



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 331 and 332 (as passed by the Senate)
Sponsor: Senator Mallory McMorrow
Committee: Civil Rights, Judiciary, and Public Safety

Date Completed: 10-3-25

RATIONALE

Generally, ghost guns are unserialized and untraceable firearms that are built from separate pieces or a kit and are often made of three-dimensional (3D)-printed or computer numerical controlled (CNC)-milled material. They can bypass background checks, be assembled without training, and reach prohibited buyers, which makes ghost guns popular among individuals who commit crimes. From 2016 to 2020, the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) was only able to trace .006% of ghost guns back to an individual purchaser.¹ According to testimony before the Senate Committee on Civil Rights, Judiciary, and Public Safety, the popularity of ghost guns in crimes has increased in the last decade. In 2017, there were 1,629 cases with ghost guns in criminal investigations in the United States; in 2021, there were 19,273 cases.² Some people believe that ghost guns and ghost gun precursors should be regulated and undergo serialization to reduce unauthorized and potentially dangerous access to guns.

CONTENT

Senate Bill 331 would amend the handgun licensure Act to do the following:

- **Prohibit an individual from manufacturing, assembling, importing, purchasing, selling, or transferring a firearm, frame, or receiver that did not have a valid serial number.**
- **Prescribe the serialization requirements for a firearm or completed or unfinished frame.**
- **Beginning 18 months after the bill's effective date, prohibit a person from knowingly possessing a firearm or any completed or unfinished frame or receiver that was not imprinted with a valid serial number.**
- **Prohibit the use of a 3D printer or CNC milling machine for unlicensed firearm manufacturing.**
- **Prohibit an unlicensed individual from manufacturing more than five firearms annually and require the individual to notify the MSP within 10 days of producing a firearm.**
- **Prescribe misdemeanor and felony penalties for violating the bill's provisions.**
- **Specify that the bill's prohibitions would not apply to antique or inoperative firearms, transactions involving law enforcement agencies, law enforcement activities, or buyback programs, among other things.**
- **Require a person who moved into the State to comply with the serialization requirements within 90 days of moving.**

¹ ATF, *Definition of 'Frame or Receiver' and Identification of Firearms*, Vol. 86 (No. 97), 27-724, May 2021. Retrieved on 9-30-25.

² ATF, *National Firearms Commerce and Trafficking Assessment - PART III: Crime Guns Recovered and Traced Within the United States and Its Territories*, p. 6, March 2024. Retrieved on 9-29-25.

Senate Bill 332 would add sentencing guidelines to the Code of Criminal Procedure to make a second or subsequent violation of Senate Bill 331's prohibitions a Class E felony against the public safety punishable up to five years' imprisonment.

Senate Bill 331 is described in greater detail below.

Senate Bill 331

Prohibitions

Under the bill, a person could not do any of the following:

- Knowingly manufacture or assemble, cause to be manufactured or assembled, import, purchase, sell, offer to sell, or transfer ownership of any firearm that was not imprinted with a valid serial number unless the individual met certain notification and serialization requirements described below.
- Knowingly import, purchase, sell, offer to sell, or transfer ownership of any ghost gun precursor.
- Beginning 18 months after the bill's effective date, knowingly possess a firearm that was not imprinted with a valid serial number or a ghost gun precursor.
- Knowingly manufacture or assemble or cause to be manufactured or assembled, import, sell, offer to sell, transfer, or possess any undetectable firearm.
- Knowingly allow, facilitate, aid, abet, or cause the manufacture or assembling of a firearm or completed or unfinished frame or receiver, by a person who was legally prohibited from possessing a firearm or completed or unfinished frame or receiver under State or Federal law.
- Knowingly allow, facilitate, aid, abet, or cause the manufacture or assembly of any firearm or completed or unfinished frame or receiver that was not imprinted with a valid serial number.

"Manufacture or assemble" would mean to fabricate, construct, fit together component parts of, or otherwise produce a firearm or completed or unfinished frame or receiver, including through additive, subtractive, or other processes.

