

Dear, fyi  
2

SAMPLE LEGISLATIVE TESTIMONY FORMAT

JOHN WAHIEE  
GOVERNOR OF HAWAII



William W. Paty, Chairp  
BOARD OF LAND & NATURAL RESOURCES  
Libert K. Landgraf  
DEPUTY TO THE CHAIRMAN

DIVISIONS:  
AGRICULTURE DEVELOPMENT  
PROGRAMS  
AQUATIC RESOURCES  
CONSERVATION AND  
RESOURCES ENFORCEMENT  
CONVEYANCES  
FORESTRY AND WILDLIFE  
LAND MANAGEMENT  
STATE PARKS  
WATER AND LAND DEVELOPMENT

STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 621

HONOLULU, HAWAII 96809

DLNR Letterhead

Date of Hearing

February 22, 1985

Committee Chairperson

Committee Title

MEMORANDUM

TO: [Honorable Joseph Kuroda, Chairman  
Senate Committee on Tourism and Recreation]

FROM: William W. Paty, Chairperson  
Department of Land and Natural Resources

Bill Title

SUBJECT: Senate Bill No. 514<sup>174</sup> Relating to [Hiking Trails] <sup>Public records</sup>

Summarize Bill Purpose

The purpose of this Bill is to appropriate the sum of \$200,000 or so much as may be necessary for fiscal year 1985-1986, for the acquisition of forest reserve rights-of-way for public access to the State forest reserve trails. These funds may be used for survey and land appraisal of rights-of-way sought to be acquired. The fund would be appropriated from the general revenues of the State.

DLNR Comments

The Department of Land and Natural Resources recognizes the need to acquire rights-of-way for public access to State forest lands and trails. As such, in 1976, the Department of Land and Natural Resources from funds appropriated under Act 195, SLH 1975, contracted and published a "Study Report on Acquisition of Access to Forest Reserves Statewide." The Act provided for the use of funds as appropriated or authorized to be used, to accomplish the purposes and programs designated under this Act, in this case the acquiring of access routes to State forest reserve trails. The estimated time and cost of acquisition was provided for in the study. Appropriations from Senate Bill No. 514 would be used to initiate the acquisition of those accesses that have already been identified and given high priorities.

Recommend any changes

Our experience on past access acquisition have shown that some acquisition processes involving negotiation, appraisal, surveys, and litigations have taken several years. Based on this, a longer period of time, than fiscal year 1985-86, is recommended.

No Support/Support With/Without Changes

The Department of Land and Natural Resources supports Senate Bill No. 514, and requests that the period of time to use the fund be extended to at least two fiscal years.

No Signature Line



STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 621  
HONOLULU, HAWAII 96809

February 10, 1989

WILLIAM W. PATY, CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES

DEPUTIES

LIBERT K. LANDGRAF  
MANABU TAGOMORI  
RUSSELL N. FUKUMOTO

AQUACULTURE DEVELOPMENT  
PROGRAM  
AQUATIC RESOURCES  
CONSERVATION AND  
ENVIRONMENTAL AFFAIRS  
CONSERVATION AND  
RESOURCES ENFORCEMENT  
CONVEYANCES  
FORESTRY AND WILDLIFE  
LAND MANAGEMENT  
STATE PARKS  
WATER AND LAND DEVELOPMENT

MEMORANDUM

TO: Honorable Richard M. Matsuura, Chairman  
Senate Committee on Energy and Natural Resources

FROM: William W. Paty, Chairperson

SUBJECT: Senate Bill No. 430, Relating to Geothermal Energy

S.B. 430 designates the Department of Land and Natural Resources as the Lead agency to establish and manage geothermal energy transmission corridors by amending the Geothermal and Cable System Development Permitting Act of 1988 (Act 301, SLH 1988).

The responsibilities assigned the Department under Act 301 are to serve as lead agency to coordinate and streamline the multitude of permitting processes existing at the federal, state, and county levels of government. Other geothermal regulatory and management responsibilities of the Department include the leasing of geothermal resources, designating and managing geothermal subzones, and regulating the development of geothermal resources.

Currently agencies having responsibilities of establishing energy corridors, include the power utilities and the State Department of Transportation authorized under Chapter 277, HRS. We understand that the activities involved in establishing energy corridors are development-oriented which includes route and site studies, feasibility studies, environmental impact studies and other related analyses. This is a very involved process requiring great expenditure of funds.

The Department of Land and Natural Resources at this time would like to reserve judgement on this proposal to be designated the lead agency to establish geothermal energy corridors on the basis that there be a separation of functions between the regulatory responsibilities of Act 301 and the carrying out the development-related functions involved in establishing energy corridors.

We suggest that this matter be further discussed among potential interest groups and possibly the Interagency Group that has been established under Act 301 before a final determination is made.



DEPUTIES

LIBERT K. LANDGRAF  
MANABU TAGOMORI  
RUSSELL N. FUKUMOTO

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

P. O. BOX 621  
HONOLULU, HAWAII 96809

AQUACULTURE DEVELOPMENT  
PROGRAM  
AQUATIC RESOURCES  
CONSERVATION AND  
ENVIRONMENTAL AFFAIRS  
CONSERVATION AND  
RESOURCES ENFORCEMENT  
CONVEYANCES  
FORESTRY AND WILDLIFE  
LAND MANAGEMENT  
STATE PARKS  
WATER AND LAND DEVELOPMENT

*February 10, 1969*

MEMORANDUM

TO: Honorable Richard M. Matsuura, Chairman  
Senate Committee on Energy and Natural Resources

FROM: William W. Paty, Chairperson  
Department of Land and Natural Resources

SUBJECT: S. B. No. 430, Relating to Geothermal Energy

The purpose of Senate Bill No. 430 is to designate the Department of Land and Natural Resources as the lead agency responsible for the establishment and management of geothermal energy transmission corridors.

The delegation of such authority to the Department seems consistent with the objectives of Chapter 196D, HRS, which designates the Department as the lead agency responsible for the consolidated permit application and review process for geothermal and cable development activities.

The Department of Land and Natural Resources supports the intent and purpose of Senate Bill No. 430, which would designate the Department as the lead agency in the establishment, operation, and management of geothermal energy transmission corridors.

sb430(draft 2/6/89)

MEMORANDUM

TO: Honorable Richard M. Matsuura, Chairman  
Senate Committee on \_\_\_\_\_

FROM: William W. Paty, Chairperson  
Department of Land and Natural Resources

SUBJECT: S. B. No. 430, Relating to Geothermal Energy

The Department of Land and Natural Resources supports the overall concept of S.B. No. 430, which would designate the Department as the lead agency in the establishment, operation, and management of geothermal energy transmission corridors.

The delegation of such authority to the Department seems consistent with the objectives of Chapter 196D, HRS, which has designated the Department as the lead agency responsible for the consolidated permit application and review process for geothermal and cable development activities.

Futhermore, the designation of such responsibility to the Department, parallels the objectives of the State Energy Functional Plan which is to accelerate the transition to an indigenous renewable energy economy by facilitating private sector activities to explore supply options and achieve local commercialization and application of appropriate alternate energy technologies.

However, while the intent of the bill has merit, the Department's position is that the current authorization delegated to the Department of Transportation for the establishment, maintenance, operation, management, and control of energy corridors throughout the state is adequate and makes every effort to move in an expeditous manner.

Additionally, incorporation of such functions within the Department will result in an increased workload necessary to implement and administer the proposed bill, thereby requiring additional staff and program funding for the present biennium and future budgetary periods by substantial amounts.

JAN 30 1989

2 10:20

Drawn up 2/1

**A BILL FOR AN ACT**

LEGISLATIVE COUNCIL

RELATING TO GEOTHERMAL ENERGY.

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

1 SECTION 1. Section 196D-3, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 ""Geothermal energy transmission corridor" means any  
5 overland pathway designated and adopted by the board of land and  
6 natural resources as a corridor for the construction and  
7 establishment of electrical transmission lines, pipelines, or any  
8 other form of infrastructure necessary for the transmission of  
9 any form of energy generated through geothermal sources,  
10 including but not limited to thermal energy, electrical energy,  
11 or water power. Geothermal energy transmission corridors may  
12 also be utilized for the transmission of telecommunications  
13 applications."

14 SECTION 2. Chapter 196D, Hawaii Revised Statutes, is  
15 amended by adding a new part to be appropriately designated and  
16 to read as follows:

17 "PART . OVERLAND GEOTHERMAL ENERGY

18 TRANSMISSION CORRIDORS

19 §196D- Powers and duties. The department of land and

1 natural resources is designated as the lead agency in the  
2 establishment of the geothermal energy transmission corridors  
3 and, in addition to its existing functions, is authorized, under  
4 this part, to exercise all the powers and duties established or  
5 otherwise transferred to the department under sections 196D-4,  
6 196D-5, 196D-7, and 196D-10.

7       §196D-     Designation of corridors; acquisition or lease of  
8 lands. (a) The department shall designate, establish, and adopt  
9 by rules under chapter 91, the overland corridors through the  
10 respective counties which are necessary for the establishment of  
11 geothermal energy transmission corridors. The department shall  
12 consult with the department of business and economic development  
13 and the appropriate county authorities for purposes of planning,  
14 designating, and establishing these corridors.

15       (b) The department, subject to the approval of the  
16 governor, for the purposes of this part may acquire, by purchase  
17 or eminent domain, private property in fee simple, or any lesser  
18 interest therein, including leases, licenses, or grants of  
19 easement, any lands necessary for the establishment, maintenance,  
20 operation, management, and control of geothermal energy  
21 transmission corridors.

22       §196D-     Operation and management of corridors and  
23 infrastructure; transfer of responsibilities. (a) The

1 department shall assume or otherwise transfer to any agency,  
2 interagency group, or person the responsibility of operating,  
3 maintaining, managing, and controlling geothermal energy  
4 transmission corridors and related infrastructure established  
5 throughout the State.

6 (b) The department may dispose of any interests or rights  
7 in lands acquired for the purposes of this chapter by purchase,  
8 lease, license, or by grant of easements to any agency,  
9 interagency group, or person who is engaged in the business of  
10 furnishing or delivering sources of geothermal energy."

11 SECTION 3. Chapter 196D, Hawaii Revised Statutes, is  
12 amended by designating sections 196D-1 to 196D-10 as part I.

13 SECTION 4. Section 277-1, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "[[]§277-1[[]] Findings and declaration of necessity. The  
16 legislature finds and declares that:

17 (1) There is a critical problem in establishing convenient  
18 and economical means for transporting fuels and other  
19 sources of petroleum-based energy from the places of  
20 manufacture or storage to distribution areas within the  
21 State of Hawaii or the places of consumption;

22 (2) There would be a maximization of the use of available  
23 lands if a state agency were to be authorized to

1           acquire, hold and manage energy corridors consisting of  
2           lands or interest therein, thereby controlling the use  
3           thereof;

4           (3) Competition would be fostered and thereby a reduction  
5           in cost to consumers would be realized if the State  
6           could make available energy corridors as the location  
7           for the facilities necessary for the transportation of  
8           sources of petroleum-based energy; and

9           (4) [The department of transportation is the agency of the  
10           State best able to manage and control the energy  
11           corridors. The legislature also finds that the] The  
12           acquisition of private property for the aforementioned  
13           purposes is necessary, and that such acquisition is for  
14           a public use."

