A BILL FOR AN ACT

RELATING TO GEOTHERMAL RESOURCES.

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

1		PART I
2	SECT	ION 1. The purpose of this Act is to address
3	geotherma	l resources.
4	More	specifically:
5	(1)	Part II amends chapter 182, Hawaii Revised Statutes,
6		relating to mining leases, to define and differentiate
7		between geothermal resources exploration and
8		geothermal resources development;
9	(2)	Part III amends chapter 183C, Hawaii Revised Statutes,
10		relating to the conservation district, by designating
11		geothermal resources exploration and geothermal
12		resources development as permitted uses in all zones
13		of the conservation district;
14	(3)	Part IV amends chapter 205, Hawaii Revised Statutes,
15		relating to state land use districts, by repealing the
16		geothermal resource subzone provisions and designating
17		geothermal resources exploration and geothermal

1	resources development as permitted uses in all
2	districts; and
3	(4) Part V amends chapter 343, Hawaii Revised Statutes,
4	relating to the environmental review process, by
5	exempting "geothermal resources exploration" from the
6	need for an environmental assessment or environmental
7	impact statement.
8	PART II
9	SECTION 2. Chapter 182, Hawaii Revised Statutes, is
10	amended by adding a new section to be appropriately designated
11	and to read as follows:
12	"§182- No environmental assessment or environmental
14	
13	impact statement required for geothermal resources exploration
13	impact statement required for geothermal resources exploration
13 14	<pre>impact statement required for geothermal resources exploration lease or permit. The board shall not require any person</pre>
13 14 15	<pre>impact statement required for geothermal resources exploration lease or permit. The board shall not require any person applying for a lease or permit exclusively for geothermal</pre>
13 14 15 16	<pre>impact statement required for geothermal resources exploration lease or permit. The board shall not require any person applying for a lease or permit exclusively for geothermal resources exploration to prepare an environmental assessment or</pre>
13 14 15 16 17	impact statement required for geothermal resources exploration lease or permit. The board shall not require any person applying for a lease or permit exclusively for geothermal resources exploration to prepare an environmental assessment or environmental impact statement as a condition of accepting an
13 14 15 16 17	impact statement required for geothermal resources exploration lease or permit. The board shall not require any person applying for a lease or permit exclusively for geothermal resources exploration to prepare an environmental assessment or environmental impact statement as a condition of accepting an application for or issuing the lease or permit."
13 14 15 16 17 18 19	impact statement required for geothermal resources exploration lease or permit. The board shall not require any person applying for a lease or permit exclusively for geothermal resources exploration to prepare an environmental assessment or environmental impact statement as a condition of accepting an application for or issuing the lease or permit." SECTION 3. Section 182-1, Hawaii Revised Statutes, is

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""Geothermal resources development" means the development 1 2 or production of electrical energy from geothermal resources and 3 direct use application of geothermal resources. The term does 4 not include geothermal resources exploration. 5 "Geothermal resources exploration" means: 6 (1) Conducting non-invasive geophysical operations; or 7 (2) Drilling exploration wells for the extraction and 8 removal of minerals of types and quantities, 9 that are reasonably required for testing and analysis to provide 10 ground truth or determine the economic viability of geothermal 11 resources. The term does not include geothermal resources 12 development." 13 2. By amending the definitions of "mining lease" and 14 "mining operations" to read: 15 ""Mining lease" means a lease of the right to conduct 16 mining operations, including geothermal resource exploration or development, on state lands and on lands sold or leased by the 17 18 State or its predecessors in interest with a reservation of 19 mineral rights to the State. 20 "Mining operations" means the process of excavation, 21 extraction, and removal of minerals, and the exploration or 22 development of any and all geothermal resources, from the

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- 1 ground, design engineering, other engineering, erection of
- 2 transportation facilities and port facilities, erection of
- 3 necessary plants, other necessary operations or development
- 4 approved by the board preceding or connected with the actual
- 5 extraction of minerals and the exploration or development of
- 6 geothermal resources."
- 7 SECTION 4. Section 182-5, Hawaii Revised Statutes, is
- 8 amended to read as follows:
- 9 "§182-5 Mining leases on reserved lands. If any mineral
- 10 is discovered or known to exist on reserved lands, any
- 11 interested person may notify the board of land and natural
- 12 resources of the person's desire to apply for a mining lease.
- 13 The notice shall be accompanied by a fee of \$100 together with a
- 14 description of the land desired to be leased and the minerals
- 15 involved and such information and maps as the board may by
- 16 regulation prescribe. The board may grant a mining lease on
- 17 reserved lands in accordance with section 182-4, or the board
- 18 may, by the vote of two-thirds of its members to which the board
- 19 is entitled, without public auction, grant a mining lease on
- 20 reserved lands to the occupier thereof. Such a mining lease may
- 21 be granted to a person other than the occupier if the occupier
- 22 has assigned the occupier's rights to apply for a mining lease

- 1 to another person, in which case only such an assignee may be
- 2 granted a mining lease. Any provisions to the contrary
- 3 notwithstanding, if the board decides that it is appropriate to
- 4 grant a geothermal mining lease on the reserved lands, the
- 5 surface owner or the owner's assignee shall have the first right
- 6 of refusal for a mining lease[; however, the granting of a
- 7 geothermal mining lease does not create the presumption that a
- 8 geothermal resource subzone will be designated, nor shall
- 9 geothermal development activities occur on land within the
- 10 geothermal mining lease until the area is designated a
- 11 geothermal resource subzone]. If the occupier or the occupier's
- 12 assignee of the right to obtain a mining lease should fail to
- 13 apply for a mining lease within six months from the date of
- 14 notice from the board of a finding by the board that it is in
- 15 the public interest that the minerals on the reserved lands be
- 16 mined, a mining lease shall be granted under section 182-4;
- 17 provided that bidders at the public auction shall bid on an
- 18 amount to be paid to the State for a mining lease granting to
- 19 the lessee the right to exploit minerals reserved to the State."
- 20 SECTION 5. Section 182-6, Hawaii Revised Statutes, is
- 21 amended to read as follows:

