REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Esther Kia'āina, Augie Tulba, Tommy Waters

Committee Meeting Held
January 13, 2026

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

Mr. Chair:

Your Committee on Budget, which considered Bill 54 (2025), CD1 entitled:

"A BILL FOR AN ORDINANCE RELATING TO PUBLIC TRANSIT,"

which passed second reading and was the subject of a public hearing held at the September 3, 2025, Council meeting, reports as follows:

The purpose of the bill is to update and amend certain sections of Chapter 15B, Revised Ordinances of Honolulu 2021, as they pertain to the fare structure for O'ahu's Multimodal Municipal Transportation System.

Your Committee, at its meeting on September 23, 2025, considered and approved a posted proposed CD2 version, and then postponed action on the Bill to allow more time to work on improving the measure, by proposing certain amendments to address concerns raised by the Department of Transportation Services.

Your Committee further considered and approved a posted proposed CD2 version that makes the following amendments:

A. In SECTION 2 of the bill, which amends ROH § 15B-2.1:

1. Amends subsection (b) by:

   a. Adding Medicare cardholders to the list of individuals eligible for reduced fares; and

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b. Lowering the reduced fare for certain ride types and adding language to clarify that the reduced fare is available to senior citizens, persons with a disability, paratransit eligibility ID holders, Medicare cardholders, and individuals with extremely low incomes; provided that the discounted fare for the monthly pass and annual pass is limited to persons eligible for a reduced fare who are also residents of Hawaii.

2. Amends proposed new subsection (m), to provide that the Department of Transportation Services (rather than the Director of Transportation Services) may establish a special event single ride fare for certain special events. Clarifies that the special event single ride fare will be sold at $6.25 for all passenger categories under subsection (b). Makes conforming amendments to the definition of "Single Ride Fare Special Event" (now "Special Event Single Ride Fare") in subsection (a).

3. Amends proposed new subsection (n), to provide that the Department of Transportation Services (rather than the Director of Transportation Services) may establish a special single ride fare for transportation to and from the Daniel K. Inouye International Airport.

B. In SECTION 6 of the bill, amends the effective date from January 1, 2026 to July 1, 2026.

C. Makes miscellaneous technical and nonsubstantive amendments.

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Esther Kia'āina, Augie Tulba, Tommy Waters

Your Committee on Budget is in accord with the intent and purpose of Bill 54 (2025), CD1, as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 54 (2025), CD2. (Ayes: Kia'āina, Nishimoto, Okimoto, Tulba, Waters – 5; Noes: None.)

Respectfully submitted,

Val A. Okimoto

Committee Chair

HONOLULU CITY COUNCIL
Ke Kanihela o ke Kalana o Honolulu
CITY AND COUNTY OF HONOLULU

ADOPTED ON JAN 28 2026

COMMITTEE REPORT NO. 1(26)

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **54 (2025), CD2**

A BILL FOR AN ORDINANCE

RELATING TO PUBLIC TRANSIT.

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

SECTION 1. Purpose. The purpose of this ordinance is to simplify, update, and amend certain sections of Chapter 15B, Revised Ordinances of Honolulu 2021 ("Public Transit"), as they pertain to the fare structure for the Multimodal Municipal Transportation System.

SECTION 2. Section 15B-2.1, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 15B-2.1 Fare structure.

(a) For the purposes of this article, the following definitions apply unless the context clearly indicates or requires a different meaning.

Adult. Any person over the age of 17 years who does not qualify as a "youth."

Child. Any person five years of age or younger who is accompanied by a fare-paying passenger, a city employee, or an employee of the transit management services contractor. If not so accompanied, any person five years of age or younger is a "youth" for the purposes of this section.

Individuals with Extremely Low Income. Any individual who qualifies for a fare plan under § 15B-2.10.

Medicare Cardholder. Any person to whom a Medicare card has been issued, pursuant to Title II or Title XVIII of the Social Security Act, 42 USC § 401, et seq. and 42 USC § 1395, et seq.

Paratransit Eligibility ID Holder. A person with a card issued under § 15B-4.3.

Person with a Disability **[*~~under § 15B-2.2~~*].** A person with a temporary or permanent disability qualified for a fare plan under § 15B-2.2.

Senior Citizen. A person 65 years of age or older with a programmed city payment card issued in accordance with § 15B-2.3.

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Service Day. The hours of operation of the city bus system and city rail system from 12:01 a.m. of one day to 2:59 a.m. the following day.

Single Ride Fare. The required payment for a ride on the city bus system or the city rail system.

[~~***Single Ride Fare Special Event.***~~] ***Special Event Single Ride Fare.*** The required payment for a ride on the city bus system or the city rail system for a special event [~~as designated by the director~~].

Student Transit Pass. A card, including a smart card, ticket, voucher, or similar document, distributed as approved by the department, that entitles a student holding the pass to ride on the city bus and rail system for the duration specified on the pass.

Youth. A person six through 17 years of age, subject to the presentation of a valid identification card establishing the age of the person. [~~"Youth"~~] The term includes high school students 18 and 19 years of age with a valid high school identification card establishing the age of the student and the student's current enrollment, but excludes college, university, and vocational training students if over the age of 17.

(b) Except as otherwise provided in this article, the following fares apply to every passenger using the city bus system and the city rail system, and every passenger riding the city bus system and the city rail system [~~shall~~] must pay the applicable fare set forth in this table:

[~~FARE STRUCTURE TABLE~~

	~~Cash~~	***~~Fares Paid Using City Payment Card (CPC) Only~~***				***~~Special Event~~***
~~Passenger Category~~	***~~Single Ride Fare~~***	***~~Single Ride with 2.5-Hour Capped Fare with Free Transfers Between Bus, Rail, and Paratransit Systems~~***	***~~Daily Pass or Maximum Capped Fare~~***	***~~Monthly Pass or Maximum Capped Fare~~***	***~~Annual Pass~~***	***~~Single Ride Fare – Special Event~~***
~~Adult~~	~~$3~~	~~$3~~	~~$7.50~~	~~$80~~	~~$880~~	~~$6.25~~
~~Youth~~	~~$1.50~~	~~$1.50 with programmed CPC~~	~~$3.75 with programmed CPC~~	~~$40 with programmed CPC~~	~~$440 with programmed CPC~~	~~$6.25~~

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	~~*Cash*~~	~~*Fares Paid Using City Payment Card (CPC) Only*~~				~~*Special Event*~~
~~**Passenger Category**~~	~~**Single Ride Fare**~~	~~***Single Ride with 2.5-Hour Capped Fare with Free Transfers Between Bus, Rail, and Paratransit Systems***~~	~~***Daily Pass or Maximum Capped Fare***~~	~~***Monthly Pass or Maximum Capped Fare***~~	~~***Annual Pass***~~	~~***Single Ride Fare —Special Event***~~
~~Child~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~	~~$0~~
~~Senior Citizen (Non-Hawaii Resident)~~	~~$1.25 with valid CPC ID~~	~~$1.25 with programmed CPC~~	~~$3 with programmed CPC~~	~~Not applicable~~	~~Not applicable~~	~~$6.25~~
~~Senior Citizen (Hawaii Resident)~~	~~$1.25 with valid CPC ID~~	~~$1.25 with programmed CPC~~	~~$3 with programmed CPC~~	~~$20 with programmed CPC~~	~~$45 with programmed CPC~~	~~$6.25~~
~~Person with a Disability Under § 15B-2.2 (Non-Hawaii Resident)~~	~~$1.25 with valid CPC ID~~	~~$1.25 with programmed CPC~~	~~$3 with programmed CPC~~	~~Not applicable~~	~~Not applicable~~	~~$6.25~~
~~Person with a Disability Under § 15B-2.2 (Hawaii Resident)~~	~~$1.25 with valid CPC ID~~	~~$1.25 with programmed CPC~~	~~$3 with programmed CPC~~	~~$20 with programmed CPC~~	~~$45 with programmed CPC~~	~~$6.25~~
~~Medicare Cardholders (Non-Hawaii Resident)~~	~~$1.25 with valid Medicare Card ID~~	~~$1.25 with programmed CPC~~	~~$3 with programmed CPC~~	~~Not applicable~~	~~Not applicable~~	~~$6.25~~
~~Medicare Cardholders (Hawaii Resident)~~	~~$1.25 with valid Medicare Card ID~~	~~$1.25 with programmed CPC~~	~~$3 with programmed CPC~~	~~$20 with programmed CPC~~	~~$45 with programmed CPC~~	~~$6.25~~
~~Paratransit Eligibility ID Holders~~	~~$1.25 with valid paratransit ID~~	~~$1.25 with programmed CPC~~	~~$2 with programmed CPC~~	~~$6 with programmed CPC~~	~~$35 with programmed CPC~~	~~$6.25~~
~~Personal Care Attendant (PCA)~~	~~$0 when performing PCA service~~	~~Not applicable~~	~~Not applicable~~	~~Not applicable~~	~~Not applicable~~	~~$6.25~~]

