



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**TESTIMONY IN SUPPORT OF SENATE BILL 2922 SD1**

RELATING TO COOPERATIVE ASSOCIATIONS

Ke Kōmike ‘Aha Kenekoa o ka Ho‘okolokolo  
(Senate Committee on Judiciary)

Ke Kapitala ‘o Hawai‘i  
(Hawai‘i State Capitol)

March 3, 2026

10:15am

Room 16

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Aloha e Chair Rhoads, Vice Chair Gabbard, and Members of the Committee:

The Office of Hawaiian Affairs (OHA) submits this testimony in **SUPPORT of SB 2922 SD1**, which modernizes Chapter 421C, Hawai‘i Revised Statutes, by allowing cooperative associations to be organized for any lawful purpose, including worker, producer, and multi-stakeholder cooperatives. This measure advances economic self-determination and generational wealth-building, and aligns with core OHA programs to grow careers pathways in ‘āina and community-based job markets.

Native Hawaiians continue to face disparities in income, business ownership, and access to capital. Worker cooperatives—defined in the bill as those in which a majority of members are worker-employees—create pathways for shared ownership, profit distribution based on labor contribution, and long-term asset accumulation through internal capital accounts. National research indicates that worker cooperatives are associated with higher job stability, lower wage dispersion, and stronger local wealth retention, particularly in communities of color.<sup>1</sup> For Native Hawaiian workers in agriculture and other cultural enterprises, this structure supports income stability and long-term economic resilience.

Producer cooperatives are equally important. Act 211 (2008) established the Taro Security and Purity Task Force, which identified economic viability as essential to sustaining taro farming communities. By formally recognizing producer cooperatives, this measure strengthens food sovereignty and supports farmers, fishers, and small-scale

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<sup>1</sup> Democracy at Work Institute, *Worker Cooperative State of the Sector Report* (2023), <https://www.nceo.org/employee-ownership-blog/democracy-at-work-institute-releases-its-2023-worker-cooperative-state-of-the-sector-report>.

producers in aggregating products, reducing transaction costs, increasing bargaining power, and improving market access. These structures help retain value within local communities while sustaining ‘āina-based practices.

Moreover, OHA supports the continued community-driven growth of Hawai‘i’s cooperative movement which honors and keeps Hawaiian cultural values in our community. Historically, following the 1848 Māhele, which privatized land, many Hawaiians used *huis* to purchase, hold, or manage land collectively, preventing individual kuleana lands from being absorbed by large plantations.<sup>2</sup> Huis were formed to steward land, manage fisheries, cultivate kalo, build homes, or undertake collective economic ventures. Huis are critical for protecting, managing, and restoring access to resources like water and streams for traditional *lo‘i kalo* cultivation.<sup>3</sup> In June 2025, the University of Hawai‘i’s Ke ‘Ō Mau Center for Sustainable Food Systems convened the state’s first gathering of cooperatives, bringing together more than 40 ventures, largely in agriculture and food systems. The growing interest among farmers, cultural practitioners, technology workers, and community entrepreneurs highlights the need for a flexible statutory framework that reflects the cooperative models that communities are actively building.

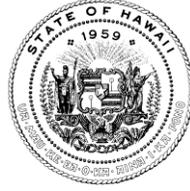
At its best, cooperative development offers a culturally grounded strategy for advancing *ea*, strengthening rural economies, supporting workforce development, facilitating business succession, and building intergenerational community wealth. By reducing legal ambiguity and formation barriers, this measure expands opportunities for collective ownership and economic resilience.

For these reasons, OHA respectfully urges the Committee to **PASS SB 2922 SD1**. Mahalo for the opportunity to testify.

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<sup>2</sup> The Hawaiian Land Hui Movement: A Post-Māhele Counter-Revolution in Land Tenure and Community Resource Management, 34 *University of Hawai‘i Law Review* 327 (2012).

<sup>3</sup> Kawika B. Winter et al., *Indigenous Stewardship Through Novel Approaches to Collaborative Management in Hawai‘i*, 28 **Ecology & Soc’y** art. 26 (2023), <https://ecologyandsociety.org/vol28/iss1/art26/>



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Judiciary  
Tuesday, March 3, 2026  
10:15 a.m.  
Via Videoconference**

**On the following measure:  
S.B. 2922 S.D.1, RELATING TO COOPERATIVE ASSOCIATIONS**

Chair Rhoads and Members of the Committee:

My name is Ty Nohara, and I am the Commissioner of Securities and head of the Department of Commerce and Consumer Affairs' Business Registration Division (BREG). BREG offers comments on this bill.

The purpose of this bill is to broaden existing law, chapter 421C of the Hawaii Revised Statutes (chapter 421C), entitled "Consumer Cooperative Associations," by naming the four types of cooperative associations that may be formed under chapter 421C. Along with consumer cooperatives, this bill will add three other types of cooperative associations to chapter 421C: multi-stakeholder cooperatives, producer cooperatives, and worker cooperatives. This bill also includes definitions for each of these three added cooperatives, and sets forth specific requirements for their formation.

