

AMENDED IN SENATE JUNE 19, 2002

AMENDED IN SENATE MAY 22, 2002

AMENDED IN ASSEMBLY APRIL 15, 2002

AMENDED IN ASSEMBLY MARCH 11, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1883

Introduced by Assembly Member Kelley

February 4, 2002

An act to amend Sections 7503, 7504, 7505.5, 7506.3, 7507.12, and 7510.1 of the Business and Professions Code, and to amend Sections 14602.6, 14602.7, and 22850.5 of the Vehicle Code, relating to recovery of property.

LEGISLATIVE COUNSEL'S DIGEST

AB 1883, as amended, Kelley. Recovery of property.

(1) Existing law, the Collateral Recovery Act, establishes the Bureau of Security and Investigative Services that is under the supervision and control of the Director of the Department of Consumer Affairs. Existing law authorizes the licensure and regulation of persons engaged in the business of repossessing personal property. Existing law provides that a violation of the act, including certain specific provisions, is a crime.

This bill would provide that a person who declares as true any material matter relative to the submission of an application for licensure, a qualification certificate, or application for registration that he or she knows to be false is guilty of a misdemeanor. The bill would

require an applicant to sign his or her application for licensure and qualification certificate.

(2) Existing law requires that every office licensed as a repossession agency be under the direction of a qualified certificate holder and requires the certificate holder in charge of the office to spend over 51% of his or her time conducting business at that office during normal business hours.

This bill would instead require that a qualified certificate holder be in charge of only one office location.

(3) Existing law authorizes the director to suspend or revoke a repossession agency license, a qualification certificate, or registration if the director determines that a licensee or others specified, among other things, made any false statement or gave any false information concerning an application for license or a renewal or reinstatement of a license.

This bill would additionally authorize the director to suspend or revoke a repossession agency license, a qualification certificate, or registration if the director determines that a licensee or others specified, gave any false information concerning a qualification certificate or registration. *The bill would require the application forms to contain a statement informing the applicant that a false or dishonest answer to a question may be grounds for denial or subsequent suspension or revocation of the license, qualification statement, or registration.*

(4) Existing law provides that certain collateral is considered to be repossessed when a reposessor gains entry to the collateral or when the collateral becomes connected to a tow truck.

This bill would provide that a repossession of the collateral also occurs when the collateral becomes connected to the reposessor's tow vehicle, as defined.

Because this bill would place additional requirements on a person licensed under the Collateral Recovery Act, the violation of which is a crime, the bill would impose a state-mandated local program.

Existing law provides that a peace officer or magistrate may cause the removal and seizure of a vehicle, as specified. Existing law provides that a vehicle so seized may be impounded for 30 days. Existing law provides that the vehicle shall be released by the impounding agency to the legal owner or the legal owner's agent if certain conditions are met, including the presentation of certain documents which may be originals, photocopies, facsimiles, or electronic transmissions.



This bill would specify that the impounding agency shall not require that any of these documents be notarized.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7503 of the Business and Professions
2 Code is amended to read:

3 7503. An application for a repossession agency license shall
4 be made in writing to, and filed with, the bureau in the form that
5 may be required by the director and shall be accompanied by the
6 original license fee prescribed by this chapter. The director may
7 require the submission of any other pertinent information,
8 evidence, statements, or documents.

9 Every application for a repossession agency license shall be
10 signed by the applicant and state, among other things that may be
11 required, the name of the applicant and the name under which the
12 applicant will do business, the location by number and street and
13 city of the office of the business for which the license is sought, and
14 the usual business hours the business will maintain. An applicant
15 who declares as true any material matter pursuant to this section
16 that he or she knows to be false is guilty of a misdemeanor. The
17 residence address, residence telephone number, and driver's
18 license number of each licensee, principal owner of each licensee,
19 and any applicant for a license, if requested, shall be confidential
20 pursuant to the Information Practices Act of 1977 (Chapter 1
21 (commencing with Section 1798) of Title 1.8 of Part 4 of Division
22 3 of the Civil Code) and shall not be released to the public.

