NSSF® FAST FACTS

BURDENING FFLS OUT OF BUSINESS

- **Video surveillance requirements can cost upwards of tens of thousands of dollars not only for the cameras but equipment and software to retain multiple years of high quality imaging of every ingress, egress and store counter.**
- **To date, Minnesota, New Jersey, New York, Pennsylvania and Rhode Island have passed legislation further regulating firearm retailers.**
- **Delaware, Michigan and New Mexico all have bills pending that would align directly with the gun control agenda.**

FFL REGULATIONS BACKGROUND

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) is the United States law enforcement agency designated to regulate the firearm and ammunition industry. One of ATF's primary pillars of responsibility is to inspect and audit Federal Firearm Licensees (FFLs) for compliance. FFLs can be held for retailing, manufacturing and importing / exporting of firearms as a business. Firearm retailers are the most common firearm businesses and subject to inspection by ATF. Retailers must show compliance with all regulations, especially regulations enshrined in the 1934 National Firearms Act[1] (NFA) and the 1968 Gun Control Act[2] (GCA).

For example, FFLs must log and maintain acquisition and disposition records, utilize ATF Form 4473 to run background checks on all potential customers[3], renew their license every three years, and report any missing, lost or stolen firearms to ATF and local law enforcement within 48 hours. The ATF audits firearms retailers to make sure their recordkeeping and business practices follow the rules that Congress has set in place for firearm businesses. If regulations are not followed, FFLs are subject to license revocation, civil fines and prison sentences.[4] This national standard has created one of the highest levels of regulations for any industry. Some states, however, have decreed that the regulations on firearm and ammunition retailers are far too lax even with one of the nation's chief law enforcement organizations at the helm.

UNREASONABLE REQUIREMENTS

To date, Minnesota[5], New Jersey[6], New York[7], Pennsylvania[8] and Rhode Island[9] have passed legislation further regulating firearm retailers. The type of additional measures to operate lawful firearm retailing businesses in these states include added state-level licensing, physical security requirements, video surveillance, heightened intervals of inspection by local law enforcement and some require sharing sales records. These measures are not designed to prevent unauthorized access to firearms or even unauthorized purchases. They are meant to burden lawful businesses out of existence. Video surveillance requirements can cost upwards of tens of thousands of dollars not only for the cameras but equipment and software to retain multiple years of high quality imaging of every ingress, egress and store counter.

For example, a small business can expect to spend $400 on a single professional security camera, $240 on annual cloud storage, and $600 annual professional monitoring.[10] Required cameras for a small business, along with supporting devices, can easily cost over $3200 for initial setup. Costs can sky-rocket as additional cameras, hardware, and storage space is needed. For businesses with thin margins this added cost is a financial burden. State-level licensing is not absurdly expensive, for now, but opens these businesses up to standards that even the federal government has not thought to implement.

Lawmakers know that the firearm industry gets by on thin margins. In predominantly Democrat-led states the pressure is on to pass every bill that threatens the firearm industry. Lobby groups like Giffords and Everytown for Gun Safety both advocate for state-level licensing for FFLs to operate, added security, higher inspection rates, and video surveillance. They do this while also advocating for the nullification of industry level protections like the Protection of Lawful Commerce in Arms Act (PLCAA)[11]. The PLCAA protects an FFL from legal action if a third party out of their control commits a crime with a firearm that was legally sold. Six exemptions in the law expressly

allow suits based on knowing violations of federal or state law related to gun sales, or on traditional grounds including negligence or breach of contract.[12] Congress specifically carved out exceptions to allow claims of negligent entrustment to proceed where allowed under state law (i.e. retailer sells a firearm to someone under age or someone visibly intoxicated who then uses the firearm to injure themself or others).[13]

These antigun lobby groups have been actively trying to pass laws to allow lawsuits against the firearm and ammunition industry because lawsuits are expensive. Litigation is an expensive and lengthy process, which could be devastating for a manufacturer or retailer that relies upon their good reputation to maintain their business. For example, the Soto v. Bushmaster lawsuit[14] resulted in a $73 million settlement and was agreed upon by insurers of the bankrupt and now defunct Remington Outdoor Company. It is important to note that the settlement by the insurance carriers contained no admission of liability by the manufacturer. They know that American small businesses cannot afford a multimillion dollar lawsuit, let alone several of them. Many cannot afford the state-level licensing and added security requirements for firearm retailers. Delaware[15], Michigan[16] [17] and New Mexico[18] all have bills pending that would align directly with the gun control agenda – add undue cost to legally operate in the state while opening avenues for liability lawsuits.

