§ 3.19. Prohibition. 1. (a) The council on the arts shall be prohibited from awarding grants to an organization unless such organization is incorporated as a nonprofit organization either in the state or, if an organization is incorporated elsewhere, such organization must be registered to do business in the state through the department of state and must have its principal place of business located within the state.

(b) Any organization applying for grant funding shall provide to the council on the arts documentation demonstrating compliance with this provision. Any applicant which fails to provide such documentation shall be deemed ineligible to receive grant funding under this article. Such documentation shall be considered valid for a period of two years from the date it was provided or until the organization undertakes a change in status, whichever occurs sooner.

(c) Any organization that is incorporated elsewhere but registered to do business in the state, when applying for grant funding, shall certify to the council on the arts as part of its grant application that its principal place of business is located within the state. Any applicant which fails to provide such certification shall be deemed ineligible to receive grant funding under this article.

(d) Any applicant which fails to demonstrate that grant funds are to be used toward programs in the state shall be deemed ineligible to receive grant funding under this article. Any organization, when applying for grant funding, shall provide in its grant application materials documentation demonstrating compliance with this provision.