

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 925
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 S.B. No. 925 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 clarify that the secondhand dealers law applies to a secondhand dealer's operation of an automated recycling kiosk.

Your Committee received testimony in support of this measure from the Maui Police Department, Retail Merchants of Hawaii, TechNet, and ecoATM. Your Committee received testimony in opposition to this measure from the Honolulu Police Department, Hawaii Pawnbrokers Association, and Kamaaina Loan.

Your Committee finds that electronic waste kiosks, or automated recycling kiosks, provide a resource for consumers to sell their old cell phones, which are then collected and recycled or refurbished. Automated recycling kiosks have modernized electronic waste recycling and have diverted more than seven million pounds of electronic waste from local landfills across the country, at no cost to consumers or governmental agencies. However, existing law requires secondhand dealers to store property in the county for a certain holding period, which creates a barrier for the operators of the automatic recycling kiosks, due to the limited space within the kiosk, the safety risks of long



storage time requirements, and other related logistical issues. This measure provides the necessary structure to bring Hawaii into alignment with the other forty-nine states that already recognize the use of automated recycling kiosks to purchase and recycle electronic devices.

Your Committee has heard the concerns raised in testimony that this measure, as currently drafted, should be placed into a different chapter of the Hawaii Revised Statutes, as automated recycling kiosks are a different type of business and industry compared to pawnbrokers and secondhand dealers. Your Committee further notes the concerns raised by the Honolulu Police Department concerning the importance of the retention period within the respective county, and requests that your Committee on Judiciary examine and consider these issues and concerns raised by the testifiers on this measure.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "automatic recycling kiosk" to include a device that:
 - (A) Purchases previously owned consumer hand-held electronic devices;
 - (B) Can be remotely opened upon request by law enforcement during normal business hours; and
 - (C) Electronically transmits transaction records to law enforcement within twenty-four hours from when the article was received;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) 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 S.B. No. 925, as amended herein, and recommends that it



pass Second Reading in the form attached hereto as S.B. No. 925, 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,



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:
SB925	CPN, JDC	02.11.2021
<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	/	
TOTAL	6	1
	-	-
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: <div style="text-align:center;"><i>Clarence K. Nishihara</i></div>		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes