

AMENDED IN ASSEMBLY MARCH 29, 2012

AMENDED IN ASSEMBLY MARCH 19, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1877

Introduced by Assembly Members Ma and Olsen

February 22, 2012

An act to amend Section 7500.3 of the Business and Professions Code, relating to repossessionors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1877, as amended, Ma. Repossession agencies: exemptions.

Existing law, the Collateral Recovery Act, provides for the licensure and regulation of repossession agencies by the Bureau of Security and Investigative Services under the supervision and control of the Director of Consumer Affairs. The act provides that a repossession agency does not include the legal owner of collateral that is subject to a security agreement or a bona fide employee of the legal owner of collateral that is subject to a security agreement.

This bill would add that a repossession agency does not include ~~the bona fide authorized~~ *a dealer regularly engaged in the sale of either the legal owner of specified collateral that is subject to a specified security agreement or an affiliate of that legal owner, and its bona fide employees.*

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

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

1 SECTION 1. Section 7500.3 of the Business and Professions
2 Code is amended to read:

3 7500.3. A repossession agency shall not include any of the
4 following:

5 (a) Any bank subject to the jurisdiction of the Commissioner
6 of Financial Institutions of the State of California under Division
7 1 (commencing with Section 99) of the Financial Code or the
8 Comptroller of the Currency of the United States.

9 (b) Any person organized, chartered, or holding a license or
10 authorization certificate to make loans pursuant to the laws of this
11 state or the United States who is subject to supervision by any
12 official or agency of this state or the United States.

13 (c) An attorney at law in performing his or her duties as an
14 attorney at law.

15 (d) The legal owner of collateral that is subject to a security
16 agreement, ~~a bona fide authorized dealer of either the legal owner~~
17 ~~of collateral that is subject to a security agreement or an affiliate~~
18 ~~of that legal owner;~~ *a dealer, including its bona fide employees,*
19 *regularly engaged in the sale of collateral designed primarily for*
20 *agricultural use, as defined in subdivision (b) of Section 51201 of*
21 *the Government Code, for use in the care of lawns and gardens,*
22 *or for use as special construction equipment, as defined in*
23 *subdivision (b) of Section 565 of the Vehicle Code, that is subject*
24 *to a security agreement of the manufacturer or an affiliate of that*
25 *manufacturer;* or a bona fide employee employed exclusively and
26 regularly by the legal owner of collateral that is subject to a security
27 agreement. With regard to collateral subject to registration under
28 the Vehicle Code, the legal owner shall be the legal owner listed
29 on the records of the Department of Motor Vehicles or the seller
30 or lessor named on a valid conditional sales contract or rental or
31 lease agreement if the seller or lessor is a licensed vehicle dealer
32 as defined in Section 285 of the Vehicle Code.

33 (e) An officer or employee of the United States of America, or
34 of this state or a political subdivision thereof, while the officer or
35 employee is engaged in the performance of his or her official
36 duties.

- 1 (f) A qualified certificate holder or a registrant when performing
- 2 services for, or on behalf of, a licensee.

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