

Honolulu, Hawaii

MAR 19 2021

RE: H.B. No. 352  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 352, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SECONDHAND DEALERS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify 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; and
- (2) Specify the retention requirements for secondhand dealers that operate an automated recycling kiosk.

Your Committee received testimony in support of this measure from Retail Merchants of Hawaii and EcoATM-Gazelle. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Police Department, Hawaii Pawnbrokers Association, and Kamaaina Loan.

Your Committee finds that rapid changes in technology have increased access to handheld cellular phone devices that can quickly depreciate in value, and with a lack of solutions available to address the environmental damage caused by improper



disposal, consumers ultimately end up accumulating and storing unused devices around their homes. Automated recycling kiosks, which enable a person to recycle their unused handheld electronic devices, are in operation across the United States and Europe and have helped divert approximately seven million pounds of electronic waste from local landfills at no cost to consumers or government agencies. To deter the re-sale of potentially stolen goods, existing law mandates lengthy in-county storage of purchased items, a provision that would create costly and logistical challenges to the storage space within an automated recycling kiosk. Your Committee further finds that every other state in the country has adopted legislation to recognize the use of automated recycling kiosks and this measure will enable automated recycling kiosks to operate in Hawaii to allow for secure storage of items off-site during the extended holding period.

Your Committee notes that the companion to this measure, S.B. No. 925, S.D. 2, which was previously passed by the Senate, incorporates important language that would require automated recycling kiosks to be remotely opened upon request by law enforcement during normal business hours and electronically transmit transaction records to law enforcement within twenty-four hours from when a device is received by the kiosk. Additionally, S.B. No. 925, S.D. 2, requires a secondhand dealer operating an automated recycling kiosk to retain devices for a total period of thirty calendar days. The language in S.B. No. 925, S.D. 2, is therefore preferable because it provides these additional safeguards.

Accordingly, your Committee has amended this measure by:

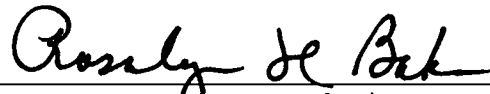
- (1) Deleting its contents and inserting the contents of S.B. No. 925, S.D. 2, a substantively similar measure, which defines "automated recycling kiosk" as an interactive device that performs certain technological functions, including the ability to be remotely opened upon request by law enforcement during normal business hours and electronically transmit transaction records to law enforcement within twenty-four hours of receipt of the device;



- (2) Clarifying that a secondhand dealer operating an automated recycling kiosk shall retain previously owned consumer handheld electronic cellular phone devices for a total period of thirty calendar days from the date they were received or purchased, provided that the secondhand dealer operating an automated recycling kiosk may store the devices outside the county where the devices were received or purchased, and provided further that upon request by law enforcement within the thirty-day retention period, a secondhand dealer operating an automated recycling kiosk shall promptly return any requested device no later than five business days from the date of the request at no cost to the requesting law enforcement agency;
- (3) Inserting an effective date of January 1, 2022; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 352, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 352, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

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




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ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB352 HD1	CPN, JDC	03.16.2021		
<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
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	7	-	-	-
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes