

AMENDED IN SENATE JUNE 16, 2015

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, 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.

(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.

(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.

(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, 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 *the* 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.

(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 look for, locate, or repossess any collateral, including, but not
12 limited to, collateral registered under the Vehicle Code that is
13 subject to a security agreement that contains a repossession clause.
14 “Assignment” also means any written authorization by an employer
15 to recover any collateral entrusted to an employee or former

1 employee in possession of the collateral. A photocopy of an
2 assignment, facsimile copy of an assignment, or electronic format
3 of an assignment shall have the same force and effect as an original
4 written assignment.

5 (c) “Bureau” means the Bureau of Security and Investigative
6 Services.

7 (d) “Chief” means the Chief of the Bureau of Security and
8 Investigative Services.

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

12 (f) “Combustibles” means ~~any substance~~ *substances* or ~~article~~
13 *articles* that ~~is are~~ capable of undergoing combustion or catching
14 fire, or that ~~is are~~ flammable, if retained.

15 (g) “Dangerous drugs” means any controlled substances as
16 defined in Chapter 2 (commencing with Section 11053) of Division
17 10 of the Health and Safety Code.

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

24 (i) “Debtor” means any person obligated under a security
25 agreement.

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

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

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

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

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

37 (o) “Licensee” means an individual, partnership, limited liability
38 company, or corporation licensed under this chapter as a
39 repossession agency.

1 (p) “Multiple licensee” means a repossession agency holding
2 more than one repossession license under this chapter, with one
3 fictitious trade style and ownership, conducting repossession
4 business from additional licensed locations other than the location
5 shown on the original license.

6 (q) “Person” includes any individual, partnership, limited
7 liability company, or corporation.

8 (r) “Personal effects” means any property that is not the property
9 of the legal owner.

10 (s) “Private building” means and includes any dwelling,
11 outbuilding, or other enclosed structure.

12 (t) “Qualified certificate holder” or “qualified manager” is a
13 person who possesses a valid qualification certificate in accordance
14 with the provisions of Article 5 (commencing with Section 7504)
15 and is in active control or management of, and who is a director
16 of, the licensee’s place of business.

17 (u) “Registrant” means a person registered under this chapter.

18 (v) “Repossession” means the *locating or* recovering of
19 collateral by means of an assignment.

20 (w) “Secured area” means and includes any fenced and locked
21 area.

22 (x) “Security agreement” means an obligation, pledge, mortgage,
23 chattel mortgage, lease agreement, deposit, or lien, given by a
24 debtor as security for payment or performance of his or her debt,
25 by furnishing the creditor with a recourse to be used in case of
26 failure in the principal obligation. “Security agreement” also
27 includes a bailment where an employer-employee relationship
28 exists or existed between the bailor and the bailee.

29 (y) “Services” means any duty or labor to be rendered by one
30 person for another.

31 (z) “Violent act” means any act that results in bodily harm or
32 injury to any party involved.

33 (aa) The amendments made to this section by Chapter 418 of
34 the Statutes of 2006 shall not be deemed to exempt any person
35 from the provisions of this chapter.

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

38 7506.9. (a) Upon the issuance of the initial registration,
39 reregistration, or renewal, the chief shall issue to the registrant a
40 suitable pocket identification card. At the request of the registrant,

1 the identification card may include a photograph of the registrant.
2 The photograph shall be of a size prescribed by the bureau. The
3 card shall contain the name of the licensee with whom the registrant
4 is registered. The applicant may request to be issued an enhanced
5 pocket card that shall be composed of durable material and may
6 incorporate technologically advanced security features. The bureau
7 may charge a fee sufficient to reimburse the department for costs
8 for furnishing the enhanced pocket card. The fee charged may not
9 exceed the actual cost for system development, maintenance, and
10 processing necessary to provide the service, and may not exceed
11 six dollars (\$6). If the applicant does not request an enhanced card,
12 the department shall issue a standard card at no cost to the
13 applicant.

