

COLORADO LAWS RELATED TO FIREARMS DEALERS

C.R.S. Title 18, Art. 12, Pt. 4

Updated 1/23/2025

This copy of the Colorado Laws Related to Firearms Dealers is provided as a convenience to the public by the Firearms Dealer Division and does not constitute an official publication. The official version of the Colorado Laws Related to Firearms Dealers can be found on the Colorado General Assembly website, <https://leg.colorado.gov/colorado-revised-statutes>.

REGULATION OF FIREARMS DEALERS

18-12-401.	Definitions.	1
18-12-401.5.	Permit required - issuing agency - cash fund - inspections – penalty - report - rules - repeal.	1
18-12-402.	Retail dealers - record - inspection.	5
18-12-403.	Record - failure to make - penalty.	5
18-12-404.	Jurisdiction - county courts.....	6
18-12-405.	Locking device required - penalty.	6
18-12-406.	Requirements for firearms dealers - training - securing firearms - sale outside of business hours prohibited - rules - penalty.	7
18-12-407.	Dealer employee requirements - background check - penalty - repeal.	8

PART 4

FIREARMS - DEALERS

Editor's note: This part 4 was added with relocations in 2018. Former C.R.S. section numbers are shown in editor's notes following those sections that were relocated.

18-12-401. Definitions. As used in this part 4, unless the context otherwise requires:

- (1) "Dealer" means a federally licensed firearm dealer as defined in section 18-12-101 and any other federal firearms licensee who, within the scope of the licensee's license, sells firearms at retail to the public.
- (2) "Department" means the department of revenue created pursuant to section 24-35-101.
- (3) "Destructive device" has the same meaning set forth in 18 U.S.C. sec. 921 (a)(4).
- (4) "Engaged in the business" has the same meaning set forth in 18 U.S.C. sec. 921 (a)(21) and any federal regulations promulgated thereunder.
- (5) "Federal firearms license" means a license to import, manufacture, or deal in firearms issued pursuant to 18 U.S.C. sec. 923.
- (6) "State permit" means the state firearms dealer permit required pursuant to section 18-12-401.5.

Source: L. 2018: Entire part added with relocations, (SB 18-032), ch. 8, p. 150, § 4, effective October 1. **L. 2024:** Entire section amended, (HB 24-1353), ch. 492, p. 3448, § 1, effective June 7.

Editor's note: This section is similar to former § 12-26-101 as it existed prior to 2018.

18-12-401.5. Permit required - issuing agency - cash fund - inspections - penalty - report - rules - repeal. (1) (a) Beginning July 1, 2025, every dealer must obtain a state permit in order to engage in the business of dealing in firearms other than destructive devices in this state.

(b) A state permit issued pursuant to this section is not transferrable.

(c) (I) A person who engages in the business of dealing in firearms other than destructive devices without a state permit is guilty of an unclassified felony and, upon conviction thereof, shall be punished by a fine of not more than two hundred fifty thousand dollars.

(II) An employee of a dealer shall not be charged for committing the offense described in this subsection (1)(c) for conduct committed while the employee was acting within the scope of the employee's employment.

(d) A dealer who only deals in destructive devices is not required to obtain a state permit to engage in the business of dealing in destructive devices.

(2) (a) The department shall issue state permits pursuant to this section.

(b) (I) The department shall promulgate rules necessary for the implementation of this section, including establishing the process for applying for and obtaining a state permit. The department shall not promulgate rules that alter the eligibility criteria for obtaining a permit, but the department may collect any information it deems necessary to verify an applicant's eligibility. The department may develop a simplified application for permit renewals.

(II) (A) The department's initial rules promulgated pursuant to this subsection (2)(b) must be effective no later than February 1, 2025.

(B) This subsection (2)(b)(II) is repealed, effective July 31, 2025.

(c) (I) The fee for a state permit issued on or before June 30, 2026, is four hundred dollars. The department shall annually review the fee and, for permits issued on and after July 1, 2026, may annually adjust the fee based on the costs for administering this section. The department shall not adjust the fee more than once each year and shall not adjust the fee by more than twenty-five dollars each year.

(II) The department shall transmit the fees collected pursuant to this subsection (2)(c) to the state treasurer, who shall deposit the money in the firearm dealer permit cash fund, created in subsection (2)(d) of this section.

(d) The firearm dealer permit cash fund is created in the state treasury. The fund consists of money credited to the fund pursuant to subsection (2)(c) of this section and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the firearm dealer permit cash fund to the fund. Money in the fund is continuously appropriated to the department for the costs of issuing permits and conducting inspections pursuant to this section.

(3) In order to be issued a state permit, a dealer must:

(a) Hold a valid federal firearms license;

(b) Not have had a license or permit to sell, lease, transfer, purchase, or possess a firearm or ammunition from the federal government, any state, or a subdivision of any state, revoked, suspended, or denied for good cause within three years before submitting an application; and

(c) Not have been convicted for a violation of any provision of this article 12; any Colorado or any other state's law concerning the possession, purchase, or sale of firearms; or any federal law concerning the possession or sale of firearms in the three years before submitting an application for a state permit.

(4) (a) A person applying for a state permit pursuant to this section must complete an application as provided by department rule and pay the application fee established by the department.

(b) A person who has applied for a federal firearms license may apply for a state permit prior to being issued a federal firearms license. The department shall not issue a state permit to the person until the person holds a valid federal firearms license, as required pursuant to subsection (3)(a) of this section.

(c) (I) The department shall act upon a state permit application made pursuant to this section no later than sixty days after the date the application is received; except that:

(A) For good cause, the department may extend the deadline to act for an additional sixty days; and

(B) If a person applies for a state permit while the person's application for a federal firearms license is pending, and in addition to any other deadline described in this subsection (4), the department may extend the deadline to act until fourteen days after the person notifies the department that the person has been issued and holds a valid federal firearms license.

(II) (A) A dealer who submits a sufficient application on or before May 2, 2025, may continue to engage in the business of dealing in firearms pursuant to state law until the department has acted upon the application. For the purposes of this subsection (4)(c)(II), an application is sufficient if it includes on its face information necessary to show that the applicant is eligible for a state permit.

(B) This subsection (4)(c)(II) is repealed, effective June 30, 2026.

(d) The department shall issue a state permit unless the applicant does not meet the eligibility requirements described in subsection (3) of this section or the applicant has made a false statement on the application.

(e) A state permit issued pursuant to this section is valid for three years.

(5) (a) A dealer may apply for renewal of the dealer's state permit at any time in the ninety days prior to the expiration of the permit. The department shall not accept a renewal application submitted after the expiration of the dealer's permit.

(b) Ninety days prior to the expiration of a state permit, the department shall notify the dealer of the permit expiration date.

(c) A dealer who submits a timely and sufficient renewal application may continue to engage in the business of dealing in firearms pursuant to state law until the department has acted upon the renewal application. For the purposes of this subsection (5)(c), a renewal application is sufficient if it includes on its face information necessary to show that the applicant is eligible for state permit renewal.

(d) The department shall act upon a renewal application made pursuant to this subsection (5) no later than sixty days after the date the application is received.

(6) (a) Subject to available appropriations, the department shall conduct an on-site inspection of a random selection of ten percent of state permit holders each year, including inspecting a selected permit holder's place of business, to ensure that the permit holder is complying with the requirements to hold a state permit.

(b) In addition to the inspections required in subsection (6)(a) of this section, the department may conduct periodic unannounced inspections of a dealer and the dealer's place of business during the dealer's regular business hours to ensure that the dealer is complying with the requirements to hold a state permit.