23 No license shall be issued in any fictitious name which may be
24 confused with or which is similar to any federal, state, county, or
25 municipal governmental function or agency, or in any name which
26 may tend to describe any business function or enterprise not
27 actually engaged in by the applicant, or in any name which is the



1 same as or so similar to that of any existing licensee as would tend
2 to deceive the public, or in any name which would otherwise tend
3 to be deceptive or misleading.

4 *The application form shall contain a statement informing the*
5 *applicant that a false or dishonest answer to a question may be*
6 *grounds for denial or subsequent suspension or revocation of a*
7 *repossession agency license.*

8 SEC. 2. Section 7504 of the Business and Professions Code
9 is amended to read:

10 7504. (a) Except as otherwise provided in this chapter, an
11 applicant for a qualification certificate shall comply with all of the
12 following:

13 (1) Be at least 18 years of age.

14 (2) Have been, for at least two years of lawful experience,
15 during the five years preceding the date on which his or her
16 application is filed, a registrant or have had two years of lawful
17 experience in recovering collateral within this state. Lawful
18 experience means experience in recovering collateral as a
19 registrant pursuant to this chapter or as a salaried employee of a
20 financial institution or vehicle dealer.

21 Two years' experience shall consist of not less than 4,000 hours
22 of actual compensated work performed by the applicant preceding
23 the filing of an application.

24 An applicant shall certify that he or she has completed the
25 claimed hours of qualifying experience and the exact details as to
26 the character and nature thereof by written certifications from the
27 employer, licensee, financial institution, or vehicle dealer, subject
28 to independent verification by the director as he or she may
29 determine. In the event of the inability of an applicant to supply the
30 written certifications from the employer, licensee, financial
31 institution or vehicle dealer, in whole or in part, applicants may
32 offer other written certifications from other persons substantiating
33 their experience for consideration by the director. All
34 certifications shall include a statement that representations made
35 are true, correct, and contain no material omissions of fact to the
36 best knowledge and belief of the applicant or the person submitting
37 the certification. An applicant or person submitting the
38 certification who declares as true any material matter pursuant to
39 this paragraph that he or she knows to be false is guilty of a
40 misdemeanor.



1 (3) Complete and forward to the bureau a qualified certificate
2 holder application which shall be on a form prescribed by the
3 director and signed by the applicant. An applicant who declares as
4 true any material matter pursuant to this paragraph that he or she
5 knows to be false is guilty of a misdemeanor. The application shall
6 be accompanied by two recent photographs of the applicant, of a
7 type prescribed by the director, and two classifiable sets of his or
8 her fingerprints. The residence address, residence telephone
9 number, and driver's license number of each qualified certificate
10 holder or applicant for a qualification certificate, if requested, shall
11 be confidential pursuant to the Information Practices Act of 1977
12 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4
13 of Division 3 of the Civil Code) and shall not be released to the
14 public.

15 (4) Pass the required examination.

16 (5) Pay the required application and examination fees to the
17 bureau.

18 (b) Upon the issuance of the initial qualification certificate or
19 renewal qualification certificate, the bureau shall issue to the
20 certificate holder a suitable pocket identification card which
21 includes a photograph of the certificate holder. The photograph
22 shall be of a size prescribed by the bureau. The card shall contain
23 the name of the licensee with whom the certificate holder is
24 employed.

25 (c) *The application form shall contain a statement informing*
26 *the applicant that a false or dishonest answer to a question may be*
27 *grounds for denial or subsequent suspension or revocation of a*
28 *qualification certificate.*

29 SEC. 3. Section 7505.5 of the Business and Professions Code
30 is amended to read:

31 7505.5. The person deemed to be actively in charge of an
32 office shall be the holder of a qualification certificate and the
33 certificate, together with the current renewal certificate, shall be
34 prominently displayed below the repossession agency's license.
35 The person shall be in charge of only one licensed location. The
36 person shall share equally with the licensee the responsibility for
37 the conduct of the business and the personnel of the licensed
38 agency or agencies, if more than one agency is licensed at that
39 location. This section shall not apply to any licensee who notifies
40 the bureau in writing that the licensee is not conducting any



1 business, but wishes to maintain a current license status with the
2 bureau. When the licensee resumes conducting business, the
3 licensee shall so inform the bureau in writing within 30 days.