"Frame" would mean the part of a handgun, or variants thereof, that provides housing or a structure for the component designed to hold back the hammer, striker, bolt, or similar primary energized component before initiation of the firing sequence, even if pins or other attachments are required to connect that component to the housing or structure. Any part of a handgun that was identified with an importer's or manufacturer's serial number would be presumed, absent an official determination by the Director of the Bureau of Alcohol, Tobacco, Firearms, and Explosives or other reliable evidence to the contrary, to be the frame of the handgun.

"Variants thereof" would mean a weapon utilizing a similar frame or receiver design irrespective of new or different model designations or configurations, characteristics, features, components, accessories, or attachments.

"Receiver" would mean the part of a rifle, shotgun, or projectile weapon other than a handgun, or variants thereof, that provides housing or a structure for the primary component designed to block or seal the breech before initiation of the firing sequence, even if pins or other attachments are required to connect that component to the housing or structure. The bill specifies that any part of a rifle, shotgun, or projectile weapon other than a handgun that was identified with an importer's or manufacturer's serial number would be presumed, absent an official determination by the Director of the Bureau of Alcohol, Tobacco, Firearms, and

Explosives or other reliable evidence to the contrary, to be the receiver of the rifle, shotgun, or projectile weapon other than a handgun.

"Unfinished frame or receiver" would mean a forging, casting, printing, extrusion, machined body, or similar item that is designed to or may readily be completed, assembled, or otherwise converted to function as a frame or receiver or is marketed or sold to the public to become or be used as the frame or receiver of a functional firearm once completed, assembled, or otherwise converted. The term would not include a component designed and intended for use in an antique firearm.

"Ghost gun precursor" would mean a frame, receiver, or unfinished frame or receiver that does not have a valid serial number.

"Antique firearm" would mean any firearm not designed or redesigned for using rim fire or conventional center fire ignition with fixed ammunition and manufactured in or before 1898, including any matchlock, flintlock, percussion cap, or similar type of ignition system or replica thereof, whether actually manufactured before or after the year 1898, and also any firearm using fixed ammunition manufactured in or before 1898, for which ammunition is no longer manufactured in the United States and is not readily available in the ordinary channels of commercial trade.

"Valid serial number" would mean a serial number required by Federal law that has been imprinted by an entity authorized to serialize firearms.

"Undetectable firearm" would mean a firearm manufactured, assembled, or otherwise comprised entirely of nonmetal substances, if at least one of the following were true:

- After removal of all parts except major components, the firearm is not detectable as a security exemplar by a walk-through metal detector calibrated to detect the security exemplar.
- The firearm includes a major component that, if subjected to inspection by the types of X-ray machines commonly used at airports, would not generate an image that accurately depicts the shape of the component.

"Major component" would mean, with respect to a firearm, the barrel, the slide or cylinder, or the frame or receiver of the firearm. "Security exemplar" would mean an object to be fabricated as prescribed by the director of the United States Attorney General that is constructed of 3.7 ounces of material type 17-4 PH stainless steel in a shape resembling a handgun and suitable for testing and calibrating metal detectors.

"License to manufacture firearms" means a valid Federal license to manufacture firearms.³

The bill also would prohibit a person from selling or transferring ownership of a firearm if any of the following applied, unless the firearm had been imprinted with a valid serial number as described under Serialization:

- The person manufactured or assembled the firearm without a license to manufacture firearms.
- The person knowingly caused the firearm to be manufactured or assembled by another person that did not have a license to manufacture firearms.

³ Generally, 18 USC 923 prescribes Federal licensing requirements for individuals and businesses involved in the importation, manufacturing, and dealing of firearms and ammunition.

- The person was aware that the firearm was manufactured or assembled by another person that did not have a license to manufacture firearms.

Additionally, a person that manufactured or assembled a firearm or completed or unfinished frame or receiver in the State without a firearm manufacturing license would have to notify the MSP Director or the Director's designee, have the firearm or completed or unfinished frame or receiver serialized as provided under Serialization and provide any identifying information concerning the firearm or frame or receiver and the owner of the firearm or frame or receiver requested by the MSP Director, or Director's designee, including the serial number of the firearm or frame or receiver, within 10 days after manufacturing or assembling the firearm or frame or receiver.

