

DEPARTMENT OF THE TREASURY**Bureau of Alcohol, Tobacco and Firearms****27 CFR Part 178**

[Notice No. 855]

RIN 1512-AB68

Posting of Signs and Written Notification to Purchasers of Handguns (97R-2186P)

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms (ATF) is proposing to amend the firearms regulations to require that signs be posted on the premises of Federal firearms licensees and that written notification be issued with each handgun sold advising of the provisions of the Youth Handgun Safety Act.

DATES: Written comments must be received on or before November 25, 1997.

ADDRESSES: Send written comments to: Chief, Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221; ATTN: Notice No. 855.

FOR FURTHER INFORMATION CONTACT: Marsha D. Baker, Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, N.W., Washington, DC 20226 (202-927-8210).

SUPPLEMENTARY INFORMATION:**Background**

The Youth Handgun Safety Act (YHSA) generally makes it unlawful for a person to transfer a handgun to anyone under 18 years of age or for anyone under 18 years of age to knowingly possess a handgun. 18 U.S.C. 922(x). In enacting this provision in 1994, Congress found that criminal misuse of firearms often starts with the easy availability of guns to juvenile gang members. In addition, Congress found that individual States and localities may find it difficult to control this problem by themselves. Therefore, Congress found it necessary and appropriate to assist the States in controlling violent crime by stopping the commerce in handguns with juveniles nationwide and allowing the possession of handguns by juveniles only when handguns are possessed and used under certain limited circumstances.

In a memorandum for the Secretary of the Treasury dated June 11, 1997, the

President stated that a major problem in our Nation is the ease with which young people gain illegal access to guns. The President observed that firearms are now responsible for 12 percent of fatalities among American children and teenagers. Also, firearms are the fourth leading cause of accidental deaths among children ages 5 through 14, and are now the primary method by which young people commit suicide. Moreover, between 1984 and 1994, the number of juvenile offenders committing homicides by firearms nearly quadrupled.

To implement the provisions of the YHSA, and to ensure that handgun purchasers are familiar with its provisions, ATF is proposing regulations requiring that signs be posted on the premises of Federal firearms licensees and that written notification be issued by licensees to nonlicensed handgun purchasers warning as follows:

(1) Federal law prohibits, except in certain limited circumstances, anyone under 18 years of age from knowingly possessing a handgun, or any person from transferring a handgun to a person under 18;

(2) A violation of the prohibition against transferring a handgun to a person under the age of 18 is, under certain circumstances, punishable by up to 10 years in prison;

(3) Handguns are a leading contributor to juvenile violence and fatalities; and

(4) Safely storing and locking handguns away from children can help ensure compliance with Federal law.

The proposed regulations state that signs provided by ATF must be posted by Federal firearms licensees on their licensed premises where prospective handgun purchasers can readily see them. In addition, the written notification to be issued to each handgun purchaser must be made available either by providing the purchaser with ATF Publication 5300.(xx) or some other type of written notification that contains the same language, e.g., a manufacturer's or importer's instruction manual or brochure provided to the handgun purchaser.

The requirement that written notification be issued upon delivery of a handgun to a nonlicensee would apply not only to handguns sold by licensees, but also to the return of handguns to their owners, e.g., the return of a handgun after repair and the redemption of a handgun from pawn. The requirement would also extend to curio or relic handguns transferred by licensed collectors. However, this requirement would not apply to a licensee who sells a handgun to a nonlicensee where the delivery is made

through another licensee. In such a case, the licensee delivering the handgun to the nonlicensee would be responsible for delivering the notice.

Licensing as a collector of curio or relic firearms does not make the collector's premises a business premise or open the premises to the public. Moreover, a licensed collector may lawfully dispose of curios or relics away from the licensed premises. For these reasons, the proposed sign posting requirement would not apply to licensed collectors. Nor would the requirement apply to any other type of licensee who lawfully disposes of handguns to nonlicensees who do not appear at the licensee's premises, e.g., a licensee who ships repaired handguns or replacement handguns to nonlicensees.

Executive Order 12866

It has been determined that this proposed regulation is not a significant regulatory action as defined by Executive Order 12866. Accordingly, this proposal is not subject to the analysis required by this Executive Order.

Regulatory Flexibility Act

It is hereby certified that this proposed regulation will not have a significant economic impact on a substantial number of small entities. The proposed regulations are necessary to implement the President's June 11, 1997, announcement of firearms initiatives intended to protect the American public from gun violence. The notices and signs that are proposed in this document would be provided free of charge by the Government to Federal firearms licensees. Licensees may choose to provide the required written notice in another format; however, they always have the option of using the notices provided by ATF. Moreover, any new requirement relating to the posting of signs and the distribution of notices would place only a minimal burden on firearms licensees. Accordingly, a regulatory flexibility analysis is not required.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this notice of proposed rulemaking because no new reporting or recordkeeping requirements are proposed.

Public Participation

ATF requests comments on the notice of proposed rulemaking from all

interested persons. Comments received on or before the closing date will be carefully considered.

Comments received after that date will be given the same consideration if it is practical to do so, but assurance of consideration cannot be given except as to comments received on or before the closing date.

ATF will not recognize any material in comments as confidential. Comments may be disclosed to the public. Any material the commenter considers to be confidential or inappropriate for disclosure to the public should not be included in the comment. The name of the person submitting a comment is not exempt from disclosure.

