

December 21, 2023

To: Ara Mihranian, City Manager
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City of Rancho Palos Verdes

From: Sharon Gonsalves
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Renne Public Policy Group

RE: Assembly Retail Theft Informational Hearing

The Assembly Select Committee on Retail Theft held an informational hearing on December 19 on the subject of “Retail Crime: Community Impacts and Solutions”. Informational hearings are held by the Legislature to receive input and feedback from public and private stakeholders on a specific topic. Legislators may then use this information for the consideration of future legislation. While no formal actions are taken during informational hearings, the major themes, comments by committee members, panelists, and the public, and the overall tone of the conversation all play a role in the assessment of which major policies may be looked to be advanced during the legislative session.

Assemblymember Rick Zbur (D, West Hollywood), the chair of the Select Committee on Retail Theft, said that the purpose of the hearing was to discuss the “crisis of retail crime occurring across the nation, but it’s impact is particularly acute here in California.” Of note: Speaker Rivas was in attendance during part of the hearing. The Speaker spoke briefly about perception versus reality of the issue, delivering solutions for business owners and consumers, and the need for the Legislature to act quickly. He also noted that “retail theft is a top concern in all parts of California.” His attendance and comments at the hearing, which are unusual for a Speaker, show that retail crime will be a top priority of his in 2024.

Retail crime encompasses shoplifting, commercial burglary, and commercial robbery involving force. Over the course of more than three hours, witnesses testified on various aspects of retail crime within the context of related areas of interest, including effects of Proposition 47, what counts as a felony and a misdemeanor, prison overcrowding, rates of different types of retail crime, and potential solutions for reducing retail theft. Panelists included:

- Caitlin O’Neil, Principal Fiscal & Policy Analyst, Legislative Analyst’s Office
- Magnus Lofstrom, Policy Director & Senior Fellow, Public Policy Institute of California
- Rachel Michelin, President and CEO, California Retailers Association
- Amber Parrish Baur, Executive Director, United Food and Commercial Workers Western States Council
- Jeff Kreshek, Senior Vice President - Western Region President, Federal Realty
- Lenore Anderson, President, Californians for Safety and Justice
- Ivy B. Fitzpatrick, Managing Deputy District Attorney, Riverside County District Attorney’s Office

- Cristine Soto DeBerry, Executive Director, Prosecutors Alliance of California
- Chief Alexander Gammelgard, President, California Police Chiefs Association

There was some discussion of Proposition 47 and its effects, if any, on current rates of retail theft. The measure, passed by voters in 2014, specifies that theft of property worth \$950 or less is punished as a misdemeanor in most cases and prohibits acts of shoplifting from being charged as burglary. Shoplifting is defined, with some exceptions, as theft of \$950 or less. Prior to Proposition 47 the threshold to classify theft as a misdemeanor was \$400. It is important to note that Prop 47 only allows amendments to it that are consistent with and further the intent of the act.

A primary point of contention was the driver of the increase in retail theft across the state, as well as the true extent of it due to varying data and data reporting methods of various jurisdictions. According to the Public Policy Institute of California, total retail crime has risen in most urban areas and in most large counties in recent years. Shoplifting has fallen significantly since Proposition 47 was passed but has seen a recent spike that began during the COVID-19 pandemic, while commercial burglaries and robberies have risen modestly over the past decade.

There was significant discussion of the validity of retail theft statistics and the degree to which shoplifting may be underreported. Data is limited to incidents to where the victim notifies law enforcement, but this may not always occur. Moreover, agencies may vary in how they categorize offenses. For example, current methods do not allow for organized retail theft, also known as “smash-and-grabs,” to be counted as its own category. As a result, they are not counted in rates of retail crime. In some cases, local agencies may not have the resources to collect any data. Additionally, many retailers are either reluctant to report theft or are unable to keep such records.

There was general agreement that a return to mass incarceration is undesirable and that the issue must be addressed in other ways. Possible legislative solutions posed by participants included:

- Further regulation of online marketplaces to reduce the resale of stolen goods;
- Requiring better reporting methods by local agencies;
- Increased accountability and deterrence;
- Targeting and aggregating repeat offenders.

Assemblymember Zbur stated that this informational hearing will be the first of at least three that the committee will hold. Furthermore, at the request of the Legislature, the nonpartisan state oversight entity known as the Little Hoover Commission has agreed to study the issue of retail theft in the state of California and has held two public hearings, with at least one more to follow early in 2024. Although the participants at these hearings were different from those at the Assembly’s hearing, the discussion, including proposed solutions, was similar. RPPG will continue to closely monitor discussions and advise you on any proposed legislation.

Please let us know if you have any questions. The agenda for the Assembly hearing can be found [here](#) and additional materials for it can be found [here](#) and [here](#).