

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN ASSEMBLY MAY 5, 2015

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AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1182

Introduced by Assembly Member Santiago
(Coauthors: Assembly Members Bonta and Cooley)
(Coauthor: Senator Pan)
(Coauthors: Senators Pan and Stone)

February 27, 2015

An act to amend ~~Section~~ *Sections 21627 and 21628* of the Business and Professions Code, relating to secondhand goods.

LEGISLATIVE COUNSEL'S DIGEST

AB 1182, as amended, Santiago. Secondhand goods: tangible personal property.

Existing law requires secondhand dealers and coin dealers to, among other things, report certain secondhand tangible personal property taken in trade or pawn, accepted for sale on consignment, or accepted for auctioning, to the chief of police or to the sheriff, as specified. Existing law defines “tangible personal property” for those purposes as including secondhand tangible personal property that bears or bears evidence of having had a serial number or personalized initials and new or used tangible personal property that is received as security for a loan by a pawnbroker or is commonly sold by secondhand dealers and part of a significant class of stolen goods. Existing law requires the Attorney

General to supply to local law enforcement agencies and periodically ~~update~~ review a list of that personal property commonly sold by secondhand dealers ~~and part of which statistically is found through crime reports to the Attorney General to constitute~~ a significant class of stolen goods.

This bill would require the Attorney General to update that list annually and post the list on his or her Internet Web site. ~~The bill would allow a county law enforcement agency to use its own list, as described, until the Attorney General provides the first annual updated list.~~ The bill would instead specify that “tangible personal property” means secondhand tangible personal property that bears or bears evidence of having had a serial number or personalized ~~initials and initials~~, new or used tangible personal property that is received as security for a loan by a pawnbroker ~~or is commonly sold by secondhand dealers and part of pawnbroker~~, or all tangible personal property that the Attorney General statistically determines through the most recent Department of Justice “Crime in California” report to constitute a significant class of stolen ~~goods~~. goods, as defined.

This bill would require the secondhand dealer to verify the identification of the seller or pledger for each transaction.

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

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

- 1 SECTION 1. Section 21627 of the Business and Professions
- 2 Code is amended to read:
- 3 21627. (a) As used in this article, “tangible personal property”
- 4 means all secondhand tangible personal property which bears a
- 5 serial number or personalized initials or inscription or which, at
- 6 the time it is acquired by the secondhand dealer, bears evidence
- 7 of having had a serial number or personalized initials or inscription.
- 8 (b) “Tangible personal property” also means the following:
- 9 (1) All tangible personal property, new or used, including motor
- 10 vehicles, received in pledge as security for a loan by a pawnbroker.
- 11 (2) All tangible personal property that bears a serial number or
- 12 personalized initials or inscription which is purchased by a
- 13 secondhand dealer or a pawnbroker or which, at the time of such
- 14 purchase, bears evidence of having had a serial number or
- 15 personalized initials or inscription.

1 (3) ~~(A) All~~ *All tangible personal property commonly sold by*
2 ~~secondhand dealers which statistically is found through crime~~
3 ~~reports to the Attorney General that the Attorney General~~
4 ~~statistically determines through the most recent Department of~~
5 ~~Justice “Crime in California” report to constitute a significant~~
6 class of stolen goods. A list of such personal property shall be
7 supplied by the Attorney General to all local law enforcement
8 agencies and posted on the Attorney General’s Internet Web site.
9 Such list shall be updated annually by the Attorney General to
10 ~~insure General, beginning January 1, 2016, to ensure that it~~
11 addresses current problems with stolen goods.

12 ~~(B) A county law enforcement agency may use its own list of~~
13 ~~personal property commonly sold by secondhand dealers which~~
14 ~~statistically is found through crime reports to the county law~~
15 ~~enforcement agency to constitute a significant class of stolen goods~~
16 ~~until the Attorney General provides the first annual update of the~~
17 ~~list of personal property.~~

18 (c) As used in this article, “tangible personal property” does not
19 include any new goods or merchandise purchased from a bona fide
20 manufacturer or distributor or wholesaler of such new goods or
21 merchandise by a secondhand dealer. For the purposes of this
22 article, however, a secondhand dealer shall retain for one year
23 from the date of purchase, and shall make available for inspection
24 by any law enforcement officer, any receipt, invoice, bill of sale
25 or other evidence of purchase of such new goods or merchandise.

