

Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Information Collection Request (ICR)
Supporting Statement for 1140-0032
Records of Acquisition and Disposition: Dealers/Pawnbrokers of Type 01/02 Firearms, and
Collectors of Type 03 Firearms

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Explain the circumstances that make the information collection necessary.

The Gun Control Act of 1968, at 18 U.S.C. § 923(g), requires licensed dealers, pawnbrokers, and collectors to maintain records of receipt, sale, or other disposition of firearms (acquisition and disposition (A&D) records) in the format that the Attorney General may prescribe. The required format for the A&D records and time frame for recording the required information is set forth in 27 CFR 478.125(e) and (f). A licensed dealer, pawnbroker, or collector may request an alternate means for maintaining the required A&D records, as described in 27 CFR 478.125(h).

2. Indicate how, by whom, and for what purpose the information is to be used.

For each firearm a licensed dealer or pawnbroker acquires, they must record in their A&D record the date they receive the firearm, the name and address or name and license number of the person from whom received, the name of the manufacturer and importer (if any), the model, serial number, type, and the caliber or gauge, of the firearm. For each firearm a licensed dealer or pawnbroker disposes of, they must record in their A&D record the date of the sale or other disposition of each firearm, the name and address of the person to whom the firearm is transferred, or the name and license number of the person to whom transferred if such person is a licensee, or the firearms transaction record (ATF Form 4473)s the forms 4473 and files them numerically in their A&D record. This required information must be entered into the A&D record in the format required by 27 CFR 478.125(e). The licensed dealer or pawnbroker must record the acquisition information no later than the close of the next business day following the date on which they purchase or acquire a given firearm, and the disposition information no later than seven days following date on which they sell or otherwise dispose of a given firearm. The A&D record must be maintained in bound form in the required format. However, in accordance with ATF Ruling 2016-1, licensed dealers and pawnbrokers may keep the A&D records electronically instead of in paper form. The records must be retained until the business or licensed activity is discontinued, as required by 27 CFR 478.129(e).

For each curio or relic firearm they acquire, licensed collectors must record in their A&D record the date they receive the curio or relic firearm, the name and address or the name and license number of the person from whom received, the name of the manufacturer and importer (if any), the model, serial number, type, and the caliber or gauge, of the curio or relic firearm. For each

sale or other disposition of a curio or relic firearm they make, the licensed collector must record the date of the sale or other disposition of each curio or relic firearm, the name and address of the person to whom it is transferred, or the name and license number of the person to whom transferred if such person is a licensee, the date of birth of the transferee if other than a licensee, and the driver's license number or other identification if a non-licensee. This required information must be entered into the A&D record in the format required by 27 CFR 478.125(f). The licensed collector must record the acquisition information no later than the close of the next business day following the date on which they purchase or acquire a given curio or relic firearm, and the disposition information no later than seven days following the date on which they sell or otherwise dispose of a given curio or relic firearm. These records must be maintained in bound form in the required format. However, in accordance with ATF Ruling 2016-1, licensed collectors may keep the A&D records electronically instead of in paper form. The records must be retained until the business or licensed activity is discontinued, as required by 27 CFR 478.129(e).

ATF may use the collected information during criminal investigations or government inspections. The A&D records of licensed dealers, pawnbrokers, and collectors are integral to tracing firearms during criminal investigations. These records are vital to ATF's mission to enforce the law and regulations and provide specific information not obtainable elsewhere. The A&D records are used during compliance inspections to ensure that the licensee's firearm inventory has been accurately accounted for. The uniformity of the records required by 27 CFR 478.125(e) and (f) allows ATF compliance personnel to examine a licensee's records with minimal interference to the licensee's normal business operations.

3. Describe whether, and to what extent, the information collection involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

Pursuant to ATF Ruling 2016-1, licensed dealers, pawnbrokers, and collectors are permitted to maintain A&D records electronically if they choose. The A&D records are kept on the licensee's business premises in either electronic or paper form, and must be made available to ATF during an inspection or in response to a request, but do not have to be transmitted. As a result, there is no need for electronic or other technical submission methods.

4. Describe efforts to identify duplication.

The information collected pursuant to this ICR is not duplicated elsewhere. It consists of a continuously updated record of acquisition and disposition of firearms, and is maintained by the licensee on their premises, so there is no other source for the information.

5. If the information collection impacts small businesses or other small entities, describe any methods used to minimize burden.

This information collection does not have a significant impact on small entities.

6. Describe the consequence to federal programs or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This information is collected to increase public safety, both by enabling licensees to account for firearms that might be missing or stolen, and by enabling ATF to trace firearms used in crimes. The information is collected by the licensee as the acquisition or disposition occurs, which is less burdensome for the licensee and best assures that the information will be accurate and up to date at any time it is inspected or needed to trace a firearm used in a crime. Less frequent collection of this information would therefore threaten public safety and hamper law enforcement operations, as well as create extra burdens for licensees who would have to remember the information until such time as they record it.

