

1 chapter, to an eligible nonprofit scholarship-funding
2 organization. The taxpayer making the contribution may not
3 designate a specific child as the beneficiary of the
4 contribution.

5 "Eligible nonprofit scholarship-funding organization" means
6 a not-for-profit university located and chartered in the State
7 that is accredited by the Western Association of Schools and
8 Colleges or any affiliate of the Western Association of Schools
9 and Colleges, or a charitable organization that:

- 10 (1) Is exempt from federal income tax pursuant to section
11 501(c)(3) of the Internal Revenue Code;
- 12 (2) Is a Hawaii entity formed under chapters 414 or 425
13 and whose principal office is located in the State;
14 and
- 15 (3) Complies with sections -4 and -10.

16 "Owner or operator" means an owner, president, officer, or
17 director of an eligible nonprofit scholarship-funding
18 organization or a person with equivalent decision-making
19 authority over an eligible nonprofit scholarship-funding
20 organization.



1 "Service area" means the geographical area in which a child
2 is required to attend school pursuant to section 302A-1143.

3 "Tax credit cap amount" means the maximum annual tax credit
4 amount that the department may approve in a fiscal year.

5 § -2 Program; scholarship eligibility. (a) There is
6 established the Hawaii tax credit scholarship program to benefit
7 students with disabilities.

8 (b) Contingent upon available funds, a student is eligible
9 for a Hawaii tax credit scholarship under this section if the
10 student has a current individual educational plan developed by
11 the department of education in accordance with the rules of the
12 board of education for the Hawaii tax credit scholarship program
13 or a 504 accommodation plan has been issued under section 504 of
14 the Rehabilitation Act of 1973.

15 (c) A student is not eligible for a Hawaii tax credit
16 scholarship:

17 (1) While the student is enrolled in a school operating
18 for the purpose of providing educational services to
19 youth in the Hawaii youth correctional facility;

20 (2) While the student is participating in home schooling;



1 (3) While the student is participating in a virtual
2 school, correspondence school, or distance learning
3 program that receives state funding pursuant to the
4 student's participation unless the participation is
5 limited to no more than two courses per school year;
6 or

7 (4) If the student has been issued a temporary 504
8 accommodation plan under section 504 of the
9 Rehabilitation Act of 1973 which is valid for six
10 months or less.

11 § -3 **Scholarship funding tax credits; limitations.** (a)

12 The tax credit cap amount is \$ for the 2017-2018
13 fiscal year.

14 (b) In the 2018-2019 fiscal year and each fiscal year
15 thereafter, the tax credit cap amount shall be the tax credit
16 cap amount in the prior fiscal year; provided that in any fiscal
17 year when the annual tax credit amount for the prior fiscal year
18 is equal to or greater than ninety per cent of the tax credit
19 cap amount applicable to that fiscal year, the tax credit cap
20 amount shall increase by twenty-five per cent. The department
21 of education and department of taxation shall publish on their

1 websites information identifying the tax credit cap amount when
2 it is increased pursuant to this subsection.

3 (c) A taxpayer may submit an application to the department
4 for a tax credit or credits under this chapter; provided that:

5 (1) The taxpayer shall specify in the application the
6 applicable taxable year for a credit and the
7 designated eligible nonprofit scholarship-funding
8 organization;

9 (2) The department shall approve tax credits on a first-
10 come, first-served basis; and

11 (3) Within ten days after approving an application, the
12 department shall provide a copy of its approval letter
13 to the eligible nonprofit scholarship-funding
14 organization specified by the taxpayer in the
15 application.

16 (d) If a tax credit approved under subsection (c) is not
17 fully used within the specified fiscal year or against taxes due
18 for the specified taxable year because of insufficient tax
19 liability on the part of the taxpayer, the unused amount may be
20 carried forward for a period not to exceed five years; provided
21 that any taxpayer that seeks to carry forward an unused amount



1 of tax credit must submit an application to the department for
2 approval of the carryforward tax credit in the year that the
3 taxpayer intends to use the carryforward tax credit.

