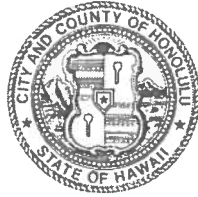


POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813
TELEPHONE: (808) 529-3111 · INTERNET: www.honolulu.org



RICK BLANGIARDI
MAYOR

SUSAN BALLARD
CHIEF

JOHN D. McCARTHY
AARON TAKASAKI-YOUNG
DEPUTY CHIEFS

OUR REFERENCE PO-KK

March 16, 2021

LATE

The Honorable Rosalyn H. Baker, Chair
and Members
Committee on Commerce
and Consumer Protection
State Senate
Hawaii State Capitol
415 South Beretania Street, Room 229
Honolulu, Hawaii 96813

Dear Chair Baker and Members:

SUBJECT: House Bill No. 352, H.D. 1, Relating to Secondhand Dealers

I am Paul Okamoto, Captain of the Criminal Investigation Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD opposes House Bill No. 352, H.D. 1, Relating to Secondhand Dealers.

The amendment to Hawaii Revised Statutes, Section 486M-4, Minimum retention of items, currently stipulates the retention on any article for a minimum of 15 to 30 days. The retention period within the county is an important tool for law enforcement as it provides an opportunity to immediately inspect items already identified as stolen for additional evidence. It also allows for the direct visual and tactile inspection of items that may be potentially stolen but not yet identified. No current technology can replace the actual physical inspection process. Allowing automated recycling kiosks a special exemption from this requirement will make the identification of such items more difficult if not impossible.

The passage of this bill will allow both legitimate and illegitimate companies to circumvent the original legislative intent of creating a grace period to inspect potentially stolen goods. Effectively, this amendment will allow anyone with an automated kiosk to immediately and electronically "fence" stolen items.

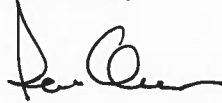
The Honorable Rosalyn H. Baker, Chair
and Members
March 16, 2021
Page 2

The special exemption this bill seeks not only creates an unfair advantage for those engaging in the secondhand dealer market, it creates a dangerous precedent for other items to be bought and sold in the future. There is no part of this bill that benefits law enforcement; it only creates obstacles for future investigations.

The HPD urges to you to oppose House Bill No. 352, H.D. 1, Relating to Secondhand Dealers.

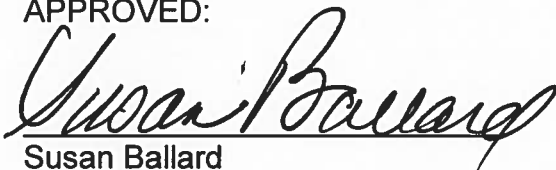
Thank you for the opportunity to testify.

Sincerely,



Paul Okamoto, Captain
Criminal Investigation Division

APPROVED:



Susan Ballard
Chief of Police



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
March 16, 2021**

Re: HB 352 HD1 Relating to Secondhand Dealers

Good morning Chair Baker and members of the Senate Committee on Commerce and Consumer Affairs. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We **SUPPORT** HB 352 HD1 Relating to Secondhand Dealers. This measure clarifies that the secondhand dealers law applies to a secondhand dealer's operation of an automated recycling kiosk that only accepts handheld electronic devices for recycling; specifies the retention requirements for secondhand dealers that operate an automated recycling kiosk; and is effective 1/1/2050.

It is our understanding that 49 states have already adopted legislation to recognize the use of automated kiosks to buy used wireless devices for the purpose of recycling. While we understand there may be concern that stolen property would be accepted, there are strong measures these types of kiosks take that would prevent this to ensure that only NON-STOLEN property is accepted.

In other states, these types of recycling kiosks help to reduce e-waste and divert it from entering the local landfills. The kiosks are often located within the stores of its retail partners, which provides safe access for consumers and increased foot traffic for the retailer. Passage of this measure will support Hawaii's triple bottom line, in that it will be mutually beneficial to the consumers, the environment, and the businesses.

Mahalo again for this opportunity to testify.

