

JAN 22 2021

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 (COVID-19) pandemic and its deleterious
3 impact on the economy, fiscal resources of the State are
4 limited. As a result, there is heightened scrutiny and greater
5 emphasis on the most efficient use of existing funds. The
6 legislature further finds that it is appropriate to impose more
7 stringent requirements on organizations applying for grants from
8 the State. Accordingly, the purpose of this Act is to:

- 9 (1) Clarify the requirements for organizations that may
10 receive a grant from the State; and
11 (2) Specify additional grant application process
12 requirements for nonprofit organizations.

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

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

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



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1 (2) ~~[Has]~~ Provides a copy of the organization's bylaws or
2 policies that describe the manner in which the
3 activities or services for which a grant is awarded
4 shall be conducted or provided~~[-]~~;

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

7 (4) Provides a current tax clearance from the department
8 of taxation; and

9 (5) Provides proof that the organization is current in the
10 payment of real property taxes, if applicable to the
11 organization.

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]~~ Provides a copy of its exemption
16 ruling from the Internal Revenue Service~~[-and]~~ that
17 the organization has been granted tax exempt status
18 under section 501(c)(3) of the Internal Revenue Code
19 and proof that the organization currently maintains
20 that status;



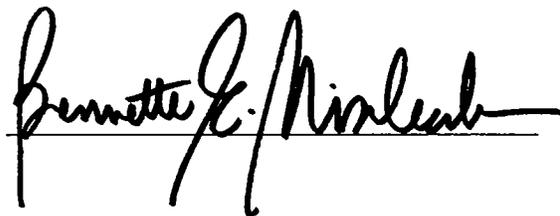
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- 1 (2) Has a governing board whose members have no material
- 2 conflict of interest and serve without
- 3 compensation[-];
- 4 (3) Provides proof of compliance with section 467B-2.1, if
- 5 applicable to the organization; and
- 6 (4) Provides copies of its Form 990, 990-EZ, or 990-N
- 7 filed with the Internal Revenue Service for the
- 8 organization's prior two taxable years."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2021.

12

INTRODUCED BY: 

S.B. NO. 911

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.

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

