

AMENDED IN SENATE JUNE 23, 2014

AMENDED IN ASSEMBLY APRIL 23, 2014

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2503

Introduced by Assembly Member Hagman

February 21, 2014

An act to amend Sections 7500.2, 7502.2, 7505.3, 7507.3, 7507.115, 7508.1, 7508.4, and 7508.5 of, *and to amend and renumber Section 7505.2 of, the Business and Professions Code, to amend Section 41612 of the Government Code, and to amend Sections 28, 4000, and 9561 of, and to add Section 10856 to, the Vehicle Code, relating to repossession, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2503, as amended, Hagman. Repossessors.

(1) Existing law, the Collateral Recovery Act, provides for the licensure and regulation of repossession agencies by the Bureau of Security and Investigative Services. A violation of the act is a crime.

This bill would prohibit a licensed repossession agency from allowing any other person or entity to operate or transact business under the license of the repossession agency. By expanding the scope of a crime, the bill would impose a state-mandated local program.

(+)

(2) Under existing law, a financial institution that knowingly engages a nonexempt unlicensed person to repossess collateral on its behalf is guilty of a misdemeanor.

This bill would expand the above crime to apply to a buy-here-pay-here dealer, as defined. By expanding the scope of a crime, the bill would impose a state-mandated local program.

~~(2)~~

(3) Existing law allows a repossession business to continue on a license for 120 days when the qualified certificate holder actively in charge of the office ceases to be in charge because of the death of the licenseholder. Existing law requires a written notice to be made to the Bureau of Security and Investigative Services.

This bill would increase the period to 180 days and would require the written notice to identify the person in charge of running the day-to-day operations of the business.

(4) *Existing law prohibits a reposessor from appraising the value of any collateral.*

The bill would further prohibit the appraisal or determination of the value of any collateral, whether damaged or not. The bill would also prohibit a condition report that assesses the collateral from containing specified items or descriptions. By expanding the scope of a crime, the bill would impose a state-mandated local program.

~~(3)~~

(5) Existing law authorizes the Director of Consumer Affairs to assess administrative fines for various prohibited acts, including using any identification to indicate registration as a reposessor, other than a registration card issued by the Bureau of Security and Investigative Services, except an employer identification card issued by the repossession agency which has bureau approval. Existing law allows an employee of a repossession agency to wear a badge, cap insignia, or jacket patch meeting specified requirements.

This bill would except a badge, cap insignia, or jacket patch from the prohibition on using any identification to indicate registration as a reposessor.

(6) *Existing law authorizes the Director of Consumer Affairs to assess an administrative fine for the failure to present a debtor with an itemized receipt of payment, if payment is made in lieu of repossession.*

This bill would delete this provision.

(7) *Existing law requires that when possession is taken of a vehicle by or on behalf of a legal owner under the terms of a security or lease*

agreement, the debtor pay the police or parking authority a specified fee. Existing law prohibits the release of the vehicle to the debtor until the debtor provides proof of payment or pays the fee and an administrative fee to the person in possession or the legal owner. Existing law also provides for a fine if the fee is not transmitted to the police or parking authority. Existing law requires proof of payment to be retained by the party releasing possession to the debtor.

This bill would delete the provisions that allow the release of a vehicle to a debtor who pays the fee and an administrative fee to the person in possession or the legal owner. The bill would make other conforming changes to this provision.

(4)

(8) Existing law requires the person taking possession of a vehicle whenever possession is taken by or on behalf of any legal owner under the terms of a security agreement or lease agreement to notify local law enforcement within one hour of the repossession, as specified. Violation of these provisions is a crime.

This bill would require the reposessor to attempt notification within one hour, and to accomplish notification within 2 hours of the repossession, and would specify information that would be required to be provided in the notification.

By expanding the provisions of existing law, the violation of which is a crime, this bill would impose a state-mandated local program.

(5)

(9) *Existing law prohibits a person from driving, moving, or leaving standing upon a highway or offstreet public parking facility any motor vehicle or other specified vehicle, unless it is registered and the appropriate fees have been paid.* Existing law provides that a vehicle repossessed pursuant to the terms of a security agreement is exempt from registration solely for the purpose of transporting the vehicle from the point of repossession to the storage facilities of the reposessor, and from the storage facilities to the legal owner or a licensed motor vehicle auction, provided that the reposessor transports with the vehicle the appropriate documents authorizing the repossession and makes them available to a law enforcement officer on request.

