

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 373  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and  
Affordable Housing, to which was referred H.B. No. 373, H.D. 1,  
entitled:

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

begs leave to report as follows:

The purpose of this measure is to deter the theft of copper.

Specifically, this measure adds new requirements for the sale  
of copper and the purchase of copper by scrap dealers such as:

- (1) Requiring sellers of copper to present a receipt or  
notarized statement verifying certain information;
- (2) Prohibiting a scrap dealer from purchasing copper if the  
seller cannot meet the requirements set forth in  
paragraph (1);
- (3) Requiring the scrap dealer to take a photograph of the  
copper being offered for sale and a photograph of the  
seller;
- (4) Requiring the scrap dealer to make a photocopy of the  
seller's identification; and



- (5) Requiring that the scrap dealer keep certain information on record so that law enforcement may examine that information.

In addition, this measure also provides for increased penalties for violations of certain requirements.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, and Hawaiian Electric Company and its subsidiaries. Reynolds Recycling; Okuda Metal, Inc.; and Schnitzer Steel Hawaii Corp. submitted testimony in opposition to this measure.

Your Committee finds that the price of copper has risen due to the high market demand for construction materials. The recent rise in copper thefts has had a great impact on the general public with the dismantling of street light fixtures, transformers, and rain gutters. Scrap metal dealers are the prime intermediary for copper thieves who sell the contraband to the dealers.

Your Committee notes that the Department of the Attorney General; the Department of the Prosecuting Attorney for the City and County of Honolulu; the Honolulu Police Department; Reynolds Recycling; Schnitzer Steel Hawaii Corp.; and Okuda Metal, Inc. worked together to come to a compromise on the scope of this measure.

Based upon their agreement, your Committee has amended this measure by:

- (1) Clarifying that the new requirements provided in this measure apply only to copper;
- (2) Giving the scrap dealer the option of either making a copy of the seller's valid photo identification or taking a photograph of the seller;
- (3) Requiring the revocation of the scrap dealer's license for three or more violations of sections 445-232 and 445-233, Hawaii Revised Statutes (HRS), or falsifying a statement required by section 445-233, HRS, that occur within five years of the first offense; and



- (4) Including a sunset date of two years after the effective date of the measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 373, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 373, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Affordable  
Housing,

  
BRIAN T. TANIGUCHI, Chair



