

AMENDED IN SENATE JUNE 8, 2015
AMENDED IN ASSEMBLY APRIL 22, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 281

Introduced by Assembly Member Gallagher

February 11, 2015

An act to amend Sections 7500.1, 7506.9, ~~and 7507.5~~ 7507.5, 7507.9, 7507.115, 7507.13, and 7508.7 of, and to add Sections 7509, 7509.1, 7509.2, and 7509.3 to, the Business and Professions Code, *and to amend Section 28 of the Vehicle Code*, relating to collateral recovery.

LEGISLATIVE COUNSEL'S DIGEST

AB 281, as amended, Gallagher. Collateral recovery.

~~Existing~~

(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. The chief of the bureau serves under the direction and supervision of the director. Existing law makes a violation of the act a crime. Existing law also provides for the denial of a license for specified violations of the act, and authorizes the director to assess administrative fines and penalties.

This bill would establish a Collateral Recovery Disciplinary Review Committee, to consist of 5 members to be appointed by, and to serve at the pleasure of, the Governor, for purposes of reviewing the request of a licensee to contest the assessment of an administrative fine or to appeal a denial of a license, except as specified. The bill would set forth the duties of the Collateral Recovery Disciplinary Review Committee

in that regard, and would authorize the members of the committee to be paid per diem and reimbursed for actual travel expenses.

~~Existing~~

(2) *Existing* law prohibits a person from performing the duties of a registrant for a licensed repossession agency unless the person has in his or her possession a valid repossession registration card or evidence of a valid temporary registration or registration renewal. Existing law authorizes a person to perform the duties of a registrant for a licensee pending receipt of a registration card if the person has been approved by the bureau and carries on his or her person a hardcopy printout of the bureau's approval from the bureau's Internet Web site.

This bill would exempt from that prohibition a person who has in his or her possession a hardcopy printout or electronic copy of the bureau's approval from the bureau's Internet Web site. The bill would also specify for the above-described purposes that an electronic copy of the bureau's approval may include an electronic screenshot display of that information.

~~The~~

(3) *The Collateral Recovery Act* authorizes licensed repossessioners to perform repair work upon vehicles and charge owners if expressly authorized to do so.

This bill would prohibit licensed repossessioners from performing, or charging for, repair ~~work~~: *work, cleaning, or detailing.*

(4) *The Collateral Recovery Act* requires licensees to remove personal effects from collateral, make a complete and accurate inventory of the personal effects, and provide the inventory to a debtor not later than 48 hours after the recovery of the collateral, with certain exceptions, as specified. The act requires licensees to label and store the personal effects, except for the personal effects removed by or in the presence of the debtor or the party in possession at the time of the repossession, in a secure manner for a minimum of 60 days, and authorizes licensees to dispose of the personal effects after the expiration of that period, as specified.

This bill, instead of requiring licensees to make a complete and accurate inventory of the personal effects, would require licensees to make a good faith effort to inventory the personal effects in writing or by photograph. The bill would prohibit licensees from inventorying or removing trash, and would specify that licensees are not responsible for hidden personal effects. The bill would require a licensee unable to open a compartment in collateral to notify the legal owner of the

collateral of that inability within 24 hours, and would require the legal owner to provide the licensee with access to the compartment within 72 hours of notification, as specified. The bill would specify that the 48-hour period in which the licensee must provide the inventory of personal effects to a debtor is tolled until the legal owner provides that access or 72 hours elapse after notification. The bill would authorize a licensee to allow a debtor, or a person in possession of the collateral at the time of repossession, to sign a waiver forfeiting the personal effects and inventory, and would require the licensee to immediately dispose of the personal effects upon receiving that waiver. The bill would prohibit a licensee from selling personal effects and remitting money from the sale to a third party, and would further prohibit a licensee from releasing or conspiring or agreeing to release personal effects to a person other than the debtor or person in possession of the collateral at the time of repossession.

(5) The Collateral Recovery Act prohibits a repossession agency, except as otherwise provided by law, from disclosing the personal information of persons employed by the agency.

