

Honolulu, Hawaii

February 20, 2013

RE: H.B. No. 932
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 932, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MINERAL RESOURCES,"

begs leave to report as follows:

The purpose of this measure is to reduce barriers to geothermal exploration and development by clarifying laws relating to the disposition, regulation, management, and use of mineral resources.

Specifically, this measure:

- (1) Amends definitions relating to "renewable energy producer," "geothermal resources," "geothermal resources exploration," and "mining lease";
- (2) Authorizes fees for notices of mining leases on reserved lands and for deposits by bidders prior to a public auction to be set by the Board of Land and Natural Resources rather than by statute;
- (3) Authorizes the Board of Land and Natural Resources to issue a mining lease for state lands to a renewable energy producer by a two-thirds vote, without public auction;



- (4) Authorizes the Board of Land and Natural Resources to set administrative fines or bring legal action to recover administrative fees and costs resulting from violations of the mineral rights statute;
- (5) Requires that all penalties, fees, and costs established and collected by the Department of Land and Natural Resources related to the reservation and disposition of government mineral rights be deposited into the special land and development fund;
- (6) Authorizes a right of private action by an injured party for violation of the laws relating to government mineral rights; and
- (7) Authorizes fines for violations of the mineral rights statute to be set by the Board of Land and Natural Resources rather than by statute, but subject to a statutorily-established maximum amount.

Testimony in support of this measure was received from the Department of Land and Natural Resources and the Department of Business, Economic Development, and Tourism. Testimony in opposition to this measure was received from a concerned citizen. Comments were received from the Office of Hawaiian Affairs.

Your Committee finds that statutory provisions pertaining to the regulation and management of mineral resources as they relate to renewable energy and geothermal resources need to be updated in order to provide clarity, reduce ambiguities, and conform to changes brought about by Act 97, Session Laws of Hawaii 2012, which among other things, authorized the expansion of geothermal exploration activities in the State. The elimination of statutory conflicts will, on the one hand, reduce barriers to implementation that could pose potential delays to geothermal exploration and development and, on the other hand, facilitate the disposition and regulation of the use and management of mineral resources.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 932, H.D. 1, and recommends that it pass Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Water & Land,

Cindy Evans

CINDY EVANS, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 634

Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB 932, HD 1 (HSCR 170)	Committee Referral: EEP, WAL	Date: 2/11/2013		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. EVANS, Cindy (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. COFFMAN, Denny	✓			
4. CULLEN, Ty J.K.	✓			
5. HANOHANO, Faye P.	✓			
6. KAWAKAMI, Derek S.K.	✓			
7. LEE, Chris	✓			
8. FALE, Richard Lee	✓			
9. THIELEN, Cynthia	✓			
TOTAL (9)	9			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				