BREG offers the following comments:

1. This bill describes 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 bill, without limiting chapter 421C's application to only the four types of cooperative associations identified in this bill. For example:

- a) Chapter 421C broadly defines a consumer cooperative association to mean a group enterprise that is organized on a cooperative basis, with specified voting rights, rate of return, and allocation or distribution of net savings to members and patrons. See HRS § 421C-1.
  - b) Chapter 421C provides that the cooperative association may be incorporated to transact any lawful business for its membership, the general public, or both. See HRS § 421C-2.
  - c) Chapter 421C provides guidance on formation and dissolution of a cooperative association, membership, voting rights, adoption of bylaws, governance, board structure, issuance and transfer of shares, and allocation and distribution of net savings.
  - d) Chapter 421C provides a process for an existing domestic corporation or group operating on a cooperative basis to convert to a cooperative association. See HRS § 421C-37.
2. Importantly, chapter 421C gives a cooperative association the flexibility to define its purposes and powers through its articles, and to structure its membership, patronage, and other organizational details through its bylaws. As such, various types of associations and organizations currently have the ability under chapter 421C to form as a cooperative, including as a multi-stakeholder cooperative, producer cooperative, or worker cooperative. Thus, it is not necessary to amend chapter 421C to specifically add these three cooperatives by name or to define their structure, when a cooperative association can do so already through its articles and bylaws.

However, so that there is no confusion regarding chapter 421C's broad application, BREG supports the amendments proposed in House Bill 2404, H.D.1, which will 1) rename chapter 421C from "Consumer Cooperative Associations" to "Cooperative Associations," and 2) amend HRS §§ 421C-1 and 480-11 to rename the entities organized under chapter 421C from "consumer cooperative associations" to "cooperative associations." These proposed amendments will involve minimal revisions to BREG's existing forms for consumer cooperative associations, and to BREG's document management and processing system. Further, BREG has met and discussed these amendments with representatives in the cooperative movement, to share that chapter 421C provides a broad and general framework for various affiliated groups to form cooperatives that they may tailor to their purposes and needs.

Thank you for the opportunity to testify on this bill.

C. Kimo Alameda, Ph.D.  
*Mayor*

William V. Brilhante, Jr.  
*Managing Director*



Benson Medina  
*Director*

Dennis Lin  
*Deputy Director*

## County of Hawai'i

### DEPARTMENT OF RESEARCH AND DEVELOPMENT

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February 26, 2026

HEARING BEFORE THE  
SENATE JUDICIARY COMMITTEE

TUESDAY, March 3, 2026  
10:15 AM  
CONFERENCE ROOM 016

TESTIMONY ON SB2922 SD1 Relating to Cooperative Associations

Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,

I am Benson Medina, Director of the Department of Research and Development, County of Hawai'i. One of the objectives of this department is to "increase the ability and readiness to adapt by embracing new technologies, creative problem solving, and flexible strategies."

The County of Hawai'i provides written testimony in **SUPPORT** of SB 2922 SD1, which clarifies that cooperative associations organized under chapter 421C, Hawai'i Revised Statutes, may include multi-stakeholder cooperatives, producer cooperatives, workers cooperatives, and consumer cooperatives. This measure will allow cooperative enterprises across multiple sectors to more easily and affordably organize in ways that best meet their operational and community needs.

Hawai'i has numerous economic development and sustainability goals, including those outlined in the [Hawai'i State Planning Act](#) and the State's [Comprehensive Economic Development Strategy](#), both of which emphasize economic diversification, resilience, and locally rooted enterprise. Modernizing Hawai'i's cooperative framework to accommodate a broader range of models will advance these established goals by promoting diversification, shared risk, and community-based economic development.

Thank you for the opportunity to provide testimony in **SUPPORT** of SB 2922 SD1.

Respectfully,

Benson Medina  
Director, Research and Development  
County of Hawai'i

**SB-2922-SD-1**

Submitted on: 2/25/2026 1:24:57 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Brandon Makaawaawa	Testifying for Nation of Hawai'i	Support	Written Testimony Only

Comments:

**\*\*Support\*\***

The Nation of Hawai'i supports SB2922 SD1 because it clarifies and expands the recognition of cooperative associations in Hawai'i, including multi-stakeholder, producer, worker, and consumer cooperatives. This bill is important to our community as it aligns with our mission to restore economic self-determination and communal resource management for Native Hawaiians, reflecting traditional ahupua'a-based systems and collective stewardship.

By explicitly recognizing a broader range of cooperative models, this measure empowers Native Hawaiian communities and other residents to organize around shared economic, cultural, and environmental goals. Cooperatives are proven vehicles for advancing food sovereignty, renewable energy, affordable housing, and sustainable technology—key priorities for our people. These models foster democratic participation, local control, and equitable benefit-sharing, which are foundational to both Hawaiian values and modern best practices in community development.

The clarification provided by SB2922 SD1 reduces legal ambiguity and encourages the formation of cooperatives tailored to the unique needs of Hawai'i's communities. This is especially significant for Native Hawaiians seeking to restore communal land tenure, manage resources collectively, and promote economic independence. The bill's approach is consistent with international principles supporting Indigenous self-determination and local governance, furthering reconciliation and innovation in Hawai'i's economy.

We respectfully recommend that the Legislature ensure the implementation of this measure includes culturally appropriate outreach and technical assistance for Native Hawaiian communities and other underserved groups. This will help maximize the bill's positive impact and support the development of cooperatives that reflect Hawai'i's diverse values and traditions.

