

AMENDED IN ASSEMBLY APRIL 6, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1541**

**Introduced by Assembly Member *Bustamante Lee***  
**(Principal coauthor: Assembly Member *Bustamante*)**

February 24, 1995

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An act to amend Sections 7500, 7500.1, 7500.2, 7500.3, 7502.1, 7502.2, 7503.4, 7503.9, 7504, 7506.7, 7507.3, 7507.5, 7507.9, 7507.10, 7508.2, 7508.3, 7508.4 and 7511 of, and to add Sections 7502.7 and 7507.12 to, the Business and Professions Code, and 7502.2, 7502.5, 7503.4, 7503.9, 7504, 7506.3, 7506.5, 7506.7, 7506.8, 7506.9, 7506.10, 7506.11, 7506.13, 7507.2, 7507.3, 7507.4, 7507.5, 7507.6, 7507.7, 7507.9, 7507.10, 7508.2, 7508.3, 7508.4, 7508.5, 7510.1, 7510.2 and 7511 of, and to add Section 7507.12 and 7507.13 to, the Business and Professions Code, and to amend Section 28 of the Vehicle Code, relating to reposseors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1541, as amended, ~~Bustamante-Lee~~. **Reposseors.**

The **Reposseors Act** licenses and regulates persons engaged in the business of reposseing personal property.

This bill would revise various provisions of that act. Among other things, this bill would do the following:

(1) Change the title of the act to the **Collateral Recovery Act**.

(2) Change references to personal property to collateral.

(3) Specify that ~~neither a legal owner nor a licensed reposseor shall be liable for any act or omission by the other~~

~~in carrying out an assignment, provided that neither has any proprietary interest in or any control over the decisionmaking process of the other a licensed repossession agency and a legal owner, lienholder, lessor, or lessee are not liable for the act or omission of each other in connection with making, accepting, or carrying out an assignment, as specified.~~

(4) Specify the contents of an application for a license by a limited liability company.

(5) Authorize a repossession agency to assign a license to another entity, with consent of the Chief of the Bureau of Security and Investigate Services, as specified.

(6) With respect to storing personal effects or other personal property not covered by a security agreement, delete the requirement that they be stored at the location of the licensed agency and waive the inventory requirement under specified circumstances.

(7) On the notice of seizure of a vehicle, specify that a repossession agency ~~shall~~ is not be responsible for tire failure unless the failure is due to the negligence of the agency.

(8) With regard to collateral subject to registration under the Vehicle Code, provide that repossession occurs when the reposessor gains entry to the collateral or when the collateral becomes connected to a tow truck.

(9) Delete as a prohibited act the failure to disclose in communications with the consumer that the repossession agency is attempting to collect a debt.

(10) Make clarifying and conforming changes.

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 7500 of the Business and
- 2 Professions Code is amended to read:
- 3 7500. This chapter of the Business and Professions
- 4 Code constitutes the chapter on repossessors. It may be
- 5 cited as the "Collateral Recovery Act."
- 6 SEC. 2. Section 7500.1 of the Business and Professions
- 7 Code is amended to read:



1 7500.1. The following terms as used in this chapter  
2 have the meaning expressed in this section.

3 (a) "Person" includes any individual, partnership,  
4 limited liability company, or corporation.

5 (b) "Department" means the Department of  
6 Consumer Affairs.

7 (c) "Director" means the Director of Consumer  
8 Affairs.

9 (d) "Bureau" means the Bureau of Security and  
10 Investigative Services.

11 (e) "Chief" means the Chief of the Bureau of Security  
12 and Investigative Services.

13 (f) "Licensee" means an individual, partnership,  
14 limited liability company, or corporation licensed under  
15 this chapter as a repossession agency.

16 (g) "Qualified certificate holder" or "qualified  
17 manager" is a person who possesses a valid qualification  
18 certificate in accordance with the provisions of Article 5  
19 (commencing with Section 7504) and is in active control  
20 or management of, and who is a director of, the licensee's  
21 place of business.

22 (h) ~~"Employee"~~ "*Registrant*" means a person  
23 registered under this chapter.

24 (i) "Services" means any duty or labor to be rendered  
25 by one person for another.

26 (j) "Dangerous drugs" means any controlled  
27 substances as defined in Chapter 2 (commencing with  
28 Section 11053) of Division 10 of the Health and Safety  
29 Code.

30 (k) "Deadly weapon" means and includes any  
31 instrument or weapon of the kind commonly known as a  
32 blackjack, slungshot, billy, sandclub, sandbag, metal  
33 knuckles, dirk, dagger, pistol, or revolver, or any other  
34 firearm, any knife having a blade longer than five inches,  
35 any razor with an unguarded blade, and any metal pipe  
36 or bar used or intended to be used as a club.

37 (l) "Combustibles" means any substance or article  
38 that is capable of undergoing combustion or catching fire,  
39 or that is flammable, if retained.



- 1 (m) “Health hazard” means any personal effects  
 2 which if retained would produce an unsanitary or  
 3 unhealthful condition.
- 4 (n) “Advertisement” means any written or printed  
 5 communication, including a directory listing, except a  
 6 free telephone directory listing which does not allow  
 7 space for a license number.
- 8 (o) “Assignment” means an authorization by the legal  
 9 owner, lienholder, lessor, or lessee to skip trace, locate, or  
 10 repossess, or to collect money payment in lieu of  
 11 repossession of, any collateral, including, but not limited  
 12 to, collateral registered under the Vehicle Code which is  
 13 subject to a security agreement that contains a  
 14 repossession clause. “Assignment” also means an  
 15 authorization by the registered owner to recover any  
 16 collateral registered under the Vehicle Code where an  
 17 employer-employee relationship exists or existed  
 18 between the registered owner and the possessor of the  
 19 collateral and the possessor is wrongfully in possession of  
 20 the collateral.
- 21 (p) “Security agreement” means an obligation,  
 22 pledge, mortgage, chattel mortgage, lease agreement,  
 23 deposit, or lien, given by a debtor as security for payment  
 24 or performance of his or her debt, by furnishing the  
 25 creditor with a recourse to be used in case of failure in the  
 26 principal obligation.
- 27 (q) “Legal owner” means a person holding a security  
 28 interest in any collateral which is subject to a security  
 29 agreement, *a lien against any collateral, or an interest in*  
 30 *any collateral that is subject to a lease agreement.*
- 31 (r) “Private building” means and includes any  
 32 dwelling, outbuilding, or other enclosed structure.
- 33 (s) “Secured area” means and includes any fenced and  
 34 locked area.
- 35 (t) “Violent act” means any act which results in bodily  
 36 harm or injury to any party involved.
- 37 (u) “Collateral” means any vehicle, boat, recreational  
 38 vehicle, motor home, appliance, or other property which  
 39 is subject to a security agreement.



1 (v) “Personal effects” means any property contained  
2 within, on, or attached to repossessed collateral which is  
3 not the property of the legal owner.

4 SEC. 3. Section 7500.2 of the Business and Professions  
5 Code is amended to read:

6 7500.2. A repossession agency means and includes any  
7 person who, for any consideration whatsoever, engages in  
8 business or accepts employment to locate or recover  
9 collateral, including, but not limited to, collateral  
10 registered under the provisions of the Vehicle Code  
11 which is subject to a security agreement, except for any  
12 person registered pursuant to Article 7 (commencing  
13 with Section 7506).

