
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, including the
7 records described in section 414D-301, at any reasonable time to
8 the extent reasonably related to the performance of the
9 director's duties, including the director's duties as a member
10 of a committee, but not for any other purpose or in any manner
11 that would violate any duty to the corporation 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:

Explicitly provides that directors of a nonprofit corporation shall have access to the books, records, and documents of the corporation to the extent reasonably related to their duties as directors at any reasonable time. (SD1)

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