



**DEPARTMENT OF CONSUMER AFFAIRS**  
**BUREAU OF SECURITY AND INVESTIGATIVE SERVICES**

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## 2014 Enacted Legislation

Below is a synopsis of the legislation enacted into law in 2014 that impact the Practice Acts regulated by the Bureau of Security and Investigative Services along with a brief explanation of the substantive changes for each bill.

**NOTE:** Unless otherwise specified, the provisions of the enacted legislation go into effect on January 1, 2015.

### Collateral Recovery Act

[Assembly Bill 2503](#) (Chapter 390) – This bill:

- Specifies that a licensed repossession agency shall only contract repossession business with another entity as an independent contractor;
- Specifies that only the licensed repossession agency's qualified manager or its owner or officer shall manager the day-to-day operations or transact business;
- Makes it a misdemeanor, punishable by a fine of five thousand dollars (\$5,000) for a "buy-here-pay-here" dealer to knowingly engage a nonexempt unlicensed individual to repossess collateral on its behalf;
- Clarifies that while a reposessor may not determine the value of any collateral, whether damaged or not, the reposessor may complete a condition report that makes a general assessment of the collateral; and
- Clarifies that it is not a violation to wear a Bureau approved badge, cap insignia, or jacket patch as identification indicating registration as a reposessor. A Bureau-issued registration card shall still be carried by the reposessor while carrying out repossession duties.

### Locksmiths

[Assembly Bill 759](#) (Chapter 14) – This bill was an urgency measure signed by Governor Brown on May 13, 2014 and is effective immediately. The bill provides a **limited** exemption from Locksmith licensing requirements, as specified, to any person licensed, certified (qualified manager), or registered with the Bureau of Security and Investigative Services under the Alarm Company Act. The Locksmith license exemption applies only

when the duties of the alarm licensee, qualified manager, or registrant that constitutes locksmithing are performed in combination with the installation, maintenance, moving, repairing, replacing, servicing, or reconfiguration of an **alarm system**, and is limited to work on electronic locks or access control devices that are controlled by an alarm system control device. **Locksmith duties performed beyond the scope of the limited exemption of AB 759 would continue to be subject to Locksmith licensing and registration requirements. Further, any locksmith duties performed beyond the specific exemptions of this bill would constitute unlicensed activity.**

### **Private Investigator Act**

[Assembly Bill 1608](#) (Chapter 669) – This bill authorizes a Private Investigator licensee to be organized as a Limited Liability Company (LLC) until January 1, 2018 and requires the LLC licensee to maintain a minimum of one million dollars (\$1,000,000) general liability insurance policy.

Specifically, a Private Investigator LLC licensee must maintain a policy or policies of insurance against liability claims for acts, errors, or omissions arising out of the private investigator services it provides. For an LLC with five or fewer members, the aggregate liability limit shall not be less than one million dollars (\$1,000,000). For an LLC with more than five managing members, an additional one hundred thousand dollars (\$100,000) of insurance must be obtained for each person named as a managing member not to exceed five million dollars (\$5,000,000) in any one designated period.

Each Private Investigator LLC applicant and licensee must provide proof of the required insurance by submitting a Certificate of Liability Insurance, signed by an authorized agent or employee of the insurer, to the Bureau. Furthermore, each Private Investigator LLC licensee will be responsible for ensuring the Bureau has the current insurance information on file, which means the licensee will need to submit a new Certificate of Liability Insurance when a current policy expires. Failure to maintain the required insurance or provide the Bureau with a current Certificate of Liability subjects the Private Investigator LLC license to automatic suspension.

The Certificate of Liability must include:

1. The Private Investigator LLC's company name;
2. The Private Investigator's PI License Number (if already licensed);
3. The insurance policy number;
4. Dates that coverage is scheduled to commence and lapse; and
5. The date and amount of any claims paid pursuant to the policy, and cancellation date, if possible.

Current Private Investigator licensees seeking licensure as a LLC must apply to the Bureau for approval to have their license reassigned. Only reassignments involving no change in direct or indirect owners of the assignor to the assignee are eligible for

reassignment. Private Investigator licensees seeking reassignment of their license will need to complete a Private Investigator License Application Packet in accordance with the directions for reassignment specified in the packet.

### **Private Security Services Act**

[Assembly Bill 2220](#) (Chapter 423) – This bill requires ALL licensed Private Patrol Operators (PPOs) to maintain general liability insurance as a condition of licensure. Specifically, PPOs will be required to have commercial general liability insurance policies which provide minimum limits of one million dollars (\$1,000,000) for any one loss or occurrence due to bodily injury, including death or property damage, or both. Also, all PPO applicants will be required to submit Certificates of Liability Insurance with their initial applications.

PPO applicants and licensees must submit a Certificate of Liability to the Bureau as proof that the insurance requirement is being met.

The Certificate of Liability must include:

1. Your company name;
2. Your PPO license number;
3. The insurance policy number; and
4. The dates the coverage commenced and expires.

Failure to provide or maintain proof of liability insurance with the Bureau shall result in an automatic suspension of the PPO license. Accordingly, all PPOs will be responsible for ensuring the Bureau has current insurance information on file at all times, which means all PPOs will need to submit a new Certificate of Liability when a current policy expires.

PPO Firearm Assignments: Effective July 1, 2016, AB 2220 also allows PPOs to be the registered owner of a firearm, provided the PPO meets specified conditions with the Department of Justice. The PPO may then assign the firearm to a security guard who is in possession of a BSIS firearms permit when it is required as a condition of employment.

Peace Officer Exemptions: AB 2220 also exempts specified peace officers, who have successfully completed requalification training through their employing agency, from the BSIS firearms requalification and training as a condition for renewal of their BSIS firearms permit.

### **Vehicle Code**

[Assembly Bill 2503](#) (Chapter 390) – This bill makes several changes to the Collateral Recovery Act and the Vehicle Code as they pertain to repossession agencies and their employees. Changes to the Vehicle Code include:

- Changing the requirement of a reposessor from having to “attempt to notify” law enforcement to having “to contact” law enforcement within one hour after taking possession of a vehicle;
- Specifying that a reposessor must provide the law enforcement agency with:
  1. The approximate location of the repossession;
  2. The date and time of the repossession;
  3. The year, make, model, and last six digits of the vehicle identification number of the vehicle;
  4. The name of the vehicle’s registered owner;
  5. The name of the vehicle’s legal owner that is requesting the repossession;  
and
  6. The licensed repossession agency’s name and telephone number.
- Specifying that if the law enforcement agency is unable to receive and record the reposessor’s notice upon the initial attempted contact, the reposessor must continue trying to contact law enforcement until the notification information is provided.
- Exempting a reposessor from registering a vehicle he/she is repossessing for the purpose of moving the vehicle to the reposessor’s storage facility or the facility of the legal owner.
- Prohibiting a person, other than a peace officer acting in his/her official capacity, from interfering with the transport of a vehicle to a storage facility, auction, or dealer and makes violation of that provision an infraction.
- Prohibiting a tow yard, impounding agency, governmental agency, or any person acting on behalf of these entities from refusing to release a vehicle or other collateral to anyone legally entitle to that vehicle or collateral except if the vehicle is being held as evidence by law enforcement or a prosecuting attorney.