CONCLUSION

The ATF's current regulatory framework for FFLs is already one of the most detailed and robust in the nation and is the only industry securing the ability for law abiding Americans to exercise their Second Amendment Rights. Instead of burdening FFLs with more regulations, added licensing and unnecessary video surveillance cost, states should concentrate on passing laws to protect citizens and catch criminals. NSSF's Operation Secure Store[19] is a joint operation with the ATF and has five focus areas ("Education and Awareness," "Assessment and Risk Analysis," "Planning and Strategy," "Engagement" and "Response") to deter and prevent theft of firearms. The NSSF and ATF partnership continues with Don't Lie for the Other Guy[20] which helps firearm retailers recognize and prevent straw purchases. This partnership keeps guns out of the hands of convicted felons, minors, persons determined by a court of law to be "mentally defective" and other individuals prohibited by law from owning firearms. These efforts are critical to preventing violent crime and keeping communities safer. According to the Department of Justice (DOJ), the DOJ Bureau of Justice Statistics and ATF, the overwhelming majority of FFLs—99 percent—are law-abiding, hard working, taxpaying businessmen and women. Criminals rarely obtain the firearms they use in crime from licensed retailers (less than 8.5 percent) and it is important to note that those few criminals who do acquire firearms via licensed retailers do so by passing an FBI background check, perjuring themselves on a government form (another crime punishable by prison time and steep fines) and by lying to the firearms retailer.[21] It is time lawmakers rely on Real Solutions instead of burdening firearm retailers.

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[1] Title 26, Chapter 53 of the U.S. Code
[2] Title 18, Chapter 44 of the U.S. Code
[3] 27 C.F.R. § 478.124
[4] 18 U.S. Code § 924
[5] Minn. Stat. § 624.7161; Minn. Admin. Rules Ch. 7504
[6] N.J. Stat. Ann. § 2C:58-2(a), N.J. Admin. Code §§ 13:54-3.11, 13:54-6.1-13:54-6.5.
[7] N.Y. Gen. Bus. Law § 875-b.
[8] 18 Pa. Cons. Stat. Ann. § 6113.
[9] R.I. Gen. Laws § 11-47-40(b).
[10] Security.org. (2026). Security camera cost: Complete pricing guide for 2026. https://www.security.org/security-cameras/cost/
[11] Pub. L. No. 109-92 (2005), codified at 15 U.S.C. §§ 7901-7903.
[12] See, e.g., the 1994 General Aviation Revitalization Act which prevents lawsuits against small aircraft makers for accidents involving products over a certain age. https://www.govtrack.us/congress/bills/103/s1458. See also Section 230 of the Communications Decency Act which limits the liability of service and content providers for defamatory posts uploaded by customers.
[13] Br. of the United States as Intervenor at 2, Delana v. CED Sales, et al. (Mo. No. SC95013) (Oct. 16, 2015).
[14] Soto v. Bushmaster Firearms International, LLC, No. FBTCV156048103S (Conn. Super. Ct. Apr. 14, 2016).
[15] Delaware General Assembly. (2026). *Senate Bill 300*. https://legis.delaware.gov/BillDetail/143196
[16] Michigan Legislature. (2026). *Senate Bill 853 of 2026*. https://legislature.mi.gov/Bills/Bill?ObjectName=2026-SB-0853
[17] Michigan Legislature. (2026). *Senate Bill 854 of 2026*. https://www.legislature.mi.gov/Bills/Bill?ObjectName=2026-SB-0854
[18] New Mexico Legislature. (2026). *Senate Bill 17*. https://www.nmlegis.gov/Sessions/26%20Regular/bills/senate/SB0017.pdf
[19] https://nssfrealsolutions.org/programs/operation-secure-store/
[20] https://nssfrealsolutions.org/programs/dont-lie-for-the-other-guy/
[21] ID at 20

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