15           SECTION 5. Section 277-2, Hawaii Revised Statutes, is  
16           amended to read as follows:

17           "[[§277-2]] Authorization. The department of  
18           transportation shall establish, maintain, operate, manage and  
19           control energy corridors throughout the State, except as provided  
20           in part II of chapter 196D, for the purpose of maximizing the  
21           utilization of lands available for use in connection with  
22           transporting by pipeline or other means, sources of energy  
23           including but not limited to oil, its derivatives and natural



1 gas; provided that the utilization of such energy corridors shall  
2 be permissive and not mandatory."

3 SECTION 6. Section 277-3, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "[[]§277-3[]] Acquisition of lands. The director of  
6 transportation in the name of the State and subject to the  
7 approval of the governor may for the purposes of this chapter  
8 acquire, by purchase or eminent domain, private property in fee  
9 simple, or any lesser interest therein, including leases, all  
10 property necessary for the establishment, maintenance, operation,  
11 management and control of energy corridors[.], except as provided  
12 in part II of chapter 196D."

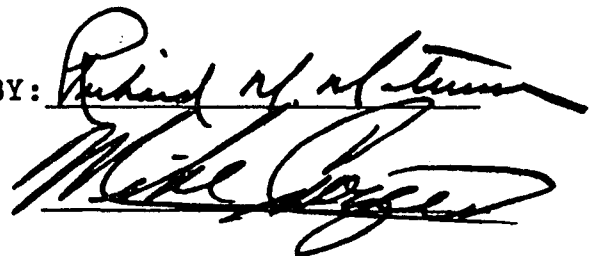
13 SECTION 7. Statutory material to be repealed is bracketed.  
14 New statutory material is underscored.

15 SECTION 8. This Act shall take effect upon its approval.

16

17

INTRODUCED BY:

The text "INTRODUCED BY:" is followed by two handwritten signatures. The first signature is "Richard H. Hui" and the second is "Mike Rogers". Both signatures are written in black ink and are positioned above horizontal lines.

'sbno430(draft3/10/89)

MEMORANDUM

TO:

FROM: William W. Paty, Chairperson

SUBJECT: Senate Bill No. 430, S.D. 2, Relating to Geothermal Energy

S.B. No. 430, S.D. 2, designates the Department of Business and Economic Development as the lead agency to establish and manage geothermal energy transmission corridors by amending Chapter 196, Hawaii Revised Statutes.

The bill also provides for compensation to developers of intracounty projects for unreimbursed interconnection costs not recovered by avoided costs payments made by the contracting utility. The compensation will be a waiver by the State of the mineral rights royalty payments normally made by the developers, until the unreimbursed interconnection costs are recovered; provided that the transmission lines are constructed and in service not later than December 31, 1995.

The Department has some reservations concerning the necessity of the proposed compensation of transmission costs incurred by the developers, when there currently exists provisions in Chapter 182, HRS, which provides that should the Board of Land and Natural determine that it is necessary to encourage the intial or continued production of geothermal resources, the Board shall have the authority to waive royalty payments to the State for any fixed period of time up to but not exceeding eight years.

Furthermore, since the Department of Land and Natural Resources currently administers the leasing of geothermal resources which includes the payment of royalties to the State, management and accounting of such compensation between the Department of Business and Economic Development and DLNR, if approved, would be cumbersome and difficult to administer.

While we support the intent and purposes of this Bill which designates DBED as the agency responsible for the operation and management of such transmission corridors including any related infrastructure established throughout the State, we suggest that the matter of compensation be further discussed before a final determination is made.

RECEIVED

39 MAR 8 AID: 52

DIV. OF WATER &  
LAND DEVELOPMENT

STAND. COM. REP. NO.

569

Honolulu, Hawaii

MARCH 3, 1989

RE: H.B. No. 366  
H.D. 2

Honorable Daniel J. Kihano  
Speaker, House of Representatives  
Fifteenth State Legislature  
Regular Session of 1989  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 366, H.D. 1, entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION TO CONTINUE AND EXPAND THE COMMUNITY GEOTHERMAL TECHNOLOGY PROGRAM,"

begs leave to report as follows:

The purpose of this bill is to appropriate funds to continue and expand the community geothermal technology program.

The community geothermal technology program has shown that waste heat from the generation of electrical energy at the Noi'i O Puna facility can be successfully and efficiently utilized for a number of economically attractive ventures. This program has provided an opportunity to individuals, small businesses, and research institutes to investigate the direct utilization of geothermal energy and its waste products. By involving the general community in geothermal commercialization efforts, the program has promoted an understanding and acceptance of the importance of this valuable indigenous energy resource.

Your Committee has amended the bill by making technical, nonsubstantive amendments for purposes of clarity and style.

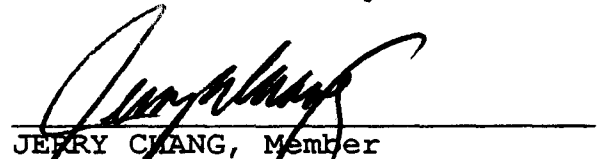
Your Committee on Finance is in accord with the intent and purpose of H.B. No. 366, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 366, H.D. 2.

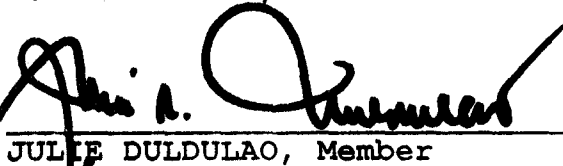
Respectfully submitted,

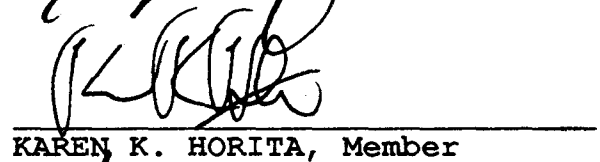
  
JOSEPH M. SOUKI, Chairman

  
CAROL FUKUNAGA, Vice Chairman

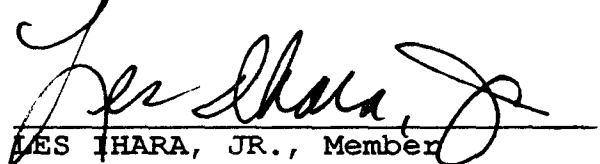
  
ROSALYN BAKER, Member

  
JERRY CHANG, Member

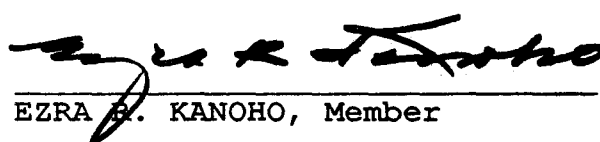
  
JULIE DULDULAO, Member

  
KAREN K. HORITA, Member

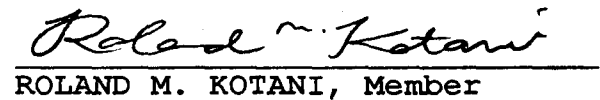
  
MARSHALL K. IGE, Member

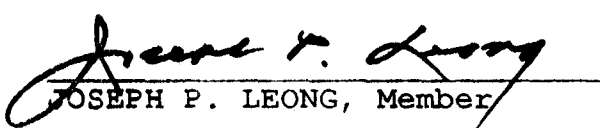
  
LES IHARA, JR., Member

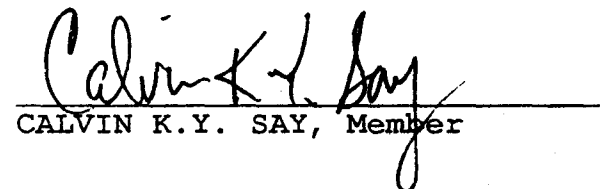
  
VIRGINIA ISBELL, Member

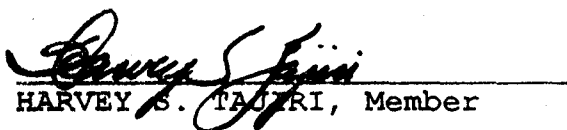
  
EZRA B. KANOHO, Member

  
BERTHA E. KAWAKAMI, Member

  
ROLAND M. KOTANI, Member

  
JOSEPH P. LEONG, Member

  
CALVIN K.Y. SAY, Member

  
HARVEY S. TAURI, Member

  
MICHAEL LIU, Member

  
BARBARA MARUMOTO, Member

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# A BILL FOR AN ACT

MAKING AN APPROPRIATION TO CONTINUE AND EXPAND THE COMMUNITY  
GEOTHERMAL TECHNOLOGY PROGRAM.

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

1       SECTION 1. The legislature finds that the community  
2 geothermal technology program has demonstrated that certain  
3 industries can be operated economically using geothermal heat and  
4 by-products that normally are wasted and that new industries for  
5 Hawaii can be developed using the geothermal resource. The  
6 program, conducted at the Puna research center, offers  
7 opportunity to individuals, small businesses, nonprofit  
8 organizations, and community groups to pursue uses of geothermal  
9 energy and by-products. During the first round of experiments,  
10 which began in 1986, five projects were funded. These included  
11 food dehydration, lumber drying, nursery heating, glass making,  
12 and cloth dyeing. These five projects have been completed  
13 successfully, and most of the grantees are planning to expand  
14 into commercial operations when sufficient space and facilities  
15 are available.

16       A second round of projects began early in 1988 to  
17 investigate geothermal applications in aquaculture, growing media  
18 sterilization, bronze casting, mineral deposition, and continued  
19 nursery heating research. Grants up to \$10,000 for each project

1 were provided for the first round. For the second round, the  
2 maximum grant amount per project was raised to \$15,000. Acreage  
3 adjacent to the Puna research center has been made available as a  
4 site for a geothermal technology transfer program. Appropriate  
5 full-scale industries could locate in this industrial park  
6 setting to take advantage of the attractive cost of geothermal  
7 heat energy, which is estimated to be approximately one-third  
8 that of conventional energy. The program is administered jointly  
9 by the department of business and economic development and the  
10 Hawaii natural energy institute. Financial support for the  
11 community geothermal technology program has been provided by  
12 Hawaii county, the United States Department of Energy, and  
13 private donors.

14 The legislature further finds that a variety of promising  
15 applications still warrant investigation, among which are:  
16 papaya treatment, mushroom growing, additional aquaculture  
17 research, refrigeration, cold storage, and numerous others. At  
18 present, funds essentially are depleted for the community  
19 geothermal technology program.

