

STAND. COM. REP. NO. **2653**

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2922
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2922 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a General Cooperative Associations 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 Purple Mai'a Foundation, Enlivened Cooperative, Hawai'i Farmers Union United, Agriculture Stewardship Hawai'i, Hawai'i Mamaki Cooperation, Hawai'i Alliance for Progressive Action, Island Harvest Inc., Chamber of Sustainable Commerce, Pacificnesian Equities, Hawai'i Food+ Policy, Nation of Hawaii, Hawai'i 'Ulu Producers Cooperative, Farmers' Heart Cooperative Project, Wai'anae Community Re-Development Corporation and MA'O Organic Farms, and twenty-eight individuals.



Your Committee received comments on this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs, Associa, and Community Associates Institute.

Your Committee finds that existing cooperative law in the State is structured around consumer cooperatives, such as member-owned grocery stores. Worker-owned and multi-stakeholder cooperatives are not clearly recognized, creating uncertainty around patronage allocation, governance structures, and capital formation. This measure would streamline regulation of cooperatives in the State, providing clarity and consistent rules on formation, governance, member rights, fiduciary duties, distributions, and dissolution.

Your Committee acknowledges the concerns raised in testimony by the Business Registration Division of the Department of Commerce and Consumer Affairs that existing law can accomplish the same goals and flexible legal framework sought in the measure. Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have established a new chapter in the Hawaii Revised Statutes, related to General Cooperative Associations;
- (2) Inserting language that broadens chapter 421C, Hawaii Revised Statutes, relating to Consumer Cooperative Associations, to clarify that cooperatives may organize as multi-stakeholder cooperatives, producer cooperatives, worker cooperatives, and consumer cooperatives;
- (3) Amending section 1 to reflect its amended purpose;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as S.B.
No. 2922, S.D. 1, and be referred to your Committee on Judiciary.

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



HARRETT KEOHOKALOLE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2922	CPN, JDC	2/18/26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.				✓
AWA, Brenton	✓			
TOTAL	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Carol Fukunaga</i>				
Distribution:				
Original File with Committee Report	Yellow Committee	Pink Drafting Agency		

*Only one measure per Record of Votes