



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

**GOV. MSG. NO. 1273**

July 1, 2014

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

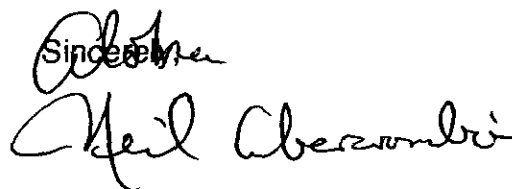
The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 1, 2014, the following bill was signed into law:

SB2953 SD1 HD3 CD1

RELATING TO STATE RESOURCES ON  
HAWAIIAN HOME LANDS  
**ACT 170 (14)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO STATE RESOURCES ON HAWAIIAN HOME LANDS.

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

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

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

5 (1) In the case of bauxite, bauxitic clay, gibbsite,  
6 diaspore, boehmite, and all ores of aluminum, the  
7 amount of royalties for each long dry ton of ore as  
8 beneficiated shall not be less than twenty-five cents  
9 or the equivalent of the price of one pound of virgin  
10 pig aluminum, whichever is higher, nor shall it exceed  
11 the equivalent of the price of three pounds of virgin  
12 pig aluminum;

13 (2) The rate of royalty for ore processed into aluminous  
14 oxide in the State shall be set at eighty per cent of  
15 the rate of royalty for ore not processed to aluminous  
16 oxide in the State; and



1           (3) The royalty shall be fixed at a rate [~~which~~] that will  
2           tend to encourage the establishment and continuation  
3           of the mining industry in the State.

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

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

18          Any other law to the contrary notwithstanding, thirty per  
19          cent of all royalties received by the State from geothermal  
20          resources shall be paid to the county in which mining operations  
21          covered under a state geothermal resource mining lease are  
22          situated[~~-~~]; provided that if the geothermal resources are

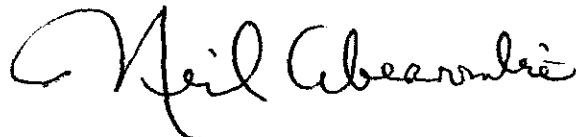


1 located on lands under the jurisdiction of the department of  
2 Hawaiian home lands, one hundred per cent of royalties received  
3 by the State shall be paid to the department of Hawaiian home  
4 lands."

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

7 SECTION 3. This Act shall take effect on July 1, 2014.

APPROVED this 1 day of JUL , 2014



GOVERNOR OF THE STATE OF HAWAII