20 The purpose of this Act is to support the continuation and  
21 expansion of the community geothermal technology program for  
22 research into new areas of application of the geothermal  
23 resource.

1 SECTION 2. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$100,000, or so much  
3 thereof as may be necessary for fiscal year 1989-1990, and the  
4 sum of \$100,000, or so much thereof as may be necessary for  
5 fiscal year 1990-1991, for the continuation and expansion of the  
6 community geothermal technology program for research into new  
7 areas of geothermal resource application.

8 SECTION 3. The sum appropriated shall be expended by the  
9 department of business and economic development for the purposes  
10 of this Act.

11 SECTION 4. This Act shall take effect on July 1, 1989.



RECEIVED

HOUSE OF REPRESENTATIVES  
THE FIFTEENTH LEGISLATURE  
REGULAR SESSION OF 1989

*Chair 3/9  
LX ADP  
my file  
Feb 1989  
WL*

COMMITTEE ON PLANNING, ENERGY AND ENVIRONMENTAL PROTECTION

Rep. Mark J. Andrews, Chairman  
Rep. Ezra R. Kanohe, Vice Chairman

DIV. OF WATER &  
LAND DEVELOPMENT

COMMITTEE ON INTERGOVERNMENTAL RELATIONS & INTERNATIONAL AFFAIRS

Rep. Terrance W. H. Tom, Chairman  
Rep. Rosalyn Baker, Vice Chairperson

NOTICE OF JOINT HEARING

DATE: Tuesday, March 14, 1989  
TIME: 6:30 P.M.  
PLACE: Conference Room 314, State Capitol

A G E N D A

PEP/IIA

S.B. 1882, SD1 RELATING TO FINANCIAL ASSISTANCE FOR TREATMENT WORKS. PEP/IIA, FIN

PEP only

S.B. 1053 AMENDING ACT 142, SESSION LAWS OF HAWAII 1988. PEP, FIN

S.B. 449, SD1 RELATING TO ENERGY. PEP, FIN

S.B. 667, SD1 RELATING TO NATURAL AREA RESERVES. PEP, FIN *FW*

S.B. 430, SD2 RELATING TO GEOTHERMAL ENERGY. PEP *WL*

S.B. 1810, SD2 RELATING TO A NATURAL RESOURCE AND ENERGY AUTHORITY. PEP, FIN *ADP*

S.B. 1572, SD2 RELATING TO ENVIRONMENTAL PROTECTION PEP

DECISION MAKING TO FOLLOW IF TIME PERMITS

PERSONS WISHING TO TESTIFY SHOULD SUBMIT 55 COPIES OF THEIR TESTIMONY FOR JOINTLY REFERRED BILLS AND 40 COPIES FOR PEP ONLY BILLS TO THE COMMITTEE CLERK, ROOM 429 STATE CAPITOL, 24 HOURS PRIOR TO THE HEARING. FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT 548-8488

  
Rep. Mark J. Andrews  
Chairman, PEP Committee

  
Rep. Terrance W.H. Tom  
Chairman, IIA Committee

STANDING COMMITTEE REPORT NO.

685 Wk 3/6

Honolulu, Hawaii

MAR 3, 1989

Honorable Richard S. H. Wong  
President of the Senate  
Fifteenth State Legislature  
Regular Session of 1989  
State of Hawaii

Sir:

RE: S.B. No. 430, S.D. 1

Your Committee on Ways and Means, to which was referred S.B. No. 430, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GEOTHERMAL ENERGY,"

begs leave to report as follows:

The purpose of this bill is to designate the Department of Business and Economic Development as the lead agency in planning, designing, and establishing geothermal energy transmission corridors for the construction of electrical transmission lines, pipelines, or any other form of infrastructure necessary for the transmission of thermal energy, electrical energy, water power, or telecommunications. This bill also provides that the department shall assume or otherwise transfer the responsibility of operating and maintaining geothermal energy transmission corridors and infrastructure related thereto. This bill further provides that the use of these corridors by any developer shall be permissive and not mandatory, and that transmission costs incurred by any developer for intracounty projects not recovered through avoided cost payments from the contracting utility shall be reimbursed by the department through a waiver of the mineral rights royalty payments normally made by the developer to the State.

This bill further provides that the Department of Transportation shall be limited to the designation and establishment of energy transmission corridors transporting energy generated through energy sources other than geothermal or hydro-electric resources.

RECEIVED  
39 MAR 6 P 1:19  
DIV. OF WATER &  
LAND DEVELOPMENT

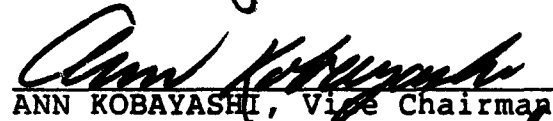
Your Committee finds that the development of alternate sources energy in Hawaii is a major priority of the State. Geothermal energy, in particular, exhibits strong potential to become a viable source of alternate energy in Hawaii. The development of the infrastructure necessary to transmit geothermal-based energy to intercounty destinations is an important phase in the overall development of the industry. Your Committee finds that this bill will establish the process whereby the geothermal energy transmission corridors may be designated.

Your Committee has made technical, nonsubstantive amendments.

Your Committee on Ways and Means is in accord with the intent and purpose of S.B. No. 430, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 430, S.D. 2.

Respectfully submitted,

  
MAMORU YAMASAKI, Chairman

  
ANN KOBAYASHI, Vice Chairman

  
LEHUA FERNANDES SALLING, Member

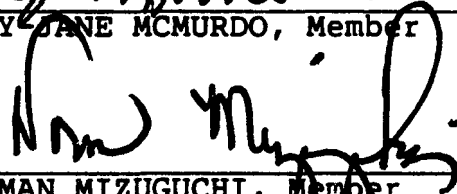
  
GERALD T. HAGINO, Member

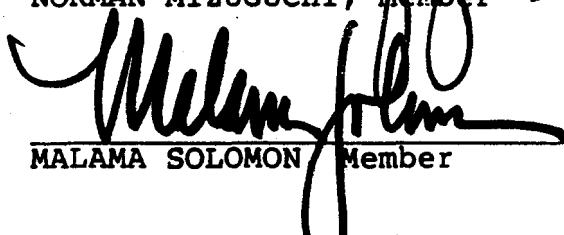
  
DONNA R. IKEDA, Member

  
RICHARD M. MATSUURA, Member

  
MIKE MCCARTNEY, Member

  
MARY JANE MCMURDO, Member

  
NORMAN MIZUGUCHI, Member

  
MALAMA SOLOMON, Member

  
ELOISE YAMASHITA TUNGPALAN  
Member

  
MARY GEORGE, Member

  
STAN KOKI, Member

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## A BILL FOR AN ACT

RELATING TO GEOTHERMAL ENERGY.

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

1 SECTION 1. Section 196-2, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Geothermal energy transmission corridor" means any  
5 overland pathway designated and adopted by the department of  
6 business and economic development as a corridor for the  
7 construction and establishment of electrical transmission lines,  
8 pipelines, or any other form of infrastructure necessary for the  
9 transmission of any form of energy generated through geothermal  
10 sources, including but not limited to thermal energy, electrical  
11 energy, or water power. Geothermal energy transmission corridors  
12 may also be utilized for the transmission of telecommunications  
13 applications. The use of a geothermal energy transmission  
14 corridor is permissible but not mandatory."

15 SECTION 2. Chapter 196, Hawaii Revised Statutes, is amended  
16 by adding a new part to be appropriately designated and to read  
17 as follows:

18 "PART . OVERLAND GEOTHERMAL ENERGY

19 TRANSMISSION CORRIDORS

1        §196-        Powers and duties. The department of business and  
2 economic development is designated as the lead agency in the  
3 establishment of geothermal energy transmission corridors.

4        §196-        Designation of corridors; acquisition or lease of  
5 lands. (a) The department shall designate, establish, and adopt  
6 by rules under chapter 91, the overland corridors through the  
7 respective counties which are necessary for the establishment of  
8 geothermal energy transmission corridors. The department shall  
9 consult with the department of land and natural resources and the  
10 appropriate county authorities for purposes of planning,  
11 designating, and establishing these corridors.

12        (b) The department, subject to the approval of the  
13 governor, for the purposes of this part may acquire, by purchase  
14 or eminent domain, private property in fee simple, or any lesser  
15 interest therein, including leases, licenses, or grants of  
16 easement, any lands necessary for the establishment, maintenance,  
17 operation, management, and control of geothermal energy  
18 transmission corridors.

19        (c) The department will compensate the developers of  
20 intracounty projects for unreimbursed interconnection costs not  
21 recovered by avoided cost payments made by the contracting  
22 utility. The compensation will be a waiver by the State of the  
23 mineral rights royalty payments normally made by the developer

1 until the unreimbursed interconnection costs are recovered;  
2 provided that the transmission lines are constructed and in  
3 service not later than December 31, 1995.

4 §196- Operation and management of corridors and  
5 infrastructure; transfer of responsibilities. (a) The  
6 department shall assume or otherwise transfer to any agency,  
7 interagency group, or person the responsibility of operating,  
8 maintaining, managing, and controlling geothermal energy  
9 transmission corridors and related infrastructure established  
10 throughout the State.

11 (b) The department may dispose of any interests or rights  
12 in lands acquired for the purposes of this chapter by purchase,  
13 lease, license, or by grant of easements to any agency,  
14 interagency group, or person who is engaged in the business of  
15 furnishing or delivering sources of geothermal energy."

16 SECTION 3. Chapter 196, Hawaii Revised Statutes, is amended  
17 by designating sections 196-1 to 196-6 as part I.

18 SECTION 4. Section 277-1, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "[[]§277-1[[]] Findings and declaration of necessity. The  
21 legislature finds and declares that:

22 (1) There is a critical problem in establishing convenient  
23 and economical means for transporting fuels and other

1 sources of energy, other than geothermal or hydro-  
2 electric based, from the places of manufacture or  
3 storage to distribution areas within the State of  
4 Hawaii or the places of consumption;

5 (2) There would be a maximization of the use of available  
6 lands if a state agency were to be authorized to  
7 acquire, hold, and manage energy corridors consisting  
8 of lands or interest therein, thereby controlling the  
9 use thereof;

10 (3) Competition would be fostered and thereby a reduction  
11 in cost to consumers would be realized if the State  
12 could make available energy corridors as the location  
13 for the facilities necessary for the transportation of  
14 sources of energy[;], other than geothermal and hydro-  
15 electric based; and

16 (4) [The department of transportation is the agency of the  
17 State best able to manage and control the energy  
18 corridors. The legislature also finds that the] The  
19 acquisition of private property for the aforementioned  
20 purposes is necessary, and that such acquisition is for  
21 a public use."

