
A BILL FOR AN ACT

RELATING TO GRANTS.

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

1 SECTION 1. Section 42F-103, Hawaii Revised Statutes, is
2 amended by amending subsections (b) and (c) to read as follows:

3 "(b) In addition, a grant may be made to an organization
4 only if the organization:

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

6 (2) [~~Has~~] Provides a copy of the organization's bylaws or
7 policies that describe the manner in which the
8 activities or services for which a grant is awarded
9 shall be conducted or provided[+];

10 (3) Provides a current certificate of good standing from
11 the department of commerce and consumer affairs;

12 (4) Provides a current tax clearance from the department
13 of taxation; and

14 (5) Provides proof that the organization is current in the
15 payment of real property taxes, if applicable to the
16 organization.



1 (c) Further, a grant may be awarded to a nonprofit
2 organization only if the organization:

3 (1) [~~Has been determined and designated to be a nonprofit~~
4 ~~organization by~~] Provides a copy of its exemption
5 ruling from the Internal Revenue Service[~~+~~and] that
6 the organization has been granted tax exempt status
7 under section 501(c)(3) of the Internal Revenue Code
8 and proof that the organization currently maintains
9 that status;

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

13 (3) Provides proof of compliance with section 467B-2.1, if
14 applicable to the organization; and

15 (4) Provides copies of its Form 990, 990EZ, or 990-N filed
16 with the Internal Revenue Service for the
17 organization's prior two fiscal years."

18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act shall take effect upon its approval.



Report Title:

Grants; Requirements; Organizations; Nonprofit Organizations

Description:

Clarifies the grant application process requirements for organizations that may receive a grant from the State. Specifies additional grant application process requirements for nonprofit organizations. (SD1)

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