
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 nonprofit corporation is entitled to inspect and
6 copy the 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 as a director, including
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 other than this chapter.

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



1 court shall dispose of an application under this subsection on
2 an expedited basis.

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

11 SECTION 2. New statutory material is underscored.

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

13



Report Title:

Nonprofit Corporations; Inspection of Records by Directors

Description:

Explicitly provides that directors of a nonprofit corporation shall have access to the books and records of the corporation to the extent reasonably related to their duties. (SD1)

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