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AB-2759 Collateral recovery. (2019-2020)

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Assembly Bill No. 2759

CHAPTER 354

An act to amend Sections 7503.14 and 7505.3 of the Business and Professions Code, relating to collateral recovery.

[Approved by Governor September 30, 2020. Filed with Secretary of State September 30, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2759, Obernolte. Collateral recovery.

The Collateral Recovery Act, a violation of which is punishable as a misdemeanor, provides for the licensure and regulation of repossession agencies by the Bureau of Security and Investigative Services under the supervision and control of the Director of Consumer Affairs. The act prohibits a repossession agency license that has not been renewed within 3 years after its expiration from being renewed, restored, reinstated, or reissued thereafter.

This bill would instead prohibit a repossession agency license that has not been renewed within 10 years after its expiration from being renewed, restored, reinstated, or reissued thereafter.

The act also authorizes an immediate family member of a deceased licensee to continue the business under the same license for 120 days following the death of the licensee if written notice is provided to the bureau within 30 days of the licensee's death. The act requires the license to be automatically canceled at the end of either the 30-day or 120-day period, as specified.

This bill would instead require an immediate family member, as defined, to be granted a license to continue the business under the same license number and business name if the immediate family member submits a written request and an initial application and application fee to the bureau within 120 days following the death of the licensee, subject to specified conditions. The bill would also make conforming changes.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7503.14 of the Business and Professions Code is amended to read:

7503.14. (a) A repossession agency license which is not renewed within 10 years after its expiration shall not be renewed, restored, reinstated, or reissued thereafter.

(b) The holder of the repossession agency license may obtain a new license only upon compliance with all of the provisions of this chapter relating to the issuance of an original license.

SEC. 2. Section 7505.3 of the Business and Professions Code is amended to read:

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

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

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

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

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

(b) In the case of the death of a person licensed as an individual, an immediate family member shall be entitled to continue the business under the same license for 120 days following the death of the licensee. Except as provided in subdivision (c), at the end of the 120-day period, the license shall be automatically canceled.

(c) (1) (A) Except as provided in subparagraph (B), in the case of the death of a person licensed as an individual, an immediate family member shall be granted a license to continue the business under the same license number and business name if the immediate family member submits a written request and an initial application and application fee to the bureau within 120 days following the death of the licensee.

(B) If two or more immediate family members submit separate written requests pursuant to this paragraph to continue the license, the bureau shall grant the license to an immediate family member only if a court order issued within 120 days following the death of the licensee gives ownership of the asset clearly and unequivocally to that immediate family member.

(2) The immediate family member requesting the continuance of the license pursuant to this subdivision shall be subject to all of the requirements of this chapter, including the provisions of Section 7503.5.

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

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

(f) For purposes of this section, "immediate family member" means a spouse, father, mother, brother, sister, son, daughter, granddaughter, or grandson of the deceased licensee who submits proof of that relationship.