~~This bill would additionally provide that a vehicle repossessed pursuant to the terms of a security agreement is exempt~~ *a licensed reposessor* from registration solely for the purpose of obtaining a release of the vehicle or the collateral from a law enforcement entity agency, impounding authority, tow yard, storage facility, or any other

person or company that has possession of the vehicle, ~~provided that the repossessor transports with the vehicle the appropriate documents authorizing the repossession and makes them available to a law enforcement officer on request~~ *as specified*.

(6)

(10) Existing law provides that if the legal owner, or his or her agent, repossesses a vehicle on which registration renewal fees are due, the Department of Motor Vehicles is to waive any renewal penalties that are due for late payment if the fees are paid within 60 days of taking possession.

This bill would apply those provisions to a repossession by a repossessor.

(7)

(11) Existing law establishes offenses for, among other things, willfully tampering or injuring a vehicle or its contents, as specified.

This bill would prohibit a person from interfering with the transport of a vehicle to a storage facility, auction, or dealer ~~by a repossessor~~ *an individual who is employed by a repossession agency* once repossession is complete, as provided. Violation of these provisions would be an infraction pursuant to other provisions of law.

By creating a new crime, this bill would impose a state-mandated local program.

(8)

(12) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(13) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7500.2 of the Business and Professions
- 2 Code is amended to read:
- 3 7500.2. (a) A repossession agency means and includes any
- 4 person who, for any consideration whatsoever, engages in business
- 5 or accepts employment to locate or recover collateral, whether

1 voluntarily or involuntarily, including, but not limited to, collateral
2 registered under the provisions of the Vehicle Code which is
3 subject to a security agreement, except for any person registered
4 pursuant to Article 7 (commencing with Section 7506).

5 (b) *A repossession agency licensed pursuant to this chapter*
6 *shall not allow any other person or entity to operate or transact*
7 *business under the license of the repossession agency.*

8 **SECTION 1.**

9 *SEC. 2.* Section 7502.2 of the Business and Professions Code
10 is amended to read:

11 7502.2. (a) A financial institution or a buy-here-pay-here
12 dealer, as defined by Section 241 of the Vehicle Code, that
13 knowingly engages a nonexempt unlicensed person to repossess
14 collateral on its behalf is guilty of a misdemeanor, and is punishable
15 by a fine of five thousand dollars (\$5,000).

16 (b) Within existing resources, the Commissioner of Business
17 Oversight may designate employees to investigate and report on
18 violations of this section by any of the licensees of the department.
19 Those employees are authorized to actively cooperate with the
20 bureau in the investigation of those activities.

21 (c) A proceeding to impose the fine specified in subdivision (a)
22 may be brought in any court of competent jurisdiction in the name
23 of the people of the State of California by the Attorney General
24 or by any district attorney or city attorney, or with the consent of
25 the district attorney, by the city prosecutor in any city or city and
26 county having a full-time city prosecutor, for the jurisdiction in
27 which the violation occurred. If the action is brought by a district
28 attorney, the penalty collected shall be paid to the treasurer of the
29 county in which the judgment is entered. If the action is brought
30 by a city attorney or city prosecutor, one-half of the penalty
31 collected shall be paid to the treasurer of the city in which the
32 judgment was entered and one-half to the treasurer of the county
33 in which the judgment was entered. If the action is brought by the
34 Attorney General, all of the penalty collected shall be deposited
35 in the Private Security Services Fund.

36 *SEC. 3.* Section 7505.2 of the Business and Professions Code
37 is amended and renumbered to read:

38 ~~7505.2.~~

39 7507.125. Nothing in this chapter prohibits the using or taking
40 of personal effects that are connected, adjoined, or affixed to the

1 collateral through an unbroken sequence, if that use or taking is
 2 reasonably necessary to effectuate the recovery in a safe manner
 3 or to protect the collateral or personal effects. Nothing in this
 4 chapter prohibits the removal of a locking mechanism or security
 5 device on the collateral, before, during, or after a repossession. No
 6 storage fee shall be charged for the first week on any personal
 7 effects used to effectuate a recovery pursuant to this section. Any
 8 personal effects used or taken pursuant to this section shall be
 9 processed in a reasonably expedient manner pursuant to Sections
 10 7507.9 and 7507.10.

11 ~~SEC. 2.~~

12 *SEC. 4.* Section 7505.3 of the Business and Professions Code
 13 is amended to read:

14 7505.3. (a) Whenever a qualified certificate holder actively
 15 in charge of an office ceases to be in charge, the licensee shall file
 16 with the bureau notice, in writing, within 30 days from the
 17 cessation.

18 If the notice is filed, the license shall remain in force for a period
 19 of 90 days after the filing of the notice. At the end of the 90-day
 20 period or an additional period, not to exceed one year, as specified
 21 by the director, if written notice is not given that a qualified person
 22 is then actively in charge of the office, the agency license shall be
 23 automatically suspended.

24 If the licensee shall fail to give written notice at the end of the
 25 30-day period, the agency license shall be automatically suspended.

26 A license suspended under this section may be reinstated upon
 27 payment of the reinstatement fee and submission of a reinstatement
 28 application.

29 A person who performs any act for which a repossession agency
 30 license is required during the period of suspension is subject to
 31 the penal provisions of Article 3 (commencing with Section 7502),
 32 in addition to the provisions of Article 9 (commencing with Section
 33 7508) and Article 10 (commencing with Section 7510).

34 (b) In case of the death of a person licensed as an individual, a
 35 member of the immediate family of the deceased licensee shall be
 36 entitled to continue the business under the same license for 180
 37 days following the death of the licensee, provided that written
 38 notice is made to the bureau within 30 days following the death
 39 of the licensee. The notice shall identify the person in charge of
 40 running the day-to-day operations of the business. At the end of

1 the 180-day period, the license shall be automatically canceled. If
2 no request is received within the 30-day period, the license shall
3 be automatically canceled at the end of that period.

4 (c) In the case of the death or disassociation of a partner of an
5 entity licensed as a partnership, the licensee shall notify the bureau,
6 in writing, within 30 days from the death or disassociation of the
7 individual. If notice is given, the license shall remain in force for
8 90 days following the death or disassociation. At the end of that
9 period, the license shall be automatically canceled. If the licensee
10 fails to notify the bureau within the 30-day period, the license shall
11 be automatically canceled at the end of that period.

12 (d) A license extended under this section is subject to all other
13 provisions of this chapter.

14 ~~SEC. 3.~~

15 *SEC. 5.* Section 7507.3 of the Business and Professions Code
16 is amended to read:

17 7507.3. A repossession agency shall be required to keep and
18 maintain adequate records of all transactions, including, but not
19 limited to, assignment forms; vehicle report of repossession
20 required by Section 28 of the Vehicle Code; vehicle condition
21 reports, including odometer readings, if available; personal effects
22 inventory; and notice of seizure. Records, ~~including bank~~
23 ~~statements of the trust account,~~ shall be retained for a period of
24 not less than four years and shall be available for examination by
25 the bureau upon demand. In addition, collateral and personal effects
26 storage areas shall be made accessible for inspection by the bureau
27 upon demand. An assignment form may be an original, a
28 photocopy, a facsimile copy, or a copy stored in an electronic
29 format.

30 *SEC. 6.* Section 7507.115 of the Business and Professions Code
31 is amended to read:

32 7507.115. (a) A licensee shall not appraise *or determine* the
33 value of any collateral, *whether damaged or not.*

34 (b) (1) *Notwithstanding subdivision (a), a licensee may issue*
35 *a condition report that makes a general assessment of the*
36 *collateral.*

37 (2) *Notwithstanding paragraph (1), a condition report shall not*
38 *contain any of the following:*

39 (A) *A description of the wear and tear of specific parts.*

40 (B) *A description of the presence or absence of specific parts.*

- 1 (C) *The condition of the paint on the collateral.*
- 2 (D) *The electrical or mechanical condition.*
- 3 (E) *How the collateral drives or operates.*
- 4 (F) *The type of key used for the collateral.*

5 ~~SEC. 4.~~

6 SEC. 7. Section 7508.1 of the Business and Professions Code
7 is amended to read:

8 7508.1. The director may assess administrative fines for the
9 following prohibited acts:

10 (a) Knowingly making any false report to his or her employer
11 or client for whom information was being obtained. The fine shall
12 be one hundred dollars (\$100) for the first violation, and five
13 hundred dollars (\$500) for each violation thereafter.