This bill would allow a repossession agency to disclose the name, driver's license number, and date of birth of a person employed by the agency to an insurance company for the purpose of verifying information for the issuance or renewal of a policy of insurance.

(6) The Collateral Recovery Act, among other things, prohibits a licensed repossession agency or its registrants from making demand for payment in lieu of repossession, selling recovered collateral, or appraising or determining the value of any collateral, and provides that licensed repossession agencies are not liable for the acts or omissions of legal owners and that legal owners are not liable for acts or omissions of licensed repossession agencies, as specified.

This bill would require a licensed repossession agency, at least annually, to provide a legal owner with a copy of those prohibitions and provisions.

This bill would define the term "repossession" for the purposes of the act. The bill would also make technical and conforming changes.

(7) Existing law requires a person who takes possession of a vehicle by or on behalf of the vehicle's legal owner to notify the law enforcement department with applicable jurisdiction of the repossession within one hour of the repossession, as specified, and to forward a written notice to the city police or sheriff's department within one business day. Under

existing law, a person who fails to provide this notification is guilty of an infraction and subject to a \$300 to \$500 fine.

This bill, if a vehicle is removed to a tow yard, storage facility, or impounding yard after a person takes possession of the vehicle on behalf of the vehicle’s legal owner and provides law enforcement with the above-described notifications, and the tow yard, storage facility, or impounding yard is outside of the jurisdiction in which the taking of possession occurred, would prohibit the person who took possession from notifying the law enforcement department of the jurisdiction of the tow yard, storage facility, or impounding yard of the removal, and would require the tow yard, storage facility, or impounding yard to direct the registered owner of the vehicle to the law enforcement department of the jurisdiction in which the taking of possession occurred.

~~Because~~

(8) *Because* a violation of the bill’s provisions under the Collateral Recovery Act would be a crime, the bill would impose a state-mandated local program.

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 7500.1 of the Business and Professions
- 2 Code is amended to read:
- 3 7500.1. The following terms as used in this chapter have the
- 4 meaning expressed in this section:
- 5 (a) “Advertisement” means any written or printed
- 6 communication, including a directory listing, except a free
- 7 telephone directory listing that does not allow space for a license
- 8 number.
- 9 (b) “Assignment” means any written authorization by the legal
- 10 owner, lienholder, lessor or lessee, or the agent of any of them, to
- 11 ~~skip trace; look for; locate, or repossess;~~ *repossess any collateral,*
- 12 including, but not limited to, collateral registered under the Vehicle

1 Code that is subject to a security agreement that contains a
2 repossession clause. “Assignment” also means any written
3 authorization by an employer to recover any collateral entrusted
4 to an employee or former employee in possession of the collateral.
5 A photocopy of an assignment, facsimile copy of an assignment,
6 or electronic format of an assignment shall have the same force
7 and effect as an original written assignment.

8 (c) “Bureau” means the Bureau of Security and Investigative
9 Services.

10 (d) “Chief” means the Chief of the Bureau of Security and
11 Investigative Services.

12 (e) “Collateral” means any specific vehicle, trailer, boat,
13 recreational vehicle, motor home, appliance, or other property that
14 is subject to a security agreement.

15 (f) “Combustibles” means any substance or article that is capable
16 of undergoing combustion or catching fire, or that is flammable,
17 if retained.

18 (g) “Dangerous drugs” means any controlled substances as
19 defined in Chapter 2 (commencing with Section 11053) of Division
20 10 of the Health and Safety Code.

21 (h) “Deadly weapon” means and includes any instrument or
22 weapon of the kind commonly known as a blackjack, slungshot,
23 billy, sandclub, sandbag, metal knuckles, dirk, dagger, pistol, or
24 revolver, or any other firearm, any knife having a blade longer
25 than five inches, any razor with an unguarded blade, and any metal
26 pipe or bar used or intended to be used as a club.

27 (i) “Debtor” means any person obligated under a security
28 agreement.

29 (j) “Department” means the Department of Consumer Affairs.

30 (k) “Director” means the Director of Consumer Affairs.

31 (l) “Electronic format” includes, but is not limited to, a text
32 message, email, or Internet posting.

