ASSEMBLY BILL   No. 545

Introduced by Assembly Member Salas

February 25, 2009

An act to add Section 23024.5 to the Financial Code, relating to deferred deposit transactions.

LEGISLATIVE COUNSEL'S DIGEST

AB 545, as introduced, Salas. Deferred deposit transactions.

Existing law, the California Deferred Deposit Transaction Law, provides for the licensure and regulation by the Commissioner of Corporations of persons engaged in the business of making or negotiating deferred deposit transactions, as defined. A willful violation of the California Deferred Deposit Transaction Law is a crime.

This bill would authorize the commissioner, by contract with a vendor or service provider or otherwise, to develop and implement a system that enables a licensee to receive specified information regarding a consumer's history with deferred deposit transactions. The bill would authorize the commissioner to adopt rules to establish the system and for the retention, archiving, and deletion of the information entered into, or stored by, the system. The bill would authorize the operator of the system to charge licensees a fee, as specified. The bill would also impose various requirements on licensees relative to information that would be required to be reported to the system, if it is developed and implemented. Because a violation of these requirements by a licensee would be a crime under the California Deferred Deposit Transaction Law, 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 23024.5 is added to the Financial Code,
2 to read:
3   23024.5. (a) The commissioner may, by contract with a vendor
4 or service provider or otherwise, develop and implement a system
5 that enables a licensee to receive the following information
6 regarding a consumer seeking the licensee's services:
7   (1) Whether the consumer has any existing obligations pursuant
8 to any deferred deposit transactions entered into under this division.
9   (2) Whether a consumer has entered into any extensions or
10 repayment plans for any deferred deposit transactions entered into
11 under this division.
12   (3) Whether a consumer has failed to meet its obligations under
13 a deferred deposit transaction, extension, or repayment plan.
14   (4) The dates on which the consumer entered into any deferred
15 deposit transaction, extension, or repayment plan described in
16 paragraphs (1) and (2).
17   (b) The commissioner may adopt rules specifying the form and
18 content of the system described in this section. The system shall,
19 at a minimum, do the following:
20   (1) Make the information entered into, or stored by, the system
21 accessible to, and useable by, licensees and the commissioner from
22 any location in the state.
23   (2) Secure information in the system against public disclosure,
24 tampering, theft, or unauthorized acquisition or use.
25   (c) A vendor or service provider that operates or administers
26 the system described in this section may charge licensees a fee for
27 access to, or use of, the system in amounts approved by the
28 commissioner.
29   (d) (1) If the system described in this section is developed and
30 implemented, a licensee shall enter or update the information

1 specified under subdivision (a) within one business day after
2 conducting a deferred deposit transaction, extension, or repayment
3 plan.
4 (2) If a licensee ceases to make deferred deposit transactions,
5 the licensee shall continue to enter and update the information
6 specified under subdivision (a) for those deferred deposit
7 transactions that are outstanding or have not yet expired.
8 (3) Within 10 business days after ceasing to make deferred
9 deposit transactions, a licensee shall submit an approval plan to
10 the commissioner for continued compliance with this subdivision.
11 The commissioner may require a licensee to modify that plan in
12 order to ensure compliance with this subdivision.
13 (e) The commissioner shall adopt rules establishing requirements
14 for the retention, archiving, and deletion of the information entered
15 into, or stored by, the system described in this section.
16 SEC. 2. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 the only costs that may be incurred by a local agency or school
19 district will be incurred because this act creates a new crime or
20 infraction, eliminates a crime or infraction, or changes the penalty
21 for a crime or infraction, within the meaning of Section 17556 of
22 the Government Code, or changes the definition of a crime within
23 the meaning of Section 6 of Article XIII B of the California
24 Constitution.

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