

AMENDED IN ASSEMBLY APRIL 24, 2012

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, *repeal, and add* 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, *until January 1, 2018*, 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~~ *that dealer's* 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 production,
22 generation, storage, or transmission of mechanical or electric
23 energy, that is subject to a security agreement of the manufacturer
24 or an affiliate of that manufacturer; or a bona fide employee
25 employed exclusively and regularly by the legal owner of collateral
26 that is subject to a security agreement. With regard to collateral
27 subject to registration under the Vehicle Code, the legal owner
28 shall be the legal owner listed on the records of the Department
29 of Motor Vehicles or the seller or lessor named on a valid
30 conditional sales contract or rental or lease agreement if the seller
31 or lessor is a licensed vehicle dealer as defined in Section 285 of
32 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.

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

1 (g) *This section shall remain in effect only until January 1, 2018,*
2 *and as of that date is repealed, unless a later enacted statute, that*
3 *is enacted before January 1, 2018, deletes or extends that date.*

4 SEC. 2. *Section 7500.3 is added to the Business and Professions*
5 *Code, to read:*

6 7500.3. *A repossession agency shall not include any of the*
7 *following:*

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

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

16 (c) *An attorney at law in performing his or her duties as an*
17 *attorney at law.*

18 (d) *The legal owner of collateral that is subject to a security*
19 *agreement or a bona fide employee employed exclusively and*
20 *regularly by the legal owner of collateral that is subject to a*
21 *security agreement. With regard to collateral subject to registration*
22 *under the Vehicle Code, the legal owner shall be the legal owner*
23 *listed on the records of the Department of Motor Vehicles or the*
24 *seller or lessor named on a valid conditional sales contract or*
25 *rental or lease agreement if the seller or lessor is a licensed vehicle*
26 *dealer as defined in Section 285 of the Vehicle Code.*

27 (e) *An officer or employee of the United States of America, or*
28 *of this state or a political subdivision thereof, while the officer or*
29 *employee is engaged in the performance of his or her official*
30 *duties.*

31 (f) *A qualified certificate holder or a registrant when performing*
32 *services for, or on behalf of, a licensee.*

33 (g) *This section shall become operative on January 1, 2018.*

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