March 14, 2021

707 Richards Street, Suite 610
Honolulu, Hawaii 96813
Telephone (808) 523-3900
Facsimile (808) 526-9829
Website: koshibalaw.com
jspiker@koshibalaw.com

Honorable Rosalyn H. Baker, Chair
Honorable Stanley Chang, Vice Chair
Senate Committee on Commerce and Consumer Protection

Re: HB 325- RELATING TO SECONDHAND DEALERS.

Dear Chair Baker, Vice Chair Chang & Committee Members,

On behalf of the Hawaii Pawnbrokers Association, we respectfully OPPOSE HB 352 and ask that you DO NOT PASS this Bill.

This Bill seeks to apply Hawaii Revised Statutes (“HRS”) Chapter 486M Pawnbrokers and Secondhand Dealers’ laws to people that operate automated recycling kiosks.

Automated recycling kiosks are a completely different type of business and industry compared to pawnbrokers and secondhand dealers. Recycling in Hawaii is governed by other statutes such as HRS Chapter 339, HRS Chapter 342I, HRS Chapter 342G, HRS Chapter 445-231 and others. **Furthermore, there are no automated recycling kiosks in Hawaii.**

Having automated recycling kiosks be governed by HRS Chapter 486M, which are pawnbrokers and secondhand dealers’ laws, is very confusing and will result in different industries being governed by HRS Chapter 486M and will distort HRS Chapter 486M. The Honolulu Police Department opposes this Bill as well.

Majority of those who support this Bill do so because they stand to benefit financially if this Bill is passed because they will be able to promote and sell their products in Hawaii.

For the foregoing reasons, we respectfully request that you do not pass HB 352.

Very truly yours,

Jonathan E Spiker

Jonathan E. Spiker
for
Hawaii Pawnbrokers Association

Kamaaina Loan ~ Cash for Gold

March 14, 2021

Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice-Chair
And Members of Senate Committee on Commerce and Consumer Affairs

FROM: Richard Dan, Kamaaina Loan ~ Cash for Gold

SUBJECT: **HB 352, HD1 - RELATING TO SECONDHAND DEALERS**

Dear Chair Baker, Vice-Chair Chang, and Members of the Senate Committee on Commerce and Consumer Affairs,

I **oppose HB 352, HD1 - RELATING TO SECONDHAND DEALERS.**

My name is Richard Dan, and I have operated Hawaii's oldest pawn shop and second-hand dealership in the State for over 4 decades. I am writing concerning the proposed "**automated kiosk**" legislation.

I am generally in favor, but I and others in the business feel it should be a separate chapter and not lumped in with Section 486, which could be confusing.

As far as the text goes, I suggest the following changes:

- 1) Be sure there is clear language that provides assurances that inter-island internet transactions are allowed; and that pawn transactions, and purchases of second-hand goods are allowed. In other words, ensure that my Maui-based business is legally allowed to operate a kiosk or internet transaction (while providing social distancing) in another county.
- 2) While the requirement for digital records of goods is all right, please delete the requirement for digital records of customer's property being offered for sale or loan. The reason for this is that the technology is not yet good enough.

If I can be of assistance in crafting more equitable, accountable and safe legislation as it relates to this bill, please contact me at Tel: (808) 242-5555.

Sincerely,

Richard Dan
Richard Dan - Manager



10121 Barnes Canyon Way, San Diego CA 92101

DATE: March 16, 2021
TO: Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair
Members of the Committee on Commerce and Consumer Protection
FR: Bonnie Garcia, Director of Legislative Affairs, ecoATM
RE: HB352 HD1 Relating to Secondhand Dealers. - **SUPPORT**

LATE

We **STRONGLY SUPPORT HB352 HD1 with amendments** to provide your constituents increased access to companies aligned with Sustainable Hawaii Initiatives that reduce electronic waste and work towards creating a greener planet. As amended, **this bill is intended to only address automated kiosks that buy used consumer handheld cell phones** and strengthens consumer protections to bring the State of Hawaii in alignment with other states that have already adopted legislation to recognize the use of automated kiosks. Because of the current hold requirements, **Hawaii is the only state in the nation where automated kiosk services are not offered.**

As a member of the high tech community, we are one of several companies with a mission to prevent toxic waste from polluting our environment by encouraging proper recycling of used electronic devices. Since our inception, we have built trusted relationships with more than 1,000+ law enforcement agencies and local governments and partner with major retailers to operate greater than 4,300+ kiosks inside malls, major retail stores and grocers across the United States and Europe. **We have purchased greater than 28 million devices and diverted approximately 7 million pounds of electronic waste from local landfills at no cost to consumers or government agencies.**

Existing law mandates lengthy in-county storage of purchased items - a provision that creates costly and logistical challenges as the storage space within an automated kiosk is limited. With minor amendments, automated kiosks would be able to operate as they do in all other states and countries that allow for secure storage of items off-site during the extended holding period.