4 SEC. 4. Section 7506.3 of the Business and Professions Code
5 is amended to read:

6 7506.3. Except as otherwise provided in this article, every
7 person entering the employ of, or contracting with, a licensee or
8 multiple licensee after the effective date of this article shall
9 immediately complete an application for an initial registration or
10 a reregistration and file the appropriate application with the chief
11 within 15 working days after the commencement of employment
12 or contracted services for the licensee or multiple licensee for
13 whom the applicant is employed or contracted. Applicants for
14 registration must be at least 18 years of age. An applicant who
15 declares as true any material matter pursuant to this section that he
16 or she knows to be false is guilty of a misdemeanor.

17 (a) An initial registration application shall be required of those
18 persons who have not previously submitted an application for
19 registration, or been registered as a registrant.

20 (b) A reregistration application shall be required of those
21 persons who have previously submitted or been registered as a
22 registrant.

23 (c) No registrant of a multiple licensee shall be required to file
24 more than one application for registration or reregistration for each
25 multiple licensee.

26 (d) *The application form shall contain a statement informing*
27 *the applicant that a false or dishonest answer to a question may be*
28 *grounds for denial or subsequent suspension or revocation of a*
29 *registration or reregistration.*

30 SEC. 5. Section 7507.12 of the Business and Professions
31 Code is amended to read:

32 7507.12. With regard to collateral subject to registration
33 under the Vehicle Code, a repossession occurs when the
34 reposessor gains entry to the collateral or when the collateral
35 becomes connected to a tow truck or the reposessor's tow vehicle,
36 as those terms are defined in Section 615 of the Vehicle Code.

37 SEC. 6. Section 7510.1 of the Business and Professions Code
38 is amended to read:

39 7510.1. In addition to any other remedies authorized by this
40 chapter, the director may suspend or revoke a repossession agency



1 license, a qualification certificate, or registration issued under this
2 chapter if the director determines that the licensee or the licensee's
3 manager, if an individual, or if the licensee is a person other than
4 an individual, that any of its officers, partners, registrants,
5 employees, or its manager, has:

6 (a) Made any false statement or given any false information in
7 connection with an application for a license, qualification
8 certificate, or registration, or a renewal or reinstatement thereof.

9 (b) Violated any provisions of this chapter.

10 (c) Violated any rule of the director adopted pursuant to
11 authority contained in this chapter.

12 (d) Been convicted of a felony or any crime substantially
13 related to the repossession agency business including illegally
14 using, carrying, or possessing a deadly weapon.

15 (e) Committed or permitted any registrant or employee to
16 commit any act while the license was expired which would be
17 cause for the suspension or revocation of a license, or grounds for
18 the denial of an application for a license.

19 (f) Unlawfully committed assault, battery, or kidnapping, or
20 used force or violence on any person.

21 (g) Knowingly violated, or advised, encouraged, or assisted the
22 violation of any court order or injunction in the course of business
23 as a licensee.

24 (h) Been convicted of a violation of Section 148 of the Penal
25 Code, resisting or obstructing a public officer.

26 (i) Committed any act which is a ground for denial of an
27 application for license under this chapter.

28 (j) Committed any act prohibited by Chapter 1.5 (commencing
29 with Section 630) of Title 15 of Part 1 of the Penal Code.

30 (k) Committed any act in the course of the licensee's business
31 constituting dishonesty or fraud, including, but not limited to:

32 (1) Knowingly making a false statement relating to evidence or
33 information obtained in the course of employment or while under
34 contract, or knowingly publishing a slander or a libel in the course
35 of business.

36 (2) Using illegal means in the collection or attempted
37 collection of a debt or obligation.

