

February 20, 2021

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Honorable Karl Rhoads, Chair
Honorable Jarrett Keohokalole, Vice Chair
Senate Committee on Judiciary

Re: **S.B. 925- RELATING TO SECONDHAND DEALERS.**

Dear Chair Rhoads, Vice Chair Keohokalole & Committee Members,

On behalf of the Hawaii Pawnbrokers Association, we respectfully OPPOSE S.B. 925 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 S.B. 925.

Very truly yours,



Jonathan E. Spiker

for

Hawaii Pawnbrokers Association



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 25, 2021**

Re: SB 925 SD1 Relating to Secondhand Dealers

Good morning Chair Rhoads and members of the Senate Committee on Judiciary. 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** SB 925 SD1 Relating to Secondhand Dealers. This measure clarifies that the secondhand dealers law applies to a secondhand dealer's operation of an automated recycling kiosk.

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.



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

TechNet California and the Southwest | Telephone 916.903.8070
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www.technet.org | @TechNetUpdate

February 23, 2021

Senator Karl Rhoads, Chair
Hawaii State Capitol
415 S Beretania St, Room 204
Honolulu, HI 96813

RE: SB 925 (Wakai) E-Waste Kiosks- Support

Dear Chair Rhoads and Committee Members,

TechNet is the national, bipartisan network of innovation economy CEOs and senior executives. Our diverse membership includes dynamic American businesses ranging from revolutionary start-ups to some of the most recognizable companies in the world. TechNet represents over three and a half million employees and countless customers in the fields of information technology, e-commerce, sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance.

TechNet respectfully submits this letter in strong support of SB 925 (Wakai) which updates the secondhand dealer code to recognize automated recycling kiosks and would allow shipping out of state with these items. Under current law in Hawaii, there is a requirement that fails to take into account the unique circumstances of an electronic waste kiosk by stating companies must keep items purchased within the "store" and in the county during the holding period. However, this creates a barrier to entry as the limited space within these unique kiosks, the safety risk lengthy storage poses, and logistical issues impede their deployment in Hawaii.

SB 925 brings the State of Hawaii in alignment with 49 other states that already recognize the use of automated kiosks to purchase and recycle electronic devices and streamlines the ability of companies to provide e-waste solutions in a transactional way that benefits the economy. The kiosks provide state-of-the-art security features such as high-resolution cameras, thumbprint scanners, ID validators and electronic mobile device serial number identifiers. Together, these features provide a safe and secure environment for consumers to recycle their mobile devices without the security risk of selling a phone through an unregulated channel.

In addition, items collected at the kiosks are recycled entirely within the United States in a manner that meets and exceeds industry practices. **This model has allowed ecoATM to safely recycle over 28 million used electronic devices and helped communities divert approximately 7 million pounds of electronic waste from local landfills at no cost to government.**

TechNet has worked closely with ecoATM in a multitude of states to help elected officials understand their technology and adopt public policy that partners with the private sector to find sustainable solutions to electronic waste. As a result, ecoATM has built trusted relationships with law enforcement agencies and major retailers, and their kiosks can be found inside malls, major retail stores and grocers in 49 states and in over 2,400 jurisdictions across the country.

We applaud the State of Hawaii's efforts to attract and grow technology companies and to update state codes to keep pace with emerging technologies. TechNet and our member companies are committed to using technology and innovation to spur local economies, and on behalf of our members, we strongly urge a YES vote to provide your constituents a safe and secure place to recycle.

Thank you for your consideration. If you have any questions regarding our support for SB 925 please contact Cameron Demetre, Executive Director, at cdemetre@technet.org or 916-903-8070.

Sincerely,



Cameron Demetre
Executive Director, California and the Southwest
TechNet



10121 Barnes Canyon Way, San Diego CA 92101

DATE: February 25, 2021
TO: Senator Karl Rhoads, Chairman
Senator Jarrett Keohokalole, Vice Chair
Members of the Judiciary Committee
FROM: Bonnie Garcia, Director of Legislative Affairs, ecoATM
RE: SB925 SD1 Relating to Secondhand Dealers. - **SUPPORT**

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

We **STRONGLY SUPPORT SB925 SD1** 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 KQ33100E
	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			
W I D E B A C K 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



MICHAEL P. VICTORINO
MAYOR

OUR REFERENCE
YOUR REFERENCE

POLICE DEPARTMENT
COUNTY OF MAUI

55 MAHALANI STREET
WAILUKU, HAWAII 96793
(808) 244-6400
FAX (808) 244-6411

February 23, 2021



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

LATE

The Honorable Karl Rhoads, Chair
The Honorable Jarrett Keohokalole, Vice Chair
Committee on Judiciary
Thirty-First Legislature 2021
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: SB 925 RELATING TO SECONDHAND DEALERS

Dear Chair Rhoads and Committee Members:

The Maui Police Department SUPPORTS the passage of Senate Bill 925, 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,

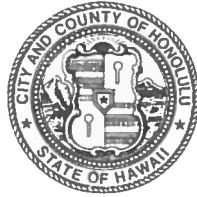

TIVOLI S. FAAUMU
Chief of Police

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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

LATE

RICK BLANGIARDI
MAYOR



SUSAN BALLARD
CHIEF

JOHN D. MCCARTHY
AARON TAKASAKI-YOUNG
DEPUTY CHIEFS

OUR REFERENCE PO-KK

February 25, 2021

The Honorable Karl Rhoads, Chair
and Members
Committee on Judiciary
State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Rhoads and Members:

SUBJECT: Senate Bill No. 925, S.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 Senate Bill No. 925, S.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. Allowing automated recycling kiosks a special exemption from this requirement will make the identification of such items more difficult if not impossible.

Also, by not clearly defining "article," the amendment will allow an automated recycling kiosk of any kind and by any manufacturer to be able to circumvent the minimum retention period to hold any potentially stolen item in the county. This bill will not limit these kiosk machines to cellular telephones; any stolen electronic device, precious metals, items containing precious metals (including jewelry), and even

The Honorable Karl Rhoads, Chair
and Members
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catalytic converters could potentially be sold and removed from the county without the possibility of being held for physical inspection.

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 HPD urges to you to oppose Senate Bill No. 925, S.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