7. Explain any special circumstances that would cause the information collection to be conducted in a manner inconsistent with 5 CFR 1320.6.

Federal firearms licensees must retain the information collected pursuant to this ICR as part of their permanent records until they discontinue the business or licensed activity, as required by 27 CFR 478.129(e). There are no other special circumstances associated with this information collection.

8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.

The 60-day notice was published in the *Federal Register* on [xx/xx/xx] (XX FR XXXXX). The comment period ended on [xx/xx/xx]. ATF received no comments.

9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

No payment or gift is associated with this information collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

ATF has not assured respondents of confidentiality. However, the information being collected includes PII and is thus protected by the Privacy Act. The information is maintained by ATF in a system of records, Justice/ATF-003, Regulatory Enforcement Record System. The associated Privacy Act statement is located on ATF's website.

11. Provide additional justification for any questions of a sensitive nature, such as sexual

behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

This information collection does not ask questions or require information of a sensitive nature.

12. Provide estimates of the information collection's hour burden.

Based on the number of Type 1, Type 2, and Type 3 FFLs, there are 102,555 potential licensees that would be required to keep these records. However, the vast majority of these FFLs would already maintain records of purchases, sales, and other inventory inflow and outflow as a regular standard business practice, tracking acquisitions and dispositions of firearms stock would be accounted for in the baseline regardless of ATF's requirement. While most FFLs would engage in such regular business practices, a minority of FFLs, most likely small operations or those with sub-standard record-keeping practices, could potentially face these requirements as a new collection. The Department therefore estimates that approximately 10 percent of FFLs, or 1,025, would be the respondents for this IC. Each respondent reports once annually. Therefore, the total responses are also 1,025.

Although the length of time involved in keeping these records throughout a year can vary widely depending upon the volume of acquisitions and dispositions a particular entity has during the year, ATF used an estimated average of 2 hours to complete entries annually for these respondents as they are likely small operations with fewer transactions. Therefore, the annual time burden associated with this ICR is 2,050 hours (2 hours * 1,025 respondents).

The Department assumes, based on data from FFL inspections, that the individual completing the IC for respondents would be a retail salesperson or equivalent. ATF used wage data from the U.S. Department of Labor, Bureau of Labor Statistics (BLS) category 41-2031 Retail Salespersons for May 2023, from which to estimate the monetized value of respondent time under this information collection. Based on the BLS information, ATF estimates the average hourly employer costs for applicants as \$17.64. ATF also applied a load rate of 1.42 to account for benefit costs paid by the employer, making the loaded wage rate \$25.05 ($\$17.64 * 1.42$).

To calculate the individual monetized value of respondent time, ATF used 2 hours of labor ($\$25.05 * 2$ hours), which results in an estimate of approximately \$50.10 per respondent for record-keeping.

Therefore, the total monetized value of the time burden associated with this collection is \$51,352.5 (1,025 total responses * \$50.10 cost per response).

Table. Estimated annualized respondent hour burden and monetized value

Activity	Total annual responses	Time per response	Total annual burden (hours)	Hourly rate*	Monetized value of respondent time
A&D entries	1,025	2	2,050	\$25.05	\$51,352.5

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the information collection. (Do not include the cost of any hour burden shown in Items 12 and 14).

There are no additional costs associated with this information collection.

14. Provide estimates of the annualized cost to the federal government.

ATF estimates no additional costs to the federal government associated with this collection. This is due to the current staffing and administrative capacity already in place to complete any marginal processing required under this information collection, with long-term staffing capacity serving as a sunk cost.

15. Explain the reasons for any program changes or adjustment.

The total time burden has decreased since the last renewal in 2022, from 347,703 hours to 2,050. This decrease is because the previous ICR estimated 3 minutes per record, inadvertently mixing up 3 minutes per entry with the total annual time for the record-keeping. This renewal corrects that error with a fairly high average estimate of 2 hours for these small respondents to make entries of all acquisitions and dispositions throughout the year. This renewal also revised downward the number of respondents to approximately 10 percent of all Type 1, 2 and 3 FFLs to account for the fact that a majority of licensees would already keep the required information as a normal course of business as part of standard business practice, even without this IC.

16. For information collections whose results will be published, outline plans for tabulations and publication.

ATF will not publish the results of this collection.

17. If seeking approval to display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

This information collection does not involve a form or other collection instrument upon which ATF could display the expiration date. It requires industry to maintain the records of acquisitions and disposition at their business premises. As a result, ATF is not able to display an expiration date.

18. Explain each exception to the certification statement.

This information collection does not include any exceptions to the certification statement.

A. THIS COLLECTIONS OF INFORMATION EMPLOYS NO STATISTICAL METHODS.

This collection does not employ statistical methods.