RELATING TO GRANTS.

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

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

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

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

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

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

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

(5) Provides proof that the organization is current in the payment of real property taxes, if applicable to the organization.
(c) Further, a grant may be awarded to a nonprofit organization only if the organization:

(1) Provides a copy of its exemption ruling from the Internal Revenue Service that the organization has been granted tax exempt status under section 501(c)(3) of the Internal Revenue Code and proof that the organization currently maintains that status;

(2) Has a governing board whose members have no material conflict of interest and serve without compensation;

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

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

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.
SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:

Brecia Lucas

Ann Mercado Kei

Naomi Truel

S. Rivas

Fred "Kמכון"

Kurt Kauella

Joe

Russ E. Pena

Grace R. Ferras

St."
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.

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