

Date of Hearing: June 9, 2026
Counsel: Dustin Weber

ASSEMBLY COMMITTEE ON PUBLIC SAFETY

Nick Schultz, Chair

SB 1338 (Jones) – As Amended May 14, 2026

SUMMARY: Increases fines for interfering with the transport of a vehicle to a storage facility, auction, or dealer by an individual who is employed by a repossession agency. Specifically, **this bill:**

- 1) Punishes with an infraction and increases the fine from \$100-\$200 a person who interferes with the transport of a vehicle to a storage facility, auction, or dealer by an individual who is employed by a repossession agency.
- 2) Punishes with an infraction and increases the fine from \$200-\$400 a person who, for a second time within one year, interferes with the transport of a vehicle to a storage facility, auction, or dealer by an individual who is employed by a repossession agency.
- 3) Punishes with an infraction and increases the fine from \$250-\$500 a person who, for a third or subsequent time within one year, interferes with the transport of a vehicle to a storage facility, auction, or dealer by an individual who is employed by a repossession agency.
- 4) Defines “interfere” as to physically impede by obstructing, hindering, or preventing movement, including removing or disabling equipment used for transporting the vehicle.

EXISTING LAW:

- 1) Prohibits a person from interfering with the transport of a vehicle to a storage facility, auction, or dealer by an individual who is employed by a repossession agency or who is licensed as a reposessor, once repossession is complete, as specified. This prohibition does not apply to a peace officer while acting in an official capacity. This offense is punishable as an infraction. (Veh. Code, § 10856, subd. (a).)
- 2) States that any tow yard, impounding agency, or governmental agency, or any person acting on behalf of a person employed by a repossession agency or who is licensed as a reposessor, to release a vehicle or other collateral to anyone that is legally entitled to that vehicle or other collateral shall not refuse release of the vehicle or collateral. This subdivision does not apply to a vehicle being held for evidence by law enforcement or a prosecuting attorney. (Veh. Code, § 10856, subd. (b).)
- 3) Requires that a person convicted of an infraction for defined violations of the Vehicle Code be punished as follows:
 - a) By a fine not exceeding \$100.

- b) For a second infraction occurring within one year of a prior infraction that resulted in a conviction, a fine not exceeding \$200.
 - c) For a third or subsequent infraction occurring within one year of two or more prior infractions that resulted in convictions, a fine not exceeding \$250. (Veh. Code, § 42001, subd. (a).)
- 4) Defines “repossession” as any of the following:
- a) The reposessor gains entry to the collateral.
 - b) The collateral becomes connected to a tow truck or the reposessor’s tow vehicle.
 - c) The reposessor moves the entire collateral present.
 - d) The reposessor gains control of the collateral.
 - e) The reposessor disconnects any part of the collateral from any surface where it is mounted or attached. (Bus. & Prof. Code, § 7500.2.)
- 5) Defines “repossession agency” as any person who, for any consideration whatsoever, engages in business or accepts employment to locate or recover collateral, whether voluntarily or involuntarily, including, but not limited to, collateral registered under the provisions of the Vehicle Code that is subject to a security agreement. (Bus. & Prof. Code, § 7500.2, subd. (a).)

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Sponsor:** California Association of Licensed Repossessors.
- 2) **Author's Statement:** According to the author, “Repossessions often occur in unpredictable and dynamic environments, where interactions between agents and debtors can escalate quickly. While current law prohibits interference with the transportation of a repossessed vehicle after the repossession is complete, existing provisions do not sufficiently ensure orderly completion of these activities. SB 1338 reinforces these protections by increasing the penalty for intentional interference, establishing clearer consequences for interference and defining what constitutes this interference.”
- 3) **Effect of the Bill:** SB 1338 would double the fines available generally for interfering with the repossession of a vehicle. It is unclear whether increasing penalties has a deterrent effect. There is reliable evidence showing increased penalties generally fails to deter criminal behavior.¹ Data shows greater deterrent effects as the likelihood of being caught and the

¹ National Institute of Justice, *Five Things About Deterrence* (May 2016) <<https://www.ojp.gov/pdffiles1/nij/247350.pdf>> [as of May 29, 2026].

he was shot in the upper body.⁸ He was transported to a nearby hospital, where he later died from his injuries.⁹ While these incidents are certainly troubling, they represent a few incidents across a few years. Because there does not appear to be reliable, contemporary data tracking violence against repossessors, it is difficult to know whether these incidents are outliers or representative of an emerging or existing trend. Given the data on the unlikelihood of deterrence being effective with increased fines proposed by SB 1338, it is important to consider whether this bill will produce the author’s desired impact.

