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CALR-Sponsored Legislation SB 659 Effective Immediately Sept 7th 2007

Regarding Violent Acts:

On September 7, Governor Schwarzenegger approved CALR-sponsored Senate Bill 659 by Senator Ronald Calderon. This bill was an Urgency Measure that became effective as soon as it was chaptered by Secretary of State Debra Bowen.

The primary theme of SB 659 is to enhance the safety of repossessions in California and reduce workplace violence. Relevant changes to the law are as follows:

Business & Professions Code §7507.6. Under the old law, if a reposessor was involved in a "violent act," as that term is defined in B&P Code §7500.1(x), he/she must notify the BSIS Bureau Chief of the incident. There was no requirement that the mere threat of violence be reported or that the reposessor also notify the assignor of the Assignment to Repossess. Not infrequently, a debtor may threaten a reposessor without immediately causing bodily harm or injury. For example, Repossessor #1 comes to the debtor's home and the debtor points a weapon at him and yells, "If you come back, I'll shoot you." This would not have caused a notification to the Bureau Chief under the old law. Furthermore, if Repossessor #1 contacted the legal owner and merely reported that he was unable to effectuate the recovery, the legal owner might have re-assigned the repossession to Repossessor #2 without knowing about, or relaying, the threats of violence to the new reposessor.

Repossessors have died because of this defect in the old law.

Accordingly, we amended B&P Code §7507.6 to provide that if there is a violent act or a *threatened* violent act, the reposessor must give the person who made the assignment, by certified mail, return receipt requested, a notice containing information about the incident, *if* there was either a police report filed or bodily harm or injury occurred. It also permits, but does not require, giving the notice to the assignor if the reposessor decides not to file a police report.

B&P Code §7508.4. This amendment authorizes the BSIS Bureau Chief to assess an administrative fine if a reposessor fails to notify the assignor of a violent act or threatened violent act as required by §7507.6.

Civil Code §2984.6, Civil Code §2993, Financial Code §3357, Financial Code §15103, Financial Code §22329.5, Vehicle Code §11724. These new code sections apply to Rees-Levering Conditional Sales Contracts, lease agreements, banks, credit unions, finance companies, and auto dealers and provide that once a person receives notice of a violent act or threatened violent act, he/she shall not re-assign the Assignment to Repossess to another reposessor without notifying the new assignee of the information surrounding the reported incident.