Serialization

The bill specifies that a firearm or completed or unfinished frame or receiver would have to be imprinted with a valid serial number in the following manner:

- The serial number would have to be imprinted by a Federally licensed gunsmith, manufacturer, importer, or other entity authorized to serialize firearms.
- The serial number would have to comply with Federal requirements for the identification of firearms including 27 CFR 479.102, which prescribes the firearm identification requirements of a manufacturer, importer, or maker of a firearm.

"Federally licensed gunsmith, manufacturer, or importer" would mean a person, firm, corporation, or other entity that holds a valid gunsmith license, or license to manufacture or import firearms issued under Federal law.

"Entity authorized to serialize firearms" would mean a person, firm, corporation, or other entity that is authorized under Federal law to imprint serial numbers on firearms and completed or unfinished frames or receivers.

Penalties

A person who violated the provisions described above would be guilty of the following:

- For a first offense, a misdemeanor punishable by up to one year's imprisonment or a maximum fine of \$5,000, or both.
- For a second or subsequent offense, a felony punishable by up to five years' imprisonment or a maximum fine of \$10,000, or both.

Manufacturers Licensee Exemptions

The bill specifies that a person that does any of the following would have to have a license to manufacture firearms:

- Manufacture or assemble a firearm or completed or unfinished frame or receiver with the intent to sell that item predominantly to earn a profit.
- Manufacture or assemble more than five firearms or completed or unfinished frames or receivers in the State in a calendar year for personal use.
- Use a 3D printer or CNC milling machine to manufacture or assemble any firearm or completed or unfinished frame or receiver in the State.

"3D printer" would mean a computer-aided manufacturing device capable of producing a 3D object from a 3D digital model through an additive manufacturing process that involves the

layering of two-dimensional cross sections formed of a resin or similar material that are fused together to form a 3D object.

General Exemptions

The bill would not apply to any of the following:

- An antique firearm, any completed or unfinished frame or receiver of an antique firearm, or any firearm or completed or unfinished frame or receiver that had been rendered permanently inoperable.
- The sale, offer for sale, or transfer of ownership of a firearm, or any completed or unfinished frame or receiver, to a law enforcement agency.
- The manufacture or assembly, importation, purchase, transfer, or possession of a firearm, or any completed or unfinished frame or receiver, by a law enforcement agency for law enforcement purposes.
- The sale or transfer of ownership of a firearm, or any completed or unfinished frame or receiver, to a federally licensed gunsmith, manufacturer, or importer, or to any other entity authorized to serialize firearms.
- The manufacture or assembly, importation, purchase, or possession of a firearm, or any completed or unfinished frame or receiver, by a federally licensed gunsmith, manufacturer, or importer, or by any other entity authorized to serialize firearms.
- A member of the United States Armed Forces or the National Guard, a law enforcement agency, or a forensic laboratory, while on duty and acting in the scope and course of employment.
- A common carrier, motor carrier, air carrier, or carrier affiliated with an air carrier through common controlling interest, or an authorized agent of that carrier, when acting in the scope and course of duties incident to the receipt, processing, transportation, or delivery of property.
- An authorized representative of a local, State, or Federal government that received a firearm or any completed or unfinished frame or receiver as part of an authorized, voluntary buyback program in which the governmental entity was buying or receiving firearms or any completed or unfinished frames or receivers from private individuals.
- The possession or importation of a firearm or any completed or unfinished frame or receiver by an individual moving into the State who, within 90 days after moving into the State, caused the firearm or completed or unfinished frame or receiver to be imprinted with a valid serial number as provided under Serialization, removed the weapon from the State, or otherwise came into compliance with the bill's provisions.
- The transportation of, or temporary transfer of a firearm or any completed or unfinished frame or receiver, to a federally licensed gunsmith, manufacturer, or importer, or to any other entity authorized to serialize firearms by an individual who lawfully possessed such an item before 18 months after the bill's effective date, or before moving into the State, for the purpose of having the firearm or completed or unfinished frame or receiver imprinted with a valid serial number as provided under Serialization.

The prohibitions also would not apply to the possession and disposition of a firearm or any completed or unfinished frame or receiver by a person that met all the following:

- The person was not prohibited by State or Federal law from possessing the firearm or completed or unfinished frame or receiver.
- The person possessed the firearm or any completed or unfinished frame or receiver no longer than was necessary to deliver it to a law enforcement agency for that agency's disposition according to law.

