
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 1700 (Maienschein) - Theft: online marketplaces: reporting

Version: June 23, 2022

Urgency: No

Hearing Date: August 1, 2022

Policy Vote: PUB. S. 4 - 0

Mandate: No

Consultant: Matthew Fleming

Bill Summary: Requires the Department of Justice (DOJ) to 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 and requires any online marketplace provide a link to the DOJ's online reporting location.

Fiscal Impact: The DOJ reports costs of up to \$451,000 in fiscal year (FY) 2022-23 and \$584,000 annually thereafter in increased staff and information technology infrastructure (General Fund).

Background: Many online marketplaces already instruct users to report suspected stolen goods to both the platform itself and law enforcement. Facebook Marketplace, for example, recommends both reporting suspected stolen goods to Facebook and to local police. This bill seeks to make reporting suspected 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. Information received through the reporting system would be provided to local law enforcement agencies and the regional property crimes task force.

The Regional Property Crimes Task Force was enacted by AB 1065 (Jones-Sawyer), Chapter 803, Statutes of 2018. That bill required CHP, until January 1, 2021, to coordinate with DOJ) to convene a regional property crimes task force to identify geographic areas experiencing increased levels of property crimes and assist local law enforcement with resources, such as personnel and equipment. In response to AB 1065, the CHP, in consultation with the DOJ, developed a task force concept to work with allied agencies to combat organized retail theft. Three regional task forces, known as Organized Retail Crime Task Forces (ORCTF), were established by the CHP in three field Divisions with the greatest need for immediate action: Golden Gate Division (encompassing the greater Bay Area), Southern Division (encompassing the greater Los Angeles region), and Border Division (encompassing Orange and San Diego counties). AB 331 (Jones-Sawyer), Chapter 113, Statutes of 2021, extended the operation of the regional property crimes task force until January 1, 2026.

The 2022-23 Budget expands the California Highway Patrol's retail theft task force and also includes funding for the Attorney General to prosecute organized retail theft crimes, lead anti-crime task forces throughout the state.

Proposed Law:

- Requires the Attorney General to establish an online marketplace suspected stolen goods reporting location on their website so people can report items found online that they suspect have been stolen.
- Requires, by January 1, 2023, the Attorney General to establish an online marketplace suspected stolen goods reporting location on its internet website for individuals to report items found on online marketplaces that they suspect are stolen goods.
- Requires the Attorney General to provide information reported about suspected stolen goods to the applicable local law enforcement agencies and regional property crimes task force.
- Requires, beginning February 1, 2023, an online marketplace to display on its electronically based or accessed platform a link to the online marketplace suspected stolen goods reporting location on the Attorney General's internet website.
- Provides that the display shall be clearly, conspicuously, and reasonably designed to be seen by all users of the platform.
- Defines terms for purposes of the bill's provisions.

Related Legislation:

- AB 1613 (2022, Irwin) would expand the territorial jurisdiction in which the Attorney General can prosecute certain theft offenses and conduct related to those offenses.
- AB 1065 (Jones-Sawyer), Chapter 803, Statutes of 2018, created the crime of organized retail theft, established a property crimes task force, and expanded jurisdictional provisions for theft offenses.
- AB 331 (Jones-Sawyer) Chapter 113, Statutes of 2021, re-established the crime of organized retail theft until to January 1, 2026 but did not include the expanded jurisdictional provisions.

Staff Comments: 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.

The Governor's Proposed Public Safety Package in the Budget includes \$6 million annually to DOJ in 2022-23 through 2024-25 to combat organized retail theft and prosecute retail theft cases that span multiple jurisdictions. A similar \$6 million allocation is proposed for the California Highway Patrol \$6 million annually through 2024-25, increasing to \$10.5 million in 2025-26 and \$15 million in 2026-27 and ongoing. These resources are intended for CHP to make the three existing Organized Retail Theft Task Forces (ORCTF) in the greater Bay Area, greater Los Angeles area, and

San Diego/Orange counties, permanent, and to establish two new permanent ORCTFs in the Fresno and Sacramento areas.

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