14 (b) Using any identification to indicate registration as a
15 reposessor, other than the bureau-issued registration card, except
16 an employer identification card issued by the repossession agency
17 which has met bureau approval, or a badge, cap insignia, or jacket
18 patch as provided in Section 7508.8. A bureau-issued registration
19 card shall be carried by those individuals specified by Section
20 7506.3, and shall be shown on demand to any bureau employee
21 or law enforcement officer. The fine shall be twenty-five dollars
22 (\$25) for each violation.

23 (c) Using an alias in connection with the official activities of
24 the licensee’s business. A notice of warning shall be issued for the
25 first violation. Thereafter the fine shall be twenty-five dollars (\$25)
26 for each violation.

27 (d) Appearing as an assignee party in any court proceeding
28 involving claim and delivery, replevin, or other possessory court
29 action, action to foreclose a chattel mortgage, mechanic’s lien,
30 materialman’s lien, or any other lien. This section shall not prohibit
31 a licensee from appearing as a defendant in any of the preceding
32 actions. The fine shall be one hundred dollars (\$100) for each
33 violation.

34 SEC. 8. *Section 7508.4 of the Business and Professions Code*
35 *is amended to read:*

36 7508.4. The director may assess administrative fines for any
37 of the following prohibited acts:

38 (a) Conducting business from any location other than that
39 location to which a license was issued or conducting a business as
40 an individual, partnership, limited liability company, or corporation

1 unless the licensee holds a valid license issued to that exact same
2 individual, partnership, limited liability company, or corporation.
3 The fine shall be one thousand dollars (\$1,000) for each violation.

4 (b) Aiding or abetting an unlicensed reposessor or assigning
5 his or her license. "Assigning his or her license" means that no
6 licensee shall permit a registrant, employee, or agent in his or her
7 own name to advertise, engage clients, furnish reports, or present
8 bills to clients, or in any manner whatsoever to conduct business
9 for which a license is required under this chapter. The fine shall
10 be one thousand dollars (\$1,000) for each violation.

11 (c) Failing to register registrants within 15 days. The fine shall
12 be two hundred fifty dollars (\$250) for each of the first two
13 violations and one thousand dollars (\$1,000) for each violation
14 thereafter.

15 (d) Employing a person whose registration has expired or been
16 revoked, denied, suspended, or canceled, if the bureau has furnished
17 a listing of these persons to the licensee. The fine shall be
18 twenty-five dollars (\$25) for each violation.

19 (e) Failing to notify the bureau, within 30 days, of any change
20 in officers. A notice of warning shall be issued for the first
21 violation. Thereafter, the fine shall be twenty-five dollars (\$25)
22 for each violation.

23 ~~(f) Failing to present the debtor with an itemized receipt of~~
24 ~~payment, if payment is made in lieu of repossession. The fine shall~~
25 ~~be twenty-five dollars (\$25) for the first violation and one hundred~~
26 ~~dollars (\$100) for each violation thereafter.~~

27 ~~(g)~~

28 (f) Failing to submit the notices regarding a violent act or
29 threatened violent act within seven days pursuant to Section 7507.6
30 or to submit a copy of a judgment awarded against the licensee
31 for an amount of more than the then prevailing maximum claim
32 that may be brought in small claims court within seven days
33 pursuant to Section 7507.7. The fine shall be twenty-five dollars
34 (\$25) for the first violation and one hundred dollars (\$100) per
35 violation thereafter.

36 ~~(h)~~

37 (g) Failing to include the licensee's name, address, and license
38 number in any advertisement. A notice of warning shall be issued
39 for the first violation. Thereafter, the fine shall be twenty-five
40 dollars (\$25) for each violation.

