



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

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON WATER & LAND
IN SUPPORT OF

SB 2953 SD 1, RELATING TO STATE RESOURCES ON HAWAIIAN HOME LANDS

March 10, 2014

Aloha Chair Evans, Vice-Chair Lowen, 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

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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: WAL
For hearing Monday March 10, 2014

Re: SB 2953 RELATING TO STATE RESOURCES ON HAWAIIAN HOME LANDS.

Specifies that twenty per cent of royalties from geothermal resources on DHHL lands shall be paid to the DHHL and twenty per cent shall be paid to the county in which the geothermal resources are located.

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.

LATE



Association of Hawaiian Civic Clubs

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

HOUSE COMMITTEE ON WATER & LAND

**SB2953, SD1(SSCR2781) RELATING TO STATE RESOURCES
ON HAWAIIAN HOME LANDS**

Monday, 3/10/14; 8:45 am; Room 325

Aloha Madam Chair Evans, vice chair Lowen and members of the House Committee on Water and Land. The Association of Hawaiian Civic Clubs supports this bill that will provide twenty percent of the royalties from geothermal royalties on land of the Department of Hawaiian Homes to that Department. Twenty percent of the royalties will also go to the county in which the geothermal resources are found.

We see this as an opportunity to provide a source of income to the Hawaiian Home Lands trust and their beneficiaries who qualify for homes. In the event homes are developed as a result of this income, the county will also have a source of funds to provide needed residential infrastructure.

Thank you for the opportunity to testify in support of this measure.

Contact: jalna.keala2@hawaiiantel.net

LATE



SB2953 SD1
RELATING TO STATE RESOURCES ON HAWAIIAN HOME LANDS
House Committee on Water & Land

March 10, 2014

8:45 a.m.

Room 325

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SB2953 SD1, which would require that for geothermal resources located on lands under the jurisdiction of the Department of Hawaiian Home Lands (DHHL), 20 percent of all geothermal mining royalties received by the state shall be paid to the county in which the geothermal resources are located, and 20 percent shall be paid to DHHL.

OHA provides millions of dollars each year to support DHHL's activities and appreciates efforts to identify additional sources of funding to enable DHHL to fulfill its mission. We encourage continued dialogue among stakeholders concerning this matter and look forward to participating.

Mahalo for the opportunity to testify on this bill.