Aloha,

Brandon Maka'awa'awa

Vice President, Nation of Hawai'i

**SB-2922-SD-1**

Submitted on: 2/25/2026 1:48:42 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tewid Meresbang	Testifying for Pacificnesian Equities	Support	Written Testimony Only

Comments:

Year 2025 was UN International Year of Cooperatives, and the theme, "Cooperatives Build a Better World," highlights their contributions to sustainable development across social, economic, and environmental dimensions, showing how cooperatives are key drivers in achieving the UN Sustainable Development Goals (SDGs) by 2030. According to UK COOP Research Report, 80% of cooperatives survive the first five years compared to 44% of other businesses(1) Cooperatives are a different way of doing business, where the employees are members of the cooperative and own and operate their workplace, allowing the employees to have a democratic say in what happens to their workplace. It gives employees the ability and opportunity to shape and influence the economic outcomes for themselves and their communities. Cooperatives empower workers to make vital decisions that affect their communities, environment, and their lives. Cooperatives come in many forms to include coop groceries, agricultural coops, housing coops, energy coops, and more. Cooperatives have stunning performances that include high job retention rates; operate in environment-friendly and sustainable manner by reducing, reusing, recycling; pay their fair share in taxes within their community of operation; and often do better in crisis as compared to traditional businesses. Please support SB2922. Please pass SB2922. Cooperatives truly build a better economy, community, and a better world.

Sincerely,

Tewid Meresbang, CEO/Co-founder

Pacificnesian Equities

[www.PacificnesianEquities.com](http://www.PacificnesianEquities.com)

**RE: Strong Support for SB2922 SD1 – Relating to Cooperative Associations**

Aloha Chair, Vice Chair, and Members of the Committee,

On behalf of Hui 'Oihana, the Hawai'i Island Native Hawaiian Chamber of Commerce, I write in strong support of SB2922 SD1. This bill thoughtfully modernizes Chapter 421C to recognize worker, producer, multi-stakeholder, and consumer cooperative models under Hawai'i law.

From where we stand in community, we see the deep desire for businesses that are not only profitable, but participatory — enterprises rooted in shared responsibility, shared benefit, and long-term stewardship. Yet Hawai'i's existing cooperative structure was built for an earlier era. It is fragmented across multiple statutes and does not fully reflect the diversity of cooperative models emerging today. As a result, entrepreneurs who seek democratic governance and shared ownership often face unnecessary legal complexity and structural limitations that slow innovation and discourage formation.

SB2922 SD1 brings clarity, flexibility, and alignment with modern cooperative practice. It affirms that cooperatives may organize for any lawful purpose and explicitly recognizes multi-stakeholder, producer, worker, and consumer models. For our island communities, this matters. It strengthens pathways for local ownership in food systems, renewable energy, childcare, housing, and other sectors critical to our future. It keeps wealth circulating within our communities and reinforces economic resilience rooted in place.

Hui 'Oihana believes that when ownership is shared, prosperity is shared. We respectfully urge the Committee to pass SB2922 SD1 and support the continued evolution of community-based enterprise across our state.

Mahalo for the opportunity to provide testimony.

Misty Carter

Board President

Hui 'Oihana – Hawai'i Island Native Hawaiian Chamber of Commerce

**SB-2922-SD-1**

Submitted on: 2/26/2026 9:48:22 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Whitney Velez	Testifying for Hamakua Agricultural Cooperative	Support	Written Testimony Only

Comments:

*Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,*

*We at Hāmākua Agricultural Cooperative support SB2922 SD1.*

*This bill modernizes Chapter 421C and provides clearer statutory guidance for cooperative enterprises in Hawai‘i. Clarifying clear incorporation pathways for cooperative structures such as worker cooperatives and multi-stakeholder cooperatives ensures a stable and predictable legal framework for businesses operating under democratic principles. These updates to the statute will help businesses like our cooperative of farmers continue to add value to our communities.*

*SB2922 SD1 strengthens Hawai‘i’s economic foundation.*

*Please advance this measure.*

*Mahalo.*



*Farmer owned, 'āina grown*

Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Senate Committee on Judiciary (JDC),

This testimony provided on behalf of the Hawai'i 'Ulu Producers Cooperative is in **strong support of SB2922**, with the proposed amendment to revise Chapter 421C from a consumer-only statute into a **General Cooperative Associations Act**.

## **About Us**

The Hawai'i 'Ulu Co-op (HUC) is an agricultural producer cooperative founded in 2016 with 9 small, family farmers around Hawai'i Island. We are a social enterprise created to provide a stable and reliable market for Hawai'i's 'ulu farmers, united in their belief that 'ulu (breadfruit) can and should be revitalized as a dietary staple for Hawai'i's food security, environmental resilience, cultural integrity, and sustainable economic development. Over the past 10 years, we have grown organically and now represent over 220 farmer-members across four islands (Hawai'i Island, Maui, O'ahu, and Kaua'i). Through the cooperative business structure, we have been able to aggregate economies of scale, develop minimal and value-added processing capabilities that comply with FSMA, and serve markets larger than any of our members would be able to reach on their own – including all 258 public schools of the Hawai'i Department of Education. Today, we are one of DOE's largest local suppliers. For us and other cooperative businesses in Hawai'i, ongoing access to development support resources including both funding and technical assistance is critical to our continued survival and success.

## **What is a Cooperative?**

For many, the "Co-op" model is still a new concept, but it is a proven engine for economic resilience. Unlike traditional corporations driven by outside shareholders, cooperatives are businesses owned and democratically controlled by the people who use their services—whether they are workers, farmers, or other community stakeholders.

