The purpose of HB 266 is to clarify the State ownership of geothermal resources under privately owned land in those cases where no reservation of mineral rights was made. The statement on this bill does not represent an institutional position of the University of Hawaii.

The recognition of the public trust of geothermal resources and that ownership of geothermal resources, wherever located, is in the public interest, is appropriately recognized in Section 1 of HB 266. The intent of HB 266 is therefore appropriate.

We wish to suggest that consideration be given to the development of a provision whereby, in case of litigation over geothermal rights, royalties accrued as a result of geothermal development be placed in an escrow account until legal settlement of ownership is resolved. The need for immediate action in the development of our geothermal resources should be encouraged to the fullest extent possible consistent with prudent environmental, engineering, and economic practices. It would be most unfortunate and costly to the people of the State to have the development of our Geothermal Resources delayed for extended periods of time due to litigation over ownership. The establishment of the suggested escrow fund or some comparable procedure would eliminate that potential delay.

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