
A BILL FOR AN ACT

RELATING TO MILITARY AFFAIRS.

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

1 SECTION 1. The legislature finds that the presence of the
2 United States military in Hawaii contributes to maintaining the
3 peace and stability of the Asia-Pacific region. Further,
4 Hawaii's economy benefits from this presence in that the
5 military expends approximately \$5,600,000,000 annually in Hawaii
6 and provides employment opportunities to approximately one
7 hundred twenty-five thousand residents. Next to tourism,
8 military expenditures are currently the largest source of
9 revenues to Hawaii's economy.

10 The purpose of this Act is to establish a military affairs
11 liaison trust fund to support the in its duties as
12 liaison in matters relating to the military and to provide
13 oversight for the military's presence in Hawaii and the impact
14 defense spending has on Hawaii's economy.

15 SECTION 2: The Hawaii Revised Statutes is amended by
16 adding a new chapter to be appropriately designated and to read
17 as follows:



1 "CHAPTER

2 MILITARY AFFAIRS LIAISON TRUST FUND

3 § -1 Creation of the military affairs liaison trust

4 fund. (a) There is established the military affairs liaison
5 trust fund as a separate fund of the , a Hawaii
6 nonprofit corporation. Moneys received from the state, county,
7 or federal government, private contributions of cash and other
8 property, and the income and capital gains earned by the fund
9 shall constitute the trust fund assets.

10 (b) The shall have the responsibility for the
11 expenditure of moneys from the trust fund for the purposes of
12 this chapter.

13 (c) The purpose of the trust fund is to support the
14 in its duties as the state liaison in matters relating
15 to the military. Those duties shall include:

16 (1) Serving as an advocate for the military and small
17 businesses desiring to do business with the military
18 and other federal agencies;

19 (2) Promoting a strong and viable partnership between the
20 state and county governments and the military
21 commands;



- 1 (3) Building rapport with installation commanders and
2 military communities;
- 3 (4) Facilitating business development opportunities for
4 small businesses in defense and other federal
5 contracting;
- 6 (5) Participating in discussions regarding the schooling
7 of military children in Hawaii's public schools;
- 8 (6) Facilitating coordination with the state and county
9 governments and private owners in providing the lands
10 and resources needed by the military to fulfill its
11 missions in defending and securing the United States
12 against all enemies;
- 13 (7) Supporting the military in complying with federal and
14 state laws on protecting and preserving Hawaii's
15 natural resources, cultural sites, and artifacts; and
- 16 (8) Promoting programs and activities to enhance the
17 quality of life for military personnel and their
18 families.
- 19 (d) The fund may receive contributions, grants, or gifts
20 in cash or otherwise from all sources. The legislature intends
21 that the public and private sectors work together as partners in
22 securing contributions for the fund. The State may donate



1 moneys to the trust fund by legislative appropriation; provided.
2 that any appropriations made by the State are not intended to
3 supplant the funding of existing programs.

4 (e) There shall be an endowment component of the military
5 affairs liaison trust fund.

6 (f) The aggregate principal sum deposited in the military
7 affairs liaison trust fund, and any income and capital gains
8 earned by the trust fund but not expended for grantmaking or
9 administration, shall be invested in accordance with the
10 provisions of the in a manner intended to maximize the
11 rate of return on investment of the trust fund consistent with
12 the objective of preserving the trust fund's principal.

13 (g) The department of defense shall serve as the lead
14 agency for the public sector and, in conjunction with the
15 , may provide staffing for the board, the coalition,
16 and advisory committee.

17 (h) Results of the annual audit of the shall be
18 submitted to the department of defense not later than thirty
19 days from the date the receives the audit results. The
20 shall retain for three years all documents, papers,
21 books, records, and other material pertinent to the fund and
22 audit. The shall permit the department of defense, the



1 department of accounting and general services, the legislature,
2 and the auditor, or their authorized representatives, to inspect
3 and have access to any of these materials.

4 (i) In the event of the termination of the trust fund or
5 the dissolution of the , the unspent appropriations
6 made by the State, if any, shall revert back to the State. Any
7 other amounts remaining in the military affairs liaison trust
8 fund shall be distributed at the recommendation of the board.

9 § -2 Receipt of funds. The fund may accept
10 contributions, grants, or gifts from corporations or other
11 businesses, foundations, government, individuals, and other
12 interested parties.

13 § -3 Military affairs liaison trust fund advisory board.

14 (a) There shall be a military affairs liaison trust fund
15 advisory board, which shall make the final recommendations to
16 the for the expenditure of funds for the following
17 activities:

18 (1) Grantmaking with private nonprofit organizations,
19 public agencies, or qualified individuals to foster
20 beneficial relations between the military and the
21 State;



1 (2) Grantmaking to raise community awareness of the trust
2 fund; and

3 (3) Administration of the trust fund.

4 (b) The board shall consist of seven members to be
5 appointed as follows:

6 (1) One member shall be selected by the to serve
7 for a term of three years. This member may not serve
8 more than two consecutive terms.

