

STAND. COM. REP. NO. **1097**

Honolulu, Hawaii

**MAR 24 2017**

RE: H.B. No. 1031  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 1031, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS,"

begs leave to report as follows:

The purpose and intent of this measure is to add the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to the list of agencies that are authorized to conduct criminal history record checks of employees, prospective employees, and contractors who have access to federal tax information.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Taxation; Department of Human Services; Department of Labor and Industrial Relations; Office of the Mayor, County of Hawai'i; and one individual.

Your Committee finds that the Internal Revenue Service recently mandated that all agencies receiving federal tax information perform criminal history record checks, including a Federal Bureau of Investigation fingerprint search, of all employees, employee applicants, and contractors who have access to federal tax information. This measure allows the Child Support



Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to comply with federal requirements and continue to perform their core functions.

Your Committee has amended this measure by:

- (1) Adding language regarding contractors and the employees or agents of contractors, when appropriate, to consistently apply criminal history record check procedures to contractors;
- (2) Clarifying that contractors and their employees or agents who are providing services for the Department of Human Services and Department of Labor and Industrial Relations that require access to federal tax information are required to obtain prior authority to access the federal tax information by the United States Department of the Treasury;
- (3) Amending the language regarding the termination or denial of employment as a result of a criminal history record check, notification requirements, and opportunity to respond to findings of the Departments of Taxation, Human Services, and Labor and Industrial Relations and Child Support Enforcement Agency for purposes of consistency;
- (4) Adding a conforming amendment to section 831-3.1, Hawaii Revised Statutes, to provide an exemption for any denials or termination of employment as an employee, employee applicant, or contractor of the Departments of Taxation, Human Services, or Labor and Industrial Relations, or the Child Support Enforcement Agency;
- (5) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B.



No. 1031, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1031, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,

  
GILBERT S.C. KEITH-AGARAN, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:* <b>HB1031, HD1</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>3/22/17</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
RHOADS, Karl (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado				✓
THIELEN, Laura H.	✓			
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes