JAN 2 4 2013

A BILL FOR AN ACT

RELATING TO LAND USE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The purpose of this Act is to establish
 2 agricultural tourism activities, including overnight
 3 accommodations for stays of less than thirty consecutive days as
- 4 a permissible use for a bona fide farming operation in the state
- 5 agricultural district.
- 6 The intent of this Act is to ensure that bona fide farming
- 7 operations that meet the statutory criteria would not be required
- 8 to obtain a special permit pursuant to section 205-6, Hawaii
- 9 Revised Statutes, for accessory agricultural tourism activities.
- 10 Thus, depending on the particular county ordinance, an applicant
- 11 could apply for a ministerial permit for an agricultural tourism
- 12 use, provided that the applicant demonstrates that the
- 13 agricultural income from the farming operation as defined in
- 14 section 165-2, Hawaii Revised Statutes meets or exceeds the
- 15 minimum income criteria. Applicants not meeting the bona fide
- 16 farming operation criteria would not be able to conduct
- 17 agricultural tourism activities, including overnight
- 18 accommodations, without obtaining a special permit pursuant to
- 19 section 205-6, Hawaii Revised Statutes.

1	1116	countries would be able to fulther regulate agricultura			
2	tourism a	ctivities, including overnight accommodations, under			
3	existing county codes.				
4	SECT	ION 2. Section 141-9, Hawaii Revised Statutes, is			
5	amended b	y amending subsection (a) to read as follows:			
6	(a)	There is established within the department of			
7	agricultu	re an energy feedstock program that shall:			
8	(1)	Maintain cognizance of actions taken by industry and			
9		by federal, state, county, and private agencies in			
10		activities relating to the production of energy			
11		feedstock, and promote and support worthwhile energy			
12		feedstock production activities in the State;			
13	(2)	Serve as an information clearinghouse for energy			
14		feedstock production activities;			
15	(3)	Coordinate development projects to investigate and			
16		solve biological and technical problems involved in			
17		raising selected species with commercial energy			
18		generating potential;			
19	(4)	Actively seek federal funding for energy feedstock			
20		production activities;			
21	(5)	Undertake activities required to develop and expand			
22		the energy feedstock production industry; and			

1	(6)	Perform other functions and activities as may be
2,		assigned by law, including monitoring the compliance
3		provisions under section [205-4.5(a)(16).]
4		205-4.5(a)(15)."
5	SECT	ION 3. Section 205-2, Hawaii Revised Statutes, is
6	amended by	y amending subsection (d) to read as follows:
7	" (d)	Agricultural districts shall include:
8	(1)	Activities or uses as characterized by the cultivation
9		of crops, crops for bioenergy, orchards, forage, and
10		forestry;
11	(2)	Farming activities or uses related to animal husbandry
12		and game and fish propagation;
13	(3)	Aquaculture, which means the production of aquatic
14		plant and animal life within ponds and other bodies of
15		water;
16	(4)	Wind generated energy production for public, private,
17		and commercial use;
18	(5)	Biofuel production, as described in section
19		[205-4.5(a)(16),] <u>205-4.5(a)(15),</u> for public, private,
20		and commercial use;
21	(6)	Solar energy facilities; provided that:

1		(A)	This paragraph shall apply only to land with soil
2			classified by the land study bureau's detailed
3			land classification as overall (master)
4			productivity rating class B, C, D, or E; and
5		(B)	Solar energy facilities placed within land with
6			soil classified as overall productivity rating
7			class B or C shall not occupy more than ten per
8			cent of the acreage of the parcel, or twenty acres
9			of land, whichever is lesser;
10	(7)	Bona	fide agricultural services and uses that support
11		the	agricultural activities of the fee or leasehold
12		owne	r of the property and accessory to any of the above
13		acti	vities, regardless of whether conducted on the same
14		prem	ises as the agricultural activities to which they
15		are	accessory, including farm dwellings as defined in
16		sect	ion 205-4.5(a)(4), employee housing, farm
17		buil	dings, mills, storage facilities, processing
18		faci	lities, photovoltaic, biogas, and other small-scale
19		rene	wable energy systems producing energy solely for
20		use	in the agricultural activities of the fee or
21		leas	ehold owner of the property, agricultural-energy
22		faci	lities as defined in section [205-4.5(a)(17),] 205-