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

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

32 (d) No person shall perform the duties of a registrant for a
33 licensee unless the person has in his or her possession a valid
34 repossessor registration card, a hardcopy printout or electronic
35 copy of the bureau's approval from the bureau's Internet Web site,
36 which may include an electronic screenshot of that information,
37 or evidence of a valid temporary registration or registration renewal
38 as described in subdivision (b) or (e) of this section or subdivision
39 (f) of Section 7506.10. Every person, while engaged in any activity

1 for which licensure is required, shall display his or her valid pocket
2 card, as provided by regulation.

3 (e) A person may work as a registrant pending receipt of the
4 registration card if he or she has been approved by the bureau and
5 carries on his or her person a hardcopy printout or electronic copy
6 of the bureau’s approval from the bureau’s Internet Web site, which
7 may include an electronic screenshot of that information, and a
8 valid picture identification.

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

11 7507.5. No charge shall be made for services incurred in
12 connection with the recovery, transportation, and storage of
13 collateral except under terms agreed to by the legal owner at the
14 time of the repossession authorization or specifically agreed upon
15 at a subsequent time. Repair work, cleaning, or detailing shall not
16 be performed and shall not be charged to the legal owner.

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

19 7507.9. Except as otherwise provided in this section, personal
20 effects shall be removed from the collateral, including any personal
21 effect that is mounted but detachable from the collateral by a
22 release mechanism. A licensee shall make a good faith effort to
23 inventory the personal effects, in writing or by photograph, but
24 shall not inventory or remove trash of any kind or be held
25 responsible for hidden personal effects. If the licensee is unable
26 to open a trunk, glove box, or other compartment in the collateral,
27 the licensee shall notify the legal owner of this inability within 24
28 hours. The legal owner, within 72 hours of notification, shall either
29 send to the licensee a key or entry code to the compartment or
30 authorize the licensee to make a key at the legal owner’s expense
31 to enable the licensee to open and inventory the contents of the
32 compartment in accordance with this section. The personal effects
33 shall be labeled and stored by the licensee for a minimum of 60
34 days in a secure manner, except those personal effects removed
35 by or in the presence of the debtor or the party in possession of
36 the collateral at the time of the repossession. If the licensee or the
37 licensee’s agent cannot determine whether the property attached
38 to the collateral is a personal effect or a part of the collateral, then
39 that fact shall be noted on the inventory and the licensee or agent
40 shall not be obligated to remove the item from the collateral, unless

1 the item can be removed without the use of tools, in which case it
2 shall be removed and inventoried. The licensee or the licensee's
3 agent shall notify the debtor that if the debtor takes the position
4 that an item is a personal effect, then the debtor shall contact the
5 legal owner to resolve the issue.

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

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

12 (1) Deadly weapons and dangerous drugs shall be turned over
13 to any law enforcement agency for retention. These items shall be
14 entered on the inventory and a notation shall be made as to the
15 date and the time and the place the deadly weapon or dangerous
16 drug was turned over to the law enforcement agency, and a receipt
17 from the law enforcement agency shall be maintained in the records
18 of the repossession agency.

19 (2) Combustibles shall be inventoried and noted as "disposed
20 of, dangerous combustible," and the item shall be disposed of in
21 a reasonable and safe manner.

22 (3) Food and other health hazard items shall be inventoried and
23 noted as "disposed of, health hazard," and disposed of in a
24 reasonable and safe manner.

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

30 (d) The inventory shall include the name, address, business
31 hours, and telephone number of the repossession agency to contact
32 for recovering the personal effects and an itemization of all
33 personal effects removal and storage charges that will be made by
34 the repossession agency. The inventory shall also include the
35 following statement: "Please be advised that the property listed
36 on this inventory will be disposed of by the repossession agency
37 after being held for 60 days from the date of this notice IF
38 UNCLAIMED."