33 (m) “Health hazard” means any personal effects that if retained
34 would produce an unsanitary or unhealthful condition, or which
35 might damage other personal effects.

36 (n) “Legal owner” means a person holding a security interest
37 in any collateral that is subject to a security agreement, a lien
38 against any collateral, or an interest in any collateral that is subject
39 to a lease agreement.

- 1 (o) “Licensee” means an individual, partnership, limited liability
- 2 company, or corporation licensed under this chapter as a
- 3 repossession agency.
- 4 (p) “Multiple licensee” means a repossession agency holding
- 5 more than one repossession license under this chapter, with one
- 6 fictitious trade style and ownership, conducting repossession
- 7 business from additional licensed locations other than the location
- 8 shown on the original license.
- 9 (q) “Person” includes any individual, partnership, limited
- 10 liability company, or corporation.
- 11 (r) “Personal effects” means any property that is not the property
- 12 of the legal owner.
- 13 (s) “Private building” means and includes any dwelling,
- 14 outbuilding, or other enclosed structure.
- 15 (t) “Qualified certificate holder” or “qualified manager” is a
- 16 person who possesses a valid qualification certificate in accordance
- 17 with the provisions of Article 5 (commencing with Section 7504)
- 18 and is in active control or management of, and who is a director
- 19 of, the licensee’s place of business.
- 20 (u) “Registrant” means a person registered under this chapter.
- 21 (v) “Repossession” means the recovering of collateral by means
- 22 of an assignment.
- 23 ~~(v)~~
- 24 (w) “Secured area” means and includes any fenced and locked
- 25 area.
- 26 ~~(w)~~
- 27 (x) “Security agreement” means an obligation, pledge, mortgage,
- 28 chattel mortgage, lease agreement, deposit, or lien, given by a
- 29 debtor as security for payment or performance of his or her debt,
- 30 by furnishing the creditor with a recourse to be used in case of
- 31 failure in the principal obligation. “Security agreement” also
- 32 includes a bailment where an employer-employee relationship
- 33 exists or existed between the bailor and the bailee.
- 34 ~~(x)~~
- 35 (y) “Services” means any duty or labor to be rendered by one
- 36 person for another.
- 37 ~~(y)~~
- 38 (z) “Violent act” means any act that results in bodily harm or
- 39 injury to any party involved.
- 40 ~~(z)~~

1 (aa) The amendments made to this section ~~during the 2005–06~~
2 ~~Regular Session~~ by Chapter 418 of the Statutes of 2006 shall not
3 be deemed to exempt any person from the provisions of this
4 chapter.

5 SEC. 2. Section 7506.9 of the Business and Professions Code
6 is amended to read:

7 7506.9. (a) Upon the issuance of the initial registration,
8 reregistration, or renewal, the chief shall issue to the registrant a
9 suitable pocket identification card. At the request of the registrant,
10 the identification card may include a photograph of the registrant.
11 The photograph shall be of a size prescribed by the bureau. The
12 card shall contain the name of the licensee with whom the registrant
13 is registered. The applicant may request to be issued an enhanced
14 pocket card that shall be composed of durable material and may
15 incorporate technologically advanced security features. The bureau
16 may charge a fee sufficient to reimburse the department for costs
17 for furnishing the enhanced pocket card. The fee charged may not
18 exceed the actual cost for system development, maintenance, and
19 processing necessary to provide the service, and may not exceed
20 six dollars (\$6). If the applicant does not request an enhanced card,
21 the department shall issue a standard card at no cost to the
22 applicant.

23 (b) Until the registration certificate is issued or denied, a person
24 may be assigned to work with a temporary registration on a secure
25 form prescribed by the chief, and issued by the qualified certificate
26 holder, for a period not to exceed 120 days from the date the
27 employment or contract commenced, provided the person signs a
28 declaration under penalty of perjury that he or she has not been
29 convicted of a felony or committed any other act constituting
30 grounds for denial of a registration pursuant to Section 7506.8
31 (unless he or she declares that the conviction of a felony or the
32 commission of a specified act or acts occurred prior to the issuance
33 of a registration by the chief and the conduct was not the cause of
34 any subsequent suspension or termination of a registration), and
35 that he or she has read and understands the provisions of this
36 chapter.

