



California Association of Licensed Repossessors "CALR" A Not-For-Profit Since 1961

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Individually we struggle to be heard - Collectively, we cannot be ignored



Law: May a tow service, auto drive away service or a transport company not specifically licensed as a "Repossession Agency" Repossess collateral VOLUNTARILY or INVOLUNTARILY?

No. These businesses are not exempt under BPC 7500.3 and would therefore be in violation relating to unlicensed activity. Violators are subject to fines of \$5,000.00 and/or one year in the county jail. [BPC 7502.1a]

BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 3. PROFESSIONS AND VOCATIONS GENERALLY [5000 - 9998.11]

(Heading of Division 3 added by Stats. 1939, Ch. 30.)

CHAPTER 11. Repossessors [7500 - 7511]

(Chapter 11 added by Stats. 1981, Ch. 1138, Sec. 11.)

ARTICLE 1. General Provisions [7500 - 7500.3]

(Article 1 added by Stats. 1981, Ch. 1138, Sec. 11.)

7500.3.

(a) A repossession agency shall **not** include any of the following:

- (1) Any bank subject to the jurisdiction of the Commissioner of Financial Institutions of the State of California under Division 1 (commencing with Section 99) of the Financial Code or the Comptroller of the Currency of the United States.
- (2) Any person organized, chartered, or holding a license or authorization certificate to make loans pursuant to the laws of this state or the United States who is subject to supervision by any official or agency of this state or the United States.
- (3) An attorney at law in performing his or her duties as an attorney at law.
- (4) The legal owner of collateral that is subject to a security agreement; or a bona fide employee employed exclusively and regularly by the legal owner of collateral that is subject to a security agreement. With regard to collateral subject to registration under the Vehicle Code, the legal owner shall be the legal owner listed on the records of the Department of Motor Vehicles or the seller or lessor named on a valid conditional sales contract or rental or lease agreement if the seller or lessor is a licensed vehicle dealer as defined in Section 285 of the Vehicle Code.
- (5) An officer or employee of the United States of America, or of this state or a political subdivision thereof, while the officer or employee is engaged in the performance of his or her official duties.
- (6) A qualified certificate holder or a registrant when performing services for, or on behalf of, a licensee.
- (7) A dealer, including its bona fide employees, regularly engaged in the sale of collateral designed primarily for agricultural use, as defined in subdivision (b) of Section 51201 of the Government Code, for use in the care of lawns and gardens, or for use as special construction equipment, as defined in subdivision (b) of Section 565 of the Vehicle Code, or

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for use in the production, generation, storage, or transmission of mechanical or electric energy, that is subject to a security agreement of the manufacturer or an affiliate of that manufacturer, provided the following requirements are met:

- (A) The dealer or the secured party maintains adequate records of all repossessions.
 - (B) The dealer or the secured party completes a collateral condition report.
 - (C) The dealer or the secured party records any odometer or hour meter readings.
 - (D) The dealer or the secured party creates records of all transactions pertaining to the sale of the collateral, including, but not limited to, bids solicited and received, cash received, remittances to the seller, and allocation of any moneys not so remitted to appropriate ledger accounts.
 - (E) The dealer removes and stores any personal effects that were taken with the collateral for a minimum of 60 days in a secure manner, completes an inventory of the personal effects, and notes the date that inventory is taken.
 - (F) If personal effects that were taken with the collateral are to be released to someone other than the debtor, the dealer shall request written authorization to do so from the debtor. The dealer may dispose of personal effects after storing them for at least 60 days pursuant to subparagraph (E).
- (b) Entities described in paragraph (7) of subdivision (a), or a debtor, lienholder, lessor or, lessee, registered owner, or an agent thereof shall not by any means, directly or indirectly, expressed or implied, instruct, coerce, or attempt to coerce another person to violate any law, regulation, or rule regarding the recovery of collateral, including, but not limited to, the provisions of this chapter or Section 9609 of the Commercial Code.
- (c) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

(Amended (as amended by Stats. 2012, Ch. 476, Sec. 1) by Stats. 2015, Ch. 740, Sec. 2. Effective January 1, 2016.

Repealed as of January 1, 2018, by its own provisions. See later operative version added by Sec. 2 of Stats. 2012, Ch. 476.)

The above is for references only, please refer to the sections of the Business and Professions Code for any changes that may have occurred since the publication of this document.

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