1		4.5(a)(16), vehicle and equipment storage areas, and
2		plantation community subdivisions as defined in section
3		205-4.5(a)(12);
4	(8)	Wind machines and wind farms;
5	(9)	Small-scale meteorological, air quality, noise, and
6		other scientific and environmental data collection and
7		monitoring facilities occupying less than one-half acre
8		of land; provided that these facilities shall not be
9		used as or equipped for use as living quarters or
10		dwellings;
11	(10)	Agricultural parks;
12	(11)	Agricultural tourism uses or activities, including
13		overnight accommodations for stays of [twenty one] less
14		than thirty consecutive days, conducted [on a working
15		farm, or in conjunction with a bona fide farming
16		operation [as defined in section 165 2, for the
17		enjoyment, education, or involvement of visitors];
18		provided that the agricultural tourism <u>use or</u> activity
19		is accessory and secondary to the principal
20		agricultural use and does not interfere with
21		surrounding farm operations; and provided further that
22		[this paragraph shall apply only to a county that has

1	adop	ted ordinances regulating agricultural tourism
2	unde	r section 205-5;] an agricultural tourism use or
3	acti	vity shall not be permissible in the absence of
4	farm	ing operations and the agricultural tourism use or
5	acti	vity shall terminate upon cessation of the farming
6	oper	ation's agricultural activity. For the purposes of
7	this	chapter, "bona fide farming operation" means a
8	farm	ing operation as defined in section 165-2 that
9	meet	s the minimum criteria and standards set forth
10	belo	w and any additional criteria and standards adopted
11	by c	ounty ordinance pursuant to section 205-5(b):
12	<u>(A)</u>	Has been in operation for not less than two
13		years;
14	<u>(B)</u>	The majority of annual gross income is from the
15		sale of agricultural products grown by the
16		farming operation on the subject property for
17		which an agricultural tourism use is proposed;
18		and
19	(C)	Has annual gross sales of agricultural products
20		grown on the subject property for a minimum of
21		two of the preceding five years of no less than:

1	(i) \$35,000 if the agricultural tourism uses or
2	activities require permanent structures or
3	include overnight accommodations; or
4	(ii) \$10,000 if the agricultural tourism uses or
5	activities do not require permanent enclosed
6	structures and do not include overnight
7	accommodations.
8	[(12) Agricultural tourism activities, including overnight
9	accommodations of twenty one days or less, for any one
10	stay within a county; provided that this paragraph
11	shall apply only to a county that includes at least
12	three islands and has adopted ordinances regulating
13	agricultural tourism activities pursuant to section
14	205-5; provided further that the agricultural tourism
15	activities coexist with a bona fide agricultural
16	activity. For the purposes of this paragraph, "bona
17	fide agricultural activity" means a farming operation
18	as defined in section 165-2;
19	(13) (12) Open area recreational facilities;
20	$[\frac{\{(14)\}}{(13)}]$ Geothermal resources exploration and
21	geothermal resources development, as defined under
22	section 182-1; and

1	$[\frac{\{(15)\}}{}]\frac{(14)}{}$	Agricultural-based commercial operations,
2	includin	g:
3	(A)	A roadside stand that is not an enclosed
4		structure, owned and operated by a producer
5		for the display and sale of agricultural
6		products grown in Hawaii and value-added
7		products that were produced using
8		agricultural products grown in Hawaii;
9	(B)	Retail activities in an enclosed structure
10		owned and operated by a producer for the
11		display and sale of agricultural products
12		grown in Hawaii, value-added products that
13		were produced using agricultural products
14		grown in Hawaii, logo items related to the
15		producer's agricultural operations, and
16		other food items; and
17	(C)	A retail food establishment owned and
18		operated by a producer and permitted under
19		[+] title 11, $[+]$ chapter 12 of the rules of
20		the department of health that prepares and
21		serves food at retail using products grown
22		in Hawaii and value-added products that were