(7) (a) Except as provided in subsection (8) of this section, if the department finds that a dealer failed to post the required notice or make a report concerning unlawful purchases in violation of section 18-12-111; failed to make a record required pursuant to section 18-12-402; transferred a firearm without a locking device or failed to post the required notice concerning locking devices, in violation of section 18-12-405; failed to comply with any of the requirements of section 18-12-406; violated any other provision of this article 12 or any other state or local law concerning the sale of firearms; or violated any federal law or rule concerning the sale of

firearms or firearm components for which the penalty includes potential revocation of the person's federal firearms license, the department shall:

(I) For a first offense, issue a warning to the dealer that includes a description of the offense and the possible penalties for subsequent offenses; and

(II) For a second or subsequent offense:

(A) Issue a warning to the dealer that includes a description of the offense and the penalty for subsequent offenses;

(B) Suspend the dealer's state permit for a period of time determined by the department;

or

(C) Revoke the dealer's state permit.

(b) A dealer who has had a state permit revoked pursuant to this subsection (7) may apply for a new permit no sooner than three years after the revocation.

(8) (a) Notwithstanding subsection (7) of this section, the department shall revoke a state permit if the state permit holder:

(I) No longer holds a valid federal firearms license;

(II) Refuses to allow the department to conduct an on-site inspection pursuant to subsection (6) of this section;

(III) Refuses to permit an officer to inspect a record as required in section 18-12-402; or

(IV) Is convicted of any of the following:

(A) Purchasing or otherwise obtaining a firearm on behalf of, or for transfer to, a person who is ineligible to possess a firearm pursuant to section 18-12-111 or 18 U.S.C. sec. 932;

(B) Transferring a firearm prior to receiving the results of a background check pursuant to section 18-12-112.5;

(C) Trafficking in firearms pursuant to 18 U.S.C. sec. 933, or aiding and abetting trafficking in firearms;

(D) Selling or otherwise transferring a firearm to a person who is ineligible to possess the firearm pursuant to state or federal law; or

(E) Selling or otherwise transferring a firearm component or accessory, as defined in section 29-11.7-101.5, to another person in violation of federal, state, or local law.

(b) (I) A person whose state permit is revoked solely because the person no longer holds a valid federal firearms license, pursuant to subsection (8)(a)(I) of this section, may apply for a new state permit any time after the person obtains a valid federal firearms license.

(II) A person whose state permit is revoked pursuant to subsections (8)(a)(II) to (8)(a)(IV) of this section may apply for a new permit no sooner than three years after the revocation.

(9) If the department revokes a dealer's state permit, the department must notify the United States bureau of alcohol, tobacco, firearms, and explosives of the revocation and the reason for the revocation.

(10) The denial or revocation of a state permit pursuant to this section is subject to the requirements described in sections 24-4-104 and 24-4-105, and judicial review pursuant to section 24-4-106.

(11) A person who is a former state permit holder, including a person whose state permit was revoked or whose state permit renewal was denied, is subject to the prohibition on engaging in the business of dealing firearms without a state permit described in subsection (1)(c) of this section. A person who is a former state permit holder who wishes to dispose of inventory shall

dispose of inventory in a manner that does not constitute being engaged in the business of dealing in firearms.

(12) (a) No later than August 1, 2026, and no later than August 1 of each year thereafter, the department shall submit a report to the joint budget committee about firearm dealer permitting in the prior state fiscal year. The report must include, at a minimum, the number of permit applications received, granted, and denied; the number of permits revoked and the basis for the revocation; the number of dealer inspections conducted; the amount of fee money collected and deposited into the firearm dealer permit cash fund and the amount of money spent from the fund; and the total amounts spent on permitting costs and inspection costs. The next report made following an increase in the permit fee pursuant to subsection (2)(c)(I) of this section must include an explanation of the fee increase. The report may include information about the race, gender, and geographic location of persons who applied for a permit, including whether the application was granted or denied, and persons whose permits were revoked.

(b) Notwithstanding section 24-1-136 (11)(a)(I), the requirement to submit the report described in this subsection (12) continues indefinitely.

Source: L. 2024: Entire section added, (HB 24-1353), ch. 492, p. 3449, § 2, effective June 7.

