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# 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 to read as follows:

3       "**§42F-103 Standards for the award of grants.** (a) Grants  
4 shall be awarded only to individuals who, and organizations  
5 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 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  
17       were appropriated for expenditure, legislative



1 committees and their staff, and the auditor full  
2 access to their records, reports, files, and other  
3 related documents and information for purposes of  
4 monitoring, measuring the effectiveness, and ensuring  
5 the proper expenditure of the grant.

6 (b) In addition, a grant may be made to an organization  
7 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 is  
11 awarded shall be conducted or provided.

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

14 (1) Has been determined and designated to be a nonprofit  
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 is used by an organization for the  
19 acquisition of land, when the organization discontinues the  
20 activities or services on the land acquired for which the grant  
21 was awarded and disposes of the land in fee simple or by lease,



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

9 (e) An organization using a grant awarded pursuant to this  
 10 section shall publicly recognize that the applicable project was  
 11 supported by the State through the awarding of a grant."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2020.

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INTRODUCED BY:

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 JAN 17 2020



# H.B. NO. 1989

**Report Title:**

Grants; Public Recognition of State Support for Projects

**Description:**

Requires grantees to publicly recognize state support of any project that has been supported by the State through award of a grant.

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