1 "\$182-6 Exploration. Any person wishing to conduct 2 exploration on such state lands shall apply to the board of land and natural resources who shall issue exploration permits upon 3 4 such terms and conditions as it shall by regulation prescribe. During and as a result of the exploration, no minerals of such 5 6 types and quantity beyond that reasonably required for testing 7 and analysis shall be extracted and removed from such state 8 lands. Upon termination of the exploration permit, the drill 9 logs and the results of the assays resulting from the 10 exploration shall be turned over to the board and kept 11 confidential by the board. If the person shall not make application for a mining lease of the lands within a period of 12 13 six months from the date the information is turned over to the 14 board, the board in its discretion need not keep the information 15 confidential. 16 This section shall be construed as authorizing the board to **17** issue an exploration permit for geothermal resources as well as 18 minerals." 19 PART III

SECTION 6. Section 183C-4, Hawaii Revised Statutes, is

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amended to read as follows:

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- 1 "S183C-4 Zoning; amendments. (a) The department, after
- 2 notice and hearing as provided in this section, shall review and
- 3 redefine the boundaries of the zones within the conservation
- 4 district.
- 5 (b) The department shall adopt rules governing the use of
- 6 land within the boundaries of the conservation district that are
- 7 consistent with the conservation of necessary forest growth, the
- 8 conservation and development of land and natural resources
- 9 adequate for present and future needs, and the conservation and
- 10 preservation of open space areas for public use and enjoyment.
- 11 No use except a nonconforming use as defined in section 183C-5.
- 12 shall be made within the conservation district unless the use is
- in accordance with a zoning rule.
- 14 (c) The department may allow a temporary variance from
- 15 zoned use where good cause is shown and where the proposed
- 16 temporary variance is for a use determined by the department to
- 17 be in accordance with good conservation practices.
- 18 (d) The department shall establish zones within the
- 19 conservation district, which shall be restricted to certain
- 20 uses. The department, by rules, may specify the land uses
- 21 permitted therein which may include, but are not limited to,
- 22 farming, flower gardening, operation of nurseries or orchards,

- 1 growth of commercial timber, grazing, recreational or hunting
- 2 pursuits, or residential use. The rules may control the extent,
- 3 manner, and times of the uses, and may specifically prohibit
- 4 unlimited cutting of forest growth, soil mining, or other
- 5 activities detrimental to good conservation practices.
- 6 (e) Notwithstanding this section or any other law to the
- 7 contrary, geothermal resources exploration and geothermal
- 8 resources development, as defined under section 182-1, shall be
- 9 permitted uses in all zones of the conservation district. The
- 10 rules required under subsection (b) governing the use of land
- 11 within the boundaries of the conservation district shall be
- 12 deemed to include the application of this subsection without
- 13 necessity of formal adoption by the department.
- 14 [(e)] (f) Whenever any landowner or government agency whose
- 15 property will be directly affected makes an application to
- 16 change the boundaries or land uses of any zone, or to establish
- 17 a zone with certain land uses, or where the department proposes
- 18 to make the change or changes itself, the change or changes
- 19 shall be put in the form of a proposed rule by the applicant and
- 20 the department shall then give public notice thereof during
- 21 three successive weeks statewide and in the county in which the
- 22 property is located. The notice shall be given not less than



- 1 thirty days prior to the date set for the hearing, and shall
- 2 state the time and place of the hearing and the changes
- 3 proposed. Any proposed rules and the necessary maps shall be
- 4 made available for inspection by interested members of the
- 5 public. The hearing shall be held in the county in which the
- 6 land is located and may be delegated to an agent or
- 7 representative of the board as may otherwise be provided by law
- 8 and in accordance with rules adopted by the board. For the
- 9 purpose of its public hearing or hearings, the board may summon
- 10 witnesses, administer oaths, and require the giving of
- 11 testimony."
- 12 SECTION 7. Section 183C-6, Hawaii Revised Statutes, is
- 13 amended to read as follows:
- 14 "§183C-6 Permits and site plan approvals. (a) The
- 15 department shall regulate land use in the conservation district
- 16 by the issuance of permits.
- 17 (b) The department shall render a decision on a completed
- 18 application for a permit within one-hundred-eighty days of its
- 19 acceptance by the department. If within one-hundred-eighty days
- 20 after acceptance of a completed application for a permit, the
- 21 department shall fail to give notice, hold a hearing, and render
- 22 a decision, the owner may automatically put the owner's land to

- 1 the use or uses requested in the owner's application. When an
- 2 environmental impact statement is required pursuant to chapter
- 3 343, or when a contested case hearing is requested pursuant to
- 4 chapter 91, the one-hundred-eighty days may be extended an
- 5 additional ninety days at the request of the applicant. Any
- 6 request for additional extensions shall be subject to the
- 7 approval of the board.
- 8 (c) The department shall hold a public hearing in every
- 9 case involving the proposed use of land for commercial purposes,
- 10 at which hearing interested persons shall be afforded a
- 11 reasonable opportunity to be heard. Public notice of the time
- 12 and place of the hearing shall be given at least once statewide
- 13 and in the county in which the property is located. The notice
- 14 shall be given not less than twenty days prior to the date set
- 15 for the hearing. The hearing shall be held in the county in
- 16 which the land is located and may be delegated to an agent or
- 17 representative of the board as may otherwise be provided by law
- 18 and in accordance with rules adopted by the board. For the
- 19 purposes of its public hearing or hearings, the department shall
- 20 have the power to summon witnesses, administer oaths, and
- 21 require the giving of testimony. As used in this subsection,

- 1 the term "commercial purposes" shall not include the use of land
- 2 for utility purposes.
- 3 (d) The department shall regulate the construction,
- 4 reconstruction, demolition, or alteration of any structure,
- 5 building, or facility by the issuance of site plan approvals.
- 6 (e) Any permit for the reconstruction, restoration,
- 7 repair, or use of any Hawaiian fishpond exempted from the
- 8 requirements of chapter 343 under section 183B-2 shall provide
- 9 for compliance with the conditions of section 183B-2.
- 10 (f) The department shall not require an applicant for a
- 11 permit exclusively for geothermal resources exploration to
- 12 prepare an environmental assessment or environmental impact
- 13 statement pursuant to chapter 343 as a condition of accepting
- 14 the application for or issuing the permit."
- 15 PART IV
- 16 SECTION 8. Section 205-2, Hawaii Revised Statutes, is
- 17 amended by amending subsections (b), (c), (d), and (e) to read
- 18 as follows:
- 19 "(b) Urban districts shall include activities or uses as
- 20 provided by ordinances or regulations of the county within which
- 21 the urban district is situated[-] and geothermal resources