1	produced using agricultural products grown
2	in Hawaii.
3	The owner of an agricultural-based commercial
4	operation shall certify, upon request of an officer or
5	agent charged with enforcement of this chapter under
6	section 205-12, that the agricultural products
7	displayed or sold by the operation meet the
8	requirements of this paragraph.
9	Agricultural districts shall not include golf courses and golf
10	driving ranges, except as provided in section 205-4.5(d).
11	Agricultural districts include areas that are not used for, or
12	that are not suited to, agricultural and ancillary activities by
13	reason of topography, soils, and other related characteristics."
14	SECTION 4. Section 205-4.5, Hawaii Revised Statutes, is
15	amended by amending subsection (a) to read as follows:
16	"(a) Within the agricultural district, all lands with soil
17	classified by the land study bureau's detailed land
18	classification as overall (master) productivity rating class A or
19	B shall be restricted to the following permitted uses:
20	(1) Cultivation of crops, including crops for bioenergy,
21	flowers, vegetables, foliage, fruits, forage, and
22	timber;

1	(2)	Game and fish propagation;
2	(3)	Raising of livestock, including poultry, bees, fish, or
3		other animal or aquatic life that are propagated for
4		economic or personal use;
5	(4)	Farm dwellings, employee housing, farm buildings, or
6		activities or uses related to farming and animal
7		husbandry. "Farm dwelling", as used in this paragraph,
8		means a single-family dwelling located on and used in
9		connection with a farm, including clusters of single-
10		family farm dwellings permitted within agricultural
11		parks developed by the State, or where agricultural
12		activity provides income to the family occupying the
13		dwelling;
14	(5)	Public institutions and buildings that are necessary
15		for agricultural practices;
16	(6)	Public and private open area types of recreational
17		uses, including day camps, picnic grounds, parks, and
18		riding stables, but not including dragstrips, airports,
19		drive-in theaters, golf courses, golf driving ranges,
20		country clubs, and overnight camps;
21	(7)	Public, private, and quasi-public utility lines and
22		roadways, transformer stations, communications

1		equipment buildings, solid waste transfer stations,
2		major water storage tanks, and appurtenant small
3		buildings such as booster pumping stations, but not
4		including offices or yards for equipment, material,
5		vehicle storage, repair or maintenance, treatment
6		plants, corporation yards, or other similar structures
7	(8)	Retention, restoration, rehabilitation, or improvement
8		of buildings or sites of historic or scenic interest;
9	(9)	Agricultural-based commercial operations as described
10		in section [205-2(d)(15);] <u>205-2(d)(14);</u>
11	(10)	Buildings and uses, including mills, storage, and
12		processing facilities, maintenance facilities,
13		photovoltaic, biogas, and other small-scale renewable
14		energy systems producing energy solely for use in the
15		agricultural activities of the fee or leasehold owner
16		of the property, and vehicle and equipment storage
17		areas that are normally considered directly accessory
18		to the above-mentioned uses and are permitted under
19		section 205-2(d);
20	(11)	Agricultural parks;
21	(12)	Plantation community subdivisions, which as used in
22		this chapter means an established subdivision or

1		cluster of employee housing, community buildings, and
2		agricultural support buildings on land currently or
3		formerly owned, leased, or operated by a sugar or
4		pineapple plantation; provided that the existing
5		structures may be used or rehabilitated for use, and
6		new employee housing and agricultural support buildings
7		may be allowed on land within the subdivision as
8		follows:
9		(A) The employee housing is occupied by employees or
10		former employees of the plantation who have a
11		property interest in the land;
12		(B) The employee housing units not owned by their
13		occupants shall be rented or leased at affordable
14		rates for agricultural workers; or
15		(C) The agricultural support buildings shall be rented
16		or leased to agricultural business operators or
17		agricultural support services;
18	(13)	Agricultural tourism uses or activities, including
19		overnight accommodations for stays of less than thirty
20		consecutive days conducted [on a working farm, or] in
21		conjunction with a bona fide farming operation [as
22		defined in section 165-2, for the enjoyment, education,

