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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 for Hawaii's economy.

10           The purpose of this Act is to establish a military affairs  
11 liaison trust fund to support a nonprofit corporation in its  
12 duties as liaison in matters relating to the military and to  
13 provide oversight for the military's presence in Hawaii and the  
14 impact that 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 Military affairs liaison trust fund; established.

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

10 (b) The nonprofit corporation shall be authorized to  
11 expend moneys from the trust fund for the purposes of this  
12 chapter.

13 (c) The purpose of the trust fund is to support the  
14 nonprofit corporation in its duties as the state liaison in  
15 matters relating 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 public and private  
21          sectors shall work together as partners in securing  
22          contributions for the fund. The State may donate moneys to the



1 trust fund by legislative appropriation; provided that any  
2 appropriations made by the State are not intended to supplant  
3 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 that are not expended for grantmaking  
9 or administration, shall be invested in accordance with the  
10 provisions of the nonprofit corporation in a manner intended to  
11 maximize the rate of return on investment of the trust fund  
12 consistent with the objective of preserving the trust fund's  
13 principal.

14 (g) The department of defense shall serve as the lead  
15 agency for the public sector and, in conjunction with the  
16 nonprofit corporation, may provide staffing for the board and  
17 advisory committee. The department of defense, with the  
18 concurrence of the governor, shall select the nonprofit  
19 corporation that shall serve as the state liaison in matters  
20 relating to the military.

21 (h) The fund shall be audited annually by an independent  
22 auditor. The results of the annual audit of the nonprofit



1 corporation shall be submitted to the department of defense and  
2 legislature not later than thirty days from the date the  
3 nonprofit corporation receives the audit results. In addition,  
4 the nonprofit corporation shall retain for a period of three  
5 years and permit the department of defense, the department of  
6 accounting and general services, the legislature, and the  
7 auditor, or their duly authorized representatives, to inspect  
8 and have access to all documents, papers, books, records, and  
9 other material pertinent to the fund and audit.

10 (i) In the event of the termination of the trust fund or  
11 the dissolution of the nonprofit corporation, the unspent  
12 appropriations made by the State, if any, shall revert back to  
13 the general fund. Any other amounts remaining in the military  
14 affairs liaison trust fund shall be distributed at the  
15 recommendation of the board.

16 **§ -2 Receipt of funds.** The fund may accept  
17 contributions, grants, or gifts from corporations or other  
18 businesses, foundations, government, individuals, and other  
19 interested parties.

20 **§ -3 Military affairs liaison trust fund advisory board.**

21 (a) There shall be a military affairs liaison trust fund  
22 advisory board, which shall make the final recommendations to



1 the nonprofit corporation for the expenditure of funds for the  
2 following activities:

3 (1) Grantmaking with private nonprofit organizations,  
4 public agencies, or qualified individuals to foster  
5 beneficial relations between the military and the  
6 State;

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

9 (3) Administration of the trust fund.

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

12 (1) One member shall be selected by the nonprofit  
13 corporation to serve for a term of three years. This  
14 member may not serve more than two consecutive terms;

15 (2) Three members shall be appointed by the governor from  
16 a list of names of seven persons submitted by the  
17 nonprofit corporation. Each of these three members  
18 shall serve for a term of three years; except that the  
19 terms of the initial board members shall be staggered  
20 as follows:

21 (A) One member shall be appointed to a one-year term;



1 (B) One member shall be appointed to a two-year term;  
2 and

3 (C) One member shall be appointed to a three-year  
4 term.

5 None of these three members shall serve for more than  
6 two consecutive terms;

7 (3) One member shall be appointed from among the members  
8 of the senate by the president of the senate, to serve  
9 until the expiration of the member's term in the  
10 senate during which the member is appointed;

11 (4) One member shall be appointed from among the members  
12 of the house of representatives by the speaker of the  
13 house to serve until the expiration of the member's  
14 term in the house of representatives during which the  
15 member is appointed; and

16 (5) One member shall be the adjutant general or the  
17 adjutant general's designee.

18 **§ -4 Military affairs liaison trust fund advisory**

19 **committee.** (a) There shall be an advisory committee of the  
20 military affairs liaison trust fund. Members of the advisory  
21 committee shall be initially selected prior to December 1, 2011.

22 (b) The advisory committee shall:



- 1 (1) Promote statewide planning and strategies for  
2 fostering beneficial relations between the military  
3 and the State;
- 4 (2) Establish criteria and guidelines for grantmaking for  
5 the board;
- 6 (3) Publicize the fund and solicit moneys from public and  
7 private sources, in collaboration with the board;
- 8 (4) Advise the department of defense on matters involving  
9 the presence of the military in the State and the  
10 impact of defense spending on Hawaii's economy; and
- 11 (5) Facilitate the exchange of information between groups  
12 concerned with matters relating to the military, the  
13 military's presence in Hawaii, and the impact that  
14 defense spending has on Hawaii's economy.
- 15 (c) The advisory committee shall include private and  
16 public members. Public sector representation shall include the  
17 department of defense, the department of business, economic  
18 development, and tourism, and the department of education. The  
19 advisory committee shall also elect the private sector  
20 representatives, whose membership shall equal one more than the  
21 number of public sector representatives.





1 (d) Each member of the advisory committee shall have one  
2 vote; except that the representative of the department of  
3 defense shall not vote on matters relating to advising the  
4 department of defense. The advisory committee shall also elect  
5 its officers from among its members.

6 **§ -5 Grants.** Grants provided for the fostering of  
7 beneficial relations between the military and the State may be  
8 used to, among other things:

- 9 (1) Advocate for the military and small businesses  
10 desiring to do business with the military and other  
11 federal agencies;
- 12 (2) Promote a strong and viable partnership between the  
13 state and county governments and the military  
14 commands;
- 15 (3) Build rapport with installation commanders and  
16 military communities;
- 17 (4) Facilitate business development opportunities for  
18 small businesses in defense and other federal  
19 contracting;
- 20 (5) Participate in discussions regarding the education of  
21 military children in Hawaii's public schools;



- 1 (6) Facilitate coordination with the state and county  
2 governments and private owners in providing the lands  
3 and resources needed by the military to fulfill its  
4 missions in defending and securing the United States  
5 against all enemies;
- 6 (7) Support the military in complying with federal and  
7 state laws on protecting and preserving Hawaii's  
8 natural resources, cultural sites, and artifacts; and
- 9 (8) Promote programs and activities to enhance the quality  
10 of life for military personnel and their families."

11 SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$ or so  
13 much thereof as may be necessary for fiscal year 2011-2012 and  
14 the same sum or so much thereof as may be necessary for fiscal  
15 year 2012-2013 for deposit into the military affairs liaison  
16 trust fund.

17 SECTION 4. There is appropriated out of the military  
18 affairs liaison trust fund the sum of \$ or so much  
19 thereof as may be necessary for fiscal year 2011-2012 and the  
20 same sum or so much thereof as may be necessary for fiscal year  
21 2012-2013 for the purposes of chapter , Hawaii Revised  
22 Statutes, relating to the military affairs liaison trust fund.



1           The sums appropriated shall be expended by the nonprofit  
2 corporation for the purposes of this Act.

3           SECTION 5. This Act shall take effect on July 1, 2030.



**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. Effective July 1, 2030. (HB277 HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