The intent of the bill, at least in part, is to deter people from engaging in violence with repossessors while they are in the process of repossessing or transporting a vehicle. Yet, as noted in the previous section of the analysis, it is unclear whether the expanded penalties proposed in SB 1338 will have a deterrent effect.

- 5) **Punishing Poverty:** SB 1338 would double the fines associated generally with interfering with a reposessor. Vehicle repossession generally arises out of an inability to make payments on a vehicle you have purchased and financed. An inability to make these payments is often connected to a person’s economic wellbeing. In 2026, the economic health of Californians and Americans at large, under many measures, is historically bad. These punishing economic headwinds facing everyday Californians are falling most heavily on those with the least.

California has the highest poverty rate in the country.¹⁰ California’s poverty rate rose from 11.7% in 2021 to 13.2% in 2023, and nearly a third of Californians are living in or near poverty.¹¹ This rising poverty rate, as well as increased costs of living, has coincided with a significant increase in California’s homelessness population—increasing by as much as 7.5% between 2022 and 2023.¹² Recent data suggests that more than 180,000 persons were experiencing homelessness in California in 2024.¹³ Racial disparities among the homeless population is well documented. The share of Black, American Indian, Alaska Native, or Indigenous people experiencing homelessness is five times greater than their share of the total population.¹⁴

Other economic data paints a sobering picture, particularly among those living at or near the margins. In a report released by the Urban Institute, which is an organization founded by President Lyndon B. Johnson in 1968 to provide knowledge to help solve the problems that weighed heavily on the nation’s hearts and minds, they found Americans struggling to afford necessities like “food, child care, housing, and energy.”¹⁵ They found roughly half of American families cannot afford the true cost of living, which generally measures whether

⁸ Chow, *Southern California repo man killed on the job, suspect at large* (Dec. 15, 2023) KTLA 5 <<https://ktla.com/news/local-news/socal-repo-man-killed-on-the-job-suspect-at-large/>> [as of May 29, 2026].

⁹ *Ibid.*

¹⁰ Dan Walters, *Once again, California beats every other state when it comes to poverty* (Sept. 11, 2024) CalMatters <<https://calmatters.org/commentary/2024/09/california-again-top-state-poverty/>> [as of June 5, 2026].

¹¹ Bohn et. al., *Poverty in California* (Oct. 2023) Public Policy Institute of California <<https://www.ppic.org/publication/poverty-in-california/>> [as of June 5, 2026].

¹² Cuellar and Perez, *An Update on Homelessness in California* (March 21, 2024) <<https://www.ppic.org/blog/an-update-on-homelessness-in-california/>> [as of June 5, 2026].

¹³ *Ibid.*

¹⁴ *Acting to Prevent, Reduce, and End Homelessness* (2026) Business, Consumer Services and Housing Agency <<https://bcsh.ca.gov/calich/hdis.html>> [as of June 5, 2026].

¹⁵ *The American Affordability Tracker* (Apr. 2, 2026) Urban Institute <<https://www.urban.org/data-tools/american-affordability-tracker/>> [as of June 5, 2026].

they have the resources to “live securely in their community.”¹⁶ Nearly every essential need for American families is rising much faster than earnings, including home and rental costs, health care plans, electricity cost, costs of groceries, and notably, gas prices.¹⁷ In the past three months alone, gas prices have gone up an average of \$1.00 per gallon.¹⁸ California is home to unreachable housing prices for much of its population. The available jobs, too, are rapidly deteriorating as the labor market continues to constrict with employers making callous, painful and broad cuts to their workforce in favor of the comparatively minimal costs of using artificial-intelligence programs.¹⁹ As a result, credit card delinquency rates, student loan rates, and most relevantly here, auto delinquency rates appear to be relentlessly growing in 2026.²⁰