Cooperatives keep wealth within our islands. Because they are rooted in the community, they are less likely to relocate and more likely to prioritize fair wages, sustainable local sourcing, and long-term stability over short-term profits. They represent a "circular economy" that directly benefits Hawai'i's people.



**Hawai'i 'Ulu Producers Cooperative**

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## Why Hawai'i Needs this Modernization

Currently, Hawai'i's cooperative laws are fragmented and outdated. Our current statutes (like 421C and 421) are sector-specific, meaning they were written decades ago specifically for farmers or for grocery consumers. This creates significant barriers:

- **Legal Hurdles:** If a group of local residents want to start a worker-owned childcare center, a multi-stakeholder renewable energy project, or a community-owned technology platform, there is no clear legal path for them to do so under existing law.
- **High Costs:** Entrepreneurs are forced into corporate structures that don't fit their values or must pay for expensive legal workarounds to try and fit into outdated codes.
- **Missed Opportunities:** States with modern general cooperative statutes see higher rates of local business succession (retiring owners selling to their employees) and increased community wealth building.

## The Benefit to Hawai'i's Communities

Modernizing these laws isn't just a technical fix—it's an economic strategy for resilience. Cooperatives:

- **Keep Wealth Local:** Profits are returned to members based on their "patronage" (their participation), ensuring money stays in our islands rather than being extracted by mainland shareholders.
- **Stabilize Jobs:** Worker-owned cooperatives are proven to have lower turnover and are more resilient during economic downturns because the owners are the workers themselves.
- **Empower Underserved Areas:** Co-ops provide a pathway for Native Hawaiian and rural communities to pool resources and solve their own challenges in housing, food security, and energy.

## Support for the Amended Version

We specifically support the proposed amendment to **repurpose Chapter 421C into a General Cooperative Statute**. This provides the "unified, flexible legal framework" our state desperately needs. It allows existing agricultural and consumer cooperatives to opt-in if they choose, while finally opening the door for new, innovative worker-owned and multi-stakeholder models to flourish.

This bill, alongside SB2716, builds the legal and institutional infrastructure necessary for a community-centered economy in Hawai'i.



We respectfully urge the committee to **pass SB2922** and modernize our laws to support local ownership and economic opportunity.

Mahalo for the opportunity to testify,



Dana Shapiro  
Hawai'i 'Ulu Cooperative Co-founder and CEO



**SB-2922-SD-1**

Submitted on: 2/26/2026 2:21:08 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Cherub Silverstein	Testifying for Sweet Cane Cafe	Support	Written Testimony Only

Comments:

*Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,*

*I support SB2922 SD1.*

*This bill modernizes Chapter 421C and provides clearer statutory guidance for cooperative enterprises in Hawai‘i. Clarifying clear incorporation pathways for cooperative structures such as worker cooperatives and multi-stakeholder cooperatives ensures a stable and predictable legal framework for businesses operating under democratic principles.*

*SB2922 SD1 strengthens Hawai‘i’s economic foundation.*

*Please advance this measure.*

*Mahalo, the entire Ohana behind Sweet Cane Cafe*

**SB-2922-SD-1**

Submitted on: 2/26/2026 3:28:42 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Leila Kealoha	Testifying for Pohaku Pelemaka	Support	Written Testimony Only

Comments:

Subject: SB2922 SD1 Strengthens Cooperative Law

Aloha Chair and Committee Members,

Pōhaku Pelemaka is writing in strong support of SB2922 SD1.

Cooperatives play an important role in strengthening Hawai‘i’s agricultural and food systems. Clear statutory language allows producers to collaborate effectively and organize under democratic principles.

By modernizing Chapter 421C and clarifying cooperative structures such as worker cooperatives and multi-stakeholder cooperatives, SB2922 SD1 reduces ambiguity and supports long-term resilience across industries.

I respectfully urge the passage of this bill.

Mahalo,

Leila Kealoha, Executive Director

**SB-2922-SD-1**

Submitted on: 2/26/2026 5:08:11 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ming Wei Koh	Testifying for Hawai'i Mamaki Cooperative	Support	Written Testimony Only

Comments:

Hawai'i's current law makes it harder than it should be for community-owned businesses to form and thrive. This bill modernizes the legal framework so more local people can build shared ownership models across food systems, energy, childcare, technology, and other sectors critical to our future.

We realized this as we formed the Hawai'i Māmaki Cooperative. Since māmaki is a community based, cultural asset we wanted to have multi-stakeholders in the cooperative, including cultural practitioners, researchers, and educators. The current structure did not allow for this shared responsibility model.

We SUPPORT SB 2922 because it will enable Hawaii to have

- Worker-owned businesses
- Multi-stakeholder cooperatives
- Democratic, locally rooted enterprises

Mahalo nui loa

Koh Ming Wei, PhD.

Hawai'i Māmaki Cooperative

Board Secretary

kohmingwei@gmail.com



Hawai'i State Legislature  
Senate Committee on Judiciary  
February 27, 2026

RE: Please Support SB2922 SD1

Aloha Chair and Members:

One of the most effective survival strategies for small farms and ranches is to band together as a cooperative enterprise. This enables commodity aggregation to enhance processing, storage, sales and marketing, while also lowering cost of inputs - thereby helping level the playing field and making locally-grown food products more competitive with imports. Our laws should provide a clear and functional framework that supports these efforts. SB2922 SD1 modernizes Chapter 421C and provides much needed and clearer statutory guidance for cooperative enterprises in Hawai'i.

