
THIRD READING

Bill No: AB 2280
Author: Johnson (R)
Amended: 7/2/26 in Senate
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 6/30/26

AYES: Umberg, Niello, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern,
Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 67-0, 4/27/26 (Consent) - See last page for vote

SUBJECT: Vehicle liens

SOURCE: California Association of Licensed Repossessors

DIGEST: This bill 1) specifies that a repossession agency licensed under the Collateral Recovery Act is not prohibited from filing a lien on a motor vehicle if a lien is not in place; and 2) provides that, if a lien is currently in place and the lienholder does not affirmatively waive the right to the lien in writing or does not respond to a request for waiver within 30 days of notice being mailed to the lienholder, a repossession agency may file the lien on their own behalf.

ANALYSIS:

Existing law:

- 1) Establishes the Collateral Recovery Act (Act) to provide for the regulation of repossession agencies and repossessioners by the for Bureau of Security and Investigative Services (Bureau) within the Department of Consumer Affairs. (Business and Professions Code §§ 7500 et seq.)
- 2) Establishes procedures for filing vehicle liens, including the circumstances under which a lien may be filed, who may file a lien, what notice is required, and that a lienholder is required to apply to the Department of Motor Vehicles

(DMV) for authorization to conduct a lien sale. (Civil (Civ.) Code §§ 3067 et seq.)

- 3) Provides that every person has a lien dependent upon possession for the compensation to which the person is legally entitled for making repairs or performing labor upon, and furnishing supplies or materials for, and for the storage, repair, or safekeeping of, and for the rental of parking space for, any vehicle of a type subject to registration under the Vehicle Code, subject to specified limitations. (Civ. Code § 3068.)
- 4) Provides that every person has a lien dependent upon possession for the compensation to which the person is legally entitled for towing, storage, or labor associated with recovery or load salvage of any vehicle subject to registration that has been authorized to be removed by a public agency, a private property owner pursuant to Section 22658 of the Vehicle Code, or a lessee, operator, or registered owner of the vehicle. The lien is deemed to arise on the date of possession of the vehicle. (Civ. Code § 3068.1.)
- 5) Requires a lienholder to apply to the DMV for the issuance of an authorization to conduct a lien sale for any vehicle with a value determined to be over \$4,000, and requires notice to be made that allows for a declaration of opposition to the sale, as provided. The application is to be executed under penalty of perjury. (Civ. Code § 3071.)

This bill:

- 1) Specifies that a repossession agency licensed under the Act is not prohibited from filing a lien on a motor vehicle if a lien is not in place.
- 2) Provides that, if a lien is currently in place and the lienholder does not affirmatively waive the right to the lien in writing or does not respond to a request for waiver within 30 days of notice being mailed to the lienholder, a repossession agency may file the lien on its own behalf.

Comments

A repossession agency contracts with a legal owner, such as a credit grantor of personal property, to locate and recover property sold under a security agreement, such as a car loan. The most common property recovered is a motor vehicle. Under existing law, a repossession agency may not release a vehicle it has repossessed unless expressly authorized to do so by the legal owner. According to the sponsor of the bill, often after determining that a repossessed vehicle is not worth sending to auction, the legal owner abandons the vehicle on the repossession agency's lot.

This leaves repossession agencies burdened with the indefinite storage of unclaimed vehicles if they cannot obtain a lien on the vehicle and sell them. This bill seeks to specify that repossession agencies are allowed to file a lien on a motor vehicle.

The Civil Code establishes a detailed process for filing liens on vehicles, including getting permission from the DMV to conduct a lien sale of the vehicle. The sponsor states that prior to 2024, repossession agencies were able to get approval from the DMV to place a lien on these abandoned vehicles and eventually sell them. However, the sponsor states that the DMV has told repossession agencies that they are not permitted to file such liens and has not explained why the policy has changed, even though the underlying vehicle lien statutes have not. This bill seeks to clarify that the repossession agency can file a lien under the Civil Code. The bill provides that if there is a lien currently in place and the lienholder does not either affirmatively waive the right to the lien in writing, or respond to a request for waiver within 30 days of notice being mailed to the lienholder, a repossession agency may file the lien on their own behalf. The bill specifies that all other provisions related to placing a lien on a motor vehicle, including getting permission from the DMV to conduct a lien sale, must still be complied with.

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

SUPPORT: (Verified 7/6/26)

California Association of Licensed Repossessors (source)

OPPOSITION: (Verified 7/6/26)

None received

ARGUMENTS IN SUPPORT: The author writes:

AB 2280 is a simple clarification bill that ensures licensed repossession agencies can lien sale vehicles that are no longer wanted by the original lienholder or financial institution that requested repossession. This codifies an existing practice that had been in place for decades, until a change in DMV policy starting in 2024. Without this change, licensed repossessioners are stuck with unwanted repossessed vehicles on their lots indefinitely. Through stakeholder feedback and amendments, AB 2280 strikes the necessary balance between simple clarification of law and protection of private property rights for financial intuitions and consumers.

ASSEMBLY FLOOR: 67-0, 4/27/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Berman, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Solache, Soria, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Bains, Bennett, Boerner, Bonta, Bryan, Ellis, Flora, Gabriel, Macedo, Petrie-Norris, Celeste Rodriguez, Sharp-Collins, Stefani

Prepared by: Amanda Mattson / JUD. / (916) 651-4113

8/3/26 15:20:44

**** END ****