The rise of homelessness additionally has led to an increasing number of persons living in their vehicles.²¹ In San Jose, an estimated 17% of people experiencing homelessness live in their vehicles, while in Sonoma County the estimate is 29%.²² Notably, in Los Angeles, *almost half of the unsheltered population are estimated to live in their vehicles.*²³ Vehicles represent a critical last-resort for persons on the verge of losing shelter. As stated by Transfer Magazine, a publication of the Pacific Southwest Region University Transportation Center:

A car is often shelter of last resort for housing-insecure people. If a person loses their housing and has a vehicle, that vehicle can prevent them from living on sidewalks and other public places. Tents and other makeshift shelters can offer protection from the elements, but cars tend to offer more safety and stability, and more mobility. A car can be locked to secure one’s belongings, blends into the neighborhood in ways a sidewalk tent doesn’t, and offers a way to reach jobs, schools, and services.²⁴

For an unhoused person who utilizes their car not only as shelter, but as a means to get to their job, services, or medical needs, losing their car to impoundment is a tipping point that can lead to unsheltered homelessness.²⁵ This is particularly true, given that once a vehicle is towed, the person living in it often are unable to afford to recover their cars.²⁶

Furthermore, the Sentencing Project released a four-part report that undertook a comprehensive analysis of persisting racial and economic inequities in the American criminal

¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ Wong, Q. *AI boom fuels California growth but leaves more workers jobless* (June 5, 2026) Los Angeles Times <<https://www.latimes.com/business/story/2026-06-05/californian-conundrum-high-growth-but-high-unemployment>> [as of June 5, 2026].

²⁰ *Supra*, at note 15.

²¹ Giamarino, et. al., *Geographic and Regulatory Impacts on Vehicle Homelessness in Los Angeles* (June 28, 2022) <<https://www.its.ucla.edu/publication/geographic-regulatory-impacts-vehicular-homelessness-los-angeles/>> [as of June 5, 2026].

²² Madeline Brozen, *Where you Go When Your Car is Home* (Jan. 2023), *Transfer Magazine* <<https://transfersmagazine.org/magazine-article/issue-10/where-you-go-when-your-car-is-home/>> [as of June 5, 2026].

²³ Giamarino, et. al., *Geographic and Regulatory Impacts on Vehicle Homelessness in Los Angeles* (June 28, 2022) <<https://www.its.ucla.edu/publication/geographic-regulatory-impacts-vehicular-homelessness-los-angeles/>> [as of June 5, 2026].

²⁴ Madeline Brozen, *Where you Go When Your Car is Home* (Jan. 2023), *Transfer Magazine* <<https://transfersmagazine.org/magazine-article/issue-10/where-you-go-when-your-car-is-home/>> [as of June 5, 2026].

²⁵ Gorn, *with thousands of Californians living in vehicles, lawsuit aims to stop cities from towing their homes* (June 23, 2020) <<https://calmatters.org/economy/2018/09/lawsuit-homeless-vehicle-tow-california-impound/>> [as of June 5, 2026].

²⁶ *Ibid.*

justice system. The report found one driver of carceral disparity relates to the damaging consequences of criminal legal contact, which are disproportionately experienced by communities of color.²⁷ Fines, fees, and predatory practices are inequitably experienced by justice-involved Americans and families.²⁸

Criminal justice involvement often begins with system contact that stems, at least initially, from an infraction. Under current law, infractions can produce unpayable fees for some that can then balloon into crippling, life-altering debt. Moreover, system contact can quickly turn into a misdemeanor if the charged individual is unable to comply with established legal processes. While some individuals may be negligent or unwilling to abide by these processes, far too often justice-involved individuals are simply faced with impossible choices. Criminal convictions too often create lifelong disadvantage, particularly for African Americans.²⁹ Employers discriminate against job candidates who have criminal histories, especially against those who are Black, and application questions about criminal histories deter some people from applying to certain jobs and colleges altogether.³⁰ One study found discovered nearly half of unemployed men had a criminal conviction.³¹

Given the painful economic headwinds facing Californians and the likelihood that increased fines arising from this bill would disproportionately impact those already living on the margins, the timing and impact of this bill may be worth further evaluation.

