

ASSEMBLY BILL

No. 2503

Introduced by Assembly Member Hagman

February 21, 2014

An act to amend Section 7508.1 of the Business and Professions Code, and to amend Sections 28, 4000, and 9561 of, the Vehicle Code, relating to repossessors.

LEGISLATIVE COUNSEL'S DIGEST

AB 2503, as introduced, Hagman. Repossessors.

(1) Existing law authorizes the Director of Consumer Affairs to assess administrative fines for various prohibited acts, including using any identification to indicate registration as a repossessor, other than a registration card issued by the Bureau of Security and Investigative Services, except an employer identification card issued by the repossession agency which has bureau approval. Existing law allows an employee of a repossession agency to wear a badge, cap insignia, or jacket patch meeting specified requirements.

This bill would except a badge, cap insignia, or jacket patch from the prohibition on using any identification to indicate registration as a repossessor.

(2) Existing law requires the person taking possession of a vehicle whenever possession is taken by or on behalf of any legal owner under the terms of a security agreement or lease agreement to notify local law enforcement within one hour of the repossession, as specified. Violation of these provisions is a crime.

This bill would require the repossessor to attempt notification within one hour, and to accomplish notification within 2 hours of the

repossession, and would specify information that would be required to be provided in the notification.

By expanding the provisions of existing law, the violation of which is a crime, this bill would impose a state-mandated local program.

(3) Existing law provides that a vehicle repossessed pursuant to the terms of a security agreement is exempt from registration solely for the purpose of transporting the vehicle from the point of repossession to the storage facilities of the reposessor, and from the storage facilities to the legal owner or a licensed motor vehicle auction, provided that the reposessor transports with the vehicle the appropriate documents authorizing the repossession and makes them available to a law enforcement officer on request.

This bill would additionally provide that a vehicle repossessed pursuant to the terms of a security agreement is exempt from registration solely for the purpose of obtaining release of the vehicle from a law enforcement entity, impounding authority, tow yard, storage facility, or any other person or company that has possession of the vehicle, provided that the reposessor transports with the vehicle the appropriate documents authorizing the repossession and makes them available to a law enforcement officer on request.

(4) Existing law provides that if the legal owner, or his or her agent, repossesses a vehicle on which registration renewal fees are due, the Department of Motor Vehicles is to waive any renewal penalties that are due for late payment if the fees are paid within 60 days of taking possession.

This bill would apply those provisions to a repossession by a reposessor.

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 7508.1 of the Business and Professions
- 2 Code is amended to read:

1 7508.1. The director may assess administrative fines for the
2 following prohibited acts:

3 (a) Knowingly making any false report to his or her employer
4 or client for whom information was being obtained. The fine shall
5 be one hundred dollars (\$100) for the first violation, and five
6 hundred dollars (\$500) for each violation thereafter.

7 (b) Using any identification to indicate registration as a
8 reposessor, other than the bureau-issued registration card, except
9 an employer identification card issued by the repossession agency
10 which has met bureau approval, *or a badge, cap insignia, or jacket*
11 *patch as provided in Section 7508.8.* A bureau-issued registration
12 card shall be carried by those individuals specified by Section
13 7506.3, and shall be shown on demand to any bureau employee
14 or law enforcement officer. The fine shall be twenty-five dollars
15 (\$25) for each violation.

16 (c) Using an alias in connection with the official activities of
17 the licensee's business. A notice of warning shall be issued for the
18 first violation. Thereafter the fine shall be twenty-five dollars (\$25)
19 for each violation.

20 (d) Appearing as an assignee party in any court proceeding
21 involving claim and delivery, replevin, or other possessory court
22 action, action to foreclose a chattel mortgage, mechanic's lien,
23 materialman's lien, or any other lien. This section shall not prohibit
24 a licensee from appearing as a defendant in any of the preceding
25 actions. The fine shall be one hundred dollars (\$100) for each
26 violation.

27 SEC. 2. Section 28 of the Vehicle Code is amended to read:

28 28. (a) Whenever possession is taken of any vehicle by or on
29 behalf of any legal owner thereof under the terms of a security
30 agreement or lease agreement, the person taking possession shall
31 *attempt to notify, within one hour, and shall notify, within two*
32 *hours,* after taking possession of the vehicle, ~~and~~ by the most
33 expeditious means available, the city police department where the
34 taking of possession occurred, if within an incorporated city, or
35 the sheriff's department of the county where the taking of
36 possession occurred, if outside an incorporated city, or the police
37 department of a campus of the University of California or the
38 California State University, if the taking of possession occurred
39 on that campus, and shall within one business day forward a written
40 notice to the city police or sheriff's department.

1 (b) If possession is taken of more than one vehicle, the
2 possession of each vehicle shall be considered and reported as a
3 separate event.

4 (c) Any person failing to notify the city police department,
5 sheriff’s department, or campus police department as required by
6 this section is guilty of an infraction, and shall be fined a minimum
7 of three hundred dollars (\$300), and up to five hundred dollars
8 (\$500). The district attorney, city attorney, or city prosecutor shall
9 promptly notify the Bureau of Security and Investigative Services
10 of any conviction resulting from a violation of this section.