22 SECTION 5. Section 277-2, Hawaii Revised Statutes, is  
23 amended to read as follows:



1 "([§277-2]) Authorization. The department of  
 2 transportation shall establish, maintain, operate, manage, and  
 3 control energy corridors throughout the State, except as provided  
 4 in part of chapter 196, for the purpose of maximizing the  
 5 utilization of lands available for use in connection with  
 6 transporting by pipeline or other means, sources of energy  
 7 including but not limited to oil, its derivatives, and natural  
 8 gas; provided that the utilization of [such] those energy  
 9 corridors shall be permissive and not mandatory."

10 SECTION 6. Section 277-3, Hawaii Revised Statutes, is  
 11 amended to read as follows:

12 "([§277-3]) Acquisition of lands. The director of  
 13 transportation in the name of the State and subject to the  
 14 approval of the governor [may], for the purposes of this chapter,  
 15 may acquire, by purchase or eminent domain, private property in  
 16 fee simple, or any lesser interest therein, including leases, all  
 17 property necessary for the establishment, maintenance, operation,  
 18 management, and control of energy corridors[.], except as  
 19 provided in part of chapter 196."

20 SECTION 7. Statutory material to be repealed is bracketed.  
 21 New statutory material is underscored.

22 SECTION 8. This Act shall take effect upon its approval.

DAN 30 1989  
2 10:20

Drawn up 2/1

**A BILL FOR AN ACT**

RELATING TO GEOTHERMAL ENERGY.

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

1 SECTION 1. Section 196D-3, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Geothermal energy transmission corridor" means any  
5 overland pathway designated and adopted by the board of land and  
6 natural resources as a corridor for the construction and  
7 establishment of electrical transmission lines, pipelines, or any  
8 other form of infrastructure necessary for the transmission of  
9 any form of energy generated through geothermal sources,  
10 including but not limited to thermal energy, electrical energy,  
11 or water power. Geothermal energy transmission corridors may  
12 also be utilized for the transmission of telecommunications  
13 applications."

14 SECTION 2. Chapter 196D, Hawaii Revised Statutes, is  
15 amended by adding a new part to be appropriately designated and  
16 to read as follows:

17 "PART . OVERLAND GEOTHERMAL ENERGY  
18 TRANSMISSION CORRIDORS

19 §196D- Powers and duties. The department of land and

1 natural resources is designated as the lead agency in the  
2 establishment of the geothermal energy transmission corridors  
3 and, in addition to its existing functions, is authorized, under  
4 this part, to exercise all the powers and duties established or  
5 otherwise transferred to the department under sections 196D-4,  
6 196D-5, 196D-7, and 196D-10.

7       §196D-     Designation of corridors; acquisition or lease of  
8 lands. (a) The department shall designate, establish, and adopt  
9 by rules under chapter 91, the overland corridors through the  
10 respective counties which are necessary for the establishment of  
11 geothermal energy transmission corridors. The department shall  
12 consult with the department of business and economic development  
13 and the appropriate county authorities for purposes of planning,  
14 designating, and establishing these corridors.

15       (b) The department, subject to the approval of the  
16 governor, for the purposes of this part may acquire, by purchase  
17 or eminent domain, private property in fee simple, or any lesser  
18 interest therein, including leases, licenses, or grants of  
19 easement, any lands necessary for the establishment, maintenance,  
20 operation, management, and control of geothermal energy  
21 transmission corridors.

22       §196D-     Operation and management of corridors and  
23 infrastructure; transfer of responsibilities. (a) The

1 department shall assume or otherwise transfer to any agency,  
2 interagency group, or person the responsibility of operating,  
3 maintaining, managing, and controlling geothermal energy  
4 transmission corridors and related infrastructure established  
5 throughout the State.

6 (b) The department may dispose of any interests or rights  
7 in lands acquired for the purposes of this chapter by purchase,  
8 lease, license, or by grant of easements to any agency,  
9 interagency group, or person who is engaged in the business of  
10 furnishing or delivering sources of geothermal energy."

11 SECTION 3. Chapter 196D, Hawaii Revised Statutes, is  
12 amended by designating sections 196D-1 to 196D-10 as part I.

13 SECTION 4. Section 277-1, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "[[]§277-1[[]] Findings and declaration of necessity. The  
16 legislature finds and declares that:

17 (1) There is a critical problem in establishing convenient  
18 and economical means for transporting fuels and other  
19 sources of petroleum-based energy from the places of  
20 manufacture or storage to distribution areas within the  
21 State of Hawaii or the places of consumption;

22 (2) There would be a maximization of the use of available  
23 lands if a state agency were to be authorized to

1           acquire, hold and manage energy corridors consisting of  
2           lands or interest therein, thereby controlling the use  
3           thereof;

4           (3) Competition would be fostered and thereby a reduction  
5           in cost to consumers would be realized if the State  
6           could make available energy corridors as the location  
7           for the facilities necessary for the transportation of  
8           sources of petroleum-based energy; and

9           (4) [The department of transportation is the agency of the  
10           State best able to manage and control the energy  
11           corridors. The legislature also finds that the] The  
12           acquisition of private property for the aforementioned  
13           purposes is necessary, and that such acquisition is for  
14           a public use."

15           SECTION 5. Section 277-2, Hawaii Revised Statutes, is  
16           amended to read as follows:

17           "[[§277-2]] Authorization. The department of  
18           transportation shall establish, maintain, operate, manage and  
19           control energy corridors throughout the State, except as provided  
20           in part II of chapter 196D, for the purpose of maximizing the  
21           utilization of lands available for use in connection with  
22           transporting by pipeline or other means, sources of energy  
23           including but not limited to oil, its derivatives and natural

1 gas; provided that the utilization of such energy corridors shall  
2 be permissive and not mandatory."

3 SECTION 6. Section 277-3, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "[[§277-3]] Acquisition of lands. The director of  
6 transportation in the name of the State and subject to the  
7 approval of the governor may for the purposes of this chapter  
8 acquire, by purchase or eminent domain, private property in fee  
9 simple, or any lesser interest therein, including leases, all  
10 property necessary for the establishment, maintenance, operation,  
11 management and control of energy corridors[.], except as provided  
12 in part II of chapter 196D."

13 SECTION 7. Statutory material to be repealed is bracketed.  
14 New statutory material is underscored.

15 SECTION 8. This Act shall take effect upon its approval.

16

17

INTRODUCED BY:

*Richard A. ...*  
*Mike ...*

RECEIVED

WL 2/77

332

89 FEB 23 AIO: 46

STANDING COMMITTEE REPORT NO.

Honolulu, Hawaii

FEB 17

, 1989

DIV. OF WATER &  
LAND DEVELOPMENT

Honorable Richard S. H. Wong  
President of the Senate  
Fifteenth State Legislature  
Regular Session of 1989  
State of Hawaii

DIV. OF WATER &  
LAND DEVELOPMENT

89 FEB 23 AIO: 42

RECEIVED

Sir:

RE: S.B. No. 430

Your Committee on Energy and Natural Resources, to which was referred S.B. No. 430 entitled:

"A BILL FOR AN ACT RELATING TO GEOTHERMAL ENERGY,"

begs leave to report as follows:

The purpose of this bill is to assign to the Department of Land and Natural Resources the responsibility to establish overland corridors for the transmission of energy generated through geothermal sources, including but not limited to thermal energy, electrical energy, or water power. These overland corridors may also be used for the transmission of telecommunications.

Your Committee heard testimonies from the Department of Business and Economic Development, the Department of Transportation, the Department of Land and Natural Resources, Hawaiian Electric Company, Inc., and True/MidPacific Geothermal, Inc.

Your Committee has amended the bill as follows:

(a) The Department of Transportation is responsible for establishing all types of energy corridors except corridors for "other than geothermal-based and hydro" energy.

(b) The use of these corridors is permissive rather than mandatory. The developers and utility companies will not be required to use these corridors if other more viable alternatives are available.

(c) In order to encourage development of geothermal resources for intracounty use, transmission costs incurred by the developers of intracounty projects not recovered by avoided cost payments made by the contracting utility will be recovered by the developers through a waiver of the State's mineral rights royalties provided that the transmission line(s) are constructed and in service not later than December 31, 1995.

(d) The Department of Business and Economic Development is designated the lead agency in the development of geothermal energy corridors rather than the Department of Land and Natural Resources. This is done to eliminate a perceived conflict of interest with the Department of Land and Natural Resources establishing corridors but at the same time having the responsibility for regular land use.


(e) The original bill misquoted the Hawaii Revised Statutes by referring to the wrong Chapter. References to Chapter 196D were changed to Chapter 196 and sections of Chapter 196 were restructured into parts.


Your Committee also made technical, nonsubstantive changes to conform with recommended drafting style.

Your Committee on Energy and Natural Resources is in accord with the intent and purpose of S.B. No. 430, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 430, S.D. 1, and be referred to the Committee on Ways and Means.

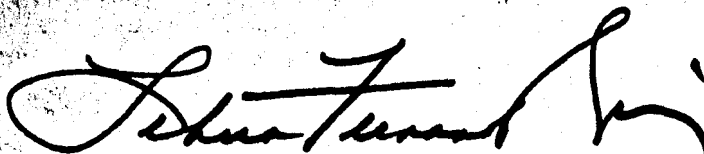
Respectfully submitted,

  
RICHARD M. MATSUURA, Chairman

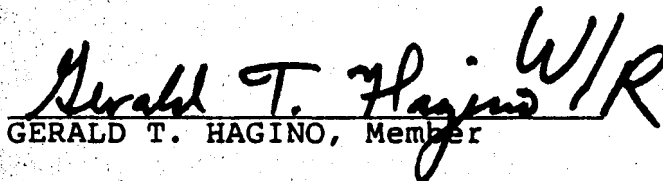
  
MIKE CROZIER, Vice Chairman

  
ANTHONY K.U. CHANG, Member





LEHUA FERNANDES SALLING, Member



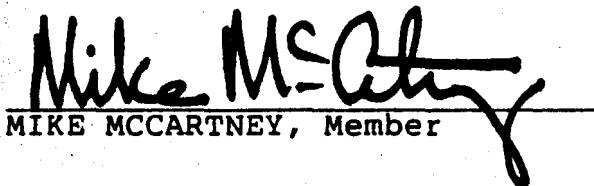
GERALD T. HAGINO, Member



MILTON HOLT, Member



ANN KOBAYASHI, Member



MIKE MCCARTNEY, Member



MARY GEORGE, Member

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## A BILL FOR AN ACT

RELATING TO GEOTHERMAL ENERGY.

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

1 SECTION 1. Section 196-2, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Geothermal energy transmission corridor" means any  
5 overland pathway designated and adopted by the department of  
6 business and economic development as a corridor for the  
7 construction and establishment of electrical transmission lines,  
8 pipelines, or any other form of infrastructure necessary for the  
9 transmission of any form of energy generated through geothermal  
10 sources, including but not limited to thermal energy, electrical  
11 energy, or water power. Geothermal energy transmission corridors  
12 may also be utilized for the transmission of telecommunications  
13 applications. The use of a geothermal energy transmission  
14 corridor is permissible but not mandatory."

15 SECTION 2. Chapter 196, Hawaii Revised Statutes, is amended  
16 by adding a new part to be appropriately designated and to read  
17 as follows:

18 "PART . OVERLAND GEOTHERMAL ENERGY  
9 TRANSMISSION CORRIDORS

1        §196-        Powers and duties. The department of business and  
2 economic development is designated as the lead agency in the  
3 establishment of geothermal energy transmission corridors.

4        §196-        Designation of corridors; acquisition or lease of  
5 lands. (a) The department shall designate, establish, and adopt  
6 by rules under chapter 91, the overland corridors through the  
7 respective counties which are necessary for the establishment of  
8 geothermal energy transmission corridors. The department shall  
9 consult with the department of land and natural resources and the  
10 appropriate county authorities for purposes of planning,  
11 designating, and establishing these corridors.

2        (b) The department, subject to the approval of the  
13 governor, for the purposes of this part may acquire, by purchase  
14 or eminent domain, private property in fee simple, or any lesser  
15 interest therein, including leases, licenses, or grants of  
16 easement, any lands necessary for the establishment, maintenance,  
17 operation, management, and control of geothermal energy  
18 transmission corridors.

19        (c) The department will compensate the developers of  
20 intracounty projects for unreimbursed interconnection costs not  
21 recovered by avoided cost payments made by the contracting  
22 utility. The compensation will be a waiver by the State of the

1 mineral rights royalty payments normally made by the developer  
2 until the unreimbursed interconnection costs are recovered;  
3 provided that the transmission line(s) are constructed and in  
4 service not later than December 31, 1995.

5       **§196- Operation and management of corridors and**

6 **infrastructure; transfer of responsibilities.** (a) The  
7 department shall assume or otherwise transfer to any agency,  
8 interagency group, or person the responsibility of operating,  
9 maintaining, managing, and controlling geothermal energy  
10 transmission corridors and related infrastructure established  
11 throughout the State.

(b) The department may dispose of any interests or rights  
13 in lands acquired for the purposes of this chapter by purchase,  
14 lease, license, or by grant of easements to any agency,  
15 interagency group, or person who is engaged in the business of  
16 furnishing or delivering sources of geothermal energy."

17       SECTION 3. Chapter 196, Hawaii Revised Statutes, is amended  
18 by designating sections 196-1 to 196-6 as part I.

19       SECTION 4. Section 277-1, Hawaii Revised Statutes, is  
20 amended to read as follows:

21       "[[~~§277-1~~]] Findings and declaration of necessity. The  
22 legislature finds and declares that:

- 1 (1) There is a critical problem in establishing convenient  
2 and economical means for transporting fuels and other  
3 sources of energy, other than geothermal or hydro-  
4 electric based, from the places of manufacture or  
5 storage to distribution areas within the State of  
6 Hawaii or the places of consumption;
- 7 (2) There would be a maximization of the use of available  
8 lands if a state agency were to be authorized to  
9 acquire, hold and manage energy corridors consisting of  
10 lands or interest therein, thereby controlling the use  
11 thereof;
- 12 (3) Competition would be fostered and thereby a reduction  
13 in cost to consumers would be realized if the State  
14 could make available energy corridors as the location  
15 for the facilities necessary for the transportation of  
16 sources of energy[;], other than geothermal and hydro-  
17 electric based; and
- 18 (4) [The department of transportation is the agency of the  
19 State best able to manage and control the energy  
20 corridors. The legislature also finds that the] The  
21 acquisition of private property for the aforementioned  
22 purposes is necessary, and that such acquisition is for  
23 a public use."

1 SECTION 5. Section 277-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[[]§277-2[[]] Authorization. The department of  
4 transportation shall establish, maintain, operate, manage and  
5 control energy corridors throughout the State, except as provided  
6 in part of chapter 196, for the purpose of maximizing the  
7 utilization of lands available for use in connection with  
8 transporting by pipeline or other means, sources of energy  
9 including but not limited to oil, its derivatives and natural  
10 gas; provided that the utilization of such energy corridors shall  
11 be permissive and not mandatory."

.2 SECTION 6. Section 277-3, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "[[]§277-3[[]] Acquisition of lands. The director of  
15 transportation in the name of the State and subject to the  
16 approval of the governor may for the purposes of this chapter  
17 acquire, by purchase or eminent domain, private property in fee  
18 simple, or any lesser interest therein, including leases, all  
19 property necessary for the establishment, maintenance, operation,  
20 management and control of energy corridors[.], except as provided  
21 in part of chapter 196."

22 SECTION 7. Statutory material to be repealed is bracketed.  
23 New statutory material is underscored.

24 SECTION 8. This Act shall take effect upon its approval.

JAN 24 1989

## A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. Chapter 235, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read as follows:

4 "§235- Residence near site of geothermal resources;  
5 income tax credit. (a) Each individual resident taxpayer who  
6 resides within a one mile radius of a site in use for the mining  
7 of geothermal resources as defined in section 182-1 or in the  
8 process of being developed for the mining of geothermal  
9 resources, and files an individual net income tax return for a  
10 taxable year, may claim a tax credit under the return against the  
11 Hawaii state individual net income tax. The tax credit may be  
12 claimed in an amount equal to fifty per cent of the amount paid  
13 by the taxpayer for electrical power to a utility company during  
14 that taxable year. The credit shall be claimed against net  
15 income tax liability for the year in which the site was in use  
16 for the mining of geothermal resources or in the process of being  
17 developed for the mining of geothermal resources.

18 (b) The director of taxation shall prepare such forms as  
19 may be necessary to claim a credit under this section. The

1 director may also require the taxpayer to furnish reasonable  
2 information in order to ascertain the validity of the claim for  
3 credit made under this section and may adopt rules necessary to  
4 effectuate the purposes of this section pursuant to chapter 91."

5 SECTION 2. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval,  
7 and shall apply to taxable years beginning after December 31,  
8 1988.

9  
10 INTRODUCED BY: \_\_\_\_\_





Jan '25/89

THE SENATE  
FIFTEENTH LEGISLATURE, 1989  
STATE OF HAWAII

S.B. NO. 165

JAN 24 1989

# A BILL FOR AN ACT

RELATING TO GEOTHERMAL RESOURCE DEVELOPMENT.

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

RECEIVED  
LEGISLATIVE COUNCIL  
JAN 25 1989  
AID: 13

1 SECTION 1. Act 390, Session Laws of Hawaii 1988, section  
2 280, item 21A., is amended to read as follows:

3 "21A. GEOTHERMAL RESOURCE DEVELOPMENT, HAWAII AND MAUI  
4 DEVELOPMENT OF GEOTHERMAL ENERGY AND TO DETERMINE THE  
5 SIZE OF HAWAII'S GEOTHERMAL RESERVOIRS BY CONDUCTING  
6 EXPLORATORY DRILLING[.] AT APPROVED SUBZONES IN HAWAII  
7 AND MAUI COUNTIES.

8	CONSTRUCTION			3,000
9	TOTAL FUNDING	BED	C	3,000C"

10 SECTION 2. Statutory material to be repealed is bracketed.  
11 New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 1989.

13  
14

INTRODUCED BY: Memorie Yamamoto  
Makana  
Rice

*with eng 1/25/89*

HOUSE OF REPRESENTATIVES  
FIFTEENTH LEGISLATURE, 1989  
STATE OF HAWAII

H.B. NO. 180

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# A BILL FOR AN ACT

RELATING TO OCEAN ENERGY.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by adding  
2 a new chapter to be appropriately designated and to read as  
3 follows:

4 "CHAPTER

5 OCEAN THERMAL ENERGY CONVERSION

6 § -1 Ocean thermal energy conversion development fund.

7 There is established the ocean thermal energy conversion  
8 development fund, into which shall be deposited all moneys as may  
9 be appropriated by the legislature from which the department of  
10 business and economic development may encourage the development  
11 of ocean thermal energy conversion projects that have commercial  
12 applications. In making any expenditure under this section, the  
13 department shall analyze each funding request to determine  
14 whether the project to be undertaken will meet the objective of  
15 the fund and will be economically viable and beneficial to the  
16 State.

17 § -2 Matching funds by other sources. Sources other than  
18 the legislature may contribute funds for ocean thermal energy  
19 conversion projects. The funds may be deposited into the ocean

1 thermal energy conversion fund. The projects funded under this  
2 chapter shall require matching amounts from non-state sources.

3 § -3 Equipment and facilities to revert to State. All  
4 equipment and facilities purchased or constructed by ocean  
5 thermal energy conversion projects which are financed by the  
6 ocean thermal energy conversion fund shall revert for purposes of  
7 ownership to the State following the termination of each  
8 project."

9 SECTION 2. There is appropriated out of the general revenues  
10 of the State of Hawaii the sum of \$5,000,000, or so much thereof  
11 as may be necessary for fiscal year 1989-1990, to be deposited  
12 into the ocean thermal energy conversion development fund to  
13 encourage the development of ocean thermal energy conversion  
14 projects for commercial applications.

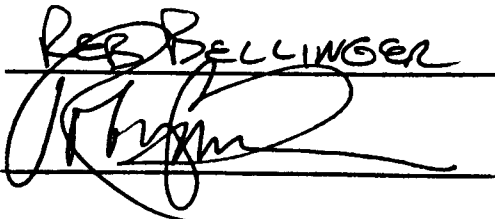
15 SECTION 3. The sum appropriated shall be expended by the  
16 department of business and economic development for the purposes  
17 of this Act.

18 SECTION 4. This Act shall take effect on July 1, 1989.

19

20

21

INTRODUCED BY: REP BELLINGER  


JAN 24 1989

WR 1/25/89

THE SENATE  
FIFTEENTH LEGISLATURE, 1989  
STATE OF HAWAII

S.B. NO. 174

JAN 24 1989

# A BILL FOR AN ACT

RELATING TO PUBLIC RECORDS.