- 1 ~~(i)~~
- 2 (h) Failing to maintain personal effects for at least 60 days. The
- 3 fine shall be twenty-five dollars (\$25) for the first violation and
- 4 one hundred dollars (\$100) for each violation thereafter.
- 5 ~~(j)~~
- 6 (i) Failing to provide a personal effects list or a notice of seizure
- 7 within the time limits set forth in Section 7507.9 or 7507.10. The
- 8 fine shall be twenty-five dollars (\$25) for the first violation and
- 9 one hundred dollars (\$100) for each violation thereafter.
- 10 ~~(k)~~
- 11 (j) Failing to file the required report pursuant to Section 28 of
- 12 the Vehicle Code. The fine shall be twenty-five dollars (\$25) for
- 13 each of the first five violations and one hundred dollars (\$100) for
- 14 each violation thereafter, per audit.
- 15 ~~(l)~~
- 16 (k) Failing to maintain an accurate record and accounting of
- 17 secure temporary registration forms. The qualified certificate holder
- 18 shall be fined twenty-five dollars (\$25) for the first violation, one
- 19 hundred dollars (\$100) for the second violation, two hundred fifty
- 20 dollars (\$250) for the third violation, and two hundred fifty dollars
- 21 (\$250) plus a one-year suspension of the privilege to issue
- 22 temporary registrations pursuant to Section 7506.9 for the fourth
- 23 and subsequent violations.
- 24 ~~(m)~~
- 25 (l) Representing that a licensee has an office and conducts
- 26 business at a specific address when that is not the case. The fine
- 27 shall be five thousand dollars (\$5,000) for each violation.
- 28 ~~(n)~~
- 29 (m) Notwithstanding any other provision of law, the money in
- 30 the Private Security Services Fund that is attributable to
- 31 administrative fines imposed pursuant to subdivision (c) shall not
- 32 be continuously appropriated and shall be available for expenditure
- 33 only upon appropriation by the Legislature.
- 34 ~~SEC. 5.~~
- 35 SEC. 9. Section 7508.5 of the Business and Professions Code
- 36 is amended to read:
- 37 7508.5. The director may assess administrative fines against
- 38 a repossession agency registrant for the following acts, in addition
- 39 to fines imposed pursuant to any other section in this article. The

1 fine shall be twenty-five dollars (\$25) for each of the following
2 violations:

- 3 (a) Knowingly submit a false report.
- 4 (b) Submitting a report to a client without authorization by his
5 or her employer.
- 6 (c) Failing to carry a bureau-issued identification card and failing
7 to show that card upon demand to a bureau employee or a law
8 enforcement officer.
- 9 (d) Failing to register.
- 10 (e) Failing to return his or her registration card to the employer
11 upon termination.
- 12 (f) Failing to report a violent act involving the registrant to the
13 licensee or the licensee's qualified certificate holder within 24
14 hours.

15 *SEC. 10. Section 41612 of the Government Code is amended*
16 *to read:*

17 41612. After possession is taken of any vehicle by or on behalf
18 of any legal owner thereof under the terms of a security agreement
19 or lease agreement, the debtor shall pay the chief of police or a
20 parking authority operated by a city and county a fee of fifteen
21 dollars (\$15) for the receipt and filing of the report of repossession
22 pursuant to Section 28 of the Vehicle Code before the vehicle may
23 be redeemed by the debtor. ~~Except as provided herein, any~~ Any
24 person in possession of the vehicle shall not release it to the debtor
25 without first obtaining proof of payment of the fee to the chief of
26 police or parking authority. ~~At the request of the debtor, a person~~
27 ~~in possession of the vehicle, or the legal owner, may also release~~
28 ~~the vehicle to the debtor provided the debtor pays the fifteen dollar~~
29 ~~(\$15) fee, plus an administrative fee not to exceed five dollars~~
30 ~~(\$5), to the person in possession or the legal owner who shall~~
31 ~~transmit the fifteen dollar (\$15) fee to the chief of police or parking~~
32 ~~authority within three business days. Failure to transmit the fee~~
33 ~~within three business days shall subject the person in possession~~
34 ~~or the legal owner receiving the fee from the debtor to a fine of~~
35 ~~fifty dollars (\$50). The proof of payment, or a copy thereof, shall~~
36 ~~be retained by the party releasing possession to the debtor for the~~
37 ~~period required by law, and the party releasing possession shall~~
38 ~~provide a copy of the proof of payment to the debtor upon request~~
39 ~~of the debtor.~~ *law. An individual working for a repossession agency*
40 *licensed pursuant to Chapter 11 (commencing with Section 7500)*

1 of Division 3 of the Business and Professions Code may not pay
2 the fee to, or retrieve the receipt from, the chief of police or parking
3 authority.

