

JAN 23 2020

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**A BILL FOR AN ACT**

RELATING TO RESIDENCY REQUIREMENTS IN STATE HIRING.

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

1           SECTION 1. The legislature finds that one of the  
2 conditions of employment with state or county government is to  
3 become a resident of the State of Hawaii within thirty days of  
4 beginning employment. Recently, there has been confusion if  
5 military servicemember's dependents (which includes their  
6 civilian spouses) in Hawaii are required to give up residency  
7 status in their "home" state to gain employment with the state of  
8 Hawaii.

9           However, through recent interpretations of the  
10 Servicemembers Civil Relief Act (SCRA) and Military Spouses  
11 Residency Relief Act, the state department of taxation no longer  
12 considers income received by a servicemember's civilian spouse  
13 for services performed in Hawaii as Hawaii-sourced income. As  
14 such, for consistency with SCRA, the legislature finds that  
15 military servicemember's dependents shall be exempt from this  
16 residency requirement when the military servicemember's dependent

1 is in Hawaii accompanying the military servicemember on valid  
2 military orders.

3 SECTION 2. Section 78-1, Hawaii Revised Statutes, is  
4 amended by amending subsection (c) to read as follows:

5 "(c) All persons seeking employment with the government of  
6 the State or in the service of any county shall be citizens,  
7 nationals, or permanent resident aliens of the United States, or  
8 eligible under federal law for unrestricted employment in the  
9 United States, and shall become residents of the State within  
10 thirty days after beginning their employment as a condition of  
11 eligibility for continued employment , except that bona fide  
12 military servicemember's dependents are exempt from the  
13 requirement to become residents if they are in the State by  
14 virtue of the military servicemember's orders.

15 "Resident" means a person who is physically present in the  
16 State at the time the person claims to have established the  
17 person's domicile in the State and shows the person's intent is to  
18 make Hawaii the person's primary residence.

19 "Dependent," with respect to a servicemember, means the  
20 servicemember's spouse, the servicemember's child who is under  
21 the age of eighteen years, or an individual for whom the  
22 servicemember provided more than one-half of the individual's

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1 financial support for 180 days immediately preceding an  
2 application for an exemption under this section."

3 SECTION 3. New statutory material is underscored.

4 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *W. M. M.*

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BY REQUEST

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S.B. NO. 2895

**Report Title:**

Military Dependents; Residency Exemption for State Employment

**Description:**

Exempts dependents of military servicemembers from state residency requirement for employment with state or county government if the military servicemember is in Hawaii on bona fide military orders.

*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. 2895**

DEPARTMENT: Human Resources Development

TITLE: A BILL FOR AN ACT RELATING TO RESIDENCY REQUIREMENTS IN STATE HIRING.

PURPOSE: To exempt dependents of military servicemembers from the residency requirement in state hiring.

MEANS: Amend section 78-1(c), Hawaii Revised Statutes.

JUSTIFICATION: Recent interpretations by the state department of taxation (in response to newly passed federal legislation) have held that income received by dependents of servicemembers is not considered Hawaii-sourced income, on the condition that the servicemember is in Hawaii on valid military orders. This bill would make Hawaii law consistent with DOTAX's interpretation of the Servicemembers Civil Relief Act.

Impact on the public: The proposed amendment is intended to clarify that dependents of servicemembers (including civilian spouses, children under 18 and individuals for whom the servicemember provided more than one-half of the individual's financial support) may maintain residency in a state other than Hawaii and be considered for employment in state or county government. Clarifying this ambiguity may lead to a wider pool of applicants for state employment.

Impact on the department and other agencies:  
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: HRD 102.

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OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.