14 SEC. 4. Section 7500.3 of the Business and Professions  
15 Code is amended to read:

16 7500.3. A repossession agency shall not include any of  
17 the following:

18 (a) Any bank subject to the jurisdiction of the  
19 Superintendent of Banks of the State of California or the  
20 Comptroller of the Currency of the United States.

21 (b) Any person organized, chartered, or holding a  
22 license or authorization certificate to make loans  
23 pursuant to the laws of this state or the United States who  
24 is subject to supervision by any official or agency of this  
25 state or the United States.

26 (c) An attorney at law in performing his or her duties  
27 as an attorney at law.

28 (d) The legal owner of collateral which is subject to a  
29 security agreement.

30 (e) An officer or employee of the United States of  
31 America, or of this state or a political subdivision thereof,  
32 while the officer or employee is engaged in the  
33 performance of his or her official duties.

34 (f) A person employed exclusively and regularly by  
35 one employer in connection with the affairs of that  
36 employer only, and where there exists an  
37 employer-employee relationship.

38 SEC. 5. Section 7502.1 of the Business and Professions  
39 Code is amended to read:



1 7502.1. (a) Any person who violates any provision of  
2 this chapter, or who conspires with another person to  
3 violate any provision of this chapter, or who knowingly  
4 engages a nonexempt unlicensed person to repossess  
5 collateral on his or her behalf is guilty of a misdemeanor,  
6 and is punishable by a fine of five thousand dollars  
7 (\$5,000), or by imprisonment in the county jail for not  
8 more than one year, or by both the fine and  
9 imprisonment.

10 (b) A proceeding to impose the penalties specified in  
11 subdivision (a) may be brought in any court of competent  
12 jurisdiction in the name of the people of the State of  
13 California by the Attorney General or by any district  
14 attorney or city attorney, or with the consent of the  
15 district attorney, by the city prosecutor in any city or city  
16 and county having a full-time city prosecutor, for the  
17 jurisdiction in which the violation occurred. If the action  
18 is brought by a district attorney, the penalty collected  
19 shall be paid to the treasurer of the county in which the  
20 judgment is entered. If the action is brought by a city  
21 attorney or city prosecutor, one-half of the penalty  
22 collected shall be paid to the treasurer of the city in which  
23 the judgment was entered and one-half to the treasurer  
24 of the county in which the judgment was entered. If the  
25 action is brought by the Attorney General, all of the  
26 penalty collected shall be deposited in the Private  
27 Investigator Fund.

28 SEC. 6. Section 7502.2 of the Business and Professions  
29 Code is amended to read:

30 7502.2. (a) Any financial institution that knowingly  
31 engages a nonexempt unlicensed person to repossess  
32 collateral on its behalf is guilty of a misdemeanor, and is  
33 punishable by a fine of five thousand dollars (\$5,000).

34 (b) A proceeding to impose the fine specified in  
35 subdivision (a) may be brought in any court of competent  
36 jurisdiction in the name of the people of the State of  
37 California by the Attorney General or by any district  
38 attorney or city attorney, or with the consent of the  
39 district attorney, by the city prosecutor in any city or city  
40 and county having a full-time city prosecutor, for the



1 jurisdiction in which the violation occurred. If the action  
2 is brought by a district attorney, the penalty collected  
3 shall be paid to the treasurer of the county in which the  
4 judgment is entered. If the action is brought by a city  
5 attorney or city prosecutor, one-half of the penalty  
6 collected shall be paid to the treasurer of the city in which  
7 the judgment was entered and one-half to the treasurer  
8 of the county in which the judgment was entered. If the  
9 action is brought by the Attorney General, all of the  
10 penalty collected shall be deposited in the Private  
11 Investigator Fund.

12 ~~SEC. 7. Section 7502.7 is added to the Business and~~  
13 ~~Professions Code, to read:~~

14 ~~7502.7. Neither a legal owner nor a licensed~~  
15 ~~repossessor shall be liable for any act or omission by the~~  
16 ~~other in making or carrying out an assignment, provided~~  
17 ~~that neither has any proprietary interest in or any control~~  
18 ~~over the decisionmaking process of the other. Neither a~~  
19 ~~single nor a series of assignments, in and of itself, shall be~~  
20 ~~sufficient to prove that either a legal owner or a licensed~~  
21 ~~repossessor had any degree of control over the~~  
22 ~~decisionmaking process of the other at any time.~~

23 *SEC. 7. Section 7502.5 of the Business and Professions*  
24 *Code is amended to read:*

25 7502.5. The provisions of this chapter ~~shall~~ do not  
26 prevent the local authorities in any city, county, or city  
27 and county, by ordinance and within the exercise of the  
28 police power of the city, county, or city and county from  
29 requiring repossession agency licensees or ~~employees~~  
30 *registrants* to register their ~~name~~ *names* and a file copy  
31 of their state identification ~~card~~ *cards* with the city,  
32 county, or city and county. No fee may be charged nor  
33 may any application be required by the city, county, or  
34 city and county for the registration.

35 SEC. 8. Section 7503.4 of the Business and Professions  
36 Code is amended to read:

37 7503.4. (a) If the applicant for a license is a  
38 corporation, the application shall state the true names  
39 and complete residence addresses of all officers. The  
40 application shall also state the name and address of the



1 person to be actively in charge of the business for which  
2 the license is sought. The application shall be subscribed  
3 and verified by a duly authorized officer of the applicant  
4 and by the qualified certificate holder thereof. The  
5 application shall also state whether any of the officers has  
6 ever used an alias.

7 (b) If the applicant for a license is a limited liability  
8 company, the application shall state the true names and  
9 complete residence addresses of all owners and the name  
10 and address of the owner to be actively in charge of the  
11 business for which the license is sought. If a qualified  
12 certificate holder, other than an owner, is to be actively  
13 in charge of the business, then the application shall state  
14 the name and address of that person. The application shall  
15 be subscribed and verified by each owner and, if any  
16 other person is to be actively in charge of the business, the  
17 application shall also be subscribed and verified by that  
18 person. The application shall also state whether any of the  
19 owners has ever used an alias.

20 SEC. 9. Section 7503.9 of the Business and Professions  
21 Code is amended to read:

22 7503.9. (a) Except as provided in this section, a  
23 repossession agency license issued under this chapter is  
24 not assignable.

25 (b) A repossession agency may apply to the chief for  
26 consent and, upon receipt of the consent and payment of  
27 the processing fee authorized by Section 7511, may assign  
28 a license to another business entity as long as the direct  
29 and indirect owners of the assignor own all of the assignee  
30 immediately after the assignment.

31 SEC. 10. Section 7504 of the Business and Professions  
32 Code is amended to read:

33 7504. (a) Except as otherwise provided in this  
34 chapter, an applicant for a qualification certificate shall  
35 comply with all of the following:

36 (1) Be at least 18 years of age.

37 (2) Have been, for at least two years of lawful  
38 experience, during the five years preceding the date on  
39 which his or her application is filed, ~~an employee of a~~  
40 ~~licensed repossession agency within this state,~~ *a registrant*



1 or have had two years of lawful experience in recovering  
2 collateral within this state. Lawful experience means  
3 experience in recovering collateral as a registrant  
4 pursuant to this chapter or as a salaried employee of a  
5 financial institution or vehicle dealer.

