



GOV. MSG. NO. 942

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

June 15, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 15, 2007, the following bill was signed into law:

HB513 SD1

A BILL FOR AN ACT RELATING TO GRANTS-IN-
AID.
(ACT 184)

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Aiona, Jr.".

JAMES R. AIONA, JR.
Acting Governor

Approved by the Governor
on JUN 15 2007

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2007
STATE OF HAWAII

ACT 184
H.B. NO. 513
S.D. 1

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.

APPROVED this 15 day of JUN , 2007

JAMES R. AIONA JR.

ACTING

GOVERNOR OF THE STATE OF HAWAII