9 (2) Three members shall be appointed by the governor from
10 a list of names of seven persons submitted by the
11 . Each of these three members shall serve
12 for a term of three years; except that the terms of
13 the initial board members shall be staggered as
14 follows: one member shall be appointed to a one-year
15 term, one member shall be appointed to a two-year
16 term, and one member shall be appointed to a three-
17 year term. None of these three members shall serve
18 for more than two consecutive terms.

19 (3) One member shall be appointed from among the members
20 of the senate by the president of the senate, to serve
21 until the expiration of the member's term in the
22 senate during which the member is appointed.



1 (4) One member shall be appointed from among the members
2 of the house of representatives by the speaker of the
3 house to serve until the expiration of the member's
4 term in the house of representatives during which the
5 member is appointed.

6 (5) One member shall be the adjutant general or the
7 adjutant general's designee.

8 **§ -4 Military affairs liaison trust fund coalition.**

9 There shall be a military affairs liaison trust fund coalition
10 which, through its advisory committee, shall develop policy,
11 planning, strategy, and publicize the fund, as well as solicit
12 public and private moneys for the fund. The coalition shall
13 serve as a forum for addressing matters relating to the
14 military, the military's presence in Hawaii, and the impact
15 defense spending has on Hawaii's economy. Membership in the
16 coalition shall be open to any representative of any agency and
17 any individual committed to fostering beneficial relations
18 between the military and the State.

19 **§ -5 Military affairs liaison trust fund advisory**

20 **committee.** (a) There shall be an advisory committee of the
21 military affairs liaison trust fund coalition. The advisory
22 committee shall provide leadership for the coalition. Members



1 of the advisory committee shall be initially selected prior to
2 December 1, 2009.

3 (b) The advisory committee shall perform the following
4 functions:

5 (1) Promote statewide planning and strategies for
6 fostering beneficial relations between the military
7 and the State;

8 (2) Establish criteria and guidelines for grantmaking for
9 the board;

10 (3) Publicize the fund and solicit moneys from public and
11 private sources, in collaboration with the board;

12 (4) Advise the department of defense on matters involving
13 the presence of the military in the State and the
14 impact of defense spending on Hawaii's economy; and

15 (5) Facilitate the exchange of information between groups
16 concerned with matters relating to the military, the
17 military's presence in Hawaii, and the impact defense
18 spending has on Hawaii's economy.

19 (c) The advisory committee shall include private and
20 public members. Public sector representation shall include the
21 department of defense, the department of business, economic
22 development, and tourism, and the department of education. The



1 coalition shall elect the private sector representatives, whose
2 membership shall equal one more than the number of public sector
3 representatives.

4 (d) Each member of the advisory committee shall have one
5 vote, except that the representative of the department of
6 defense shall not vote on matters relating to advising the
7 department of defense. The advisory committee shall elect its
8 officers.

9 § -6 **Grants.** Grants provided for the fostering of
10 beneficial relations between the military and the State may
11 include, but are not limited to, the following:

- 12 (1) Serving as an advocate for the military and small
13 businesses desiring to do business with the military
14 and other federal agencies;
- 15 (2) Promoting a strong and viable partnership between the
16 state and county governments and the military
17 commands;
- 18 (3) Building rapport with installation commanders and
19 military communities;
- 20 (4) Facilitating business development opportunities for
21 small businesses in defense and other federal
22 contracting;



1 (5) Participating in discussions regarding the education
2 of military children in Hawaii's public schools;

3 (6) Facilitating coordination with the state and county
4 governments and private owners in providing the lands
5 and resources needed by the military to fulfill its
6 missions in defending and securing the United States
7 against all enemies;

8 (7) Supporting the military in complying with federal and
9 state laws on protecting and preserving Hawaii's
10 natural resources, cultural sites, and artifacts; and

11 (8) Promoting programs and activities to enhance the
12 quality of life for military personnel and their
13 families."

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2009-2010 and
17 the same sum or so much thereof as may be necessary for fiscal
18 year 2010-2011 for deposit into the military affairs liaison
19 trust fund.

20 SECTION 4. There is appropriated out of the military
21 affairs liaison trust fund the sum of \$ or so much
22 thereof as may be necessary for fiscal year 2009-2010 and the



1 same sum or so much thereof as may be necessary for fiscal year
2 2010-2011 for the purposes of chapter , Hawaii Revised
3 Statutes, relating to the military affairs liaison trust fund.

4 The sums appropriated shall be expended by the for
5 the purposes of this Act.

6 SECTION 5. This Act shall take effect upon its approval;
7 provided that sections 3 and 4 shall take effect on July 1,
8 2009.

9

INTRODUCED BY:

A handwritten signature in black ink, appearing to be "F. C. J.", written over a horizontal line.

JAN 28 2009



Report Title:

Military Affairs Liaison Trust Fund

Description:

Establishes the military affairs liaison trust fund as a separate fund of a nonprofit corporation, to support the nonprofit corporation in its duties as the state liaison in matters relating to the military. Appropriates funds for the trust fund.

