# A BILL FOR AN ACT

RELATING TO GEOTHERMAL RESOURCES.

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

1		PART I
2	SECT	ION 1. The purpose of this Act is to address
3	geotherma	l resources.
4	More	specifically:
5	(1)	Part II amends chapter 182, Hawaii Revised Statutes,
6	•	relating to mining leases, by differentiating between
7		"geothermal resources exploration" and "geothermal
8		resources development";
9	(2)	Part III amends chapter 183C, Hawaii Revised Statutes,
10		relating to the conservation district, by designating
11		"geothermal resources exploration" and "geothermal
12		resources development" as permissible uses in all
13		zones of the conservation district; and
14	(3)	Part IV amends chapter 205, Hawaii Revised Statutes,
15		relating to state land use districts, by repealing the
16		geothermal resource subzone provisions and designating
17		"geothermal resources exploration" and "geothermal

resources development" as permissible uses in all
districts.
PART II
SECTION 2. Section 182-1, Hawaii Revised Statutes, is
amended as follows:
1. By adding two new definitions to be appropriately
inserted and to read:
"Geothermal resources development" means the development
or production of electrical energy from geothermal resources and
direct use application of geothermal resources. The term does
not include "geothermal resources exploration".
"Geothermal resources exploration" means either of the
following:
(1) Conducting non-invasive geophysical operations,
including geochemical operations, remote sensing, and
other similar techniques; or
(2) Drilling exploration wells for the extraction and
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removal of minerals of types and quantities;
removal of minerals of types and quantities; that are reasonably required for testing and analysis to provide
that are reasonably required for testing and analysis to provide

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- 1 2. By amending the definitions of "mining lease" and
- 2 "mining operations" to read:
- 3 ""Mining lease" means a lease of the right to conduct
- 4 mining operations, including geothermal resource exploration or
- 5 development, on state lands and on lands sold or leased by the
- 6 State or its predecessors in interest with a reservation of
- 7 mineral rights to the State.
- 8 "Mining operations" means the process of excavation,
- 9 extraction, and removal of minerals, and the exploration or
- 10 development of any and all geothermal resources, from the
- 11 ground, design engineering, other engineering, erection of
- 12 transportation facilities and port facilities, erection of
- 13 necessary plants, other necessary operations or development
- 14 approved by the board preceding or connected with the actual
- 15 extraction of minerals and the exploration or development of
- 16 geothermal resources."
- 17 SECTION 3. Section 182-5, Hawaii Revised Statutes, is
- 18 amended to read as follows:
- 19 "§182-5 Mining leases on reserved lands. If any mineral
- 20 is discovered or known to exist on reserved lands, any
- 21 interested person may notify the board of land and natural
- 22 resources of the person's desire to apply for a mining lease.

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- 1 The notice shall be accompanied by a fee of \$100 together with a
- 2 description of the land desired to be leased and the minerals
- 3 involved and such information and maps as the board may by
- 4 regulation prescribe. The board may grant a mining lease on
- 5 reserved lands in accordance with section 182-4, or the board
- 6 may, by the vote of two-thirds of its members to which the board
- 7 is entitled, without public auction, grant a mining lease on
- 8 reserved lands to the occupier thereof. Such a mining lease may
- 9 be granted to a person other than the occupier if the occupier
- 10 has assigned the occupier's rights to apply for a mining lease
- 11 to another person, in which case only such an assignee may be
- 12 granted a mining lease. Any provisions to the contrary
- 13 notwithstanding, if the board decides that it is appropriate to
- 14 grant a geothermal mining lease on the reserved lands, the
- 15 surface owner or the owner's assignee shall have the first right
- 16 of refusal for a mining lease [ + however, the granting of a
- 17 geothermal mining lease does not create the presumption that a
- 18 geothermal resource subzone will be designated, nor shall
- 19 geothermal development activities occur on land within the
- 20 geothermal mining lease until the area is designated a
- 21 geothermal resource subzone]. If the occupier or the occupier's
- 22 assignee of the right to obtain a mining lease should fail to



- 1 apply for a mining lease within six months from the date of
- 2 notice from the board of a finding by the board that it is in
- 3 the public interest that the minerals on the reserved lands be
- 4 mined, a mining lease shall be granted under section 182-4;
- 5 provided that bidders at the public auction shall bid on an
- 6 amount to be paid to the State for a mining lease granting to
- 7 the lessee the right to exploit minerals reserved to the State."
- 8 SECTION 4. Section 182-6, Hawaii Revised Statutes, is
- 9 amended to read as follows:
- 10 "§182-6 Exploration. Any person wishing to conduct
- 11 exploration on [such] state lands shall apply to the board of
- 12 land and natural resources who shall issue exploration permits
- 13 upon [such] terms and conditions as it shall by regulation
- 14 prescribe. During and as a result of the exploration, no
- 15 minerals of such types and quantity beyond that reasonably
- 16 required for testing and analysis shall be extracted and removed
- 17 from such state lands. Upon termination of the exploration
- 18 permit, the drill logs and the results of the assays resulting
- 19 from the exploration shall be turned over to the board and kept
- 20 confidential by the board. If the person shall not make
- 21 application for a mining lease of the lands within a period of
- 22 six months from the date the information is turned over to the

