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Colorado Firearms Laws: A Guide for Colorado FFLs

This presentation provides a comprehensive overview of recent Colorado firearms legislation that directly impacts Federal Firearms Licensees (FFLs) operating in Colorado or selling to Colorado residents.

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Agenda



Record Keeping & Inspection Requirements (SB18-032)

New transaction documentation standards and enhanced state inspection protocols for Colorado FFLs. (CRS 18-12-402)



Colorado Firearms Dealer Rules (1 CCR 214-1)

The requirements for dealers and compliance procedures regulated by the State to ensure lawful and secure firearm sales.



Firearms & Ammunition Excise Tax (HB24-1349)

Implementation of the new state-level excise tax structure, recordkeeping, and reporting requirements.



Semi-Automatic Firearms Restrictions (SB25-003)

New classification standards and transfer limitations for covered firearms.



Dealer Licensing & Security (HB24-1353)

Updated requirements for state licensing, premises security measures, and inventory protection.



Ammunition Sales Requirements (HB25-1133)

Documentation, storage protocols, shipping and ID verification requirements for ammunition sales and shipments.



Security & Training Requirements (CRS 18-12-406)

Mandatory security and staff certification and customer education provisions for all Colorado FFL operations.



Compliance Timeline & Resources

Implementation deadlines, available training, and support contacts for Colorado FFLs.

Record Keeping & Inspection Requirements



CRS 18-12-402 Overview (April 10, 1998)

Established by SB18-032, this statute requires FFLs to maintain complete transaction records for all handgun sales, exchanges and rentals.