To address stakeholder concerns raised in previous testimony, we respectfully urge the following amendments:

- In Section 1.
“Automated recycling kiosk” means an interactive device that **purchases previously owned consumer hand-held electronic cellular phone device that** is installed within a secure retail space and performs the following technological functions:

- 1) Verifies a seller's identification through a combination of technology within the kiosk and remote examination of a government-issued identification by a live representative during each transaction;
- 2) Securely stores articles accepted by the kiosk;
- 3) Records images of the seller and the articles accepted during the transaction;
- 4) Possesses computerized record-keeping and transmittal capabilities;
- 5) Only accepts for recycling hand-held electronic **cellular phone** devices;
- 6) **Electronically transmits transaction records to law enforcement within twenty-four hours from when the article was purchased; and**
- 7) **Can be remotely opened upon request by law enforcement during normal business hours."**

- In Section 2

(c) Notwithstanding subsection (a) to the contrary, a secondhand dealer operating an automated recycling kiosk may retain **previously owned consumer hand-held electronic cellular phone devices** purchased at a business location outside the county where received or purchased for a **total** period of thirty calendar days. During this retention period, and upon request by law enforcement, a secondhand dealer operating an automated recycling kiosk shall promptly return any requested articles **at no cost** to the requesting law enforcement agency **no later than five business days from request"**



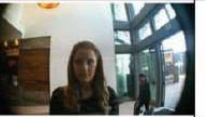

According to GSMA INTELLIGENCE, there are 5.25 Billion people that have a mobile device in the world - equivalent to 67.04% of the world's population. Rapid changes in technology has increased access to hand held wireless electronic devices and reduced dependence on home based computers and phones. Older devices quickly lose value and sit in drawers as there are few solutions to address the environmental damage caused by improper disposal. **We respectfully urge your support to recognize new technology and to allow for participation of businesses that seek to responsibly address electronic waste and the impacts on our environment.**

Respectfully Submitted,

Bonnie Garcia
Director of Legislative
EcoATM-Gazelle
760-409-7350
[LinkedIn.com/bonniegarcia](https://www.linkedin.com/in/bonniegarcia)



REPORTS THAT WE PROVIDE TO LAW ENFORCEMENT

eocATM, Inc. 10121 Barnes Canyon Road, San Diego, California 92121			
SECOND HAND DEALER REPORT			
C U S T O M E R	NAME		TRANSACTION DATE
	SEX	HAIR	LOAN/BUY NUMBER
	EYES	HEIGHT	KG33100E
	WEIGHT	BIRTH DATE	TIME
DRIVERS LICENSE NO. OR OTHER I.D.		STATE	TRANSACTION
ADDRESS/CITY/STATE		YEAR OF EXPIRATION	BUY - \$110.00
S T O R E I N F O	LICENSE NUMBER	POLICE DIVISION	
	NAME	ADDRESS/CITY/STATE	
I T E M	ARTICLE	COLOR	
	Cell Phone	Grey	
	BRAND NAME	MODEL	
	Apple	Phone 6s Plus 16GB T-Mobile A1687	
	IMEI/EID	SERIAL NUMBER	
	PROPERTY IMAGES		
I D I M A G E		T P R U I M N B T	
	W I T N E S S		
S I G N A T U R E			
	CONSUMER SIGNATURE		
CONSUMER VERIFIED BY FUSSEL LABAO			

Details of the seller - HRS §486M-2 (1) & (2)

Directly taken from ID and verified by humans

Seller's Info

Time, Date, Location - HRS §486M-2 (3)

Amount paid - HRS §486M-2 (8)

Color photos of front and back of device

Description of article - HRS §486M-2 (6)