- 1 board, the board in its discretion need not keep the information
- 2 confidential.
- 3 This section shall be construed as authorizing the board to
- 4 issue an exploration permit for geothermal resources as well as
- 5 minerals."
- 6 PART III
- 7 SECTION 5. Section 183C-4, Hawaii Revised Statutes, is
- 8 amended to read as follows:
- 9 "§183C-4 Zoning; amendments. (a) The department, after
- 10 notice and hearing as provided in this section, shall review and
- 11 redefine the boundaries of the zones within the conservation
- 12 district.
- 13 (b) The department shall adopt rules governing the use of
- 14 land within the boundaries of the conservation district that are
- 15 consistent with the conservation of necessary forest growth, the
- 16 conservation and development of land and natural resources
- 17 adequate for present and future needs, and the conservation and
- 18 preservation of open space areas for public use and enjoyment.
- 19 No use except a nonconforming use as defined in section 183C-5,
- 20 shall be made within the conservation district unless the use is
- 21 in accordance with a zoning rule.

- 1 The department may allow a temporary variance from (c) 2 zoned use where good cause is shown and where the proposed 3 temporary variance is for a use determined by the department to 4 be in accordance with good conservation practices. 5 The department shall establish zones within the (d) 6 conservation district, which shall be restricted to certain 7 The department, by rules, may specify the land uses 8 permitted therein which may include, but are not limited to, 9 farming, flower gardening, operation of nurseries or orchards, 10 growth of commercial timber, grazing, recreational or hunting 11 pursuits, or residential use. The rules may control the extent, manner, and times of the uses, and may specifically prohibit 12 13 unlimited cutting of forest growth, soil mining, or other activities detrimental to good conservation practices. 14 15 (e) Notwithstanding this section or any other law to the 16 contrary, geothermal resources exploration and geothermal **17** resources development, as defined under section 182-1, shall be
- 21 deemed to include the provisions of this section without

permissible uses in all zones of the conservation district.

rules required under subsection (b) governing the use of land

within the boundaries of the conservation district shall be

22 necessity of formal adoption by the department.

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1 [<del>(e)</del>] (f) Whenever any landowner or government agency 2 whose property will be directly affected makes an application to 3 change the boundaries or land uses of any zone, or to establish 4 a zone with certain land uses, or where the department proposes 5 to make the change or changes itself, the change or changes 6 shall be put in the form of a proposed rule by the applicant and 7 the department shall then give public notice thereof during 8 three successive weeks statewide and in the county in which the 9 property is located. The notice shall be given not less than 10 thirty days prior to the date set for the hearing, and shall 11 state the time and place of the hearing and the changes 12 proposed. Any proposed rules and the necessary maps shall be 13 made available for inspection by interested members of the 14 public. The hearing shall be held in the county in which the 15 land is located and may be delegated to an agent or 16 representative of the board as may otherwise be provided by law **17** and in accordance with rules adopted by the board. For the 18 purpose of its public hearing or hearings, the board may summon witnesses, administer oaths, and require the giving of 19 20 testimony."

1 PART IV

2 SECTION 6. Section 205-2, Hawaii Revised Statutes, is

3 amended by amending subsections (b), (c), (d), and (e) to read

4 as follows:

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5 "(b) Urban districts shall include activities or uses as

6 provided by ordinances or regulations of the county within which

7 the urban district is situated.

8 In addition, urban districts shall include geothermal

9 resources exploration and geothermal resources development, as

10 defined under section 182-1, as permissible uses.

11 (c) Rural districts shall include activities or uses as

12 characterized by low density residential lots of not more than

13 one dwelling house per one-half acre, except as provided by

county ordinance pursuant to section 46-4(c), in areas where

"city-like" concentration of people, structures, streets, and

urban level of services are absent, and where small farms are

17 intermixed with low density residential lots except that within

18 a subdivision, as defined in section 484-1, the commission for

19 good cause may allow one lot of less than one-half acre, but not

20 less than [18,500] eighteen thousand five hundred square feet,

21 or an equivalent residential density, within a rural subdivision

22 and permit the construction of one dwelling on such  $lot[\tau]$ ;