4 (e) A taxpayer may not convey, assign, or transfer an
5 approved tax credit or a carryforward tax credit to another
6 entity unless all of the assets of the taxpayer are conveyed,
7 assigned, or transferred in the same transaction; provided that
8 a tax credit may be conveyed, transferred, or assigned between
9 members of an affiliated group of corporations if the taxpayer
10 notifies the department of its intent to convey, transfer, or
11 assign a tax credit to another member within an affiliated group
12 of corporations and the department approves the amount.

13 (f) Within any state fiscal year, a taxpayer may rescind
14 all or part of a tax credit approved under subsection (c). The
15 amount rescinded shall become available for that state fiscal
16 year to another eligible taxpayer as approved by the department
17 if the taxpayer receives notice from the department that the
18 rescindment has been accepted by the department. Any amount
19 rescinded under this subsection shall become available to an
20 eligible taxpayer on a first-come, first-served basis based on



1 tax credit applications received after the date the rescindment
2 is accepted by the department.

3 (g) For purposes of calculating the underpayment of
4 estimated corporate income taxes and tax installment payments
5 for taxes on insurance premiums or assessments, the final amount
6 due is the amount after credits earned for contributions to
7 eligible nonprofit scholarship-funding organizations are
8 deducted.

9 § -4 **Obligations of eligible nonprofit scholarship-**
10 **funding organizations.** An eligible nonprofit scholarship-
11 funding organization shall:

- 12 (1) Comply with the antidiscrimination provisions of title
13 42 United States Code section 2000d;
- 14 (2) Require all owners and operators to, before employment
15 or engagement to provide services, submit a full set
16 of fingerprints for the purpose of obtaining federal
17 and state criminal history record checks in accordance
18 with section 846-2.7; provided that the cost of the
19 criminal history record checks may be borne by the
20 eligible nonprofit scholarship-funding organization or
21 the owner or operator;



- 1 (3) Provide scholarships, from eligible contributions, to
- 2 eligible students for:
- 3 (A) The cost of transportation to a Hawaii public
- 4 school that is located outside the service area
- 5 in which the student resides and any other fees
- 6 required by the school; or
- 7 (B) Tuition and fees for a nonpublic special
- 8 education school or program that is accredited
- 9 pursuant to section 302A-443.5;
- 10 (4) Give first priority to eligible students who received
- 11 a scholarship from an eligible nonprofit scholarship-
- 12 funding organization or from the State during the
- 13 previous school year and give priority to new
- 14 applicants whose household income levels do not exceed
- 15 one hundred eighty-five per cent of the federal
- 16 poverty level or who are in foster care;
- 17 (5) Provide a scholarship to an eligible student on a
- 18 first-come, first served basis unless the student
- 19 qualifies for priority pursuant to paragraph (4);



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- 1 (6) Not restrict or reserve scholarships for use at a
2 particular school or provide scholarships to a child
3 of an owner or operator;
- 4 (7) Allow a student in foster care to apply for a
5 scholarship at any time;
- 6 (8) Be authorized to use up to three per cent of eligible
7 contributions received during the fiscal year in which
8 such contributions are collected for administrative
9 expenses if the organization has operated under this
10 section for at least three fiscal years and did not
11 have any negative financial findings in its most
12 recent audit under paragraph (14); provided that:
- 13 (A) Administrative expenses must be reasonable and
14 necessary for the organization's management and
15 distribution of eligible contributions under this
16 chapter;
- 17 (B) No funds authorized under this paragraph shall be
18 used for lobbying or political activity or
19 expenses related to lobbying or political
20 activity;



- 1 (C) Up to one-third of the funds authorized for
2 administrative expenses under this paragraph may
3 be used for expenses related to the recruitment
4 of contributions from taxpayers; and
- 5 (D) If an eligible nonprofit scholarship-funding
6 organization charges an application fee for a
7 scholarship, the application fee must be
8 immediately refunded to the person that paid the
9 fee if the student is not enrolled in a
10 participating school within twelve months;
- 11 (9) Expend for annual or partial-year scholarships an
12 amount equal to or greater than seventy-five per cent
13 of the net eligible contributions remaining after
14 administrative expenses during the fiscal year in
15 which such contributions are collected; provided that:
- 16 (A) No more than twenty-five per cent of such net
17 eligible contributions may be carried forward to
18 the following fiscal year;
- 19 (B) All amounts carried forward, for audit purposes,
20 must be specifically identified for particular
21 students by student name and the name of the



