

JAN 23 2025

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**A BILL FOR AN ACT**

RELATING TO TAX ADMINISTRATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 76-16, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) The civil service to which this chapter applies shall  
4 comprise all positions in the State now existing or hereafter  
5 established and embrace all personal services performed for the  
6 State, except the following:

- 7           (1) Commissioned and enlisted personnel of the Hawaii  
8           National Guard and positions in the Hawaii National  
9           Guard that are required by state or federal laws or  
10           regulations or orders of the National Guard to be  
11           filled from those commissioned or enlisted personnel;
- 12           (2) Positions filled by persons employed by contract where  
13           the director of human resources development has  
14           certified that the service is special or unique or is  
15           essential to the public interest and that, because of  
16           circumstances surrounding its fulfillment, personnel  
17           to perform the service cannot be obtained through

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- 1 normal civil service recruitment procedures. Any  
2 contract may be for any period not exceeding one year;
- 3 (3) Positions that must be filled without delay to comply  
4 with a court order or decree if the director  
5 determines that recruitment through normal recruitment  
6 civil service procedures would result in delay or  
7 noncompliance, such as the Felix-Cayetano consent  
8 decree;
- 9 (4) Positions filled by the legislature or by either house  
10 or any committee thereof;
- 11 (5) Employees in the office of the governor and office of  
12 the lieutenant governor, and household employees at  
13 Washington Place;
- 14 (6) Positions filled by popular vote;
- 15 (7) Department heads, officers, and members of any board,  
16 commission, or other state agency whose appointments  
17 are made by the governor or are required by law to be  
18 confirmed by the senate;
- 19 (8) Judges, referees, receivers, masters, jurors, notaries  
20 public, land court examiners, court commissioners, and  
21 attorneys appointed by a state court for a special  
22 temporary service;

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1           (9) One bailiff for the chief justice of the supreme court  
2           who shall have the powers and duties of a court  
3           officer and bailiff under section 606-14; one  
4           secretary or clerk for each justice of the supreme  
5           court, each judge of the intermediate appellate court,  
6           and each judge of the circuit court; one secretary for  
7           the judicial council; one deputy administrative  
8           director of the courts; three law clerks for the chief  
9           justice of the supreme court, two law clerks for each  
10          associate justice of the supreme court and each judge  
11          of the intermediate appellate court, one law clerk for  
12          each judge of the circuit court, two additional law  
13          clerks for the civil administrative judge of the  
14          circuit court of the first circuit, two additional law  
15          clerks for the criminal administrative judge of the  
16          circuit court of the first circuit, one additional law  
17          clerk for the senior judge of the family court of the  
18          first circuit, two additional law clerks for the civil  
19          motions judge of the circuit court of the first  
20          circuit, two additional law clerks for the criminal  
21          motions judge of the circuit court of the first  
22          circuit, and two law clerks for the administrative

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1 judge of the district court of the first circuit; and  
2 one private secretary for the administrative director  
3 of the courts, the deputy administrative director of  
4 the courts, each department head, each deputy or first  
5 assistant, and each additional deputy, or assistant  
6 deputy, or assistant defined in paragraph (16);

7 (10) First deputy and deputy attorneys general, the  
8 administrative services manager of the department of  
9 the attorney general, one secretary for the  
10 administrative services manager, an administrator and  
11 any support staff for the criminal and juvenile  
12 justice resources coordination functions, and law  
13 clerks;

14 (11) (A) Teachers, principals, vice-principals, complex  
15 area superintendents, deputy and assistant  
16 superintendents, other certificated personnel,  
17 and no more than twenty noncertificated  
18 administrative, professional, and technical  
19 personnel not engaged in instructional work;

20 (B) Effective July 1, 2003, teaching assistants,  
21 educational assistants, bilingual or bicultural  
22 school-home assistants, school psychologists,

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1 psychological examiners, speech pathologists,  
2 athletic health care trainers, alternative school  
3 work study assistants, alternative school  
4 educational or supportive services specialists,  
5 alternative school project coordinators, and  
6 communications aides in the department of  
7 education;

8 (C) The special assistant to the state librarian and  
9 one secretary for the special assistant to the  
10 state librarian; and

11 (D) Members of the faculty of the [University]  
12 university of Hawaii, including research workers,  
13 extension agents, personnel engaged in  
14 instructional work, and administrative,  
15 professional, and technical personnel of the  
16 university;