- 1 provided that all other dwellings in the subdivision shall have
- 2 a minimum lot size of one-half acre or 21,780 square feet. Such
- 3 petition for variance may be processed under the special permit
- 4 procedure. These districts may include contiguous areas which
- 5 are not suited to low density residential lots or small farms by
- 6 reason of topography, soils, and other related characteristics.
- 7 Rural districts shall also include golf courses, golf driving
- 8 ranges, and golf-related facilities.
- 9 In addition to the uses listed in this subsection, rural
- 10 districts shall include geothermal resources exploration and
- 11 geothermal resources development, as defined under section
- 12 182-1, as permissible uses.
- (d) Agricultural districts shall include:
- 14 (1) Activities or uses as characterized by the cultivation
- of crops, crops for bioenergy, orchards, forage, and
- 16 forestry;
- 17 (2) Farming activities or uses related to animal husbandry
- and game and fish propagation;
- 19 (3) Aquaculture, which means the production of aquatic
- 20 plant and animal life within ponds and other bodies of
- 21 water;

1	(4)	Wind generated energy production for public, private,
2		and commercial use;
3	(5)	Biofuel production, as described in section
4		205-4.5(a)(15), for public, private, and commercial
5		use;
6	(6)	Solar energy facilities; provided that:
7		(A) This paragraph shall apply only to land with soil
8		classified by the land study bureau's detailed
9		land classification as overall (master)
10		productivity rating class B, C, $D_{\underline{,}}$ or E; and
11		(B) Solar energy facilities placed within land with
12		soil classified as overall productivity rating
13		class B or C shall not occupy more than ten per
14		cent of the acreage of the parcel, or twenty
15		acres of land, whichever is lesser;
16	(7)	Bona fide agricultural services and uses that support
17		the agricultural activities of the fee or leasehold
18		owner of the property and accessory to any of the
19		above activities, regardless of whether conducted on
20		the same premises as the agricultural activities to
21		which they are accessory, including farm dwellings as

defined in section 205-4.5(a)(4), employee housing,

1		farm buildings, mills, storage facilities, processing
2		facilities, agricultural-energy facilities as defined
3		in section 205-4.5(a)(16), vehicle and equipment
4		storage areas, roadside stands for the sale of
5		products grown on the premises, and plantation
6		community subdivisions as defined in section
7		205-4.5(a)(12);
8	(8)	Wind machines and wind farms;
9	(9)	Small-scale meteorological, air quality, noise, and
10		other scientific and environmental data collection and
11		monitoring facilities occupying less than one-half
12		acre of land; provided that these facilities shall not
13		be used as or equipped for use as living quarters or
14		dwellings;
15	(10)	Agricultural parks;
16	(11)	Agricultural tourism conducted on a working farm, or a
17		farming operation as defined in section 165-2, for the
18		enjoyment, education, or involvement of visitors;
19		provided that the agricultural tourism activity is

accessory and secondary to the principal agricultural

operations; and provided further that this paragraph

use and does not interfere with surrounding farm

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1		shall apply only to a county that has adopted
2		ordinances regulating agricultural tourism under
3		section 205-5; [and]
4	(12)	Open area recreational facilities[-]; and
5	(13)	Geothermal resources exploration and geothermal
6		resources development, as defined under section 182-1.
7	Agricultu	ral districts shall not include golf courses and golf
8	driving r	anges, except as provided in section 205-4.5(d).
9	Agricultu	ral districts include areas that are not used for, or
10	that are	not suited to, agricultural and ancillary activities by
11	reason of	topography, soils, and other related characteristics.
12	(e)	Conservation districts shall include areas necessary
13	for prote	cting watersheds and water sources; preserving scenic
14	and histo	ric areas; providing park lands, wilderness, and beach
15	reserves;	conserving indigenous or endemic plants, fish, and
16	wildlife,	including those which are threatened or endangered;
17	preventin	g floods and soil erosion; forestry; open space areas
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	whose exi	sting openness, natural condition, or present state of
19		sting openness, natural condition, or present state of etained, would enhance the present or potential value
	use, if r	
19	use, if r	etained, would enhance the present or potential value

1 and other permitted uses not detrimental to a multiple use 2 conservation concept. Conservation districts shall also include 3 areas for geothermal resources exploration and geothermal 4 resources development, as defined under section 182-1." 5 SECTION 7. Section 205-4.5, Hawaii Revised Statutes, is 6 amended by amending subsection (a) to read as follows: 7 "(a) Within the agricultural district, all lands with soil 8 classified by the land study bureau's detailed land classification as overall (master) productivity rating class A 9 10 or B shall be restricted to the following permitted uses: Cultivation of crops, including crops for bioenergy, 11 (1)12 flowers, vegetables, foliage, fruits, forage, and 13 timber; 14 (2) Game and fish propagation; Raising of livestock, including poultry, bees, fish, 15 (3) 16 or other animal or aquatic life that are propagated for economic or personal use; **17** Farm dwellings, employee housing, farm buildings, or 18 (4)activities or uses related to farming and animal 19 20 husbandry. "Farm dwelling", as used in this