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FARE STRUCTURE TABLE

	Cash	Fares Paid Using City Payment Card (CPC) Only			
Passenger Category	**Single Ride**	**2-Hour Pass**	**24-Hour Pass**	**Monthly Pass**	**Annual Pass**
Fixed Route (TheBus and Skyline)	Cash Fare Only (No Transfer)	Capped Fare or Prepaid Pass	Capped Fare or Prepaid Pass	Capped Fare or Prepaid Pass	Prepaid Pass
	Bus Only	HOLO Card (CPC)	HOLO Card (CPC)	HOLO Card (CPC)	HOLO Card (CPC)
Adult	$3.25	$3	$7.50	$90	$990
Youth	$1.75	$1.50	$3.75	$45	$495
Reduced Fare	$1.50	$1.25	$3	Hawaii Residents Only $20	Hawaii Residents Only $45

The reduced fare is available to senior citizens, persons with a disability, paratransit eligibility ID holders, Medicare cardholders, and individuals with extremely low incomes; provided that the discounted fare for the monthly pass and annual pass is limited to persons eligible for a reduced fare who are also residents of Hawaii.

(c) The department may establish a program for the use of transit passes issued to individuals upon payment of the designated fare, which may be used for the duration specified on the pass. The passes will be issued at various locations to be selected and advertised by the department. The department, through the department of budget and fiscal services, may enter into contractual arrangements with any parties, private or public, when [~~such~~] the arrangements are deemed to be in the public interest for the sale and issuance of transit passes. The council must be informed within 30 days of the city's entering into [~~any such~~] the arrangement.

(d) The department may allow a person to board a city transit system vehicle or enter a designated paid fare area without being charged a fare as part of a promotional offer or package made available by the city.

(e) In the event of a strike or work stoppage that shuts down any portion of the multimodal municipal transportation system, the department may make fare adjustments as in the judgment of the department are warranted by the particular circumstances.

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(f) The department may establish a program for the issuance of college and university student, faculty, and staff transit passes. [~~Such~~] The passes may be issued to students, faculty, and staff by a college or university and will be subject to terms to be agreed upon between the college or university and the department. Students, faculty, and staff to whom the passes are issued [~~shall~~] must pay the fare negotiated rather than a fare established under subsection (b).

(g) The department may establish a program for the issuance of student transit passes in accordance with § 15B-2.13. The passes may be issued to students by a participating State department of education school and will be subject to terms to be agreed upon between the department and the State department of education. The fare for students to whom the transit passes are issued must be paid by the State department of education at the fare negotiated rather than a fare established under subsection (b).

(h) The department may establish a program for the issuance of free transit passes for city employees.

(i) A child riding a city transit system vehicle for free may not occupy a seat to the exclusion of another passenger.

(j) The department may establish a trainer pass program for persons who train persons with disabilities to use the city transit system.

(k) A personal care attendant accompanying a paratransit eligibility ID holder may not pay a fare when performing the service.

(l) The department may establish special reduced term passes for periods of seven days or less at fares provided in this subsection rather than a fare established under subsection (b). Reduced term passes will be valid for riders of all ages. The three-day pass [~~shall~~] will be sold at $20, and the seven-day pass will be sold at [~~$35.~~] $45. The three-day pass will be valid for 72 hours after the initial tap on a fare validator. The seven-day pass will be valid for 168 hours after the initial tap on a fare validator.

(m) The department may establish a special event single ride fare for special events such as concerts, athletic games, and other large community events where non-scheduled transit service is provided. The special event single ride fare will be sold at $6.25 for all passenger categories under subsection (b).

(n) The department may establish a special single ride fare for transportation to and from the Daniel K. Inouye International Airport."

SECTION 3. Section 15B-2.10, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§15B-2.10 Transit fares for individuals with extremely low incomes.

(a) Individuals who have received an eligibility letter from the Social Security Administration for benefits under the Supplemental Security Income program are eligible for the reduced transit fare upon the presentation of the Supplemental Security Income eligibility letter to the department.

