HOUSE OF REPRESENTATIVES TWENTY-SIXTH LEGISLATURE, 2011 STATE OF HAWAII H.B. NO. 277

### 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 hundred twenty-five thousand residents. Next to tourism, 7 military expenditures are currently the largest source of 8 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
12 as 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:



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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
15	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;



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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 c	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



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

4 (e) There shall be an endowment component of the military5 affairs liaison trust fund.

6 The aggregate principal sum deposited in the military (f) 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 the objective of preserving the trust fund's principal. 12

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 16 coalition, and advisory committee.

17 Results of the annual audit of the (h) 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, 21 papers, books, records, and other material pertinent to the fund and audit. 22 The shall permit the department of



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

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

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

14 § -3 Military affairs liaison trust fund advisory board.
15 (a) There shall be a military affairs liaison trust fund
16 advisory board, which shall make the final recommendations to
17 the for the expenditure of funds for the following
18 activities:

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



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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
12		shall serve for a term of three years; except that the
13		terms of the initial board members shall be staggered
14		as follows: one member shall be appointed to a one-
15		year 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.



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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 S -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



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1 of the advisory committee shall be initially selected prior to 2 December 1, 2011. 3 (b) The advisory committee shall perform the following 4 functions: 5 (1)Promote statewide planning and strategies for fostering beneficial relations between the military 6 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 The advisory committee shall include private and (C) 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



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coalition shall elect the private sector representatives, whose
 membership shall equal one more than the number of public sector
 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;



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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	SECT	ION 3. There is appropriated out of the general		
15	revenues o	of the State of Hawaii the sum of \$ or so		
16	much there	eof as may be necessary for fiscal year 2011-2012 and		
17	the same sum or so much thereof as may be necessary for fiscal			
18	year 2012-2013 for deposit into the military affairs liaison			
19	trust fund.			
20	SECT:	ION 4. There is appropriated out of the military		
21	affairs l	iaison trust fund the sum of \$ or so much		
22	thereof as	s may be necessary for fiscal year 2011-2012 and the		
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same sum or so much thereof as may be necessary for fiscal year
 2012-2013 for the purposes of chapter , Hawaii Revised
 Statutes, relating to the military affairs liaison trust fund.
 The sums appropriated shall be expended by the
 for 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 2011.



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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.

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

