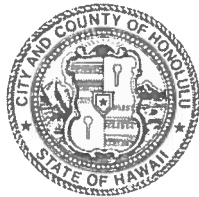


POLICE DEPARTMENT  
CITY AND COUNTY OF HONOLULU

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

February 11, 2021

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: Senate Bill No. 925, 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, 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 Rosalyn H. Baker, Chair  
and Members  
February 11, 2021  
Page 2

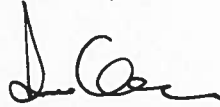
catalytic converters could potentially be sold and removed from the county without the possibility of being held for physical inspection.

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, Relating to Secondhand Dealers.

Thank you for the opportunity to testify.

Sincerely,



Paul Okamoto, Captain  
Criminal Investigation Division

APPROVED:



Susan Ballard  
Chief of Police



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



TIVOLI S. FAAUMU  
CHIEF OF POLICE

DEAN M. RICKARD  
DEPUTY CHIEF OF POLICE

February 8, 2021

The Honorable Glenn Wakai, Senator  
State Senate  
Hawaii State Capitol  
415 South Beretania Street, Room 407  
Honolulu, HI 96813

**RE: SENATE BILL 925 RELATING TO SECONDHAND DEALERS**

Dear Senator Wakai:


The Maui Police Department SUPPORTS the passage of S.B. 925

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 as robberies, homicides, and sexual assaults in addition to missing person cases.

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 bills as written. Considering these safeguard measures will be in place, the Maui Police Department asks for your support for the passage of S.B. 925.

Thank you for the opportunity to testify.

Sincerely,

  
TIVOLI S. FAAUMU  
Chief of Police



**TESTIMONY OF TINA YAMAKI, PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 11, 2021**

**Re: SB 925 Relating to Secondhand Dealers**

Good morning Chair Baker and members of the Senate Committee on Commerce and Consumer Protection. 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 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 in the bill 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 916.600.3551  
915 L Street, Suite 1270, Sacramento, CA 95814  
www.technet.org | @TechNetUpdate

February 8, 2021

Senator Glenn Wakai  
Hawaii State Capitol  
415 S Beretania St, Room 407  
Honolulu, HI 96813

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

Dear Senator Wakai,

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 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 to SB 925 please contact Cameron Demetre, Executive Director, at [cdemetre@technet.org](mailto:cdemetre@technet.org) or 916-903-8070.

Sincerely,



Cameron Demetre  
Deputy Executive Director, California and the Southwest  
TechNet



10121 Barnes Canyon Way, San Diego CA 92101

DATE: February 11, 2021

TO: Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair  
Members of the Commerce and Consumer Protection Committee

FROM: Bonnie Garcia, Director of Legislative Affairs, ecoATM

RE: **Strong Support with Amendments on SB925 Relating to Secondhand Dealers**

We STRONGLY SUPPORT SB925 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 written, this bill is intended to only address automated kiosks that buy used handheld electronic 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 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.

As currently written, the state code hamstrings our operation by classifying us as a conventional secondhand dealer, even though we do not sell devices at the location where purchased. It also mandates lengthy in-county storage of purchased items - a provision that creates costly and logistical challenges as we do not operate a “brick and mortar” store and the storage space within an automated kiosk is limited. Minor amendments to existing law would allow removal and secure storage and an off-site location during the extended holding period.

**After introduction of this bill, we learned through the testimony of other stakeholders that there are some concerns with the bill, therefore please find amendments that we are supportive of and may address those concerns.**

Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair  
Members of the Commerce and Consumer Protection Committee  
February 11, 2021

**“Automated recycling kiosk” means an interactive device that purchases previously owned consumer handheld electronic devices, that is installed within a secure retail space, and performs the following technological functions:**

- 1. Verifies a seller’s identity 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. Can be remotely opened upon request by law enforcement during normal business hours;**
- 4. Records images of the seller and the articles accepted during the transaction;**
- 5. Possesses computerized record-keeping and transmittal capabilities; and**
- 6. Electronically transmits transaction records to law enforcement within 24 hours from when the article was received**

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. Driven by consumer demand for faster and smaller equipment, older devices quickly lose value and sit in drawers as there are few solutions to address the environmental damage caused by improper disposal.

ecoATM has modernized e-waste recycling and is recognized as a national leader in helping communities meet zero waste goals. Since our inception, we have purchased more than 28 million devices and diverted approximately 7 million pounds of electronic waste from local landfills at no cost to consumers or government agencies.

To prevent the sale of stolen items, we deploy multiple layers of security and follow reporting and recordkeeping guidelines in every jurisdiction where we operate. Every transaction is approved in real time by a live operator and we utilize 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.

All items purchased are tracked by attaching a scan code to the device and it is kept intact for a period up to thirty (30) days at our national processing facility. To ensure compliance and allow for inspections, 100% of transactions are reported in any manner requested by local authorities and each kiosk can be remotely opened upon request by any law enforcement agency. 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](http://www.leadsonline.com)) or BWI RAPID (<http://www.bwirapid.com>). If a device is identified as being reported lost or stolen, the reporting



Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair  
Members of the Commerce and Consumer Protection Committee  
February 11, 2021

agency can contact ecoATM to recover the device and the item is shipped to the requesting agency at no cost.

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.

February 9, 2021

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

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

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

Dear Chair Baker, Vice Chair Chang & 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, 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 and will result in different industries being governed by HRS Chapter 486M . Last year, the Honolulu Police Department opposed HB1674, which was nearly identical to this Bill.

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

# Kamaaina Loan

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February 8<sup>th</sup>, 2021

Senator Rosalyn H. Baker, Chair  
Senator Stanley Chang, Vice Chair  
And Members of the Senate Committee on  
Commerce and Consumer Protection  
Hawaii State Legislature  
Honolulu, HI 96813

Senator Karl Rhoads, Chair  
Senator Jarrett Keohokalole, Vice-Chair  
And Members of the Senate Committee on  
Judiciary  
Hawaii State Legislature  
Honolulu, HI 96813

FROM: Richard Dan of Kamaaina Loan

SUBJECT: **OPPOSITION TO SB 925 - RELATING TO SECONDHAND DEALERS.**

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

I oppose SB 925 - 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 to changes.

Be sure it is clear that inter island internet transactions are allowed and that pawn transactions as well as purchases of second-hand goods are allowed. That is, my Maui-based business could operate a kiosk or internet transaction (providing social distancing) in another county.

**SB 925 - RELATING TO SECONDHAND DEALERS**

February 8, 2021

Page 2

Also, while the requirement for digital records of goods is all right, 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, please contact me at Tel: (808) 242-5555.

If I can be of assistance in crafting more equitable, accountable and safe legislation as it relates to the matter of small short-term loans and/or payday lending, please contact me at Tel: (808) 242-5555.

Sincerely,

*Richard Dan*

Richard Dan

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**LATE**

**SB-925**

Submitted on: 2/11/2021 9:57:48 AM  
Testimony for CPN on 2/11/2021 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Victor K. Ramos	Individual	Support	No

Comments:

I support this bill. Mahalo.