



State of Maryland
Department of State Police
Government Affairs Unit
Annapolis Office (410) 260-6100

POSITION ON PROPOSED LEGISLATION

DATE: February 24, 2026

BILL NUMBER: Senate Bill 692 **POSITION:** Letter of Information

BILL TITLE: Firearms Dealers and Employees – Required Training and Exam

REVIEW AND ANALYSIS

This legislation seeks to require applicants to become a licensed firearms dealer and their employees in Maryland, to complete a mandatory training course and pass a written exam to obtain a dealer's license from the Maryland Department of State Police. (MDSP) The training course and testing is required annually before renewal of the license. This legislation requires the MDSP to create and administer this training and testing program at no cost to the dealer or their employees.

Under current law, applicants for a dealer's license must apply to the Secretary of State Police. Each dealer undergoes a thorough background check and once approved is provided orientation training. Annually, as a condition of obtaining the original or renewing the license, the dealer's business is audited/inspected to ensure compliance with the security features and other legal requirements. The Secretary can deny a firearms dealer's license application if the applicant provides false information, submits an incomplete application, is found by a licensed physician to have a mental disorder that makes them a danger to themselves or others, or intends to allow an ineligible person or someone with a revoked or suspended license to manage, operate, or hold an interest in the business. Licensed dealers in Maryland are also required to obtain a federal firearms license.

This legislation would have significant operational and fiscal impacts on the MDSP. It requires MDSP to develop and administer annual mandatory training and testing for firearms dealers and their employees as a condition of license renewal. The program must cover firearms laws, theft prevention, customer safety, and the recognition of unlawful or self-harm risks. It ends with a multiple-choice exam requiring a 70% passing score. The dealer or their employees may take the test as many times as necessary to pass the test. To implement this, MDSP must work with firearms dealers and the Attorney General's Office to create and update training materials and test questions, as state and federal laws change frequently. A rotating question pool must be kept, and the existing dealer audit program must be expanded to check dealer and employee compliance. MDSP must also build a secure online training and testing system with logins, tracking tools, and automated certification. Passing the training will be required for dealer applications and employee access to licensing systems.

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Senate Bill 692 requires training materials by October 1, 2026, and electronic testing by January 1, 2027. However, MDSP estimates system development and staffing will take about 18 months after hiring. Procurement and onboarding may add up to 10 months, making the January 2027 deadline unrealistic. The estimated cost is about \$800,000 for improvements to the Licensing Portal as the training will be online and the test will be administered at the end of the course. The Licensing Division will also need staff, to develop the course, update the training and questions annually, audit the results and ensure certificates are sent to the dealer and impacted employees. Audit procedures would have to be updated and depending on the number of employees, MDSP auditors will spend additional time at the dealer's business verifying employees training records in addition to the other audit standard requirements.

The Department expects substantial general fund expenditure increases and notes that procurement delays make timely implementation unlikely.

The Maryland Department of State Police respectfully submits this information for your consideration and looks forward to working with the committee on amendments should they wish to move forward with this bill.

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For these reasons, the Maryland Department of State Police urges the Committee to give
___Bill ___ a favorable or unfavorable report.