

# REPORT OF THE COMMITTEE ON BUDGET

## Voting Members:

Tyler Dos Santos-Tam, Chair; Scott Y. Nishimoto, Vice Chair;  
Radiant Cordero, Esther Kia'āina, Matt Weyer

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Committee Meeting Held  
May 27, 2025

Honorable Tommy Waters  
Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 36 (2025) entitled:

"A BILL FOR AN ORDINANCE RELATING TO FISCAL STABILITY,"

which passed second reading and was the subject of a public hearing at the May 14, 2025 Council meeting, reports as follows:

The purpose of the bill is to address economic and revenue downturns and emergency situations.

Your Committee amended and approved the Bill to a CD1 version that makes the following amendments:

- A. In SECTION 2 of the bill:
1. Places existing language of ROH § 6-56.2 in a new subsection (a).
  2. Adds a new emergency trigger for the expenditure of monies from the Reserve for Fiscal Stability Fund at (a)(3)(C) providing for the expenditure upon the Mayor's or his designee's notice provided to the City Council and filed with the City Clerk with specified information, and requiring Council approval by resolution for aggregate expenditures exceeding \$500,000. Authority to expend funds that have not been approved by Council resolution expires 90 calendar days after the date the Mayor's written notice is filed with the City Clerk unless extended by Council resolution.

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*Ke Kanihela o ke Kalana o Honolulu*  
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3. Adds subsection (b) to require specified information with the notice for expenditures under subsection (a)(3)(C).
  4. Adds subsection (c) to require Council or Council committee consideration of the expenditures under subsection (a)(3)(C) at a public meeting within 45 calendar days after the notice is filed with the City Clerk, and the Mayor or his designee to present specified information regarding the expenditures.
  5. Adds subsection (d) to require that the notice, including the expenditure plan or report, as appropriate, be posted and filed with the City Clerk for any meeting at which expenditures under subsection (a)(3)(C) are discussed, in accordance with State and City law.
- B. Makes miscellaneous technical and nonsubstantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Bill 36 (2025), as amended herein (Ayes: Cordero, Dos Santos-Tam, Kia'aina, Nishimoto, Weyer – 5; Noes: None), and recommends that it pass third reading in the form attached hereto as Bill 36 (2025), CD1. (Ayes: Cordero, Dos Santos-Tam, Weyer – 3; Aye with reservations: Nishimoto – 1; Noes: Kia'aina – 1.)

Respectfully submitted,



Committee Chair

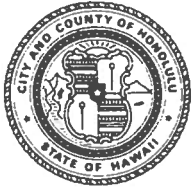
At the 6/4/25 Council meeting, CR-195 failed to be adopted and Bill 36 (2025), CD1, failed to pass Third Reading.

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**HONOLULU CITY COUNCIL**  
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ADOPTED ON \_\_\_\_\_

COMMITTEE REPORT NO. 195



**HONOLULU CITY COUNCIL**  
**KE KANIHELA O KE KALANA O HONOLULU**  
CITY AND COUNTY OF HONOLULU

ORDINANCE \_\_\_\_\_

BILL 36 (2025), CD1

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**A BILL FOR AN ORDINANCE**

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RELATING TO FISCAL STABILITY.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to address economic and revenue downturns and emergency situations.

SECTION 2. Section 6-56.2, Revised Ordinances of Honolulu 2021, is amended to read as follows:

**"§ 6-56.2 Purpose.**

(a) The reserve for fiscal stability fund is designated for economic and revenue downturns and emergency situations. Fund moneys may be appropriated by ordinance only when one or more of the conditions identified in subdivisions (1), (2), or (3) are met:

(1) *Economic triggers.*

- (A) The unemployment rate for the City and County of Honolulu increases by more than 2 percent within three fiscal quarters; or
- (B) The total value of net taxable real property declines by 2 percent or more from the preceding fiscal year;

(2) *Revenue triggers.*

- (A) City general fund and highway fund revenues decline by 2 percent or more from the preceding fiscal year;
- (B) Transient accommodation tax revenues decline by 5 percent or more from the preceding fiscal year; or
- (C) Nondiscretionary city expenditures increase by more than 5 percent of the preceding fiscal year's revenues; or



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ORDINANCE \_\_\_\_\_

BILL 36 (2025), CD1

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**A BILL FOR AN ORDINANCE**

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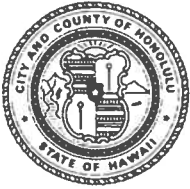
(3) *Emergencies.*

- (A) The Governor of the State of Hawaii or the President of the United States of America declares that a state of emergency exists within the City and County of Honolulu as a result of a natural disaster or an occurrence, or imminent threat thereof, ~~[which]~~ that results or may likely result in substantial injury or harm to the population in the City and County of Honolulu, or substantial damage to or loss of property of residents of the City and County of Honolulu. For the purposes of this subdivision, the phrase "occurrence, or imminent threat thereof," means a pandemic or other widespread health crisis for which the Governor of the State of Hawaii has declared a state of emergency; ~~[or]~~
- (B) Unfunded mandates are enacted by the State or federal government, imposed after the enactment of the City and County of Honolulu's fiscal year budget, and require outlays before the start of the subsequent fiscal year~~[-];~~ or
- (C) The mayor or the mayor's designee provides written notice to the council and files the notice with the city clerk with the mayor's determination that there are insufficient moneys to provide services necessary to protect the health, safety, or welfare of city residents and that expenditures from the reserve for fiscal stability fund are necessary to provide these services. The notice must be consistent with subsection (b).