37 (c) The chief shall issue an additional temporary registration
38 for not less than 60 days nor more than 120 days, if the chief
39 determines that the investigation of the applicant will take longer
40 to complete than the initial temporary registration time period.

1 (d) No person shall perform the duties of a registrant for a
2 licensee unless the person has in his or her possession a valid
3 reposessor registration card, a hardcopy printout or electronic
4 copy of the bureau's approval from the bureau's Internet Web site,
5 which may include an electronic screenshot of that information,
6 or evidence of a valid temporary registration or registration renewal
7 as described in subdivision (b) or (e) of this section or subdivision
8 (f) of Section 7506.10. Every person, while engaged in any activity
9 for which licensure is required, shall display his or her valid pocket
10 card, as provided by regulation.

11 (e) A person may work as a registrant pending receipt of the
12 registration card if he or she has been approved by the bureau and
13 carries on his or her person a hardcopy printout or electronic copy
14 of the bureau's approval from the bureau's Internet Web site, which
15 may include an electronic screenshot of that information, and a
16 valid picture identification.

17 SEC. 3. Section 7507.5 of the Business and Professions Code
18 is amended to read:

19 7507.5. No charge shall be made for services incurred in
20 connection with the recovery, transportation, and storage of
21 collateral except under terms agreed to by the legal owner at the
22 time of the repossession authorization or specifically agreed upon
23 at a subsequent time. Repair ~~work~~ *work, cleaning, or detailing*
24 shall not be performed and shall not be charged to the legal owner.

25 SEC. 4. Section 7507.9 of the Business and Professions Code
26 is amended to read:

27 7507.9. ~~Personal~~ *Except as otherwise provided in this section,*
28 *personal effects shall be removed from the collateral, including*
29 *any personal effect that is mounted but detachable from the*
30 *collateral by a release mechanism. A ~~complete and accurate~~*
31 *licensee shall make a good faith effort to inventory of the personal*
32 *effects ~~shall be made, and the effects, in writing or by photograph,~~*
33 *but shall not inventory or remove trash of any kind or be held*
34 *responsible for hidden personal effects. If the licensee is unable*
35 *to open a trunk, glove box, or other compartment in the collateral,*
36 *the licensee shall notify the legal owner of this inability within 24*
37 *hours. The legal owner, within 72 hours of notification, shall either*
38 *send to the licensee a key or entry code to the compartment or*
39 *authorize the licensee to make a key at the legal owner's expense*
40 *to enable the licensee to open and inventory the contents of the*

1 *compartment in accordance with this section. The* personal effects
2 shall be labeled and stored by the licensee for a minimum of 60
3 days in a secure manner, except those personal effects removed
4 by or in the presence of the debtor or the party in possession of
5 the collateral at the time of the repossession. If the licensee or the
6 licensee’s agent cannot determine whether the property attached
7 to the collateral is a personal effect or a part of the collateral, then
8 that fact shall be noted on the inventory and the licensee or agent
9 shall not be obligated to remove the item from the collateral, unless
10 the item can be removed without the use of tools, in which case it
11 shall be removed and inventoried. The licensee or the licensee’s
12 agent shall notify the debtor that if the debtor takes the position
13 that an item is a personal effect, then the debtor shall contact the
14 legal owner to resolve the issue.

15 (a) The date and time the inventory is made shall be indicated.
16 The permanent records of the licensee shall indicate the name of
17 the employee or registrant who performed the inventory.

18 (b) The following items of personal effects are items determined
19 to present a danger or health hazard when recovered by the licensee
20 and shall be disposed of in the following manner:

21 (1) Deadly weapons and dangerous drugs shall be turned over
22 to any law enforcement agency for retention. These items shall be
23 entered on the inventory and a notation shall be made as to the
24 date and the time and the place the deadly weapon or dangerous
25 drug was turned over to the law enforcement agency, and a receipt
26 from the law enforcement agency shall be maintained in the records
27 of the repossession agency.