- 1 exploration and geothermal resources development, as defined
- 2 under section 182-1, as permitted uses.
- 3 (c) Rural districts shall include activities or uses as
- 4 characterized by low density residential lots of not more than
- 5 one dwelling house per one-half acre, except as provided by
- 6 county ordinance pursuant to section 46-4(c), in areas where
- 7 "city-like" concentration of people, structures, streets, and
- 8 urban level of services are absent, and where small farms are
- 9 intermixed with low density residential lots except that within
- 10 a subdivision, as defined in section 484-1, the commission for
- 11 good cause may allow one lot of less than one-half acre, but not
- 12 less than [18,500] eighteen thousand five hundred square feet,
- 13 or an equivalent residential density, within a rural subdivision
- 14 and permit the construction of one dwelling on such lot,
- 15 provided that all other dwellings in the subdivision shall have
- 16 a minimum lot size of one-half acre or 21,780 square feet. Such
- 17 petition for variance may be processed under the special permit
- 18 procedure. These districts may include contiguous areas which
- 19 are not suited to low density residential lots or small farms by
- 20 reason of topography, soils, and other related characteristics.
- 21 Rural districts shall also include golf courses, golf driving
- 22 ranges, and golf-related facilities.

1	Rura	l districts shall include geothermal resources
2	explorati	on and geothermal resources development, as defined
3	under sec	tion 182-1, as permitted uses.
4	(d)	Agricultural districts shall include:
5	(1)	Activities or uses as characterized by the cultivation
6		of crops, crops for bioenergy, orchards, forage, and
7		forestry;
8	(2)	Farming activities or uses related to animal husbandry
9		and game and fish propagation;
10	(3)	Aquaculture, which means the production of aquatic
11		plant and animal life within ponds and other bodies of
12		water;
13	(4)	Wind generated energy production for public, private,
14		and commercial use;
15	(5)	Biofuel production, as described in section
16		205-4.5(a)(15), for public, private, and commercial
17		use;
18	(6)	Solar energy facilities; provided that:
19		(A) This paragraph shall apply only to land with soil
20	·	classified by the land study bureau's detailed
21		land classification as overall (master)
22		productivity rating class B, C, D or E; and

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1		(B) Solar energy facilities placed within land with
2		soil classified as overall productivity rating
3		class B or C shall not occupy more than ten per
4		cent of the acreage of the parcel, or twenty
5		acres of land, whichever is lesser;
6	(7)	Bona fide agricultural services and uses that support
7		the agricultural activities of the fee or leasehold
8		owner of the property and accessory to any of the
9		above activities, regardless of whether conducted on
10		the same premises as the agricultural activities to
11		which they are accessory, including farm dwellings as
12		defined in section 205-4.5(a)(4), employee housing,
13		farm buildings, mills, storage facilities, processing
14		facilities, agricultural-energy facilities as defined
15		in section 205-4.5(a)(16), vehicle and equipment
16		storage areas, roadside stands for the sale of
17		products grown on the premises, and plantation
18		community subdivisions as defined in section
19		205-4.5(a)(12);
20	(8)	Wind machines and wind farms;
21	(9)	Small-scale meteorological, air quality, noise, and
22		other scientific and environmental data collection and

1		monitoring facilities occupying less than one-half
2		acre of land; provided that these facilities shall not
3		be used as or equipped for use as living quarters or
4		dwellings;
5	(10)	Agricultural parks;
6	(11)	Agricultural tourism conducted on a working farm, or a
7		farming operation as defined in section 165-2, for the
8		enjoyment, education, or involvement of visitors;
9		provided that the agricultural tourism activity is
10		accessory and secondary to the principal agricultural
11		use and does not interfere with surrounding farm
12		operations; and provided further that this paragraph
13		shall apply only to a county that has adopted
14		ordinances regulating agricultural tourism under
15		section 205-5; [and]
16	(12)	Open area recreational facilities[-]; and
17	(13)	Geothermal resources exploration and geothermal
18		resources development, as defined under section 182-1.
19	Agricultu	ral districts shall not include golf courses and golf
20	driving ra	anges, except as provided in section 205-4.5(d).
21	Agricultu	ral districts include areas that are not used for, or

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that are not suited to, agricultural and ancillary activities by
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    reason of topography, soils, and other related characteristics.
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              Conservation districts shall include areas necessary
    for protecting watersheds and water sources; preserving scenic
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    and historic areas; providing park lands, wilderness, and beach
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    reserves; conserving indigenous or endemic plants, fish, and
    wildlife, including those which are threatened or endangered;
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    preventing floods and soil erosion; forestry; open space areas
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    whose existing openness, natural condition, or present state of
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    use, if retained, would enhance the present or potential value
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    of abutting or surrounding communities, or would maintain or
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    enhance the conservation of natural or scenic resources; areas
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    of value for recreational purposes; other related activities;
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    and other permitted uses not detrimental to a multiple use
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    conservation concept. Conservation districts shall also include
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    areas for geothermal resources exploration and geothermal
    resources development, as defined under section 182-1."
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         SECTION 9. Section 205-4.5, Hawaii Revised Statutes, is
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    amended by amending subsection (a) to read as follows:
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               Within the agricultural district, all lands with soil
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classified by the land study bureau's detailed land

- 1 classification as overall (master) productivity rating class A
 2 or B shall be restricted to the following permitted uses:
- 3 (1) Cultivation of crops, including crops for bioenergy,
 4 flowers, vegetables, foliage, fruits, forage, and
 5 timber;
- 6 (2) Game and fish propagation;
- 7 (3) Raising of livestock, including poultry, bees, fish,
 8 or other animal or aquatic life that are propagated
 9 for economic or personal use;
- 10 (4)Farm dwellings, employee housing, farm buildings, or 11 activities or uses related to farming and animal 12 husbandry. "Farm dwelling", as used in this 13 paragraph, means a single-family dwelling located on 14 and used in connection with a farm, including clusters 15 of single-family farm dwellings permitted within 16 agricultural parks developed by the State, or where 17 agricultural activity provides income to the family 18 occupying the dwelling;
- (5) Public institutions and buildings that are necessaryfor agricultural practices;
- (6) Public and private open area types of recreational
 uses, including day camps, picnic grounds, parks, and

