

ACT 122

H.B. NO. 1351

A Bill for an Act Relating to Private Agricultural Parks.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that many times, necessary cooperation between and among adjoining and neighboring agriculturalists is stifled by governmental regulation and oversight.

The purpose of this Act is to encourage owners of neighboring agricultural lands to enter into private agreements to reduce the shared costs of generating and transmitting electrical energy, cold water for refrigeration and cooling, and nonpotable water for irrigation.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER
PRIVATE AGRICULTURAL PARKS**

§ -1 **Private agricultural parks.** The owners of one or more contiguous parcels, including public lands, within the agricultural district may establish a private agricultural park. The owners shall register the private agricultural park agreement with the department of agriculture, on forms prescribed and prepared by the department, which shall include the following information for each private agricultural park:

- (1) The names and addresses of all the parties;
- (2) The tax map parcel numbers and number of acres in each parcel to be included in the private agricultural park;
- (3) The types of agricultural activities and products being produced or to be produced by each party, including non-agricultural by-

products that may include renewable sources of energy for the production of electrical energy or liquid fuel and cold water for cooling, processing, and air conditioning purposes; and

- (4) Other information that the department of agriculture determines may be of assistance in promoting the private agricultural park;

provided that, by subsequent filings, a private agricultural park may add or delete parties and parcels from its original filing.

§ -2 Activities permitted in a private agricultural park. Within a private agricultural park, pursuant to private agreements between any or all of the parties of the private agricultural park agreement, one or more of the parties may:

- (1) Engage in the generation of electrical energy from fossil fuel or renewable energy sources, including the use of falling water, biomass, wind, and solar energy. Any electrical energy generated within the boundaries of the private agricultural park, whether by a party or parties to the agreement or through an agreement between a party or parties and a nonparty independent energy producer, may be produced, sold, transmitted, and consumed by any other party of the private agricultural park agreement; provided that the electrical energy generated is used for agricultural purposes including but not limited to the pumping of agricultural water, cooling, air conditioning, or agricultural processing; provided further that the electrical energy generated is used within the established boundaries of the private agricultural park; and provided further that the transmission and distribution system is solely owned by a party of the private agricultural park agreement;
- (2) Collect, sell, and distribute cold water to any other party of the private agricultural park agreement to operate cooling and processing facilities for agricultural products or for air conditioning;
- (3) Collect, store, sell, and distribute nonpotable water for irrigation purposes to any other party of the private agricultural park agreement; and
- (4) Engage in any other lawful activity within the boundaries of the private agricultural park for the benefit of one or more of its parties.

§ -3 Annual report. (a) Every private agricultural park shall file with the chairperson of the board of agriculture an annual report as prescribed by the chairperson. A copy of the report shall be submitted to the parties of the private agricultural park agreement at an annual meeting or mailed to each party of the private agricultural park agreement.

(b) The annual report shall include an affidavit that electricity generated and distributed within the private agricultural park was used solely for agricultural purposes within the private agricultural park.”

SECTION 3. This Act shall take effect upon its approval.

(Approved June 15, 2009.)