18-12-402. Retail dealers - record - inspection. Every individual, firm, or corporation engaged, within this state, in the retail sale, rental, or exchange of firearms, pistols, or revolvers shall keep a record of each pistol or revolver sold, rented, or exchanged at retail. The record must be made at the time of the transaction in a book kept for that purpose and must include the name of the person to whom the pistol or revolver is sold or rented or with whom exchanged; his or her age, occupation, residence, and, if residing in a city, the street and number therein where he or she resides; the make, caliber, and finish of said pistol or revolver, together with its number and serial letter, if any; the date of the sale, rental, or exchange of said pistol or revolver; and the name of the employee or other person making such sale, rental, or exchange. The record book shall be open at all times to the inspection of any duly authorized police officer.

Source: L. 2018: Entire part added with relocations, (SB 18-032), ch. 8, p. 151, § 4, effective October 1.

Editor's note: This section is similar to former § 12-26-102 as it existed prior to 2018.

18-12-403. Record - failure to make - penalty. Every individual, firm, or corporation who fails to keep the record required pursuant to section 18-12-402 or section 18-12-111.5 (7)(b), or who refuses to exhibit the record when requested by a police officer, and any purchaser, lessee, or exchanger of a pistol or revolver who, in connection with the making of such record, gives false information, commits a class 2 misdemeanor.

Source: L. 2018: Entire part added with relocations, (SB 18-032), ch. 8, p. 151, § 4, effective October 1. **L. 2021:** Entire section amended, (SB 21-271), ch. 462, p. 3213, § 352, effective March 1, 2022. **L. 2023:** Entire section amended, (SB 23-279), ch. 311, p. 1897, § 3, effective June 2.

Editor's note: This section is similar to former § 12-26-103 as it existed prior to 2018.

18-12-404. Jurisdiction - county courts. County courts, within their respective counties, have jurisdiction to hear and determine all cases arising under the provisions of this part 4, and appeal from judgment is to the district courts in the respective counties in the same manner as is now provided by law for appeals from judgments of the county courts in the cases of misdemeanors.

Source: L. 2018: Entire part added with relocations, (SB 18-032), ch. 8, p. 151, § 4, effective October 1.

Editor's note: This section is similar to former § 12-26-104 as it existed prior to 2018.

18-12-405. Locking device required - penalty. (1) (a) Every licensed gun dealer, as defined in section 18-12-506, shall provide with each firearm sold or otherwise transferred a locking device capable of securing the firearm.

(b) This subsection (1) does not apply to the transfer of an antique firearm, as defined in 18 U.S.C. sec. 921 (a)(16), as amended, or a curio or relic, as defined in 27 CFR 478.11, as amended.

(2) [*Editor's note: This version of subsection (2) is effective until January 1, 2025.*] Every licensed gun dealer shall post, in a conspicuous location on its premises and at any other location at which the dealer sells a firearm, either the notice developed as part of the firearms safe storage education campaign described in section 25-1-131 (2) or the following notice, in writing, on a printed card, with each letter at a minimum of one inch in height:

NOTICE

Unlawful storage of a firearm may result in imprisonment or fine.

(2) [*Editor's note: This version of subsection (2) is effective January 1, 2025.*] Every licensed gun dealer shall post, in a conspicuous location on its premises and at any other location at which the dealer sells a firearm, either the notice developed as part of the firearms safe storage education campaign described in section 25-1-131 (2) or the following notice, in writing, on a printed card, with each letter at a minimum of one inch in height:

NOTICE

Unlawful storage of a firearm on premises you own or control may result in imprisonment or fine. Unlawful storage of a firearm in a vehicle may result in a fine.

(3) A licensed gun dealer that violates this section is guilty of an unclassified misdemeanor punishable by a fine of not more than five hundred dollars.

Source: L. 2021: Entire section added, (HB 21-1106), ch. 39, p. 148, § 5, effective July 1. **L. 2024:** (2) amended, (HB 24-1348), ch. 178, p. 970, § 5, effective January 1, 2025.

Editor's note: Section 7 of chapter 178 (HB 24-1348), Session Laws of Colorado 2024, provides that the act changing this section applies to offenses committed on or after January 1, 2025.

