

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Juan Carrillo, Chair

SB 753 (Cortese) – As Amended March 24, 2025

SENATE VOTE: 39-0

SUBJECT: Special business regulations: shopping carts.

SUMMARY: Expands the authority for cities and counties to recover costs for retrieving shopping carts and returning them to their owners. Specifically, **this bill:**

- 1) Authorizes a city or county to do either of the following with a shopping cart that has a sign affixed to it, as specified, that is located outside the premises or parking area of a retail establishment which, for a multistore complex or shopping center, includes the entire parking area used by the complex or center:
 - a) Retrieve and return the shopping cart to the parking area or premises of the owner or retailer identified on the sign.
 - b) Impound the shopping cart, consistent with existing law, if the cart is not retrieved within three business days from the date the owner of the cart, or their agent, receives actual notice from the city or county of the cart's discovery and location.
- 2) Specifies a city's or county's authority to impound a shopping cart from public or private property in instances where the location of the cart will impede emergency services.
- 3) Authorizes a city or county that retrieves and returns a shopping cart to recover its actual costs for the retrieval and return from the owner of the shopping cart.
- 4) Authorizes a city or county to fine the owner of a shopping cart in an amount established by the city or county for each occurrence in excess of three during a specified six-month period for failure to retrieve shopping carts in accordance with this bill. "Occurrence" means a failure to retrieve a shopping cart within three business days from the date the owner of the shopping cart, or their agent, receives actual notice from the city or county of the shopping cart's discovery and location.
- 5) Provides that actual notice shall require proof that the notice was delivered to the owner, or their agent, which may include, but is not limited to, mail, phone, or electronic transmission with delivery confirmation. The city or county shall maintain a record of that proof of delivery.
- 6) Makes numerous conforming and technical changes.

EXISTING LAW:

- 1) Authorizes a city or county to impound a shopping cart that has a sign affixed to it, as specified, provided both of the following conditions have been satisfied:

- a) The shopping cart is located outside the premises or parking area of a retail establishment. The parking area of a retail establishment located in a multistore complex or shopping center shall include the entire parking area used by the complex or center.
- b) The shopping cart is not retrieved within three business days from the date the owner of the shopping cart, or his or her agent, receives actual notice from the city or county of the shopping cart's discovery and location. [Business and Professions Code 22435.7(b)]
- 2) Authorizes a city or county to immediately retrieve the shopping cart from public or private property in instances where the location of a shopping cart will impede emergency services. [Business and Professions Code 22435.7(c)]
- 3) Authorizes a city or county that impounds a shopping cart under 1) or 2), above, to recover its actual costs for providing this service. [Business and Professions Code 22435.7(d)]
- 4) Requires that any shopping cart that is impounded by a city or county pursuant to 1) or 2), above, be held at a location that is both:
 - a) Reasonably convenient to the owner of the shopping cart.
 - b) Open for business at least six hours of each business day. [Business and Professions Code 22435.7(e)]
- 5) Authorizes a city or county to fine the owner of a shopping cart in an amount not to exceed \$50 for each occurrence in excess of three during a specified six-month period for failure to retrieve shopping carts. An occurrence includes all shopping carts impounded in a one-day period. [Business and Professions Code 22435.7(f)]
- 6) Provides that any shopping cart not reclaimed from the city or county within 30 days of receipt of a notice of violation by the owner of the shopping cart may be sold or otherwise disposed of by the entity in possession of the shopping cart. [Business and Professions Code 22435.7(g)]
- 7) Authorizes a city or county to impound a shopping cart without complying with the three-day advance notice requirement outlined in 1), above, provided that:
 - a) The owner of the shopping cart, or their agent, is provided actual notice within 24 hours following the impound and that notice informs the owner, or their agent, as to the location where the shopping cart may be claimed.
 - b) Any shopping cart so impounded is held at a location in compliance with 4), above.
 - c) Any shopping cart reclaimed by the owner or their agent, within three business days following the date of actual notice, shall be released and surrendered to the owner or agent at no charge whatsoever, including the waiver of any impound and storage fees or fines that would otherwise be applicable pursuant to 3) or 5), above.
 - d) Any shopping cart not reclaimed by the owner or his or her agent, within three business days following the date of actual notice, shall be subject to any applicable fee or fine imposed pursuant to 3) or 5), above, commencing on the fourth business day following the date of the notice.