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

RECEIVED  
JAN 25 1989  
HONOLULU

1 SECTION 1. Section 92F-12, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[[]§92F-12[[]] Disclosure required. (a) Any provision to  
4 the contrary notwithstanding each agency shall make available for  
5 public inspection and duplication during regular business hours:

6 (1) Rules of procedure, substantive rules of general  
7 applicability, statements of general policy, and  
8 interpretations of general applicability adopted by the  
9 agency;

10 (2) Final opinions, including concurring and dissenting  
11 opinions, as well as orders made in the adjudication of  
12 cases;

13 (3) Government purchasing information including all bid  
14 results except to the extent prohibited by section  
15 92F-13;

16 (4) Pardons and commutations, as well as directory

- 1 information concerning an individual's presence at any  
2 correctional facility;
- 3 (5) Land ownership, transfer, and lien records, including  
4 real property tax information and leases of state land;
- 5 (6) Results of environmental tests;
- 6 (7) Minutes of all agency meetings required by law to be  
7 public;
- 8 (8) Name, address, and occupation of any person borrowing  
9 funds from a state or county loan program, and the  
10 amount, purpose, and current status of the loan;
- 11 (9) Certified payroll record on public works contracts;
- 12 (10) Regarding contract hires and consultants employed by  
13 agencies; the contract itself, the amount of  
14 compensation, the duration of the contract, and the  
15 objectives of the contract;
- 16 (11) Building permit information within the control of the  
17 agency;
- 18 (12) Water service consumption data maintained by the boards  
19 of water supply;
- 20 (13) Rosters of persons holding licenses or permits granted

1 by an agency which may include name, business address,  
2 type of license held, and status of the license;

3 (14) The name, compensation (or salary range for employees  
4 covered by chapters 76 and 77), job title, business  
5 address, business telephone number, job description,  
6 education and training background, previous work  
7 experience, and dates of first and last employment of  
8 present or former officers or employees of the agency,  
9 provided that this provision shall not require the  
10 creation of a roster of employees;

11 (15) Information collected and maintained for the purpose of  
12 making information available to the general public;  
13 [and]

14 (16) Information contained in or compiled from a transcript,  
15 minutes, report, or summary of a proceeding open to the  
16 public[.]; and

17 (17) Water and well testing results performed by an agency  
18 of the State.

19 (b) Any provision to the contrary notwithstanding, each  
20 agency shall also disclose:

1 (1) Any government record, if the requesting person has the  
2 prior written consent of all individuals to whom the  
3 record refers;

4 (2) Government records which, pursuant to federal law or a  
5 statute of this State, are expressly authorized to be  
6 disclosed to the individual requesting access;

7 (3) Government records pursuant to a showing of compelling  
8 circumstances affecting the health or safety of any  
9 individual;

10 (4) Government records requested pursuant to an order of a  
11 court;

12 (5) Government records pursuant to a subpoena from either  
13 house of the state legislature; and

14 (6) Information from the motor vehicle registration files,  
15 provided that the person requesting such files shall  
16 have a legitimate reason as determined by rules.

17 (c) The use of records of water and well testing results in  
18 the preparation of the prosecution or defense of any action or  
19 proceeding shall not preclude public inspection, unless there is  
20 an order issued from a state or federal court to the contrary."


1 SECTION 2. Statutory material to be repealed is bracketed.

2 New statutory material is underscored.

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

4

5

INTRODUCED BY: 





89 JAN 17 P.V. 47

DEPT. OF LAND & NATURAL RESOURCES STATE OF HAWAII

January 13, 1989

*M-J.*  
*IF THIS IS ONE FROM*  
*GROUP*  
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*& P.O.P. CONFIDENTIAL*  
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MEMORANDUM

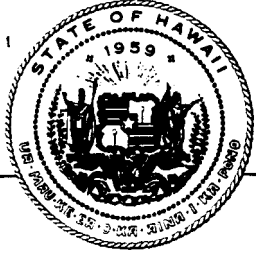
TO: NELH Board of Directors

FROM: Jack P. Huizingh, Executive Director  
Natural Energy Laboratory of Hawaii *JPH*

SUBJECT: Bill Relating to Hawaii Natural Resource and Energy Authority

Please find enclosed a copy of the Bill Relating to the Hawaii Natural Resource and Energy Authority for you review and comments.

JPH:gym  
Enclosure



# DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

KAMAMALU BUILDING, 250 SOUTH KING ST., HONOLULU, HAWAII  
MAILING ADDRESS: P.O. BOX 2359, HONOLULU, HAWAII 96804 TELEX: 7430250 HIDEPEX FAX: (808) 523-8637

JOHN WAIHEE  
GOVERNOR

ROGER A. ULVELING  
DIRECTOR

BARBARA KIM STANTON  
DEPUTY DIRECTOR

LESLIE S. MATSUBARA  
DEPUTY DIRECTOR

RECEIVED

JAN 12 1989

NELH

January 12, 1989

## MEMORANDUM

TO: Bill Bass/Admiral Hayward  
Jack Huizingh/John Craven  
Bill Coops

FROM: Michelle Wong-Wilson, Legislative Coordinator

RE: Hawaii Natural Resource and Energy Authority

Please review the attached Bill relating to the Hawaii Natural Resource and Energy Authority and let me know your comments.

Time is of the essence, so I would appreciate receiving your comments by Wednesday, January 18th.

Mahalo,

MWV:hr

Attmt.

**REVISED**

4/12/89

RELATING TO THE HAWAII NATURAL RESOURCE AND ENERGY  
AUTHORITY.

SECTION 1. The legislature finds that development of the use of Hawaii's natural resources: the earth, the oceans and the sky. Geothermal, solar radiation, steady winds, ocean waves, biomass, and ocean thermal energy, are some of which are of prime importance and could result in the increased diversification of the State's economy. The legislature also finds that the use of geothermal resources represents a substantial and long-term source of indigenous renewable alternate energy that could be used to generate electric energy to meet the State's electric energy needs and concurrently help to reduce the state's need for imported fossil fuels, and can be commercially viable. The legislature finds that an abundance of these resources are located on the island of Hawaii and that facilities have already been established which serve to promote the development of research and commercial uses

for these resources. These facilities which are comprised of a research and technology park with laboratory services and a demonstration geothermal well, are currently supervised by separate entities which does not provide for the efficient, coordinated operation and management of the State's efforts and causes serious confusion to prospective tenants and complications in the expansion of tenant projects.

Therefore, the legislature finds that there is a need to establish a new authority whose purpose is to manage and maintain those facilities located at Ke-ahole point and in Puna, on the island of Hawaii. The facilities were formally known as the natural energy laboratory of Hawaii, an affiliated agency of the department of business and economic development, and the Hawaii ocean science technology park, developed and managed by the high technology development corporation, another affiliated agency of the department.

The intent of the legislature is to consolidate the management and organization of those facilities under one authority whose main purpose will be to maintain the physical structure of the facilities, provide facilities

for lease to tenants who use the natural resources and energy or who support such projects and activities, and provide utilities and other support services to the tenants of those facilities.

In order to derive benefit from the international and national reputation already established, the legislature has determined that the research facilitation activity, under the direction of the authority, may continue to be known as the natural energy laboratory of Hawaii. Its mission will be to serve as a facilitator for the research and development process which covers the spectrum from fundamental research up to pilot commercial projects for developments which utilize the unique natural resources available at Ke-ahole point.

Also, in order to derive benefit from the marketing programs established, the authority may continue to promote the Hawaii ocean science and technology park as the lessor for the purpose of those projects whose intent is commercialization.

The authority shall also manage and operate the geothermal well facility at Puna, Hawaii.

Further, in order to provide for a smooth transition,

and to preserve those activities and projects which are already underway at the Ke-ahole and Puna facilities, the director of the department of business and economic development shall have the power to appoint an interim managing director for a term not to exceed one year from the effective date of this Act.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and read as follows:

"Chapter \_\_\_\_\_

Hawaii Natural Resource and Energy Authority

§     -1 Definitions. As used in this chapter, unless the context clearly requires otherwise:

"Authority" means the Hawaii natural resource and energy authority established by section     -2..

"Board" means the board of directors of the authority established by section     -2 and any successor thereto.

"Bonds" means special purpose bonds issued under this chapter and shall include notes, other instruments of indebtedness, and refunding bonds.

"Cost" means the total cost in carrying out all undertakings that the authority deems reasonable and

necessary for the development of a project or research and technology park, including but not limited to the cost of studies, surveys, plans, and specifications, architectural, design, engineering, or any other special related services; the cost of site preparation and development, demolition, construction, reconstruction, rehabilitation, and improvement; the cost of financing such project or research and technology park from the date thereof to the estimated date of completion of such project or research and technology park as determined by the board; the cost of an allocable portion of the administrative and operating expenses of the authority related to the development of such project or research and technology park; and the cost of indemnity and surety bonds, premiums on policies of insurance, legal fees, and fees and expenses of trustees, depositories, and paying agents for the bonds, and for the issuance of letters of credit or other banking arrangements whether for the authority credit or a qualified person; all as the authority shall deem necessary.

"Project" means any combination of land and buildings and other improvements thereon for use in but not limited

to research, development, demonstration, processing, or manufacturing activities or enterprises utilizing or in support of the utilization of natural resources and geothermal energy which are located in a research and technology park and acquired, constructed, reconstructed, rehabilitated, improved, altered, or repaired by or on behalf of the authority.

"Project agreement" means any lease, sublease, loan agreement, conditional sale agreement, or other similar financing contract or agreement, or any combination thereof entered into under this chapter by the authority, including the financing from the proceeds of bonds of a project or a research and technology park.

"Public agency" means any office, department, board, commission, bureau, division, public corporation, agency, or instrumentality of the federal, state, or county government.

"Qualified person" means any individual, partnership, corporation, public agency, or any combination or association of the foregoing, possessing the competence, expertise, experience, and resources, including financial, personnel, and tangible resources, required for the



purposes of a project and such other qualifications as may be deemed desirable by the authority in administering this chapter and which enters into a project agreement with the authority.

"Real property" means lands, structures, and interests therein, and natural resources including water, minerals, and all such things connected with land, including lands under water and riparian rights, space rights, air rights, and any and all other things and rights usually included within the term. Real property also means any and all interests in such property less than fee title, such as leasehold interests, easements, incorporeal hereditaments, and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgements, mortgages, or otherwise.

"Research advisory committee" means the research committee which is advisory to the board and is established by section -4 and any successor thereto.

"Research and technology park" means a tract of real property determined by the board as being suitable for use as building sites for projects engaged in research.

development, demonstration, processing, or manufacturing activities or enterprises utilizing natural resources or geothermal energy. This includes but is not limited to research, commercialization, training, technical analyses, pilot plant or prototype product development, and may include the installation of improvements to such tracts incidental to the use of real property as a research and technology park, such as water, sewer, sewage and waste disposal, and drainage facilities, sufficient to adequately service projects in the research and technology park, and provision of incidental transportation facilities, power distribution facilities, and communication facilities. Research and technology parks shall not include any buildings or structures of any kind except for buildings or structures incidental to improvements of the research and technology park.

§       -2 Hawaii natural resource and energy authority; established. (a) There is established the Hawaii natural resource and energy authority, which shall be a body public and corporate and politic with perpetual existence. The authority shall be placed within the department of business and economic development for

administrative purposes, pursuant to section 26-35.

(b) The governing body of the authority shall consist of a board of directors having seven voting members. Five members shall be appointed by the governor for staggered terms pursuant to section 26-34. The members shall be from the general public and selected on the basis of their knowledge, interest, and proven expertise in, but not limited to, one or more of the following fields: finance, commerce and trade, corporate management, marketing, economics, engineering, energy management, real estate development, property management, ocean science and space; provided that no public member of the board shall be an officer or employee of the State or its political subdivisions. The director of the department of business and economic development, the chairperson of the board of land and natural resources, or their designated representatives, shall serve as ex-officio voting members of the board. The director of business and economic development shall serve as the chairperson until such time as a chairperson is elected by the board from the membership. The board shall elect other officers as it deems necessary.