paragraph, means a single-family dwelling located on

and used in connection with a farm, including clusters

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1	·	of single-family farm dwellings permitted within
2		agricultural parks developed by the State, or where
3	·	agricultural activity provides income to the family
4		occupying the dwelling;
5	(5)	Public institutions and buildings that are necessary
6	·	for agricultural practices;
7	(6)	Public and private open area types of recreational
8		uses, including day camps, picnic grounds, parks, and
9		riding stables, but not including dragstrips,
10		airports, drive-in theaters, golf courses, golf
11		driving ranges, country clubs, and overnight camps;
12	(7)	Public, private, and quasi-public utility lines and
13		roadways, transformer stations, communications
14		equipment buildings, solid waste transfer stations,
15		major water storage tanks, and appurtenant small
16		buildings such as booster pumping stations, but not
17		including offices or yards for equipment, material,
18		vehicle storage, repair or maintenance, treatment
19		plants, corporation yards, or other similar
20		structures;
21	(8)	Retention, restoration, rehabilitation, or improvement
22		of buildings or sites of historic or scenic interest;

1	(9)	Roadside stands for the safe of agricultural products
2		grown on the premises;
3	(10)	Buildings and uses, including mills, storage, and
4		processing facilities, maintenance facilities, and
5		vehicle and equipment storage areas that are normally
6		considered directly accessory to the above-mentioned
7		uses and are permitted under section 205-2(d);
8	(11)	Agricultural parks;
9	(12)	Plantation community subdivisions, which as used in
10		this chapter means an established subdivision or
11		cluster of employee housing, community buildings, and
12		agricultural support buildings on land currently or
13		formerly owned, leased, or operated by a sugar or
14		pineapple plantation; provided that the existing
15		structures may be used or rehabilitated for use, and
16		new employee housing and agricultural support
17		buildings may be allowed on land within the
18		subdivision as follows:
19		(A) The employee housing is occupied by employees or
20		former employees of the plantation who have a
21		property interest in the land;

1		(B) The employee housing units not owned by their
2		occupants shall be rented or leased at affordable
3		rates for agricultural workers; or
4		(C) The agricultural support buildings shall be
5		rented or leased to agricultural business
6		operators or agricultural support services;
7	(13)	Agricultural tourism conducted on a working farm, or a
8		farming operation as defined in section 165-2, for the
9		enjoyment, education, or involvement of visitors;
10		provided that the agricultural tourism activity is
11		accessory and secondary to the principal agricultural
12		use and does not interfere with surrounding farm
13		operations; and provided further that this paragraph
14		shall apply only to a county that has adopted
15		ordinances regulating agricultural tourism under
16		section 205-5;
17	(14)	Wind energy facilities, including the appurtenances
18		associated with the production and transmission of
19		wind generated energy; provided that the wind energy
20		facilities and appurtenances are compatible with
21		agriculture uses and cause minimal adverse impact on
22		agricultural land;

1	(15)	Biofuel processing facilities, including the
2		appurtenances associated with the production and
3		refining of biofuels that is normally considered
4		directly accessory and secondary to the growing of the
5		energy feedstock; provided that [biofuels] biofuel
6		processing facilities and appurtenances do not
7		adversely impact agricultural land and other
8		agricultural uses in the vicinity.

For the purposes of this paragraph:

"Appurtenances" means operational infrastructure of the appropriate type and scale for economic commercial storage and distribution, and other similar handling of feedstock, fuels, and other products of [biofuels] biofuel processing facilities.

"Biofuel processing facility" means a facility
that produces liquid or gaseous fuels from organic
sources such as biomass crops, agricultural residues,
and oil crops, including palm, canola, soybean, and
waste cooking oils; grease; food wastes; and animal
residues and wastes that can be used to generate
energy;

1	(10)	Agricultural-energy lactificies, including
2		appurtenances necessary for an agricultural-energy
3		enterprise; provided that the primary activity of the
4		agricultural-energy enterprise is agricultural
5		activity. To be considered the primary activity of an
6		agricultural-energy enterprise, the total acreage
7		devoted to agricultural activity shall be not less
8		than ninety per cent of the total acreage of the
9	•	agricultural-energy enterprise. The agricultural-
10		energy facility shall be limited to lands owned,
11		leased, licensed, or operated by the entity conducting
12		the agricultural activity.
13		As used in this paragraph:
14		"Agricultural activity" means any activity
15		described in paragraphs (1) to (3) of this subsection.
16		"Agricultural-energy enterprise" means an
17		enterprise that integrally incorporates an
18		agricultural activity with an agricultural-energy
19		facility.
20		"Agricultural-energy facility" means a facility
21		that generates, stores, or distributes renewable

energy as defined in section 269-91 or renewable fuel

•		including electrical of thermal energy of rights of
2		gaseous fuels from products of agricultural activities
3		from agricultural lands located in the State.
4		"Appurtenances" means operational infrastructure
5		of the appropriate type and scale for the economic
6		commercial generation, storage, distribution, and
7		other similar handling of energy, including equipment,
8		feedstock, fuels, and other products of agricultural-
9 .		energy facilities;
10	(17)	Construction and operation of wireless communication
11		antennas; provided that, for the purposes of this
12		paragraph, "wireless communication antenna" means
13		communications equipment that is either freestanding
14		or placed upon or attached to an already existing
15		structure and that transmits and receives
16		electromagnetic radio signals used in the provision of
17		all types of wireless communications services;
18		provided further that nothing in this paragraph shall
19		be construed to permit the construction of any new
20		structure that is not deemed a permitted use under
21		this subsection;

