
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 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 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 a Hawaii nonprofit corporation.
6 Moneys received from the state, county, or federal government,
7 private contributions of cash and other property, and the income
8 and capital gains earned by the fund shall constitute the trust
9 fund assets.

10 (b) The nonprofit corporation shall have the
11 responsibility for the expenditure of moneys from the trust fund
12 for the purposes of this 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 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 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 also select the nonprofit
19 corporation that shall serve as the state liaison in matters
20 relating to the military.

21 (h) Results of the annual audit of the nonprofit
22 corporation shall be submitted to the department of defense not



1 later than thirty days from the date the nonprofit corporation
2 receives the audit results. The nonprofit corporation shall
3 retain for three years all documents, papers, books, records,
4 and other material pertinent to the fund and audit. The
5 nonprofit corporation shall permit the department of defense,
6 the department of accounting and general services, the
7 legislature, and the auditor, or their authorized
8 representatives, to inspect and have access to any of these
9 materials.

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 State. Any other amounts remaining in the military affairs
14 liaison trust fund shall be distributed at the recommendation of
15 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.

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 upon its approval;
4 provided that sections 3 and 4 shall take effect on July 1,
5 2011.



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, 2011. (HB277 HD1)

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

