
A BILL FOR AN ACT

RELATING TO GRANTS.

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

1 SECTION 1. The legislature finds that, as a result of the
2 coronavirus disease 2019 pandemic and its deleterious impact on
3 the economy, fiscal resources of the State are limited. As a
4 result, there is heightened scrutiny and greater emphasis on the
5 most efficient use of existing funds. The legislature further
6 finds that it is appropriate to impose more stringent
7 requirements on organizations applying for grants from the
8 State.

9 Accordingly, the purpose of this Act is to clarify
10 existing, and establish new, grant application process and
11 eligibility requirements for organizations, including nonprofit
12 organizations, that may receive a grant from the State.

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

15 "**§42F-102 Applications for grants.** (a) Requests for
16 grants shall be submitted to the appropriate standing committees



1 of the legislature at the start of each regular session of the
2 legislature. Each request shall state:

- 3 (1) The name of the requesting organization or individual;
- 4 (2) The public purpose for the grant;
- 5 (3) The services to be supported by the grant;
- 6 (4) The target group; and
- 7 (5) The cost of the grant and the budget.

8 (b) Each request for grants shall include the following
9 documentation:

10 (1) For an organization applying for a grant pursuant to
11 section 42F-103(b):

12 (A) A copy of the organization's bylaws or policies
13 describing the manner in which the activities or
14 services for which a grant is awarded shall be
15 conducted or provided;

16 (B) A valid certificate of vendor compliance in
17 accordance with section 42F-103(b)(1)(B);

18 (C) If applicable, proof that the organization is
19 current in the payment of real property taxes;
20 and



(2) For a nonprofit organization applying for a grant pursuant to section 42F-103(c):

(A) A copy of the organization's exemption ruling from the Internal Revenue Service evidencing that the organization has been granted tax exempt status under the Internal Revenue Code;

(B) Proof that the organization currently maintains its tax exempt status under the Internal Revenue Code;

(C) If applicable, proof of the organization's compliance with section 467B-2.1; and

(D) Copies of the organization's Form 990, 990-EZ, 990-PF, or 990-N filed with the Internal Revenue Service for the organization's prior two taxable years."

SECTION 3. Section 42F-103, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

"(b) In addition, a grant ~~[may]~~ shall be ~~[made]~~ awarded only to an organization ~~[only if the organization-]~~ that:

(1) Is incorporated under the laws of the State; ~~[and]~~



1 (2) Is registered with the department of commerce and
2 consumer affairs and in possession of a valid
3 certificate of vendor compliance issued by the State
4 and documenting the organization's compliance and good
5 standing with the United States Internal Revenue
6 Service, department of taxation, department of labor
7 and industrial relations, and department of commerce
8 and consumer affairs;

9 ~~[-2-]~~ (3) Has bylaws or policies that describe the manner
10 in which the activities or services for which a grant
11 is awarded shall be conducted or provided~~[-]~~; and

12 (4) If applicable, is current in the payment of real
13 property taxes.

14 (c) Further, a grant ~~[may]~~ shall be awarded only to a
15 nonprofit organization ~~[only if the organization-]~~ that:

16 (1) Has been determined and designated to be, and
17 currently maintains its status as, a nonprofit
18 organization by the Internal Revenue Service; ~~[and]~~

19 (2) Has a governing board whose members have no material
20 conflict of interest and serve without
21 compensation~~[-]~~;



- 1 (3) If applicable, complies with section 467B-2.1; and
2 (4) Has filed Form 990, 990-EZ, 990-PF, or 990-N filed
3 with the Internal Revenue Service during the
4 organization's prior two taxable years."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Grants; Requirements; Eligible Organizations; Eligible Nonprofit Organizations

Description:

Clarifies existing and establishes new grant application process and eligibility requirements for organizations, including nonprofit organizations, that may receive a grant from the State. (SD1)

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

