

STAND. COM. REP. NO.

3015

Honolulu, Hawaii

**MAR 06 2026**

RE: S.B. No. 2922  
S.D. 2

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

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2922, S.D. 1, 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 clarify that cooperative associations organized under chapter 421C, Hawaii Revised Statutes, may include multi-stakeholder cooperatives, producer cooperatives, workers cooperatives, and consumer cooperatives.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Department of Research and Development of the County of Hawai'i, Nation of Hawai'i, Pacificnesian Equities, Hui 'Oihana-Hawai'i Island Native Hawaiian Chamber of Commerce, Hamakua Agricultural Cooperative, Hawai'i 'Ulu Producers Cooperative, Sweet Cane Cafe, Pohaku Pelemaka, Hawai'i Māmaki Cooperative, Maui Trout Company, Purple Mai'a Foundation, Hawai'i Farmers Union United, Shake Energy Collaborative, Enlivened Cooperative, and eleven 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 numerous economic development and sustainability goals, including those outlined in the Hawaii State Planning Act and Comprehensive Economic Development Strategy, both of which emphasize economic diversification, resilience, and locally rooted enterprise. This measure will modernize the State's cooperative framework to accommodate a broader range of models, thereby advancing these established goals by promoting diversification, shared risk, and community-based economic development.

Your Committee notes the concerns raised in testimony by the Business Registration Division of the Department of Commerce and Consumer Affairs (BREG) that this measure describes chapter 421C, Hawaii Revised Statutes (chapter 421C), as one of four "sector-specific statutes" that do not allow, or have hindered, cooperatives wishing to form as a multi-stakeholder cooperative, producer cooperative, or worker cooperative. To the contrary, chapter 421C is a robust and general cooperative statute that will accomplish the same goals, and offers the flexible legal framework, sought by this measure, without limiting chapter 421C's application to only the four types of cooperative associations identified in this measure. Your Committee further acknowledges the amendments offered by BREG that would minimize revisions to BREG's existing forms for consumer cooperative associations and document management and processing system.

Your Committee has amended this measure by:

- (1) Inserting an effective date of March 22, 2075, to encourage further discussion; and
- (2) 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2922, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2922, S.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,



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KARL RHOADS, Chair



The Senate  
 Thirty-Third Legislature  
 State of Hawai'i

Record of Votes  
 Committee on Judiciary  
 JDC

Bill / Resolution No.:* <b>SB 2922 SDI</b>	Committee Referral: <b>CPN - JDC</b>	Date: <b>3/3/26</b>		
<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				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
CHANG, Stanley	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	5	—	—	—
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink File with Committee Report     Committee     Drafting Agency				

\*Only one measure per Record of Votes