

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**Before the House Committee on  
OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS**

**Wednesday, February 5, 2014  
8:00 A.M.  
State Capitol, Conference Room 325**

**In consideration of  
HOUSE BILL 2551  
RELATING TO GEOTHERMAL RESOURCES ON HAWAIIAN HOME LANDS**

House Bill 2551 proposes that a percentage of geothermal royalties received by the Department of Land and Natural Resources (Department) be provided to the Department of Hawaiian Home Land (DHHL), from geothermal resource mining leases issued on lands under the jurisdiction of DHHL. **The Department supports this measure and offers the following comments:**

If this measure assists DHHL in seeking new renewable energy opportunities and an equitable share of royalties can be agreed upon by all stakeholders, the Department believes this will benefit the State of Hawaii.

Geothermal development in Hawaii has contributed to greater energy diversification of the State. Cultural, health and environmental concerns related to the development of geothermal energy must be carefully and properly addressed and managed. Accordingly, the Department is tasked with the management of the resource and its development to protect the health and safety of the public and to ensure the continued viability of this Public Trust Resource for future generations.

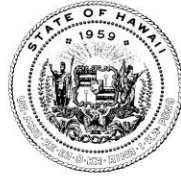
Thank you for the opportunity to testify on this measure.

**WILLIAM J. AILA, JR.**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ESTHER KIA'AINA**  
FIRST DEPUTY

**WILLIAM M. TAM**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS



**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879  
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TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON HAWAIIAN AFFAIRS  
IN SUPPORT OF

**HB 2551, RELATING TO GEOTHERMAL RESOURCES ON HAWAIIAN HOME LANDS**

February 5, 2014

Aloha Chair Hanohano, Vice-Chair Cullen, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) is in support of this bill which provides the department funding from geothermal royalties from potential geothermal projects on Hawaiian home lands.

DHHL welcomes this source of revenue to support the department's programs including homestead lot development, loans, rehabilitation programs, and administration expenses to support these programs. In consideration of the limited general funds appropriated to the department and the conclusion of the Act 14 settlement payments, the passage of this measure allows for DHHL to receive royalty payments when geothermal resources are developed on Hawaiian home lands.

While we support the intent to provide resources to DHHL, we believe the department should receive 100% of these royalties given that they are generated from resources that lie within our trust lands. That said, we do acknowledge that the Department of Land and Natural Resources depends on its share of the geothermal royalty payments to regulate and administer the mining leases and the

*Department of Hawaiian Home Lands*

*HB 2551*

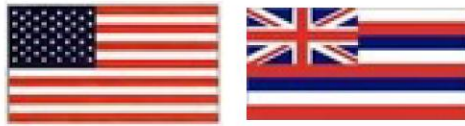
*OMH, 2-5-2014*

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development of geothermal resources. We ask your committee to consider allocating all of the royalties from geothermal projects on Hawaiian home lands to DHHL with a portion of the royalties to be paid to the Department of Land and Natural Resources for the purpose of administering this program.

Thank you for your consideration of our testimony.

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Unity, Equality, Aloha for all



To: OMH  
For hearing Wednesday February 5, 2014

Re: HB 2551 RELATING TO GEOTHERMAL RESOURCES ON HAWAIIAN HOME LANDS.

Allows the Department of Hawaiian Home Lands and the counties to each receive twenty per cent of royalties received by the State from geothermal resources developments located on Hawaiian home lands.

Testimony in opposition

Our state Constitution specifies that all mineral and geothermal resources are reserved to the State of Hawaii regardless whether those resources are located on government or private lands.

So far as I am aware there are no laws awarding percentages of revenue to the county or agency which administers the land from which the revenues are derived.

Royalties from geothermal resources should be deemed to be part of the revenues derived from the land and not segregated according to the county or agency controlling that land.

If windmills on state land in Kahuku generate royalties from the electricity they produce, would the state then feel compelled to give a portion of those royalties to the City and County of Honolulu, and/or to the DLNR?

If royalties are earned from piping up deep sea water offshore Kona, bottling it, and exporting it to Japan, would the state then feel compelled to give a portion of the royalties to the Hawaii County Council, and/or to DLNR?

Let's not start subdividing state lands or fractionating the royalties they generate.



## **Association of Hawaiian Civic Clubs**

P. O. Box 1135  
Honolulu, Hawai`i 96807

### **HB 2551 RELATING TO GEOTHERMAL RESOURCES ON HAWAIIAN HOME LANDS**

#### **HOUSE COMMITTEE ON OCEAN MARINE RESOURCES AND HAWAIIAN AFFAIRS**

Wednesday, 2/05/14; 8:00 a.m.; Room 325

Aloha Madam Chair Hanohano, Vice Chair Cullen and members of the Committee. The Association of Hawaiian Civic Clubs supports this bill that will provide a revenue stream to the Department of Hawaiian Home Lands from geothermal developments located on Hawaiian Home Lands.

Such a revenue stream will provide needed resources toward building the housing and infrastructure needed to provide homes for qualified beneficiaries of the Department. Many civic club members are also Homesteaders, and we are pleased to support their needs.

Thank you for the opportunity to testify.

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