- e) Any shopping cart not reclaimed by the owner or thier agent, within 30 days of receipt following the date of actual notice, may be sold or disposed of. [Business and Professions Code 22435.7(i)]
- 8) Provides that it is unlawful to do any of the following acts, if a shopping cart or laundry cart has a permanently affixed sign:
- a) Remove a shopping cart or laundry cart from the premises or parking area of a retail establishment with the intent to temporarily or permanently deprive the owner or retailer of possession of the cart.
 - b) Be in possession of any shopping cart or laundry cart that has been removed from the premises or the parking area of a retail establishment, with the intent to temporarily or permanently deprive the owner or retailer of possession of the cart.
 - c) Be in possession of any shopping cart or laundry cart with serial numbers removed, obliterated, or altered, with the intent to temporarily or permanently deprive the owner or retailer of possession of the cart.
 - d) Leave or abandon a shopping cart or laundry cart at a location other than the premises or parking area of the retail establishment with the intent to temporarily or permanently deprive the owner or retailer of possession of the cart.
 - e) Alter, convert, or tamper with a shopping cart or laundry cart, or to remove any part or portion thereof or to remove, obliterate or alter serial numbers on a cart, with the intent to temporarily or permanently deprive the owner or retailer of possession of the cart.
 - f) Be in possession of any shopping cart or laundry cart while that cart is not located on the premises or parking lot of a retail establishment, with the intent to temporarily or permanently deprive the owner or retailer of possession of the cart. [Business and Professions Code 22435.2]
- 9) Provides that the provisions of 8), above, apply when a shopping cart or a laundry cart has a sign permanently affixed to it that identifies the owner of the cart or the retailer, or both; notifies the public of the procedure to be utilized for authorized removal of the cart from the premises; notifies the public that the unauthorized removal of the cart from the premises or parking area of the retail establishment, or the unauthorized possession of the cart, is a violation of state law; and, lists a valid telephone number or address for returning the cart removed from the premises or parking area to the owner or retailer. [Business and Professions Code 22435.1]
- 10) Defines a “shopping cart” as a basket which is mounted on wheels or a similar device generally used in a retail establishment by a customer for the purpose of transporting goods of any kind. [Business and Professions Code 22435]

FISCAL EFFECT: None.

COMMENTS:

- 1) **Background.** Abandoned shopping carts can interfere with pedestrian and vehicular traffic. Current law considers a shopping cart abandoned if it is found outside of the premises or parking area of the shopping center. According to a September 21, 2023, *Calgary Herald* article, “Stolen shopping carts can cost businesses up to \$800 million a year around the globe, says the Food Marketing Institute in Washington, D.C. A single cart can easily cost retailers \$300 each (in Canada), so when you multiply that figure by the large number of grocery stores in operation and the thefts that occur, the cost of these losses skyrockets.

“Those high-tech models, with the wheels that lock when you leave a retailer’s parking lot, have led to some success in stopping theft and several municipalities across the continent have tried to pass bylaws that address the situation. However, the problem persists. A news story out of New York state a few years ago noted that a typical grocery store can still lose \$10,000 a year due to stolen shopping carts. And, in summer 2021, a Safeway store in San Francisco reported that it lost 160 carts in a single month — more than five a day on average.”

Prior to 1996, many local governments charged retailers and grocers for cart retrieval, even though retailers and grocers often contracted with private cart retrieval companies to perform this service. Retailers and grocers were concerned that local governments were charging excessive rates and uneven retrieval fees in different jurisdictions.

- 2) **AB 317 of 1996.** AB 317 (Granlund), Chapter 291, Statutes of 1996, was adopted by the Legislature to create uniform statewide regulation for retrieval of shopping carts by local agencies. AB 317 prevented cities and counties from seeking recompense for retrieving abandoned shopping carts until they notify a cart’s owner, and instead stipulated that a shopping cart that has a sign affixed to it that identifies the owner of the cart may be impounded provided both of the following conditions have been satisfied:
 - a) The shopping cart is located outside the premises or parking area of a retail establishment.
 - b) The shopping cart is not retrieved within three business days from the date the owner of the shopping cart, or his or her agent, receives actual notice from the city or county of the shopping cart’s discovery and location.

AB 317 authorized a city or county that impounds a shopping cart to recover its actual costs for providing this service and to fine the owner of a shopping cart up to \$50 for each occurrence in excess of three during a specified six-month period for failure to retrieve shopping carts. If no one has collected an impounded cart after 30 days, the local agency may sell or dispose of it. Local governments can immediately retrieve a shopping cart from public or private property if the shopping cart will impede emergency services.