28 (2) Combustibles shall be inventoried and noted as “disposed
29 of, dangerous combustible,” and the item shall be disposed of in
30 a reasonable and safe manner.

31 (3) Food and other health hazard items shall be inventoried and
32 noted as “disposed of, health hazard,” and disposed of in a
33 reasonable and safe manner.

34 (c) Personal effects may be disposed of after being held for at
35 least 60 days. The inventory, and adequate information as to how,
36 when, and to whom the personal effects were disposed of, shall
37 be filed in the permanent records of the licensee and retained for
38 four years.

39 (d) The inventory shall include the name, address, business
40 hours, and telephone number of the repossession agency to contact

1 for recovering the personal effects and an itemization of all
2 personal effects removal and storage charges that will be made by
3 the repossession agency. The inventory shall also include the
4 following statement: “Please be advised that the property listed
5 on this inventory will be disposed of by the repossession agency
6 after being held for 60 days from the date of this notice IF
7 UNCLAIMED.”

8 (e) The inventory shall be provided to a debtor not later than
9 48 hours after the recovery of the collateral, except that if:

10 (1) The 48-hour period encompasses a Saturday, Sunday, or
11 postal holiday, the inventory shall be provided no later than 72
12 hours after the recovery of the collateral.

13 (2) The 48-hour period encompasses a Saturday or Sunday and
14 a postal holiday, the inventory shall be provided no later than 96
15 hours after the recovery of the collateral.

16 (3) Inventory resulting from repossession of a yacht, motor
17 home, or travel trailer is such that it shall take at least four hours
18 to inventory, then the inventory shall be provided no later than 96
19 hours after the recovery of the collateral. When the 96-hour period
20 encompasses a Saturday, Sunday, or postal holiday, the inventory
21 shall be provided no later than 120 hours after the recovery of the
22 collateral.

23 (4) *The licensee is unable to open and inventory the contents*
24 *of a trunk, glove box, or other compartment in the collateral, the*
25 *48-hour period shall be tolled until the legal owner sends to the*
26 *licensee a key or entry code to the compartment or authorizes the*
27 *licensee to make a key at the legal owner’s expense, or 72 hours*
28 *elapse after the licensee has informed the legal owner of the*
29 *licensee’s inability to open and inventory the contents of the trunk,*
30 *glove box, or other compartment in the collateral, whichever is*
31 *earlier.*

32 (f) Environmental, Olympic, special interest, or other license
33 plates issued pursuant to Article 8 (commencing with Section
34 5000), Article 8.4 (commencing with Section 5060), or Article 8.5
35 (commencing with Section 5100) of Chapter 1 of Division 3 of
36 the Vehicle Code that remain the personal effects of the debtor
37 shall be removed from the collateral and inventoried pursuant to
38 this section. If the plates are not claimed by the debtor within 60
39 days, they shall either (1) be effectively destroyed and the licensee
40 shall, within 30 days thereafter, notify the Department of Motor

1 Vehicles of their effective destruction on a form promulgated by
2 the chief that has been approved as to form by the Director of the
3 Department of Motor Vehicles; or (2) be retained by the licensee
4 indefinitely to be returned to the debtor upon request, in which
5 case the licensee shall not charge more than 60 days' storage on
6 the plates.

7 (g) The notice may be given by regular mail addressed to the
8 last known address of the debtor or by personal service at the option
9 of the repossession agency.

10 (h) (1) With the consent of the licensee, the debtor waives the
11 preparation and presentation of an inventory if the debtor redeems
12 the personal effects or other personal property not covered by a
13 security interest within the time period for the notices required by
14 this section and signs a statement that he or she has received all
15 the property.