1		riding stables, but not including dragstrips,
2		airports, drive-in theaters, golf courses, golf
3		driving ranges, country clubs, and overnight camps;
4	(7)	Public, private, and quasi-public utility lines and
5		roadways, transformer stations, communications
6		equipment buildings, solid waste transfer stations,
7		major water storage tanks, and appurtenant small
8		buildings such as booster pumping stations, but not
9		including offices or yards for equipment, material,
10		vehicle storage, repair or maintenance, treatment
11		plants, corporation yards, or other similar
12		structures;
13	(8)	Retention, restoration, rehabilitation, or improvement
14		of buildings or sites of historic or scenic interest;
15	(9)	Roadside stands for the sale of agricultural products
16		grown on the premises;
17	(10)	Buildings and uses, including mills, storage, and
18		processing facilities, maintenance facilities, and
19		vehicle and equipment storage areas that are normally
20		considered directly accessory to the above-mentioned
21		uses and are permitted under section 205-2(d);
22	(11)	Agricultural parks;

*	(12)	riancación communicy subdivisions, which as used in
2		this chapter means an established subdivision or
3		cluster of employee housing, community buildings, and
4		agricultural support buildings on land currently or
5		formerly owned, leased, or operated by a sugar or
6		pineapple plantation; provided that the existing
7		structures may be used or rehabilitated for use, and
8		new employee housing and agricultural support
9		buildings may be allowed on land within the
10		subdivision as follows:
11		(A) The employee housing is occupied by employees or
12		former employees of the plantation who have a
13		property interest in the land;
14		(B) The employee housing units not owned by their
15		occupants shall be rented or leased at affordable
16		rates for agricultural workers; or
17		(C) The agricultural support buildings shall be
18		rented or leased to agricultural business
19		operators or agricultural support services;

(13) Agricultural tourism conducted on a working farm, or a

enjoyment, education, or involvement of visitors;

farming operation as defined in section 165-2, for the

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1		provided that the agricultural tourism activity is
2		accessory and secondary to the principal agricultural
3		use and does not interfere with surrounding farm
4		operations; and provided further that this paragraph
5		shall apply only to a county that has adopted
6		ordinances regulating agricultural tourism under
7		section 205-5;
8	(14)	Wind energy facilities, including the appurtenances
9		associated with the production and transmission of
10		wind generated energy; provided that the wind energy
11		facilities and appurtenances are compatible with
12		agriculture uses and cause minimal adverse impact on
13		agricultural land;
14	(15)	Biofuel processing facilities, including the
15		appurtenances associated with the production and
16		refining of biofuels that is normally considered
17		directly accessory and secondary to the growing of the
18		energy feedstock; provided that biofuels processing
19		facilities and appurtenances do not adversely impact
20		agricultural land and other agricultural uses in the
21		vicinity.

For the purposes of this paragraph:

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"Appurtenances" means operational infrastructure
of the appropriate type and scale for economic
commercial storage and distribution, and other similar
handling of feedstock, fuels, and other products of
biofuels processing facilities.

"Biofuel processing facility" means a facility
that produces liquid or gaseous fuels from organic
sources such as biomass crops, agricultural residues,
and oil crops, including palm, canola, soybean, and
waste cooking oils; grease; food wastes; and animal
residues and wastes that can be used to generate
energy;

13 (16)Agricultural-energy facilities, including 14 appurtenances necessary for an agricultural-energy 15 enterprise; provided that the primary activity of the 16 agricultural-energy enterprise is agricultural **17** activity. To be considered the primary activity of an 18 agricultural-energy enterprise, the total acreage 19 devoted to agricultural activity shall be not less 20 than ninety per cent of the total acreage of the 21 agricultural-energy enterprise. The agricultural-22 energy facility shall be limited to lands owned,

1	leased, licensed, or operated by the entity conducting
2	the agricultural activity.
3	As used in this paragraph:
4	"Agricultural activity" means any activity
5	described in paragraphs (1) to (3) of this subsection.
6	"Agricultural-energy enterprise" means an
7	enterprise that integrally incorporates an
8	agricultural activity with an agricultural-energy
9	facility.
10	"Agricultural-energy facility" means a facility
11	that generates, stores, or distributes renewable
12	energy as defined in section 269-91 or renewable fuel
13	including electrical or thermal energy or liquid or
14	gaseous fuels from products of agricultural activities
15	from agricultural lands located in the State.
16	"Appurtenances" means operational infrastructure
17	of the appropriate type and scale for the economic
18	commercial generation, storage, distribution, and
19	other similar handling of energy, including equipment,
20	feedstock, fuels, and other products of agricultural-
21	energy facilities;

1	(17)	Construction and operation of wireless communication
2		antennas; provided that, for the purposes of this
3		paragraph, "wireless communication antenna" means
4		communications equipment that is either freestanding
5		or placed upon or attached to an already existing
6		structure and that transmits and receives
7		electromagnetic radio signals used in the provision of
8		all types of wireless communications services;
9		provided further that nothing in this paragraph shall
10		be construed to permit the construction of any new
11		structure that is not deemed a permitted use under
12		this subsection;
13	(18)	Agricultural education programs conducted on a farming
14		operation as defined in section 165-2, for the
15		education and participation of the general public;
16		provided that the agricultural education programs are
17		accessory and secondary to the principal agricultural
18		use of the parcels or lots on which the agricultural
19		education programs are to occur and do not interfere
20		with surrounding farm operations. For the purposes of
21		this section, "agricultural education programs" means

activities or events designed to promote knowledge and

1		understanding of agricultural activities and practices
2		conducted on a farming operation as defined in section
3		165-2; [or]
4	(19)	Solar energy facilities that do not occupy more than
5		ten per cent of the acreage of the parcel, or twenty
6		acres of land, whichever is lesser; provided that this
7		use shall not be permitted on lands with soil
8		classified by the land study bureau's detailed land
9		classification as overall (master) productivity rating
10		class A[-]; or
11	(20)	Geothermal resources exploration and geothermal
12		resources development, as defined under section 182-
13		<u>1.</u> "
14	SECT	ION 10. Section 205-5, Hawaii Revised Statutes, is
15	amended b	y amending subsection (c) to read as follows:
16	"(C)	Unless authorized by special permit issued pursuant
17	to this c	hapter, only the following uses shall be permitted
18	within ru	ral districts:
19	(1)	Low density residential uses;
20	(2)	Agricultural uses;
21	(3)	Golf courses, golf driving ranges, and golf-related
22		facilities; [and]

1	(4) Public, quasi-public, and public utility	
2	facilities[+]; and	
3	(5) Geothermal resources exploration and geothermal	
4	resources development, as defined under section 182-1.	
5	In addition, the minimum lot size for any low density	
6	residential use shall be one-half acre and there shall be but	
7	one dwelling house per one-half acre, except as provided for in	
8	section 205-2."	
9	SECTION 11. Section 205-5.1, Hawaii Revised Statutes, is	
10	repealed.	
11	["\$205-5.1 Geothermal resource subzones. (a) Geothermal	
12	resource subzones may be designated within the urban, rural,	
13	agricultural, and conservation land use districts established	
14	under section 205-2. Only those areas designated as geothermal	
15	resource subzones may be utilized for geothermal development	
16	activities in addition to those uses permitted in each land use	
17	district under this chapter. Geothermal development activities	
18	may be permitted within urban, rural, agricultural, and	
19	conservation land-use districts in accordance with this chapter.	
20	"Geothermal development activities" means the exploration,	
21	development, or production of electrical energy from geothermal	
22	resources and direct use applications of geothermal resources;	

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    provided that within the urban, rural, and agricultural land use
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    districts, direct use applications of geothermal resources are
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    permitted both within and outside of areas designated as
 4
    geothermal resource subzones pursuant to section 205 5.2 if such
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    direct use applications are in conformance with all other
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    applicable state and county land use regulations and are in
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    conformance with this chapter.
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         (b) The board of land and natural resources shall have the
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    responsibility for designating areas as geothermal resource
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    subzones as provided under section 205 5.2; except that the
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    total area within an agricultural district which is the subject
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    of a geothermal mining lease approved by the board of land and
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    natural resources, any part or all of which area is the subject
14
    of a special use permit issued by the county for geothermal
15
    development activities, on or before May 25, 1984, is designated
16
    as a geothermal resource subzone for the duration of the lease.
17
    The designation of geothermal resource subzones shall be
18
    governed exclusively by this section and section 205 5.2, except
19
    as provided therein. The board shall adopt, amend, or repeal
20
    rules related to its authority to designate and regulate the use
21
    of geothermal resource subzones in the manner provided under
22
    chapter 91.
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1 The authority of the board to designate geothermal resource subzones shall be an exception to those provisions of this 2 chapter and of section 46 4 authorizing the land use commission 3 4 and the counties to establish and modify land use districts and 5 to regulate uses therein. The provisions of this section shall 6 not abrogate nor supersede the provisions of chapters 182, 183, 7 and 183C. 8 (c) The use of an area for geothermal development 9 activities within a geothermal resource subzone shall be 10 governed by the board within the conservation district and, 11 except as herein provided, by state and county statutes, 12 ordinances, and rules not inconsistent herewith within agricultural, rural, and urban districts, except that no land 13 14 use commission approval or special use permit procedures under 15 section 205 6 shall be required for the use of such subzones. In the absence of provisions in the county general plan and 16 17 zoning ordinances specifically relating to the use and location 18 of geothermal development activities in an agricultural, rural, 19 or urban district, the appropriate county authority may issue a 20 geothermal resource permit to allow geothermal development 21 activities. "Appropriate county authority" means the county 22 planning commission unless some other agency or body is

1 designated by ordinance of the county council. Such uses as are permitted by county general plan and zoning ordinances, by the 2 3 appropriate county-authority, shall be deemed to be reasonable 4 and to promote the effectiveness and objectives of this chapter. 5 Chapters 177, 178, 182, 183, 183C, 205A, 226, 342, and 343 shall 6 apply as appropriate. If provisions in the county general plan 7 and zoning ordinances specifically relate to the use and 8 location of geothermal development activities in an 9 agricultural, rural, or urban district, the provisions shall 10 require the appropriate county authority to conduct a public 11 hearing on any application for a geothermal resource permit to 12 determine whether the use is in conformity with the criteria specified in subsection (c) for granting geothermal resource **13** permits; provided that within the urban, rural, and agricultural 14 15 land use districts, direct use applications of geothermal 16 resources are permitted without any application for a geothermal **17** resource permit both within and outside of areas designated as 18 geothermal resource subzones pursuant to section 205 5.2 if such 19 direct use applications are in conformance with all other 20 applicable state and county land use regulations and are in 21 conformance with this chapter.

1	(d) If geothermal development activities are proposed
2	within a conservation district, with an application with all
3	required data, the board of land and natural resources shall
4	conduct a public hearing and, upon appropriate request for
5	mediation from any party who submitted comment at the public
6	hearing, the board shall appoint a mediator within five days.
7	The board shall require the parties to participate in mediation
8	The mediator shall not be a member of the board or its staff.
9	The mediation period shall not extend beyond thirty days after
10	the date mediation started, except by order of the board.
11	Mediation shall be confined to the issues raised at the public
12	hearing by the party requesting mediation. The mediator will
13	submit a written recommendation to the board, based upon any
14	mediation agreement reached between the parties for
15	consideration by the board in its final decision. If there is
16	no mediation agreement, the board may have a second public
17	hearing to receive additional comment related to the mediation
18	issues. Within ten days after the second public hearing, the
19	board may receive additional written comment on the issues
20	raised at the second public hearing from any party.
21	The board shall consider the comments raised at the second
22	hearing before rendering its final decision. The board shall

1	then dete	rmine whether, pursuant to board rules, a conservation
2	district	use permit shall be granted to authorize the geothermal
3	developme	nt activities described in the application. The board
4	shall-gr a	nt a conservation district use permit if it finds that
5	the appli	cant has demonstrated that:
6	(1)	The desired uses would not have unreasonable adverse
7		health, environmental, or socio economic effects on
8		residents or surrounding property; and
9	(2)	The desired uses would not unreasonably burden public
10		agencies to provide roads and streets, sewers, water,
11		drainage, and police and fire protection; or
12	(3)	There are reasonable measures available to mitigate
13		the unreasonable adverse effects or burdens referred
14		to above.
15	A d e	cision shall be made by the board within six months of
16	the date	a complete application was filed; provided that the
17	time limi	t may be extended by agreement between the applicant
18	and the b	oard.
19	(e)	If geothermal development activities are proposed
20	within ag	ricultural, rural, or urban districts and such proposed
21	activitie	s are not permitted uses pursuant to county general
22	plan and	zoning ordinances, then after receipt of a properly
		2 HMS 2012-2485