- 3) **AB 1427 of 1998.** AB 1427 (Pringle), Chapter 16, Statutes of 1998, updated AB 317 to allow cities and counties to immediately impound misplaced shopping carts. Local officials must notify the owner within 24 hours of the location where the cart owner can collect the previously abandoned cart. AB 1427 required cities and counties to give the owner of the cart three business days to collect the cart at no cost. After three days, local officials can charge

the owner of the cart a fine or fee, if applicable, for the actual cost of the retrieval and impounding.

- 4) **City Ordinances.** Some cities have developed ordinances in an attempt to reduce the number of abandoned shopping carts in their communities. For example, the City of San Jose, sponsor of this bill, adopted an ordinance requiring every owner who provides twenty-six or more carts to develop and implement an abandoned cart prevention plan. The plan must include, among other things, an inventory of carts, a description of a community outreach process to inform customers that the removal of carts from the premises is prohibited, loss prevention measures, such as security personnel, employee training, and a plan for cart retrieval within 24 hours. For any retailers with 76 or more carts, the mandatory cart retrieval plan must also include at least one of the following (San Jose Municipal Code Chapter 9.60):

- a) Use of a device or mechanism designed to physically prevent the removal of shopping carts from the owner's premises.
- b) Use of a device or mechanism that requires customers to make a security deposit before being allowed to use a cart.
- c) Maintaining an agreement with a cart retrieval service that makes weekly, proactive efforts to retrieve the owner's abandoned carts over the course of a year and is capable of retrieving an abandoned cart within 24 upon notice of the abandoned cart's location by the City.

- 5) **Bill Summary.** This bill makes changes to the process by which cities and counties can retrieve shopping carts, including allowing a city or county to retrieve and return the shopping cart to the parking area or premises of the owner or retailer. This bill removes the \$50 limit that a city or county can fine an owner of a shopping cart for each occurrence, as defined, in excess of three during a six-month period for failing to retrieve shopping carts. Instead, a city or county that retrieves and returns a shopping cart can recover its actual costs for the retrieval and return from the owner of the shopping cart or fine the owner of a shopping cart in an amount established by the city or county for each occurrence in excess of three during a sixth-month period for failure to retrieve shopping carts.

This bill defines "occurrence" as a failure to retrieve a shopping cart within three business days from the date the owner of the shopping cart receives actual notice from the city or county of the shopping cart's discovery and location. Lastly, this bill provides that the actual notice shall require proof that the notice was delivered to the owner of the cart, which can include mail, phone, or electronic transmission with delivery confirmation. The city or county must maintain a record of that proof of delivery.

This bill is sponsored by the City of San Jose and San Jose Mayor Matt Mahan.

- 6) **Author's Statement.** According to the author, "SB 753 addresses a growing public safety and environmental concern across California: the widespread abandonment of shopping carts in our communities. Current state law is outdated and inefficient, requiring cities to store abandoned carts at impound lots and wait for retailers to retrieve them—a burdensome and costly process, especially for larger cities.

“The bill modernizes California law by allowing cities to immediately collect abandoned shopping carts, return them directly to retailers without a three-day waiting period, and recover the actual costs associated with managing cart recovery programs. SB 753 ensures a more efficient process that reduces street and sidewalk obstructions, protects waterways from pollution and flooding hazards, and strengthens collaboration and support for both local governments and retailers.”

- 7) **Policy Consideration.** Shopping cart theft has been a problem in California for decades, as evidenced by efforts in the 1990s to bring some consistency to the fees local agencies can charge retailers for cart recovery. Two bills created some statewide regulation; however, these requirements only allowed local agencies to impound carts and take them to an impound lot if the local agency wanted to charge the retailer for their efforts. If a local agency returns the cart to the retailer instead, they cannot recover their costs.

SB 753 tilts the balance in the favor of local governments by removing the \$50 limit on fines, and creating a new process for recovering costs when the local agency returns the cart directly to its owner. In some ways, this takes the matter back to before the 1990s, when costs could vary across jurisdictions, leading to higher costs for retailers. In other ways, this helps local agencies manage abandoned shopping carts in a less costly way than taking them to an impound lot, which could make the problem easier to manage.

The opposition argues that removing limitations on charges essentially makes the retailer the victim twice: the theft of the shopping cart and charging fines that could be greater than the actual cost of the cart. In light of these concerns, the Committee may wish to consider if this bill strikes the right balance between cost recovery for local agencies and fair treatment for retailers.

