

Honolulu, Hawaii

MAR 20 2008

RE: H.B. No. 2589
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred H.B. No. 2589, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SCRAP METAL,"

begs leave to report as follows:

The purpose of this measure is to further aid in the deterrence of copper theft by establishing additional requirements for scrap dealers and recyclers when paying for copper purchases.

Specifically, this measure:

- (1) Amends section 445-233, Hawaii Revised Statutes, by requiring a scrap dealer to issue and mail to a seller a check no sooner than five days after the purchase of any copper, and requires the canceled check to be retained by the scrap dealer for two years and make the check available for inspection;
- (2) Amends section 7 of Act 197, Session Laws of Hawaii 2007, by allowing section 445-233, Hawaii Revised Statutes, to sunset on July 1, 2009; and
- (3) Adds a new section to chapter 445, Hawaii Revised Statutes, to become effective on July 1, 2009 that:



- (A) Requires a scrap dealer to obtain a written statement signed by the seller upon purchase of the scrap metal;
- (B) Requires a scrap dealer to retain the written statement for two years and make the written statement available for inspection; and
- (C) Requires a scrap dealer to issue and mail to a seller a check no sooner than five days after the purchase of any copper.

Testimony in support of this measure was submitted by Okuda Metal, Inc.; and Reynolds Recycling. Testimony in opposition to this measure was submitted by the Department of the Attorney General; the Department of the Prosecuting Attorney, City and County of Honolulu; and the Police Department, City and County of Honolulu.

Your Committee finds that copper theft continues to be a serious problem, inasmuch as copper thieves illegally traffic in stolen copper as a ready source of cash. Discouraging copper thieves from selling stolen copper to scrap dealers would reduce the incidence of copper theft in Hawaii. Your Committee notes the testimony submitted in opposition to this measure that raises concerns regarding the language that repeals the current language under section 445-233, Hawaii Revised Statutes, and replaces it with language that appears to be less stringent than the current language requires. Furthermore, your Committee recognizes that while the current law requiring certain documentation of scrap metal purchases has been in effect for only eight months, this law appears to be working in reducing the market for resale of stolen copper items.

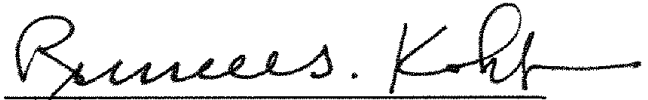
Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 2627, S.D. 1, which requires scrap dealers and recyclers to pay for copper purchases by check, issue the check payable to the name of the seller, and mail the check to the address shown on the identification of the seller, or arrange for a personal pick-up of the check; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.



As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2589, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2589, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,

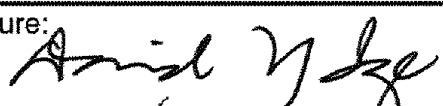


RUSSELL S. KOKUBUN, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2589 HD2	CPH, JDL	3-14-08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
TANIGUCHI, BRIAN T.				✓
TRIMBLE, Gordon			✓	
TOTAL	3		1	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes