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# 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 liaison  
11 trust fund to support a nonprofit entity to serve as liaison in  
12 matters relating to the military, and to provide oversight for  
13 the military's presence in Hawaii and the impact defense  
14 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:

18

## 1 "CHAPTER

## 2 MILITARY AFFAIRS LIAISON

## 3 § -1 Military liaison trust fund; nonprofit entity;

4 **duties.** (a) There is established the military liaison trust  
5 fund as a separate fund of a nonprofit entity having a board of  
6 directors and qualifying under Section 501(c)(6) of the Internal  
7 Revenue Code (with respect to exemption from tax on  
8 corporations, certain trusts, etc.) into which shall be  
9 deposited general fund appropriations. The adjutant general,  
10 with the concurrence of the governor and in accordance with law,  
11 shall select the nonprofit entity based upon the proven record  
12 of accomplishment of the nonprofit entity in military affairs  
13 liaison in promoting and dealing with the military and  
14 administering a similar special fund. Moneys in the military  
15 liaison trust fund shall be administered by the nonprofit entity  
16 and expended for the purposes of this chapter.

17 (b) Notwithstanding that the military liaison trust fund  
18 is established within a private nonprofit entity, the department  
19 of budget and finance shall have oversight authority over the  
20 fund and may make periodic financial audits of the fund;  
21 provided that the director of finance may contract with a  
22 certified public accountancy firm for this purpose. The

1 adjutant general, with the concurrence of the governor, in their  
2 sole discretion may rescind the selection of the nonprofit  
3 entity. If the selection of the entity is rescinded, moneys in  
4 the military liaison trust fund shall revert back to the State  
5 and shall be deemed to be state general funds.

6 (c) The nonprofit entity shall serve as liaison for the  
7 State in matters relating to the military in Hawaii. The  
8 nonprofit entity shall have the following duties and  
9 responsibilities:

- 10 (1) Serve as an advocate for the military and small  
11 businesses desiring to do business with the military  
12 and other federal agencies where military affairs are  
13 concerned;
- 14 (2) Promote a strong and viable partnership between the  
15 state and county governments and the military  
16 commands;
- 17 (3) Build rapport with installation commanders and  
18 military communities;
- 19 (4) Facilitate business-development opportunities for  
20 small businesses in defense and other federal  
21 contracting involving military or defense issues;

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

3 (6) Facilitate 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 of defending and securing the United States  
7 against all enemies;

8 (7) Support the military in complying with federal and  
9 state laws that protect and preserve Hawaii's natural  
10 resources, cultural sites, and artifacts;

11 (8) Promote programs and activities to enhance the quality  
12 of life for military personnel and their families; and

13 (9) Expend funds from the military liaison trust fund for  
14 the purposes of this chapter."

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

20 SECTION 4. This Act shall take effect on July 1, 2020.

**Report Title:**

Military Liaison Trust Fund; Nonprofit Entity

**Description:**

Creates the military liaison trust fund within a nonprofit entity to support the nonprofit entity's duties as the state liaison in matters relating to the military. Requires adjutant general, with the governor's concurrence, to select the nonprofit entity. Appropriates funds to the trust fund. Takes effect July 1, 2020. (SD1)