



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 8, 2021



TIVOLI S. FAAUMU  
CHIEF OF POLICE

DEAN M. RICKARD  
DEPUTY CHIEF OF POLICE

The Honorable Scott K. Saiki, Speaker  
Hawaii State Capitol  
415 South Beretania Street, Room 430  
Honolulu, HI 96813

**RE: SB925 & HB352 RELATING TO SECONDHAND DEALERS**

Dear Speaker Saiki:

The Maui Police Department SUPPORTS the passage of S.B. 925 and H.B. 352.

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 to solve serious crimes such robberies, homicides, and sexual assaults in addition to missing persons 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 S.B. 925 and H.B. 352.

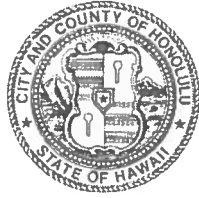
If you have any questions, please contact Captain Okamoto in our Quality Assurance Section at (808)244-6446 or by email at: [Gregg.Okamoto@mpd.net](mailto:Gregg.Okamoto@mpd.net).

Sincerely,

TIVOLI S. FAAUMU  
Chief of Police

POLICE DEPARTMENT  
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813  
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RICK BLANGIARDI  
MAYOR

SUSAN BALLARD  
CHIEF

JOHN D. McCARTHY  
AARON TAKASAKI-YOUNG  
DEPUTY CHIEFS

OUR REFERENCE PO-KK

February 9, 2021

The Honorable Aaron Ling Johanson, Chair  
and Members  
Committee on Consumer Protection  
and Commerce  
House of Representatives  
Hawaii State Capitol  
415 South Beretania Street, Room 329  
Honolulu, Hawaii 96813

Dear Chair Johanson and Members:

**SUBJECT: House Bill No. 352, 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, 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 Aaron Ling Johanson, 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 House Bill No. 352, Relating to Secondhand Dealers.

Thank you for the opportunity to testify.

Sincerely,



Paul Okamoto, Captain  
Criminal Investigation Division

APPROVED:



Susan Ballard  
Chief of Police



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

TechNet California and the Southwest | Telephone 916.600.3551  
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February 7, 2021

Speaker Scott Saiki  
Hawaii State Capitol  
415 S Beretania St, Room 431  
Honolulu, HI 96813

**RE: HB 352 (Saiki) E-Waste Kiosks- Support**

Dear Speaker Saiki,

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 HB 352 (Saiki) 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.

HB 352 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 as attested by their R2 Certification. **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 HB 352 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

February 7, 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)

Representative. Aaron Ling Johanson, Chair  
Representative Lisa Kitagawa, Vice Chair  
House Committee on Consumer Protection & Commerce

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

Dear Chair Johanson, Vice Chair Kitagawa & Committee Members,

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

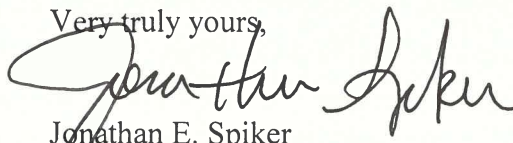
This Bill seeks to apply Hawaii Revised Statutes (“HRS”) Chapter 486M Pawnbrokers and Secondhand Dealers’ laws to people that operate automated recycling kiosks.

**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. 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 H.B. 352.

Very truly yours,



Jonathan E. Spiker

for

Hawaii Pawnbrokers Association

# Kamaaina Loan

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February 7<sup>h</sup>, 2021

Senator Aaron Ling Johanson, Chair  
Senator Lisa Kitagawa, Vice-Chair  
And Members of House Committee on  
Consumer Protection & Commerce  
Hawaii State Legislature  
Honolulu, HI 96813

**SUBJECT: HB 352 - RELATING TO SECONDHAND DEALERS.**

FROM: Kamaaina Loan

Dear Chair Nakashima, Vice Chair Matayoshi and Members of the House Committee on Judiciary & Hawaiian Affairs and Chair Johanson, Vice Chair Kitagawa and members of the House Committee on Consumer Protection & Commerce

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

My name is Richard Dan and I have operated Hawaii's oldest and largest pawn shop/second-hand dealership 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.

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.

Sincerely,

*Richard Dan* of Kamaaina Loan

Richard Dan



10121 Barnes Canyon Way, San Diego CA 92101

DATE: February 9, 2021

TO: Representative Aaron Ling Johanson, Chair  
Representative Lisa Kitagawa, Vice Chair  
Members of the Consumer Protection & Commerce Committee

FROM: Bonnie Garcia, Director of Legislative Affairs, ecoATM

RE: **Testimony in Strong Support on HB 352 Relating to Secondhand Dealers**

We **STRONGLY SUPPORT HB 352** 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 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 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.

**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.



Representative Aaron Ling Johanson, Chair  
Representative Lisa Kitagawa, Vice Chair  
Members of the Consumer Protection & Commerce Committee  
February 9, 2021  
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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 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.**