1 school to which the student is admitted subject
2 to the requirements of title 20 United States
3 Code section 1232g, and the applicable rules and
4 regulations issued pursuant thereto;

5 (C) Any amounts carried forward shall be expended for
6 annual or partial-year scholarships in the
7 following fiscal year; and

8 (D) Net eligible contributions remaining on June 30
9 of each year that are in excess of the twenty-
10 five per cent that may be carried forward shall
11 be returned to the state treasury for deposit in
12 the general fund of the State;

13 (10) Document each scholarship student's eligibility for
14 that academic year before granting a scholarship;

15 (11) Be prohibited from granting multiyear scholarships in
16 one approval process;

17 (12) Maintain separate accounts for scholarship funds and
18 operating funds;

19 (13) Be authorized, with prior approval from the department
20 of education, to transfer funds to another eligible
21 nonprofit scholarship-funding organization if



1 additional funds are required to meet scholarship
2 demand at the receiving nonprofit scholarship-funding
3 organization; provided that:

4 (A) A transfer is limited to the greater of \$500,000
5 or twenty per cent of the total contributions
6 received by the nonprofit scholarship-funding
7 origination making the transfer;

8 (B) All transferred funds must be deposited by the
9 receiving nonprofit scholarship-funding
10 organization into its scholarship accounts; and

11 (C) All transferred amounts received by a nonprofit
12 scholarship-funding organization must be
13 separately disclosed in the annual financial and
14 compliance audit;

15 (14) Provide to the auditor and department of education a
16 report on the results of an annual financial audit of
17 its accounts and records conducted by an independent
18 certified public accountant in accordance with
19 auditing standards generally accepted in the United
20 States, government auditing standards, and rules
21 promulgated by the auditor; provided that:



- 1 (A) Audit reports must be provided to the auditor and
2 department of education within one hundred eighty
3 days after completion of the eligible nonprofit
4 scholarship-funding organization's fiscal year;
- 5 (B) The auditor shall review all audit reports
6 submitted pursuant to this chapter and request
7 any significant items the auditor feels were
8 omitted;
- 9 (C) The items requested by the auditor must be
10 provided within forty-five days after the date of
11 the request; and
- 12 (D) The auditor shall notify the legislature if the
13 scholarship-funding organization does not comply
14 with the auditor's request;
- 15 (15) Maintain the surety bond or letter of credit required
16 by section -10; provided that:
- 17 (A) The amount of the surety bond or letter of credit
18 may be adjusted quarterly to equal the actual
19 amount of undisbursed funds based upon submission
20 by the organization of a statement from a



1 certified public accountant verifying the amount
2 of undisbursed funds;

3 (B) The requirements of this paragraph shall be
4 waived if the cost of acquiring a surety bond or
5 letter of credit exceeds the average ten-year
6 cost of acquiring a surety bond or letter of
7 credit by two hundred per cent; and

8 (C) The requirements of this paragraph shall be
9 waived for a not-for-profit university located
10 and chartered in the State that is accredited by
11 the Western Association of Schools and Colleges
12 or any affiliate of the Western Association of
13 Schools and Colleges; and

14 (16) Provide to the auditor any information or
15 documentation requested in connection with an
16 operational audit; provided that information and
17 documentation provided to the department of education
18 and the auditor relating to the identity of a taxpayer
19 that provides an eligible contribution under this
20 chapter shall remain confidential at all times in
21 accordance with section 231-1.5.



1 § -5 Parent and student responsibilities for program

2 participation. (a) The parent or guardian of a student
3 selected for participation in the program shall select a school
4 for the student to attend that is either:

5 (1) A public school outside of the service area in which
6 the student resides; or

7 (2) A nonpublic special education school or program that
8 is accredited pursuant to section 302A-443.5.

9 (b) The parent or guardian shall inform the complex area
10 supervisor of the child's service area when the parent or
11 guardian withdraws the student to attend another public school
12 or a nonpublic special education school or program that is
13 accredited pursuant to section 302A-443.5.

14 (c) Any student participating in the scholarship program
15 must remain in attendance throughout the school year unless
16 excused by the school for illness or other good cause.

17 (d) The parent or guardian shall authorize the nonprofit
18 scholarship-funding organization to access information needed
19 for eligibility determination and verification.

