
A BILL FOR AN ACT

RELATING TO GRANTS.

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

1 SECTION 1. Section 6E-16, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Subject to legislative authorization, the department
4 may expend moneys from the fund:

5 (1) For permanent and temporary staff positions;

6 (2) To replenish goods;

7 (3) To produce public information materials;

8 (4) To provide financial assistance to [~~public agencies~~
9 ~~and private agencies~~] organizations in accordance with
10 chapter 42F involved in historic preservation

11 activities other than those covered by section 6E-9;

12 and

13 (5) To cover administrative and operational costs of the
14 historic preservation program."

15 SECTION 2. Section 42F-101, Hawaii Revised Statutes, is
16 amended to read as follows:



1 "§42F-101 Definitions. As used in this [+]chapter[+],
2 unless the context clearly requires otherwise:

3 "Grant" means an award of state funds by the legislature,
4 by an appropriation to a specified recipient, to support the
5 activities of the recipient and permit the community to benefit
6 from those activities.

7 "Recipient" means any organization [~~or person~~] receiving a
8 grant."

9 SECTION 3. Section 42F-102, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "§42F-102 Applications for grants. Requests for grants
12 shall be submitted to the appropriate standing committees of the
13 legislature at the start of each regular session of the
14 legislature. Each request shall state:

- 15 (1) The name of the requesting organization [~~or~~
16 ~~individual~~];
- 17 (2) The public purpose for the grant;
- 18 (3) The services to be supported by the grant;
- 19 (4) The target group; and
- 20 (5) The cost of the grant and the budget."



1 SECTION 4. Section 42F-103, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§42F-103 Standards for the award of grants. (a)

4 [~~Grants~~] A grant shall be awarded only to [~~individuals who, and~~
5 ~~organizations~~] a recipient if the recipient is an organization
6 that:

7 (1) [~~Are~~] Is licensed or accredited, in accordance with
8 federal, state, or county statutes, rules, or
9 ordinances, to conduct the activities or provide the
10 services for which a grant is awarded;

11 (2) [~~Comply~~] Complies with all applicable federal and
12 state laws prohibiting discrimination against any
13 person on the basis of race, color, national origin,
14 religion, creed, sex, age, sexual orientation, or
15 disability;

16 (3) [~~Agree~~] Agrees not to use state funds for
17 entertainment or lobbying activities; [~~and~~]

18 (4) [~~Allow~~] Allows the state agency to which funds for the
19 grant were appropriated for expenditure, legislative
20 committees and their staff, and the auditor full
21 access to [~~their~~] its records, reports, files, and



1 other related documents and information for purposes
2 of monitoring, measuring the effectiveness, and
3 ensuring the proper expenditure of the grant[-];

4 [~~(b)~~] ~~In addition, a grant may be made to an organization~~
5 ~~only if the organization:~~

6 ~~(1)~~] (5) Is incorporated as a nonprofit corporation under
7 ~~[the laws of the State; and]~~ chapter 414D;

8 ~~(2)~~] (6) Has bylaws or policies that describe the manner
9 in which the activities or services for which a grant
10 is awarded shall be conducted or provided[-];

11 [~~(c)~~] ~~Further, a grant may be awarded to a nonprofit~~
12 ~~organization only if the organization:~~

13 ~~(1)~~] (7) Has been determined and designated to be a
14 nonprofit organization by the Internal Revenue
15 Service; and

16 ~~(2)~~] (8) Has a governing board whose members have no
17 material conflict of interest and serve without
18 compensation.

19 ~~(d)~~] (b) If a grant is used by an organization for the
20 acquisition of land, when the organization discontinues the
21 activities or services on the land acquired for which the grant



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

10 SECTION 5. This Act does not affect rights and duties that
 11 matured, penalties that were incurred, and proceedings that were
 12 begun before its effective date.

13 SECTION 6. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 7. This Act shall take effect on July 1, 2018.

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INTRODUCED BY: Nicole E. Lowen

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H.B. NO. 1799

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JAN 16 2018



H.B. NO. 1799

Report Title:

Grants; Legislature; Recipients; Nonprofit Corporations

Description:

Allows only nonprofit corporations to be recipients of grants in aid appropriated by the Legislature under Chapter 42F, Hawaii Revised Statutes.

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