Please support and advance this measure.

Mahalo Nui,

CEO  
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www.mauitrout.com



**Subject: Testimony in Strong Support of SB2922, Consistent with HB2404 HD1**

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Keoni DeFranco, and I serve as a Managing Director at Purple Mai'a Foundation and as a co-founder of the Hawai'i Co-op Hui. I respectfully submit testimony in strong support of SB2922, and in alignment with the clarifying approach reflected in HB2404 HD1.

We appreciate the thoughtful comments submitted by the Department of Commerce and Consumer Affairs and BREG regarding Chapter 421C. In their testimony, BREG notes that Chapter 421C provides a flexible framework that can accommodate various cooperative structures through articles and bylaws.

At the same time, from the perspective of organizers, attorneys, and cooperative founders working on the ground, the continued use of the term “consumer cooperative association” creates practical confusion. In common usage, that term is typically associated with retail operations such as grocery stores and other consumer-facing enterprises. Even if Chapter 421C can technically accommodate broader cooperative models, the statutory framing does not clearly communicate that breadth to those seeking to incorporate worker-owned or multi-stakeholder cooperatives.

In our conversations across the Hawai'i Co-op Hui, we have consistently heard questions about whether Chapter 421C is truly the appropriate incorporation vehicle for worker cooperatives or multi-stakeholder structures. That uncertainty can slow formation, create hesitancy, increase legal costs during the structuring process, hinder company formation, or in some cases push groups to explore incorporating out of state where the pathway appears clearer. Clarifying statutory language helps reduce that friction and strengthen in-state enterprise development.

We met directly with DCCA to discuss these concerns and to better understand their perspective. We appreciated the opportunity to align on a path forward that supports both regulatory clarity and cooperative formation. As a result of those conversations, we believe the most balanced and practical solution is the approach and language reflected in HB2404 HD1.

HB2404 HD1 renames Chapter 421C from “Consumer Cooperative Associations” to “Cooperative Associations” and updates related definitions accordingly. While this may appear to be a modest change, its impact is meaningful. The updated language sends a clear signal that Chapter 421C is intended to serve as Hawai'i's general cooperative incorporation statute. It reduces confusion for founders, attorneys, and advisors, and creates a more accessible and transparent pathway for worker-owned and multi-stakeholder enterprises to form in Hawai'i.

This clarification lowers barriers to entry, reduces unnecessary legal costs, and gives emerging cooperatives greater confidence that they are incorporating under a statute designed for their structure. It also helps keep cooperative formation in Hawai'i rather than pushing groups to look to out-of-state jurisdictions with clearer statutory language.

Hawai'i is already home to dozens of successful cooperatives, from credit unions to agricultural and energy co-ops. At the same time, we are witnessing growing interest in worker-owned and community-rooted enterprises across food systems, childcare, renewable energy, housing, and service industries. The Hawai'i Co-op Hui now includes more than 80 active participants engaged in peer learning and ecosystem development.

Cooperatives align with Hawai'i's values of *laulima*, *kuleana*, and *aloha 'āina*. They allow workers and community members to build enterprises that are democratically governed and rooted in place. In a state where outside ownership have long shaped our economy, cooperatives offer a practical strategy for building long-term economic resilience and keeping wealth in our communities.

For these reasons, we respectfully urge you to pass SB2922 in a form consistent with the clarifying amendments reflected in HB2404 HD1.

Mahalo for the opportunity to testify in strong support,

Keoni DeFranco

*Keoni DeFranco*

Managing Director, Purple Mai'a Foundation

Co-Founder, Hawai'i Co-op Hui

**SB-2922-SD-1**

Submitted on: 2/28/2026 10:16:13 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Harriet Witt	Testifying for Hawaii Farmers Union	Support	Written Testimony Only

Comments:

**Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,**

**Please support SB2922 SD1.**

**This bill modernizes Chapter 421C and provides clearer statutory guidance for cooperative enterprises in Hawai'i. Clarifying clear incorporation pathways for cooperative structures such as worker cooperatives and multi-stakeholder cooperatives ensures a stable and predictable legal framework for businesses operating under democratic principles.**

**SB2922 SD1 strengthens Hawai'i's economic foundation.**

**Please advance it.**

**Mahalo, Harriet Witt, Haiku, Maui**



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Hāna, Maui

Mason Scharer  
Haleakalā, Maui

Kaiea Medeiros  
Mauna Kahālāwai,  
Maui

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Moloka'i

Negus Manna  
Lāna'i

India Clark  
North Shore, O'ahu

Christian Zuckerman  
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Rachel LaDrig  
Waimānalo, O'ahu

Vincent Kimura  
Honolulu, O'ahu

Natalie Urminska  
Kaua'i

Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Senate Judiciary Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU strongly supports and seeks to amend SB2922.**

Following discussion with DCCA, we respectfully propose **adopting the language of HB2404 HD1 as an SD2** for SB2922. Consolidating changes within Chapter 421C by removing consumer-specific references establishes a general cooperative framework, rather than enumerating specific cooperative types. This amendment keeps the law flexible, with each cooperative's structure governed by its own articles and bylaws, consistent with best practices in other states that have modernized their cooperative statutes.

