

STAND. COM. REP. NO.

2497

Honolulu, Hawaii

FEB 11 2020

RE: S.B. No. 2712  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2712 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize agricultural cooperative associations and consumer cooperative associations to operate as agents to sell the products of their members and nonmember patrons on a nonprofit basis, under certain conditions;
- (2) Allow agricultural cooperative associations and consumer cooperative associations to convert to cooperative associations;
- (3) Authorize an agricultural cooperative association to be formed for purposes in connection with leasing land to its members; and
- (4) Authorize the articles or bylaws of an agricultural cooperative association to provide for referendum upon the affirmative vote of two-thirds of its members voting at any meeting.



Your Committee received testimony in support of this measure from the Small Business Development Center, East Hawaii and seven individuals.

Your Committee finds that a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity.

Your Committee further finds that when an agricultural cooperative incorporates, they choose between one of two cooperative statutes, one relating to agriculture cooperatives and the other relating to consumer cooperatives; however, these statutory options limit cooperatives that are pursuing multi-stakeholder and worker models. To provide cooperatives with greater flexibility in defining membership and organizational structure, many states offer a general cooperative statute. This measure adopts a general cooperative statute to encourage the use of the cooperative model by allowing many different types of business activities to form as cooperatives and diverse stakeholders to form a single cooperative.

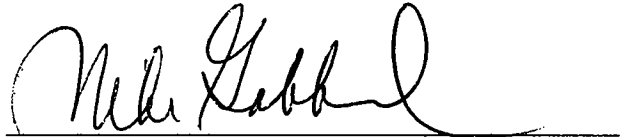
Your Committee has amended this measure by:

- (1) Deleting language that would have amended the term "person" for purposes of agricultural cooperative associations to include sacred Hawaiian species and natural ecosystems; 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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2712, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Judiciary.



Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture and  
Environment,

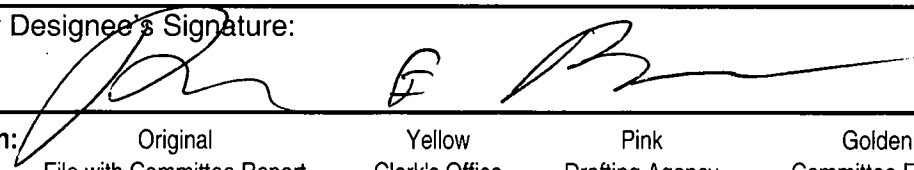
A handwritten signature in black ink, appearing to read "Mike Gabbard", written over a horizontal line.

MIKE GABBARD, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Agriculture and Environment**  
**AEN**

|  |  |                            |          |          |
|--|--|----------------------------|----------|----------|
| Bill / Resolution No.:*<br><b>SB 2712</b>  | Committee Referral:<br><b>AEN, CPH/JDC</b> | Date:<br><b>02/05/2020</b> |          |          |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                            |          |          |
| The Recommendation is:<br><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  |
| GABBARD, Mike (C)  | <del>X</del>                               |                            |          |          |
| RUDERMAN, Russell E. (VC)  | <del>X</del>                               |                            |          |          |
| RHOADS, Karl   | <del>X</del>                               |                            |          |          |
| THIELEN, Laura H.  | <del>X</del>                               |                            |          |          |
| FEVELLA, Kurt  |  |                            |          | X        |
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| <b>TOTAL</b>   | <b>4</b>                                   | <b>0</b>                   | <b>0</b> | <b>1</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                            |          |          |
| Chair's or Designee's Signature:<br>   |  |                            |          |          |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |  |                            |          |          |

\*Only one measure per Record of Votes