



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

November 14, 2016

To: All Registered Service Agencies/Agents

Subject: New California Law Affecting Registered Service Agencies

A new measure to protect consumers and businesses from fraudulent behavior becomes effective January 1, 2017. Assembly Bill 2307 (Chau, Chapter 329, Statutes of 2016) requires service agencies and service agents to report weighing and measuring equipment that has been altered to facilitate fraud.

This law change was prompted by the recent increase of credit and debit card skimmers installed in fuel dispensers at retail service stations. Service agencies and service agents access and open commercial weighing and measuring devices every day in the course of their work and are most likely to observe fraudulent, altered devices.

Fraudulent alterations to commercial devices may take on many different forms and for this reason the new law is not specific to any particular device type.

Beginning January 1, 2017, service agencies and service agents must report any weighing and measuring device they find has been altered to facilitate fraud (e.g., with altered software or a payment card skimmer) to the county sealer's office within 24 hours. If the alteration is removed, it must be turned over to the county sealer or local law enforcement within 24 hours.

The text of Assembly Bill 2307 is enclosed. Please ensure that all your employees are informed of this legislation and its new requirements. If you have questions, please contact Clark Cooney, Chief, Enforcement Branch, at (916) 229-3000 or by email at clark.cooney@cdfa.ca.gov.

Sincerely,

Kristin J. Macey
Director

Enclosure

cc: Clark Cooney, Chief, Enforcement Branch, Division of Measurement Standards



ASSEMBLY BILL 2307 (CHAU, CHAPTER 329, STATUTES OF 2016)
Additions and Amendments in ***Bold, Blue Italics***

Section 12215 is added to Division 5 of the Business and Professions Code, to read:

12215.

A county sealer who receives information or evidence indicating that any weighing or measuring device, parking meter, or other installation under the county sealer's jurisdiction has been altered in such a way as to facilitate any type of fraud shall coordinate with the appropriate law enforcement authorities as needed in investigating and prosecuting the fraudulent activity.

Section 12532 of the Business and Professions Code is amended to read:

12532.

- (a) No person shall engage in business as a service agency unless the person is registered by the Secretary of Food and Agriculture pursuant to this chapter and unless the current registration fee and any penalty has been paid.
- (b) Applications for registration shall be in writing on a form prescribed by the department, and shall be accompanied by the required fee.
- (c) A service agency shall forward to the department the name or names of service agents employed by them, with the appropriate fees required by Section 12535.
- (d) A device may only be placed in service by a sealer or a service agency. A device used by a public utility in connection with measuring gas, electricity, water, steam, or communication service subject to the jurisdiction of the Public Utility Commission is exempt from the requirements of this chapter.
- (e) Except as provided in subdivision (f), no person who repairs a device is required to be registered if the device is placed into service by a sealer or service agency.
- (f) Vapor measuring devices operating at greater than 11 inches water column shall be installed by a service agency.
- (g) In the event of any change in the legal status of a registered service agency, the new legal entity shall obtain a new registration ***prior to before*** operating as a service agency.
- (h) A service agency may employ or designate a licensed service agent to act for the service agency and shall be responsible for all acts of that person.
- (i) ***If a device has been altered in such a way as to facilitate fraud, a service agency or service agent shall report it to the county sealer within 24 hours of discovering that the device has been altered. If the service agency or service agent has possession of the device or any mechanism, component, software, or other device attached to or used in conjunction with the device that serves to facilitate fraud, the service agency or service agent shall surrender the device, mechanism, component, software, or other device to the county sealer or local law enforcement within 24 hours of discovering that the device has been altered.***