1	or involvement of visitors]; provided that the
2	agricultural tourism use or activity is accessory and
3	secondary to the principal agricultural use and does
4	not interfere with surrounding farm operations; and
5	provided further that [this paragraph shall apply only
6	to a county that has adopted ordinances regulating
7	agricultural tourism under section 205-5; an
8	agricultural tourism use or activity shall not be
9	permissible in the absence of farming operations and
10	the agricultural tourism use or activity shall
11	terminate upon cessation of the farming operation's
12	agricultural activity. For the purposes of this
13	chapter, "bona fide farming operation" means a farming
14	operation as defined in section 165-2 that meets the
15	minimum criteria and standards set forth below and any
16	additional criteria and standards adopted by county
17	ordinance pursuant to section 205-5(b):
18	(A) Has been in operation for not less than two years;
19	(B) The majority of annual gross income is from the
20	sale of agricultural products grown by the farming
21	operation on the subject property for which an
22	agricultural tourism use is proposed; and

1	(C) Has annual gross sales of agricultural products				
2	grown on the subject property for a minimum of two				
3	of the preceding five years of no less than:				
4	(i) \$35,000 if the agricultural tourism uses or				
5	activities that require permanent structures				
6	or include overnight accommodations; or				
7	(ii) \$10,000 if the agricultural tourism uses or				
8	activities do not require permanent enclosed				
9	structures and do not include overnight				
10	accommodations.				
11	[(14) Agricultural tourism activities, including overnight				
12	accommodations of twenty one days or less, for any one				
13	stay within a county; provided that this paragraph				
14	shall apply only to a county that includes at least				
15	three islands and has adopted ordinances regulating				
16	agricultural tourism activities pursuant to section				
17	205-5; provided further that the agricultural tourism				
18	activities coexist with a bona fide agricultural				
19	activity. For the purposes of this paragraph, "bona				
20	fide agricultural activity" means a farming operation				
21	as defined in section 165-2;				

1	$\frac{(15)}{(14)}$ Wind energy facilities, including the
2	appurtenances associated with the production and
3	transmission of wind generated energy; provided that
4	the wind energy facilities and appurtenances are
5	compatible with agriculture uses and cause minimal
6	adverse impact on agricultural land;
7	$[\frac{(16)}{(15)}]$ Biofuel processing facilities, including the
8	appurtenances associated with the production and
9	refining of biofuels that is normally considered
10	directly accessory and secondary to the growing of the
11	energy feedstock; provided that biofuel processing
12	facilities and appurtenances do not adversely impact
13	agricultural land and other agricultural uses in the
14	vicinity.
15	For the purposes of this paragraph:
16	"Appurtenances" means operational infrastructure
17	of the appropriate type and scale for economic
18	commercial storage and distribution, and other similar
19	handling of feedstock, fuels, and other products of
20	biofuel processing facilities.
21	"Biofuel processing facility" means a facility
22	that produces liquid or gaseous fuels from organic

1	sources such as biomass crops, agricultural residues,
2	and oil crops, including palm, canola, soybean, and
3	waste cooking oils; grease; food wastes; and animal
4	residues and wastes that can be used to generate
5	energy;
6	[(17)] <u>(16)</u> Agricultural-energy facilities, including
7	appurtenances necessary for an agricultural-energy
8	enterprise; provided that the primary activity of the
9	agricultural-energy enterprise is agricultural
10	activity. To be considered the primary activity of an
11	agricultural-energy enterprise, the total acreage
12	devoted to agricultural activity shall be not less than
13	ninety per cent of the total acreage of the
14	agricultural-energy enterprise. The agricultural-
15	energy facility shall be limited to lands owned,
16	leased, licensed, or operated by the entity conducting
17	the agricultural activity.
18	As used in this paragraph:
19	"Agricultural activity" means any activity
20	described in paragraphs (1) to (3) of this subsection.

1	"Agricultural-energy enterprise" means an
2	enterprise that integrally incorporates an agricultural
3	activity with an agricultural-energy facility.
4	"Agricultural-energy facility" means a facility
5	that generates, stores, or distributes renewable energy
6	as defined in section 269-91 or renewable fuel
7	including electrical or thermal energy or liquid or
8	gaseous fuels from products of agricultural activities
9	from agricultural lands located in the State.
10	"Appurtenances" means operational infrastructure
11	of the appropriate type and scale for the economic
12	commercial generation, storage, distribution, and other
13	similar handling of energy, including equipment,
14	feedstock, fuels, and other products of agricultural-
15	energy facilities;
16	$\left[\frac{(18)}{(17)}\right]$ Construction and operation of wireless
17	communication antennas; provided that, for the purposes
18	of this paragraph, "wireless communication antenna"
19	means communications equipment that is either
20	freestanding or placed upon or attached to an already
21	existing structure and that transmits and receives
22	electromagnetic radio signals used in the provision of