- If the person were transporting the firearm or any completed or unfinished frame or receiver, the person was transporting it to a law enforcement agency to deliver it to the agency for the agency's disposition according to law.

Proposed MCL 28.434c (S.B. 331)
777.11b (S.B. 332)

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

Senate Bills 331 and 332 are respectively reintroductions of Senate Bills 1149 and 1150 of the 2023-2024 Legislative Session. Senate Bills 1149 and 1150 passed the Senate and were referred to the House Committee on Government Operations but received no further action.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The untraceable, covert nature of ghost guns is a selling point that ghost gun manufacturers intentionally emphasize. According to testimony submitted to the Senate Committee on Civil Rights, Judiciary, and Public Safety, ghost gun kit manufacturers intentionally advertise to purchasers who may not be able to pass background checks and other dangerous parties by emphasizing the untraceable nature of ghost guns, such as the absence of a serial number and the fact that their products can be purchased without a background check or interaction with a licensed gun dealer. By prohibiting the sale of ghost guns, these manufacturers would be forced to stop marketing to dangerous parties, potentially reducing gun sales to individuals who intend to commit crimes.

Opposing Argument

The bills would not be effective at reducing crimes with ghost guns. Individuals who commit crimes likely will continue to commit crimes regardless of a requirement to serialize ghost guns and ghost gun parts. Ghost guns are often made from 3D-printed or CNC-milled parts. Therefore, individuals who commit crimes could continue to construct ghost guns out of homemade parts that were not serialized. These bills would not stop an individual who intended to commit a crime with a ghost gun and so should not be passed.

Opposing Argument

The bills would have an unintentional negative financial impact on lawful gun owners. Firstly, their provisions would constitute a tax on firearms lawfully possessed in Michigan. Testimony indicates that it is impractical and expensive for law-abiding citizens to contact a Federal Firearm License (FFL) holder, pay to have every unserialized firearm serialized, and incur a background check for property they already own. Further, firearm owners must maintain their firearms and reportedly do so now by replacing broken or malfunctioning parts on a firearm with unserialized parts. If the bills passed, a lawful gun owner would have to buy that part from a firearm dealer that had the part serialized, likely increasing the cost of that part and making gun ownership more expensive. To prevent these expenses on gun owners, the bills should not be passed.

Response: The bill addresses concerns about undue burdens on lawful owners. The bills provide an 18-month window for lawful gun owners to serialize their weapons through any licensed dealer; additionally, individuals creating fewer than five firearms per year can continue to do so provided that the firearms were serialized. These are provisions that would make gun ownership more practical if Michigan were to require serialization.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bills' criminal penalties could have a negative fiscal impact on the State and local government. Violations of the proposed Act would be punishable as misdemeanors and felonies of different severity. More misdemeanor and felony arrests and convictions could increase resource demands on law enforcement, court systems, community supervision, jails, and correctional facilities. Misdemeanor convictions could increase county jail and local probation supervision costs, which vary by jurisdiction and are thus indeterminate. Based on 2023 data, the average cost to State government for felony probation supervision is approximately \$4,600 per probationer per year. For any increase in prison intakes the average annual cost of housing a prisoner in a State correctional facility is an estimated \$48,700. Per diem rates range from \$100 to \$431 per day (average per diem is \$135), depending on the security level of the facility. Additionally, any associated fine revenue would increase funding to public libraries.

Senate Bill 331 would have a minimal fiscal impact on State and local law enforcement, from increased policing requirements and the requirement of the Director of State Police to create and receive certain notifications from manufacturers or assemblers of firearms.

Senate Bill 332 would have no fiscal impact on local government and an indeterminate fiscal impact on the State, in light of the Michigan Supreme Court's July 2015 opinion in *People v. Lockridge*, in which the Court ruled that the sentencing guidelines are advisory for all cases. This means that the addition to the guidelines under the bill would not be compulsory for the sentencing judge. As penalties for felony convictions vary, the fiscal impact of any given felony conviction depends on judicial decisions.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.