(c) The members of the board appointed under subsection (b) shall serve without compensation, but may be reimbursed for expenses, including travel expenses, incurred in the performance of their duties.

(d) The board shall appoint an executive director, who shall serve at the pleasure of the board and shall be exempt from chapters 76 and 77. The board shall set the salary and duties of the executive director.

§     -3 Powers of the authority. The authority shall have all the powers necessary to carry out its purposes, including the following powers:

- (1) To sue and be sued;
- (2) To have a seal and alter the same at its pleasure;
- (3) To make, execute, enter into, amend, supplement, and carryout contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter with any private person, firm, partnership, association, company or corporation only, as it may be necessary in the conduct of its business and on

such terms as it may deem appropriate; provided that the authority shall not obligate any funds of the State except such as have been appropriated to it. Notwithstanding the foregoing, the authority may enter into and perform such contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States, a foreign nation, a state, a territory, or a possession, or with any political subdivision thereof.

- (4) To receive by gifts, grants, devises, bequests, or otherwise from private sources only, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income therefrom, in accordance with the conditions under which it was received; except that no gift to the authority shall be accepted unless approved or confirmed by the board of directors.

- (5) To promote the use of the geothermal energy and natural resources sites for the purpose as provided by law;
- (6) To impose and collect fees pertaining to the use of properties and facilities of the authority;
- (7) Formulate budgets to provide for the operation of the facilities;
- (8) Through its executive director appoint officers, agents and employees without regard to chapters 76 and 77 and establish the salaries therefor;
- (9) Submit an annual report to the governor and the legislature, by February 15 of each year;
- (10) To do any or all other acts reasonable necessary to carry out the objects and purposes of the authority;
- (11) To adopt rules under chapter 91 necessary to effectuate this chapter in connection with its operation, facilities, parks, properties, and projects;
- (12) To own, lease, hold, clear, improve, and

rehabilitate real, personal, or mixed property and to assign, exchange, transfer, convey, lease, sublease, or encumber any project including by way of easements;

- (13) To construct, reconstruct, rehabilitate, improve, alter, or repair, or provide for the the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project and to designate a qualified person as its agent for such purpose, and to own, hold, assign, transfer, convey, exchange, lease, sublease, or encumber any project;
- (14) To arrange or initiate appropriate action for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, easements, or other places, the furnishings or improvements, the acquisition of property or property rights, or the furnishing of property or services in connection with a research and technology park;
- (15) To prepare or cause to be prepared plans,

- specifications, designs, and estimates of cost for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project or research and technology park, and from time to time to modify such plans, specifications, designs, or estimates;
- (16) To engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;
  - (17) To accept or expend gifts or grants in any form from any public agency or from any other source;
  - (18) To procure insurance against any loss in connection with its properties and other assets and operations in such amounts and from such insurers as it deems desirable;
  - (19) To issue bonds pursuant to this chapter in such principal amounts as may be authorized from time to time by law to finance the cost of a project including the repair or addition to its parks and facilities as authorized by law and to provide for the security thereof as permitted by this chapter;



- (20) To lend or otherwise apply the proceeds of the bonds issued for a project or a research and technology park either directly or through a trustee or a qualified person for use and application in the acquisition, construction, installation, or modification of a project or research and technology park, or agree with the qualified person whereby any of these activities shall be undertaken or supervised by that qualified person or by a person designated by the qualified person;
- (21) With or without terminating a project agreement, to exercise any and all rights provided by law for entry and re-entry upon or to take possession of a project at any time or from time to time upon breach or default by a qualified person under a project agreement, including any action at law or in equity for the purpose of effecting its rights of entry or re-entry or obtaining possession of the project or for the payments of rentals, user taxes, or charges, or

any other sum due and payable by the qualified person to the authority pursuant to the project agreement;

- (23) To enter into arrangements with qualified county development entities whereby the board would provide financial support to qualified projects proposed;

§     -4 Research advisory committee. The Hawaii natural resource and energy authority may appoint a research advisory committee for the purpose of obtaining expert and specialized counsel and advice on matters relating to scientific research and may include as members of the committee officers and employees of any government department or agency provided that at least two members of the board shall be appointed to the committee and shall serve as the chairman and secretary of the committee. The authority may assign its own staff to aid and assist the committee and may reimburse any member of the committee for necessary expenses incurred in the performance of the member's work for the authority.

§     -5 Revolving fund. Any other law to the

contrary notwithstanding, there is established a revolving fund to be known as the Hawaii natural resource and energy authority revolving fund, into which shall be deposited all moneys, fees, grants, and gifts made to the Hawaii natural resource and energy authority and from which expenditures may be made to provide for the operation of the Hawaii natural resource and energy authority.

§         -6 Exemption of authority from taxation and competitive bidding. (a) All revenues and receipts derived by the authority from any project or research and technology park or under a project agreement or other agreement pertaining thereto shall be exempt from all state taxation. Any right, title, and interest of the authority in any project or research and technology park shall also be exempt from all state taxation. Except as otherwise provided by law, the interest of a qualified person or other user of a project or research and technology park under a project agreement or other agreements related to a project or research and technology park shall not be exempt from taxation to a greater extent than it would be if the costs of the project or research

and technology park were directly financed by the qualified person or user.

(b) The authority shall not be subject to any requirement of law for competitive bidding for project agreements, construction contracts, or other contracts unless a project agreement with respect to a project or research and technology park otherwise shall require.

§     -7 Assistance by state and county agencies.

Every state or county agency may render services to the authority upon request of the authority.

§     -8 Court proceedings; preferences. Any action

or proceeding to which the authority, the State, or a county may be a party, in which any questions arises as to the validity of this chapter, shall be preferred over all other civil causes, except election cases, without respect to position on the calendar. The same preference shall be given upon application of counsel for the authority in any action or proceeding questioning the validity of this chapter in which the authority has duly intervened.

§     -9 Authority excepted from certain state laws.

In order to properly carry out the functions of the

authority, and to provide the greatest flexibility in ensuring the proper maintenance of equipment and services to its tenants, the authority shall be excepted from the following state laws:

- (1) Sections 36-37 and 36-30, relating to special fund reimbursements to the state general fund;
- (2) Sections 103-22 and 103-42, relating to advertising bids and purchases to be made in Hawaii whenever public moneys are expended.

SECTION 3. There is appropriated out of the general fund, revenues of the State of Hawaii, the sum of \$\_\_\_\_\_, or so much thereof as may be necessary for fiscal year 1989-90, and the sum of \$\_\_\_\_\_ is appropriated for fiscal year 1990-91, to carry out the purposes of this Act. The sum appropriated shall be expended by the department of business and economic development.

SECTION 4. This Act shall take effect upon its approval.

Introduced by \_\_\_\_\_

BED-18(89)



# DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

JOHN WAIHEE  
GOVERNOR

ROGER A. ULVELING  
DIRECTOR

BARBARA KIM STANTON  
DEPUTY DIRECTOR

LESLIE S. MATSUBARA  
DEPUTY DIRECTOR

KAMAMALU BUILDING, 250 SOUTH KING ST., HONOLULU, HAWAII  
MAILING ADDRESS: P.O. BOX 2359, HONOLULU, HAWAII 96804 TELEX: 7430250 HIDPED FAX: (808) 523-8637

January 12, 1989

RECEIVED  
LEGISLATIVE SERVICES  
STATE OF HAWAII  
JAN 17 11 48 AM '89

## MEMORANDUM

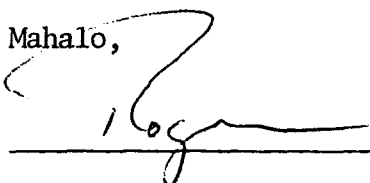
TO: The Honorable William Paty  
Director  
Department of Land and Natural Resources

FROM: Roger A. Ulveling

SUBJECT: DBED 1989 Legislative Proposal

Attached is a proposed measure which has been submitted to the Governor for inclusion in this year's Legislative Package.

We would appreciate your reviewing the legislation and advising us of your comments by Friday, January 20. If there are any questions, please contact DBED's Legislative Coordinator, Michelle Wong-Wilson at 543-2746.

Mahalo,  
  
\_\_\_\_\_

RAU:MWW:hr  
Attachment

# REVISED

4/12/89

## RELATING TO THE HAWAII NATURAL RESOURCE AND ENERGY AUTHORITY.

SECTION 1. The legislature finds that development of the use of Hawaii's natural resources: the earth, the oceans and the sky. Geothermal, solar radiation, steady winds, ocean waves, biomass, and ocean thermal energy, are some of which are of prime importance and could result in the increased diversification of the State's economy. The legislature also finds that the use of geothermal resources represents a substantial and long-term source of indigenous renewable alternate energy that could be used to generate electric energy to meet the State's electric energy needs and concurrently help to reduce the state's need for imported fossil fuels, and can be commercially viable. The legislature finds that an abundance of these resources are located on the island of Hawaii and that facilities have already been established which serve to promote the development of research and commercial uses

for these resources. These facilities which are comprised of a research and technology park with laboratory services and a demonstration geothermal well, are currently supervised by separate entities which does not provide for the efficient, coordinated operation and management of the State's efforts and causes serious confusion to prospective tenants and complications in the expansion of tenant projects.

Therefore, the legislature finds that there is a need to establish a new authority whose purpose is to manage and maintain those facilities located at Ke-ahole point and in Puna, on the island of Hawaii. The facilities were formally known as the natural energy laboratory of Hawaii, an affiliated agency of the department of business and economic development, and the Hawaii ocean science technology park, developed and managed by the high technology development corporation, another affiliated agency of the department.

The intent of the legislature is to consolidate the management and organization of those facilities under one authority whose main purpose will be to maintain the physical structure of the facilities, provide facilities



for lease to tenants who use the natural resources and energy or who support such projects and activities, and provide utilities and other support services to the tenants of those facilities.

In order to derive benefit from the international and national reputation already established, the legislature has determined that the research facilitation activity, under the direction of the authority, may continue to be known as the natural energy laboratory of Hawaii. Its mission will be to serve as a facilitator for the research and development process which covers the spectrum from fundamental research up to pilot commercial projects for developments which utilize the unique natural resources available at Ke-ahole point.

Also, in order to derive benefit from the marketing programs established, the authority may continue to promote the Hawaii ocean science and technology park as the lessor for the purpose of those projects whose intent is commercialization.

The authority shall also manage and operate the geothermal well facility at Puna, Hawaii.

Further, in order to provide for a smooth transition,

and to preserve those activities and projects which are already underway at the Ke-ahole and Puna facilities, the director of the department of business and economic development shall have the power to appoint an interim managing director for a term not to exceed one year from the effective date of this Act.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and read as follows:

"Chapter \_\_\_\_\_

Hawaii Natural Resource and Energy Authority

§ \_\_\_\_-1 Definitions. As used in this chapter, unless the context clearly requires otherwise:

"Authority" means the Hawaii natural resource and energy authority established by section \_\_\_\_-2..