1 all types of wireless communications services; provided 2 further that nothing in this paragraph shall be 3 construed to permit the construction of any new 4 structure that is not deemed a permitted use under this 5 subsection; 6 [(19)] (18) Agricultural education programs conducted on a 7 farming operation as defined in section 165-2, for the 8 education and participation of the general public; 9 provided that the agricultural education programs are **10** accessory and secondary to the principal agricultural 11 use of the parcels or lots on which the agricultural 12 education programs are to occur and do not interfere with surrounding farm operations. For the purposes of 13 14 this section, "agricultural education programs" means 15 activities or events designed to promote knowledge and **16** understanding of agricultural activities and practices 17 conducted on a farming operation as defined in section 18 165-2; $[\frac{(20)}{(20)}]$ (19) Solar energy facilities that do not occupy more 19 20 than ten per cent of the acreage of the parcel, or 21 twenty acres of land, whichever is lesser; provided 22 that this use shall not be permitted on lands with

1	soil classified by the land study bureau's detailed					
2	land classification as overall (master) productivity					
3	rating class A; [or] and					
4	$[\frac{\{(21)\}}{}]$ <u>(20)</u> Geothermal resources exploration and					
5	geothermal resources development, as defined under					
6	section 182-1."					
7	SECTION 5. Section 205-5, Hawaii Revised Statutes, is					
8	amended by amending subsection (b) to read as follows:					
9	"(b) Within agricultural districts, uses compatible to the					
10	activities described in section 205-2 as determined by the					
11	commission shall be permitted; provided that accessory					
12	agricultural uses and services described in sections 205-2 and					
13	205-4.5 may be further defined by each county by zoning					
14	ordinance. [Each county shall adopt ordinances setting forth					
15	procedures and requirements, including provisions for					
16	enforcement, penalties, and administrative oversight, for the					
17	review and permitting of agricultural tourism uses and					
18	activities as an accessory use on a working farm, or farming					
19	operation as defined in section 165-2. Ordinances shall include					
20	but not be limited to:					
21	(1) Requirements for access to a farm, including road					
22	width, road surface, and parking;					

1	(2) Requ	irements and restrictions for accessory facilities				
2	conn	ected with the farming operation, including gift				
3	shop	s and restaurants;				
4	(3) Acti	vities that may be offered by the farming				
5	oper	ation for visitors;				
6	(4) Days and hours of operation; and					
7	(5) Automatic termination of the accessory use upon the					
8	cessation of the farming operation.]					
9	Each county may adopt ordinances setting forth procedures,					
10	standards, and requirements for the purposes of regulating					
11	agricultural tourism uses and activities as an accessory use on					
12	a bona fide farming operation pursuant to sections 205-2(d)(11)					
13	and 205-4.5(a)(13); provided that:					
14	(1) Proof of bona fide farming operation income should be					
15	evid	enced by, at a minimum:				
16	<u>(A)</u>	Federal tax forms that show profit or loss from				
17		farming and state general excise tax forms for				
18		each year of agricultural income as required by				
19		sections 205-2(d)(11) and 205-4.5(a)(13), or				
20	<u>(B)</u>	A notarized affidavit attesting that the income				
21		from the sale of agricultural products grown on				
22		the subject property meets or exceeds the minimum				

1	income requirements in sections 205-2(d)(11) and				
2	205-4.5(a)(13), or county ordinance, whichever is				
3	more.				
4	(2) A county may adopt more restrictive standards and				
5	requirements for permitting and regulating				
6	agricultural tourism uses, including more restrictive				
7	income criteria and proof of bona fide farming				
8	operations.				
9	Each county may require an environmental assessment under				
10	chapter 343 as a condition to any agricultural tourism use and				
11	activity. Other uses may be allowed by special permits issued				
12	pursuant to this chapter. The minimum lot size in agricultural				
13	districts shall be determined by each county by zoning				
14	ordinance, subdivision ordinance, or other lawful means;				
15	provided that the minimum lot size for any agricultural use				
16	shall not be less than one acre, except as provided herein. If				
17	the county finds that unreasonable economic hardship to the				
18	owner or lessee of land cannot otherwise be prevented or where				
19	land utilization is improved, the county may allow lot sizes of				
20	less than the minimum lot size as specified by law for lots				
21	created by a consolidation of existing lots within an				
22	agricultural district and the resubdivision thereof; provided				