38 (l) Represented that the licensee has an office and conducts
39 business at a specific address when that is not the case.



1 SEC. 7. Section 14602.6 of the Vehicle Code is amended to
2 read:

3 14602.6. (a) Whenever a peace officer determines that a
4 person was driving a vehicle while his or her driving privilege was
5 suspended or revoked or without ever having been issued a driver's
6 license, the peace officer may either immediately arrest that person
7 and cause the removal and seizure of that vehicle or, if the vehicle
8 is involved in a traffic collision, cause the removal and seizure of
9 the vehicle, without the necessity of arresting the person in
10 accordance with Chapter 10 (commencing with Section 22650) of
11 Division 11. A vehicle so impounded shall be impounded for 30
12 days.

13 The impounding agency, within two working days of
14 impoundment, shall send a notice by certified mail, return receipt
15 requested, to the legal owner of the vehicle, at the address obtained
16 from the department, informing the owner that the vehicle has
17 been impounded. Failure to notify the legal owner within two
18 working days shall prohibit the impounding agency from charging
19 for more than 15 days' impoundment when the legal owner
20 redeems the impounded vehicle. The impounding agency shall
21 maintain a published telephone number that provides information
22 24 hours a day regarding the impoundment of vehicles and the
23 rights of a registered owner to request a hearing.

24 (b) The registered and legal owner of a vehicle that is removed
25 and seized under subdivision (a) or their agents shall be provided
26 the opportunity for a storage hearing to determine the validity of,
27 or consider any mitigating circumstances attendant to, the storage,
28 in accordance with Section 22852.

29 (c) Any period in which a vehicle is subjected to storage under
30 this section shall be included as part of the period of impoundment
31 ordered by the court under subdivision (a) of Section 14602.5.

32 (d) (1) An impounding agency shall release a vehicle to the
33 registered owner or his or her agent prior to the end of 30 days'
34 impoundment under any of the following circumstances:

- 35 (A) When the vehicle is a stolen vehicle.
- 36 (B) When the vehicle is subject to bailment and is driven by an
37 unlicensed employee of a business establishment, including a
38 parking service or repair garage.
- 39 (C) When the license of the driver was suspended or revoked
40 for an offense other than those included in Article 2 (commencing



1 with Section 13200) of Chapter 2 of Division 6 or Article 3
2 (commencing with Section 13350) of Chapter 2 of Division 6.

3 (D) When the vehicle was seized under this section for an
4 offense that does not authorize the seizure of the vehicle.

5 (E) When the driver reinstates his or her driver's license or
6 acquires a driver's license and proper insurance.

7 (2) No vehicle shall be released pursuant to this subdivision
8 without presentation of the registered owner's or agent's currently
9 valid driver's license to operate the vehicle and proof of current
10 vehicle registration, or upon order of a court.

11 (e) The registered owner or his or her agent is responsible for
12 all towing and storage charges related to the impoundment, and
13 any administrative charges authorized under Section 22850.5.

14 (f) A vehicle removed and seized under subdivision (a) shall be
15 released to the legal owner of the vehicle or the legal owner's agent
16 prior to the end of 30 days' impoundment if all of the following
17 conditions are met:

18 (1) The legal owner is a motor vehicle dealer, bank, credit
19 union, acceptance corporation, or other licensed financial
20 institution legally operating in this state or is another person, not
21 the registered owner, holding a security interest in the vehicle.

22 (2) The legal owner or the legal owner's agent pays all towing
23 and storage fees related to the seizure of the vehicle. No lien sale
24 processing fees shall be charged to the legal owner who redeems
25 the vehicle prior to the 15th day of impoundment. Neither the
26 impounding authority nor any person having possession of the
27 vehicle shall collect from the legal owner of the type specified in
28 paragraph (1), or the legal owner's agent any administrative
29 charges imposed pursuant to Section 22850.5 unless the legal
30 owner voluntarily requested a poststorage hearing.