"Board" means the board of directors of the authority established by section \_\_\_\_-2 and any successor thereto.

"Bonds" means special purpose bonds issued under this chapter and shall include notes, other instruments of indebtedness, and refunding bonds.

"Cost" means the total cost in carrying out all undertakings that the authority deems reasonable and

necessary for the development of a project or research and technology park, including but not limited to the cost of studies, surveys, plans, and specifications, architectural, design, engineering, or any other special related services; the cost of site preparation and development, demolition, construction, reconstruction, rehabilitation, and improvement; the cost of financing such project or research and technology park from the date thereof to the estimated date of completion of such project or research and technology park as determined by the board; the cost of an allocable portion of the administrative and operating expenses of the authority related to the development of such project or research and technology park; and the cost of indemnity and surety bonds, premiums on policies of insurance, legal fees, and fees and expenses of trustees, depositories, and paying agents for the bonds, and for the issuance of letters of credit or other banking arrangements whether for the authority credit or a qualified person; all as the authority shall deem necessary.

"Project" means any combination of land and buildings and other improvements thereon for use in but not limited

to research, development, demonstration, processing, or manufacturing activities or enterprises utilizing or in support of the utilization of natural resources and geothermal energy which are located in a research and technology park and acquired, constructed, reconstructed, rehabilitated, improved, altered, or repaired by or on behalf of the authority.

"Project agreement" means any lease, sublease, loan agreement, conditional sale agreement, or other similar financing contract or agreement, or any combination thereof entered into under this chapter by the authority, including the financing from the proceeds of bonds of a project or a research and technology park.

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"Qualified person" means any individual, partnership, corporation, public agency, or any combination or association of the foregoing, possessing the competence, expertise, experience, and resources, including financial, personnel, and tangible resources, required for the

purposes of a project and such other qualifications as may be deemed desirable by the authority in administering this chapter and which enters into a project agreement with the authority.

"Real property" means lands, structures, and interests therein, and natural resources including water, minerals, and all such things connected with land, including lands under water and riparian rights, space rights, air rights, and any and all other things and rights usually included within the term. Real property also means any and all interests in such property less than fee title, such as leasehold interests, easements, incorporeal hereditaments, and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgements, mortgages, or otherwise.

"Research advisory committee" means the research committee which is advisory to the board and is established by section -4 and any successor thereto.

"Research and technology park" means a tract of real property determined by the board as being suitable for use as building sites for projects engaged in research.

development, demonstration, processing, or manufacturing activities or enterprises utilizing natural resources or geothermal energy. This includes but is not limited to research, commercialization, training, technical analyses, pilot plant or prototype product development, and may include the installation of improvements to such tracts incidental to the use of real property as a research and technology park, such as water, sewer, sewage and waste disposal, and drainage facilities, sufficient to adequately service projects in the research and technology park, and provision of incidental transportation facilities, power distribution facilities, and communication facilities. Research and technology parks shall not include any buildings or structures of any kind except for buildings or structures incidental to improvements of the research and technology park.

§     -2 Hawaii natural resource and energy authority; established. (a) There is established the Hawaii natural resource and energy authority, which shall be a body public and corporate and politic with perpetual existence. The authority shall be placed within the department of business and economic development for

administrative purposes, pursuant to section 26-35.

(b) The governing body of the authority shall consist of a board of directors having seven voting members. Five members shall be appointed by the governor for staggered terms pursuant to section 26-34. The members shall be from the general public and selected on the basis of their knowledge, interest, and proven expertise in, but not limited to, one or more of the following fields: finance, commerce and trade, corporate management, marketing, economics, engineering, energy management, real estate development, property management, ocean science and space; provided that no public member of the board shall be an officer or employee of the State or its political subdivisions. The director of the department of business and economic development, the chairperson of the board of land and natural resources, or their designated representatives, shall serve as ex-officio voting members of the board. The director of business and economic development shall serve as the chairperson until such time as a chairperson is elected by the board from the membership. The board shall elect other officers as it deems necessary.

(c) The members of the board appointed under subsection (b) shall serve without compensation, but may be reimbursed for expenses, including travel expenses, incurred in the performance of their duties.

(d) The board shall appoint an executive director, who shall serve at the pleasure of the board and shall be exempt from chapters 76 and 77. The board shall set the salary and duties of the executive director.

§     -3 Powers of the authority. The authority shall have all the powers necessary to carry out its purposes, including the following powers:

- (1) To sue and be sued;
- (2) To have a seal and alter the same at its pleasure;
- (3) To make, execute, enter into, amend, supplement, and carryout contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter with any private person, firm, partnership, association, company or corporation only, as it may be necessary in the conduct of its business and on



such terms as it may deem appropriate; provided that the authority shall not obligate any funds of the State except such as have been appropriated to it. Notwithstanding the foregoing, the authority may enter into and perform such contracts, leases, cooperative agreements, or other transactions with any agency or instrumentality of the United States, a foreign nation, a state, a territory, or a possession, or with any political subdivision thereof.

- (4) To receive by gifts, grants, devises, bequests, or otherwise from private sources only, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income therefrom, in accordance with the conditions under which it was received; except that no gift to the authority shall be accepted unless approved or confirmed by the board of directors.

- (5) To promote the use of the geothermal energy and natural resources sites for the purpose as provided by law;
- (6) To impose and collect fees pertaining to the use of properties and facilities of the authority;
- (7) Formulate budgets to provide for the operation of the facilities;
- (8) Through its executive director appoint officers, agents and employees without regard to chapters 76 and 77 and establish the salaries therefor;
- (9) Submit an annual report to the governor and the legislature, by February 15 of each year;
- (10) To do any or all other acts reasonable necessary to carry out the objects and purposes of the authority;
- (11) To adopt rules under chapter 91 necessary to effectuate this chapter in connection with its operation, facilities, parks, properties, and projects;
- (12) To own, lease, hold, clear, improve, and

rehabilitate real, personal, or mixed property and to assign, exchange, transfer, convey, lease, sublease, or encumber any project including by way of easements;

- (13) To construct, reconstruct, rehabilitate, improve, alter, or repair, or provide for the the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project and to designate a qualified person as its agent for such purpose, and to own, hold, assign, transfer, convey, exchange, lease, sublease, or encumber any project;
- (14) To arrange or initiate appropriate action for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, easements, or other places, the furnishings or improvements, the acquisition of property or property rights, or the furnishing of property or services in connection with a research and technology park;
- (15) To prepare or cause to be prepared plans,

specifications, designs, and estimates of cost for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project or research and technology park, and from time to time to modify such plans, specifications, designs, or estimates;

- (16) To engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;
- (17) To accept or expend gifts or grants in any form from any public agency or from any other source;
- (18) To procure insurance against any loss in connection with its properties and other assets and operations in such amounts and from such insurers as it deems desirable;
- (19) To issue bonds pursuant to this chapter in such principal amounts as may be authorized from time to time by law to finance the cost of a project including the repair or addition to its parks and facilities as authorized by law and to provide for the security thereof as permitted by this chapter;

- (20) To lend or otherwise apply the proceeds of the bonds issued for a project or a research and technology park either directly or through a trustee or a qualified person for use and application in the acquisition, construction, installation, or modification of a project or research and technology park, or agree with the qualified person whereby any of these activities shall be undertaken or supervised by that qualified person or by a person designated by the qualified person;
- (21) With or without terminating a project agreement, to exercise any and all rights provided by law for entry and re-entry upon or to take possession of a project at any time or from time to time upon breach or default by a qualified person under a project agreement, including any action at law or in equity for the purpose of effecting its rights of entry or re-entry or obtaining possession of the project or for the payments of rentals, user taxes, or charges, or

any other sum due and payable by the qualified person to the authority pursuant to the project agreement;

- (23) To enter into arrangements with qualified county development entities whereby the board would provide financial support to qualified projects proposed;

§     -4 Research advisory committee. The Hawaii natural resource and energy authority may appoint a research advisory committee for the purpose of obtaining expert and specialized counsel and advice on matters relating to scientific research and may include as members of the committee officers and employees of any government department or agency provided that at least two members of the board shall be appointed to the committee and shall serve as the chairman and secretary of the committee. The authority may assign its own staff to aid and assist the committee and may reimburse any member of the committee for necessary expenses incurred in the performance of the member's work for the authority.

§     -5 Revolving fund. Any other law to the

contrary notwithstanding, there is established a revolving fund to be known as the Hawaii natural resource and energy authority revolving fund, into which shall be deposited all moneys, fees, grants, and gifts made to the Hawaii natural resource and energy authority and from which expenditures may be made to provide for the operation of the Hawaii natural resource and energy authority.

§ -6 Exemption of authority from taxation and competitive bidding. (a) All revenues and receipts derived by the authority from any project or research and technology park or under a project agreement or other agreement pertaining thereto shall be exempt from all state taxation. Any right, title, and interest of the authority in any project or research and technology park shall also be exempt from all state taxation. Except as otherwise provided by law, the interest of a qualified person or other user of a project or research and technology park under a project agreement or other agreements related to a project or research and technology park shall not be exempt from taxation to a greater extent than it would be if the costs of the project or research

and technology park were directly financed by the qualified person or user.

(b) The authority shall not be subject to any requirement of law for competitive bidding for project agreements, construction contracts, or other contracts unless a project agreement with respect to a project or research and technology park otherwise shall require.

§     -7 Assistance by state and county agencies.

Every state or county agency may render services to the authority upon request of the authority.

§     -8 Court proceedings; preferences. Any action or proceeding to which the authority, the State, or a county may be a party, in which any questions arises as to the validity of this chapter, shall be preferred over all other civil causes, except election cases, without respect to position on the calendar. The same preference shall be given upon application of counsel for the authority in any action or proceeding questioning the validity of this chapter in which the authority has duly intervened.

§     -9 Authority excepted from certain state laws.

In order to properly carry out the functions of the



authority, and to provide the greatest flexibility in ensuring the proper maintenance of equipment and services to its tenants, the authority shall be excepted from the following state laws:

- (1) Sections 36-37 and 36-30, relating to special fund reimbursements to the state general fund;
- (2) Sections 103-22 and 103-42, relating to advertising bids and purchases to be made in Hawaii whenever public moneys are expended.

SECTION 3. There is appropriated out of the general fund, revenues of the State of Hawaii, the sum of \$\_\_\_\_\_, or so much thereof as may be necessary for fiscal year 1989-90, and the sum of \$\_\_\_\_\_ is appropriated for fiscal year 1990-91, to carry out the purposes of this Act. The sum appropriated shall be expended by the department of business and economic development.

SECTION 4. This Act shall take effect upon its approval.

Introduced by \_\_\_\_\_

BED-18(89)