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1
    filed and completed application, including all required
 2
    supporting data, the appropriate county authority shall conduct
    a public hearing. Upon appropriate request for mediation from
 3
 4
    any party who submitted comment at the public hearing, the
 5
    county authority shall appoint a mediator within five days. The
 6
    county authority shall require the parties to participate in
 7
    mediation. The mediator shall not be an employee of any county
 8
    agency or its staff. The mediation period shall not extend
9
    beyond thirty days after mediation started, except by order of
10
    the county authority. Mediation shall be confined to the issues
11
    raised at the public hearing by the party requesting mediation.
12
    The mediator will submit a written recommendation to the county
13
    authority, based upon any mediation agreement reached between
14
    the parties for consideration by the county authority in its
15
    final decision. If there is no mediation agreement, the county
16
    authority may have a second public hearing to receive additional
17
    comment related to the mediation issues. Within ten days after
18
    the second public hearing, the county authority may receive
19
    additional written comment on the issues raised at the second
20
    public hearing from any party.
21
         The county authority shall consider the comments raised at
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the second hearing before rendering its final decision. The

1	county au	thority shall then determine whether a geothermal
2	resource	permit shall be granted to authorize the geothermal
3	developme	nt activities described in the application. The
4	a ppropria	te county authority shall grant a geothermal resource
5	permit if	it finds that applicant has demonstrated that:
6	(1)	The desired uses would not have unreasonable adverse
7		health, environmental, or socio economic effects on
8		residents or surrounding property;
9	, (2)	The desired uses would not unreasonably burden public
10		agencies to provide roads and streets, sewers, water,
11		drainage, school improvements, and police and fire
12		protection; and
13	(3)	That there are reasonable measures available to
14		mitigate the unreasonable adverse effects or burdens
15		referred to above.
16	Unle	ss there is a mutual agreement to extend, a decision
17	shall be	made on the application by the appropriate county
18	authority	within six months of the date a complete application
19	was filed	; provided that the time limit may be extended by
20	agreement	between the applicant and the appropriate county
21	authority	.

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1
         (f) Requests for mediation shall be received by the board
 2
    or county authority within five days after the close of the
 3
    initial public hearing. Within five days thereafter, the board
 4
    or county authority shall appoint a mediator. Any person
 5
    submitting an appropriate request for mediation shall be
 6
    notified by the board or county authority of the date, time, and
 7
    place of the mediation conference by depositing such notice in
 8
    the mail to the return address stated on the request for
9
    mediation. The notice shall be mailed no later than ten days
10
    before the start of the mediation conference. The conference
11
    shall be held on the island where the public hearing is held.
12
         (g) Any decision made by an appropriate county authority
13
    or the board pursuant to a public hearing or hearings under this
14
    section may be appealed directly on the record to the
15
    intermediate appellate court for final decision and shall not be
16
    subject to a contested case hearing. Sections 91-14(b) and (g)
17
    shall govern the appeal, notwithstanding the lack of a contested
18
    case hearing on the matter. The appropriate county authority or
19
    the board shall provide a court reporter to produce a transcript
20
    of the proceedings at all public hearings under this section for
21
    purposes of an appeal.
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1	(h)	-For the purposes of an appeal from a decision from a
2	public h e	aring, the record shall include:
3	(1)	The application for the permit and all accompanying
4		supporting documents, including but not limited to:
5		reports, studies, affidavits, statements, and
6		exhibits.
7	(2)	Staff-recommendations submitted to the members of the
8		agency in consideration of the application.
9	(3)	Oral and written public testimony received at the
10		public hearings.
11	(4)	Written transcripts of the proceedings at the public
12		hearings.
13	(5)	The written recommendation received by the agency from
14		the mediator with any mediation agreement.
15	(6)	A statement of relevant matters noticed by the agency
16		members at the public hearings.
17	(7)	The written decision of the agency issued in
18		connection with the application and public hearings.
19	(8)	Other documents required by the board or county
20		authority."]
21	SECT	ION 12. Section 205-5.2, Hawaii Revised Statutes, is
22	repealed.	

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1	[" \$205-5.2 Designation of areas as geothermal resource
2	subzones. (a) Beginning in 1983, the board of land and natural
3	resources shall conduct a county by county assessment of areas
4	with geothermal potential for the purpose of designating
5	geothermal resource subzones. This assessment shall be revised
6	or updated at the discretion of the board, but at least once
7	each five years beginning in 1988. Any property owner or person
8	with an interest in real property wishing to have an area
9	designated as a geothermal resource subzone may submit a
10	petition for a geothermal resource subzone designation in the
11	form and manner established by rules and regulations adopted by
12	the board. An environmental impact statement as defined under
13	chapter 343 shall not be required for the assessment of areas
14	under this section.
15	(b) The board's assessment of each potential geothermal
16	resource subzone area shall examine factors to include, but not
17	be limited to:
18	(1) The area's potential for the production of geothermal
19	energy;
20	(2) The prospects for the utilization of geothermal energy
21	in the area;

1	(3)	The geologic hazards that potential geothermal
2		projects would encounter;
3	(4)	Social and environmental impacts;
4	(5)	The compatibility of geothermal development and
5		potential related industries with present uses of
6		surrounding land and those uses permitted under the
7		general plan or land use policies of the county in
8		which the area is located;
9	(6)	The potential economic benefits to be derived from
10		geothermal development and potential related
11		industries; and
12	(7)	The compatibility of geothermal development and
13		potential related industries with the uses permitted
14		under chapter 183C and section 205-2, where the area
15		falls within a conservation district.
16	In-a	ddition, the board shall consider, if applicable,
17	objective	s, policies, and guidelines set forth in part I of
18	chapter 2	05A, and chapter 226.
19	(c)	Methods for assessing the factors in subsection (b)
20	shall be	left to the discretion of the board and may be based on
21	currently	available public information.