31 (3) The legal owner or the legal owner's agent presents either
32 lawful foreclosure documents or an affidavit of repossession for
33 the vehicle, and a security agreement or title showing proof of
34 legal ownership for the vehicle. Any documents presented may be
35 originals, photocopies, or facsimile copies, or may be transmitted
36 electronically. The impounding agency shall not require any
37 documents to be notarized. The impounding agency may require
38 the agent of the legal owner to produce a photocopy or facsimile
39 copy of its repossession agency license or registration issued
40 pursuant to Chapter 11 (commencing with Section 7500) of



1 Division 3 of the Business and Professions Code, or to
2 demonstrate, to the satisfaction of the impounding agency, that the
3 agent is exempt from licensure pursuant to Section 7500.2 or
4 7500.3 of the Business and Professions Code.

5 No administrative costs authorized under subdivision (a) of
6 Section 22850.5 shall be charged to the legal owner of the type
7 specified in paragraph (1), who redeems the vehicle unless the
8 legal owner voluntarily requests a poststorage hearing. No city,
9 county, city or county, or state agency shall require a legal owner
10 or a legal owner's agent to request a poststorage hearing as a
11 requirement for release of the vehicle to the legal owner or the
12 legal owner's agent. The impounding agency shall not require any
13 documents other than those specified in this paragraph. The
14 impounding agency shall not require any documents to be
15 notarized.

16 As used in this paragraph, "foreclosure documents" means an
17 "assignment" as that term is defined in subdivision (o) of Section
18 7500.1 of the Business and Professions Code.

19 (g) (1) A legal owner or the legal owner's agent that obtains
20 release of the vehicle pursuant to subdivision (f) may not release
21 the vehicle to the registered owner of the vehicle or any agents of
22 the registered owner, unless the registered owner is a rental car
23 agency, until after the termination of the 30-day impoundment
24 period.

25 (2) The legal owner or the legal owner's agent may not
26 relinquish the vehicle to the registered owner until the registered
27 owner or that owner's agent presents his or her valid driver's
28 license or valid temporary driver's license to the legal owner or the
29 legal owner's agent. The legal owner or the legal owner's agent
30 shall make every reasonable effort to ensure that the license
31 presented is valid.

32 (3) Prior to relinquishing the vehicle, the legal owner may
33 require the registered owner to pay all towing and storage charges
34 related to the impoundment and any administrative charges
35 authorized under Section 22850.5 that were incurred by the legal
36 owner in connection with obtaining custody of the vehicle.

37 (h) (1) A vehicle removed and seized under subdivision (a)
38 shall be released to a rental car agency prior to the end of 30 days'
39 impoundment if the agency is either the legal owner or registered



1 owner of the vehicle and the agency pays all towing and storage
2 fees related to the seizure of the vehicle.

3 (2) The owner of a rental vehicle that was seized under this
4 section may continue to rent the vehicle upon recovery of the
5 vehicle. However, the rental car agency may not rent another
6 vehicle to the driver of the vehicle that was seized until 30 days
7 after the date that the vehicle was seized.

8 (3) The rental car agency may require the person to whom the
9 vehicle was rented to pay all towing and storage charges related to
10 the impoundment and any administrative charges authorized
11 under Section 22850.5 that were incurred by the rental car agency
12 in connection with obtaining custody of the vehicle.

13 (i) Notwithstanding any other provision of this section, the
14 registered owner and not the legal owner shall remain responsible
15 for any towing and storage charges related to the impoundment,
16 any administrative charges authorized under Section 22850.5, and
17 any parking fines, penalties, and administrative fees incurred by
18 the registered owner.

19 (j) The impounding agency shall not be liable to the registered
20 owner for the improper release of the vehicle to the legal owner or
21 the legal owner's agent provided the release complies with the
22 provisions of this section.