16 (2) *A licensee may allow a debtor, or a person in possession of*
17 *the collateral at the time of repossession, to sign a waiver forfeiting*
18 *personal effects or other personal property not covered by a*
19 *security agreement and waiving an inventory of those personal*
20 *effects or other personal property. Upon receipt of the waiver, the*
21 *licensee shall immediately dispose of the personal effects or other*
22 *personal property.*

23 ~~(i) If personal effects or other personal property not covered by~~
24 ~~a security agreement are to be released to someone other than the~~
25 ~~debtor, the repossession agency may request written authorization~~
26 ~~to do so from the debtor.~~

27 (i) (1) *A licensee shall not sell personal effects or other personal*
28 *property not covered by a security agreement and remit money*
29 *from the sale to a third party, including, but not limited to, any*
30 *lending institution.*

31 (2) *A licensee shall not release or conspire or agree to release*
32 *personal effects or other personal property not covered by a*
33 *security agreement to anyone other than the debtor or the person*
34 *in possession of the collateral at the time of repossession.*

35 (j) The inventory shall be a confidential document. A licensee
36 shall only disclose the contents of the inventory under the following
37 circumstances:

38 (1) In response to the order of a court having jurisdiction to
39 issue the order.

1 (2) In compliance with a lawful subpoena issued by a court of
2 competent jurisdiction.

3 (3) When the debtor has consented in writing to the release and
4 the written consent is signed and dated by the debtor subsequent
5 to the repossession and states the entity or entities to whom the
6 contents of the inventory may be disclosed.

7 (4) To the debtor.

8 (k) *A licensee may store personal effects inside the collateral*
9 *until the collateral is no longer in the possession of the licensee.*
10 *Collateral shall not leave possession of the licensee until all*
11 *personal effects have been removed.*

12 *SEC. 5. Section 7507.115 of the Business and Professions Code*
13 *is amended to read:*

14 7507.115. (a) A licensee shall not appraise or determine the
15 value of any collateral, whether damaged or not.

16 (b) (1) Notwithstanding subdivision (a), a licensee may
17 complete a condition report that makes a general assessment of
18 the collateral.

19 (2) A condition report does not include all damage or missing
20 parts.

21 (3) A condition report shall include the following statement:
22 “In accordance with Section ~~7505.115~~ 7507.115 of the Business
23 and Professions Code, this condition report is a general assessment
24 of the collateral and does not include all damage or missing parts.”

25 *SEC. 6. Section 7507.13 of the Business and Professions Code*
26 *is amended to read:*

27 7507.13. (a) A licensed repossession agency is not liable for
28 the act or omission of a legal owner, debtor, lienholder, lessor or
29 lessee, or an agent of any of them, in making an assignment to it
30 or for accepting an assignment from any legal owner, debtor,
31 lienholder, lessor or lessee, or an agent of any of them, and is
32 entitled to indemnity from the legal owner, debtor, lienholder,
33 lessor or lessee for any loss, damage, cost, or expense, including
34 court costs and attorney’s fees, that it may reasonably incur as a
35 result thereof. Nothing in this subdivision limits the liability of
36 any person for his or her tortious conduct.

37 (b) The legal owner, debtor, lienholder, lessor or lessee, or the
38 agent of any of them, is not liable for any act or omission by a
39 licensed repossession agency, or its agent, in carrying out an
40 assignment and is entitled to indemnity from the repossession

1 agency for any loss, damage, cost, or expense, including court
2 costs and attorney's fees, that the legal owner, debtor, lienholder,
3 lessor or lessee, or the agent of any of them, may reasonably incur
4 as a result thereof. Nothing in this subdivision limits the liability
5 of any person for his or her tortious conduct.

6 (c) The legal owner, debtor, lienholder, lessor or lessee, or the
7 agent of any of them, is not guilty of a violation of Section 7502.1
8 or 7502.2 if, at the time of the assignment, the party making the
9 assignment has in its possession a copy of the reposessor's current,
10 unexpired repossession agency license, and a copy of the current,
11 unexpired repossession agency's qualified manager's certificate,
12 and does not have actual knowledge of any order of suspension or
13 revocation of the license or certificate.

14 (d) Neither a licensed repossession agency nor a legal owner,
15 debtor, lienholder, lessor or lessee, or an agent of any of them may,
16 by any means, direct or indirect, express or implied, instruct or
17 attempt to coerce the other to violate any law, regulation, or rule
18 regarding the recovery of any collateral, including, but not limited
19 to, the provisions of this chapter or Section 9609 of the Commercial
20 Code.

