
THIRD READING

Bill No: AB 1700
Author: Maienschein (D)
Amended: 6/23/22 in Senate
Vote: 21

SENATE PUBLIC SAFETY COMMITTEE: 4-0, 6/21/22
AYES: Bradford, Kamlager, Skinner, Wiener
NO VOTE RECORDED: Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: 6-0, 8/11/22
AYES: Portantino, Bradford, Jones, Laird, McGuire, Wieckowski
NO VOTE RECORDED: Bates

ASSEMBLY FLOOR: 75-0, 5/26/22 - See last page for vote

SUBJECT: Theft: online marketplaces: reporting

SOURCE: Author

DIGEST: This bill requires the Attorney General's website to contain a feature for the reporting of suspected stolen goods for sale on online marketplaces.

ANALYSIS:

Existing law:

- 1) Requires, until January 1, 2026, the Department of the California Highway Patrol (CHP) to coordinate with the Department of Justice (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. (Pen. Code, § 13899.)
- 2) States that the task force, until January 1, 2026, shall provide local law enforcement in the identified region with logistical support and other law enforcement resources, including, but not limited to, personnel and equipment,

as determined to be appropriate by the Commissioner of CHP in consultation with task force members. (Pen. Code, § 13899.)

- 3) Creates, until January 1, 2026, the crime of organized retail theft which is defined as:
 - a) Acting in concert with one or more persons to steal merchandise from one or more merchant's premises or online marketplace with the intent to sell, exchange, or return the merchandise for value;
 - b) Acting in concert with two or more persons to receive, purchase, or possess merchandise knowing or believing it to have been stolen;
 - c) Acting as the agent of another individual or group of individuals to steal merchandise from one or more merchant's premises or online marketplaces as part of a plan to commit theft; or,
 - d) Recruiting, coordinating, organizing, supervising, directing, managing, or financing another to undertake acts of theft. (Pen. Code, § 490.4, subd. (a).)
- 4) Requires a marketplace, as defined, to ensure that its terms and conditions regarding commercial relationships with marketplace sellers meet certain criteria, including that they are drafted in plain and intelligible language. (Civ. Code, § 1749.7.)

This bill:

- 1) 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.
- 2) Defines "online marketplace" as any electronically based or accessed platform that may be accessed on an internet website or through an application, and that does both of the following:
 - a) Includes features that allow for, facilitate, or enable third-party sellers to engage in the sale, purchase, payment, storage, shipping, or delivery of a consumer product in the state; and,
 - b) Hosts one or more third-party sellers.
- 3) Defines "third-party seller" to mean any individual or business entity, independent of an operator, facilitator, or owner of an online marketplace, who

sells, offers to sell, or contracts to sell a product in the state through an online marketplace.

- 4) Defines “regional property crimes task force” to mean the CHP regional property crimes task force which was established to identify geographic areas experiencing increased levels of property crimes and assist local law enforcement with resources.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) States that the display shall be clearly, conspicuously, and reasonably designed to be seen by all users of the platform.

Comments

According to the author of this bill:

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 stolen will aid law enforcement in combatting package and retail theft and provide a disincentive for thieves to sell stolen goods on these platforms.

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

According to the Senate Appropriations Committee, 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).

SUPPORT: (Verified 8/11/22)

Los Angeles County District Attorney's Office
Prosecutors Alliance of California
UPS

OPPOSITION: (Verified 8/11/22)

Chamber of Progress
TechNet

ARGUMENTS IN SUPPORT: According to the 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:

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.

ASSEMBLY FLOOR: 75-0, 5/26/22

AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Bigelow, Bloom, Boerner Horvath, Mia Bonta, Bryan, Calderon, Carrillo, Cervantes, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Mike Fong, Fong, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wilson, Wood, Rendon

NO VOTE RECORDED: Berman, Chen, O'Donnell

Prepared by: Stella Choe / PUB. S. /
8/13/22 10:41:04

**** END ****