

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA,
AMENDING CHAPTER 9.70 OF THE RIVERSIDE MUNICIPAL CODE
ENTITLED ECOATM MACHINES AND OTHER SIMILAR DEVICES OR
MACHINES.

The City Council of the City of Riverside does ordain as follows:

Section 1: The Table of Contents of Chapter 9.70 entitled ecoATM Machines and Other
Similar Devices or Machines is hereby amended as follows:

“Chapter 9.70

ECOATM MACHINES AND OTHER SIMILAR DEVICES OR MACHINES

Sections:

9.70.010 Findings. ecoATM machines and other similar kiosk machines.

9.70.020 Authority and purpose.

9.70.030 Definitions.”

~~9.70.040 EcoATM machines and other similar machines prohibited.~~

Section 2: Section 9.70.10 of the Riverside Municipal Code formerly entitled “Findings”
and is now entitled “ecoATM machines and other similar kiosk machines” and is hereby repealed in
its entirety and replaced with the following:

~~“The City Council finds as follows:~~

~~A. EcoATM is a kiosk machine that allows people to sell their cell phones, mp3 players, and
tablets in exchange for an immediate cash distribution or charitable donation.~~

~~B. EcoATM employs security features to both deter and catch thieves selling stolen devices.~~

~~C. EcoATM requires the consumer to swipe a valid government issued ID, provide a valid
thumbprint, and allow the machine to take their photograph. Whenever “technically possible”
EcoATM also logs the serial number of each personal electronic device involved in a transaction.~~

~~D. EcoATM machines are responsible for a rise in violent and non-violent theft of personal
electronic devices in cities permitting the machines, such as Washington D.C., El Cajon, Glendale and
San Diego. Examples of such incidents include the following:~~

~~1. In March of 2013, the Washington D.C. police reported that 40 percent of all forced robberies
in the last year involved a cell phone. In a recent investigation, the D.C. police discovered six stolen~~

1 cell phones inside ecoATM machines. The Police have even video recorded thieves using an elderly
2 woman as a middleman to complete the ecoATM transaction.

3 5. In April 2013, El Cajon Police expressed concern about ecoATM machines contributing to the
4 rise in cell phone theft. Two teenagers, ages 14 and 15, were arrested for six cell phone thefts in which
5 the teenagers sold the phones to ecoATM machines for quick cash.

6 6. San Diego Police also reported a marketed rise in cell phone theft since the installation of
7 ecoATMs. From January 2011 to March 2013, there were 270 cell phone thefts on the streets of the
8 City and some of the stolen phones were later found inside ecoATM machines.

9 7. In May of 2013, news anchors Jeff Rossen and Avni Patel from the Today Show on NBC tested
10 the security features of ecoATM in one of their "Rossen Reports" specials. The reporters sent two
11 NBC producers to two different ecoATM machines and told them to switch IDs. Although the
12 producer looked nothing like the picture in the ID, both ecoATM machines approved the transaction
13 and dispensed cash for the deposited phone.

14 8. In July of 2013, Glendale Police reported several instances where juvenile suspects sold stolen
15 devices to an ecoATM machine using the identification of others (adults) that looked nothing like the
16 person using the machine. The stolen devices had already been exchanged for cash by the time the
17 devices were reported stolen to the police.

18 I. EcoATM's security features cannot successfully deter thieves; the machine does not does not
19 have the technology to verify whether the valid government issued ID, fingerprint, and photograph
20 collected by the machine belong to the person completing the transaction and whether the person is
21 the true owner of the device being sold.

22 J. There is no security device that ecoATM could install to catch thieves who use third parties or
23 "middlemen" to complete the transaction.

24 K. Theft of personal electronic devices is already a growing problem in the City of Riverside even
25 without the addition of ecoATM machines. On April 4, 2013, the University of California Riverside
26 held a town meeting to discuss campus safety and the rise in cell phone theft.

27 L. Currently, there are no ecoATM locations in the City of Riverside. It is reasonable to conclude
28 that the adverse effects of ecoATM machines on the public health, safety, and welfare of other cities
will certainly occur in the City of Riverside if the City fails to prohibit the machines. The incentive

1 ~~that these machines create far outweighs the benefits derived from their security features. The security~~
2 ~~features of the ecoATM machines fail to deter and aid in prosecuting thieves. Theft of personal~~
3 ~~electronic devices is on the rise in the City and will likely increase from the quick and easy cash~~
4 ~~incentive provided by ecoATM machines.~~

5 “ecoATM machines and other similar kiosk machines that allow people to sell their personal
6 electronic devices in exchange for immediate cash, store credit, or charitable donation can only
7 be operated in the City of Riverside if they are in full compliance with standard security
8 measures required by state law, including but not limited, to *Business & Professions Code*
9 Section 21625 et. seq. In addition, ecoATM machines or similar kiosk machines can only be
10 operated in the City of Riverside if they have implemented the following protocols to cooperate
11 with the Riverside Police Department:

12 A. As required by *Business & Professions Code* Section 21628(a)(2), the identification of
13 the seller or pledger of the property shall be verified by the person taking the information,
14 who may use technology, including, but not limited to, cameras or software, or both, to
15 obtain information and verify identity remotely. The verification shall be valid if the
16 person taking the information reasonably relies on any one of the following documents,
17 provided that the document is currently valid or has been issued within five years and
18 contains a photograph or description, or both, of the person named on it, and, where
19 applicable, is signed by the person, and bears a serial or other identifying number:

20 (i) A passport of the United States.