1	(18)	Agricultural education programs conducted on a farming
2		operation as defined in section 165-2, for the
3		education and participation of the general public;
4		provided that the agricultural education programs are
5		accessory and secondary to the principal agricultural
6		use of the parcels or lots on which the agricultural
7		education programs are to occur and do not interfere
8		with surrounding farm operations. For the purposes of
9		this section, "agricultural education programs" means
10		activities or events designed to promote knowledge and
11		understanding of agricultural activities and practices
12		conducted on a farming operation as defined in section
13		165-2; [ <del>or</del> ]
14	(19)	Solar energy facilities that do not occupy more than
15		ten per cent of the acreage of the parcel, or twenty
16		acres of land, whichever is lesser; provided that this
17		use shall not be permitted on lands with soil
18		classified by the land study bureau's detailed land
19		classification as overall (master) productivity rating
20		class A[-]; or

- 1 Geothermal resources exploration and geothermal (20) 2 resources development, as defined under section 3 182-1." 4 SECTION 8. Section 205-5, Hawaii Revised Statutes, is 5 amended by amending subsection (c) to read as follows: 6 "(c) Unless authorized by special permit issued pursuant 7 to this chapter, only the following uses shall be permitted 8 within rural districts: 9 (1)Low density residential uses; 10 (2) Agricultural uses; Golf courses, golf driving ranges, and golf-related 11 (3) facilities; [and] 12 Public, quasi-public, and public utility 13 (4)14 facilities[-]; and 15 (5) Geothermal resources exploration and geothermal 16 resources development, as defined under section 182-1. **17** In addition, the minimum lot size for any low density 18 residential use shall be one-half acre and there shall be but 19 one dwelling house per one-half acre, except as provided for in section 205-2." 20 21 SECTION 9. Section 205-5.1, Hawaii Revised Statutes, is 22 repealed.
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1 ["\$205-5.1 Geothermal resource subzones. (a) Geothermal 2 resource subzones may be designated within the urban, rural, agricultural, and conservation land use districts established 3 4 under-section 205-2. Only those areas designated as geothermal 5 resource subzones may be utilized for geothermal development 6 activities in addition to those uses permitted in each land use 7 district under this chapter. Geothermal development activities 8 may be permitted within urban, rural, agricultural, and 9 conservation land use districts in accordance with this chapter. 10 "Geothermal development activities" means the exploration, 11 development, or production of electrical energy from geothermal 12 resources and direct use applications of geothermal resources; 13 provided that within the urban, rural, and agricultural land use 14 districts, direct use applications of geothermal resources are 15 permitted both within and outside of areas designated as 16 geothermal resource subzones pursuant to section 205 5.2 if such **17** direct use applications are in conformance with all other 18 applicable state and county land use regulations and are in 19 conformance with this chapter. 20 (b) The board of land and natural resources shall have the 21 responsibility for designating areas as geothermal resource 22 subzones as provided under section 205 5.2; except that the SB3003 HD2 HMS 2012-3418

1 total area within an agricultural district which is the subject 2 of a geothermal mining lease approved by the board of land and 3 natural resources, any part or all of which area is the subject 4 of a special use permit issued by the county for geothermal 5 development activities, on or before May 25, 1984, is designated 6 as a geothermal resource subzone for the duration of the lease. The designation of geothermal resource subzones shall be 7 8 governed exclusively by this section and section 205 5.2, except 9 as provided therein. The board shall adopt, amend, or repeal 10 rules related to its authority to designate and regulate the use 11 of geothermal resource subzones in the manner provided under 12 chapter 91. 13 The authority of the board to designate geothermal resource 14 subzones shall be an exception to those provisions of this 15 chapter and of section 46 4 authorizing the land use commission 16 and the counties to establish and modify land use districts and to regulate uses therein. The provisions of this section shall **17** 18 not abrogate nor supersede the provisions of chapters 182, 183, 19 and 183C. 20 (c) The use of an area for geothermal development activities within a geothermal resource subzone shall be 21 22 governed by the board within the conservation district and,

