

MICHAEL P. VICTORINO
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT
COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
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February 23, 2021



TIVOLI S. FAAUMU
CHIEF OF POLICE
DEAN M. RICKARD
DEPUTY CHIEF OF POLICE

The Honorable Mark M. Nakashima, Chair
The Honorable Scot Z. Matayoshi, Vice Chair
Committee on Judiciary and Hawaiian Affairs
Thirty-First Legislature 2021
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: HB352 RELATING TO SECONDHAND DEALERS

Dear Chair Nakashima and Committee Members:

The Maui Police Department SUPPORTS the passage of House Bill 352, clarifying the law applying to second hand dealers operating automated recycling kiosks.

Law enforcement partnerships with automated recycling kiosk vendors are advantageous, provided that adequate safeguard measures to deter criminal activity are in place. One advantage is the collection of discarded mobile devices. These devices may store critical information which could assist our investigators solve serious crimes such robberies, homicides, and sexual assaults in addition to missing persons cases.

These recycling kiosks will also have the added benefit of helping alleviate e-waste and preserve our island environment by encouraging proper recycling of electronic devices.

This new technology has proven to be secure and successful in other states. Concerns regarding storage and tracking of devices, verifying the seller, as well as minimum retention time and inspection of dealers have been addressed in the act as written. Considering these safeguard measures will be in place, the Maui Police Department supports the passage of this bill.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Tivoli S. Faaumu".

TIVOLI S. FAAUMU
Chief of Police

Kamaaina Loan

February 21, 2021

Representative Mark M. Nakashima, Chair
and Members of the House Committee on
Judiciary & Hawaiian Affairs

FROM: Richard Dan of Kamaaina Loan

SUBJECT: **OPPOSITION TO HB 352, HD1
RELATING TO SECONDHAND DEALERS.**

Dear Chair Nakashima, Vice Chair Matayoshi, and Members of the Senate
Committee on Judiciary,

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

My name is Richard Dan, and I have operated Hawaii's oldest pawn
shop/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



10121 Barnes Canyon Way, San Diego CA 92101

DATE: February 24, 2021
TO: Representative Mark M. Nakashima, Chairman
Representative Scot Z. Matayoshi, Vice Chair
Members of the Judiciary & Hawaiian Affairs Committee
FROM: Bonnie Garcia, Director of Legislative Affairs, ecoATM
RE: HB352 HD1 Relating to Secondhand Dealers. - **SUPPORT**

Honorable Chairman Nakashima, Vice Chair Matayoshi and Members of the Committee:

We **STRONGLY SUPPORT HB352 HD1** 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 wireless devices** and strengthen 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.

ecoATM is a high tech company with a mission of preventing toxic waste from polluting our environment by encouraging proper recycling of used electronic devices. **Hawaii is the only state in the nation where our services are not offered.**

Our parent company owns and operates successful lines of kiosks already licensed and in use in Hawaii including **COINSTAR** and **REDBOX**. **ecoATM** is a high tech reverse vending kiosk that uses patented technology and artificial intelligence to purchase broken and outdated devices directly from consumers inside stores where they shop. 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. Since our inception, **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 classifying us as a conventional secondhand dealer even though **we do not operate a store or sell items at the location where purchased.** It also 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 to existing law, we would be able to operate as we do in 49 other States by securely storing items off-site during the extended holding period.**






As an international company, we recognize the concerns of law enforcement and sponsored legislation in multiple cities and states to set high industry standards that prevent the sale of stolen

items. Utilizing technology, we deploy multiple layers of security and follow reporting and recordkeeping guidelines in every jurisdiction where we operate, including:

- Every transaction is approved in real time by a live operator utilizing scanning technology and ID validation software to check the authenticity of state issued identifications for holograms, watermarks or other specific authentication methods used in all 50 states. This technology is the same as what is used to check documents at international border crossings.
- Computer record-keeping that allows for reporting sales within 24 hours
- Sales reports include high resolution photos of State ID, seller and item purchased
- Every kiosk can be remotely opened upon request by any law enforcement agency.
- Items purchased are tracked by attaching a unique scan code to the device. This helps establish a “chain of custody” and has been successfully used to prosecute unauthorized sellers
- Every item purchased is kept intact for a period up to thirty (30) days at our national processing facility
- Any items of interest to law enforcement is returned express mail at no cost
- To ensure compliance and allow for inspections, 100% of transactions are reported in any manner requested by local authorities. The majority of our transactions are electronically reported to the two largest national databases used by law enforcement agencies across the country, LeadsOnline (www.leadsonline.com) or BWI RAPID (<http://www.bwirapid.com>). If a device is identified as being reported lost or stolen, the reporting agency can contact ecoATM to recover the device and the item is shipped to the requesting agency at no cost.

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. Our company partners with major grocers and retailers across the United States and Europe to address the growing challenge of e-waste and we look forward to offering our services to your constituents in Hawaii. **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.**

REPORTS THAT WE PROVIDE TO LAW ENFORCEMENT

ecoATM, Inc. 10121 Barnes Canyon Road, San Diego, California 92121			
SECOND HAND DEALER REPORT			
C U S I T I O N O F M O R E	NAME		TRANSACTION DATE 1/9/2017
	SEX	HAIR	LOAN/BUY NUMBER KQ3300E
	EYES	HEIGHT	TIME 11:09:02 AM
	WEIGHT	BIRTH DATE	TRANSACTION BUY - \$110.00
DRIVERS LICENSE NO. OR OTHER I.D.		STATE	
ADDRESS/CITY/STATE		YEAR OF EXPIRATION	
S T O R E I N F O	LICENSE NUMBER 37112090	POLICE DIVISION SDPD	
	NAME University Town Center	ADDRESS/CITY/STATE 4545 La Jolla Village Drive/San Diego/California/92122	
I T E M	ARTICLE Cell Phone	COLOR Gray	
	BRAND NAME Apple	MODEL iPhone 6s Plus 16GB T-Mobile A1687	
	IMEI/MEID	SERIAL NUMBER	
	PROPERTY IMAGES  		
I D I M A G E		T P H R U I M N B T	
	W I D E M B A C G A E M S 		
SIGNATURES CONSUMER SIGNATURE		CONSUMER VERIFIED BY FUSSELL 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)

Transaction Data

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

Seller ID Thumbprint

Multiple high-resolution images of the seller

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

Images



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 24, 2021**

Re: HB 352 HD1 Relating to Secondhand Dealers

Good afternoon Chair Nakashima and members of the House Committee on Judiciary & Hawaiian 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** HB352 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.

KOSHIBA PRICE & GRUEBNER

Attorneys At Law, A Law Corporation

February 23, 2021

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Website: koshibalaw.com
jspiker@koshibalaw.com

Honorable Mark. M. Nakashima, Chair
Honorable Scot Z. Matayoshi, Vice Chair
House Committee on Judiciary & Hawaiian Affairs

Re: H.B. 352- RELATING TO SECONDHAND DEALERS.

Dear Chair Nakashima, Vice Chair Matayoshi & Committee Members,

On behalf of the Hawaii Pawnbrokers Association, we respectfully OPPOSE H.B. 352.

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 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, we are not aware of any 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. The Honolulu Police Department also opposes this Bill.

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

Very truly yours,

Jonathan Spiker

Jonathan E. Spiker
for
Hawaii Pawnbrokers Association