 following occurs not more than 24 hours after the discovery of the

1 occurrence:

2 (a) The dealer discovers that a firearm in the dealer's
3 inventory is lost or stolen.

4 (b) The dealer suspects that an individual purchased or
5 attempted to purchase a firearm on behalf of another individual who
6 is ineligible to purchase a firearm under state or federal law.

7 (4) A dealer that violates this section is responsible for a
8 state civil infraction and may be ordered to pay a civil fine of
9 not more than \$1,000.00.

10 (5) The department of state police or a local law enforcement
11 agency may conduct random inspections of a dealer's place of
12 business to ensure compliance with this section.

13 (6) The department of state police and a local law enforcement
14 agency shall keep a record of any dealer that the department of
15 state police or local law enforcement agency investigates under
16 subsection (5).

17 (7) As used in this section:

18 (a) "Adequate lighting" means lighting that provides enough
19 illumination to allow an individual to safely enter the premises,
20 exit the premises, walk around inside the premises, look at
21 merchandise, and traverse to the individual's vehicle.

22 (b) "Security alarm contractor" means a business engaged in
23 the installation, maintenance, alteration, monitoring, or servicing
24 of security alarm systems or a business that responds to a security
25 alarm system that is licensed under the private security business
26 and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1092.

27 (c) "Security alarm system" means a system that, when an
28 unauthorized entry has occurred, activates a bell, gong, horn, or
29 siren located on the outside of the premises that is audible from a

1 minimum distance of 500 feet.

2 Sec. 14c. (1) If an individual believes that a violation of
3 section 12c or 14b has occurred, the individual may submit a
4 complaint alleging the violation with the department in a form and
5 manner as prescribed by the department.

6 (2) On receipt of a complaint under subsection (1), the
7 department shall investigate the allegations of the complaint.