Cross references: For the short title ("Promoting Child Safety Through Responsible Firearm Storage Act") and the legislative declaration in HB 21-1106, see sections 1 and 2 of chapter 39, Session Laws of Colorado 2021.

18-12-406. Requirements for firearms dealers - training - securing firearms - sale outside of business hours prohibited - rules - penalty. [*Editor's note: This section is effective July 1, 2025.*] (1) (a) The department shall develop training or approve training courses provided by other entities for dealers and dealers' employees. The training must be available in an online format and include an examination with at least twenty questions derived from the course material and intended to confirm that a course participant understands the information covered in the course. The department, or other trainer conducting the training, shall give a participant who answers at least seventy percent of the examination questions correctly a printable certificate of completion that is valid for one year after the date of completion. The training must include instruction regarding the following:

- (I) Federal and state laws governing the sale and transfer of firearms and ammunition;
- (II) Recognizing and identifying straw purchasers and fraudulent activity;
- (III) Indicators that a person is attempting to purchase a firearm illegally;
- (IV) Recognizing and identifying indicators that an individual intends to use a firearm for unlawful purposes;
- (V) Recognizing and identifying indicators that an individual intends to use a firearm for self-harm;
- (VI) Preventing theft or burglary of firearms and ammunition;
- (VII) Responding to circumstances described in subsections (1)(a)(I) to (1)(a)(VI) of this section, and any applicable reporting requirements;
- (VIII) Effectively teaching consumers rules of firearm safety, including the safe handling and storage of firearms; and
- (IX) Any other reasonable business practices that the department determines will deter firearm trafficking or the unlawful use of firearms.

(b) A dealer shall, within thirty days after the date the permit is issued and annually thereafter, complete a training course developed or approved by the department pursuant to this subsection (1).

(c) (I) An employee of a dealer who, in the course of the employee's duties, handles firearms; processes the sale, loan, or transfer of firearms; or otherwise has access to firearms shall, within thirty days after the employee's first day of work for the dealer and annually thereafter, complete a training course developed or approved by the department pursuant to this subsection (1). An employee who, in the course of the employee's duties, handles firearms; processes the sale, loan, or transfer of firearms; or otherwise has access to firearms, who is employed by a dealer on July 1, 2025, shall complete the employee's first training course no later than thirty days after July 1, 2025.

(II) A dealer shall maintain the training records of each employee and shall make the records available to the department during an on-site inspection of the dealer's place of business.

(2) A dealer shall not conduct business or store firearms at the dealer's place of business unless the dealer secures each firearm, except when the firearm is being shown to a customer, repaired, or otherwise worked on, in a manner that prevents unauthorized use of the firearm. Securing a firearm may include keeping the firearm in a locked container, including a locked

display case; properly installing a locking device on the firearm; or, if the firearm is a personalized firearm, activating the safety characteristics of the firearm.

(3) A dealer shall not sell or transfer a firearm:

(a) Outside of the dealer's posted business hours; except that a dealer may sell or transfer a firearm at a gun show, as defined in section 18-12-506, outside of the dealer's posted business hours; or

(b) To a person the dealer knows or suspects is under the influence of intoxicating liquor or of a controlled substance, as defined in section 18-18-102 (5).

(4) If a dealer knows or suspects that an employee of the dealer is involved in the theft of a firearm from the dealer's business, the dealer shall report the theft within forty-eight hours after learning of the theft to a law enforcement agency with jurisdiction over the dealer's place of business.

(5) The department may promulgate rules necessary to implement this section.

(6) A violation of any provision of this section by a dealer is a violation of state law concerning the sale of firearms and is subject to the penalties described in section 18-12-401.5 (7).

Source: L. 2024: Entire section added, (HB 24-1353), ch. 492, p. 3454, § 3, effective July 1, 2025.