- 1 that the consolidation and resubdivision do not result in an
- 2 increase in the number of lots over the number existing prior to
- 3 consolidation; and provided further that in no event shall a lot
- 4 which is equal to or exceeds the minimum lot size of one acre be
- 5 less than that minimum after the consolidation and resubdivision
- 6 action. The county may also allow lot sizes of less than the
- 7 minimum lot size as specified by law for lots created or used
- 8 for plantation community subdivisions as defined in section 205-
- 9 4.5(a)(12), for public, private, and quasi-public utility
- 10 purposes, and for lots resulting from the subdivision of
- 11 abandoned roadways and railroad easements."
- 12 SECTION 6. Each county may adopt interim rules or
- 13 ordinances to regulate agricultural tourism uses, to remain in
- 14 effect until the county has adopted or amended applicable county
- 15 codes to conform to this Act.
- 16 SECTION 7. This Act shall not invalidate a lawful permit
- 17 for an agricultural tourism use including overnight
- 18 accommodations, on lands in the agricultural district in effect
- 19 on or before the effective date of this Act.
- 20 SECTION 8. Statutory material to be repealed is bracketed
- 21 and stricken. New statutory material is underscored.

1	SECTION 9.	This Act,	upon its	approval,	shall take	effect
2	on July 1, 2014.					
3	·				7	//
4		INTROD	UCED BY:	Herry	Trust	o Ki
5					BY RECUEST	•

Report Title:

Agricultural Tourism; Overnight Accommodations; Bona Fide Farmer

Description:

Allows for overnight accommodations for bona fide farming operations. Defines bona fide farming operations.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT:

Agriculture

TITLE:

A BILL FOR AN ACT RELATING TO LAND USE.

PURPOSE:

To allow for overnight accommodations for bona fide farming operations and define bona fide farming operation

fide farming operation.

MEANS:

Amends section 141-9, section 205-2, section

205-4.5, and section 205-5.

JUSTIFICATION:

Agricultural tourism, enacted in 2006, allows farmers the opportunity to generate additional income by offering activities to visitors to their farms. Agricultural tourism is to be secondary and accessory to the principal agricultural use and requires the counties to enact ordinances to regulate it. To date, only Hawaii County has an agricultural tourism ordinance. Farmers in the counties of Kauai, Honolulu, and Maui do not have the same opportunity.

Act 329, Session Laws of Hawaii 2012, amended the agricultural tourism statute by adding overnight accommodations of twenty-one days or less as a permissible agricultural tourism activity, limits these activities to counties with an agricultural tourism ordinance, and requires the coexistence of a bona fide agricultural activity. While the Act added overnight accommodations to agricultural tourism activities, it does not improve the likelihood that more farmers conducting truly bona fide agricultural activities throughout the State will be able to take advantage of this opportunity.

This bill increases the duration of an overnight accommodation stay from twenty-one to less than thirty consecutive days and clearly defines bona fide farming operations

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to better ensure that agricultural tourism activities are properly established and abuse is reduced, particularly when overnight accommodations are included.

Impact on the public: Would make it easier for truly bona fide farming operations to consider and undertake agricultural tourism activities, thereby increasing the agricultural-related income of those operations.

Impact on the department and other agencies:
No State department or agency
responsibilities are required, however AGR
and Office of Planning should inquire with
the counties on the status of their
respective agricultural tourism permitting
efforts and any issues they encounter.

GENERAL FUND:

None.

OTHER FUNDS:

None.

PPBS PROGRAM

DESIGNATION:

AGR 192.

OTHER AFFECTED

AGENCIES:

Land Use Commission, Office of Planning,

counties.

EFFECTIVE DATE:

July 1, 2014.