4 ~~SEC. 6.~~

5 *SEC. 11.* Section 28 of the Vehicle Code is amended to read:

6 28. (a) Whenever possession is taken of any vehicle by or on
7 behalf of any legal owner thereof under the terms of a security
8 agreement or lease agreement, the person taking possession shall
9 attempt to notify, within one hour, and shall notify, within two
10 hours, after taking possession of the vehicle, by the most
11 expeditious means available, the city police department where the
12 taking of possession occurred, if within an incorporated city, or
13 the sheriff’s department of the county where the taking of
14 possession occurred, if outside an incorporated city, or the police
15 department of a campus of the University of California or the
16 California State University, if the taking of possession occurred
17 on that campus, and shall within one business day forward a written
18 notice to the city police or sheriff’s department.

19 (b) If possession is taken of more than one vehicle, the
20 possession of each vehicle shall be considered and reported as a
21 separate event.

22 (c) Any person failing to notify the city police department,
23 sheriff’s department, or campus police department as required by
24 this section is guilty of an infraction, and shall be fined a minimum
25 of three hundred dollars (\$300), and up to five hundred dollars
26 (\$500). The district attorney, city attorney, or city prosecutor shall
27 promptly notify the Bureau of Security and Investigative Services
28 of any conviction resulting from a violation of this section.

29 (d) For the notification required by this section, the person shall
30 report ~~all of the following:~~ *only the following information and in*
31 *the following order:*

- 32 (1) The *approximate* location of the repossession.
- 33 (2) ~~The registered owner as provided on the assignment.~~ *date*
34 *and approximate time of the repossession.*
- 35 (3) ~~The individual, company, or legal owner requesting the~~
36 ~~repossession.~~
- 37 (4)
- 38 (3) The vehicle year, make, and model.
- 39 (5)
- 40 (4) The last six digits of the vehicle identification number.

- 1 ~~(6)~~
- 2 (5) ~~The repossession agency name.~~ *registered owner as provided*
- 3 *on the repossession assignment.*
- 4 ~~(7)~~
- 5 (6) ~~The repossession agency telephone number.~~ *legal owner*
- 6 *requesting the repossession as provided on the repossession*
- 7 *assignment.*
- 8 (7) *The name of the repossession agency.*
- 9 (8) *The telephone number of the repossession agency.*

10 ~~SEC. 7.~~

11 *SEC. 12.* Section 4000 of the Vehicle Code is amended to read:

12 4000. (a) (1) A person shall not drive, move, or leave standing

13 upon a highway, or in an offstreet public parking facility, any

14 motor vehicle, trailer, semitrailer, pole or pipe dolly, or logging

15 dolly, unless it is registered and the appropriate fees have been

16 paid under this code or registered under the permanent trailer

17 identification program, except that an off-highway motor vehicle

18 which displays an identification plate or device issued by the

19 department pursuant to Section 38010 may be driven, moved, or

20 left standing in an offstreet public parking facility without being

21 registered or paying registration fees.

22 (2) For purposes of this subdivision, “offstreet public parking

23 facility” means either of the following:

24 (A) Any publicly owned parking facility.

25 (B) Any privately owned parking facility for which no fee for

26 the privilege to park is charged and which is held open for the

27 common public use of retail customers.

28 (3) This subdivision does not apply to any motor vehicle stored

29 in a privately owned offstreet parking facility by, or with the

30 express permission of, the owner of the privately owned offstreet

31 parking facility.

32 (4) Beginning July 1, 2011, the enforcement of paragraph (1)

33 shall commence on the first day of the second month following

34 the month of expiration of the vehicle’s registration. This paragraph

35 shall become inoperative on January 1, 2012.

36 (b) No person shall drive, move, or leave standing upon a

37 highway any motor vehicle, as defined in Chapter 2 (commencing

38 with Section 39010) of Part 1 of Division 26 of the Health and

39 Safety Code, which has been registered in violation of Part 5

1 (commencing with Section 43000) of ~~that~~ Division ~~26~~. 26 of the
2 *Health and Safety Code*.

3 (c) Subdivisions (a) and (b) do not apply to off-highway motor
4 vehicles operated pursuant to Sections 38025 and 38026.5.

5 (d) This section does not apply, following payment of fees due
6 for registration, during the time that registration and transfer is
7 being withheld by the department pending the investigation of any
8 use tax due under the Revenue and Taxation Code.

9 (e) Subdivision (a) does not apply to a vehicle that is towed by
10 a tow truck on the order of a sheriff, marshal, or other official
11 acting pursuant to a court order or on the order of a peace officer
12 acting pursuant to this code.