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    except as herein provided, by state and county statutes,
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    ordinances, and rules not inconsistent herewith within
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    agricultural, rural, and urban districts, except that no land
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    use commission approval or special use permit procedures under
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    section 205-6 shall be required for the use of such subzones.
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    In the absence of provisions in the county general plan and
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    zoning ordinances specifically relating to the use and location
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    of geothermal development activities in an agricultural, rural,
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    or urban district, the appropriate county authority may issue a
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    geothermal resource permit to allow geothermal development
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    activities. "Appropriate county authority" means the county
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    planning commission unless some other agency or body is
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    designated by ordinance of the county council. Such uses as are
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    permitted by county general plan and zoning ordinances, by the
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    appropriate county authority, shall be deemed to be reasonable
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    and to promote the effectiveness and objectives of this chapter.
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    Chapters 177, 178, 182, 183, 183C, 205A, 226, 342, and 343 shall
    apply as appropriate. If provisions in the county general plan
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    and zoning ordinances specifically relate to the use and
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    location of geothermal development activities in an
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    agricultural, rural, or urban district, the provisions shall
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    require the appropriate county authority to conduct a public
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1 hearing on any application for a geothermal resource permit to . 2 determine whether the use is in conformity with the criteria 3 specified in subsection (e) for granting geothermal resource 4 permits; provided that within the urban, rural, and agricultural 5 land use districts, direct use applications of geothermal 6 resources are permitted without any application for a geothermal 7 resource permit both within and outside of areas designated as 8 geothermal resource subzones pursuant to section 205 5.2 if such 9 direct use applications are in conformance with all other 10 applicable state and county land use regulations and are in 11 conformance with this chapter. 12 (d) If geothermal development activities are proposed within a conservation district, with an application with all 13 required data, the board of land and natural resources shall 14 15 conduct a public hearing and, upon appropriate request for 16 mediation from any party who submitted comment at the public 17 hearing, the board shall appoint a mediator within five days. 18 The board shall require the parties to participate in mediation. 19 The mediator shall not be a member of the board or its staff. 20 The mediation period shall not extend beyond thirty days after the date mediation started, except by order of the board. 21 22 Mediation shall be confined to the issues raised at the public

1	hearing by the party requesting mediation. The mediator will
2	submit a written recommendation to the board, based upon any
3	mediation agreement reached between the parties for
4	consideration by the board in its final decision. If there is
5	no mediation agreement; the board may have a second public
6	hearing to receive additional comment related to the mediation
7	issues. Within ten days after the second public hearing, the
8	board may receive additional written comment on the issues
9	raised at the second public hearing from any party.
10	The board shall consider the comments raised at the second
11	hearing before rendering its final decision. The board shall
12	then determine whether, pursuant to board rules, a conservation
13	district use permit shall be granted to authorize the geothermal
14	development activities described in the application. The board
15	shall grant a conservation district use permit if it finds that
16	the applicant has demonstrated that:
<b>17</b>	(1) The desired uses would not have unreasonable adverse
18	health, environmental, or socio economic effects on
19	residents or surrounding property; and
20	(2) The desired uses would not unreasonably burden public
21	agencies to provide roads and streets, sewers, water,
22	drainage, and police and fire protection; or

1	(3) There are reasonable measures available to mitigate
2	the unreasonable adverse effects or burdens referred
3	<del>to-above.</del>
4	A decision shall be made by the board within six months of
5	the date a complete application was filed; provided that the
6	time limit may be extended by agreement between the applicant
7	and the board.
8	(e) If geothermal development activities are proposed
9	within agricultural, rural, or urban districts and such proposed
10	activities are not permitted uses pursuant to county general
11	plan and zoning ordinances, then after receipt of a properly
12	filed and completed application, including all required
13	supporting data, the appropriate county authority shall-conduct
14	a public hearing. Upon appropriate request for mediation from
15	any party who submitted comment at the public hearing, the
16	county authority shall appoint a mediator within five days. The
17	county authority shall require the parties to participate in
18	mediation. The mediator shall not be an employee of any county
19	agency or its-staff. The mediation period shall not extend
20	beyond thirty days after mediation started, except by order of
21	the county authority. Mediation shall be confined to the issues
22	raised at the public hearing by the party requesting mediation.

1	The mediator will submit a written recommendation to the county
2	authority, based upon any mediation agreement reached between
3	the parties for consideration by the county authority in its
4	final decision. If there is no mediation agreement, the county
5	authority may have a second public hearing to receive additional
6	comment related to the mediation issues. Within ten days after
7	the second public hearing, the county authority may receive
8	additional written comment on the issues raised at the second
9	public hearing from any party.
10	The county authority shall consider the comments raised at
11	the second hearing before rendering its final decision. The
12	county authority shall then determine whether a geothermal
13	resource permit shall be granted to authorize the geothermal
14	development activities described in the application. The
15	appropriate county authority shall grant a geothermal resource
16	permit if it finds that applicant has demonstrated that:
17	(1) The desired uses would not have unreasonable adverse
18	health, environmental, or socio economic effects on
19	residents or surrounding property;
20	(2) The desired uses would not unreasonably burden public
21	agencies to provide roads and streets, sewers, water,

