

AMENDED IN ASSEMBLY MAY 13, 2013
AMENDED IN ASSEMBLY APRIL 29, 2013
AMENDED IN ASSEMBLY MARCH 19, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 791

Introduced by Assembly Member Hagman

February 21, 2013

An act to amend Sections ~~7506.5, 7507.4, 7507.4~~ and 7508.2 of, and to add Sections 7508.7 and 7508.8 to, the Business and Professions Code, relating to reposseors.

LEGISLATIVE COUNSEL'S DIGEST

AB 791, as amended, Hagman. Collateral recovery: reposseors.

(1) 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. Existing law requires an applicant for an initial registration or a reregistration to submit an application to the bureau and include certain personal information in the application that is confidential and is prohibited from being disclosed to the public, except for the registrant's full name, the licensee's name and address, and the registration number.

~~This bill would delete those exceptions from the requirement that the information in the application be confidential. The~~

~~This bill would also prohibit, except as otherwise provided by law, a repossession agency from disclosing to the public, without a court order, the residence address, residence telephone number, cellular telephone number, driver's license number, work schedule, past, present, or future~~

location, or any other personal information of any licensee, registrant, employee, or independent-~~contractor~~. *contractor that it employs.*

(2) Existing law allows a licensed repossession agency or its registrants to make demand for payment in lieu of repossession.

This bill would prohibit a licensed repossession agency or its registrants from making a demand for payment in lieu of repossession, and would also prohibit a repossession agency from selling collateral recovered under the provisions of the act. The bill would make conforming changes.

The bill would also allow a person affiliated with a repossession agency to wear a badge, cap insignia, or jacket label if it bears on its face *all or* a substantial part of the repossession agency’s name, the license number issued by the Director of Consumer Affairs to that individual or agency, and ~~a~~ *the* word ~~referring to the individual as a repossessor~~. *“repossessor.”* *The bill would require all badges, cap insignias, and jacket labels worn by a repossessor to be a standard design approved by the director and to be clearly visible. The bill would prohibit a repossessor from wearing a badge on his or her belt. The bill would make these provisions inapplicable to a holder of a temporary registration, as specified.* The bill would authorize the director to assess a fine of \$25 per violation of these provisions.

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

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

- 1 ~~SECTION 1. Section 7506.5 of the Business and Professions~~
- 2 ~~Code is amended to read:~~
- 3 ~~7506.5. All information obtained on the application shall be~~
- 4 ~~confidential pursuant to the Information Practices Act (Chapter 1~~
- 5 ~~(commencing with Section 1798) of Title 1.8 of Part 4 of Division~~
- 6 ~~3 of the Civil Code). The application shall be verified and shall~~
- 7 ~~include the following:~~
- 8 ~~(a) The full name, residence address, residence telephone~~
- 9 ~~number, date and place of birth, and driver’s license number of~~
- 10 ~~the applicant or registrant.~~
- 11 ~~(b) A statement listing any and all names used by the applicant~~
- 12 ~~or registrant, other than the name by which he or she is currently~~
- 13 ~~known. If the applicant or registrant has never used a name other~~

1 ~~than his or her true name, this fact shall be set forth in the~~
2 ~~statement.~~

3 ~~(e) The name and address of the licensee and the date the~~
4 ~~employment or contract commenced.~~

5 ~~(d) The title of the position occupied by the applicant or~~
6 ~~registrant and a description of his or her duties.~~

7 ~~(e) Two recent photographs of the applicant or registrant, of a~~
8 ~~type prescribed by the chief, and two classifiable sets of his or her~~
9 ~~fingerprints, one set of which shall be forwarded to the Federal~~
10 ~~Bureau of Investigation for purposes of a background check.~~

11 ~~(f) The bureau may impose a fee not to exceed three dollars~~
12 ~~(\$3) for processing classifiable fingerprint cards submitted by~~
13 ~~applicants, excluding those submitted into an electronic fingerprint~~
14 ~~system using electronic fingerprint technology.~~

15 ~~SEC. 2.~~

16 *SECTION 1.* Section 7507.4 of the Business and Professions
17 Code is amended to read:

18 7507.4. A licensed repossession agency or its registrants shall
19 not make demand for payment in lieu of repossession and shall
20 not sell collateral recovered under this chapter.