6 Two years' experience shall consist of not less than 4,000  
7 hours of actual compensated work performed by the  
8 applicant preceding the filing of an application.

9 An applicant shall substantiate the claimed hours of  
10 qualifying experience and the exact details as to the  
11 character and nature thereof by written certifications  
12 from the employer, subject to independent verification  
13 by the director as he or she may determine. In the event  
14 of inability of an applicant to supply the written  
15 certifications from the employer in whole or in part,  
16 applicants may offer other written certifications from  
17 persons other than employers substantiating  
18 employment for consideration by the director.

19 (3) Complete and forward to the bureau a qualified  
20 certificate holder application which shall be on a form  
21 prescribed by the director. The application shall be  
22 accompanied by two recent photographs of the applicant,  
23 of a type prescribed by the director, and two classifiable  
24 sets of his or her fingerprints. The residence address,  
25 residence telephone number, and driver's license  
26 number of each qualified certificate holder or applicant  
27 for a qualification certificate, if requested, shall be  
28 confidential pursuant to the Information Practices Act of  
29 1977 (Chapter 1 (commencing with Section 1798) of Title  
30 1.8 of Part 4 of Division 3 of the Civil Code) and shall not  
31 be released to the public.

32 (4) Pass the required examination.

33 (5) Pay the required application and examination fees  
34 to the bureau.

35 The amendments made to this section during the 1990  
36 portion of the 1989-90 Regular Session shall only apply to  
37 applications filed on or after January 1, 1992.

38 (b) Upon the issuance of the initial qualification  
39 certificate or renewal qualification certificate, the bureau  
40 shall issue to the certificate holder a suitable pocket



1 identification card which includes a photograph of the  
2 certificate holder. The photograph shall be of a size  
3 prescribed by the bureau. The card shall contain the  
4 name of the licensee with whom the certificate holder is  
5 employed.

6 SEC. 11. *Section 7506.3 of the Business and*  
7 *Professions Code is amended to read:*

8 7506.3. Except as otherwise provided in this article,  
9 every person entering the employ of a licensee or  
10 multiple licensee after the effective date of this article  
11 shall immediately complete an application for an initial  
12 registration or a reregistration and shall file the  
13 appropriate application with the chief within 15 working  
14 days after the commencement of employment for the  
15 licensee or multiple licensee for whom the applicant is  
16 employed. Applicants for registration must be at least 18  
17 years of age.

18 (a) An initial registration application shall be required  
19 of those persons who have not previously submitted an  
20 application for *registration*, or been registered as; a  
21 ~~repossessor-employee registrant~~.

22 (b) A reregistration application shall be required of  
23 those persons who have previously submitted or been  
24 registered as a ~~repossessor-employee registrant~~.

25 (c) No ~~registered-employee registrant~~ of a multiple  
26 licensee shall be required to file more than one  
27 application for registration or reregistration for each  
28 multiple licensee.

29 SEC. 12. *Section 7506.5 of the Business and*  
30 *Professions Code is amended to read:*

31 7506.5. All information obtained on the application  
32 shall be confidential pursuant to the Information  
33 Practices Act (Chapter 1 (commencing with Section  
34 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code)  
35 and shall not be released to the public except for the  
36 registrant's full name, the employer's name and address,  
37 and the registration number. The application shall be  
38 verified and shall include:



1 (a) The full name, residence address, residence  
2 telephone number, date and place of birth, and driver's  
3 license number of the ~~employee~~ *applicant or registrant*.

4 (b) A statement listing any and all names used by the  
5 ~~employee~~ *applicant or registrant*, other than the name by  
6 which he or she is currently known. If the ~~employee~~  
7 *applicant or registrant* has never used a name other than  
8 his or her true name, this fact shall be set forth in the  
9 statement.

10 (c) The name and address of the employer and the  
11 date the employment commenced.

12 (d) The title of the position occupied by the ~~employee~~  
13 *applicant or registrant* and a description of his or her  
14 duties.

15 (e) Two recent photographs of the ~~employee~~  
16 *applicant or registrant*, of a type prescribed by the chief,  
17 and two classifiable sets of his or her fingerprints.

18 *SEC. 13.* Section 7506.7 of the Business and  
19 Professions Code is amended to read:

20 7506.7. Employees of a licensee who are engaged  
21 exclusively in stenographic, typing, filing, clerical,  
22 in-office skip tracing, or other office activities are not  
23 required to register under this article.

24 ~~SEC. 12.—~~

25 *SEC. 14.* Section 7506.8 of the Business and  
26 Professions Code is amended to read:

27 7506.8. (a) The director may refuse to register any  
28 ~~employee~~ *applicant* if the individual has failed to pay any  
29 or all fines assessed pursuant to Section 7501.7 and not  
30 resolved in accordance with that section, or has  
31 committed any act ~~which~~ *that*, if committed by a licensee,  
32 would be grounds for refusing to issue a license or for the  
33 suspension or revocation of a license under this chapter,  
34 or has committed acts or crimes constituting grounds for  
35 denial of a license under Section 480.

36 The denial shall be in writing and shall describe the  
37 basis for the denial. The denial shall inform the applicant  
38 that if he or she desires a hearing to contest the denial, the  
39 hearing shall be requested of the director, in writing,  
40 within 30 days of the issuance of the denial.



1 When a hearing is held under this section, it shall be  
2 conducted in accordance with Chapter 5 (commencing  
3 with Section 11500) of Part 1 of Division 3 of Title 2 of the  
4 Government Code.

5 (b) The director may suspend or revoke a registration  
6 if the registrant has committed any act ~~which~~ *that*, if  
7 committed by a licensee, would be grounds for refusing  
8 to issue a license or for the suspension or revocation of a  
9 license under this chapter.

10 *SEC. 15. Section 7506.9 of the Business and*  
11 *Professions Code is amended to read:*

12 7506.9. (a) Upon the issuance of the initial  
13 registration or reregistration, the chief shall issue to the  
14 ~~registered—employee~~ *registrant* a suitable pocket  
15 identification card which includes a photograph of the  
16 registrant. The photograph shall be of a size prescribed by  
17 the bureau. The card shall contain the name of the  
18 licensee with whom the registrant is employed.

19 (b) Until the registration certificate is issued or  
20 denied, ~~an—employee~~ *a person* may be assigned to work  
21 with a temporary registration on a secure form  
22 prescribed by the chief, and issued by the qualified  
23 certificate holder ~~—which,~~ *that* has been embossed by the  
24 bureau with the state seal for a period not to exceed 90  
25 days from the date employment commenced; provided  
26 the ~~—employee~~ *person* signs a declaration under penalty  
27 of perjury that he or she has not been convicted of a felony  
28 or committed any other act constituting grounds for  
29 denial of a registration pursuant to Section 7506.8 (unless  
30 he or she declares that the conviction of a felony or the  
31 commission of a specified act or acts occurred prior to the  
32 issuance of a registration by the chief and such conduct  
33 was not the cause of any subsequent suspension or  
34 termination of a registration), and that he or she has read  
35 and understands the provisions of this chapter.

