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# A BILL FOR AN ACT

RELATING TO GRANTS-IN-AID.

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

1 SECTION 1. Section 42F-103, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[+] §42F-103 [+~~ Standards for the award of grants and  
4 ~~subsidies.~~ (a) Grants and subsidies shall ~~[only]~~ be awarded  
5 only to individuals who, and organizations ~~[which+]~~ that:

- 6 (1) Are licensed or accredited, in accordance with  
7 federal, state, or county statutes, rules, or  
8 ordinances, to conduct the activities or provide the  
9 services for which a grant or subsidy is awarded;
- 10 (2) Comply with all applicable federal and state laws  
11 prohibiting discrimination against any person on the  
12 basis of race, color, national origin, religion,  
13 creed, sex, age, sexual orientation, or disability;
- 14 (3) Agree not to use state funds for entertainment or  
15 lobbying activities; and
- 16 (4) Allow the state agency to which funds for the grant or  
17 subsidy were appropriated for expenditure, legislative  
18 committees and their staff, and the auditor full



1 access to their records, reports, files, and other  
2 related documents and information for purposes of  
3 monitoring, measuring the effectiveness, and  
4 ~~[assuring]~~ ensuring the proper expenditure of the  
5 grant or subsidy.

6 (b) In addition, a grant or subsidy may be made to an  
7 organization only if the organization:

- 8 (1) Is incorporated under the laws of the State; and  
9 (2) Has bylaws or policies that describe the manner in  
10 which the activities or services for which a grant or  
11 subsidy is awarded shall be conducted or provided.

12 (c) Further, a grant or subsidy may be awarded to a non-  
13 profit organization only if the organization:

- 14 (1) Has been determined and designated to be a non-profit  
15 organization by the Internal Revenue Service; and  
16 (2) Has a governing board whose members have no material  
17 conflict of interest and serve without compensation.

18 (d) If a grant or subsidy is used by an organization for  
19 the acquisition of land, when the organization discontinues the  
20 activities or services on the land acquired for which the grant  
21 or subsidy was awarded and disposes of the land in fee simple or  
22 by lease, the organization shall negotiate with the expending



1 agency for a lump sum or installment repayment to the State of  
2 the amount of the grant or subsidy used for the acquisition of  
3 the land. This restriction shall be registered, recorded, and  
4 indexed in the bureau of conveyances or with the assistant  
5 registrar of the land court as an encumbrance on the property.  
6 Amounts received from the repayment of a grant or subsidy under  
7 this subsection shall be deposited into the general fund."

8 SECTION 2. Statutory material to be repealed is bracketed and  
9 stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**  
Grants-in-Aid

**Description:**

Provides for the lump sum or installment repayment of a grant-in-aid received by an organization that was used for the purchase of land when the activities for which the grant was made are discontinued on the land acquired and the land is sold or leased by the organization. (SD1)