23 SEC. 8. Section 14602.7 of the Vehicle Code is amended to
24 read:

25 14602.7. (a) A magistrate presented with the affidavit of a
26 peace officer establishing reasonable cause to believe that a
27 vehicle, described by vehicle type and license number, was an
28 instrumentality used in the peace officer's presence in violation of
29 Sections 2800.1, 2800.2, 2800.3, or 23103, shall issue a warrant
30 or order authorizing any peace officer to immediately seize and
31 cause the removal of the vehicle. The warrant or court order may
32 be entered into a computerized database. A vehicle so impounded
33 may be impounded for a period not to exceed 30 days.

34 The impounding agency, within two working days of
35 impoundment, shall send a notice by certified mail, return receipt
36 requested, to the legal owner of the vehicle, at the address obtained
37 from the department, informing the owner that the vehicle has
38 been impounded and providing the owner with a copy of the
39 warrant or court order. Failure to notify the legal owner within two
40 working days shall prohibit the impounding agency from charging



1 for more than 15 days impoundment when a legal owner redeems
2 the impounded vehicle.

3 (b) (1) An impounding agency shall release a vehicle to the
4 registered owner or his or her agent prior to the end of the
5 impoundment period and without the permission of the magistrate
6 authorizing the vehicle's seizure under any of the following
7 circumstances:

8 (A) When the vehicle is a stolen vehicle.

9 (B) When the vehicle is subject to bailment and is driven by an
10 unlicensed employee of the business establishment, including a
11 parking service or repair garage.

12 (C) When the registered owner of the vehicle causes a peace
13 officer to reasonably believe, based on the totality of the
14 circumstances, that the registered owner was not the driver who
15 violated Section 2800.1, 2800.2, or 2800.3, the agency shall
16 immediately release the vehicle to the registered owner or his or
17 her agent.

18 (2) No vehicle shall be released pursuant to this subdivision,
19 except upon presentation of the registered owner's or agent's
20 currently valid driver's license to operate the vehicle and proof of
21 current vehicle registration, or upon order of the court.

22 (c) (1) Whenever a vehicle is impounded under this section,
23 the magistrate ordering the storage shall provide the vehicle's
24 registered and legal owners of record, or their agents, with the
25 opportunity for a poststorage hearing to determine the validity of
26 the storage.

27 (2) A notice of the storage shall be mailed or personally
28 delivered to the registered and legal owners within 48 hours after
29 issuance of the warrant or court order, excluding weekends and
30 holidays, by the person or agency executing the warrant or court
31 order, and shall include all of the following information:

32 (A) The name, address, and telephone number of the agency
33 providing the notice.

34 (B) The location of the place of storage and a description of the
35 vehicle, which shall include, if available, the name or make, the
36 manufacturer, the license plate number, and the mileage of the
37 vehicle.

38 (C) A copy of the warrant or court order and the peace officer's
39 affidavit, as described in subdivision (a).



1 (D) A statement that, in order to receive their poststorage
2 hearing, the owners, or their agents, are required to request the
3 hearing from the magistrate issuing the warrant or court order in
4 person, in writing, or by telephone, within 10 days of the date of
5 the notice.

6 (3) The poststorage hearing shall be conducted within two
7 court days after receipt of the request for the hearing.

8 (4) At the hearing, the magistrate may order the vehicle
9 released if he or she finds any of the circumstances described in
10 subdivision (b) or (e) that allow release of a vehicle by the
11 impounding agency. The magistrate may also consider releasing
12 the vehicle when the continued impoundment will cause undue
13 hardship to persons dependent upon the vehicle for employment
14 or to a person with a community property interest in the vehicle.

15 (5) Failure of either the registered or legal owner, or his or her
16 agent, to request, or to attend, a scheduled hearing satisfies the
17 poststorage hearing requirement.

18 (6) The agency employing the peace officer who caused the
19 magistrate to issue the warrant or court order shall be responsible
20 for the costs incurred for towing and storage if it is determined in
21 the poststorage hearing that reasonable grounds for the storage are
22 not established.

23 (d) The registered owner or his or her agent is responsible for
24 all towing and storage charges related to the impoundment, and
25 any administrative charges authorized under Section 22850.5.

26 (e) A vehicle removed and seized under subdivision (a) shall be
27 released to the legal owner of the vehicle or the legal owner's agent
28 prior to the end of the impoundment period and without the
29 permission of the magistrate authorizing the seizure of the vehicle
30 if all of the following conditions are met:

31 (1) The legal owner is a motor vehicle dealer, bank, credit
32 union, acceptance corporation, or other licensed financial
33 institution legally operating in this state or is another person, not
34 the registered owner, holding a financial interest in the vehicle.

35 (2) The legal owner or the legal owner's agent pays all towing
36 and storage fees related to the seizure of the vehicle. No lien sale
37 processing fees shall be charged to the legal owner who redeems
38 the vehicle prior to the 15th day of impoundment. Neither the
39 impounding authority nor any person having possession of the
40 vehicle shall collect from the legal owner of the type specified in



1 paragraph (1), or the legal owner's agent any administrative
2 charges imposed pursuant to Section 22850.5 unless the legal
3 owner voluntarily requested a poststorage hearing.

4 (3) The legal owner or the legal owner's agent presents either
5 lawful foreclosure documents or a certificate of repossession and
6 a security agreement or title showing proof of legal ownership for
7 the vehicle. Any documents presented may be originals,
8 photocopies, or facsimile copies, or may be transmitted
9 electronically. The impounding agency shall not require any
10 documents to be notarized. The impounding agency may require
11 the agent of the legal owner to produce a photocopy or facsimile
12 copy of its repossession agency license or registration issued
13 pursuant to Chapter 11 (commencing with Section 7500) of
14 Division 3 of the Business and Professions Code, or to
15 demonstrate, to the satisfaction of the impounding agency, that the
16 agent is exempt from licensure pursuant to Section 7500.2 or
17 7500.3 of the Business and Professions Code.

18 No administrative costs authorized under subdivision (a) of
19 Section 22850.5 shall be charged to the legal owner of the type
20 specified in paragraph (1), who redeems the vehicle unless the
21 legal owner voluntarily requests a poststorage hearing. No city,
22 county, city and county, or state agency shall require a legal owner
23 or a legal owner's agent to request a poststorage hearing as a
24 requirement for release of the vehicle to the legal owner or the
25 legal owner's agent. The impounding agency shall not require any
26 documents other than those specified in this paragraph. The
27 impounding agency shall not require any documents to be
28 notarized.

29 As used in this paragraph, "foreclosure documents" means an
30 "assignment" as that term is defined in subdivision (o) of Section
31 7500.1 of the Business and Professions Code.

32 (f) (1) A legal owner or the legal owner's agent that obtains
33 release of the vehicle pursuant to subdivision (e) shall not release
34 the vehicle to the registered owner of the vehicle or any agents of
35 the registered owner, unless a registered owner is a rental car
36 agency, until the termination of the impoundment period.

37 (2) The legal owner or the legal owner's agent shall not
38 relinquish the vehicle to the registered owner until the registered
39 owner or that owner's agent presents his or her valid driver's
40 license or valid temporary driver's license to the legal owner or the



1 legal owner's agent. The legal owner or the legal owner's agent
2 shall make every reasonable effort to ensure that the license
3 presented is valid.

4 (3) Prior to relinquishing the vehicle, the legal owner may
5 require the registered owner to pay all towing and storage charges
6 related to the impoundment and the administrative charges
7 authorized under Section 22850.5 that were incurred by the legal
8 owner in connection with obtaining the custody of the vehicle.

9 (g) (1) A vehicle impounded and seized under subdivision (a)
10 shall be released to a rental car agency prior to the end of the
11 impoundment period if the agency is either the legal owner or
12 registered owner of the vehicle and the agency pays all towing and
13 storage fees related to the seizure of the vehicle.

14 (2) The owner of a rental vehicle that was seized under this
15 section may continue to rent the vehicle upon recovery of the
16 vehicle. However, the rental car agency shall not rent another
17 vehicle to the driver who used the vehicle that was seized to evade
18 a police officer until 30 days after the date that the vehicle was
19 seized.