	(a, index and heart has completed a country by country
ŧ	assessment of all areas with geothermal potential or after any
4	subsequent update or review, the board shall compare all areas
4	showing geothermal potential within each county, and shall
Ĩ	propose areas for potential designation as geothermal resource
£	subzones based upon a preliminary finding that the areas are
4	those sites which best demonstrate an acceptable balance between
4	the factors set forth in subsection (b). Once a proposal is
f	made, the board shall conduct public hearings pursuant to this
£	subsection, notwithstanding any contrary provision related to
Ī	public hearing procedures. Contested case procedures are not
ť	applicable to these hearings.
	(1) Hearings shall be held at locations which are in close
	proximity to those areas proposed for designation. A
	public notice of hearing, including a description of
	the proposed areas, an invitation for public comment,
	and a statement of the date, time, and place where
	persons may be heard shall be given and mailed no less
	than twenty days before the hearing. The notice shall
	be given on three separate days statewide and in the
	county in which the hearing is to be held. Copies of
	the notice shall be mailed to the department of

1		business, economic development, and tourism, to the
2		planning commission and planning department of the
3		county in which the proposed areas are located, and to
4		all owners of record of real estate within, and within
5		one thousand feet of, the area being proposed for
6		designation as a geothermal resource subzone. The
7		notification shall be mailed to the owners and
8		addresses as shown on the current real property tax
9		rolls at the county real property tax office. Upon
10		that action, the requirement for notification of
11		owners of land is completed. For the purposes of this
12		subsection, notice to one co owner shall be sufficient
13		notice to all co owners;
14	(2)	The hearing shall be held before the board, and the
15		authority to conduct hearings shall not be delegated
16		to any agent or representative of the board. All
17		persons and agencies shall be afforded the opportunity
18		to submit data, views, and arguments either orally or
19		in writing. The department of business, economic
20		development, and tourism and the county planning
21		department shall be permitted to appear at every

1		hearing and make recommendations concerning each
2		proposal by the board; and
3	(3)	At the close of the hearing, the board may designate
4		areas as geothermal resource subzones or announce the
5		date on which it will render its decision. The board
6		may designate areas as geothermal resource subzones
7		only upon finding that the areas are those sites which
8		best-demonstrate an acceptable balance between the
9		factors set forth in subsection (b). Upon request,
10		the board shall issue a concise statement of its
11		findings and the principal reasons for its decision to
12		designate a particular area.
13	(e)	-The designation of any geothermal resource subzone may
14	be withdr	awn by the board of land and natural resources after
15	proceeding	gs conducted pursuant to chapter 91. The board shall
16	withdraw .	a designation only upon finding by a preponderance of
17	the evide	nce that the area is no longer suited for designation;
18	provided	that the designation shall not be withdrawn for areas
19	in which	active-exploration,-development, production or
20	distribut	ion of electrical energy from geothermal sources or
21	direct us	e applications of geothermal resources are taking
22	place.	

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1
         (f) This Act shall not apply to any active exploration,
    development or production of electrical energy from geothermal
 2
 3
    sources or direct use applications of geothermal resources
 4
    taking place on June 14, 1983, provided that any expansion of
 5
    such activities shall be carried out in compliance with its
 6
    provisions."]
 7
         SECTION 13. Section 205-5.3, Hawaii Revised Statutes, is
 8
    repealed.
 9
         ["{$205-5.3} Exploratory wells. Notwithstanding section
10
    205 5.1(a), (d), and (e), or any other provision of law, any
11
    exploratory well drilled for scientific purposes or to determine
12
    the economic viability of a geothermal resource, may be
13
    permitted outside of a designated geothermal resource subzone,
14
    regardless of land use classification, provided that the
15
    activity is limited to exploration only. All applicable state
    and county permits shall be required to drill such exploratory
16
17
    wells which shall not be exempt from the requirements of the
18
    environmental-impact-statement-law, chapter 343."]
19
                                  PART V
20
         SECTION 14. Chapter 343, Hawaii Revised Statutes, is
21
    amended by adding a new section to be appropriately designated
22
    and to read as follows:
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- 1 "§343- Geothermal resources exploration; exemption.
- 2 (a) Geothermal resources exploration shall be exempt from the
- 3 requirements of this chapter.
- 4 (b) If, subsequent to geothermal resources exploration at
- 5 a particular site, geothermal resources development is to follow
- 6 at the site, this exemption shall not apply to the geothermal
- 7 resources development. If the geothermal resources development
- 8 is an action requiring an environmental assessment under section
- 9 343-5(a), then this chapter shall apply to that action."
- 10 SECTION 15. Section 343-2, Hawaii Revised Statutes, is
- 11 amended as follows:
- 1. By adding a new definition to be appropriately inserted
- 13 and to read:
- ""Geothermal resources exploration" means the same as
- 15 defined under section 182-1."
- 16 2. By amending the definition of "renewable energy
- 17 facility" to read:
- ""Renewable energy facility" has the same meaning as
- 19 defined in section 201N-1[-]; except that, for this chapter
- 20 only, the term shall not include any facility for geothermal
- 21 resources exploration."

1	SECTION 16. Section 343-5, Hawaii Revised Statutes, is
2	amended by amending subsections (b) and (c) to read as follows:
3	"(b) Whenever an agency proposes an action in subsection
4	(a), other than feasibility or planning studies for possible
5	future programs or projects that the agency has not approved,
6	adopted, or funded, or other than the use of state or county
7	funds for the acquisition of unimproved real property that is
8	not a specific type of action declared exempt under section 343-
9	$6[\tau]$ or 343- , the agency shall prepare an environmental
10	assessment for such action at the earliest practicable time to
11	determine whether an environmental impact statement shall be
12	required.
13	(1) For environmental assessments for which a finding of
14	no significant impact is anticipated:
15	(A) A draft environmental assessment shall be made
16	available for public review and comment for a
17	period of thirty days;
18	(B) The office shall inform the public of the
19	availability of the draft environmental
20	assessment for public review and comment pursuant
21	to section 343-3;