20 § -6 Department of education obligations. The
21 department of education shall:



- 1 (1) Annually submit to the department, by March 15, a list
2 of eligible nonprofit scholarship-funding
3 organizations that meet the requirements of section
4 -1;
- 5 (2) Annually verify the eligibility of nonprofit
6 scholarship-funding organizations that meet the
7 requirements of section -1;
- 8 (3) Annually verify the eligibility of expenditures as
9 provided in section -4 using the audit required by
10 section -4(14);
- 11 (4) Establish a toll-free hotline or website that provides
12 parents with information on participation in the
13 scholarship program;
- 14 (5) Establish a process by which individuals may notify
15 the department of education of any violation by a
16 parent, public school, complex area, or nonpublic
17 special education school or program that is accredited
18 pursuant to section 302A-443.5, of state laws relating
19 to program participation;
- 20 (6) Notify eligible nonprofit scholarship-funding
21 organizations of any of the organization's identified



1 students who are receiving tax credit scholarships
2 from other eligible nonprofit scholarship-funding
3 organizations; and

4 (7) Annually report to the legislature the department of
5 education's actions with respect to implementing
6 accountability in the scholarship program and any
7 substantiated allegations or violations of law or
8 rule.

9 § -7 **Complex area obligations; parental options.** (a)

10 Upon the request of any eligible nonprofit scholarship-funding
11 organization, a complex area shall inform all households within
12 the complex area that may be eligible to apply for a tax credit
13 scholarship of the student's possible eligibility to apply for a
14 tax credit scholarship; provided that the form of such notice
15 shall be provided by the eligible nonprofit scholarship-funding
16 organization and the complex area shall include the provided
17 form in any normal correspondence with eligible households.

18 (b) By April 1 of each year and within ten days after an
19 individual education plan meeting or a 504 accommodation plan is
20 issued under section 504 of the Rehabilitation Act of 1973, a
21 complex area shall notify the parent or guardian of the student



1 of all options available pursuant to this chapter and of the
2 availability of the telephone hotline and website for additional
3 information.

4 (c) If the parent or guardian does enroll the student in a
5 public school that is not in the service area in which the
6 student resides through the scholarship program the student may
7 continue attending that public school chosen by the parent until
8 the student graduates from high school regardless of whether the
9 student continues in the scholarship program.

10 (d) The parent or guardian of a student may choose to
11 enroll the student in and transport the student to a complex
12 area that is outside of the student's service area; provided
13 that the complex area has available space and a program with the
14 services agreed to in the student's existing individual
15 education plan or 504 accommodation plan. The complex area
16 shall accept the student and the student shall count towards the
17 school's per-pupil funding.

18 (e) For students who attend a nonpublic special education
19 school or program that is accredited pursuant to section
20 302A-443.5 and whose parent requests that the student take the
21 statewide assessments, the complex area in which the student



1 attends the nonpublic special education school or program shall
2 provide locations and times to take all statewide assessments.

3 § -8 **Scholarship amount and payment.** (a) The amount of
4 scholarship provided to any student for any single school year
5 by an eligible nonprofit scholarship funding organization from
6 eligible contributions shall be for total costs authorized under
7 section -4, not to exceed annual limits.

8 (b) Payment of the scholarship by the eligible nonprofit
9 scholarship-funding organization shall be by individual warrant
10 made payable to the student's parent for costs specified in
11 section -4(3). If the parent or guardian chooses that the
12 student attend a nonpublic special education school or program
13 that is accredited pursuant to section 302A-443.5, the warrant
14 must be delivered by the eligible nonprofit scholarship-funding
15 organization to the school or program and the parent or guardian
16 shall restrictively endorse the warrant to the school or
17 program. An eligible nonprofit scholarship-funding organization
18 shall ensure that the parent or guardian to whom the warrant is
19 made restrictively endorsed the warrant to the nonpublic special
20 education school or program for deposit into the account of the
21 school or program.



1 (c) An eligible nonprofit scholarship-funding organization
2 shall obtain verification from each school attended by
3 scholarship recipients of the students' continued attendance at
4 the school for each period covered by a scholarship payment.

5 (d) Payment of the scholarship shall be made by the
6 eligible nonprofit scholarship-funding organization no less
7 frequently than on a quarterly basis.

