

Honolulu, Hawaii  
Feb 4, 2008

RE: H.B. No. 2589  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2589 entitled:

"A BILL FOR AN ACT RELATING TO SCRAP METAL,"

begs leave to report as follows:

The purpose of this bill is to deter crimes relating to scrap metal, by requiring scrap dealers to pay for scrap only by check issued no sooner than five days after the purchase and mailed to the seller. This bill also requires scrap dealers to retain the canceled check for two years and make the check available for inspection by the authorities.

The Honolulu Police Department, Schnitzer Steel Hawaii Corp., and Okuda Metal, Inc. testified in support of this bill.

Copper theft has been a growing problem in Hawaii in recent years. The impetus behind this form of property crime is the access to "fast cash" through the sale of stolen copper to scrap dealers. Additionally, business competition drives dealers to pay for scrap with cash, which is a more attractive form of payment for scrap sellers.

By requiring dealers to pay for scrap by check, the "fast cash" element is limited and an audit trail established that may help law enforcement conduct investigations.



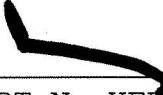
However, concerns were raised regarding the impact this bill may have on businesses that would be required, for all types of scrap purchased, to delay the issuance of check payments by at least five days after the date of purchase and to mail the checks to sellers.

In light of these concerns and the need for further measures to curb copper theft, your Committee has amended this bill by:

- (1) Limiting the five-day wait period and mailing requirement to checks used to pay for copper; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2589, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

  
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ROBERT N. HERKES, Chair



