

ACT 170

S.B. NO. 2953

A Bill for an Act Relating to State Resources on Hawaiian Home Lands.

Be It Enacted by the Legislature of the State of Hawaii:

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

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

- (1) In the case of bauxite, bauxitic clay, gibbsite, diaspore, boehmite, and all ores of aluminum, the amount of royalties for each long dry ton of ore as beneficiated shall not be less than twenty-five cents or the equivalent of the price of one pound of virgin pig aluminum, whichever is higher, nor shall it exceed the equivalent of the price of three pounds of virgin pig aluminum;
- (2) The rate of royalty for ore processed into aluminous oxide in the State shall be set at eighty per cent of the rate of royalty for ore not processed to aluminous oxide in the State; and
- (3) The royalty shall be fixed at a rate ~~[which]~~ that will tend to encourage the establishment and continuation of the mining industry in the State.

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

~~[In the event]~~ If the lessee desires to mine other minerals, the lessee, before mining the minerals, shall ~~[sø]~~ notify the board in writing, and the board and the lessee shall negotiate and fix the royalties for the minerals.

Any other law to the contrary notwithstanding, thirty per cent of all royalties received by the State from geothermal resources shall be paid to the county in which mining operations covered under a state geothermal resource mining lease are situated[-]; provided that if the geothermal resources are located on lands under the jurisdiction of the department of Hawaiian home lands, one hundred per cent of royalties received by the State shall be paid to the department of Hawaiian home lands.”

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 Statutory material to be repealed is bracketed and stricken.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

SECTION 3. This Act shall take effect on July 1, 2014.
(Approved July 1, 2014.)