



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

www.CALR.org

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



AB 290 Exemption from Collateral Recovery Act [Oppose]



Please help us stop AB 290 from passing! This bill will could affect recovery agents nationwide! All states look at California to adapt new laws. If AB 290 passes it would allow companies like John Deere to be **exempt** from using repossession agencies.

How can you help?

Become a member of CALR:

We welcome recovery agencies owners nationwide! [Join Today!](#)

Make a Donation:

We are accepting donations to keep our legislative advocate and lobbyist in Sacramento fighting for our industry.

Call CALR (619) 981-6866

For more information on opposing this Assembly Bill contact:

Joe Collins, CALR Legislative Liaison (310) 995-2657

Jerry Desmond, Jr. (Desmond & Desmond), CALR's legislative advocate, Sacramento, at (916) 441-4166.

Political Action Committee (PAC):

CALR's PAC fund supports our lobbyist in the act of attempting to influence decisions made by officials in the California government. CALR's lobbyists work with the California legislators on behalf the CALR origination to explain the obstacles our industry faces and to work with lawmakers to correct and amend the laws. CALR also aids in preserving the current laws in place to help protect the repossessors. A portion of your dues will be used for lobbying activities as defined by the Revenue Reconciliation Act of 1993. It is estimated that the percentage used for such purposes will be twenty-nine percent (29%). This portion of your dues is not deductible as an ordinary and necessary business expense. Contributions or gifts are not deductible as charitable contributions for federal income tax purposes. If you would like to contribute to the CALR PAC fund please give us a call!

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June 7, 2017
The Honorable Rudy Salas
State Assembly
State Capitol, Room 4016
Sacramento, CA 95814

RE: AB 290 – Exemption from Collateral Recovery Act [Oppose]

Dear Assembly Member Salas:

On behalf of the California Association of Licensed Repossessors [CALR], this is to express our opposition to AB 290, legislation that would remove the majority of the important consumer protections set forth in the Collateral Recovery Act [Act] by eliminating the sunset on a specific exemption from the Act.

AB 290 would delete the January 1, 2018 sunset date in Section 7500.3 of the Business and Professions [B&P] Code in the Collateral Recovery Act. This would make permanent the exemption from licensure as a repossession agency permanent for dealers of agriculture, forestry, lawn care, and construction equipment. They would be able to repossess the collateral of farmers.

CALR opposed AB 1877 [Ma], Chapter 476, Statutes of 2012 that enacted this specific exemption into law and our concern. Our concerns with this removal of consumer protection would be heightened by placing this exemption into law on a permanent basis. The minor requirements set forth in the law are self-reporting and there is no state oversight or enforcement.

Most importantly, California farmers who purchase and finance equipment that can cost hundreds of thousands of dollars with a manufacturer are entitled to the same protections as the many individuals who purchase and finance automobiles. These protections include the following B&P Code sections:

- 7503.1, 75023.2 - State and federal background checks on those performing the repossession
- 7507.2 – State-licensed, qualified manager with 2 years and 4,000 hours of experience responsible for the repossession.
- 7508.3 - Prevention against false or misleading representations in the course of a repossession.
- 7507.10 – Required notice of seizure of personal property including:
 - o A notice of seizure must be provided within 48 hours.
 - o The name, address, and telephone number of the legal owner and repossession agency shall be provided.
 - o Special license plates shall be removed and stored for 60 days.
- 7507.125 – Requirements applicable to the use or taking of personal effects connected including:
 - o No storage fee shall be charged for the first week on any personal effects used to effectuate a recovery pursuant to this section. Any personal effects used or taken pursuant to this section shall be processed in a reasonably expedient manner.

Finance companies require all licensed repossession agencies to be bonded and insured, and to carry workers compensation coverage. .

Nothing in the permanent exemption would prevent convicted felons – including those who are required to register as sex or drug offenders - from performing repossessions. This is certainly not in the best interest of California consumers.

For these reasons, CALR is in opposition to AB 290. If you have any questions, I can be reached at **310.995.2657**, or please contact CALR's legislative advocate, Jerry Desmond, Jr. with Desmond & Desmond, at **916.441.4166**.

Sincerely,

Joe Collins

Joe Collins, Legislative Liaison

California Association of Licensed Repossessors