39 (e) The inventory shall be provided to a debtor not later than
40 48 hours after the recovery of the collateral, except that if:

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

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

7 (3) Inventory resulting from repossession of a yacht, motor
8 home, or travel trailer is such that it shall take at least four hours
9 to inventory, then the inventory shall be provided no later than 96
10 hours after the recovery of the collateral. When the 96-hour period
11 encompasses a Saturday, Sunday, or postal holiday, the inventory
12 shall be provided no later than 120 hours after the recovery of the
13 collateral.

14 (4) The licensee is unable to open and inventory the contents
15 of a trunk, glove box, or other compartment in the collateral, the
16 48-hour period shall be tolled until the legal owner sends to the
17 licensee a key or entry code to the compartment or authorizes the
18 licensee to make a key at the legal owner's expense, or 72 hours
19 elapse after the licensee has informed the legal owner of the
20 licensee's inability to open and inventory the contents of the trunk,
21 glove box, or other compartment in the collateral, whichever is
22 earlier.

23 (f) Environmental, Olympic, special interest, or other license
24 plates issued pursuant to Article 8 (commencing with Section
25 5000), Article 8.4 (commencing with Section 5060), or Article 8.5
26 (commencing with Section 5100) of Chapter 1 of Division 3 of
27 the Vehicle Code that remain the personal effects of the debtor
28 shall be removed from the collateral and inventoried pursuant to
29 this section. If the plates are not claimed by the debtor within 60
30 days, they shall either (1) be effectively destroyed and the licensee
31 shall, within 30 days thereafter, notify the Department of Motor
32 Vehicles of their effective destruction on a form promulgated by
33 the chief that has been approved as to form by the Director of the
34 Department of Motor Vehicles; or (2) be retained by the licensee
35 indefinitely to be returned to the debtor upon request, in which
36 case the licensee shall not charge more than 60 days' storage on
37 the plates.

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

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

7 (2) A licensee may allow a debtor, or a person in possession of
8 the collateral at the time of repossession, to sign a waiver forfeiting
9 personal effects or other personal property not covered by a security
10 agreement and waiving an inventory of those personal effects or
11 other personal property. Upon receipt of the waiver, the licensee
12 shall immediately dispose of the personal effects or other personal
13 property.

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

18 (2) A licensee shall not release or conspire or agree to release
19 personal effects or other personal property not covered by a security
20 agreement to anyone other than the debtor or the person in
21 possession of the collateral at the time of repossession.

22 (j) The inventory shall be a confidential document. A licensee
23 shall only disclose the contents of the inventory under the following
24 circumstances:

25 (1) In response to the order of a court having jurisdiction to
26 issue the order.

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

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

33 (4) To the debtor.

34 (k) A licensee may store personal effects inside the collateral
35 until the collateral is no longer in the possession of the licensee.
36 ~~Collateral~~ *The collateral* shall not leave *the* possession of the
37 licensee until all personal effects have been removed.

38 SEC. 5. Section 7507.115 of the Business and Professions
39 Code is amended to read:

1 7507.115. (a) A licensee shall not appraise or determine the
2 value of any collateral, whether damaged or not.

3 (b) (1) Notwithstanding subdivision (a), a licensee may
4 complete a condition report that makes a general assessment of
5 the collateral.

6 (2) A condition report does not include all damage or missing
7 parts.

8 (3) A condition report shall include the following statement:
9 “In accordance with Section 7507.115 of the Business and
10 Professions Code, this condition report is a general assessment of
11 the collateral and does not include all damage or missing parts.”

12 SEC. 6. Section 7507.13 of the Business and Professions Code
13 is amended to read:

14 7507.13. (a) A licensed repossession agency is not liable for
15 the act or omission of a legal owner, debtor, lienholder, lessor or
16 lessee, or an agent of any of them, in making an assignment to it
17 or for accepting an assignment from any legal owner, debtor,
18 lienholder, lessor or lessee, or an agent of any of them, and is
19 entitled to indemnity from the legal owner, debtor, lienholder,
20 lessor or lessee for any loss, damage, cost, or expense, including
21 court costs and attorney’s fees, that it may reasonably incur as a
22 result thereof. Nothing in this subdivision limits the liability of
23 any person for his or her tortious conduct.

