

STAND. COM. REP. NO.

856

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 230
S.D. 1

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

Madam:

Your Committees on Commerce, Consumer Protection, and
Affordable Housing and Judiciary and Labor, to which was referred
S.B. No. 230 entitled:

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

beg leave to report as follows:

The purpose of this measure is to require scrap dealers, when
buying copper from an individual, to require the individual to
present valid identification and be fingerprinted.

Testimony in support of this measure was submitted by the
Department of the Prosecuting Attorney for the City and County of
Honolulu, the Honolulu Police Department, Hawaiian Electric
Company, and the Kuli'ou'ou/Kalani Iki Neighborhood Board #2.
Testimony in opposition to this measure was submitted by Schnitzer
Steel Hawaii Corporation; Okuda Metals, Inc.; and Reynolds
Recycling. The Department of the Attorney General submitted
comments on this measure.

Your Committees find that the recently higher prices for
copper have resulted in a spate of copper theft across the State.
Not only does the theft of copper cost taxpayers money for
replacement and repair, it also causes major disruptions to public
services and utilities.

Your Committees find that requiring scrap dealers to obtain
certain information from sellers prior to purchasing copper, will



deter scrap dealers from buying stolen copper and lessen the incentive for thieves to steal copper.


After full discussion on this measure, your Committees have amended this measure by:

- (1) Removing the fingerprinting requirements;
- (2) Requiring sellers of copper, in whole or in part, to provide a receipt or a notarized statement for the scrap metal upon offering the metal for sale to a scrap dealer;
- (3) Requiring the scrap dealer to refuse to accept any copper, in whole or in part, if the seller cannot comply with the requirements of paragraph (2) and to report the attempted sale to law enforcement authorities;
- (4) Exempting public utilities from the requirements of section 445-233, Hawaii Revised Statutes (HRS);
- (5) Adding a penalty for a violation of either sections 445-232, 445-233, or for any person who falsifies a statement required by section 445-233, HRS. The penalty includes a fine of \$100 for the first offense, \$500 for the second offense, and \$1,000 and the suspension of the scrap dealer license for a period of six months for the third offense; and
- (6) Changing the effective date for the purpose of promoting further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 230, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 230, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and
Affordable Housing and
Judiciary and Labor,



CLAYTON HEE, Chair



BRIAN T. TANIGUCHI, Chair



