



April 3, 2025

Colorado Department of Revenue
Specialized Business Groups—Firearms Dealer Division
Via online submission

Re: Colorado Firearms Proposed Rules Hearing Testimony

Dear Sir or Madam,

EZPAWN appreciates the opportunity to testify on April 1, 2025, on the Proposed Rules. Again, I want to thank the Firearms Dealer Division (“FDD”) for its professionalism, patience, and willingness to listen to firearms dealers throughout this rulemaking process. As a member of the working group for rulemaking, I witnessed first-hand the efforts made by all parties in developing final rules for consideration. Please accept the foregoing as additional testimony to further relay concerns over the implementation of the Proposed Rules.

Proposed Rule 3-110

During the April 1, 2025, hearing, the FDD mentioned the possibility of seeking legislative assistance in clarifying Proposed Rule 3-110. EZPAWN agrees clarification and revision of Proposed Rule 3-110 is needed. Currently, Proposed Rule 3-110 only relates to “pistols or revolvers sold, rented, or exchanged at retail.” As written, long guns are excluded from Proposed Rule 3-110's recordkeeping requirements, and the proposed rule only applies to retail transactions. EZPAWN does not interpret pawn transactions as “retail” transactions, but rather loans. The potential expansion of the recordkeeping rule's scope to include additional types of transfers and/or additional firearms creates uncertainty in implementation of this rule and an additional burden to revise and redevelop processes if the rules are later expanded.

Additionally, EZPAWN raises concern with Proposed Rule 3-110's requirement for firearms dealers to capture and retain a Firearms Transaction Log, separate from the 4473 Form. The FDD first shared a draft rule requiring the capture of certain firearm transaction information during the February 12, 2025, meeting of the working group. The discussion during that meeting made it clear that the proposed transaction information sought went beyond what was required to be collected by the ATF on the 4473 Form, such as the employee's firearms dealer number, business email address, and the customer's occupation.

The working group was told by the FDD the intent of the rules was to align with federal law to minimize burden on business. Proposed Rule 3-110 does not align with this intent. Proposed Rule 3-110, as written, increases the burden and cost on businesses, on top of the already increased burden of additional fingerprint background checks for a larger number of employees than currently required by ATF. While the Firearm Permit Law does not allow FDD flexibility on fingerprint background checks, FDD retains flexibility over areas not specifically directed by the law, such as the form and implementation of the Transaction Log or other specific recordkeeping requirements outlined in Proposed Rule 3-110.

The timeline from first discussing recordkeeping requirements to implementation is insufficient time for

businesses, like EZPAWN, to revise its systems to incorporate the Colorado specific Transaction Log plus the “extra” information in its system flow. This will leave this process as a manual one that is burdensome for employees and businesses and potentially increases the possibility of error. Further, in addition to burdens for firearms dealers and their employees, the current timeline requires a significant increase in the workload of the FDD, CBI, and the permitting service providers across Colorado at a critical juncture. Even a brief extension would assist in ensuring compliance throughout the permitting process.

Proposed Rule 2-300

The lack of communication and clarity surrounding the process for fingerprint background checks through the Colorado Bureau of Investigations (“CBI”) under the Proposed Rule 2-300 places businesses at a disadvantage in meeting the required May 2, 2025. Proposed Rule 2-300 is another example of Colorado’s law going beyond current federal requirements. Federal law only requires background checks on what is known as Responsible Persons, those responsible for the oversight and management of firearms at a given location. The Firearm Permit Law expands this requirement to include any employee involved in a firearms transaction or who has access to firearms. In small stores, all employees may have access to firearms. This increases the number of employees who must be fingerprinted for background checks, and this will continue to be burdensome due to the cadence directed by the permitting law, as well as the high employee turnover rate in Colorado. To put this in perspective, Colorado’s more than 2,000 firearms dealers have less than a month (until May 2nd) to submit a permit application in order to stay in business while the permit is under review.

Additionally, employers are restricted to only using the two vendors designated by CBI to complete background checks. CBI has provided little to no guidance to businesses on its process for fingerprint background checks. While one vendor offers mobile services to help lessen the disruption to a store location where all employees must be fingerprinted, the mobile service requires a minimum of fifty employees to be present to book the mobile service. Nothing in this process is designed to consider the disruption to businesses and employees. The fingerprinting process also creates a burden on Colorado service providers designated to support the permitting effort.

There are areas of the rules that need further clarification and may require the FDD to seek legislative amendments to achieve clarity. EZPAWN requests a legislative amendment to allow at least 90 days to obtain clarity and allow businesses the necessary time to properly implement the rules referenced herein.

Thank you for your attention to this matter. If you have any questions or need more information, please do not hesitate to contact me.

Sincerely,



Denise Landin
VP/Deputy General Counsel