26 (d) As used in this article, “tangible personal property” does
27 not include coins, monetized bullion, or commercial grade ingots
28 of gold, silver, or other precious metals. “Commercial grade ingots”
29 means 0.99 fine or finer ingots of gold, silver, palladium, or
30 platinum, or 0.925 fine sterling silver art bars and medallions,
31 provided that the ingots, art bars, and medallions are marked by
32 the refiner or fabricator as to their assay fineness.

33 (e) *For purposes of this article, a “significant class of stolen*
34 *goods” means those items determined through the Department of*
35 *Justice’s annual “Crime in California” report to constitute more*
36 *than 10 percent of property reported stolen in the calendar year*
37 *preceding the annual posting of the list of significant classes of*
38 *stolen goods.*

39 *SEC. 2. Section 21628 of the Business and Professions Code*
40 *is amended to read:*

1 21628. Every secondhand dealer or coin dealer described in
2 Section 21626 shall report daily, or on the first working day after
3 receipt or purchase of secondhand tangible personal property, on
4 forms or through an electronic reporting system approved by the
5 Department of Justice, all secondhand tangible personal property,
6 except for firearms, which he or she has purchased, taken in trade,
7 taken in pawn, accepted for sale on consignment, or accepted for
8 auctioning, to the chief of police or to the sheriff, in accordance
9 with the provisions of Sections 21630 and 21633 and subdivision
10 (j). The report shall be legible, prepared in English, completed
11 where applicable, and include, but not be limited to, the following
12 information:

13 (a) The name and current address of the intended seller or
14 pledger of the property.

15 (b) The identification of the intended seller or pledger. The
16 identification of the seller or pledger of the property shall be
17 verified by the person taking the information. The verification
18 shall be valid if the person taking the information reasonably relies
19 on any one of the following documents, provided that the document
20 is currently valid or has been issued within five years and contains
21 a photograph or description, or both, of the person named on it,
22 and, where applicable, is signed by the person, and bears a serial
23 or other identifying number:

24 (1) A passport of the United States.

25 (2) A driver's license issued by any state or Canada.

26 (3) An identification card issued by any state.

27 (4) An identification card issued by the United States.

28 (5) A passport from any other country in addition to another
29 item of identification bearing an address.

30 (6) A Matricula Consular in addition to another item of
31 identification bearing an address.

32 (c) A complete and reasonably accurate description of serialized
33 property, including, but not limited to, the following: serial number
34 and other identifying marks or symbols, owner-applied numbers,
35 manufacturer's named brand, and model name or number. Watches
36 need not be disassembled when special skill or special tools are
37 required to obtain the required information, unless specifically
38 requested to do so by a peace officer. A special tool does not
39 include a penknife, caseknife, or similar instrument and
40 disassembling a watch with a penknife, caseknife, or similar

1 instrument does not constitute a special skill. In all instances where
2 the required information may be obtained by removal of a
3 watchband, then the watchband shall be removed. The cost
4 associated with opening the watch shall be borne by the
5 pawnbroker, secondhand dealer, or customer.

6 (d) A complete and reasonably accurate description of
7 nonserialized property, including, but not limited to, the following:
8 size, color, material, manufacturer's pattern name (when known),
9 owner-applied numbers and personalized inscriptions, and other
10 identifying marks or symbols. Watches need not be disassembled
11 when special skill or special tools are required to obtain the
12 required information, unless specifically requested to do so by a
13 peace officer. A special tool does not include a penknife, caseknife,
14 or similar instrument and disassembling a watch with a penknife,
15 caseknife, or similar instrument does not constitute a special skill.
16 In all instances where the required information may be obtained
17 by removal of a watchband, then the watchband shall be removed.
18 The cost associated with opening the watch shall be borne by the
19 pawnbroker, secondhand dealer, or customer.

20 (e) A certification by the intended seller or pledger that he or
21 she is the owner of the property or has the authority of the owner
22 to sell or pledge the property.