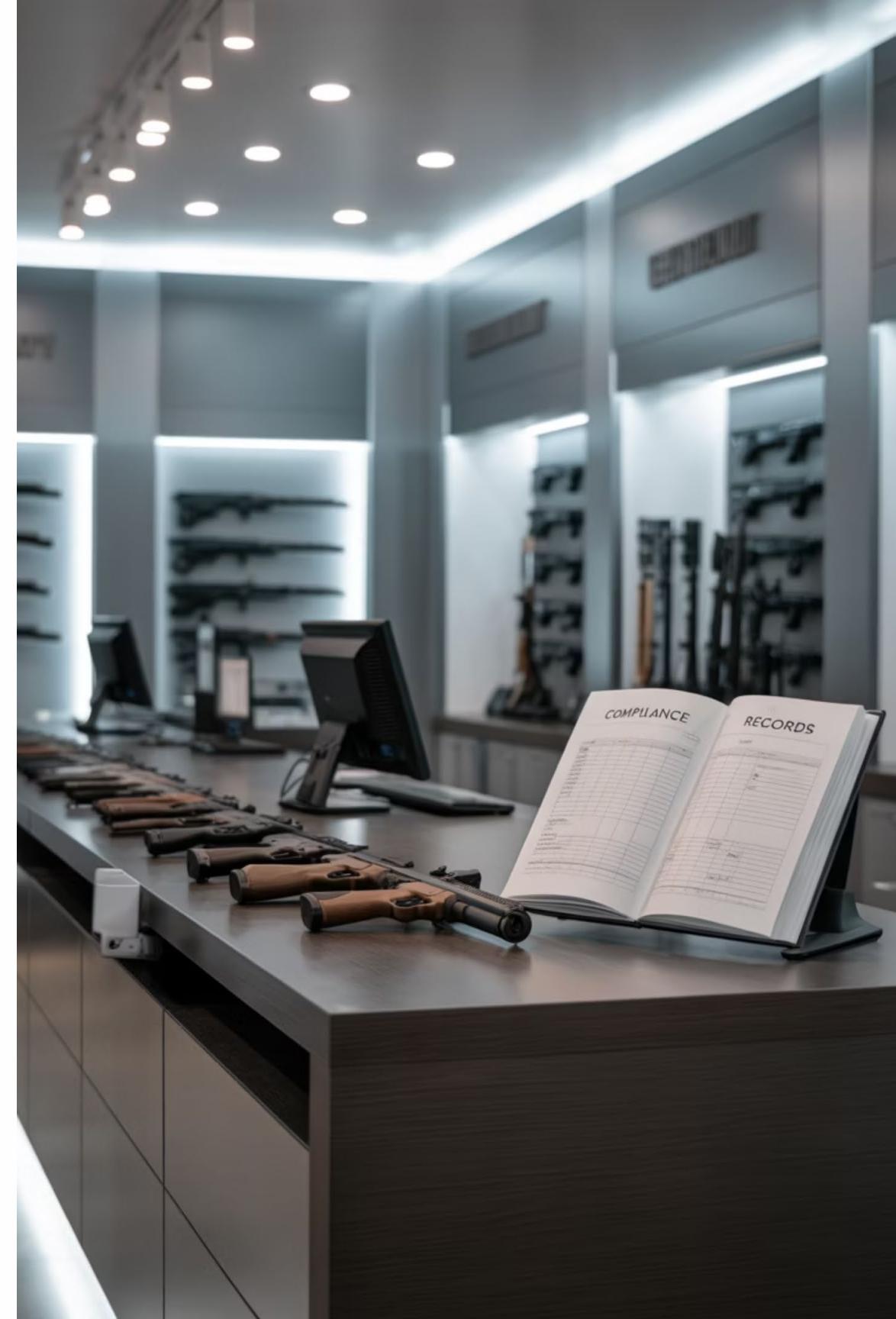
Inspection Protocol

Records must be available for inspection by law enforcement during normal business hours without prior notice.



Record Retention

Record must be made at the time of the transaction and documentation must be maintained for the entirety of business.



Firearms & Ammunition Excise Tax (HB24-1349)

Excise Tax Structure

- ✓ 6.5% on all firearms, firearm pre-cursor parts*, and ammunition in the state.
- ✓ Applied at point of sale to retail customers and includes the **base retail value** of firearms, parts, or ammunition **before adding any taxes or delivery fees** – and includes labor, materials, and profit in the taxed amount.

Implementation Requirements

- ✓ Effective: **April 1, 2025**
- ✓ Records of tax must be itemized separately
- ✓ **Monthly filing** with Department of Revenue (*20th)
- ✓ Exemption: LEO's, Law Enforcement and Active Duty Military
 - ◆ **Form DR 7612** must be completed and maintained on file.

Firearm Precursor Parts: Definition & Classification

1 Unfinished Frames/Receivers

Any partially complete frame or receiver as defined in Section 18-12-101 (1)(l) that can be readily converted into a functional firearm.

2 Fire Control Components

Parts that initiate or control the firing sequence including triggers, hammers, sears, disconnectors, and bolt carrier groups as defined in Section 18-12-101 (1)(c.3).

3 Performance-Enhancing Devices

Any device marketed to the public designed to increase a firearm's rate of fire, concealability, magazine capacity, destructive capacity, stability or handling during repeated fire.

4 Manufacturing Equipment

Any machine or device marketed to the public that is reasonably designed or intended for the manufacturing or production of firearms.

Note: All precursor parts are subject to the 6.5% excise tax under HB24-1349 and must be documented in accordance with Colorado state requirements.



Dealer Licensing & Security

(HB24-1353)



State Licensing

New Colorado-specific dealer license required in addition to federal FFL.

Permits are valid for 3 years. Dealers may renew their State permit at any time within **90 days prior to its expiration**. Dealers will be notified.

A dealer who submits a timely and sufficient renewal application may continue firearm sales under state law until the Department issues a decision on the renewal.



Physical Security - Off Hours

Mandates Dealer's Business Premises are securely locked and protected from unauthorized entry at all times outside normal business hours.

This can be achieved by employing security systems including alarm monitoring, surveillance cameras, reinforced display cases, and after-hours firearm secure storage.



Background Checks

A dealer can only use a background check if it was done within 7 days prior to the employee starting work. Maintain a copy of the results on file for inspection.

Employees are required to submit to a fingerprint-based background check once every 3 years. Dealers will be notified of eligibility for employment.



Security & Training Requirements (CRS 18-12-406)

Security - During Business Hours

Dealers **must keep all firearms secured to prevent unauthorized use**, except when showing them to customers, repairing them, or working on them.

Employee Training

All employees must complete state-approved firearms safety and legal compliance training **within 30 days of hiring**.

Continuing Education

Annual refresher training required for all staff, covering updates to firearms laws and safety protocols.

Training Documentation

Training records must be maintained for all employees and **available for inspection** during compliance visits.

Failure to comply with training requirements may result in license suspension, or permanent revocation for repeated infractions.