13 (f) Subdivision (a) applies to a vehicle that is towed from a
14 highway or offstreet parking facility under the direction of a
15 highway service organization when that organization is providing
16 emergency roadside assistance to that vehicle. However, the
17 operator of a tow truck providing that assistance to that vehicle is
18 not responsible for the violation of subdivision (a) with respect to
19 that vehicle. The owner of an unregistered vehicle that is disabled
20 and located on private property, shall obtain a permit from the
21 department pursuant to Section 4003 prior to having the vehicle
22 towed on the highway.

23 ~~(g) A vehicle repossessed pursuant to the terms of a security~~
24 ~~agreement is exempt from registration solely for the purpose of~~
25 ~~obtaining release of the vehicle from a law enforcement entity,~~
26 ~~impounding authority, tow yard, storage facility, or any other~~
27 ~~person or company that has possession of the vehicle, provided~~
28 ~~that the reposessor transports with the vehicle the appropriate~~
29 ~~documents authorizing the repossession and makes them available~~
30 ~~to a law enforcement officer on request.~~

31 (g) (1) *A licensed reposessor is exempt from this section solely*
32 *for the purpose of obtaining a release from a law enforcement*
33 *agency, impounding authority, tow yard, storage facility, or any*
34 *other person or company that has possession of the collateral.*

35 (2) *A licensed reposessor is exempt from this section solely for*
36 *the purpose of obtaining collateral from a law enforcement agency,*
37 *impounding authority, tow yard, storage facility, or any other*
38 *person or company that has possession of the collateral.*

39 (3) *In order to obtain a release of the collateral from a law*
40 *enforcement agency, impounding authority, tow yard, storage*

1 *facility, or any other person or company pursuant to paragraph*
2 *(1) or (2), a licensed reposessor shall only be required to present*
3 *his or her reposessor license and a copy of the reposessor*
4 *assignment to that entity or person.*

5 (h) For purposes of this section, possession of a California
6 driver's license by the registered owner of a vehicle shall give rise
7 to a rebuttable presumption that the owner is a resident of
8 California.

9 ~~SEC. 8.~~

10 *SEC. 13.* Section 9561 of the Vehicle Code is amended to read:

11 9561. (a) When a legal owner, his or her agent, or a reposessor
12 who is licensed pursuant to Chapter 11 (commencing with Section
13 7500) of Division 3 of the Business and Professions Code
14 repossesses a vehicle on which renewal fees are due, the department
15 shall waive any renewal penalties that are due for late payment if
16 the fees are paid within 60 days of taking possession.

17 (b) Notwithstanding any other provisions of this code, when a
18 repossessed vehicle is sold through a dealer conducting a wholesale
19 motor vehicle auction as provided in subdivision (b) of Section
20 4456 and Article 5 (commencing with Section 6100) of Chapter
21 2 of Division 3, any penalties that may be due are waived, if all
22 renewal fees that are due are paid not later than 60 days after the
23 date of sale at the auction.

24 ~~SEC. 9.~~

25 *SEC. 14.* Section 10856 is added to the Vehicle Code, to read:

26 10856. (a) A person shall not interfere with the transport of
27 a vehicle to a storage facility, auction, or dealer by ~~a reposessor~~
28 *an individual who is employed by a repossession agency* who is
29 licensed pursuant to Chapter 11 (commencing with Section 7500)
30 of Division 3 of the Business and Professions Code once
31 repossession is complete as provided in Section 7507.12 of the
32 Business and Professions Code.

33 (b) *Any tow yard, impounding agency, or governmental agency,*
34 *or any person acting on behalf of those entities, shall not refuse*
35 *to release a vehicle to anyone that is legally entitled to that vehicle.*

36 ~~SEC. 10.~~

37 *SEC. 15.* No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

6 *SEC. 16. This act is an urgency statute necessary for the*
7 *immediate preservation of the public peace, health, or safety within*
8 *the meaning of Article IV of the Constitution and shall go into*
9 *immediate effect. The facts constituting the necessity are:*

10 *In order to preserve public peace by prohibiting a person from*
11 *interfering with the transport of a vehicle to a storage facility,*
12 *auction, or dealer by a repossessor, it is necessary that this act*
13 *take effect immediately.*