8 § -9 **Administration; rules.** (a) The department and the
9 department of education shall develop a cooperative agreement to
10 assist in the administration of this chapter.

11 (b) The department shall adopt rules necessary to
12 administer the tax credit scholarship program, including rules
13 establishing application forms, procedures governing the
14 approval of tax credits and carryforward tax credits, and
15 procedures to be followed by taxpayers when claiming approved
16 tax credits on the taxpayer's returns.

17 (c) The board of education shall adopt rules to administer
18 the responsibilities of the department of education under this
19 chapter.

20 § -10 **Nonprofit scholarship-funding organizations;**
21 **application.** (a) In order to participate in the scholarship



1 program created under this chapter, a charitable organization
2 that seeks to be a nonprofit scholarship-funding organization
3 must submit an application for initial approval or renewal to
4 the department of education no later than September 1 of each
5 year before the school year for which the organization intends
6 to offer scholarships.

7 (b) An application for initial approval shall include:

- 8 (1) A copy of the organization's incorporation documents
9 and registration;
- 10 (2) A copy of the organization's Internal Revenue Service
11 determination letter as a section 501(c)(3) not-for-
12 profit organization;
- 13 (3) A description of the organization's financial plan
14 that demonstrates sufficient funds to operate
15 throughout the school year;
- 16 (4) The organization's organizational chart;
- 17 (5) A description of the criteria and methodology that the
18 organization will use to evaluate scholarship
19 eligibility;
- 20 (6) A description of the application process, including
21 deadlines and any associated fees;



- 1 (7) A description of the deadlines for attendance
2 verification and scholarship payments;
- 3 (8) A copy of the organization's policies on conflict of
4 interest and whistleblowers; and
- 5 (9) A copy of a surety bond or letter of credit in an
6 amount equal to twenty-five per cent of the
7 scholarship funds anticipated for each school year or
8 \$100,000, whichever is greater, specifying that any
9 claim against the bond or letter of credit may be made
10 only by an eligible nonprofit scholarship-funding
11 organization to provide scholarships to and on behalf
12 of students who would have had scholarships funded but
13 for the diversion of funds giving rise to the claim
14 against the bond or letter of credit.
- 15 (c) In addition to the information required by subsection
16 (b), an application for renewal shall include:
- 17 (1) A surety bond or letter of credit equal to the amount
18 of undisbursed donations held by the organization
19 based on the annual report submitted pursuant to
20 section -4. The amount of the surety bond or
21 letter of credit must be at least \$100,000, but not



1 more than \$25,000,000, specifying that any claim
2 against the bond or letter of credit may be made only
3 by an eligible nonprofit scholarship-funding
4 organization to provide scholarships to and on behalf
5 of students who would have had scholarships funded but
6 for the diversion of funds giving rise to the claim
7 against the bond or letter of credit;

8 (2) The organization's completed Internal Revenue Service
9 Form 990 submitted no later than November 30 of the
10 year before the school year that the organization
11 intends to offer the scholarships, notwithstanding the
12 September 1 application deadline;

13 (3) A copy of the required audit pursuant to section
14 -4(14) to the department of education and auditor;
15 and

16 (4) An annual report that includes:

17 (A) The number of students who completed
18 applications, by county and grade;

19 (B) The number of students who were approved for
20 scholarships, by county and grade;



1 (C) The amount of funds received, the amount of funds
2 distributed in scholarships, and an accounting of
3 remaining funds and the obligation of those
4 funds; and

5 (D) A detailed accounting of how the organization
6 spent the administrative funds allowable under
7 section -4.

8 (d) The department of education shall review the
9 application and notify the organization in writing of any
10 deficiencies within thirty days after receipt of the application
11 and allow the organization thirty days to correct any
12 deficiencies.

13 (e) Within thirty days after receipt of the finalized
14 application, the department of education shall recommend
15 approval or disapproval of the application to the board of
16 education. The board of education shall consider the
17 application and recommendation at the next scheduled meeting,
18 adhering to appropriate meeting notice requirements. If the
19 board of education disapproves the organization's application,
20 it shall provide the organization with a written explanation of
21 that determination.



1 (f) If the board of education disapproves the renewal of a
2 nonprofit scholarship-funding organization, the organization
3 must notify the affected eligible students and parents of the
4 decision within fifteen days after disapproval. An eligible
5 student affected by the disapproval of an organization's
6 participation remains eligible under this chapter until the end
7 of the school year in which the organization was disapproved.
8 The student may apply and be accepted by another eligible
9 nonprofit scholarship-funding organization for the upcoming
10 school year.

11 (g) All remaining funds held by a nonprofit scholarship-
12 funding organization that is disapproved for participation must
13 revert to the department of education for redistribution to
14 other eligible nonprofit scholarship-funding organizations.

15 (h) A nonprofit scholarship-funding organization is a
16 renewing organization if it maintains continuous approval and
17 participation in the program. An organization that chooses not
18 to participate for one year or more or that is disapproved to
19 participate for one year or more must submit an application for
20 initial approval in order to participate in the program again.



1 (i) The board of education shall adopt rules providing
2 guidelines for receiving, reviewing, and approving applications
3 for new and renewing nonprofit scholarship-funding
4 organizations.

5 (j) A not-for-profit university located and chartered in
6 the State that is accredited by the Western Association of
7 Schools and Colleges or any affiliate of the Western Association
8 of Schools and Colleges shall be exempt from the initial or
9 renewal application process but must file a registration notice
10 with the department of education to be an eligible nonprofit
11 scholarship-funding organization."

12 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§237- Credit for contributions to eligible nonprofit
16 scholarship-funding organizations. (a) There is allowed a
17 credit of one hundred per cent of an eligible contribution made
18 to an eligible nonprofit scholarship-funding organization under
19 chapter against any tax due for a taxable year under this
20 chapter after the application of any other allowable credits by
21 the taxpayer. The credit granted by this section shall be



1 reduced by the difference between the amount of federal
2 corporate income tax taking into account the credit granted by
3 this section and the amount of federal corporate income tax
4 without application of the credit granted by this section.

5 (b) A taxpayer who files a Hawaii consolidated return
6 pursuant to section 237-35 may be allowed the credit on a
7 consolidated return basis; provided that the total credit taken
8 by the taxpayer is subject to the limitation established under
9 subsection (a).

10 (c) The provisions of chapter _____ apply to the credit
11 authorized by this section."

12 SECTION 3. Section 846-2.7, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) Criminal history record checks may be conducted by:

15 (1) The department of health or its designee on operators
16 of adult foster homes for individuals with
17 developmental disabilities or developmental
18 disabilities domiciliary homes and their employees, as
19 provided by section 321-15.2;

20 (2) The department of health or its designee on
21 prospective employees, persons seeking to serve as



- 1 providers, or subcontractors in positions that place
2 them in direct contact with clients when providing
3 non-witnessed direct mental health or health care
4 services as provided by section 321-171.5;
- 5 (3) The department of health or its designee on all
6 applicants for licensure or certification for,
7 operators for, prospective employees, adult
8 volunteers, and all adults, except adults in care, at
9 healthcare facilities as defined in section 321-15.2;
- 10 (4) The department of education on employees, prospective
11 employees, and teacher trainees in any public school
12 in positions that necessitate close proximity to
13 children as provided by section 302A-601.5;
- 14 (5) The counties on employees and prospective employees
15 who may be in positions that place them in close
16 proximity to children in recreation or child care
17 programs and services;
- 18 (6) The county liquor commissions on applicants for liquor
19 licenses as provided by section 281-53.5;
- 20 (7) The county liquor commissions on employees and
21 prospective employees involved in liquor



1 administration, law enforcement, and liquor control
2 investigations;

3 (8) The department of human services on operators and
4 employees of child caring institutions, child placing
5 organizations, and foster boarding homes as provided
6 by section 346-17;

7 (9) The department of human services on prospective
8 adoptive parents as established under section
9 346-19.7;

10 (10) The department of human services or its designee on
11 applicants to operate child care facilities, household
12 members of the applicant, prospective employees of the
13 applicant, and new employees and household members of
14 the provider after registration or licensure as
15 provided by section 346-154, and persons subject to
16 section 346-152.5;

17 (11) The department of human services on persons exempt
18 pursuant to section 346-152 to be eligible to provide
19 child care and receive child care subsidies as
20 provided by section 346-152.5;



- 1 (12) The department of health on operators and employees of
2 home and community-based case management agencies and
3 operators and other adults, except for adults in care,
4 residing in community care foster family homes as
5 provided by section 321-15.2;
- 6 (13) The department of human services on staff members of
7 the Hawaii youth correctional facility as provided by
8 section 352-5.5;
- 9 (14) The department of human services on employees,
10 prospective employees, and volunteers of contracted
11 providers and subcontractors in positions that place
12 them in close proximity to youth when providing
13 services on behalf of the office or the Hawaii youth
14 correctional facility as provided by section 352D-4.3;
- 15 (15) The judiciary on employees and applicants at detention
16 and shelter facilities as provided by section 571-34;
- 17 (16) The department of public safety on employees and
18 prospective employees who are directly involved with
19 the treatment and care of persons committed to a
20 correctional facility or who possess police powers



- 1 including the power of arrest as provided by section
2 353C-5;
- 3 (17) The board of private detectives and guards on
4 applicants for private detective or private guard
5 licensure as provided by section 463-9;
- 6 (18) Private schools and designated organizations on
7 employees and prospective employees who may be in
8 positions that necessitate close proximity to
9 children; provided that private schools and designated
10 organizations receive only indications of the states
11 from which the national criminal history record
12 information was provided pursuant to section 302C-1;
- 13 (19) The public library system on employees and prospective
14 employees whose positions place them in close
15 proximity to children as provided by section
16 302A-601.5;
- 17 (20) The State or any of its branches, political
18 subdivisions, or agencies on applicants and employees
19 holding a position that has the same type of contact
20 with children, vulnerable adults, or persons committed
21 to a correctional facility as other public employees



1 who hold positions that are authorized by law to
2 require criminal history record checks as a condition
3 of employment as provided by section 78-2.7;

4 (21) The department of health on licensed adult day care
5 center operators, employees, new employees,
6 subcontracted service providers and their employees,
7 and adult volunteers as provided by section 321-15.2;

8 (22) The department of human services on purchase of
9 service contracted and subcontracted service providers
10 and their employees serving clients of the adult
11 protective and community services branch, as provided
12 by section 346-97;

13 (23) The department of human services on foster grandparent
14 program, senior companion program, and respite
15 companion program participants as provided by section
16 346-97;

17 (24) The department of human services on contracted and
18 subcontracted service providers and their current and
19 prospective employees that provide home and community-
20 based services under section 1915(c) of the Social
21 Security Act, title 42 United States Code section



1 1396n(c), or under any other applicable section or
2 sections of the Social Security Act for the purposes
3 of providing home and community-based services, as
4 provided by section 346-97;

5 (25) The department of commerce and consumer affairs on
6 proposed directors and executive officers of a bank,
7 savings bank, savings and loan association, trust
8 company, and depository financial services loan
9 company as provided by section 412:3-201;

10 (26) The department of commerce and consumer affairs on
11 proposed directors and executive officers of a
12 nondepository financial services loan company as
13 provided by section 412:3-301;

14 (27) The department of commerce and consumer affairs on the
15 original chartering applicants and proposed executive
16 officers of a credit union as provided by section
17 412:10-103;

18 (28) The department of commerce and consumer affairs on:
19 (A) Each principal of every non-corporate applicant
20 for a money transmitter license;



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- 1 (B) The executive officers, key shareholders, and
2 managers in charge of a money transmitter's
3 activities of every corporate applicant for a
4 money transmitter license; and
- 5 (C) The persons who are to assume control of a money
6 transmitter licensee in connection with an
7 application requesting approval of a proposed
8 change in control of licensee,
9 as provided by sections 489D-9 and 489D-15;
- 10 (29) The department of commerce and consumer affairs on
11 applicants for licensure and persons licensed under
12 title 24;
- 13 (30) The Hawaii health systems corporation on:
- 14 (A) Employees;
- 15 (B) Applicants seeking employment;
- 16 (C) Current or prospective members of the corporation
17 board or regional system board; or
- 18 (D) Current or prospective volunteers, providers, or
19 contractors,
20 in any of the corporation's health facilities as
21 provided by section 323F-5.5;



- 1 (31) The department of commerce and consumer affairs on:
- 2 (A) An applicant for a mortgage loan originator
- 3 license; and
- 4 (B) Each control person, executive officer, director,
- 5 general partner, and manager of an applicant for
- 6 a mortgage loan originator company license,
- 7 as provided by chapter 454F;
- 8 (32) The state public charter school commission or public
- 9 charter schools on employees, teacher trainees,
- 10 prospective employees, and prospective teacher
- 11 trainees in any public charter school for any position
- 12 that places them in close proximity to children, as
- 13 provided in section 302D-33;
- 14 (33) The counties on prospective employees who work with
- 15 children, vulnerable adults, or senior citizens in
- 16 community-based programs;
- 17 (34) The counties on prospective employees for fire
- 18 department positions which involve contact with
- 19 children or vulnerable adults;



1 (35) The counties on prospective employees for emergency
2 medical services positions which involve contact with
3 children or vulnerable adults;

4 (36) The counties on prospective employees for emergency
5 management positions and community volunteers whose
6 responsibilities involve planning and executing
7 homeland security measures including viewing,
8 handling, and engaging in law enforcement or
9 classified meetings and assisting vulnerable citizens
10 during emergencies or crises;

11 (37) The State and counties on employees, prospective
12 employees, volunteers, and contractors whose position
13 responsibilities require unescorted access to secured
14 areas and equipment related to a traffic management
15 center;

16 (38) The State and counties on employees and prospective
17 employees whose positions involve the handling or use
18 of firearms for other than law enforcement purposes;

19 (39) The State and counties on current and prospective
20 systems analysts and others involved in an agency's
21 information technology operation whose position



- 1 responsibilities provide them with access to
2 proprietary, confidential, or sensitive information;
- 3 (40) The department of commerce and consumer affairs on
4 applicants for real estate appraiser licensure or
5 certification as provided by chapter 466K;
- 6 (41) The department of health or its designee on all
7 license applicants, licensees, employees, contractors,
8 and prospective employees of medical marijuana
9 dispensaries, and individuals permitted to enter and
10 remain in medical marijuana dispensary facilities as
11 provided under sections 329D-15(a)(4) and
12 329D-16(a)(3);
- 13 (42) The department of commerce and consumer affairs on
14 applicants for nurse licensure or license renewal,
15 reactivation, or restoration as provided by sections
16 457-7, 457-8, 457-8.5, and 457-9;
- 17 [+] (43) [+] The county police departments on applicants for
18 permits to acquire firearms pursuant to section 134-2
19 and on individuals registering their firearms pursuant
20 to section 134-3;
- 21 [+] (44) [+] The department of commerce and consumer affairs on:



1 (A) Each of the controlling persons of the applicant
2 for licensure as an escrow depository, and each
3 of the officers, directors, and principals who
4 will be in charge of the escrow depository's
5 activities upon licensure; and

6 (B) Each of the controlling persons of an applicant
7 for proposed change in control of an escrow
8 depository licensee, and each of the officers,
9 directors, and principals who will be in charge
10 of the licensee's activities upon approval of
11 such application,

12 as provided by chapter 449; ~~and~~

13 (45) The department of education on the owner or operator
14 of an eligible nonprofit scholarship-funding
15 organization as defined in section -1; and

16 ~~[(45)]~~ (46) Any other organization, entity, or the State,
17 its branches, political subdivisions, or agencies as
18 may be authorized by state law."

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 5. This Act, upon its approval, shall apply to
2 taxable years beginning after December 31, 2017.

3

INTRODUCED BY:

Anna Mercado K

Michelle R. Sudani

Dana Wilson

Will Eyo

Mark

Don Ackley

Travis

Alan

Breene Hunt

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S.B. NO. 1279

Report Title:

Hawaii Tax Credit Scholarship Program; Students with Disabilities; Nonpublic Special Education School or Program

Description:

Establishes the Hawaii tax credit scholarship program to benefit students with disabilities by providing scholarships to cover transportation costs and any other educational fees associated with a student attending a public school that is not in the service area where the student resides or a nonpublic special education school or program. Establishes eligibility criteria for students to apply for the scholarship program, responsibilities of the department of taxation and department of education, and eligibility criteria for nonprofit scholarship-funding organizations. Applies to tax years beginning after 12/31/17.

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