This approach modernizes Hawai'i's cooperative law to allow the formation of cooperatives for any lawful purpose. This is especially beneficial for our agricultural communities, which have long relied on cooperative models to share infrastructure, access markets collectively, and build resilience across our local food system. Currently, cooperatives seeking to organize as multi-stakeholder or worker-owned enterprises face legal ambiguity under the existing consumer-specific framework.

Based on HB2404 HD1, proposed SD2 statutory language amendment is as follows:

SECTION \_\_. Chapter 421C, Hawaii Revised Statutes, is amended by amending its title to read as follows:

**"CHAPTER 421C**

**[CONSUMER] COOPERATIVE ASSOCIATIONS"**

SECTION \_\_. Section 421C-1, Hawaii Revised Statutes, is amended as follows:

1. By amending the definitions of "association" and "consumer cooperative association" to read:

"Association" means a [~~consumer~~] cooperative association.

[~~Consumer cooperative~~] "Cooperative association" means a group enterprise, organized on a cooperative basis and incorporated under this chapter such that:

(1) Each member has one vote and only one vote, except as

may be altered in the articles or bylaws of a secondary cooperative by provision for voting by member organizations;

(2) The maximum rate at which any return is paid on share or membership capital is limited; and

(3) The allocation or distribution of net savings after making provision for such separate funds as may be required or specially permitted by statute, articles, or bylaws, is made to member patrons or to all patrons, in proportion to their patronage; or is allocated in a manner which benefits the general welfare of all of the members of the association."

2. By amending the definition of "electric utility cooperative association" to read:

"Electric utility cooperative association" means a [~~consumer~~] cooperative association that provides electric utility service as a public utility."

SECTION \_\_. Section 480-11, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Nothing in this chapter shall be construed to forbid the existence and operation of fishery, agricultural, or [~~consumer~~] cooperative organizations or associations instituted for the purpose of mutual help that are organized and operated under chapter 421 or 421C, or that conform and continue to conform to the requirements of the Capper-Volstead Act (7 U.S.C. 291 and 292); provided that if any organization or association monopolizes or restrains trade or commerce in any section of this State to an extent that the price of any fishery, agricultural, or consumer product is unduly enhanced by reason thereof, this chapter shall apply to those acts."

**Mahalo for the opportunity to testify.**

Hunter Heavilin  
Advocacy Director  
Hawai'i Farmers Union

**SB-2922-SD-1**

Submitted on: 3/2/2026 9:10:52 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Ali Andrews	Testifying for Shake Energy Collaborative	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Ali Andrews, and I am submitting testimony on behalf of Shake Energy Collaborative in strong support of SB2922 SD1, Relating to Cooperative Associations.

SB2922 broadens Chapter 421C, Hawai‘i Revised Statutes, to clarify that cooperative associations may include not only consumer cooperatives but also worker cooperatives, producer cooperatives, and multi-stakeholder cooperatives. By expanding the purpose of 421C to allow cooperatives to form for any lawful purpose and providing clear definitions and governance provisions for these cooperative types, this bill takes a meaningful step toward removing barriers for community-owned enterprises across Hawai‘i.

**We experience these barriers firsthand.** Shake Energy Collaborative develops community-owned renewable energy projects across Hawai‘i, working with communities to build place-based energy cooperatives where residents maintain decision-making authority over their own energy future.

Our cooperatives are multi-stakeholder by nature, bringing together community members, workers, and partner organizations. Under current law, there is no clear cooperative statute for these models to organize under. Communities that want to own and control their energy infrastructure are forced to navigate unnecessary legal complexity and cost, or adopt corporate structures that do not reflect cooperative values, democratic governance, or Hawaiian cultural principles like shared kuleana.

SB2922 directly addresses this gap. By broadening 421C to explicitly recognize multi-stakeholder and worker cooperative models, the bill would provide clear legal footing for community energy cooperatives and other locally owned enterprises to form and operate under governance structures that match their values. It would reduce startup costs and legal complexity for communities, particularly rural and Native Hawaiian communities, seeking to build cooperative enterprises. It would also support community wealth building by enabling structures where project revenue stays with the community rather than being extracted by outside developers. The provision allowing existing cooperatives formed under Chapter 421 or 421C to elect into the updated framework further strengthens this path forward.

In our work on Moloka‘i and in Wai‘anae, we know that when communities have genuine ownership and control over energy projects, the results are better. Locally driven projects improve siting decisions, community trust towards projects that serve them, and the benefits stay local rather than leaving the island.

At a time when Hawai‘i faces rising energy costs, climate threats, and the urgent need for resilient local economies, cooperatives offer a practical, community-rooted solution. Broadening Hawai‘i's cooperative law to recognize the models communities are already building is a foundational step toward enabling genuine local ownership statewide. Community ownership requires legal infrastructure that supports it. SB2922 provides that infrastructure.

I respectfully urge the committee to pass SB2922 and help modernize Hawai‘i's cooperative laws to better support community ownership and economic resilience.

Mahalo for the opportunity to testify.

**SB-2922-SD-1**

Submitted on: 2/25/2026 2:06:54 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Maki Morinoue	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

My name is Maki Morinoue, and I write in **strong support of SB2922, the Hawai‘i Co-op Modernization Act.**

SB2922 is a forward-looking, values-aligned bill that modernizes Hawai‘i’s cooperative laws to meet the realities of today’s economy. It creates one flexible legal framework, recognizes worker-owned and multi-stakeholder cooperatives, protects democratic governance, and allows cooperatives to form across any lawful industry. This is exactly the kind of smart, resilient policy Hawai‘i needs.

