

Date of Hearing: March 30, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
AB 1700 (Maienschein) – As Introduced January 25, 2022

Policy Committee: Public Safety

Vote: 7 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires, by January 1, 2023, the Department of Justice (DOJ) establish on its website a reporting location for a person to report stolen items located in online marketplaces and notify law enforcement of possible stolen goods. This bill also requires, beginning January 1, 2023, any online marketplace provide a link to the DOJ's online reporting location.

FISCAL EFFECT:

Costs (General Fund (GF)) to the DOJ of \$451,000 in fiscal year (FY) 2022-23 and 584,000 annually thereafter in increased staff and information technology infrastructure. DOJ notes costs may be as low as \$34,000 annually and as high as \$584,000 annually depending how the bill is implemented. Costs will depend on whether the DOJ is required to simply create an online platform accessible to the public and provide the information collected to the applicable law enforcement agency without DOJ conducting any vetting or review of the information. If DOJ is required to vet and review the information prior to forwarding it to law enforcement, costs may be as high as \$584,000 annually for additional staff and infrastructure.

COMMENTS:

1) **Purpose.** According to the author:

Enabling users of these platforms to easily report items they suspect of being stole will aid law enforcement in combatting package and retail theft and provide a disincentive for thieves to sell stolen goods on these platforms.

2) **Organized Theft Funding.** Under current law, CHP must coordinate with the DOJ to organize regional property crimes taskforces to help local law enforcement combat property crime. As part of its Organized Retail Theft Program, CHP developed an online reporting system for victims of organized retail theft. The Governor's 2022-23 Proposed Budget proposes a total of \$356 million General Fund over three years, including \$132 million in 2022-23, for numerous proposals that bolster local law enforcement efforts to crack down on organized retail theft and other crimes, and support affected small businesses.

3) **Argument in Support.** According to the Prosecutors Alliance of California:

Through online accounts with little associated personal information that is rarely verified, stolen goods can be sold to unsuspecting consumers. It is estimated that more than \$500 billion in stolen items are sold through online marketplaces worldwide, annually. AB 1700 will help address this problem by providing an accessible platform for the public to report suspected stolen goods that are offered for sale through an online marketplace.

4) **Argument in Opposition.** According to TechNet:

AB 1700 is duplicative as most online marketplaces already provide robust reporting mechanisms for fraud and suspected stolen goods. Our marketplace companies also partner with the Attorney General and local law enforcement agencies to report crimes and suspicious activity on their platforms. By compiling reports from their own reporting mechanisms, companies can efficiently take action, compile pertinent information, and refer it to the proper law enforcement authorities.

5) **Prior Legislation.**

- a) AB 331 (Jones-Sawyer), Chapter 113, Statutes of 2021, extended until January 1, 2026 the sunset provision for the requirement that CHP, in coordination with DOJ, convene a regional property crimes task force to assist local law enforcement in counties identified as having elevated property crime.
- b) AB 1065 (Jones-Sawyer), Chapter 803, Statutes of 2018, established the crime of organized retail theft and required CHP to convene a regional property crime taskforce to assist local law enforcement in counties with elevated rates of property crime.

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