17 (12) Employees engaged in special, research, or  
18 demonstration projects approved by the governor;

19 (13) (A) Positions filled by inmates, patients of state  
20 institutions, and persons with severe physical or  
21 mental disabilities participating in the work  
22 experience training programs;

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1 (B) Positions filled with students in accordance with  
2 guidelines for established state employment  
3 programs; and

4 (C) Positions that provide work experience training  
5 or temporary public service employment that are  
6 filled by persons entering the workforce or  
7 persons transitioning into other careers under  
8 programs such as the federal Workforce Investment  
9 Act of 1998, as amended, or the Senior Community  
10 Service Employment Program of the Employment and  
11 Training Administration of the United States  
12 Department of Labor, or under other similar state  
13 programs;

14 (14) A custodian or guide at Iolani Palace, the Royal  
15 Mausoleum, and Hulihee Palace;

16 (15) Positions filled by persons employed on a fee,  
17 contract, or piecework basis, who may lawfully perform  
18 their duties concurrently with their private business  
19 or profession or other private employment and whose  
20 duties require only a portion of their time, if it is  
21 impracticable to ascertain or anticipate the portion  
22 of time to be devoted to the service of the State;

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1           (16) Positions of first deputies or first assistants of  
2           each department head appointed under or in the manner  
3           provided in section 6, article V, of the Hawaii State  
4           Constitution; three additional deputies or assistants  
5           either in charge of the highways, harbors, and  
6           airports divisions or other functions within the  
7           department of transportation as may be assigned by the  
8           director of transportation, with the approval of the  
9           governor; one additional deputy in the department of  
10          human services either in charge of welfare or other  
11          functions within the department as may be assigned by  
12          the director of human services; four additional  
13          deputies in the department of health, each in charge  
14          of one of the following: behavioral health,  
15          environmental health, hospitals, and health resources  
16          administration, including other functions within the  
17          department as may be assigned by the director of  
18          health, with the approval of the governor; two  
19          additional deputies in charge of the law enforcement  
20          programs, administration, or other functions within  
21          the department of law enforcement as may be assigned  
22          by the director of law enforcement, with the approval

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1 of the governor; three additional deputies each in  
2 charge of the correctional institutions,  
3 rehabilitation services and programs, and  
4 administration or other functions within the  
5 department of corrections and rehabilitation as may be  
6 assigned by the director of corrections and  
7 rehabilitation, with the approval of the governor; two  
8 administrative assistants to the state librarian; and  
9 an administrative assistant to the superintendent of  
10 education;

11 (17) Positions specifically exempted from this part by any  
12 other law; provided that:

13 (A) Any exemption created after July 1, 2014, shall  
14 expire three years after its enactment unless  
15 affirmatively extended by an act of the  
16 legislature; and

17 (B) All of the positions defined by paragraph (9)  
18 shall be included in the position classification  
19 plan;

20 (18) Positions in the state foster grandparent program and  
21 positions for temporary employment of senior citizens

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- 1 in occupations in which there is a severe personnel  
2 shortage or in special projects;
- 3 (19) Household employees at the official residence of the  
4 president of the [~~University~~] university of Hawaii;
- 5 (20) Employees in the department of education engaged in  
6 the supervision of students during meal periods in the  
7 distribution, collection, and counting of meal  
8 tickets, and in the cleaning of classrooms after  
9 school hours on a less than half-time basis;
- 10 (21) Employees hired under the tenant hire program of the  
11 Hawaii public housing authority; provided that no more  
12 than twenty-six per cent of the authority's workforce  
13 in any housing project maintained or operated by the  
14 authority shall be hired under the tenant hire  
15 program;
- 16 (22) Positions of the federally funded expanded food and  
17 nutrition program of the [~~University~~] university of  
18 Hawaii that require the hiring of nutrition program  
19 assistants who live in the areas they serve;
- 20 (23) Positions filled by persons with severe disabilities  
21 who are certified by the state vocational

