

Honolulu, Hawaii

**FEB 20** , 2026

RE: H.B. No. 2404  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2404 entitled:

"A BILL FOR AN ACT RELATING TO COOPERATIVE ASSOCIATIONS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the General Cooperatives Association Act to provide a unified, flexible legal framework for cooperatives to form for any lawful purpose; and
- (2) Allow agricultural cooperative associations and consumer cooperative associations to elect governance under the General Cooperative Associations Act.

Your Committee received testimony in support of this measure from the Hawai'i Alliance for Progressive Action; Island Harvest Inc.; Enlivened Cooperative; Hawai'i Co-op Hui; Hawai'i Farmers Union United; Nation of Hawaii; Hawai'i 'Ulu Cooperative; Farmers' Heart Cooperative Project; Recyclenators; and numerous individuals. Your Committee received comments on this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs.



Your Committee finds that the State has discrete statutes that allow for the formation of various cooperatives, including agricultural cooperative associations, consumer cooperative associations, limited-equity housing cooperatives, and cooperative housing corporations. Your Committee further finds that while chapter 421C, Hawaii Revised Statutes, is titled "Consumer Cooperative Associations", the provisions of that chapter are general and robust as to apply to entities of various purposes. As such, the objectives of this measure may be better achieved by renaming the entities organized under chapter 421C, Hawaii Revised Statutes, as cooperative associations, rather than consumer cooperative associations to remove any confusion as to whether these entities may be used for other purposes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its purpose section;
- (2) Deleting language that established a General Cooperatives Association Act and associated language that allowed other entities to organize under that Act;
- (3) Amending existing law to rename the entities organized under chapter 421C, Hawaii Revised Statutes, from consumer cooperative associations to cooperative associations;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2404, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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SCOT Z. MATALOSHI, Chair



