



House Bill 338

*Business Regulation - Automated Purchasing Machines -
Licensing of Operators and Required Records*

MACo Position: **Support with Amendments**

Date: February 5, 2014

To: Economic Matters Committee

From: Natasha Mehu

The Maryland Association of Counties (MACo) **SUPPORTS** House Bill 338 **WITH AMENDMENTS**. HB 338 would create a statewide regulation protocol for automated purchasing machine (APM) operators. MACo seeks amendment language to ensure that this state oversight would not preempt local governments' ability to take their own local actions to either ban or restrict the machines.

APMs are self-service kiosks designed to dispense money in exchange for cell phones or other electronic devices. The company behind these machines advertises this service as a method of automated e-waste recycling. While e-recycling is laudable, these machines also raise ancillary public safety concerns, as they may provide a quick and convenient means of getting anonymous fast cash for stolen goods. Currently, the cash-for-phones industry is largely unregulated.

In response to these concerns and rashes of cell phone robberies, some jurisdictions have taken action or are in the process of taking action. The machines are banned locally in Baltimore City and face strong opposition from Washington, DC law enforcement, who have investigated cell phone thefts in connection with the machines.

MACo appreciates and supports the core intent of the bill to regulate APMs and their operators in a manner that is similar to junk dealers and scrap metal processors. Operators submitting timely information to locally designated public safety agencies can empower law enforcement to better respond to theft. However, counties are concerned the bill would preempt their ability to manage the machines on a local level or to prohibit the machines altogether as Baltimore City has already done. MACo proposes the following amendment to address those concerns:

On Page 4, after line 19 insert:

"20-105.

**THIS TITLE DOES NOT LIMIT THE POWER OF A COUNTY OR
MUNICIPALITY TO REGULATE OR PROHIBIT THE OPERATION
OF APMS AND APM OPERATORS WITHIN THEIR JURISDICTION."**

In conclusion, MACo supports the licensing and regulation of APMs and their operators. MACo's proposed amendment maintains local governments' ability to manage the machines within their jurisdiction. For these reasons, MACo recommends the Committee issue a report of **FAVORABLE WITH AMENDMENTS** on HB 338.