20 (3) The rental car agency may require the person to whom the
21 vehicle was rented and who evaded the peace officer to pay all
22 towing and storage charges related to the impoundment and any
23 administrative charges authorized under Section 22850.5 that
24 were incurred by the rental car agency in connection with
25 obtaining custody of the vehicle.

26 (h) Notwithstanding any other provision of this section, the
27 registered owner and not the legal owner shall remain responsible
28 for any towing and storage charges related to the impoundment
29 and the administrative charges authorized under Section 22850.5
30 and any parking fines, penalties, and administrative fees incurred
31 by the registered owner.

32 (i) (1) This section does not apply to vehicles abated under the
33 Abandoned Vehicle Abatement Program pursuant to Sections
34 22660 to 22668, inclusive, and Section 22710, or to vehicles
35 impounded for investigation pursuant to Section 22655, or to
36 vehicles removed from private property pursuant to Section
37 22658.

38 (2) This section does not apply to abandoned vehicles removed
39 pursuant to Section 22669 that are determined by the public



1 agency to have an estimated value of three hundred dollars (\$300)
2 or less.

3 (j) The impounding agency shall not be liable to the registered
4 owner for the improper release of the vehicle to the legal owner or
5 the legal owner’s agent provided the release complies with the
6 provisions of this section.

7 SEC. 9. Section 22850.5 of the Vehicle Code is amended to
8 read:

9 22850.5. (a) A city, county, or city and county, or a state
10 agency may adopt a regulation, ordinance, or resolution
11 establishing procedures for the release of properly impounded
12 vehicles and for the imposition of a charge equal to its
13 administrative costs relating to the removal, impound, storage, or
14 release of the vehicles. Those administrative costs may be waived
15 by the local or state authority upon verifiable proof that the vehicle
16 was reported stolen at the time the vehicle was removed.

17 (b) The following apply to any charges imposed for
18 administrative costs pursuant to subdivision (a):

19 (1) The charges shall only be imposed on the registered owner
20 or the agents of that owner and shall not include any vehicle towed
21 under an abatement program or sold at a lien sale pursuant to
22 Sections 3068.1 to 3074, inclusive, of, and Section 22851 of, the
23 Civil Code unless the sale is sufficient in amount to pay the
24 lienholder’s total charges and proper administrative costs.

25 (2) Any charges shall be collected by the local or state authority
26 only from the registered owner or an agent of the registered owner.

27 (3) The charges shall be in addition to any other charges
28 authorized or imposed pursuant to this code.

29 (4) No charge may be imposed for any hearing or appeal
30 relating to the removal, impound, storage, or release of a vehicle
31 unless that hearing or appeal was requested in writing by the
32 registered or legal owner of the vehicle or an agent of that
33 registered or legal owner. In addition, the charge may be imposed
34 only upon the person requesting that hearing or appeal.

35 No administrative costs authorized under subdivision (a) shall
36 be charged to the legal owner who redeems the vehicle unless the
37 legal owner voluntarily requests a poststorage hearing. No city,
38 county, city and county, or state agency shall require a legal owner
39 or a legal owner’s agent to request a poststorage hearing as a
40 requirement for release of the vehicle to the legal owner or the



1 legal owner's agent. The impounding agency shall not require the
2 legal owner or the legal owner's agent to produce any documents
3 other than those specified in paragraph (3) of subdivision (f) of
4 Section 14602.6 or paragraph (3) of subdivision (e) of Section
5 14602.7. The impounding agency shall not require any documents
6 to be notarized.

7 SEC. 10. No reimbursement is required by this act pursuant
8 to Section 6 of Article XIII B of the California Constitution
9 because the only costs that may be incurred by a local agency or
10 school district will be incurred because this act creates a new crime
11 or infraction, eliminates a crime or infraction, or changes the
12 penalty for a crime or infraction, within the meaning of Section
13 17556 of the Government Code, or changes the definition of a
14 crime within the meaning of Section 6 of Article XIII B of the
15 California Constitution.