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



1 (d) No ~~employee of a licensee~~ *person* shall perform  
2 the duties of a ~~repossessor-employee~~ *registrant* for a  
3 licensee unless the ~~employee~~ *person* has in his or her  
4 possession a valid reposessor ~~employee~~ registration card  
5 or evidence of a valid temporary registration as described  
6 in subdivision (b).

7 *SEC. 16. Section 7506.10 of the Business and*  
8 *Professions Code is amended to read:*

9 7506.10. (a) Every registration ~~which that~~ expires on  
10 or after January 1, 1985, shall be placed on a cyclical  
11 renewal and shall expire one year following the date of  
12 issuance or assigned renewal date. In order to implement  
13 cyclical renewal, the population of registrants shall be  
14 divided into 12 equal groups, the licenses of those in each  
15 group to expire on the last day of each successive month.

16 Notwithstanding any other provision of law, the bureau  
17 ~~shall have~~ *has* authority to extend or shorten the first term  
18 of licensure following January 1, 1985, and to prorate the  
19 required license fee in order to implement this cyclical  
20 renewal.

21 (b) All registrations issued on or before the effective  
22 date of this section shall expire on December 31, 1984, and  
23 every year thereafter, unless renewed as provided in this  
24 section, except for those registrations issued on or after  
25 January 1, 1984, which shall expire on December 31, 1985,  
26 and every year thereafter, unless renewed as provided in  
27 this section.

28 (c) At least 60 days prior to the expiration, the bureau  
29 shall mail a renewal form to the registrant at the licensee's  
30 place of business. A registrant who desires to renew his or  
31 her registration shall forward to the bureau for each  
32 registration the properly completed renewal form  
33 obtained from the bureau, with the renewal fee  
34 prescribed by this chapter, for renewal of his or her  
35 registration.

36 (d) A licensee shall provide to his or her ~~employees~~  
37 *registrants* information regarding procedures for  
38 renewal of registration.

39 (e) A registration that is not renewed within 60 days  
40 after its expiration may not be renewed. If the



1 registration is renewed within 60 days after its expiration,  
2 the registrant, as a condition precedent to renewal, shall  
3 pay the renewal fee and also pay the delinquency fee  
4 prescribed in this chapter. Registrants working with  
5 expired registrations shall pay all accrued fees and  
6 penalties prior to renewal or reregistration.

7 (f) The delinquency fee is 50 percent of the renewal  
8 fee in effect on the date of expiration, but not less than  
9 twenty-five dollars (\$25).

10 (g) Upon renewal, evidence of renewal, as the  
11 director may prescribe, shall be issued to the registrant.  
12 If evidence of renewal has not been delivered to the  
13 registrant prior to the date of expiration, the registrant  
14 may present evidence of renewal to substantiate  
15 continued registration for a period not to exceed 60 days  
16 after the date of expiration.

17 (h) A registration shall not be renewed until any and  
18 all fines assessed pursuant to this chapter and not resolved  
19 in accordance with this chapter have been paid.

20 *SEC. 17. Section 7506.11 of the Business and*  
21 *Professions Code is amended to read:*

22 7506.11. (a) Each registration is valid until the  
23 registrant ceases employment with the licensee indicated  
24 on the registration card or until the registration expires.

25 (b) Each person registered under this article shall  
26 notify the chief, in writing, within 30 days of any change  
27 in employment with a licensee. If the person ceases to be  
28 employed by a licensee, the licensee shall notify the chief,  
29 in writing, within 30 days. The registered individual shall  
30 surrender his or her registration card to the licensee. The  
31 licensee shall forward the registration card to the chief.  
32 If at some subsequent time the person is again employed  
33 by a licensee, he or she shall apply for reregistration in the  
34 manner provided in this article.

35 (c) Each ~~employee~~ *registrant*, while registered, shall  
36 notify the chief, in writing, within 30 days after any  
37 change in his or her residence address.

38 *SEC. 18. Section 7506.13 of the Business and*  
39 *Professions Code is amended to read:*



1 7506.13. (a) The licensee shall at all times be  
2 responsible for ascertaining that his or her ~~employees~~  
3 ~~subject to registration~~ *registrants* are currently registered  
4 or have made proper application for registration as  
5 provided in this article. The licensee may not have in his  
6 or her employment a person subject to registration who  
7 has not registered within the time required or whose  
8 registration has expired; *or* been revoked, ~~been~~ denied,  
9 ~~been~~ suspended, or ~~been~~ canceled.

10 (b) The bureau shall keep current and accurate  
11 records of all persons registered under this article.

12 *SEC. 19. Section 7507.2 of the Business and*  
13 *Professions Code is amended to read:*

14 7507.2. (a) A licensee ~~shall be~~ *is* responsible for those  
15 actions—~~which~~ *that* are performed in violation of this  
16 chapter by his or her registrants, including his or her  
17 manager, when acting within the course and scope of his  
18 or her employment *or contract*.

19 (b) Each licensee shall maintain a file or record of the  
20 name, address, commencing date of employment *or*  
21 *retention*, and position of each ~~employee~~ *registrant*, and  
22 the date of termination of employment when a registrant  
23 is terminated. The file and records, together with usual  
24 payroll records, shall be available for inspection by the  
25 bureau, and copies thereof, and information pertaining  
26 thereto or contained therein, shall be submitted to the  
27 bureau upon request.

28 *SEC. 20. Section 7507.3 of the Business and*  
29 *Professions Code is amended to read:*

30 7507.3. A repossession agency shall be required to  
31 keep and maintain adequate records of all transactions,  
32 including, but not limited to, assignment forms; vehicle  
33 report of repossession required by Section 28 of the  
34 Vehicle Code; vehicle condition reports, including  
35 odometer readings; personal effects inventory; notice of  
36 seizure; and records of all transactions pertaining to the  
37 sale of collateral which has been repossessed, including,  
38 but not limited to, bids solicited and received, cash  
39 received, deposits made to the trust account, remittances  
40 to the seller, and allocation of any moneys not so remitted



1 to appropriate ledger accounts. Records, including bank  
2 statements of the trust account, shall be retained for a  
3 period of not less than four years and shall be available for  
4 examination by the bureau upon demand. In addition,  
5 collateral and personal effects storage areas shall be made  
6 accessible for inspection by the bureau upon demand.

7 ~~SEC. 13.—~~

8 *SEC. 21. Section 7507.4 of the Business and*  
9 *Professions Code is amended to read:*

10 7507.4. A licensee shall not engage in business or  
11 accept employment to collect claims owed or due or  
12 asserted to be owed or due to another unless the licensee  
13 has complied with the provisions of Chapter 8  
14 (commencing with Section 6850), in addition to  
15 complying with the provisions of this chapter. A licensed  
16 repossession agency or its ~~registered—employees~~  
17 *registrants* may, however, make demand for payment in  
18 lieu of repossession, if the demand is made pursuant to an  
19 assignment for repossession.

