

ACT 130

S.B. NO. 2816-82

A Bill for an Act Relating to Grants, Subsidies, and Purchases of Service.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 42-3, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~§42-3~~]]~~ Conditions for grants, subsidies,¹ or purchases of service agreement. Applicants to whom a grant or subsidy₂ has been made, or a purchase of service agreement awarded, shall agree to comply with the following conditions before receiving the grant, subsidy, or purchase of service agreement:

- (1) Employ or have under contract such persons as are qualified to engage in the activity to be funded in whole or in part by the State; provided that for nonprofit organizations, no two or more members of a family or kin of the first or second degree shall be employed or under contract by the organization unless specifically permitted in writing by the [director or the] director of the expending agency for the appropriation; provided further for nonprofit organizations~~[.]~~ without negotiated wage contracts, that the provider or recipient shall also agree that any salary or employee benefit increase shall be granted only upon the prior approval of the director of the expending agency or the grants, subsidies₂ or purchases of service agreement shall be subject to a decrease by an amount equal to the amount of increase not so approved;

- (2) Comply with applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, [or] age[:], or physical handicap;
- (3) Agree not to use any public funds for purposes of entertainment or perquisites;
- (4) Comply with such other requirements as the director may prescribe to ensure adherence by the provider or recipient with federal, state, and county laws; and
- (5) Allow the expending agency, the director, the committees of the legislative bodies and their staffs, and the legislative auditor full access to records, reports, files, and other related documents in order that the program, management, the fiscal practices of the providers or recipients may be monitored and evaluated to assure the proper and effective expenditure of public funds.”

SECTION 2. Section 42-5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) A request not reviewed pursuant to section 42-4(d) may be submitted in writing to the appropriate standing committee of the legislature and shall state that the request has not been reviewed. The chairperson of the appropriate standing committee shall refer such a request to the appropriate agency for review. The agency shall submit a statement of its findings and recommendations to the legislative committee within [ten] fifteen days of its receipt of the request.”

SECTION 3. Section 42-12, Hawaii Revised Statutes, is amended to read as follows:

“**[]§42-12[]** **Applicability.** This chapter shall be construed to be consistent with existing statutory law; provided that in the case of a conflict, provisions contained in this chapter shall prevail.

The standards and conditions contained in this chapter shall not apply to funds that are passed from one agency to another governmental agency; provided that if the receiving agency in turn contracts with a recipient or provider, then the standards and conditions shall apply to the recipient or provider. It shall be the responsibility of the contractor to ensure compliance by the recipient or provider.”

SECTION 4. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 27, 1982.)

Note

1. The “,” should be underscored.