



August 12, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: SB 1144 (Skinner) Marketplaces: Online Marketplaces.
REQUEST FOR SIGNATURE *(As Amended on July 1, 2024)*

Dear Governor Newsom,

The League of California Cities (Cal Cities) respectfully requests your **signature** on SB 1144 (Skinner) which would revise the definition of third-party seller determined to be high-volume sellers online and require these who meet this definition to have a policy against reselling stolen goods and ensure those using their site to sell goods must comply with that policy.

As you may know, retail theft continues to be a problem in all California communities. For example, commercial burglary is at the highest rate since 2008. In fact, according to the PPIC, commercial burglary increased statewide since 2020, especially in larger counties with an increase of 13% among 14 of the 15 largest counties. Rising theft is impacting every corner of California, and city officials need additional tools to reduce crime and improve the safety of their neighborhoods.

The rising rate of theft offenses such as commercial burglary necessitate viable resale operations of those stolen goods such as fencing location or the use of online third-party marketplaces. Reducing the ease with which stolen items can be resold through these secondary operations is a critical step in providing any comprehensive solution to the issue of retail theft. SB 301 (Skinner, 2023) attempted to address this issue by requiring reporting by high-volume third-party sellers utilizing online marketplaces. However, there were some gaps noted in this legislation and the federal legislation that still need to be addressed.

This bill would specifically revise the definition of third-party sellers classified as "high-volume" to remove the condition that transactions be made through an online marketplace that processes payment and would add that any fashion of utilizing the online site counts towards this classification. The online marketplaces further would be required to adopt and enforce a policy prohibiting the sale of stolen goods on that online site and provide a mechanism to notify the marketplace of the sale of stolen goods. As such, online marketplaces will be required to disclose to consumers and law enforcement whether their third-party sellers are complying with this mandate and when they are suspected of violating the mandate. The bills requires an online



marketplace to alert local, regional or state law enforcement when it knows third party vendors are selling stolen goods.

SB 1144 is part of a package of bills that will make important changes to retail theft. Addressing the resale of stolen goods is one of the priorities Cal Cities has identified that need to be addressed before real progress can be made, however all of the proposed changes in the retail theft legislative package are needed in order to comprehensively address this issue.

For these reasons, Cal Cities **urges your signature** on SB 1144 (Skinner). If you have any questions, do not hesitate to contact me at jvoorhis@calcities.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jolena Voorhis".

Jolena Voorhis
Legislative Affairs, Lobbyist

cc: The Honorable Nancy Skinner
Jith Meganathan, Deputy Legislative Secretary, Governor's Office