18-12-407. Dealer employee requirements - background check - penalty - repeal. *[Editor's note: This section is effective July 1, 2025.]* (1) A dealer shall not employ a person who, in the course of the person's duties, handles firearms, processes the sale, loan, or transfer of firearms, or otherwise has access to firearms, who:

(a) Has been convicted of an offense that prohibits the person from possessing a weapon pursuant to section 18-12-108;

(b) Has been convicted of a misdemeanor offense described in section 24-33.5-424 (3)(b.3) within five years before the date of the person's employment application; or

(c) Is prohibited from possessing a firearm pursuant to 18 U.S.C. sec. 922 (g).

(2) In order to determine whether the dealer may employ a person consistent with this section, the dealer shall require a prospective employee to submit to a criminal history record check as described in subsection (3) of this section. A dealer shall only accept the results of a criminal history record check completed within seven days before the employee's first day of work.

(3) (a) Before a person begins work for the dealer in a position in which the person will handle firearms; process the sale, loan, or transfer of firearms; or otherwise have access to firearms, the person shall submit to a fingerprint-based criminal history record check. The person shall pay the costs associated with the fingerprint-based criminal history record check.

(b) The person shall have the person's fingerprints taken by a local law enforcement agency or any third party approved by the Colorado bureau of investigation for the purpose of obtaining a fingerprint-based criminal history record check. The person shall authorize the entity taking the person's fingerprints to submit, and the entity shall submit, the complete set of the person's fingerprints to the Colorado bureau of investigation for the purpose of conducting a fingerprint-based criminal history record check.

(c) If an approved third party takes the person's fingerprints, the fingerprints may be electronically captured using Colorado bureau of investigation-approved livescan equipment. Third-party vendors shall not keep the person's information for more than thirty days.

(d) The Colorado bureau of investigation shall use the person's fingerprints to conduct a criminal history record check using the bureau's records. The Colorado bureau of investigation shall also forward the fingerprints to the federal bureau of investigation for the purpose of conducting a fingerprint-based criminal history record check. The Colorado bureau of investigation, the person, the department, and the entity taking fingerprints shall comply with the federal bureau of investigation's requirements to conduct a criminal history record check.

(e) The Colorado bureau of investigation shall return the results of its criminal history record check to the department, and the department is authorized to receive the results of the federal bureau of investigation's criminal history record check. The department shall use the information resulting from the criminal history record checks to investigate and determine whether a person is qualified for employment pursuant to this section.

(f) When the federal bureau of investigation is unable to complete a fingerprint-based criminal history record check of a person, the Colorado bureau of investigation shall inform the department, and the department may conduct a name-based criminal history record check of the person using Colorado bureau of investigation's records as a substitute for the fingerprint-based criminal history record check required in this section.

(g) When the results of a criminal history record check of a person performed pursuant to this subsection (3) reveal a record of arrest without a disposition, the department shall require the person to submit to a name-based judicial record check, as defined in section 22-2-119.3 (6)(d).

(h) An employee of a dealer shall submit to a fingerprint-based criminal history record check once every three years in the manner described in this subsection (3).

(4) A dealer shall maintain a copy of the notice from the department following each background check conducted pursuant to subsection (3) of this section indicating that a person is qualified for employment. The dealer shall maintain a copy of the notice for the duration of the person's employment and shall make the notice available to the department during an on-site inspection of the dealer's place of business.

(5) (a) Notwithstanding the requirement in subsection (1) of this section, a person employed by a dealer on July 1, 2025, who submits fingerprints for a background check pursuant to subsection (3) of this section before July 8, 2025, may continue employment without the results of a background check until the department determines whether the employee is qualified for employment pursuant to this section following the background check.

(b) This subsection (5) is repealed, effective December 31, 2025.

(6) If a dealer knowingly employs a person in violation of this section, the department shall:

(a) For a first offense, issue a warning to the dealer that includes a description of the offense and the penalty for subsequent offenses; and

(b) For a second or subsequent offense, revoke the dealer's state permit. A dealer who has had a state permit revoked pursuant to this subsection (6)(b) may apply for a new permit no sooner than three years after the revocation.