1		drainage, school improvements, and police and life
2		<del>protection; and</del>
3	<del>(3)</del>	That there are reasonable measures available to
4		mitigate the unreasonable adverse effects or burdens
5		referred to above.
6	<del>Unl</del> e	ss there is a mutual agreement to extend, a decision
7	<del>shall be</del>	made on the application by the appropriate county
8	authority	within six months of the date a complete application
9	<del>was filed</del>	; provided that the time limit may be extended by
10	agreement	between the applicant and the appropriate county
11	authority	·
12	<del>(£)</del>	Requests for mediation shall be received by the board
13	or county	authority within five days after the close of the
14	<del>initial p</del>	ublic hearing. Within five days thereafter, the board
15	or county	authority shall appoint a mediator. Any person
16	submittin	g an appropriate request for mediation shall be
17	notified	by the board or county authority of the date, time, and
18	<del>place of</del>	the mediation conference by depositing such notice in
19	the mail	to the return address stated on the request for
20	mediation	. The notice shall be mailed no later than ten days
21	<del>before th</del>	e start of the mediation conference. The conference
22	shall be	held on the island where the public hearing is held.
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1	<del>(g)</del>	Any decision made by an appropriate county authority
2	or the be	ard pursuant to a public hearing or hearings under this
3	section m	ay be appealed directly on the record to the
4	intermedi	ate appellate court for final decision and shall not be
5	<del>subject t</del>	o a contested case hearing. Sections-91-14(b) and (g)
6	shall gov	ern the appeal, notwithstanding the lack of a contested
7	<del>case hear</del>	ing on the matter. The appropriate county authority or
8	the board	shall provide a court reporter to produce a transcript
9	of the pr	occedings at all public hearings under this section for
10	<del>purposes</del>	of an appeal.
11	<del>(h)</del>	For the purposes of an appeal from a decision from a
12	<del>public-he</del>	aring, the record shall include:
13	<del>(1)</del>	The application for the permit and all accompanying
14		supporting documents, including but not limited to:
15		reports, studies, affidavits, statements, and
16		exhibits.
17	<del>(2)</del>	Staff recommendations submitted to the members of the
18		agency in consideration of the application.
19	<del>(3)</del>	Oral and written public testimony received at the
20		<del>public hearings.</del>
21	-(4)	Written transcripts of the proceedings at the public
22		hearings.

1	<del>(5)</del>	The written recommendation received by the agency from
2		the mediator with any mediation agreement.
3	<del>(6)</del>	A statement of relevant matters noticed by the agency
4		members at the public hearings.
5	<del>(7)</del>	The written decision of the agency issued in
6		connection with the application and public hearings.
7	<del>(8)</del> -	Other documents required by the board or county
8		authority."]
9	SECT	ION 10. Section 205-5.2, Hawaii Revised Statutes, is
10	repealed.	
11	[ " <del>§2</del>	05-5.2 Designation of areas as geothermal resource
12	subzones.	(a) Beginning in 1983, the board of land and natural
13	resources	shall conduct a county by county assessment of areas
14	with geot	hermal potential for the purpose of designating .
15	geotherma	l-resource subzones. This assessment shall be revised
16	<del>or update</del>	d at the discretion of the board, but at least once
17	each five	years beginning in 1988. Any property owner or person
18	with an i	nterest in real property wishing to have an area
19	designate	d as a geothermal resource subzone may submit a
20	petition :	for a geothermal resource subzone designation in the
21	form and a	manner established by rules and regulations adopted by
22	the board	. An environmental impact statement as defined under

1	<del>chapter 3</del>	43 shall not be required for the assessment of areas
2	<del>under thi</del>	<del>s section.</del>
3	<del>(b)</del>	The board's assessment of each potential geothermal
4	<del>resource</del>	subzone area shall examine factors to include, but not
5	<del>be limit</del> e	d to:
6	<del>(1)</del>	The area's potential for the production of geothermal
7		energy;
8	<del>(2)</del>	The prospects for the utilization of geothermal energy
9		in the area;
10	<del>(3)</del>	The geologic hazards that potential geothermal
11		projects would encounter;
12	<del>(4)</del>	Social and environmental impacts;
13	<del>(5)</del>	The compatibility of geothermal development and
14		potential related industries with present uses of
15		surrounding land and those uses permitted under the
16		general plan or land use policies of the county in
17		which the area is located;
18	<del>(6)</del>	The potential economic benefits to be derived from
19		geothermal development and potential related
20		industries; and
21	<del>-(7)</del>	The compatibility of geothermal development and
22		potential related industries with the uses permitted