24 (b) The legal owner, debtor, lienholder, lessor or lessee, or the
25 agent of any of them, is not liable for any act or omission by a
26 licensed repossession agency, or its agent, in carrying out an
27 assignment and is entitled to indemnity from the repossession
28 agency for any loss, damage, cost, or expense, including court
29 costs and attorney’s fees, that the legal owner, debtor, lienholder,
30 lessor or lessee, or the agent of any of them, may reasonably incur
31 as a result thereof. Nothing in this subdivision limits the liability
32 of any person for his or her tortious conduct.

33 (c) The legal owner, debtor, lienholder, lessor or lessee, or the
34 agent of any of them, is not guilty of a violation of Section 7502.1
35 or 7502.2 if, at the time of the assignment, the party making the
36 assignment has in its possession a copy of the reposessor’s current,
37 unexpired repossession agency license, and a copy of the current,
38 unexpired repossession agency’s qualified manager’s certificate,
39 and does not have actual knowledge of any order of suspension or
40 revocation of the license or certificate.

1 (d) Neither a licensed repossession agency nor a legal owner,
2 debtor, lienholder, lessor or lessee, or an agent of any of them may,
3 by any means, direct or indirect, express or implied, instruct or
4 attempt to coerce the other to violate any law, regulation, or rule
5 regarding the recovery of any collateral, including, but not limited
6 to, the provisions of this chapter or Section 9609 of the Commercial
7 Code.

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

13 SEC. 7. Section 7508.7 of the Business and Professions Code
14 is amended to read:

15 7508.7. (a) Except as otherwise provided by law, a
16 repossession agency shall not disclose to the public, any person,
17 or any nongovernmental entity, without a court order, the residence
18 address, residence telephone number, cellular telephone number,
19 driver's license number, work schedule, past, present, or future
20 location, or any other personal information of any licensee,
21 registrant, qualified certificate holder, qualified manager, employee,
22 or independent contractor the agency employs.

23 (b) For the purpose of verifying information for the issuance or
24 renewal of a policy of insurance, a repossession agency may
25 provide to an insurance company the name, driver's license
26 number, and date of birth of a licensee, registrant, qualified
27 certificate holder, qualified manager, employee, or independent
28 contractor the agency employs.

29 SEC. 8. Section 7509 is added to the Business and Professions
30 Code, to read:

31 7509. (a) A person licensed with the bureau under this chapter
32 may request a review by the Collateral Recovery Disciplinary
33 Review Committee, as established in Section 7509.1, to contest
34 the assessment of an administrative fine or to appeal a denial of a
35 license, unless the denial is ordered by the director in accordance
36 with Chapter 5 (commencing with Section 11500) of Part 1 of
37 Division 3 of Title 2 of the Government Code.

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

1 (c) Following a review by the disciplinary review committee,
2 the appellant shall be notified within 30 days, in writing, by regular
3 mail, of the committee’s decision. At the discretion of the
4 disciplinary review committee, an appellant may be notified
5 immediately of the committee’s decision once it is made.

6 (d) If the appellant disagrees with the decision made by the
7 disciplinary review committee, he or she may request a hearing in
8 accordance with Chapter 5 (commencing with Section 11500) of
9 Part 1 of Division 3 of Title 2 of the Government Code. A request
10 for a hearing following a decision by the disciplinary review
11 committee shall be by written notice to the bureau within 30 days
12 following notice of the committee’s decision.

