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THIRD READING

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Bill No: AB 2759  
Author: Obernolte (R)  
Amended: 8/6/20 in Senate  
Vote: 21

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SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 9-0, 8/8/20  
AYES: Glazer, Chang, Archuleta, Dodd, Galgiani, Hill, Leyva, Pan, Wilk

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 76-0, 6/8/20 (Consent) - See last page for vote

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**SUBJECT:** Collateral recovery

**SOURCE:** California Association of Licensed Repossessors

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**DIGEST:** This bill increases the time that an expired repossession agency license may be renewed from three years to ten years and also allows a family member of a qualified manager who has died to reinstate and retain the repossession agency license number by paying the renewal fee and meeting requirements for licensure.

**ANALYSIS:**

Existing law:

- 1) Establishes the Bureau of Security and Investigative Services (BSIS) within the Department of Consumer Affairs (DCA) to license and regulate repossessioners under the Collateral Recovery Act. (Business and Professions Code (BPC) §§ 7500 – 7511)
- 2) Defines “collateral” as any specific vehicle, trailer, boat, recreational vehicle, motor home, appliance, or other property that is subject to a security agreement. (BPC § 7500.1(e))

- 3) Defines “licensee” as an individual, partnership, limited liability company, or corporation licensed under this chapter as a repossession agency. (BPC § 7500.1(o))
- 4) Defines “repossession” as the locating or recovering of collateral by means of an assignment. (BPC § 7500.1)
- 5) Requires, a licensed repossessioner to remove and inventory personal effects from the collateral after repossession. The inventory of the personal effects must be complete and accurate, and the personal effects must be labeled and stored by the licensee for a minimum of 60 days in a secure manner, except those personal effects removed by or in the presence of the debtor or the party in possession of the collateral at the time of the repossession. (BPC § 7507.9)

This bill:

- 1) Increases the time in which an expired repossession agency license may be renewed from three years to ten years.
- 2) Allows a family member of a qualified manager who has died to reinstate and retain the repossession agency license number by paying the renewal fee and meeting specified requirements.

## **Background**

The Collateral Recovery Act (Act) provides for the licensing and regulation of repossessioners. Among other things, the Act specifies standards for education, experience, and repossession procedures. However, the sponsor notes that the Act is out of date in some instances. Therefore, this bill aims to clarify and update the Act.

Current law licenses and regulates repossession agencies under BSIS within the DCA. The Act defines key terms relating to the repossession industry, and contains a number of definitions that are outdated; do not reflect current practices, or which need clarification. The law requires that a repossessioner license that has been expired for three years cannot be renewed, and that a new license must be obtained in order to practice in the industry. The law also does not contain a clear provision to ensure the ongoing continuity of repossession agencies by family members when the qualified manager has died.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

**SUPPORT:** (Verified 8/17/20)

California Association of Licensed Repossessors (source)

**OPPOSITION:** (Verified 8/17/20)

None received

**ARGUMENTS IN SUPPORT:** The California Association of Licensed Repossessors says this bill “makes it easier for those who used to be in the profession to renew their license and for family members of a licensee who has died to continue the business of the repossession agency.”

**ASSEMBLY FLOOR:** 76-0, 6/8/20

**AYES:** Aguiar-Curry, Arambula, Bauer-Kahan, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Brough, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Chu, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Diep, Eggman, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager, Kiley, Lackey, Levine, Limón, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Nazarian, Obernolte, O'Donnell, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Voepel, Waldron, Weber, Wicks, Wood, Rendon

**NO VOTE RECORDED:** Low, Muratsuchi, Quirk

Prepared by: Sarah Mason / B., P. & E.D. /  
8/23/20 8:03:16

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