- 8) **Committee Amendments.** In response to the policy consideration above, the committee may wish to amend this bill as follows:
- a) Specify that a city, county, or city and county may retrieve and return the shopping cart *pursuant to an ordinance adopted by the city, county, or city and county.*
 - b) Specify that a city, county, or city and county shall not recover more than \$500 per shopping cart when utilizing its authority to retrieve and return the shopping cart.
 - c) Specify that in order to recover actual costs for the retrieval and return of a shopping cart, the ordinance adopted by the city, county, or city and county, shall include an explanation, in the ordinance, of how the actual costs for retrieving and returning a shopping cart will be determined.
 - d) Reinstate the fine amount, but increase it from \$50 to \$150 for each occurrence.
- 9) **Arguments in Support.** According to the sponsor of this bill, the City of San Jose, SB 753 “...seeks to address the proliferation of abandoned shopping carts plaguing cities across the state. These carts have created hazards by blocking streets and sidewalks and disrupting our open spaces and waterways. This bill will modernize the laws requiring the collection of abandoned shopping carts and provide cities and retailers with better tools to address this widespread issue.

“When shopping carts are removed from retailer premises and left haphazardly in public spaces, they cause a significant issue for cities to locate, remove, and store them. Under current law, cities must store abandoned shopping carts in an impound lot, where they sit until a retailer retrieves them. This outdated process has inherent challenges, especially for large cities such as San José, which would need to store hundreds of abandoned shopping carts at any given time to comply with this provision. The storage space and staff cost required to operate an impound lot would be burdensome and an ineffective solution to this issue.

“This legislation helps address these challenges by providing cities with more tools and an updated cost recovery mechanism. SB 753 would allow cities and other local municipalities to return carts directly to retailers by picking them up and immediately returning them without the current requirement for three-day notice or storage in an impound facility. Additionally, this bill would allow for the recovery of the actual costs of managing the program. This strikes the appropriate balance of creating an efficient system to retrieve and return abandoned shopping carts while incentivizing retailers to work collaboratively with cities and other local municipalities to recover their stolen property.”

- 10) **Arguments in Opposition.** According to the California Grocers Association in an oppose unless amended position, “This bill would allow for a fine of actual cost to the jurisdiction, with no limitation, and apply to each cart impounded. Removing fine limitations essentially revictimizes grocers by charging them fines which could be greater than the actual cost of the cart itself. Rather, we request the bill be amended to provide 24-48 hours to retrieve stolen carts and if not retrieved, allow local governments to charge an updated fine upon return of carts. The majority of ‘cart thieves’ are average consumers with challenges getting purchases home, but there is also a subset of individuals that steal carts and forcefully retain them for long periods of time. This is against the law, though we are unaware of any local jurisdictions who have enforced state and local law and SB 753 fails to address proper enforcement.

“Regardless, under existing law, should a local government retrieve a cart, they can notify the cart owner to retrieve the cart and if after three days they fail to, local governments can fine the grocer and sell the cart. In addition to state law, approximately 150 cities and counties throughout California have adopted local ordinances which require grocers to actively search for and retrieve stolen or abandoned carts. The grocery industry has been receptive to these ordinances--we feel we have a responsibility to recover our stolen property just as the local jurisdiction has a similar responsibility to both prevent and help recover stolen property. Other local ordinances include requiring grocers to submit cart recovery strategies, surveillance or locking mechanisms on cart merchandise, some of which the sponsor has availed themselves of. SB 753 disregards these uniquely tailored ordinances and local/business partnerships, assuming local ordinances are not working. In their place, it creates a statewide requirement, and a perverse incentivize for local governments to retrieve the carts themselves while simultaneously competing with grocers attempts to retrieve their own carts.

“SB 753 specifies that in the instance a local government retrieves a stolen cart, they can impose full cost recovery for retrieval services upon the aggrieved grocer. Full cost recovery is not defined within the bill and will likely include unreasonable expenses, brought for the benefit of local government budgets rather than true costs. This will in many circumstances result in the recovery costs borne by the grocer exceeding the actual cost of the cart itself. It

also is important to recognize the bill sponsor, the City of San Jose, originally pursued this legislation as a direct result of their budget process.”

REGISTERED SUPPORT / OPPOSITION:**Support**

City of San Jose [SPONSOR]
City of San Jose Mayor, Matt Mahan [SPONSOR]
California Contract Cities Association
California State Association of Counties
City of Concord
City of Cupertino
City of Norwalk
City of Oakland
City of San Diego Mayor, Todd Gloria
City of San Jose Councilmember, Pam Foley
League of California Cities
Santa Clara Valley Water District

Opposition

California Grocers Association (unless amended)

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