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- 1 rehabilitation office that they are able to perform  
2 safely the duties of the positions;
- 3 (24) The sheriff;
- 4 (25) A gender and other fairness coordinator hired by the  
5 judiciary;
- 6 (26) Positions in the Hawaii National Guard youth and adult  
7 education programs;
- 8 (27) In the Hawaii state energy office in the department of  
9 business, economic development, and tourism, all  
10 energy program managers, energy program specialists,  
11 energy program assistants, and energy analysts;
- 12 (28) Administrative appeals hearing officers in the  
13 department of human services;
- 14 (29) In the Med-QUEST division of the department of human  
15 services, the division administrator, finance officer,  
16 health care services branch administrator, medical  
17 director, and clinical standards administrator;
- 18 (30) In the director's office of the department of human  
19 services, the enterprise officer, information security  
20 and privacy compliance officer, security and privacy  
21 compliance engineer, security and privacy compliance  
22 analyst, information technology implementation

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- 1 manager, assistant information technology  
2 implementation manager, resource manager, community or  
3 project development director, policy director, special  
4 assistant to the director, and limited English  
5 proficiency project manager or coordinator;
- 6 (31) The Alzheimer's disease and related dementia services  
7 coordinator in the executive office on aging;
- 8 (32) In the Hawaii emergency management agency, the  
9 executive officer, public information officer, civil  
10 defense administrative officer, branch chiefs, and  
11 emergency operations center state warning point  
12 personnel; provided that for state warning point  
13 personnel, the director shall determine that  
14 recruitment through normal civil service recruitment  
15 procedures would result in delay or noncompliance;
- 16 (33) The executive director and seven full-time  
17 administrative positions of the school facilities  
18 authority;
- 19 (34) Positions in the Mauna Kea stewardship and oversight  
20 authority;

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1 (35) In the office of homeland security of the department  
2 of law enforcement, the statewide interoperable  
3 communications coordinator;

4 (36) In the social services division of the department of  
5 human services, the business technology analyst;

6 [+] (37) [+] The executive director and staff of the 911 board;

7 [+] (38) [+ ~~Senior~~] The software developer supervisor and senior  
8 software developers in the department of taxation;

9 [+] (39) [+] In the department of law enforcement, five  
10 Commission on Accreditation for Law Enforcement  
11 Agencies, Inc., coordinator positions;

12 [+] (40) [+] The state fire marshal; [~~and~~

13 -] (41) [+] The administrator for the law enforcement standards  
14 board[-]; and

15 (42) In the director's office of the department of  
16 taxation, the data privacy officer and tax business  
17 analysts.

18 The director shall determine the applicability of this  
19 section to specific positions.

20 Nothing in this section shall be deemed to affect the civil  
21 service status of any incumbent as it existed on July 1, 1955."

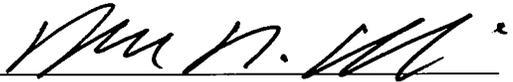
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1 SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

6

BY REQUEST

# S.B. NO. 1471

**Report Title:**

DOTAX; Tax Administration; Civil Service; Exemptions

**Description:**

Permanently exempts the software developer supervisor in the Department of Taxation and the data privacy officer and tax business analysts in the Director's office of the Department from civil service.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

**SB. NO. 1471**

DEPARTMENT: Taxation

TITLE: A BILL FOR AN ACT RELATING TO TAX ADMINISTRATION.

PURPOSE: To permanently exempt the following positions in the Department from civil service: The data privacy officer and tax business analysts in the Director's office and the software developer supervisor.

MEANS: Amend section 76-16(b), Hawaii Revised Statutes.

JUSTIFICATION: The Department proposes permanently exempting certain positions from civil service: The data privacy officer and tax business analysts in the Director's office and the software developer supervisor. These exempt positions will be crucial as the department enhances its operational capacity.

The data privacy officer will coordinate, develop, and implement applicable privacy requirements and manage privacy risks through the department-wide privacy program. This position will be responsible for ensuring the Department complies with federal, state, and other applicable policies and protects the sensitive information of taxpayers and the Department. Additionally, this position will oversee data sharing and exchanges for compliance with privacy requirements.

Tax business analysts will be responsible for managing both business and technical changes required to properly implement complex tax law changes. The analysts will ensure all updates comply with the law and meet the needs of taxpayers.

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A software developer supervisor will supervise senior software developers, who implement complex system changes.

Impact on the public: None.

Impact on the Department and other agencies:  
The Department will strengthen its ability to administer the tax system and improve the coordination of internal business processes to meet its obligations to protect taxpayer information and manage privacy risks through secure data sharing and exchanges with federal, State, and other government partners.

GENERAL FUND: Appropriation is being requested through the state budget.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: TAX 107.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.