



Las Vegas

Agenda Item No.: 5.

AGENDA SUMMARY PAGE

RECOMMENDING COMMITTEE MEETING OF: AUGUST 1, 2016

DEPARTMENT: CITY ATTORNEY
DIRECTOR: BRADFORD R. JERBIC

☐ Consent ☒ Discussion

SUBJECT:

Bill No. 2016-53 - For Possible Action: Updates the City's licensing regulations pertaining to secondhand dealers. Proposed by: Tom Perrigo, Director of Planning

Fiscal Impact:

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This bill will update the City's licensing regulations pertaining to secondhand dealers. The proposal clarifies that sales by consignment are covered by the regulations. The proposal also exempts from coverage certain transactions involving portable electronic devices that are the subject of a trade-in or credit.

RECOMMENDATION:

This bill should be submitted to a Recommending Committee for review, hearing and recommendation to the City Council for final action.

BACKUP DOCUMENTATION:

1. Bill No. 2016-53
2. Submitted at Meeting - ecoATM Booklet and The Secret Life of a Smart Phone Flyer

Motion made by STAVROS S. ANTHONY to Approve as Do Pass as First Amendment

Passed For: 3; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

BOB BEERS, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

COUNCILMAN ROSS declared the Public Hearing open.

TOM PERRIGO, Director of Planning, introduced MARY McELHONE, Business Licensing Manager, and explained that Bill No. 2016-53 addressed the issue of and exempts retailers from accepting used portable electronic devices for exchange or store credit. He noted that COUNCILMAN BEERS had expressed concern about businesses that accept sporting goods equipment or musical instruments, so it was proposed that the bill move forward with a request for staff to work with CHIEF DEPUTY CITY ATTORNEY VAL STEED on a first amendment.

RECOMMENDING COMMITTEE MEETING OF: AUGUST 1, 2016

MR. PERRIGO mentioned that staff had received a request from ecoATM but that they did not understand the company's business model and felt that additional research needed to be done. Staff proposed returning to the Committee with another bill.

BONNIE GARCIA, Director of Legislative Affairs for ecoATM, which she explained as a subsidiary of Outerwall Inc. and that the Committee would recognize their products as Redbox and Coinstar. She submitted a booklet for the record. She stated that ecoATM was looking at licensing for Nevada and currently operates in other states. MS. GARCIA provided a brief explanation on how the ecoATM works, the amount of devices ecoATM has purchased from consumers, its partnership with major retailers and where ecoATMs can be located. The company refurbishes devices and will sell them back to carriers and also purchases and recycles broken electronics. She explained that the company has not expanded in Nevada as they were too late in the legislative process to review the State code as it pertains to secondhand dealers. She stated that because the company buys but does not resell the devices, it is under the jurisdiction of local cities or counties.

MS. GARCIA mentioned that ecoATM's law enforcement team has reached out to the City's law enforcement to discuss how the company operates, the kiosk they use, and how they are different from other secondhand dealers. She discussed that the company owns patents. Because the kiosks have a live operator, the machines do not operate if the main office is not open. The machines can also identify stolen devices. If law enforcement were to request a lost or stolen device, the device is returned to the law enforcement agency without a need for a warrant or subpoena. The company has also worked cooperatively with cities and counties to help recognize their technology and is a member on the advisory board for the Federal Communications Commission. MS. GARCIA requested that the bill be held in abeyance as they are in the process of looking for licenses within the City.

In response to questions from COUNCILMAN ANTHONY, MS. GARCIA explained that the kiosks cannot be placed within the City because when a cell phone is bought it is stored within the kiosk and that currently a City ordinance does not allow for them to remove the devices to a secondary location which poses a risk for the devices to be stolen. She stated that they are considered a secondhand dealer although they are not a reseller and that clarification is needed within the law to be able to operate.

MR. PERRIGO thought that the folks most anxious about the bill have had their concerns addressed and felt an abeyance would be okay. He noted that some concerns that MS. GARCIA spoke on have been addressed while some have not and believed 30-days to work through issues for clarity would suffice. MR. PERRIGO clarified his earlier comments regarding the exemption of musical instruments and sporting goods equipment. He did not believe a 30 day abeyance would impact any other businesses and would allow time to work with MS. GARCIA.

COUNCILMAN BEERS complimented the ecoATM but was not sure how moving forward with Bill No. 2016-53 would preclude the Committee from having a follow-up ordinance proposal to include additional changes regarding ecoATM and that he would sponsor a proposal.

RECOMMENDING COMMITTEE MEETING OF: AUGUST 1, 2016

It was confirmed for COUNCILMAN ANTHONY that the bill would go to City Council for approval August 17, 2016.

COUNCILMAN ROSS wondered if any business would be affected by an abeyance to which MR. PERRIGO responded that staff could work with MS. GARCIA to craft something to fit in the amendment. Staff would also have to work with the Las Vegas Metropolitan Police Department.

MS. GARCIA stated ecoATM is anxious to come to Nevada and began the legislative process last year with the legislature. She respectfully asked for an abeyance in order to give staff time to work and law enforcement time to evaluate the company.

COUNCILMAN BEERS pointed out that the current bill is addressing issues from April and that he has rarely received complaints about the City moving too fast.

MS. GARCIA stated that she was certain the Committee would be happy with ecoATM within the city and that it will have consumers rejoining. Unlike most other carriers that only allow current or modern devices to be traded, ecoATM accepts all.

Because of uncertainty with the need for additional business impact statements being distributed, CHIEF DEPUTY CITY ATTORNEY STEED believed it to be helpful to move forward with the current bill.

COUNCILMAN ROSS declared the Public Hearing closed.