20 In making demand upon a debtor for a money payment  
21 in lieu of repossession, the reposessor shall present the  
22 demand in compliance with the Robbins-Rosenthal Fair  
23 Debt Collection Act (Title 1.6C (commencing with  
24 Section 1788) of Part 4 of Division 3 of the Civil Code),  
25 setting forth in the demand only the amount ~~which that~~  
26 was specified by the creditor in the repossession referral  
27 and the fees ~~which that~~ are properly chargeable.  
28 Itemized receipts shall be furnished the debtor at the  
29 time payment is received. Payments received shall  
30 forthwith be transmitted to the creditor, disclosing the  
31 full amount of money received from the debtor in  
32 addition to the contract payments.

33 *SEC. 22. Section 7507.5 of the Business and*  
34 *Professions Code is amended to read:*

35 7507.5. No charge shall be made for services incurred  
36 in connection with the recovery, transportation, and  
37 storage of collateral except under terms agreed to by the  
38 legal owner at the time of the repossession authorization  
39 or specifically agreed upon at a subsequent time. Repair



1 work may not be charged to the legal owner unless  
2 expressly authorized by him or her.

3 ~~SEC. 14.—~~

4 *SEC. 23. Section 7507.6 of the Business and*  
5 *Professions Code is amended to read:*

6 7507.6. Within seven days after a violent act has  
7 occurred involving a licensee, or any officer, partner,  
8 qualified certificate holder, *registrant* or employee of a  
9 licensee, while acting within the course and scope of his  
10 or her employment *or contract*, ~~which~~ *that* results in a  
11 police report or bodily harm or bodily injury, the licensee  
12 or the licensee's qualified certificate holder or ~~the~~  
13 ~~licensee's employee~~ *registrant*, shall mail or deliver to the  
14 chief a notice concerning the incident upon a form  
15 provided by the bureau.

16 *SEC. 24. Section 7507.7 of the Business and*  
17 *Professions Code is amended to read:*

18 7507.7. Within seven days after receiving a final civil  
19 court judgment filed against the licensee or any officer,  
20 partner, qualified certificate holder, or ~~employee~~  
21 *registrant* of a licensee, for an amount of more than the  
22 then prevailing maximum claim that may be brought in  
23 a small claims court pertaining to an act done within the  
24 course and scope of his or her employment *or contract*,  
25 the licensee, or his or her qualified certificate holder, or  
26 his or her ~~employee~~ *registrant*, shall mail or deliver to the  
27 chief a copy of the judgment.

28 *SEC. 25. Section 7507.9 of the Business and*  
29 *Professions Code is amended to read:*

30 7507.9. If personal effects or other personal property,  
31 not covered by a security agreement, are contained in or  
32 on collateral at the time it is recovered, the effects shall  
33 be removed from the collateral subject to the security  
34 interest, a complete and accurate inventory shall be  
35 made, and the personal effects shall be labeled and stored  
36 by the licensee for a minimum of 60 days in a secure  
37 manner, except those personal effects removed by or in  
38 the presence of the registered owner or the party in  
39 possession of the collateral at the time of the repossession.

1 (a) The date and time the inventory is made shall be  
2 indicated and shall be signed by the repossession agency  
3 *registrant or* employee who performs the inventory.

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

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

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

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

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

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

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



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

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

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

16 (f) The notice may be given by regular mail addressed  
17 to the last known address of the consumer or by personal  
18 service at the option of the repossession agency.

19 (g) The consumer may waive the preparation and  
20 presentation of an inventory if the consumer redeems the  
21 personal effects or other personal property not covered  
22 by a security interest within the time period for the  
23 notices required by this section and signs a statement that  
24 he or she has received all the property.

25 ~~SEC. 15.—~~

26 *SEC. 26.* Section 7507.10 of the Business and  
27 Professions Code is amended to read:

28 7507.10. Each licensee shall serve a consumer with a  
29 notice of seizure as soon as possible after the recovery of  
30 collateral and not later than 48 hours, except that if the  
31 48-hour period encompasses a Saturday, Sunday, or postal  
32 holiday, the notice of seizure shall be provided not later  
33 than 72 hours or, if the 48-hour period encompasses a  
34 Saturday or Sunday and a postal holiday, the notice of  
35 seizure shall be provided not later than 96 hours, after the  
36 repossession of collateral, which notice shall include all of  
37 the following:

38 (a) The name, address, and phone number of the  
39 representative of the legal owner to be contacted  
40 regarding the repossession.



1 (b) The name, address, and phone number of the  
2 representative of the repossession agency to be contacted  
3 regarding the repossession.

4 (c) A statement printed on the notice containing the  
5 following: “Repossessioners are regulated by the Bureau of  
6 Security and Investigative Services, Department of  
7 Consumer Affairs, Sacramento, CA 95814. Repossessioners  
8 are required to provide you, not later than 48 hours after  
9 the recovery of collateral, with an inventory of personal  
10 effects or other personal property recovered during  
11 repossession unless the 48-hour period encompasses a  
12 Saturday, Sunday, or a postal holiday, then the inventory  
13 shall be provided no later than 96 hours after the recovery  
14 of collateral.”

15 (d) A disclosure that “Damage to a vehicle during or  
16 subsequent to a repossession and only while the vehicle  
17 is in possession of the repossession agency and which is  
18 caused by the repossession agency is the liability of the  
19 repossession agency. A mechanical or tire failure shall not  
20 be the responsibility of the repossession agency unless the  
21 failure is due to the negligence of the repossession  
22 agency.”

23 The notice may be given by regular mail addressed to  
24 the last known address of the consumer or by personal  
25 service at the option of the repossession agency.

26 ~~SEC. 16.—~~

27 *SEC. 27.* Section 7507.12 is added to the Business and  
28 Professions Code, to read:

29 7507.12. With regard to collateral subject to  
30 registration under the Vehicle Code, a repossession  
31 occurs when the repossessioner gains entry to the collateral  
32 or when the collateral becomes connected to a tow truck.

33 ~~SEC. 17.—~~

34 *SEC. 28.* Section 7507.13 is added to the Business and  
35 Professions Code, to read:

36 7507.13. (a) *A licensed repossession agency is not*  
37 *liable for the act or omission of a legal owner, lienholder,*  
38 *lessor, or lessee in making an assignment to it or for*  
39 *accepting an assignment from any legal owner,*  
40 *lienholder, lessor, or lessee and is entitled to indemnity*



1 *from the legal owner, lienholder, lessor, or lessee for any*  
2 *loss, damage, cost, or expense, including court costs and*  
3 *attorney's fees, that it may reasonably incur as a result*  
4 *thereof.*

5 *(b) The legal owner, lienholder, lessor, or lessee is not*  
6 *liable for any act or omission by a licensed repossession*  
7 *agency in carrying out an assignment and is entitled to*  
8 *indemnity from the repossession agency for any loss,*  
9 *damage, cost, or expense, including court costs and*  
10 *attorney's fees, that the legal owner, lienholder, lessor, or*  
11 *less may reasonably incur as a result thereof.*

12 *(c) Neither a licensed repossession agency nor a legal*  
13 *owner, lienholder, lessor or lessee may, by any means,*  
14 *direct or indirect, express or implied, instruct or attempt*  
15 *to coerce the other to violate any law, regulation, or rule*  
16 *regarding the recovery of any collateral, including, but*  
17 *not limited to, the provisions of this chapter or Section*  
18 *9503 of the Commercial Code.*

19 SEC. 29. Section 7508.2 of the Business and  
20 Professions Code is amended to read:

21 7508.2. The director may assess administrative fines  
22 for any of the following prohibited acts:

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



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

7 (b) Using collateral or personal effects, which have  
8 been recovered, for the personal benefit of a licensee, or  
9 officer, partner, manager, *registrant*, or employee of a  
10 licensee. The fine shall be twenty-five dollars (\$25) for  
11 the first violation and one hundred dollars (\$100) for each  
12 violation thereafter. This subdivision does not apply to  
13 personal effects disposed of pursuant to subdivision (c) of  
14 Section 7507.9.

15 (c) Selling collateral recovered under the provisions of  
16 this chapter, except with written authorization from the  
17 legal owner or mortgagee thereof. The fine shall be one  
18 hundred dollars (\$100) for the first violation and five  
19 hundred dollars (\$500) for each violation thereafter, per  
20 audit.

21 (d) Failing to remit all money due clients within 10  
22 working days after finalization of the sale of collateral.  
23 The licensee shall deposit all money received in the form  
24 of cash or negotiable instruments made payable to the  
25 licensee for money due clients from the sale of collateral  
26 which has been repossessed in a trust account within five  
27 working days, and the money shall be withdrawn only for  
28 remittance to the client and for the payment of amounts  
29 due the licensee. The fine shall be two hundred fifty  
30 dollars (\$250) for the first violation and one thousand  
31 dollars (\$1,000) for each violation thereafter. For  
32 purposes of this subdivision, “finalization of sale” means  
33 the time when the documents of title or ownership which  
34 permit transfer of title from the legal owner to the  
35 purchaser are received by the repossession agency.

36 (e) Failing to remit moneys collected in lieu of  
37 repossession or redemption to a client within 10 working  
38 days after receipt of the moneys. The fine shall be two  
39 hundred fifty dollars (\$250) for the first violation and one  
40 thousand dollars (\$1,000) for each violation thereafter.



1 (f) Failing to deliver to a client any negotiable  
2 instrument received by the licensee made payable to the  
3 client within 10 working days of receipt of the negotiable  
4 instrument. No licensee, manager, *registrant*, or  
5 employee of a licensee shall accept a negotiable  
6 instrument made payable to a client unless they have  
7 authorization from the client to accept such a negotiable  
8 instrument. The fine shall be two hundred fifty dollars  
9 (\$250) for the first violation and one thousand dollars  
10 (\$1,000) for each violation thereafter.

11 (g) Unlawfully entering any private building or  
12 secured area without the consent of the owner, or of the  
13 person in legal possession thereof, at the time of  
14 repossession. The fine shall be five hundred dollars (\$500)  
15 for each violation.

16 (h) Committing unlawful assault or battery on another  
17 person. The fine shall be five hundred dollars (\$500) for  
18 each violation.

19 (i) Falsification or alteration of an inventory. The fine  
20 shall be twenty-five dollars (\$25) for each violation.

21 (j) Soliciting from the legal owner the recovery of  
22 specific collateral registered under the Vehicle Code or  
23 under the motor vehicle licensing laws of other states  
24 after the collateral has been seen or located on a public  
25 street or on public or private property without divulging  
26 the location of the vehicle. The fine shall be one hundred  
27 dollars (\$100) for the first violation and two hundred fifty  
28 dollars (\$250) for each violation thereafter.

29 ~~SEC. 18.—~~

30 *SEC. 30.* Section 7508.3 of the Business and  
31 Professions Code is amended to read:

32 7508.3. A licensee, or any of his or her ~~employees, or~~  
33 *registrants or employees, or a* qualified certificate holder,  
34 shall be prohibited from using any false or misleading  
35 representation during the course of recovery of collateral  
36 and may be issued a notice of warning for the first  
37 violation; assessed a twenty-five dollar (\$25) fine for the  
38 second violation; and assessed a one hundred dollar  
39 (\$100) fine for any subsequent violation of any of the  
40 following:



1 (a) The false representation or implication that the  
2 individual is vouched for, bonded by, or affiliated with the  
3 United States or with any state, county, city, or city and  
4 county, including the use of any badge, uniform, or  
5 facsimile thereof.

6 (b) The false representation or implication that any  
7 individual is an attorney or that any communication is  
8 from any attorney.

9 (c) The representation or implication by a  
10 repossession agency or its *registrants* or employees that  
11 nonpayment of any debt will result in the arrest or  
12 imprisonment of any person or the seizure, garnishment,  
13 attachment, or sale of any property or wages of any  
14 person, unless the action is lawful and the creditor has  
15 instructed the repossession agency to inform the  
16 consumer that the creditor intends to take the action.

17 (d) The threat to take any action that cannot legally be  
18 taken or that is not intended to be taken.

19 (e) The false representation or implication that the  
20 consumer committed any crime or other conduct in  
21 order to disgrace the consumer.

22 (f) The use or distribution of any written  
23 communication which simulates or is falsely represented  
24 to be a document authorized, issued, or approved by any  
25 court, official, or agency of the United States or any state,  
26 or which creates a false impression as to its source,  
27 authorization, or approval.

28 (g) The false representation or implication that  
29 documents are legal process.

30 (h) The use of any business, company, or organization  
31 name other than the true name of the repossession  
32 agency's business, company, or organization.

33 (i) The use of any deceptive forms.

34 ~~SEC. 19.—~~

35 *SEC. 31.* Section 7508.4 of the Business and  
36 Professions Code is amended to read:

37 7508.4. The director may assess administrative fines  
38 for any of the following prohibited acts:

39 (a) Conducting business from any location other than  
40 that location to which a license was issued or conducting



1 a business as an individual, partnership, or corporation  
2 unless the licensee holds a valid license issued to that  
3 exact same individual, partnership, or corporation. The  
4 fine shall be one thousand dollars (\$1,000) for each  
5 violation.

6 (b) Aiding or abetting an unlicensed reposessor or  
7 assigning his or her license. “Assigning his or her license”  
8 means that no licensee shall permit ~~an employee a~~  
9 *registrant, employee*, or agent in his or her own name to  
10 advertise, engage clients, furnish reports, or present bills  
11 to clients, or in any manner whatsoever to conduct  
12 business for which a license is required under this  
13 chapter. The fine shall be one thousand dollars (\$1,000)  
14 for each violation.

15 (c) Failing to register ~~employees~~ *registrants* within 15  
16 days. The fine shall be twenty-five dollars (\$25) for each  
17 of the first two violations and one hundred dollars (\$100)  
18 for each violation thereafter, per audit.

19 (d) Employing a ~~reposessor~~ *employee person* whose  
20 ~~registration has expired, been revoked, been denied,~~  
21 ~~been suspended, or been canceled, if the bureau has~~  
22 *registration has expired or been revoked, denied*  
23 *suspended, or canceled, if the bureau has* furnished a  
24 listing of these ~~employees~~ *persons* to the licensee. The  
25 fine shall be twenty-five dollars (\$25) for each violation.

26 (e) Failing to notify the bureau, within 30 days, of any  
27 change in officers. A notice of warning shall be issued for  
28 the first violation. Thereafter, the fine shall be  
29 twenty-five dollars (\$25) for each violation.

30 (f) Failing to present the debtor with an itemized  
31 receipt of payment, if payment is made in lieu of  
32 repossession. The fine shall be twenty-five dollars (\$25)  
33 for the first violation and one hundred dollars (\$100) for  
34 each violation thereafter.

35 (g) Failing to submit a notice regarding a violent act  
36 within seven days pursuant to Section 7507.6 or to submit  
37 a copy of a judgment awarded against the licensee for an  
38 amount of more than the then prevailing maximum claim  
39 that may be brought in small claims court within seven  
40 days pursuant to Section 7507.7. The fine shall be



1 twenty-five dollars (\$25) for the first violation and one  
2 hundred dollars (\$100) per violation thereafter.

3 (h) Failing to include the licensee's name, address,  
4 and license number in any advertisement. A notice of  
5 warning shall be issued for the first violation. Thereafter,  
6 the fine shall be twenty-five dollars (\$25) for each  
7 violation.

8 (i) Failing to maintain personal effects for at least 60  
9 days. The fine shall be twenty-five dollars (\$25) for the  
10 first violation and one hundred dollars (\$100) for each  
11 violation thereafter.

12 (j) Failing to provide a personal effects list or a notice  
13 of seizure within the time limits set forth in Section 7507.9  
14 or 7507.10. The fine shall be twenty-five dollars (\$25) for  
15 the first violation and one hundred dollars (\$100) for each  
16 violation thereafter.

17 (k) Failing to file the required report pursuant to  
18 Section 28 of the Vehicle Code. The fine shall be  
19 twenty-five dollars (\$25) for each of the first five  
20 violations and one hundred dollars (\$100) for each  
21 violation thereafter, per audit.

22 (l) Failing to maintain an accurate record and  
23 accounting of secure temporary registration forms. The  
24 qualified certificate holder shall be fined twenty-five  
25 dollars (\$25) for the first violation, one hundred dollars  
26 (\$100) for the second violation, two hundred fifty dollars  
27 (\$250) for the third violation, and two hundred fifty  
28 dollars (\$250) plus a one year suspension of the privilege  
29 to issue temporary registrations pursuant to Section  
30 7506.9 for the fourth and subsequent violations.

31 ~~SEC. 20.—~~

32 (m) *Representing that a licensee conducts business at*  
33 *a specific location when that is not the case. The fine shall*  
34 *be five thousand dollars (\$5,000) for each violation.*

35 *SEC. 32. Section 7508.5 of the Business and*  
36 *Professions Code is amended to read:*

37 7508.5. The director may assess administrative fines  
38 against a repossession agency ~~employee~~ *registrant* for the  
39 following acts, in addition to ~~those~~ *fin*es imposed pursuant  
40 to any other section in this article. The fine shall be



1 twenty-five dollars (\$25) for each of the following  
2 violations:

3 (a) Knowingly submit a false report to his or her  
4 employer.

5 (b) Submitting a report to a client without  
6 authorization by his or her employer.

7 (c) Failing to carry a bureau-issued identification card  
8 and failing to show that card upon demand to a bureau  
9 employee or a law enforcement officer.

10 (d) Failing to register.

11 (e) Failing to return his or her registration card to the  
12 employer upon termination.

13 (f) Failing to report a violent act involving the  
14 ~~employee registrant~~ to the licensee or the licensee's  
15 qualified certificate holder within 24 hours.

16 *SEC. 33. Section 7510.1 of the Business and*  
17 *Professions Code is amended to read:*

18 7510.1. ~~The~~ *In addition to any other remedies*  
19 *authorized by this chapter, the director may suspend or*  
20 *revoke a repossession agency license, a qualification*  
21 *certificate, or registration issued under this chapter if the*  
22 *director determines that the licensee or the licensee's*  
23 *manager, if an individual, or if the licensee is a person*  
24 *other than an individual, that any of its officers, partners,*  
25 *registrants, employees, or its manager, has:*

26 (a) Made any false statement or given any false  
27 information in connection with an application for a  
28 license or a renewal or reinstatement of a license.

29 (b) Violated any provisions of this chapter.

30 (c) Violated any rule of the director adopted pursuant  
31 to authority contained in this chapter.

32 (d) Been convicted of a felony or any crime  
33 substantially related to the repossession agency business  
34 including illegally using, carrying, or possessing a deadly  
35 weapon.

36 (e) Committed or permitted any *registrant or*  
37 *employee to commit any act while the license was*  
38 *expired which would be cause for the suspension or*  
39 *revocation of a license, or grounds for the denial of an*  
40 *application for a license.*



1 (f) Unlawfully committed assault, battery, or  
2 kidnapping, or used force or violence on any person.

3 (g) Knowingly violated, or advised, encouraged, or  
4 assisted the violation of any court order or injunction in  
5 the course of business as a licensee.

6 (h) Been convicted of a violation of Section 148 of the  
7 Penal Code, resisting or obstructing a public officer.

8 (i) Committed any act which is a ground for denial of  
9 an application for license under this chapter.

10 (j) Committed any act prohibited by Chapter 1.5  
11 (commencing with Section 630) of Title 15 of Part 1 of the  
12 Penal Code.

13 (k) Committed any act in the course of the licensee's  
14 business constituting dishonesty or fraud, including, but  
15 not limited to:

16 (1) Knowingly making a false statement relating to  
17 evidence or information obtained in the course of  
18 employment, or knowingly publishing a slander or a libel  
19 in the course of business.

20 (2) Using illegal means in the collection or attempted  
21 collection of a debt or obligation.

22 *(1) Represented that the licensee conducts business at*  
23 *a specific location when that is not the case.*

24 *SEC. 34. Section 7510.2 of the Business and*  
25 *Professions Code is amended to read:*

26 7510.2. (a) Any licensee, or any officer, partner,  
27 *registrant*, employee, or manager of a licensee, who is  
28 found by the director to have committed any acts  
29 prohibited by Section 7510.1, resulting in revocation of a  
30 license, shall dispose of any financial interest in any  
31 repossession agency required to be licensed by this act  
32 within 90 days of the effective date of the revocation, or  
33 at a later date, approved in writing by the director, not to  
34 exceed 180 days.

35 (b) No licensee, or any officer, partner, *registrant*,  
36 employee, or manager of a licensee, who is found by the  
37 director to have committed any acts prohibited by  
38 Section 7510.1, shall, during the period of suspension or  
39 revocation, acquire any financial interest in any  
40 repossession agency required to be licensed by this act.



1 (c) The requirements and prohibitions of this section  
2 shall also apply to any immediate family member of a  
3 licensee, or officer, partner, *registrant*, employee, or  
4 manager of a licensee, if the family member actively  
5 participated in the management or operation of the  
6 repossession agency whose license was revoked.

7 (d) Any immediate family member of a licensee, or  
8 officer, partner, *registrant*, employee, or manager of a  
9 licensee, not subject to subdivision (c), shall dispose of all  
10 financial interest in the repossession agency of the  
11 licensee whose license was revoked, within the time  
12 period required in subdivision (a).

13 (e) Any financial interest transferred for the purpose  
14 of avoiding the prohibitions of this section shall be  
15 deemed a financial interest of the transferor.

