

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 2339
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2339 entitled:

"A BILL FOR AN ACT RELATING TO RESIDENCY REQUIREMENTS IN STATE HIRING,"

begs leave to report as follows:

The purpose of this measure is to exempt dependents of military servicemembers from the state residency requirement for employment with state or county government if the military servicemember is in Hawaii on bona fide military orders.

Your Committee received testimony in support of this measure from the Department of Human Resources Development and Hawaii Health Systems Corporation.

Your Committee finds that recent interpretations by the Department of Taxation in response to recent 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. Your Committee further finds that this measure is intended to clarify that dependents of servicemembers may maintain residency in a state other than Hawaii and still be considered for employment in state or county government. This measure would make Hawaii law consistent with the Department of Taxation's interpretation of the



Servicemembers Civil Relief Act and thus may lead to a wider pool of applicants for state and county employment.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2339, H.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON LING JOHANSON, Chair



