
A BILL FOR AN ACT

RELATING TO GRANTS AND SUBSIDIES.

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

1 SECTION 1. Section 42F-101, Hawaii Revised Statutes, is
2 amended by amending the definition of "recipient" to read as
3 follows:

4 "Recipient" means any nonprofit organization [~~or person~~]
5 receiving a grant or subsidy."

6 SECTION 2. Section 42F-102, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "[+]§42F-102[+] **Applications for grants and subsidies**[~~-~~];
9 deadline. Requests for grants and subsidies shall be submitted
10 to the appropriate standing committees of the legislature [~~at~~
11 ~~the start of each regular session of the legislature.~~] not later
12 than January 31 or if January 31 falls on a Saturday, Sunday, or
13 holiday, by the immediately preceding business day. Each
14 request shall state:

15 (1) The name of the requesting nonprofit organization;



- 1 (2) The public purpose for the grant or subsidy[+],
2 including a description of the problem or need to be
3 addressed;
- 4 (3) The services to be supported by the grant or subsidy;
- 5 (4) The target group; and
- 6 (5) The cost of the grant or subsidy and the budget."

7 SECTION 3. Section 42F-103, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"§42F-103 Standards for the award of grants and subsidies.**

10 (a) Grants and subsidies shall be awarded only to [~~individuals~~
11 ~~who, and~~] nonprofit organizations that:

- 12 (1) Are licensed or accredited, in accordance with
13 federal, state, or county statutes, rules, or
14 ordinances, to conduct the activities or provide the
15 services for which a grant or subsidy is awarded;
- 16 (2) Comply with all applicable federal and state laws
17 prohibiting discrimination against any person on the
18 basis of race, color, national origin, religion,
19 creed, sex, age, sexual orientation, or disability;
- 20 (3) Agree not to use state funds for entertainment or
21 lobbying activities; [~~and~~]



1 (4) Demonstrate that the grant or subsidy will not be the
2 sole source of funding for the services for which a
3 grant or subsidy is awarded;

4 (5) Demonstrate that the services to be supported by the
5 grant or subsidy are not already being adequately
6 provided and thus are not duplicative;

7 ~~(4)~~ (6) Allow the state agency to which funds for the
8 grant or subsidy were appropriated for expenditure,
9 legislative committees and their staff, and the
10 auditor full access to their records, reports, files,
11 and other related documents and information for
12 purposes of monitoring, measuring the effectiveness,
13 and ensuring the proper expenditure of the grant or
14 subsidy[-];

15 ~~[(b) In addition, a grant or subsidy may be made to an~~
16 ~~organization only if the organization:~~

17 ~~(1) Is]~~ (7) Are incorporated under the laws of the State;
18 ~~[and~~

19 ~~(2) Has]~~ (8) Have bylaws or policies that describe the
20 manner in which the activities or services for which a
21 grant or subsidy is awarded shall be conducted or
22 provided[-];

1 (9) Have satisfied all obligations to the State, including
 2 but not limited to making all necessary tax payments,
 3 and have completed and submitted all required
 4 documentation with respect to the requesting nonprofit
 5 organization's business with any state department or
 6 agency;

7 [~~(e)~~ ~~Further, a grant or subsidy may be awarded to a non-~~
 8 ~~profit organization only if the organization:~~

9 [~~(1) Has~~] (10) Have been determined and designated to be a non-
 10 profit organization by the Internal Revenue Service;
 11 [~~and~~]

12 (11) Have operated in the State for at least years;
 13 and

14 [~~(2) Has~~] (12) Have a governing board whose members have
 15 no material conflict of interest and serve without
 16 compensation.

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



1 for a lump sum or installment repayment to the State of the
2 amount of the grant or subsidy used for the acquisition of the
3 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 (c) Public comment on all applications may be accepted to
9 assist the legislature in the selection process. A list of
10 applicants, a brief description of the request, and the amount
11 of each grant or subsidy applied for shall be posted on the
12 legislature's website before first lateral; provided that if the
13 respective chambers of the legislature have differing first
14 lateral deadlines, then the information shall be posted before
15 the later deadline. Once the date of the first lateral deadline
16 is determined for each subsequent legislative session, that date
17 shall be posted with the grant in aid application information on
18 the legislature's website."

19 SECTION 4. Section 42F-106, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "[+]§42F-106[+] **Monitoring and evaluation.** (a) Every
22 grant or subsidy shall be monitored by the expending agency to



1 ensure compliance with this chapter and the public purpose and
2 legislative intent of the grant or subsidy. Each expending
3 agency shall develop or identify performance measures for each
4 operating grant or subsidy.

5 (b) Within thirty days after the expiration of each grant
6 or subsidy, each recipient shall submit a report to the
7 expending agency and the legislature that shall include:

8 (1) An accounting for all expenditures;

9 (2) A description of the accomplishments achieved under
10 the grant or subsidy; and

11 (3) An assessment of the extent to which the provision of
12 services funded by the grant or subsidy has met the
13 performance standards established pursuant to
14 subsection (a).

15 (c) Within thirty days of receipt of each recipient's
16 report, the expending agency shall submit comments on the
17 recipient's report to the legislature."

18 SECTION 5. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Grants and Subsidies; Limits; Application Deadline

Description:

Sets an annual deadline of 1/31 to apply for grants/subsidies. Clarifies that only nonprofit organizations may receive grants or subsidies. Requires an applicant to show that an award will not be the applicant's sole source of funding, that services will not be duplicative, that all obligations to the State are satisfied, and that the applicant has operated in the State for at least years. Requires certain applicant information to be posted on the legislature's website before first lateral. Requires each expending agency to develop performance standards for each grant/subsidy. Requires recipients to report within 30 days of grant expiration, an accounting of expenditures, including meeting performance standards. Permits acceptance of public comments during selection process. (SB2615 SD1)

