
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 organizations that
2 expend state funds need to be more accountable. The purpose of
3 this Act is to require organizations receiving grants pursuant
4 to Hawaii Revised Statutes section 42F-103, to repay the State
5 the amount of the grant used for the planning, design,
6 construction, renovation, operations, and equipment of
7 facilities, in the event that the organization fails to continue
8 the activities or services for which the grant was approved.
9 This Act also requires organizations that utilize grants to
10 publicly recognize that the project was supported by the State.

11 SECTION 2. Section 42F-103, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§42F-103 Standards for the award of grants.** (a) Grants
14 shall be awarded only to individuals who, and organizations
15 that:

16 (1) Are licensed or accredited, in accordance with
17 federal, state, or county statutes, rules, or



1 ordinances, to conduct the activities or provide the
2 services for which a grant is awarded;

3 (2) Comply with all applicable federal and state laws
4 prohibiting discrimination against any person on the
5 basis of race, color, national origin, religion,
6 creed, sex, age, sexual orientation, or disability;

7 (3) Agree not to use state funds for entertainment or
8 lobbying activities; and

9 (4) Allow the state agency to which funds for the grant
10 were appropriated for expenditure, legislative
11 committees and their staff, and the auditor full
12 access to their records, reports, files, and other
13 related documents and information for purposes of
14 monitoring, measuring the effectiveness, and ensuring
15 the proper expenditure of the grant.

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

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

19 (2) Has bylaws or policies that describe the manner in
20 which the activities or services for which a grant is
21 awarded shall be conducted or provided.



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 the Internal Revenue Service; and

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

7 (d) If a grant is used by an organization for the
8 acquisition of land, or the planning, design, construction,
9 renovation, operations, or equipment of facilities, when the
10 organization discontinues the activities or services on the land
11 acquired for which the grant was awarded and disposes of the
12 land in fee simple or by lease, the organization shall negotiate
13 with the [~~expending agency~~] department of budget and finance for
14 a lump sum or installment repayment to the State of the amount
15 of the grant used for the acquisition of the land[-] or the
16 planning, design, construction, renovation, operations, or
17 equipment of facilities. This restriction shall be registered,
18 recorded, and indexed in the bureau of conveyances or with the
19 assistant registrar of the land court as an encumbrance on the
20 property. Amounts received from the repayment of a grant under
21 this subsection shall be deposited into the general fund.



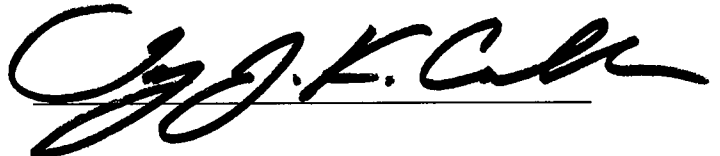

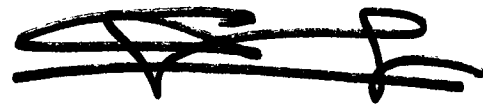
1 (e) If a grant is used by an organization, then the
2 organization shall publicly recognize that the project was
3 supported by the State through an awarded grant."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect on July 1, 2017.

7

INTRODUCED BY:

JAN 24 2017



H.B. NO. 1309

Report Title:

Grants; Legislative Policies

Description:

Adds grants for planning, design, construction, renovation, operations, and equipment of facilities to the types of grants for which repayment to State is required in the event that the grantee discontinues the activities or services approved in the grant. Designates the Department of Budget and Finance as the negotiating agency for grant repayments. Requires grantees to publicly recognize State support of projects awarded grants.

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