Device Info

Government Issued ID-card is required - HRS §486M-2 (5)

Thumb or fingerprint is taken, if permitted by law

Multiple high-resolution images of the seller

Signature of the seller - HRS §486M-2 (4)

Images

STATE OF HAWAII

A BILL FOR AN ACT

RELATING TO SECONDHAND DEALERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 486M-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Automated recycling kiosk" means an interactive device
6 that purchases previously owned consumer hand-held electronic
7 cellular phone devices that is installed within a secure retail
8 space and performs the following technological functions:

- 9 (1) Verifies a seller's identity through a combination of
10 technology within the kiosk and remote examination of
11 a government-issued identification by a live
12 representative during each transaction;
- 13 (2) Securely stores articles accepted by the kiosk;
- 14 (3) Records images of the seller and the articles accepted
15 during the transaction;

1 (4) Possesses computerized record-keeping and transmittal
2 capabilities; and

3 (5) Only accepts for recycling handheld electronic
4 cellular phone devices; and

5 (6) Electronically transmits transaction records to law
6 enforcement within twenty-four hours from when the
7 article was purchased; and

8 (7) Can be remotely opened upon request by law enforcement
9 during normal business hours."

10 2. By amending the definition of "secondhand dealer" to
11 read:

12 "Secondhand dealer" means any person who trades in
13 secondhand or previously owned articles, including the operation
14 of an automated recycling kiosk, and includes any person subject
15 to part VII of chapter 445."

16 SECTION 2. Section 486M-4, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§486M-4 Minimum retention of items.** (a) No dealer, the
19 dealer's agents, employees, or representatives shall alter,
20 melt, deface, break apart, dispose of, or change the character
21 or integrity of the precious or semiprecious metals or precious
22 or semiprecious gems received or purchased for a period of
23 fifteen calendar days in counties with a population of less than
24 [~~300,000~~] three hundred thousand and thirty calendar days in

1 counties with a population of [~~300,000~~] three hundred thousand
2 or more after the purchase or possession by the dealer,
3 whichever comes later. Every article received by the dealer,
4 the dealer's agents, employees, or representatives shall be
5 retained by the dealer in the county where received or purchased
6 for a period of fifteen calendar days in counties with a
7 population of less than [~~300,000,~~] three hundred thousand and
8 thirty calendar days in counties with a population of [~~300,000~~]
9 three hundred thousand or more after the purchase or possession
10 by the dealer, whichever comes later.

11 (b) At the discretion of the chief of police of each
12 county, the holding period may be reduced to fifteen calendar
13 days; provided that the dealer has computerized record-keeping
14 and transmittal capabilities acceptable to the chief of police
15 or the chief of police's authorized representative.

16 (c) Notwithstanding subsection (a) to the contrary, a
17 secondhand dealer operating an automated recycling kiosk may
18 retain ~~articles received or previously owned consumer hand-held~~
19 electronic cellular phone devices purchased at a business
20 location outside the county where ~~received or~~ purchased for a
21 total period of thirty calendar days. During this retention
22 period, and upon request by law enforcement, a secondhand dealer
23 operating an automated recycling kiosk shall promptly ~~provide~~
24 return any requested articles at no cost to the requesting law

1 enforcement agency **no later than five business days from**
2 **request.**"

3 SECTION 3. Section 486M-5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§486M-5 Inspections.** The chief of police of each county
6 or the chief of police's authorized representative may
7 immediately inspect, during normal business hours or whenever
8 the dealer or the dealer's agents or employees are otherwise
9 present, any records required by this chapter and any articles
10 described in [~~such~~] those records that the police reasonably
11 believe are stolen goods."

12 SECTION 4. This Act does not affect rights and duties that
13 matured, penalties that were incurred, and proceedings that were
14 begun before its effective date.

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on January 1, 2050.

Report Title:

Secondhand Dealers; Automated Recycling Kiosk; Handheld Electronic Devices

Description:

Clarifies that the secondhand dealers law applies to a secondhand dealer's operation of an automated recycling kiosk that only accepts handheld electronic devices for recycling. Specifies the retention requirements for secondhand dealers that operate an automated recycling kiosk. Effective 1/1/2050.

(Proposed SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.