

# HOUSE BILL REPORT

## HB 1623

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### As Passed Legislature

**Title:** An act relating to secondhand dealers utilizing automated kiosks to purchase secondhand electronic devices.

**Brief Description:** Concerning secondhand dealers utilizing automated kiosks to purchase secondhand electronic devices.

**Sponsors:** Representatives Senn, Springer, Tarleton and Slatter.

#### **Brief History:**

##### **Committee Activity:**

Business & Financial Services: 2/7/17, 2/8/17 [DP].

##### **Floor Activity:**

Passed House: 2/27/17, 95-1.

Passed Senate: 4/10/17, 47-0.

Passed Legislature.

#### **Brief Summary of Bill**

- Creates minimum requirements for automated kiosks in use for the purchase of secondhand electronic property.
- Allows secondhand property purchased through an automated kiosk to be held in the kiosk or off-site during the required 30-day holding period.
- Allows secondhand dealers utilizing an automated kiosk to maintain the required records at their principal place of business.

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### HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

**Majority Report:** Do pass. Signed by 11 members: Representatives Kirby, Chair; Reeves, Vice Chair; Vick, Ranking Minority Member; J. Walsh, Assistant Ranking Minority Member; Barkis, Bergquist, Blake, Jenkin, McCabe, Santos and Stanford.

**Staff:** Robbi Kesler (786-7153).

#### **Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Washington regulates the business of secondhand dealers, defined as every person engaged in the business of purchasing, selling, trading, consignment selling, or otherwise transferring for value, secondhand property whether or not the person maintains a fixed place of business within the state.

Secondhand dealers are required to collect and keep business records for three years.

Required information includes:

- date of the transaction;
- name or identification number of the employee completing the transaction;
- identifying number and type of identification used to verify identification of the person selling the secondhand property;
- name, date of birth, sex, height, weight, race, address, and telephone number of the person selling the secondhand property;
- description of the secondhand property, including among others, the brand name, model number, and serial number;
- price secondhand dealer paid for the secondhand property; and
- a signature from the person selling the secondhand property.

Secondhand dealers are also required to store the secondhand property for a minimum of 30 days and, by request, must make the property available to law enforcement officers.

Secondhand dealers with a permanent place of business are required to store the secondhand property on-site. Secondhand dealers without a permanent place of business are required to store the property within the city or county in which the secondhand property was received.

### **Summary of Bill:**

An automated kiosk is defined as a self-serve interactive machine that purchases secondhand electronic goods. During the transaction, the automated kiosk must be able to collect all required information, connect with a live customer service representative that can remotely verify the identity of the person selling the electronic item, and compare the electronic item's identifying numbers against a state or federal database of stolen property. The kiosk must be able to securely store the purchased electronic item after acceptance.

Persons or entities operating automated kiosks are added to the definition of a secondhand dealer.

Secondhand dealers utilizing an automated kiosk to purchase secondhand property must maintain all required records at its principal place of business. Secondhand property bought through an automated kiosk must be held for at least 30 days after being accepted by the automated kiosk. During this storage period the property may be securely held inside the automated kiosk or at another secure location maintained by the secondhand dealer. By request, the secondhand goods must be made available to law enforcement officers. Any costs associated with transferring the secondhand goods to law enforcement must be paid by the secondhand dealer.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill will help local businesses operate better in our state and will keep jobs in our state. As technology evolves the law should be updated. This type of business is good for consumers because they get cash for used goods, and it is also good for the environment because it keeps the electronic items out of landfills. This type of business is a benefit to the state and its citizens. This bill will help automated kiosk businesses comply with state law and maintain its presence of 67 locations within the state. The regulations that require local storage are difficult to satisfy when the goods are being purchased through several kiosks scattered throughout the state. Automated kiosks have become a leader in electronics recycling. Through advanced technology, automated kiosks will be able to comply with current state laws, including only accepting electronics during normal business hours or when a customer service representative is available remotely. Allowing a single storage facility to hold electronics during the required holding period will be a benefit to law enforcement and security.

(Opposed): None.

**Persons Testifying:** Representative Senn, prime sponsor; Bonnie Garcia, ecoATM; and Jonnie Deutsch, TechNet.

**Persons Signed In To Testify But Not Testifying:** None.