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# A BILL FOR AN ACT

RELATING TO NONPROFIT CORPORATIONS.

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

1           SECTION 1. Chapter 414D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§414D-           Inspection of records by directors. (a) A  
5 director of a corporation is entitled to inspect and copy the  
6 books, records, and documents of the corporation at any  
7 reasonable time to the extent reasonably related to the  
8 performance of the director's duties, including the director's  
9 duties as a member of a committee, but not for any other purpose  
10 or in any manner that would violate any duty to the corporation  
11 or law.

12           (b) The circuit court of the county where the  
13 corporation's principal office (or if none in this State,  
14 registered office) is located may order inspection and copying  
15 of the books, records, and documents demanded at the  
16 corporation's expense, upon application of a director who has  
17 been refused such inspection or copying rights, unless the  
18 corporation establishes that the director is not entitled to



1 such inspection or copying rights. The court shall dispose of  
2 an application under this subsection on an expedited basis.

3 (c) If an order is issued, the court may include  
4 provisions protecting the corporation from undue burden or  
5 expense, and prohibiting the demanding director from using  
6 information obtained upon exercise of the inspection or copying  
7 rights in a manner that would violate a duty to the corporation,  
8 and may also order the corporation to reimburse the demanding  
9 director for the director's costs, including reasonable  
10 attorney's fees, incurred in connection with making the  
11 application."

12 SECTION 2. New statutory material is underscored.

13 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

Nonprofit Corporations; Inspection of Records by Directors

**Description:**

Entitles directors of nonprofit corporations to inspect and copy the books, records, and documents of their nonprofit corporation to the extent reasonably related to their duties as directors at any reasonable time. (HB791 HD1)

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

