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# A BILL FOR AN ACT

RELATING TO RURAL DISTRICTS.

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

1           SECTION 1. The legislature finds that given the shortage  
2 of housing in Hawaii, the counties should be permitted to  
3 increase density in state-designated rural districts. Under  
4 existing law, only one dwelling house is generally permitted on  
5 one-half acre, or 21,780 square feet, of land in a rural  
6 district. The legislature further finds that giving counties  
7 the option of adopting ordinances to allow a dwelling house on  
8 each quarter-acre of land in rural districts will increase  
9 housing opportunities where appropriate.

10           Accordingly, the purpose of this Act is to:

11           (1) Authorize the counties to determine the  
12           appropriateness of allowing a dwelling house on each  
13           quarter-acre, rather than each half-acre, of land in  
14           rural districts; provided that dwelling houses are  
15           consistent with the county general plan and community  
16           development plan;



- 1           (2) Require the office of planning and sustainable  
2           development to conduct a study to refine rural  
3           district policies and make recommendations to  
4           facilitate the reclassification of lands from the  
5           agricultural district to the rural district; and  
6           (3) Appropriate funds for the office of planning and  
7           sustainable development to conduct the study.

8           SECTION 2. Section 205-2, Hawaii Revised Statutes, is  
9 amended as follows:

10           1. By amending subsection (a) to read:

11           "(a) There shall be four major land use districts in which  
12 all lands in the State shall be placed: urban, rural,  
13 agricultural, and conservation. The land use commission shall  
14 group contiguous land areas suitable for inclusion in one of  
15 these four major districts. The commission shall set standards  
16 for determining the boundaries of each district[~~7~~]; provided  
17 that:

18           (1) In the establishment of boundaries of urban districts,  
19 those lands that are now in urban use and a sufficient  
20 reserve area for foreseeable urban growth shall be  
21 included;



- 1           (2) In the establishment of boundaries for rural  
2           districts, areas of land composed primarily of small  
3           farms mixed with very low density residential lots,  
4           which may be shown by a minimum density of not more  
5           than one house per [~~one-half~~] one-quarter acre and a  
6           minimum lot size of not less than one-half acre shall  
7           be included, except as herein provided;
- 8           (3) In the establishment of the boundaries of agricultural  
9           districts, the greatest possible protection shall be  
10          given to those lands with a high capacity for  
11          intensive cultivation; and
- 12          (4) In the establishment of the boundaries of conservation  
13          districts, the "forest and water reserve zones"  
14          provided in Act 234, section 2, Session Laws of Hawaii  
15          1957, are renamed "conservation districts" and,  
16          effective as of July 11, 1961, the boundaries of the  
17          forest and water reserve zones theretofore established  
18          pursuant to Act 234, section 2, Session Laws of Hawaii  
19          1957, shall constitute the boundaries of the  
20          conservation districts; provided that thereafter the



1 power to determine the boundaries of the conservation  
2 districts shall be in the commission.

3 In establishing the boundaries of the districts in each county,  
4 the commission shall give consideration to the master plan or  
5 general plan of the county."

6 2. By amending subsection (c) to read:

7 "(c) Rural districts shall include activities or uses as  
8 characterized by low density residential lots of not more than  
9 one dwelling house per [~~one-half~~] one-quarter acre, except as  
10 provided by county ordinance pursuant to section 46-4(c) [~~7~~];  
11 provided that each dwelling house shall be consistent with the  
12 county general plan and community development plan, in areas  
13 where "city-like" concentration of people, structures, streets,  
14 and urban level of services are absent, and where small farms  
15 are intermixed with low density residential lots except that  
16 within a subdivision, as defined in section 484-1, the  
17 commission for good cause may allow one lot of less than  
18 one-half acre, but not less than [~~eighteen thousand five hundred~~  
19 ~~square feet,~~] one-quarter acre, or an equivalent residential  
20 density, within a rural subdivision and permit the construction  
21 of one dwelling on [~~such~~] the lot; provided that all other



1 dwellings in the subdivision shall have a minimum lot size of  
 2 one-half acre or 21,780 square feet. [~~Such~~] The petition for  
 3 variance may be processed under the special permit procedure.  
 4 These districts may include contiguous areas [~~which~~] that are  
 5 not suited to low density residential lots or small farms by  
 6 reason of topography, soils, and other related characteristics.  
 7 Rural districts shall also include golf courses, golf driving  
 8 ranges, and golf-related facilities.