Co-ops are proven engines of local stability. They keep wealth circulating in our communities, rather than extracting it and sending it offshore. They build worker and community ownership, strengthen local food systems, promote energy independence and housing security, and create businesses rooted in place and people. In a state where the cost of living is high and outside ownership dominates, cooperatives offer a practical, people-centered alternative.

At their core, co-ops reflect Hawai‘i values: aloha ‘āina, kuleana, and mālama each other. The principle of one member, one vote ensures fairness, accountability, and shared responsibility. SB2922 clarifies profit distribution based on labor or use, not speculation, and supports enterprises designed for long-term community benefit, not short-term gain.

By modernizing Chapter 421C, this bill removes outdated barriers, empowers innovation, and gives Hawai‘i’s workers, farmers, energy producers, and entrepreneurs the tools they need to build resilient, locally owned solutions—together.

SB2922 strengthens Hawai‘i’s economy by strengthening its people.

Please pass SB2922 and help Hawai‘i move toward a more just, democratic, and resilient economic future.

Mahalo nui loa for your consideration.

Maki Morinoue  
Hawai‘i Island



**SB-2922-SD-1**

Submitted on: 2/25/2026 5:23:31 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Von Kaanaana	Individual	Support	Written Testimony Only

Comments:

This bill is important to the development of an independent economy that is not dependent on the military, imports, and tourism. This policy change will make it so that people can be lifted from poverty by building community. More people will be able to support the local economy and is a win win for Hawaii.

**SB-2922-SD-1**

Submitted on: 2/26/2026 11:13:23 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ted Bohlen	Individual	Support	Written Testimony Only

Comments:

*I support SB2922 SD1.*

**SB-2922-SD-1**

Submitted on: 2/26/2026 11:28:06 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Suzanne Fields	Individual	Support	Written Testimony Only

Comments:

*Aloha Chair Rhoads, Vice Chair Gabbard and Members of the Committee,*

*I STRONGLY support SB2922 SD1.*

*This bill modernizes Chapter 421C and provides clearer statutory guidance for cooperative enterprises in Hawai'i. Clarifying clear incorporation pathways for cooperative structures such as worker cooperatives and multi-stakeholder cooperatives ensures a stable and predictable legal framework for businesses operating under democratic principles.*

*SB2922 SD1 strengthens Hawai'i's economic foundation. It also provides individuals, like me (retired/fixed income) to utilize these cooperatives in support of sustainable agriculture. I am able to donate/sell my excess produce to both support my farming activities AND to ensure produce doesn't go to waste. Maui County - all Hawaii counties - need cooperatives to ensure that we make the best use of existing resources and support those in need who benefit from the "fruits" of our labor.*

*Please advance this measure.*

*Mahalo.*

Suzanne Fields

Haiku Maui

**SB-2922-SD-1**

Submitted on: 2/26/2026 1:05:57 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
keith kropf	Individual	Support	Written Testimony Only

Comments:

Aloha mai kakou,

Please support this bill, SB922. It will increase our food security. It should make it easier for farmers like me and food processors to get food to our communities. We need to help everyone involved with producing, processing and distributing locally grown food.

## **RE: TESTIMONY IN SUPPORT OF SB2922, SD1 (Relating to Cooperative Associations)**

Aloha Chair and Members of the Committee,

My name is Jennifer Karaca, and I submit this testimony in strong support of SB2922, SD1, which modernizes Hawai'i's cooperative legal framework by clarifying that cooperatives organized under HRS Chapter 421C can include multi-stakeholder cooperatives, worker cooperatives, producer cooperatives, and consumer cooperatives.

Multi-stakeholder cooperatives could be a game changer in Hawai'i right now. Hawai'i's economy urgently needs innovation and flexibility to become less reliant on tourism and more self-sufficient, both in blue-sky times and in gray-sky times (disruptions, disasters, supply chain shocks). Tourism remains a major driver of Hawai'i's economy; DBEDT reports tourism's contribution to Hawai'i GDP at ~17.1% (direct + indirect) in 2023, and ~23.5% when induced impacts are included.

Multi-stakeholder cooperatives are a practical, proven structure to diversify local economies because they allow multiple member classes (for example: workers, producers, consumers, and community/supporting organizations) to co-own and co-govern shared infrastructure and enterprises. That structure enables:

- Shared infrastructure across sectors (i.e., agriculture, food distribution, value-added processing, retail, workforce development)
- Community wealth-building and local retention of economic value
- Cross-pollination of ideas and projects, because the governance model intentionally brings various stakeholders to the same table
- Resilience and continuity, since the enterprise is not dependent on a single owner or a single stakeholder group

This is crucial for addressing Hawai'i's food insecurity and strengthening local supply chains. Food insecurity in Hawai'i is at an unacceptable level. Recent Hawai'i Foodbank reporting indicates 32% of Hawai'i households were food insecure in 2024–2025, and Maui County is among the highest, with food insecurity around 40% of households.

On Maui, we are actively working on a food hub and community-centered cooperative grocery project intended to increase food security, strengthen market connections for local producers, and expand value-added product development. A multi-stakeholder cooperative structure is essential to do this well because a functioning food hub requires coordinated participation from

Farmers, ranchers and added-value producers, as well as anchor institutions and nonprofit partners to help with procurement stability, training pipelines, community services.

There are many other groups working to develop multi-stakeholder co-ops that also co-mingle workers, consumers, and community. In order to create more systems driven business models that can stack functions to address various needs and issues in the community.

A multi-stakeholder cooperative model aligns incentives so these groups can build together, instead of competing for fragmented funding or operating as disconnected “single-beneficiary” projects. It also allows for smarter public and philanthropic investment, fewer silos, less waste, more shared benefit. By passing SB2922, it would allow for more efficient use of limited resources by enabling a legal structure that naturally reduces duplication and encourages shared assets (cold storage, aggregation, distribution, light processing, commercial kitchen capacity, shared staffing, shared training). This prevents wasteful spending where separate projects each build partial solutions that only serve a narrow slice of stakeholders.

Multi-stakeholder cooperatives also support circular and regenerative local economies, keeping dollars circulating locally through local sourcing, local processing, local jobs, and local ownership. Research and practice literature on multi-stakeholder cooperatives specifically describes their role in building stronger local food systems and local value chains that connect producers, workers, consumers, and other partners in one enterprise.

Cooperatives are not a niche idea, they are a significant part of the economy and an established tool for community-scale development. National cooperative sector summaries commonly cite cooperatives as supporting millions of jobs and generating hundreds of billions in annual revenue. Worker cooperative sector reporting shows continued growth and meaningful revenue generation, evidence that modern cooperative forms are expanding and meeting real market needs.

In closing, I urge the committee to support SB2922-SD1, because it is a timely, commonsense modernization that gives Hawai'i the legal flexibility to build resilient, locally owned, multi-benefit enterprises, especially in food systems, where the work inherently spans many stakeholder groups.

For our Maui food hub and cooperative grocery work, the ability to incorporate as a multi-stakeholder cooperative is not a technical detail, it is foundational to ensuring the project can:

- create good local jobs,
- strengthen producer markets,
- expand local processing and product development,

- increase food access,
- and build durable, community-owned infrastructure that serves the broader public good.

Mahalo for the opportunity to submit testimony, and I respectfully urge the Committee to support SB2922.

Respectfully,

Jennifer Karaca

Founding Executive Director  
Common Ground Collective  
808-856-0906  
[Jennifer.karaca@commongroundcollective.com](mailto:Jennifer.karaca@commongroundcollective.com)

**SB-2922-SD-1**

Submitted on: 2/27/2026 8:35:06 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
William Greenleaf	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of Committee

I support SB2922 SD1

This bill updates previous law to make it more inclusive and user friendly.

Mahalo

Bill Greenleaf

**SB-2922-SD-1**

Submitted on: 2/27/2026 8:31:32 PM

Testimony for JDC on 3/3/2026 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glenn Kubota	Individual	Support	Written Testimony Only

Comments:

Although we are not part of a co-op, we have direct experience with the principles of multi-stakeholder co-ops via our collaboration with Common Ground Collective (CGC) and their Foster Farming Project. We started a farm knowing that we wanted to grow produce for the local community in Maui, but had no idea how to get our produce out to them. Partnering with CGC has been a blessing for us, because they perform the critical steps of harvesting, washing, and distributing our produce to various organizations, who ultimately make our produce available to end-consumers.

We have personally enjoyed the benefits of our cooperation with CGC, and believe that formal co-ops such as CGC's proposed Maka'ainana Market and others like it can be of great benefit to Hawaii. Therefore, we support SB2922 SD1 as a modernized, flexible cooperative statute that will remove barriers and streamline future co-op formations.

Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

My name is Oriana Leao and I strongly **support** SB2922, SD1, which clarifies that cooperative associations organized under chapter 421C, Hawaii Revised Statutes, may include multi-stakeholder cooperatives, producer cooperatives, workers cooperatives, and consumer cooperatives.

This bill clarifies and confirms that cooperatives may accommodate both patron and worker ownership and give cooperatives authority to design membership and governance structures consistent with cooperative principles while maintaining democratic member control. This cooperative statute will reduce legal complexity, lower barriers to formation, and support business succession, innovation, local and employee ownership, high-quality jobs, cooperative food systems, flexible housing models, and community-rooted resilience.

SB2922, SD1, is consistent with the Hawai'i State Planning Act outlined in Chapter 226, Hawaii Revises Statutes, which emphasizes a diversified and resilient economy, expanded opportunities for locally owned businesses, and the vitality of rural and agricultural communities. Clarifying and modernizing Chapter 421C, Hawaii Revised Statutes, supports these long-standing state policy goals.

Thank you for your consideration of this testimony.

**SB-2922-SD-1**

Submitted on: 3/2/2026 8:12:34 AM

Testimony for JDC on 3/3/2026 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Christopher Kaiakapu	Individual	Support	Written Testimony Only

Comments:

*Aloha,*

*I support SB2922 SD1. I am both an employee of and a farmer who benefits from a cooperative in Hawai'i. This model of business can be transformative for individuals and industries, but Hawai'i needs updates.*

*This bill modernizes Chapter 421C and provides clearer statutory guidance for cooperative enterprises in Hawai'i. Clarifying incorporation pathways for cooperative structures such as worker cooperatives and multi-stakeholder cooperatives ensures a stable and predictable legal framework for businesses operating under democratic principles.*

*SB2922 SD1 strengthens Hawai'i's economic foundation and uplifts workers through profit-sharing principles.*

*Please advance this measure.*

*Mahalo,*

*Chris*