16 (f) As used in this section, “financial interest” includes,  
17 but is not limited to, any type of ownership interest, debt,  
18 loan, lease, compensation, remuneration, discount,  
19 rebate, refund, dividend, distribution, subsidy, or other  
20 form of direct or indirect payment, whether in money or  
21 otherwise.

22 (g) As used in this section, “immediate family”  
23 includes one’s spouse, children, parents, siblings, and  
24 spouses of one’s children or siblings.

25 *SEC. 35.* Section 7511 of the Business and Professions  
26 Code, as amended by Section 2 of Chapter 1285 of the  
27 Statutes of 1994, is amended to read:

28 7511. Effective January 1, 1995, the bureau shall  
29 establish and assess fees and penalties for licensure and  
30 registration as displayed in this section. The fees  
31 prescribed by this chapter are as follows:

32 (a) The application fee for an original repossession  
33 agency license is eight hundred twenty-five dollars  
34 (\$825).

35 (b) The application fee for an original qualification  
36 certificate is three hundred twenty-five dollars (\$325).

37 (c) The renewal fee for a repossession agency license  
38 is four hundred seventy-five dollars (\$475) annually.



1 (d) The renewal fee for a license as a qualified  
2 certificate holder is two hundred twenty-five dollars  
3 (\$225) annually.

4 (e) Notwithstanding Section 163.5, the reinstatement  
5 fee for a repossession agency license required pursuant to  
6 Sections 7503.11 and 7505.3 is the amount equal to the  
7 renewal fee plus a penalty of 50 percent thereof.

8 (f) Notwithstanding Section 163.5, the reinstatement  
9 fee for a license as a qualified certificate holder required  
10 pursuant to Sections 7504.7 and 7503.11 is the amount  
11 equal to the renewal fee plus a penalty of 50 percent  
12 thereof.

13 (g) A fee for reexamination of an applicant for a  
14 qualified manager is thirty dollars (\$30).

15 (h) An initial ~~reposessor~~—~~employee~~ *registrant*  
16 registration fee is seventy-five dollars (\$75), a ~~reposessor~~  
17 ~~employee~~ *registrant* reregistration fee is thirty dollars  
18 (\$30), and a reposessor employee annual renewal fee is  
19 thirty dollars (\$30) per registration. Notwithstanding  
20 Section 163.5 and this subdivision, the reregistration fee  
21 for a ~~reposessor~~—~~employee~~ *registrant* whose registration  
22 expired more than one year prior to the filing of the  
23 application for reregistration shall be seventy-five dollars  
24 (\$75).

25 (i) The delinquency fee is 50 percent of the renewal  
26 fee in effect on the date of expiration, but not less than  
27 twenty-five dollars (\$25).

28 (j) The fingerprint processing fee is that amount  
29 charged the bureau by the Department of Justice.

30 (k) The director shall furnish one copy of any issue or  
31 edition of the licensing law and rules and regulations to  
32 any applicant or licensee without charge. The director  
33 shall charge and collect a fee of ten dollars (\$10) plus sales  
34 tax for each additional copy which may be furnished on  
35 request to any applicant or licensee, and for each copy  
36 furnished on request to any other person.

37 (l) The processing fee for the assignment of a  
38 repossession agency license pursuant to Section 7503.9 is  
39 twenty-five dollars (\$25).



1 All fees, except any sales tax, received pursuant to this  
2 chapter shall be deposited in the Private Security  
3 Services Fund.

4 This section shall become operative January 1, 1995,  
5 and shall remain in effect only until January 1, 1998, and  
6 as of that date is repealed, unless a later enacted statute,  
7 which is enacted before January 1, 1998, deletes or  
8 extends that date.

9 ~~SEC. 21.~~

10 *SEC. 36.* Section 7511 of the Business and Professions  
11 Code, as amended by Section 3 of Chapter 1285 of the  
12 Statutes of 1994, is amended to read:

13 7511. The fees prescribed by this chapter are as  
14 follows:

15 (a) The application fee for an original repossession  
16 agency license is seven hundred fifty dollars (\$750).

17 (b) The application fee for an original qualification  
18 certificate is two hundred fifty dollars (\$250).

19 (c) The renewal fee for a repossession agency license  
20 is four hundred fifty dollars (\$450) annually.

21 (d) The renewal fee for a license as a qualified  
22 certificate holder is two hundred dollars (\$200) annually.

23 (e) Notwithstanding Section 163.5, the reinstatement  
24 fee for a repossession agency license required pursuant to  
25 Sections 7503.11 and 7505.3 is the amount equal to the  
26 renewal fee plus a penalty of 50 percent.

27 (f) Notwithstanding Section 163.5, the reinstatement  
28 fee for a license as a qualified certificate holder required  
29 pursuant to Sections 7504.7 and 7503.11 is the amount  
30 equal to the renewal fee plus a penalty of 50 percent.

31 (g) The fee for reexamination of an applicant or the  
32 applicant's qualified certificate holder is ten dollars (\$10).

33 (h) An initial ~~repossessor~~—~~employee~~ *registrant*  
34 registration fee is fifty-five dollars (\$55), a ~~repossessor~~  
35 ~~employee~~ *registrant* reregistration fee is thirty dollars  
36 (\$30), and a ~~repossessor~~—~~employee~~ *registrant* annual  
37 renewal fee is thirty dollars (\$30) per registration.  
38 Notwithstanding Section 163.5 and this subdivision, the  
39 reregistration fee for a ~~repossessor~~ employee whose  
40 registration expired more than one year prior to the filing



1 of the application for reregistration shall be fifty-five  
2 dollars (\$55).

3 (i) The fingerprint processing fee is that amount  
4 charged the bureau by the Department of Justice.

5 (j) The director shall furnish one copy of any issue or  
6 edition of the licensing law and rules and regulations to  
7 any applicant or licensee without charge. The director  
8 shall charge and collect a fee of three dollars (\$3) plus  
9 sales tax for each additional copy which may be furnished  
10 on request to any applicant or licensee, and for each copy  
11 furnished on request to any other person.

12 (k) The processing fee for the assignment of a  
13 repossession agency license pursuant to Section 7503.9 is  
14 twenty-five dollars (\$25).

15 All fees, except any sales tax, received pursuant to this  
16 chapter shall be deposited in the Private Security  
17 Services Fund.

18 This section shall become operative January 1, 1998.

19 ~~SEC. 22.—~~

20 *SEC. 37.* Section 28 of the Vehicle Code is amended  
21 to read:

22 28. (a) Whenever possession is taken of any vehicle  
23 by or on behalf of any legal owner thereof under the  
24 terms of a security agreement or lease agreement, the  
25 person taking possession shall immediately notify by the  
26 most expeditious means available the city police  
27 department where the taking of possession occurred, if  
28 within an incorporated city, or the sheriff's department  
29 of the county where the taking of possession occurred, if  
30 outside an incorporated city, and shall within one  
31 business day forward a written notice to the city police or  
32 sheriff's department.

33 (b) Any person failing to notify the city police  
34 department or sheriff's department as required by this  
35 section is guilty of an infraction, and shall be fined a  
36 minimum of three hundred dollars (\$300), and up to five  
37 hundred dollars (\$500). The district attorney, city  
38 attorney, or city prosecutor shall promptly notify the



1 Bureau of Security and Investigative Services of any  
2 conviction resulting from a violation of this section.

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