21 ~~SEC. 3.~~

22 *SEC. 2.* Section 7508.2 of the Business and Professions Code
23 is amended to read:

24 7508.2. The director may assess administrative fines for any
25 of the following prohibited acts:

26 (a) Recovering collateral or making any money demand in lieu
27 thereof, including, but not limited to, collateral registered under
28 the Vehicle Code, that has been sold under a security agreement
29 before a signed or telegraphic authorization has been received from
30 the legal owner, debtor, lienholder, lessor, or repossession agency
31 acting on behalf of the legal owner, debtor, lienholder, or lessor
32 of the collateral. A telephonic assignment is acceptable if the legal
33 owner, debtor, lienholder, lessor, or repossession agency acting
34 on behalf of the legal owner, debtor, lienholder, or lessor is known
35 to the licensee and a written authorization from the legal owner,
36 debtor, lienholder, lessor, or repossession agency acting on behalf
37 of the legal owner, debtor, lienholder, or lessor is received by the
38 licensee within 10 working days or a request by the licensee for a
39 written authorization from the legal owner, debtor, lienholder,
40 lessor, or repossession agency acting on behalf of the legal owner,

1 debtor, lienholder, or lessor is made in writing within 10 working
2 days. Referrals of assignments from one licensee to another
3 licensee are acceptable. The referral of an assignment shall be
4 made under the same terms and conditions as in the original
5 assignment. The fine shall be twenty-five dollars (\$25) for each
6 of the first five violations and one hundred dollars (\$100) for each
7 violation thereafter, per audit.

8 (b) Using collateral or personal effects, which have been
9 recovered, for the personal benefit of a licensee, or officer, partner,
10 manager, registrant, or employee of a licensee. The fine shall be
11 twenty-five dollars (\$25) for the first violation and one hundred
12 dollars (\$100) for each violation thereafter. This subdivision does
13 not apply to personal effects disposed of pursuant to subdivision
14 (c) of Section 7507.9. Nothing in this subdivision prohibits the
15 using or taking of personal property connected, adjoined, or affixed
16 to the collateral through an unbroken sequence if that use or taking
17 is reasonably necessary to effectuate the recovery in a safe manner
18 or to protect the collateral or personal effects.

19 (c) Selling collateral recovered under this chapter. The fine shall
20 be one hundred dollars (\$100) for the first violation and five
21 hundred dollars (\$500) for each violation thereafter, per audit.

22 (d) Unlawfully entering any private building or secured area
23 without the consent of the owner, or of the person in legal
24 possession thereof, at the time of repossession. The fine shall be
25 five hundred dollars (\$500) for each violation.

26 (e) Committing unlawful assault or battery on another person.
27 The fine shall be five hundred dollars (\$500) for each violation.

28 (f) Falsification or alteration of an inventory. The fine shall be
29 twenty-five dollars (\$25) for each violation.

30 (g) Soliciting from the legal owner the recovery of specific
31 collateral registered under the Vehicle Code or under the motor
32 vehicle licensing laws of other states after the collateral has been
33 seen or located on a public street or on public or private property
34 without divulging the location of the vehicle. The fine shall be one
35 hundred dollars (\$100) for the first violation and two hundred fifty
36 dollars (\$250) for each violation thereafter.

37 ~~SEC. 4.~~

38 *SEC. 3.* Section 7508.7 is added to the Business and Professions
39 Code, to read:

1 7508.7. ~~A~~ Except as otherwise provided by law, a repossession
2 agency shall not disclose to the public, without a court order, the
3 residence address, residence telephone number, cellular telephone
4 number, driver's license number, work schedule, past, present, or
5 future location, or any other personal information of any licensee,
6 registrant, employee, or independent contractor that it employs.

7 ~~SEC. 5.~~

8 *SEC. 4.* Section 7508.8 is added to the Business and Professions
9 Code, to read:

10 7508.8. (a) A badge, cap insignia, or jacket label may be worn
11 by a licensee, officer, director, partner, manager, independent
12 contractor, or employee of a repossession agency. If a badge, cap
13 insignia, or jacket label is worn, it shall bear on its face all of the
14 following:

15 (1) ~~All~~ or a substantial part of the repossession agency's name.

16 (2) The license number issued by the director to that individual
17 or agency.

18 (3) ~~A word referring to the individual as a reposessor. The word~~
19 *"reposessor."*

20 (b) *A reposessor shall not wear a badge on his or her belt.*

21 (c) *All badges, cap insignias, and jacket labels worn by a*
22 *reposessor shall be a standard design approved by the director*
23 *and shall be clearly visible.*

24 (d) *This section shall not apply to a holder of temporary*
25 *registration pursuant to Section 7506.9.*

26 ~~(b)~~

27 (e) The director may assess a fine of twenty-five dollars (\$25)
28 per violation of ~~subdivision (a)~~ *this section.*