For aggregate expenditures that exceed \$500,000, the expenditure must be approved by council resolution.

For aggregate expenditures that total \$500,000 or less, the written notice must be provided to the council and filed with the city clerk within 24 hours of the date of the expenditure, and a detailed expenditure report must be filed with the city clerk within seven calendar days of the expenditure.

Authority to expend funds under this subsection that have not been approved by council resolution expires 90 calendar days after the date the mayor's written notice is filed with the city clerk unless extended by council resolution.



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**A BILL FOR AN ORDINANCE**

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- (b) The notice required under subsection (a)(3)(C) must include:
- (1) A detailed, line-item budget, including personnel, equipment, administrative, and contingency costs;
  - (2) An explanation of alternative funding sources considered and rejected;
  - (3) The anticipated public impact, implementation timeline, and measurable outcomes of the proposed expenditures;
  - (4) Metrics by which the effectiveness of the expenditure will be evaluated; and
  - (5) A detailed expenditure plan for expenditures exceeding \$500,000, or expenditure report for expenditures of \$500,000 or less.
- (c) The council or a committee of the council shall review all expenditures made under subsection (a)(3)(C) at a public meeting within 45 calendar days after the notice is filed with the city clerk. At the meeting, the mayor or the mayor's designee shall:
- (1) Present the expenditure plan or report; and
  - (2) Provide a full summary of the information required under subsection (b).
- (d) The notice, including the expenditure plan for expenditures exceeding \$500,000 or expenditure report for expenditures of \$500,000 or less, must be filed with the city clerk and posted on the city's official website no later than six calendar days prior to any meeting of the council or a council committee at which the matter is scheduled for discussion, in accordance with the requirements of HRS Chapter 92 and city law."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



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CITY AND COUNTY OF HONOLULU

ORDINANCE \_\_\_\_\_

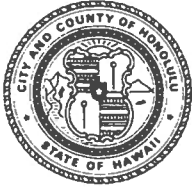
BILL 36 (2025), CD1

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**A BILL FOR AN ORDINANCE**

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SECTION 4. This ordinance takes effect upon its approval; provided that the amendments made to Section 6-56.2, Revised Ordinances of Honolulu 2021 ("ROH"), shall be repealed on January 21, 2029, and ROH Section 6-56.2 shall be reenacted in the form in which it read on the day before the effective date of this ordinance; provided further that, in the event normal operations of the City Council are suspended, the



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**A BILL FOR AN ORDINANCE**

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amendments made to ROH Section 6-56.2 shall continue in effect and shall be repealed on the date normal operations of the City Council are resumed. Any moneys appropriated under the authority granted in ROH Section 6-56.2(3)(C) must be expended by June 30, 2029.

INTRODUCED BY:

Matt Weyer

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DATE OF INTRODUCTION:

March 31, 2025  
Honolulu, Hawai'i

\_\_\_\_\_  
Councilmembers

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
RICK BLANGIARDI, Mayor  
City and County of Honolulu

**Report Title:**

Reserve for Fiscal Stability Fund; Fiscal Stability; Mayor; Emergency; Health, Safety, or Welfare; Crisis; City Council; Resolution; Expenditure Plan; Expenditure Report; Notice

**Description:**

Temporarily allows the City Administration to expend moneys from the Reserve for Fiscal Stability Fund upon the Mayor's written notice to the Council and filing with the City Clerk a notice that includes the Mayor's determination that there are insufficient moneys to provide services necessary to protect the health, safety, or welfare of City residents and that expenditures from the Reserve for Fiscal Stability Fund are necessary to provide these services, and other specified information. Council approval by resolution is required for expenditures exceeding \$500,000. Authority to expend funds that have not been approved by Council resolution expires 90 calendar days after the date the Mayor's written notice is filed with the City Clerk unless extended by Council resolution.

Requires the expenditures to be discussed at a public meeting of the Council or a Council committee and the Mayor or the Mayor's designee to present specified information regarding the expenditures at the meeting.

The provision will be repealed on January 21, 2029 unless normal operations of the Council are suspended. In that event, the amendments made to ROH Section 6-56.2 will continue in effect and will be repealed on the date normal operations of the City Council are resumed. Any moneys appropriated under the authority granted in ROH Section 6-56.2(3)(C) must be expended by June 30, 2029.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*