1	under chapter 183C and section 205-2, where the area
2	falls within a conservation district.
3	In addition, the board shall consider, if applicable,
4	objectives, policies, and guidelines set forth in part I of
5	chapter 205A, and chapter 226.
6	(c) Methods for assessing the factors in subsection (b)
7	shall be left to the discretion of the board and may be based or
8	currently available public information.
9	(d) After the board has completed a county by county
10	assessment of all areas with geothermal potential or after any
11	subsequent update or review, the board shall compare all areas
12	showing geothermal potential within each county, and shall
13	propose areas for potential designation as geothermal resource
14	subzones based upon a preliminary finding that the areas are
15	those sites which best demonstrate an acceptable balance between
16	the factors set forth in subsection (b). Once a proposal is
17	made, the board shall conduct public hearings pursuant to this
18	subsection, notwithstanding any contrary provision related to
19	public hearing procedures. Contested case procedures are not
20	applicable to these hearings.
21	(1) Hearings shall be held at locations which are in close
22	proximity to those areas proposed for designation. A

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public notice of hearing, including a description of
the proposed areas, an invitation for public comment,
and a statement of the date, time, and place where
persons may be heard shall be given and mailed no less
than twenty days before the hearing. The notice shall
be given on three separate days statewide and in the
county in which the hearing is to be held. Copies of
the notice shall be mailed to the department of
business, economic development, and tourism, to the
planning commission and planning department of the
county in which the proposed areas are located, and to
all owners of record of real estate within, and within
one thousand feet of, the area being proposed for
designation as a geothermal resource subzone. The
notification shall be mailed to the owners and
addresses as shown on the current real property tax
rolls at the county real property tax office. Upon
that action, the requirement for notification of
owners of land is completed. For the purposes of this
subsection, notice to one co owner shall be sufficient
notice to all co owners;

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1	<del>(2)</del>	The hearing shall be held before the board, and the
2		authority to conduct hearings shall not be delegated
3		to any agent or representative of the board. All
4		persons and agencies shall be afforded the opportunity
5		to submit data, views, and arguments either orally or
6		in writing. The department of business, economic
7		development, and tourism and the county planning
8		department shall be permitted to appear at every
9		hearing and make recommendations concerning each
10		proposal by the board; and
11	<del>(3)</del>	At the close of the hearing, the board may designate
12		areas as geothermal resource subzones or announce the
13		date on which it will render its decision. The board
14		may designate areas as geothermal resource subzones
15		only upon finding that the areas are those sites which
16		best demonstrate an acceptable balance between the
17		factors set forth in subsection (b). Upon request,
18		the board shall issue a concise statement of its
19		findings and the principal reasons for its decision to
20		<del>designate a particular area.</del>
21	<del>(e)</del>	The designation of any geothermal resource subzone may
22	be withdra	awn by the board of land and natural resources after

- proceedings conducted pursuant to chapter 91. The board shall 1 2 withdraw a designation only upon finding by a preponderance of 3 the evidence that the area is no longer suited for designation; 4 provided that the designation shall not be withdrawn for areas 5 in which active exploration, development, production or 6 distribution of electrical energy from geothermal sources or 7 direct use applications of geothermal resources are taking 8 <del>place.</del> 9 (f) This Act shall not apply to any active exploration, 10 development or production of electrical energy from geothermal 11 sources or direct use applications of geothermal resources 12 taking place on June 14, 1983, provided that any expansion of 13 such activities shall be carried out in compliance with its 14 provisions."] 15 SECTION 11. Section 205-5.3, Hawaii Revised Statutes, is 16 repealed. ["[\$205-5.3] Exploratory wells. Notwithstanding section **17** 205 5.1(a), (d), and (e), or any other provision of law, any 18 19 exploratory well drilled for scientific purposes or to determine 20 the economic viability of a geothermal resource, may be 21 permitted outside of a designated geothermal resource subzone, 22 regardless of land use classification, provided that the
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- 1 activity is limited to exploration only. All applicable state
- 2 and county permits shall be required to drill such exploratory
- 3 wells which shall not be exempt from the requirements of the
- 4 environmental impact statement law; chapter 343."]
- 5 PART V
- 6 SECTION 12. The provisions of this Act that repeal the
- 7 laws that previously authorized geothermal resources subzones
- 8 under chapter 205, Hawaii Revised Statutes, shall not affect any
- 9 geothermal resources producer who operates within the area of
- 10 the subzone as of the effective date of this Act. The
- 11 geothermal resources producer shall continue to operate in
- 12 accordance with the producer's lease with the board of land and
- 13 natural resources.
- 14 SECTION 13. Statutory material to be repealed is bracketed
- 15 and stricken. New statutory material is underscored.
- 16 SECTION 14. This Act shall take effect upon its approval.

### Report Title:

Geothermal Resources; Exploration; Subzones

#### Description:

Differentiates between "geothermal resources exploration" and "geothermal resources development". Designates "geothermal resources exploration" and "geothermal resources development" as permissible uses in all state land use districts and conservation district zones. Repeals geothermal resource subzone provisions under state land use law. (SB3003 HD2)

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