

# SB2312

Measure Title: RELATING TO GRANTS.

Report Title: Grants; Requirements

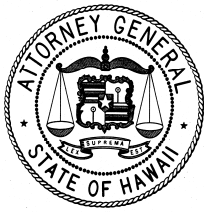
Description: Requires all organizations that may receive a grant from the State to be in compliance with all registration and annual reporting requirements of the Department of Commerce and Consumer Affairs and provide proof of a current and valid general excise tax license. Requires all nonprofit organizations that may receive a grant from the State to provide proof of a current and valid general excise tax license; register with the Department of the Attorney General as a charitable organization, if applicable; provide proof of the filing of Internal Revenue Service form 990, 990EZ, or 990-N; and be current on the payment of all real property taxes, if applicable.

Companion:

Package: None

Current Referral: CPH/JDC, WAM

Introducer(s): HARIMOTO, INOUYE, Galuteria, K. Kahele, Keith-Agaran, Kim, Riviere, L. Thielen



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-NINTH LEGISLATURE, 2018**

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**ON THE FOLLOWING MEASURE:**  
S.B. NO. 2312, RELATING TO GRANTS.

**BEFORE THE:**  
SENATE COMMITTEES ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH AND ON JUDICIARY

**DATE:** Tuesday, February 7, 2018                      **TIME:** 8:30 a.m.

**LOCATION:** State Capitol, Room 229

**TESTIFIER(S):** Russell A. Suzuki, Acting Attorney General, or  
Hugh R. Jones, Senior Deputy Attorney General

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Chairs Baker and Taniguchi and Members of the Committees:

The Department of the Attorney General offers the following comments on this bill. The purpose of this bill is to require all organizations that may receive a grant from the State to be in compliance with all registration and annual reporting requirements of the Department of Commerce and Consumer Affairs, hold a valid general excise tax licensee, be registered with the Department of the Attorney General, if applicable, and satisfy other requirements.

Currently there is no requirement in section 42F-103, Hawaii Revised Statutes (HRS), or in the state grant application process that requires applicants to provide proof of compliance with Hawaii's charitable solicitation laws in chapter 467B, HRS, if applicable. Nonprofit charitable organizations that have received state grant moneys in the past, and that would otherwise be required to be registered or have been granted an exemption from registration by the Attorney General under chapter 467B, (HRS), have been found to not be in compliance with the requirements.

The Purchasing Office of the City and County of Honolulu annually coordinates with the Department of Attorney General to ensure that City grant recipients provide proof of compliance with the Department of the Attorney General in accordance with chapter 467B, HRS, as applicable, with the applicants' grant proposal.

We suggest that the Committees consider amending the proposed wording for section 42F-103(c)(4) to read as follows:

“(4) Provides proof of compliance with section 467B-2.1, if applicable;”

We hope that these comments are helpful, and we will be available to answer any questions the Committees may have.

# HAWAII YOUTH SERVICES NETWORK

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Rick Collins, President

Judith F. Clark, Executive Director

Bay Clinic

Big Brothers Big Sisters of Hawaii

Bobby Benson Center

Child and Family Service

Coalition for a Drug Free Hawaii

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Friends of the Children of West Hawaii

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Children's Action Network

Hawaii Student Television

Ho'ola Na Pua

Kahi Mohala

Kokua Kalihi Valley

Maui Youth and Family Services

P.A.R.E.N.T.S., Inc.

Parents and Children Together (PACT)

Planned Parenthood of the Great Northwest and Hawaiian Islands

PHOCUSED

Salvation Army Family

Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community Center

The Catalyst Group

February 2, 2018

To: Senator Rosalyn Baker, Chair  
And members of the Committee on Health and Human Services

Senator Brian Taniguchi, Chair  
And members of the Committee on Judiciary

## **TESTIMONY IN SUPPORT OF SB 2312 RELATING TO GRANTS**

Hawaii Youth Services Network (HYSN), a statewide coalition of youth-serving organizations, supports SB 2312 Relating to Grants.

Any ethical organization that has appropriate governance and fiscal management policies and procedures in place will easily be able to comply with the proposed new requirements for grants from the State of Hawaii. These include having a valid excise tax license, registering with the Attorney General as a charitable organization, being current on any property tax payments, and providing filing tax forms with the Internal Revenue Service.

Thank you for this opportunity to testify.

Sincerely,



Be  
Judith F. Clark, MPH  
Executive Director