7	(C)	The agency shall respond in writing to comments
2		received during the review and prepare a final
3		environmental assessment to determine whether an
4		environmental impact statement shall be required;
5	(D)	A statement shall be required if the agency finds
6		that the proposed action may have a significant
7		effect on the environment; and
8	(E)	The agency shall file notice of such
9		determination with the office. When a conflict
10		of interest may exist because the proposing
11		agency and the agency making the determination
12		are the same, the office may review the agency's
13		determination, consult the agency, and advise the
14		agency of potential conflicts, to comply with
15		this section. The office shall publish the final
16		determination for the public's information
17		pursuant to section 343-3.
18	The draft	and final statements, if required, shall be
19	prepared by the	e agency and submitted to the office. The draft
20	statement shall	be made available for public review and comment
21	through the off	fice for a period of forty-five days. The office
22	shall inform th	ne public of the availability of the draft

1

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2	3. The agency shall respond in writing to comments received
3	during the review and prepare a final statement.
4	The office, when requested by the agency, may make a
5	recommendation as to the acceptability of the final statement.
6	(2) The final authority to accept a final statement shall
7	rest with:
8	(A) The governor, or the governor's authorized
9	representative, whenever an action proposes the
10	use of state lands or the use of state funds, or
11	whenever a state agency proposes an action within
12	the categories in subsection (a); or
13	(B) The mayor, or the mayor's authorized
14	representative, of the respective county whenever
15	an action proposes only the use of county lands
16	or county funds.

statement for public review and comment pursuant to section 343-

Acceptance of a required final statement shall be a 18 condition precedent to implementation of the proposed action. 19 Upon acceptance or nonacceptance of the final statement, the 20 governor or mayor, or the governor's or mayor's authorized 21 representative, shall file notice of such determination with the

- 1 office. The office, in turn, shall publish the determination of
- 2 acceptance or nonacceptance pursuant to section 343-3.
- 3 (c) Whenever an applicant proposes an action specified by
- 4 subsection (a) that requires approval of an agency and that is
- 5 not a specific type of action declared exempt under section 343-
- $6 \quad 6[7]$ or 343- , the agency initially receiving and agreeing to
- 7 process the request for approval shall prepare an environmental
- 8 assessment of the proposed action at the earliest practicable
- 9 time to determine whether an environmental impact statement
- 10 shall be required; provided that, for an action that proposes
- 11 the establishment of a renewable energy facility, a draft
- 12 environmental impact statement shall be prepared at the earliest
- 13 practicable time. The final approving agency for the request
- 14 for approval is not required to be the accepting authority.
- 15 For environmental assessments for which a finding of no
- 16 significant impact is anticipated:
- 17 (1) A draft environmental assessment shall be made
- available for public review and comment for a period
- of thirty days;
- 20 (2) The office shall inform the public of the availability
- of the draft environmental assessment for public
- review and comment pursuant to section 343-3; and

14

the office.

(3)	The applicant shall respond in writing to comments
	received during the review, and the agency shall
	prepare a final environmental assessment to determine
	whether an environmental impact statement shall be
	required. A statement shall be required if the agency
	finds that the proposed action may have a significant
	effect on the environment. The agency shall file
	notice of the agency's determination with the office,
	which, in turn, shall publish the agency's
	determination for the public's information pursuant to
	section 343-3.
The	draft and final statements, if required, shall be
prepared	by the applicant, who shall file these statements with
	The

The draft statement shall be made available for public review and comment through the office for a period of forty-five days. The office shall inform the public of the availability of the draft statement for public review and comment pursuant to section 343-3.

The applicant shall respond in writing to comments receivedduring the review and prepare a final statement. The office,

- 1 when requested by the applicant or agency, may make a
- 2 recommendation as to the acceptability of the final statement.
- 3 The authority to accept a final statement shall rest with
- 4 the agency initially receiving and agreeing to process the
- 5 request for approval. The final decision-making body or
- 6 approving agency for the request for approval is not required to
- 7 be the accepting authority. The planning department for the
- 8 county in which the proposed action will occur shall be a
- 9 permissible accepting authority for the final statement.
- 10 Acceptance of a required final statement shall be a
- 11 condition precedent to approval of the request and commencement
- 12 of the proposed action. Upon acceptance or nonacceptance of the
- 13 final statement, the agency shall file notice of such
- 14 determination with the office. The office, in turn, shall
- 15 publish the determination of acceptance or nonacceptance of the
- 16 final statement pursuant to section 343-3.
- 17 The agency receiving the request, within thirty days of
- 18 receipt of the final statement, shall notify the applicant and
- 19 the office of the acceptance or nonacceptance of the final
- 20 statement. The final statement shall be deemed to be accepted
- 21 if the agency fails to accept or not accept the final statement
- 22 within thirty days after receipt of the final statement;

- 1 provided that the thirty-day period may be extended at the
- 2 request of the applicant for a period not to exceed fifteen
- 3 days.
- In any acceptance or nonacceptance, the agency shall
- 5 provide the applicant with the specific findings and reasons for
- 6 its determination. An applicant, within sixty days after
- 7 nonacceptance of a final statement by an agency, may appeal the
- 8 nonacceptance to the environmental council, which, within thirty
- 9 days of receipt of the appeal, shall notify the applicant of the
- 10 council's determination. In any affirmation or reversal of an
- 11 appealed nonacceptance, the council shall provide the applicant
- 12 and agency with specific findings and reasons for its
- 13 determination. The agency shall abide by the council's
- 14 decision."
- 15 PART VI
- 16 SECTION 17. The provisions of this Act that repeal the
- 17 laws that previously authorized geothermal resources subzones
- 18 under chapter 205, Hawaii Revised Statutes, shall not affect any
- 19 geothermal resources producer who is operating within the area
- 20 of the subzone as of the effective date of this Act. The
- 21 geothermal resources producer shall continue to operate in

- f 1 accordance with the lease with the board of land and natural
- 2 resources.
- 3 SECTION 18. Statutory material to be repealed is bracketed
- 4 and stricken. New statutory material is underscored.
- 5 SECTION 19. This Act shall take effect on July 1, 2030.

Report Title:

Geothermal Resources; Exploration; Subzones

Description:

Differentiates between "geothermal resources exploration" and "geothermal resources development" for purposes of mining leases and exploration permits. Designates "geothermal resources exploration" and "geothermal resources development" as permitted uses in all state land use districts and conservation district zones. Repeals geothermal resource subzone provisions under state land use law. Exempts geothermal resources exploration from environmental assessment and environmental impact statement requirement. Effective July 1, 2030. (HB2690 HD2)

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