Colorado Firearms Dealer Rules (1 CCR 214-1)



Records & Retention

Maintain inventory records and transaction logs for **current + 3 previous tax years** in handwritten, typed, or electronic format.

DR 7602 - Transaction Log

DR 7603 - Addendum to Transaction Log

DR 7606 - Acquisition and Disposition Record

DR 7612 - Affidavit for Excise Tax Exemption

Transaction Logging

Record all firearm transactions at time of sale using either:

- Colorado FDD Form
- Approved Electronic System

Dealers must keep and maintain an inventory and record of all Firearms.

Detailed Documentation

Maintain comprehensive records of all pistols and revolvers sold, rented, or exchanged at retail with complete transaction details.

All records must be readily accessible for compliance inspections and provide full transaction history for the business during the retention period.

Important: As an FFL, you are the Custodian of Records for the federal government, hence the reason you are responsible to respond to trace requests. All federally required forms and records are off-limits to state regulatory and enforcement personnel unless it is for an active bona-fide criminal investigation.

You as the Custodian of Records have the authority to grant the state access but understand the ramifications that may result.

Semi-Automatic Firearms Restrictions (SB25-003)

Dealer Obligations

Effective: August 1, 2026

FFLs must:

- Verify all firearms comply with state definitions before transfer and comply with background and eligibility checks
- Provide notice of restrictions to out-of-state customers
- Compliance with background and eligibility checks
- Maintain documentation of compliance verification for each sale

Purchaser Obligations

- Fulfill Training Requirements
- Firearms Safety Course Eligibility Card

Prohibited Items

- Large-capacity magazines - 15 Rounds
- All rapid-fire modification devices including binary triggers
- Semiautomatic Firearms - Detachable Magazine – Firearm Operation Specific
- Exceptions...
 - **.22 or Lower Caliber Rimfire Ammunition Permitted** – Allowed only if the firearm does not have a separate upper and lower receiver
 - **Single or Double Action Semiautomatic Handgun** – Permitted if it uses recoil to cycle the action.
- Completed Hunter Education, Extended Firearms Safety Course Completion, and/or Basic Firearms Safety Course – **Valid for 5 years**



Ammunition Sales Requirements

(HB25-1133) Effective; July 1, 2026



Age Verification - Must be 21+ YOA

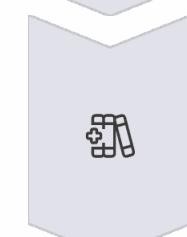
Mandatory ID check and electronic age verification for all ammunition purchases, regardless of quantity.

Exceptions: Military, Veteran, Hunter Education, Hunting License, Protection Order, Law Enforcement, Rimfire Ammo – Anticipate Record Keeping Requirements



Shooting Ranges

Shooting Range Operators may sell ammunition to individuals aged 18 to 20, **exclusively for use at the shooting range.**



Record Keeping

Electronic records of all ammunition sales should be maintained, including purchaser information, quantity, and caliber.



Storage Requirements

Ammunition Must Be Vendor-Controlled – Ammunition cannot be displayed or sold in a way that allows customer access without assistance from the vendor or an employee.

Secure Ammunition Displays Permitted – Ammunition kept in enclosed cases, behind counters, or behind customer access prevention devices is considered inaccessible.

Important: Out-of-state FFLs must verify Colorado residency and compliance with these requirements before shipping ammunition to Colorado addresses.



Compliance Timeline & Resources

- 1 April 10, 1998
Record Keeping and Inspection Requirements (CRS 18-12-402)
- 2 April 1, 2025
Excise Tax Collection Begins (HB24-1349)
- 3 June 30, 2025
Colorado Fingerprinting will begin scheduling appointments
- 4 July 1, 2025
Dealer Permitting Required (HB24-1353)
- 5 July 1, 2025
Training & Security Requirements Take Effect (CRS 18-12-406)
- 6 July 1, 2026
Ammunition Sales Requirements Take Effect (HB25-1133)

For detailed guidance, contact the Colorado Firearms Dealer Division visit sbg.colorado.gov/firearms-dealer-division, email dor_fdd@state.co.us, or call (303) 205-2989 for resources and compliance assistance.



Questions & Discussion

Open Dialogue: Share Your Thoughts

Colorado Resources



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NSSF Resources

Member Benefits and Your Compliance Consultant Team

Additional Questions?

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