

AMENDED IN ASSEMBLY APRIL 10, 2012
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 a dealer regularly engaged in the sale of specified collateral that is subject to a specified security agreement, 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 dealer, including its bona fide employees, regularly
17 engaged in the sale of collateral designed primarily for agricultural
18 use, as defined in subdivision (b) of Section 51201 of the
19 Government Code, for use in the care of lawns and gardens, or for
20 use as special construction equipment, as defined in subdivision
21 (b) of Section 565 of the Vehicle Code, *or for use in the*
22 *production, generation, storage, or transmission of mechanical*
23 *or electric energy*, that is subject to a security agreement of the
24 manufacturer or an affiliate of that manufacturer; or a bona fide
25 employee employed exclusively and regularly by the legal owner
26 of collateral that is subject to a security agreement. With regard
27 to collateral subject to registration under the Vehicle Code, the
28 legal owner shall be the legal owner listed on the records of the
29 Department of Motor Vehicles or the seller or lessor named on a
30 valid conditional sales contract or rental or lease agreement if the
31 seller or lessor is a licensed vehicle dealer as defined in Section
32 285 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.

O