21 (e) *A licensed repossession agency, at least annually, on or*
22 *before January 31 of each year, shall provide a legal owner from*
23 *which the agency accepts an assignment with a copy of this section,*
24 *Sections 7500.2, 7507.4, 7507.115, 7507.12, and 7507.125 of this*
25 *code, and Section 28 of the Vehicle Code.*

26 *SEC. 7. Section 7508.7 of the Business and Professions Code*
27 *is amended to read:*

28 7508.7. ~~Except~~

29 (a) *Except as otherwise provided by law, a repossession agency*
30 *shall not disclose to the public, any person, or any*
31 *nongovernmental entity, without a court order, the residence*
32 *address, residence telephone number, cellular telephone number,*
33 *driver's license number, work schedule, past, present, or future*
34 *location, or any other personal information of any licensee,*
35 *registrant, qualified certificate holder, qualified manager, employee,*
36 *or independent contractor that it the agency employs.*

37 (b) *For the purpose of verifying information for the issuance*
38 *or renewal of a policy of insurance, a repossession agency may*
39 *provide to an insurance company the name, driver's license*
40 *number, and date of birth of a licensee, registrant, qualified*

1 *certificate holder, qualified manager, employee, or independent*
2 *contractor the agency employs.*

3 ~~SEC. 4.~~

4 *SEC. 8.* Section 7509 is added to the Business and Professions
5 Code, to read:

6 7509. (a) A person licensed with the bureau under this chapter
7 may request a review by the Collateral Recovery Disciplinary
8 Review Committee, as established in Section 7509.1, to contest
9 the assessment of an administrative fine or to appeal a denial of a
10 license, unless the denial is ordered by the director in accordance
11 with Chapter 5 (commencing with Section 11500) of Part 1 of
12 Division 3 of Title 2 of the Government Code.

13 (b) A request for a review shall be by written notice to the
14 disciplinary review committee within 30 days of the issuance of
15 the citation and assessment or denial.

16 (c) Following a review by the disciplinary review committee,
17 the appellant shall be notified within 30 days, in writing, by regular
18 mail, of the committee's decision. At the discretion of the
19 disciplinary review committee, an appellant may be notified
20 immediately of the committee's decision once it is made.

21 (d) If the appellant disagrees with the decision made by the
22 disciplinary review committee, he or she may request a hearing in
23 accordance with Chapter 5 (commencing with Section 11500) of
24 Part 1 of Division 3 of Title 2 of the Government Code. A request
25 for a hearing following a decision by the disciplinary review
26 committee shall be by written notice to the bureau within 30 days
27 following notice of the committee's decision.

28 (e) If the appellant does not request a hearing within 30 days,
29 the disciplinary review committee's decision shall become final.

30 (f) Notwithstanding subdivisions (a) to (e), inclusive, when a
31 hearing is held under this chapter to determine whether an
32 application for licensure should be granted, the proceedings shall
33 be conducted in accordance with Chapter 5 (commencing with
34 Section 11500) of Part 1 of Division 3 of Title 2 of the Government
35 Code, and the director shall have all of the powers granted therein.

36 ~~SEC. 5.~~

37 *SEC. 9.* Section 7509.1 is added to the Business and Professions
38 Code, to read:

39 7509.1. (a) The Governor shall appoint a Collateral Recovery
40 Disciplinary Review Committee, and may remove any member of

1 the committee for misconduct, incompetency, or neglect of duty.
2 The committee shall consist of five members. Of the five members,
3 three members shall be actively engaged in business as a licensed
4 repossession agency and two members shall be public members.
5 None of the public members shall be licensees, certificate holders,
6 or registrants, or engaged in any business or profession in which
7 any part of the fees, compensation, or revenue thereof is derived
8 from any licensee.

9 (b) The disciplinary review committee shall meet as frequently
10 as may be required. The members shall be paid per diem pursuant
11 to Section 103 and shall be reimbursed for actual travel expenses.
12 The members shall serve for a term of four years.