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

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

21 SEC. 9. Section 7509.1 is added to the Business and Professions
22 Code, to read:

23 7509.1. (a) The Governor shall appoint a Collateral Recovery
24 Disciplinary Review Committee, and may remove any member of
25 the committee for misconduct, incompetency, or neglect of duty.
26 The committee shall consist of five members. Of the five members,
27 three members shall be actively engaged in business as a licensed
28 repossession agency and two members shall be public members.
29 None of the public members shall be licensees, certificate holders,
30 or registrants, or engaged in any business or profession in which
31 any part of the fees, compensation, or revenue thereof is derived
32 from any licensee.

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

37 SEC. 10. Section 7509.2 is added to the Business and
38 Professions Code, to read:

39 7509.2. The Collateral Recovery Disciplinary Review
40 Committee shall perform the following functions:

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

4 (b) Affirm, rescind, or modify all appealed decisions concerning
5 denial of licenses issued by the director or bureau, except denials
6 or suspensions ordered by the director in accordance with Chapter
7 5 (commencing with Section 11500) of Part 1 of Division 3 of
8 Title 2 of the Government Code.

9 SEC. 11. Section 7509.3 is added to the Business and
10 Professions Code, to read:

11 7509.3. The bureau shall provide the Collateral Recovery
12 Disciplinary Review Committee all evidence used by the bureau
13 in reaching its decision prior to any review or appeal of that
14 decision by the committee.

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

16 28. (a) Whenever possession is taken of any vehicle by or on
17 behalf of its legal owner under the terms of a security agreement
18 or lease agreement, the person taking possession shall contact, for
19 the purpose of providing the information required pursuant to
20 subdivision ~~(d)~~ (d), within one ~~hour~~, *hour* after taking possession
21 of the vehicle, by the most expeditious means available, the city
22 police department where the taking of possession occurred, if
23 within an incorporated city, or the sheriff's department of the
24 county where the taking of possession occurred, if outside an
25 incorporated city, or the police department of a campus of the
26 University of California or the California State University, if the
27 taking of possession occurred on that campus, and shall within
28 one business day forward a written notice to the city police or
29 sheriff's department. If, after an attempt to notify, law enforcement
30 is unable to receive and record the notification required pursuant
31 to subdivision (d), the person taking possession of the vehicle shall
32 continue to attempt notification until the information required
33 pursuant to subdivision (d) is provided.

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

37 (c) Any person failing to notify the city police department,
38 sheriff's department, or campus police department as required by
39 this section is guilty of an infraction, and shall be fined a minimum
40 of three hundred dollars (\$300), and up to five hundred dollars

1 (\$500). The district attorney, city attorney, or city prosecutor shall
2 promptly notify the Bureau of Security and Investigative Services
3 of any conviction resulting from a violation of this section.

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

- 6 (1) The approximate location of the repossession.
- 7 (2) The date and approximate time of the repossession.
- 8 (3) The vehicle year, make, and model.
- 9 (4) The last six digits of the vehicle identification number.
- 10 (5) The registered owner as provided on the repossession
11 assignment.
- 12 (6) The legal owner requesting the repossession as provided on
13 the repossession assignment.
- 14 (7) The name of the repossession agency.
- 15 (8) The telephone number of the repossession agency.

16 (e) If a vehicle is removed to a tow yard, storage facility, or
17 impounding yard after possession is taken of the vehicle on behalf
18 of its legal owner, ~~and~~ the person taking possession has notified
19 the appropriate city police department, sheriff’s department, or
20 campus police department, as required by this section, and the tow
21 yard, storage facility, or impounding yard is outside of the
22 jurisdiction in which the taking of possession occurred, both of
23 the following shall apply:

- 24 (1) The person shall not notify the city police department,
25 sheriff’s department, or campus police department of the
26 jurisdiction in which the tow yard, storage facility, or impounding
27 yard is located of the removal.
- 28 (2) The tow yard, storage facility, or impounding yard shall
29 direct the registered owner of the vehicle to the city police
30 department, sheriff’s department, or campus police department of
31 the jurisdiction in which the taking of possession occurred.

32 SEC. 13. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section 17556 of
38 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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