23 (f) A certification by the intended seller or pledger that to his
24 or her knowledge and belief the information is true and complete.

25 (g) A legible fingerprint taken from the intended seller or
26 pledger, as prescribed by the Department of Justice. This
27 requirement does not apply to a coin dealer, unless required
28 pursuant to local regulation.

29 (h) (1) When a secondhand dealer complies with all of the
30 provisions of this section, he or she shall be deemed to have
31 received from the seller or pledger adequate evidence of authority
32 to sell or pledge the property for all purposes included in this
33 article, and Division 8 (commencing with Section 21000) of the
34 Financial Code.

35 (2) In enacting this subdivision, it is the intent of the Legislature
36 that its provisions shall not adversely affect the implementation
37 of, or prosecution under, any provision of the Penal Code.

38 (i) Any person who conducts business as a secondhand dealer
39 at any gun show or event, as defined in Section 478.100 of Title
40 27 of the Code of Federal Regulations, or its successor, outside

1 the jurisdiction that issued the secondhand dealer license in
2 accordance with subdivision (d) of Section 21641, may be required
3 to submit a duplicate of the transaction report prepared pursuant
4 to this section to the local law enforcement agency where the gun
5 show or event is conducted.

6 (j) (1) The Department of Justice shall, in consultation with
7 appropriate local law enforcement agencies, develop clear and
8 comprehensive descriptive categories denoting tangible personal
9 property, as detailed in this section, subject to the reporting
10 requirements of this section. These categories shall be incorporated
11 by secondhand dealers and coin dealers described in Section 21626
12 for purposes of the reporting requirements set forth herein. Except
13 as otherwise provided in this section, any report required of a
14 secondhand dealer shall be transmitted by electronic means. With
15 the consultation by the Department of Justice with local law
16 enforcement agencies and representatives from the secondhand
17 dealer businesses, pursuant to Resolution Chapter 16 of the Statutes
18 of 2010, and upon the availability of sufficient funds in the
19 Secondhand Dealer and Pawnbroker Fund created pursuant to
20 Section 21642.5, the department shall promptly develop a single,
21 statewide, uniform electronic reporting system to be used to
22 transmit these secondhand dealer reports.

23 (2) (A) Until the date that the Department of Justice implements
24 the single, statewide, uniform electronic reporting system described
25 in paragraph (1), each secondhand dealer may continue to report
26 the information required by this section under the reporting
27 categories described in paragraph (1) in paper format on forms
28 approved of or provided by the Department of Justice.

29 (B) On and after the date that the Department of Justice
30 implements the single, statewide, uniform electronic reporting
31 system described in paragraph (1), each secondhand dealer shall
32 electronically report using that system the information required
33 by this section under the reporting categories described in
34 paragraph (1), except that for the first 30 days following the
35 implementation date, each secondhand dealer shall also report the
36 information in paper format as described in subparagraph (A).

37 (3) A coin dealer shall report the information required by this
38 section under the reporting categories described in paragraph (1)
39 on a form developed by the Attorney General that the coin dealer
40 shall transmit each day by facsimile transmission or by mail to the

1 chief of police or sheriff. A transaction shall consist of not more
2 than one item.

3 (4) For purposes of this subdivision, “item” shall mean any
4 single physical article. However, with respect to a commonly
5 accepted grouping of articles that are purchased as a set, including,
6 but not limited to, a pair of earrings or place settings of china,
7 silverware, or other tableware, “item” shall mean that commonly
8 accepted grouping.

9 (5) Nothing in this subdivision shall be construed as excepting
10 a secondhand dealer from the fingerprinting requirement of
11 subdivision (g).

12 (k) Nothing in this section shall be construed to exempt a person
13 licensed as a firearms dealer pursuant to Sections 26700 to 26915,
14 inclusive, of the Penal Code from the reporting requirements for
15 the delivery of firearms pursuant to Sections 26700 to 26915,
16 inclusive, of the Penal Code.

17 (l) *The secondhand dealer shall verify the identification of the*
18 *seller or pledger for each transaction, not for each item that must*
19 *be reported.*