- 6) **Argument in Support:** According to the bill’s sponsor, the *California Association of Licensed Repossessors*, “we respectfully urge your support on Senate Bill 1338 by Senator Brian Jones, which would increase the fines for the infraction.

“Unfortunately, a violent and dangerous trend has emerged in the repossession industry. After a vehicle has been repossessed and is in transit, individuals—including the registered owner—follow and attempt to stop the reposessor’s tow vehicle by using other vehicles to block exits, by boxing in the tow truck on residential streets or at intersections, or by otherwise obstructing the roadway. Once the reposessor’s vehicle has been stopped, individuals attempt to unhook the repossessed vehicle from the tow truck, enter or sit inside the repossessed vehicle, sit on the tow vehicle, or stand in front of the tow truck to prevent it from leaving. In some cases, when they are unable to regain possession of the vehicle, individuals damage the reposessor’s tow vehicle. This conduct creates serious public safety risks not only to the reposessor and the involved individuals, but also to law enforcement officers and passing motorists.

“SB 1338 does not expand repossession authority nor alter the breach-of-peace doctrine, nor change the definition of when a repossession must cease. It is a narrowly tailored public safety enforcement adjustment addressing post-repossession completion transport

²⁷ Ghandnoosh, N and Trinka, L. *One in Five: How Mass Incarceration Deepens Inequality and Harms Public Safety* (Nov. 2, 2023) The Sentencing Project <<https://www.sentencingproject.org/reports/one-in-five-disparities-in-crime-and-policing/>> [as of June 5, 2026].

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ *Ibid.*

interference. This proposal amends Vehicle Code Section 10856 to reclassify interference with a repossessed vehicle after repossession has been lawfully completed

“Reclassifying this violation provides law enforcement with meaningful enforcement authority.

“It allows us to raise the penalties for interference.

“This will help avoid dangerous roadway obstruction and interference, to protect involved individuals and the general public, and preserve California’s breach-of-peace doctrine.

“As licensed reposessor’s we hold our profession to the highest integrity and believe SB 1338 will increase both public safety and safety of our reposessor colleagues. It is for these reasons that we seek your support of SB 1338 (Jones) when it comes before your committee.”

- 7) **Argument in Opposition:** According to the *American Civil Liberties Union*, “The American Civil Liberties Union California Action must respectfully oppose SB 1338, which would increase the criminal penalties for interfering with the transportation of a vehicle by a repossession agency.

“SB 1338 will not improve public safety and may exacerbate the issue the bill aims to address. While we appreciate the latest amendments, SB 1338’s approach of increased fines goes against extensive public safety research which demonstrates that increased sentences do not deter or prevent crime.¹ In addition to failing to deter the behavior at issue, extracting increased fines from individuals only drives them further into economic desperation, making them less likely to be able to pay down their debts and more likely to have negative interactions with repossession agency employees.

“For these reasons, we must respectfully oppose SB 1338.”

- 8) **Related Legislation:** AB 2437 (Chen) would make it a violation of the Vehicle Code to require a vehicle’s legal owner or a legal owner’s agent to present any documentation other than the documents specified to secure release of the vehicle or collateral to which the person is legally entitled. AB 2437 has been referred to the Senate Transportation Committee.
- 9) **Prior Legislation:** AB 2503 (Hagman), Chapter 390, Statutes of 2014, requires, among other things, a repossession agency to only transact business with a person or entity as an independent contractor, and prohibits a licensed repossession agency from allowing a person or entity, other than the qualified certificate holder or the owner or officer of the repossession agency, to manage the day-to-day operations, operate, control, or transact business under the license of the repossession agency, except as specified.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Licensed Repossessors (Sponsor)
Daybreak Metro, INC

Opposition

ACLU California Action
All of Us or None
Californians United for a Responsible Budget
Ella Baker Center for Human Rights
Justice2jobs Coalition
LA Defensa
Legal Services for Prisoners With Children
Smart Justice California

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