
A BILL FOR AN ACT

RELATING TO GEOTHERMAL RESOURCES ON HAWAIIAN HOME LANDS.

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

1 SECTION 1. Section 182-7, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The payments to the State as fixed by the board shall
4 be specified; provided that:

5 (1) In the case of bauxite, bauxitic clay, gibbsite,
6 diaspore, boehmite, and all ores of aluminum, the
7 amount of royalties for each long dry ton of ore as
8 beneficiated shall not be less than twenty-five cents
9 or the equivalent of the price of one pound of virgin
10 pig aluminum, whichever is higher, nor shall it exceed
11 the equivalent of the price of three pounds of virgin
12 pig aluminum;

13 (2) The rate of royalty for ore processed into aluminous
14 oxide in the State shall be set at eighty per cent of
15 the rate of royalty for ore not processed to aluminous
16 oxide in the State; and



1 (3) The royalty shall be fixed at a rate which will tend
2 to encourage the establishment and continuation of the
3 mining industry in the State.

4 The prices of virgin pig aluminum for the purpose of
5 determining the royalties under this section shall be the basic
6 price on the mainland United States market for virgin pig, not
7 refined, f.o.b. factory. The royalties shall be in lieu of any
8 severance or other similar tax on the extracting, producing,
9 winning, beneficiating, handling, storing, treating, or
10 transporting of the mineral or any product into which it may be
11 processed in the State, and shall not be subject to reopening or
12 renegotiating for and during the first twenty years of the lease
13 term.

14 In the event the lessee desires to mine other minerals, the
15 lessee, before mining the minerals, shall so notify the board in
16 writing, and the board and the lessee shall negotiate and fix
17 the royalties for the minerals.

18 Any other law to the contrary notwithstanding, thirty per
19 cent of all royalties received by the State from geothermal
20 resources shall be paid to the county in which mining operations
21 covered under a state geothermal resource mining lease are
22 situated[-]; provided that when geothermal resources development



1 occurs on lands owned by the department of Hawaiian home lands,
2 the royalties received by the State from the geothermal
3 resources shall be distributed as follows:

- 4 (1) Twenty per cent shall be paid to the county in which
5 the land is situated; and
6 (2) Twenty per cent shall be paid to the department of
7 Hawaiian home lands."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

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

11

INTRODUCED BY: _____



JAN 23 2014



H.B. NO. 2551

Report Title:

State Resources; Hawaiian Home Lands

Description:

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.

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