Any interested person who desires an opportunity to comment orally at a public hearing should submit his or her request, in writing, to the Director within the 90-day comment period. The Director, however, reserves the right to determine, in light of all circumstances, whether a public hearing is necessary.

Disclosure

Copies of this notice and the written comments received will be available for public inspection during normal business hours at: ATF Public Reading Room, Room 6480, 650 Massachusetts Avenue, N.W., Washington, DC.

Drafting Information

The author of this document is Marsha D. Baker, Regulations Branch, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 178

Administrative practice and procedure, Arms and ammunition, Authority delegations, Customs duties and inspections, Exports, Imports, Military personnel, Penalties, Reporting requirements, Research, Seizures and forfeitures, and Transportation.

Authority and Issuance

27 CFR Part 178—Commerce in Firearms and Ammunition is amended as follows:

Paragraph 1. The authority citation for 27 CFR Part 178 continues to read as follows:

Authority: 5 U.S.C. 552(a); 18 U.S.C. 847, 921–930; 44 U.S.C. 3504(h).

Par. 2. Section 178.103 is added to Subpart F to read as follows:

§ 178.103 Posting of signs and written notification to purchasers of handguns.

(a) Each licensed importer, manufacturer, dealer, or collector who delivers a handgun to a nonlicensee shall provide such nonlicensee with

written notification as described in paragraph (b) of this section.

(b) The written notification required by paragraph (a) of this section shall state as follows:

(1) Federal law prohibits, except in certain limited circumstances, anyone under 18 years of age from knowingly possessing a handgun, or any person from transferring a handgun to a person under 18;

(2) A violation of the prohibition against transferring a handgun to a person under the age of 18 is, under certain circumstances, punishable by up to 10 years in prison;

(3) Handguns are a leading contributor to juvenile violence and fatalities; and

(4) Safely storing and locking handguns away from children can help ensure compliance with Federal law.

(c) This written notification shall be delivered to the nonlicensee on ATF I 5300.(xx), or in the alternative, the same written notification may be delivered to the nonlicensee on another type of written notification, e.g., a manufacturer's or importer's brochure accompanying the handgun, a manufacturer's or importer's operational manual accompanying the handgun, a sales receipt or invoice, or a label or sticker applied to the handgun package or container delivered to a nonlicensee. Any written notification delivered to a nonlicensee other than on ATF I 5300.(xx) shall be legible, clear, and conspicuous and shall be no smaller than 10-point type.

(d) Except as provided in paragraph (e) of this section, each licensed importer, manufacturer, or dealer who delivers a handgun to a nonlicensee shall display at its licensed premises (including temporary business locations at gun shows) a sign (ATF I 5300.(xx)), containing the written notification prescribed by paragraph (b) of this section. The sign shall be displayed where customers can readily see it. Licensed importers, manufacturers, and dealers will be provided with such signs by ATF. Replacement signs may be requested from the ATF Distribution Center, P.O. Box 5950, Springfield, Virginia 22150–5950.

(e) The sign required by paragraph (d) of this section need not be posted on the premises of any licensed importer, manufacturer, or dealer whose only dispositions of handguns to nonlicensees are to nonlicensees who do not appear at the licensed premises and the dispositions otherwise comply with the provisions of this part.

Signed: August 1, 1997.

John W. Magaw,
Director.

Approved: August 11, 1997.

John P. Simpson,

Deputy Assistant Secretary (Regulatory, Tariff and Trade Enforcement).

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DEPARTMENT OF THE TREASURY

31 CFR Part 103

RIN 1506–AA09, 1506–AA20

Financial Crimes Enforcement Network; Bank Secrecy Act Regulations; Money Services Businesses—Draft Forms; Open Working Meeting

AGENCY: Financial Crimes Enforcement Network, Treasury.

ACTION: Meeting on draft forms relating to proposed regulations.

SUMMARY: The Financial Crimes Enforcement Network (“FinCEN”) will hold a working meeting to give interested persons the opportunity to discuss with FinCEN officials issues regarding draft forms that will be used to implement the proposed Bank Secrecy Act regulations for money services businesses published on May 21, 1997.

DATES: September 3, 1997, 1:30 p.m. to 4:30 p.m.

ADDRESSES: Suite 200, 2070 Chain Bridge Road, Vienna, VA 22182–2536.

FOR FURTHER INFORMATION CONTACT:

Legal or Technical: Charles Klingman, Financial Institutions Policy Specialist, FinCEN, at (703) 905–3602.

Attendance: Camille Steele, at (703) 905–3819, or Karen Robb, at (703) 905–3770.

General: FinCEN's Information telephone line, at (703) 905–3848, or www.ustreas.gov/treasury/bureaus/fincen (“What's New” section).

SUPPLEMENTARY INFORMATION: On May 21, 1997, FinCEN issued three proposed regulations relating to the treatment of money services businesses under the Bank Secrecy Act. The first proposed regulation (62 FR 27890) would define money services businesses and require the businesses to register with the Department of the Treasury and to maintain a current list of their agents. The second proposed regulation (62 FR 27900) would require money transmitters, and issuers, sellers, and redeemers, of money orders and traveler's checks, to report suspicious