

Date of Hearing: June 2, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Lorena Gonzalez, Chair  
AB 1969 (Blanca Rubio) – As Introduced January 21, 2020

Policy Committee: Business and Professions

Vote: 16 - 1

Urgency: Yes

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill, an urgency measure, exempts a seller or pledger of secondhand goods who verifies their identity using a Matricula Consular from being included in the data reported to law enforcement. Specifically, this bill:

- 1) Prohibits the personal identifying information of an intended seller or pledger who verifies their identity with a Matricula Consular from being included in the data reported by a dealer to the California Pawn and Secondhand Dealer System (CAPSS), operated by the Department of Justice (DOJ).
- 2) Requires, instead, each secondhand dealer to record and maintain the name, current address, and the Matricula Consular number of the seller or pledger for three years from the date the item was reported to CAPSS.
- 3) Requires the dealer to provide the seller or pledger's identity to law enforcement in the event that the item has been reported lost, stolen or embezzled.
- 4) States that for sellers and pledgers whose identity has been exempted from reporting to CAPSS, the database entry for the sold or pawned item shall read that the identity is "on file" and available directly from the dealer.

**FISCAL EFFECT:**

One-time costs of approximately \$700,000 (GF) in fiscal year 2020-21 and approximately \$170,000 (GF) in FY 2021-22 to the Department of Justice (DOJ) to perform database upgrades and modifications.

**COMMENTS:**

- 1) **Purpose.** This bill seeks to protect immigrants from the threat of deportation by ensuring personal information required for purchases using a Matricula Consular through the California Pawn and Secondhand-Dealer System (CAPSS) is safely retained, but prevented from being passed to outside agencies.
- 2) **Background.** Existing law requires secondhand dealers to report new acquisitions of property to local law enforcement so these items might be matched with stolen goods. Legislation in 2012 funded a new statewide electronic reporting system known as CAPSS,

operated by the DOJ and paid for through increased licensing fees obtained from secondhand dealers. Currently, nearly all secondhand dealers report electronically through CAPSS, making it significantly easier for law enforcement to identify stolen property through an inter-jurisdictional electronic database.

As part of their report to CAPSS, secondhand dealers are required to provide the name and address of the seller or pledger of the property. The dealer is required to verify the identity of the seller or pledger through a passport, driver's license, state or a federal identification card, or Matricula Consular.

Because CAPSS is made widely available to law enforcement agencies, it is possible employees of the federal agency Immigration and Customs Enforcement (ICE) would be authorized obtain reports from the system. According to the author, there is some anecdotal evidence that ICE agents have used CAPSS reports to identify potential subjects of interest in immigration enforcement activities, since many members of undocumented communities rely on a Matricula Consular to prove their identities.

Senate Bill 54 (De León), Chapter 495, Statutes of 2017, limited the involvement of state and local law enforcement agencies in federal immigration enforcement, and presumably already prohibits this information from being shared with federal immigration agencies.

Nevertheless, the author of AB 1969 argues that sellers and pledgers of secondhand property who verify their identity using a Matricula Consular should have their personally identifying information removed from CAPSS to eliminate the risk of the database being used for immigration enforcement investigations.

This bill would allow the personally identifying information to be available to California law enforcement agencies upon request, but would prevent identities from being directly obtained from CAPSS.

- 3) **Prior Legislation.** AB 391 (Pan), Chapter 172, Statutes of 2012, requires secondhand dealers and coin dealers to report certain information to the DOJ through CAPSS and instituted a new \$30 license fee.