Current City Agricultural Benefits
Available to Qualified Landowners
September 6, 2018

	Current City Agricultural Benefits	Statute	Lead Agency
1	Agricultural Dedication Program. When approved by the BFS, landowners who dedicate their land for continuous revenue-generating agricultural use for five years or ten years are assessed at a rate of 3 percent or 1 percent of its fair market value, respectively. Vacant agricultural land may be dedicated for ten years, assessed at 50 percent of its fair market value, and later converted to a five- or ten-year agricultural dedication. Home Exemption. Another benefit for owners of agricultural land is by filing a home exemption claim (BFS-RP-P-3). A qualified landowner, who uses their property as his /her principal residence, can have the residential home site and dwelling portion of the property classified as "Residential." Since the current tax rate for the "Residential" class is lower ($3.50/$1,000 net taxable property) versus the "Agriculture" class ($5.70), the landowner will pay lower property taxes for the residence.	8-7.3 ROH 8-7.1, 8-10.4 ROH	BFS
2	Exemption for Crop Shelters. Landowners who construct shelters in accordance with Section 8-10.12, ROH primarily for the protection of crops can receive an exemption on the assessed value of the structure for ten or more years.	8-10.12 ROH	BFS
3	Exemption for Agricultural Improvements. Landowners who construct qualifying drainage systems on their land can receive an exemption for the incremental increase in real property value associated with the drainage systems for seven years.	8-10.31 ROH	BFS
4	Subsidized Water Rate from the Board of Water Supply. Commercial farmers who are engaged in **ongoing commercial farming** can apply yearly for a subsidized water rate from the BWS. No more than one dwelling unit is allowed on a meter qualifying for the agricultural quantity charges. As of September 2018, the BWS' agricultural water rate is $4.42 per 1,000 gallons/month for the first 13,000 gallons, and $1.89 per 1,000 gallons for usage over 13,000 gallons. A four-year schedule of annual rate increases takes effect July 1, 2019 for agricultural water users. The new schedule includes a new Essential Needs tier with rates priced below-cost to reward low water use and support small farmers. As of July 1, 2019, for the first 2,000 gallons, the agricultural water rate will be $3.79/month.	Resolution 889, 2018	BWS
5	Exemption from Building Permit and Building Code for Agricultural Buildings and Structures on Farms and Ranches. When specific conditions are met, a wide range of farm buildings and structures are exempt from building and code requirements. Farm structures less than 1,000 square feet would also be exempt from the water supply requirements per the Fire Code. This statute also exempts farm structures from building permits so long as they are between 1,000 and 8,000 square feet and are constructed in accordance with the building and fire codes.	HRS 46-88(a)	DPP

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6	Flexibility on Fire Access and Water Supply. For agricultural parcels with no more than two dwelling units, the Honolulu Fire Department (HFD) may relax roadway standards and allow greater distances from water supplies than normally required. These waivers are granted on a case-by-case basis. However, the exemptions in #5 above, and the flexibility in #6 is based on the farmer assuming the risks.	Not Applicable	HFD
7	Agricultural Subdivisions. Agricultural subdivisions in the AG-1 and AG-2 Districts may be exempted from normal street standards in these rules provided the streets constructed are in accordance with the street details approved by the Directors of the DPP, DDC, and DTS.	Section 1-115 Subdivision Rules & Regulations	DPP
8	Exclusive Agricultural Sites. To promote diversified agriculture, landowners may apply to the DPP to lease a minimum of five acres of leasehold land, on AG-1 or AG-2 zoned land, irrespective of the minimum lot size of the applicable zoning district to be leased for a minimum of 10 years. Exclusive Agricultural Sites have relaxed standards for infrastructure, such as water, roads, utility lines, and lighting.	21-8.60 ROH	DPP
9	People's Open Market (POM). Established in 1973 and administered by the Department of Parks and Recreation (DPR) to provide opportunities to purchase fresh agricultural and aquacultural products and other food items at low cost, support diversified agriculture and local farmers, and offer opportunities for consumers to connect with farmers.	Chapter 13 Revised Charter of Honolulu, and DPR Rules and Regulations for POM	DPR

	Current State IAL Incentives	Statute	Lead Agency
1	Farm Dwellings and Employee Housing. Allows landowners to develop farm dwellings and employee housing for their immediate family members and their employees. Limit of 5% of total IAL or 50 acres, whichever is less, subject to compliance with county zoning. Plans for dwellings and employee housing shall be supported by agricultural plans approved by Department of Agriculture (DOA).	HRS 205-45.5	DPP
2	Agricultural Processing Facilities, Permits Priority. Any agency subject to Chapter 205 or Title 13 (Planning and Economic Development) shall establish and implement a procedure for the priority processing of permit applications and renewals at no additional cost to the applicant for permits related to processing facilities for livestock or crops. The majority of lands must be IAL. The DOA will be working with the Department of Health (DOH) to develop a referral system and to assist in expediting the permits by making information available to potential permit applicants.	HRS 205-46.5	DOA
3	Agricultural Processing Facilities Permits Priority. Any agency subject to Chapter 205 or Title 19 (Health) shall establish and implement a procedure for the priority processing of permit applications and renewals at no additional cost to the applicant for permits related to processing facilities for livestock or crops from an agribusiness; provided that the majority of the lands held, owned, or used by the agribusiness shall be lands designated as IAL pursuant to part III, of Chapter 205, excluding lands held, owned or used by the agribusiness in the State Conservation district. The DOH staff has been directed to give priority to these permit applications; however, any agency subject to this chapter or title 13 that issues permits shall establish and implement a procedure.	HRS 321-10.5	DOH
4	Refundable Qualified Agricultural Cost Tax Credit. From now through the 2021 tax year, the DOA is to certify credits up to $7,500,000 annually for IAL lands. Credit can be claimed for costs such as roads or utilities, agricultural processing facilities, water wells, reservoirs, dams, pipelines, agricultural housing, feasibility studies, legal and accounting services, and equipment.	HRS 235-110.93	DOA
5	Loan Guaranty. The Chairperson of the Board of Agriculture may provide an 85% loan guaranty to commercial lenders which should result in a lower interest rate for agricultural borrowers on IAL. Interest rate on guaranteed loans will be 1% below lender's prime rate. IAL loan guaranty will be administered within DOA's Agricultural Loan Division.	HRS 155-5.6	DOA
6	State Agricultural Water Use and Development Plan. Modifies the scope of the plan to include inventory of public and private irrigation water systems, identify sources of water for agricultural purposes on IAL, and current and future irrigation needs. The plan also identifies the extent of necessary rehabilitation, subsidizes the cost of repair and maintenance of the systems, establishes criteria for prioritizing system rehabilitation, develops a five-year program to repair the systems, and establishes a long-term plan to manage the systems. The DOA's Agricultural Resources Management (ARM) Division is responsible for development of the plan contingent upon funding for the expanded scope.	HRS 174C-31	DOA