11 (d) *For the notification required by this section, the person shall*
12 *report all of the following:*

- 13 (1) *The location of the repossession.*
- 14 (2) *The registered owner as provided on the assignment.*
- 15 (3) *The individual, company, or legal owner requesting the*
16 *repossession.*
- 17 (4) *The vehicle year, make, and model.*
- 18 (5) *The last six digits of the vehicle identification number.*
- 19 (6) *The repossession agency name.*
- 20 (7) *The repossession agency telephone number.*

21 SEC. 3. Section 4000 of the Vehicle Code is amended to read:

22 4000. (a) (1) A person shall not drive, move, or leave standing
23 upon a highway, or in an offstreet public parking facility, any
24 motor vehicle, trailer, semitrailer, pole or pipe dolly, or logging
25 dolly, unless it is registered and the appropriate fees have been
26 paid under this code or registered under the permanent trailer
27 identification program, except that an off-highway motor vehicle
28 which displays an identification plate or device issued by the
29 department pursuant to Section 38010 may be driven, moved, or
30 left standing in an offstreet public parking facility without being
31 registered or paying registration fees.

32 (2) For purposes of this subdivision, “offstreet public parking
33 facility” means either of the following:

- 34 (A) Any publicly owned parking facility.
- 35 (B) Any privately owned parking facility for which no fee for
36 the privilege to park is charged and which is held open for the
37 common public use of retail customers.

38 (3) This subdivision does not apply to any motor vehicle stored
39 in a privately owned offstreet parking facility by, or with the

1 express permission of, the owner of the privately owned offstreet
2 parking facility.

3 (4) Beginning July 1, 2011, the enforcement of paragraph (1)
4 shall commence on the first day of the second month following
5 the month of expiration of the vehicle's registration. This paragraph
6 shall become inoperative on January 1, 2012.

7 (b) No person shall drive, move, or leave standing upon a
8 highway any motor vehicle, as defined in Chapter 2 (commencing
9 with Section 39010) of Part 1 of Division 26 of the Health and
10 Safety Code, which has been registered in violation of Part 5
11 (commencing with Section 43000) of that Division 26.

12 (c) Subdivisions (a) and (b) do not apply to off-highway motor
13 vehicles operated pursuant to Sections 38025 and 38026.5.

14 (d) This section does not apply, following payment of fees due
15 for registration, during the time that registration and transfer is
16 being withheld by the department pending the investigation of any
17 use tax due under the Revenue and Taxation Code.

18 (e) Subdivision (a) does not apply to a vehicle that is towed by
19 a tow truck on the order of a sheriff, marshal, or other official
20 acting pursuant to a court order or on the order of a peace officer
21 acting pursuant to this code.

22 (f) Subdivision (a) applies to a vehicle that is towed from a
23 highway or offstreet parking facility under the direction of a
24 highway service organization when that organization is providing
25 emergency roadside assistance to that vehicle. However, the
26 operator of a tow truck providing that assistance to that vehicle is
27 not responsible for the violation of subdivision (a) with respect to
28 that vehicle. The owner of an unregistered vehicle that is disabled
29 and located on private property, shall obtain a permit from the
30 department pursuant to Section 4003 prior to having the vehicle
31 towed on the highway.

32 (g) *A vehicle repossessed pursuant to the terms of a security*
33 *agreement is exempt from registration solely for the purpose of*
34 *obtaining release of the vehicle from a law enforcement entity,*
35 *impounding authority, tow yard, storage facility, or any other*
36 *person or company that has possession of the vehicle, provided*
37 *that the reposessor transports with the vehicle the appropriate*
38 *documents authorizing the repossession and makes them available*
39 *to a law enforcement officer on request.*

40 (~~g~~)

1 (h) For purposes of this section, possession of a California
2 driver’s license by the registered owner of a vehicle shall give rise
3 to a rebuttable presumption that the owner is a resident of
4 California.

5 SEC. 4. Section 9561 of the Vehicle Code is amended to read:

6 9561. (a) When a legal owner—~~or~~, his or her agent, *or a*
7 *repossessor who is licensed pursuant to Chapter 11 (commencing*
8 *with Section 7500) of Division 3 of the Business and Professions*
9 *Code* repossesses a vehicle on which renewal fees are due, the
10 department shall waive any renewal penalties that are due for late
11 payment if the fees are paid within 60 days of taking possession.

12 (b) Notwithstanding any other provisions of this code, when a
13 repossessed vehicle is sold through a dealer conducting a wholesale
14 motor vehicle auction as provided in subdivision (b) of Section
15 4456 and Article 5 (commencing with Section 6100) of Chapter
16 2 of Division 3, any penalties that may be due are waived, if all
17 renewal fees that are due are paid not later than 60 days after the
18 date of sale at the auction.

19 SEC. 5. No reimbursement is required by this act pursuant to
20 Section 6 of Article XIII B of the California Constitution because
21 the only costs that may be incurred by a local agency or school
22 district will be incurred because this act creates a new crime or
23 infraction, eliminates a crime or infraction, or changes the penalty
24 for a crime or infraction, within the meaning of Section 17556 of
25 the Government Code, or changes the definition of a crime within
26 the meaning of Section 6 of Article XIII B of the California
27 Constitution.