

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 17 enacts a new section of Chapter 30, Article 7, the “Stop Illegal Gun Trade and Extremely Dangerous Weapons Act”. That Act contains the following:

- Section 1: Short Title
- Section 2: Definitions, including “.50 caliber cartridge”, “.50 caliber rifle”, “antique firearm”, “dealer”, “department”, “detachable magazine”, “firearm”, “fixed magazine”, “gas-operated firearm”, “gun show”, “law enforcement agency”, “law enforcement officer”, “machine gun”, “manufacturer”, “semiautomatic firearm”, “straw purchase”, and “transaction”.
- Section 3: “Requiring Dealer Security Measures to Prevent Theft and Loss of Firearms.” This Section requires the Department of Public Safety (DPS) to work with the Attorney General to promulgate rules governing the physical security of dealer premises and inventory no later than July 1, 2026 for implementation by December 1, 2026. The rules must include security alarm systems on dealer premises, site hardening (including door and window locks), video surveillance systems, and any other reasonable requirements determined by DPS and the Attorney General.
- Section 4: “Minimum Age of Employment – Requiring Background Checks and Training for Dealer Employees.” This Section requires that all employees of firearms dealers must be at least 21 years of age and not prohibited from possessing a firearm. This Section also requires DPS to promulgate rules regarding dealer employee criminal history checks no later than August 1, 2026, and to develop and make available a training course about firearm transfers no later than August 1, 2026. All employees of firearms dealers must receive that training before they can participate in the sale or distribution of firearms beginning December 1, 2026.
- Section 5: “Requiring Dealer Maintenance of Records.” This Section requires that firearms dealers maintain records of purchases, sales, acquisitions and dispositions, and includes a list of what information must be included in those records, as well as how and for how long those records must be kept. This Section also requires that firearms dealers retain all Federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) Form 4473 records, a monthly inventory check, records of all criminal traces initiated by the ATF, and firearm disposition information, and permit any law enforcement officer to inspect the required records during business hours. This Section also requires that information contained in the records shall be confidential and not subject to IPRA. It also requires that a dealer who discontinues business operations shall deliver their records to their successor dealer or, if none, to DPS.
- Section 6: “Requiring Dealer Reporting of Crime Gun Traces, Multiple Firearm Sales, Thefts and Losses.” This Section requires that firearms dealers report multiple firearm sales and thefts and losses to DPS, and that dealers must respond to a request from a law enforcement agency or officer within 24 hours of learning of the request. This Section also requires that firearms dealers provide quarterly reporting to DPS and the Attorney General concerning trace requests in a format prescribed by DPS and the Attorney General by June 1, 2026, and lists what must be included in those reports. This Section also requires that whenever a dealer or manufacturer is inspected by ATF, the dealer or

manufacturer must notify DPS within 24 hours of the completion of the inspection and provide a copy of any letters received from ATF or reports of violations. This Section also requires that firearms dealers provide an annual report to DPS by March 31 of each year.

- Section 7: “Prohibiting the Sale of Extremely Dangerous Weapons.” This Section prohibits the sale or transfer of the following starting July 1, 2026:
 - o A detachable magazine that holds more than ten rounds of ammunition;
 - o A .50 caliber rifle;
 - o A .50 caliber cartridge;
 - o A gas-operated semiautomatic firearm that can accept a detachable magazine;
 - o A gas-operated semiautomatic firearm with a fixed magazine that holds more than ten rounds of ammunition; or
 - o A machine gun.

This Section provides a list of firearms to which this prohibition does not apply, as well as a list of exceptions to the prohibition for individuals and organizations.

- Section 8: “Inspections and Compliance – Penalty.” This Section requires firearms dealers to certify their compliance with the provisions of this Act with DPS annually, and requires DPS to promulgate rules for annual certification of dealers, and for inspection of dealers and dealer premises by DPS at least once every three years. This Section also requires that DPS prepare an annual report and publish that report beginning June 1, 2027. This Section provides that a dealer who falsifies information or contents in the compliance report shall be guilty of a misdemeanor.
- Section 9: “Requiring Dealers to Post Legal and Safety Notices to Firearm Purchasers.” This Section provides a list of notices it requires retail firearm dealers to conspicuously post at each possible point of purchase.
- Section 10: “Penalties.” This Section provides that a person who violates Section 7 of the proposed Act is guilty of a misdemeanor, and a person who violates Sections 3, 4, 5, 6, 8 or 9 of the proposed Act is subject to a civil penalty of \$200 for a first violation and up to \$1,000 for each subsequent violation.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Under SB 17, two new misdemeanor offenses are created. One in Section 8, for falsifying information or contents in the required compliance report, and one in Section 10, for violating Section 7 of the proposed Act (“Prohibiting the Sale of Extremely Dangerous Weapons”). The penalty for a misdemeanor offense is less than one year imprisonment and/or a fine of up to \$1,000.00. (Section 31-19-1 NMSA 1978.) Based on the length of stay for individuals released from NM jails and prisons in FY 2024, the median length of stay for those imprisoned for a misdemeanor offense is 11.43 months.

Section 10 (“Penalties”) states that anyone who violates a provision of Section 7 of the Stop Illegal Gun Trade and Extremely Dangerous Weapons Act “or the rules promulgated pursuant to that act” commits a misdemeanor, and that anyone who violates a provision of Section 3, 4, 5, 6,

8, or 9 of the Stop Illegal Gun Trade and Extremely Dangerous Weapons Act “or the rules promulgated pursuant to that act” is subject to a civil penalty. It is unclear if this language is intended to make violating the rules promulgated pursuant to the Act punishable both criminally (as a misdemeanor) and civilly (via a fine), or if the language is intended to be specific to the rules promulgated pursuant to the named Section(s) only, rather than the Act in its entirety.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS