

Subject Grants management  
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### Overview

As amended, this bill would prohibit state agencies from awarding a grant of \$50,000 or more to any individual or entity that does not certify compliance with the bill's list of eligibility criteria.

In general, these criteria require compliance with specified state or federal business registration, tax filing, and labor laws and requirements. The criteria would also disqualify an individual or entity, or a related entity with similar ownership or other characteristics, convicted within the prior three years of committing certain state crimes or their federal equivalents.

### Summary

Section	Description
1	<p><b>Definitions.</b></p> <p>Defines the term "related entity" to include other legal entities controlled by a potential grantee, a subsidiary of a potential grantee, a person or legal entity that substantially controls a potential grantee, or an entity that shares three or more named characteristics with the potential grantee.</p>
2	<p><b>Financial information required; determination of ability to perform.</b></p> <p>Requires grantmaking agencies to receive a potential grantee's certification before awarding a grant of \$50,000 or more. Eliminates an existing preaward requirement that would now be part of the minimum criteria under section 3.</p>
3	<p><b>Minimum eligibility criteria.</b></p> <p>Requires potential grantees to certify compliance with all of the criteria in this section. These criteria are as follows:</p> <ol style="list-style-type: none"><li>1) Registered and in good standing with the secretary of state</li><li>2) Possessing a valid federal tax identification number or Social Security number</li></ol>

**Section Description**

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- 3) In compliance with the Department of Revenue’s registration requirements if the potential grantee has employees
- 4) Up to date with all state and federal tax filing and payment requirements
- 5) In compliance with state workers’ compensation, unemployment insurance, and paid leave requirements
- 6) In compliance with certain state and federal labor laws, including payment of the minimum wage, overtime, and prevailing wages and a prohibition against the misclassification of employees as contractors
- 7) In compliance with a state law prohibiting the misclassification of construction employees
- 8) None of the potential grantee’s owners, officers, directors, etc. have been found guilty of certain state crimes—including presenting false claims to a public employee or official, insurance fraud, Medical Assistance fraud, theft, and financial card transaction fraud—substantially similar federal laws or laws of other states, or another offense indicating a lack of integrity or honesty
- 9) The potential grantee or a related entity is not currently suspended, debarred, or formerly debarred and not reinstated, by the state, the federal government, or any political subdivision of the state with authority to debar a vendor or contractor  
Provides that a violation, conviction, or noncompliance by a related entity—as defined in section 1—is disqualifying for the potential grantee. States that agencies must not consider any violation, conviction, or noncompliance that occurred at least 36 months before the potential grantee submits the certification.

**4 Verification of compliance.**

Requires potential grantees to submit a statement signed under oath by an owner or officer of the potential grantee that certifies compliance with the minimum criteria. Provides that an agency head is not liable for awarding a grant in reasonable reliance on the statement, or for declining to enter or terminating an existing grant based on the agency head’s reasonable determination. Provides that a potential grantee who makes a false statement under oath is ineligible to receive the grant.

**5 Agency authority to not award grant.**

Prohibits agencies from awarding a grant to an individual or entity that does not submit the certification required under section 3.



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