

ASSEMBLY THIRD READING
AB 1700 (Maienschein)
As Introduced January 25, 2022
Majority vote

SUMMARY

Requires the Attorney General's website to contain a feature for the reporting of suspected stolen goods for sale on online marketplaces.

Major Provisions

- 1) Requires the Attorney General to establish an online marketplace suspected stolen goods reporting location on its website so people can report items found online that they suspect have been stolen.
- 2) Defines "online marketplace" as a platform accessible via internet or application that hosts one or more third-party sellers and through which third-party sellers can buy or sell consumer products in California.
- 3) Defines "third-party seller" as an individual or business entity who sells, offers to sell, or contracts to sell a product in California through an online marketplace.
- 4) Requires the Attorney General to report items reported on the website to local law enforcement agencies and regional property crimes task forces.
- 5) Requires online marketplaces to display a link to the Attorney General's online reporting system on their platforms.
- 6) Requires the link to be clearly, conspicuously, and reasonably designed to be seen by all users of the platform.

COMMENTS

Existing Policies for Reporting Suspected Stolen Goods on Online Marketplaces: This bill proposes to aid law enforcement and regional property crime taskforce efforts to investigate property crimes where stolen goods end up on online marketplaces. Many online marketplaces already instruct users to report suspected stolen goods to law enforcement. Facebook Marketplace, for example, recommends both reporting suspected stolen goods to Facebook and to "[c]ontact your local law enforcement to file a police report." Facebook, Help Center, What should I do if I see a stolen item on Facebook Marketplace?

However, such instructions can be difficult to find, and they often do not provide links directing users to reporting systems.

This bill seeks to make reporting stolen goods easier for users by requiring online marketplaces to clearly and conspicuously display on their platforms a link to the Attorney General's reporting system.

According to the Author

"Package and retail theft is on the rise. We must be creative in our solutions to combat this problem. Thieves are seizing the opportunity to resell stolen goods on loosely regulated online marketplaces. 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."

Arguments in Support

According to *Prosecutors Alliance of California*, "As prosecutors, we believe it is imperative to address the drivers of organized retail theft, including the ease with which stolen goods may be anonymously sold through online marketplaces. 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. This information will facilitate effective law enforcement investigation of stolen goods."

Arguments in Opposition

According to *TechNet*, "Organized retail crime is a serious issue and one that our companies are working diligently alongside law enforcement and other stakeholders to address. Companies use sophisticated software and tools to detect illicit or suspicious goods before most users can offer a good for sale and report it directly to law enforcement partners. We also have been involved in national conversations to tackle this problem and in December our companies engaged with the Attorney General, retailers, and law enforcement to develop a unified strategy to combat organized retail crime.

"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. AB 1700 would require online marketplaces to post a link to a separate reporting mechanism that would undercut those efforts by redirecting user reports and possibly duplicating that information, without any guarantee the appropriate follow-up for the report will be conducted."

FISCAL COMMENTS

According to the Assembly Appropriations Committee, 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.

VOTES

ASM PUBLIC SAFETY: 7-0-0

YES: Jones-Sawyer, Lackey, Mia Bonta, Bryan, Stone, Santiago, Seyarto

ASM APPROPRIATIONS: 15-0-1

YES: Holden, Bigelow, Bryan, Calderon, Carrillo, Davies, Mike Fong, Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

ABS, ABST OR NV: Megan Dahle

UPDATED

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