21 (ii) A driver’s license issued by any state or Canada.

22 (iii) An identification card issued by any state.

23 (iv) An identification card issued by the United States.

24 (v) A passport from any other country in addition to another item of identification bearing
25 an address.

26 (vi) A Matricula Consular in addition to another item of identification bearing an address.

27 B. As required by *Business & Professions Code* Section 21628(a)(6), the kiosk machine
28 must capture a legible fingerprint from each seller as prescribed by the Department of
Justice;

- 1 C. As required by *Business & Professions Code* Section 21628(a)(3)(A) and (C), all second
2 hand dealers must report a property description of the personal property to the California
3 Pawn & Secondhand Dealer System (“CAPSS”), including but not limited to: the serial
4 number. In the case of the receipt or purchase of a handheld electronic device by a
5 secondhand dealer, the serial number reported may be the International Mobile Station
6 Equipment Identity (“IMEI”), or the mobile equipment identifier (“MEID”), or other
7 unique identifying number assigned to that device by the manufacturer.
- 8 D. When technically possible, the kiosk machine must check each mobile device’s
9 electronically embedded serial or unique identifying number (i.e. the IMEI or MEID) at
10 the point of sale to determine if the device has previously been reported as stolen. The
11 unique identifying number of a device must be checked through a company that compiles
12 a comprehensive database of stolen devices based on information from nationwide phone
13 carriers, local law enforcement, and the FBI. If the machine recognizes the mobile
14 device as one that had been reported as stolen or one where the owner of the device
15 remotely enabled a “kill switch” to remove their information from the device, the
16 machine shall reject the transaction. If the device does not have an electronically
17 embedded unique identifying number or cannot power on, the identifying number can be
18 captured when manually retrieved.
- 19 E. As required by *Business & Professions Code* Section 21630, all secondhand dealers must
20 electronically transmit to CAPSS no later than the next business day after the date of
21 transaction, excluding weekends and holidays, or if not then possible due to an electrical,
22 telecommunications, or other malfunction, as soon as reasonable thereafter, the report of
23 acquisition of tangle personal property. Law enforcement is provided access to CAPSS.
- 24 F. Any person or company who owns or operates a kiosk machine in the City of Riverside
25 shall not require a warrant or subpoena to provide an inventoried mobile device to law
26 enforcement;
- 27 G. Any person or company who owns or operates a kiosk machine in the City of Riverside
28 must respond to any law enforcement request to research and/or return reported stolen
mobile devices that may have been collected by the kiosk machine;

1 H. The kiosk machine must be capable of being opened remotely for law enforcement
2 personnel who need access to a mobile device inside the kiosk machine;

3 I. Any person or company who owns or operates a kiosk machine in the City of Riverside
4 must hold all inventory collected for a minimum of 30 days; and

5 J. Any person or company who owns or operates a kiosk machine in the City of Riverside
6 must work with law enforcement to create and maintain a “do not buy” list that bans
7 individuals from utilizing these machines. If an individual is identified by the Riverside
8 Police Department as having sold a stolen device at a kiosk machine, that individual shall
9 be electronically banned from conducting further transactions at kiosk machines.”

10 Section 3: Section 9.70.040 of the Riverside Municipal Code entitled ecoATM Machines
11 and Other Similar Machines Prohibited is hereby repealed in its entirety.

12 ~~“EcoATM machines and other similar devices or machines are prohibited in the City of~~
13 ~~Riverside. No person shall locate, operate, own, suffer, allow to be operated or aide, abet or~~
14 ~~assist in the operation of any EcoATM machine or other similar device or machine within the~~
15 ~~City.”~~

16 Section 4: The City Council has reviewed the matter and, based upon the facts and
17 information contained in the staff reports, administrative record, and written and oral testimony,
18 hereby finds that this ordinance is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3)
19 and/or 15061(b)(3) of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter
20 3, in that it will not result in a direct or reasonably foreseeable indirect physical change in the
21 environment nor have a significant impact on the environment.

22 Section 5: The City Clerk shall certify to the adoption of this ordinance and cause
23 publication once in a newspaper of general circulation in accordance with Section 414 of the Charter
24 of the City of Riverside. This ordinance shall become effective on the 30th day after the date of its
25 adoption.

26 ADOPTED by the City Council this _____ day of _____, 2019.

27 _____
28 WILLIAM R. BAILEY, III
Mayor of the City of Riverside

1 Attest:

2
3 _____
4 COLLEEN J. NICOL
City Clerk of the City of Riverside

5 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
6 foregoing ordinance was duly and regularly introduced at a meeting of the City Council on the
7 _____ day of _____, 2018, and that thereafter the said ordinance was duly and regularly
8 adopted at a meeting of the City Council on the _____ day of _____, 2019, by the
9 following vote, to wit:

10 Ayes:

11 Noes:

12 Absent:

13 Abstain:

14 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
15 City of Riverside, California, this _____ day of _____, 2019.

16
17 _____
City Clerk of the City of Riverside