9 In addition to the uses listed in this subsection, rural  
 10 districts shall include geothermal resources exploration and  
 11 geothermal resources development, as defined under section  
 12 182-1, and construction and operation of wireless communication  
 13 antenna, as defined under section 205-4.5(a)(18), as permissible  
 14 uses."

15 SECTION 3. Section 205-5, Hawaii Revised Statutes, is  
 16 amended by amending subsection (c) to read as follows:

17 "(c) Unless authorized by special permit issued pursuant  
 18 to this chapter, only the following uses shall be permitted  
 19 within rural districts:

- 20 (1) Low density residential uses;
- 21 (2) Agricultural uses;



- 1 (3) Golf courses, golf driving ranges, and golf-related
- 2 facilities;
- 3 (4) Public, quasi-public, and public utility facilities;
- 4 and
- 5 (5) Geothermal resources exploration and geothermal
- 6 resources development, as defined under section 182-1.

7 In addition, the minimum lot size for any low density  
8 residential use shall be one-half acre and there shall be but  
9 one dwelling house per [~~one-half~~] one-quarter acre[~~7~~]; provided  
10 that each dwelling house shall be consistent with the county  
11 general plan and community development plan, except as provided  
12 for in section 205-2."

13 SECTION 4. The office of planning and sustainable  
14 development shall conduct a study to assess the rural district  
15 framework within the land use law and make recommendations for  
16 revisions to rural district policies and permissible uses within  
17 the rural district. The study shall include:

- 18 (1) A legal analysis of regulatory issues and safeguards
- 19 that must be addressed to facilitate the
- 20 reclassification of lands from the agricultural
- 21 district to the rural district; and



1           (2) Recommendations for legislation necessary to address  
2                   the issues and safeguards identified in paragraph (1).

3           SECTION 5. In conducting the study required by this Act,  
4 the office of planning and sustainable development shall  
5 coordinate its efforts with the land use commission, department  
6 of agriculture, and county planning departments. The office of  
7 planning and sustainable development shall engage community  
8 stakeholders, including stakeholders with farming interests and  
9 interested members of the general public, in the development of  
10 study recommendations.

11           SECTION 6. The office of planning and sustainable  
12 development shall submit:

13           (1) An interim report of its findings and recommendations,  
14                   including any proposed legislation, to the legislature  
15                   no later than twenty days prior to the convening of  
16                   the regular session of 2023; and

17           (2) A final report of its findings and recommendations,  
18                   including any proposed legislation, to the legislature  
19                   no later than twenty days prior to the convening of  
20                   the regular session of 2024.



1 SECTION 7. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2022-2023 for  
4 the office of planning and sustainable development to conduct  
5 the study and complete the reports pursuant to this Act.

6 The sum appropriated shall be expended by the department of  
7 business, economic development, and tourism for the purposes of  
8 this Act.

9 SECTION 8. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 9. This Act shall take effect on July 1, 2050;  
12 provided that:

- 13 (1) Sections 4 through 7 shall take effect on July 1,  
14 2022; and  
15 (2) Sections 2 and 3 shall take effect on July 1, 2023.





S.B. NO. 2922  
S.D. 2  
H.D. 2

**Report Title:**

Rural Districts; Dwellings; County Ordinances; OPSD; Land Use; Study; Appropriation

**Description:**

Beginning 7/1/2023, authorizes the counties to adopt ordinances that allow up to one house per quarter-acre in rural districts. Beginning 7/1/2022, requires the office of planning and sustainable development to conduct a study to refine rural district policies, make recommendations to facilitate the reclassification of lands from the agricultural district to the rural district, and submit reports to the legislature. Appropriates funds for the study and reports. Effective 7/1/2050. (HD2)

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