13 ~~SEC. 6.~~

14 *SEC. 10.* Section 7509.2 is added to the Business and
15 Professions Code, to read:

16 7509.2. The Collateral Recovery Disciplinary Review
17 Committee shall perform the following functions:

18 (a) Affirm, rescind, or modify all appealed decisions concerning
19 administrative fines assessed by the director or bureau against
20 repossession agencies or their employees.

21 (b) Affirm, rescind, or modify all appealed decisions concerning
22 denial of licenses issued by the director or bureau, except denials
23 or suspensions ordered by the director in accordance with Chapter
24 5 (commencing with Section 11500) of Part 1 of Division 3 of
25 Title 2 of the Government Code.

26 ~~SEC. 7.~~

27 *SEC. 11.* Section 7509.3 is added to the Business and
28 Professions Code, to read:

29 7509.3. The bureau shall provide the Collateral Recovery
30 Disciplinary Review Committee all evidence used by the bureau
31 in reaching its decision prior to any review or appeal of that
32 decision by the committee.

33 *SEC. 12. Section 28 of the Vehicle Code is amended to read:*

34 28. (a) Whenever possession is taken of any vehicle by or on
35 behalf of its legal owner under the terms of a security agreement
36 or lease agreement, the person taking possession shall contact, for
37 the purpose of providing the information required pursuant to
38 subdivision (d) within one hour, after taking possession of the
39 vehicle, by the most expeditious means available, the city police
40 department where the taking of possession occurred, if within an

1 incorporated city, or the sheriff's department of the county where
2 the taking of possession occurred, if outside an incorporated city,
3 or the police department of a campus of the University of California
4 or the California State University, if the taking of possession
5 occurred on that campus, and shall within one business day forward
6 a written notice to the city police or sheriff's department. If, after
7 an attempt to notify, law enforcement is unable to receive and
8 record the notification required pursuant to subdivision (d), the
9 person taking possession of the vehicle shall continue to attempt
10 notification until the information required pursuant to subdivision
11 (d) is provided.

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

15 (c) Any person failing to notify the city police department,
16 sheriff's department, or campus police department as required by
17 this section is guilty of an infraction, and shall be fined a minimum
18 of three hundred dollars (\$300), and up to five hundred dollars
19 (\$500). The district attorney, city attorney, or city prosecutor shall
20 promptly notify the Bureau of Security and Investigative Services
21 of any conviction resulting from a violation of this section.

22 (d) For the notification required by this section, the person shall
23 report only the following information and in the following order:

24 (1) The approximate location of the repossession.

25 (2) The date and approximate time of the repossession.

26 (3) The vehicle year, make, and model.

27 (4) The last six digits of the vehicle identification number.

28 (5) The registered owner as provided on the repossession
29 assignment.

30 (6) The legal owner requesting the repossession as provided on
31 the repossession assignment.

32 (7) The name of the repossession agency.

33 (8) The telephone number of the repossession agency.

34 (e) *If a vehicle is removed to a tow yard, storage facility, or*
35 *impounding yard after possession is taken of the vehicle on behalf*
36 *of its legal owner, and the person taking possession has notified*
37 *the appropriate city police department, sheriff's department, or*
38 *campus police department, as required by this section, and the*
39 *tow yard, storage facility, or impounding yard is outside of the*

1 *jurisdiction in which the taking of possession occurred, both of*
2 *the following shall apply:*

3 *(1) The person shall not notify the city police department,*
4 *sheriff's department, or campus police department of the*
5 *jurisdiction in which the tow yard, storage facility, or impounding*
6 *yard is located of the removal.*

7 *(2) The tow yard, storage facility, or impounding yard shall*
8 *direct the registered owner of the vehicle to the city police*
9 *department, sheriff's department, or campus police department of*
10 *the jurisdiction in which the taking of possession occurred.*

11 ~~SEC. 8.~~

12 *SEC. 13.* No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 the only costs that may be incurred by a local agency or school
15 district will be incurred because this act creates a new crime or
16 infraction, eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section 17556 of
18 the Government Code, or changes the definition of a crime within
19 the meaning of Section 6 of Article XIII B of the California
20 Constitution.