(b) Individuals whose household incomes meet the United States Department of Housing and Urban Development guidelines for households with extremely low income within the city for the applicable household size, may also qualify for the reduced transit fare through application to the department of community services. The department of community services shall be responsible for the intake and processing of applications, determination of eligibility, and communication of an applicant's eligibility to the department.

(c) The director of community services shall determine the eligibility of the individual for the reduced transit fare established under this section upon review and verification of an application to qualify for the fare. The application form must be prescribed and furnished by the director of community services. The director of community services may require proof of age, total household income, and household size, and proof may include but will not be limited to true copies of personal income tax returns, bank statements, or other financial records. The director of community services may require authorization from the household to enable the director of community services to fully verify household income. The director of community services shall determine whether an applicant qualifies for the reduced transit fare within 60 days of receipt of the completed application, and the decision of the director of community services will be final. The determination of eligibility will remain in effect for the period from the date of approval through the ending of the fiscal year on June 30.

(d) Eligible individuals may receive a city payment card programmed with [~~fares as follows:~~

~~(1) A single ride fare of $1.25;~~

~~(2) A daily maximum capped fare of $3;~~

~~(3) A monthly maximum capped fare of $20; and~~

~~(4) A prepaid fare of $45.~~

~~The reduced fares specified in this subsection are not applicable for rides on the city paratransit system or for the special events service.~~] reduced fares as specified in § 15B-2.1. The eligible individual must use the programmed city payment card to pay the reduced fare for rides on the city bus and city rail system; provided that the reduced fare is not applicable when fares for special event services are charged or for rides on the city paratransit system.

(e) The department of community services may adopt rules in accordance with HRS Chapter 91 to implement this section.

[~~(f) Availability of this program is limited to a city subsidy of $1,500,000 per fiscal year, unless additional appropriations of general funds or noncity funds are approved.~~]"

SECTION 4. Section 15B-4.5, Revised Ordinances of Honolulu 2021 ("Fare"), is amended by amending subsection (b) to read as follows:

"(b) *Single fare.*

(1) Any person issued a paratransit eligibility identification card under § 15B-4.3 and any person accompanying the ADA paratransit eligible individual shall pay a fare of [~~$2.25~~] $2.50 per person per one-way passenger trip either in cash, by coupon, or by city payment card programmed for the paratransit fare, except as provided in § 15B-2.6. Revenues from the fare will be deposited into the transportation fund.

(2) There is established herein a paratransit fare program for individuals with extremely low incomes as follows:

(A) Individuals who have received an eligibility letter from the Social Security Administration for benefits under the Supplemental Security Income program are eligible for the reduced paratransit

fare upon the presentation of the Supplemental Security Income eligibility letter to the department.

(B) Individuals whose household incomes meet the United States Department of Housing and Urban Development guidelines for households with extremely low income within the city for the applicable household size, may also qualify for the reduced paratransit fare through application to the department of community services as provided hereinbelow:

(i) The department of community services shall be responsible for the intake and processing of applications, determination of eligibility, and communication of an applicant's eligibility to the department;

(ii) The application form must be prescribed and furnished by the director of community services;

(iii) The director of community services may require proof of age, total household income, and household size, and proof may include but is not limited to true copies of personal income tax returns, bank statements, or other financial records;

(iv) The director of community services may require authorization from the household to enable the director to fully verify household income;

(v) The director of community services shall determine whether an applicant qualifies for the reduced transit fare within 60 days of receipt of the completed application, and the decision of the director of community services will be final; and

(vi) The determination of eligibility will remain in effect for the period of one year.

(C) Eligible individuals [~~shall~~] will receive a city payment card programmed with a paratransit fare cap of $2 for a one-way trip.

(D) The department of community services may adopt rules in accordance with HRS Chapter 91 and having the force and effect of law to implement the paratransit fare program established by this subsection.

(3) Any person to whom a current paratransit eligibility identification card has been issued under § 15B-4.3 [~~shall~~] will pay a single ride fare in accordance with § 15B-2.1 to ride a [~~transit~~] city bus or the city rail system, either by using a programmed city payment card or, for the city bus system, payment may also be made in cash upon display to the bus operator of the paratransit eligibility identification card; except that the single ride fare must not apply when a special event fare is charged under § 15B-2.1."

SECTION 5. 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.

A BILL FOR AN ORDINANCE

SECTION 6. This ordinance takes effect on July 1, 2026.

INTRODUCED BY:

Tommy Waters (br)

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_____

DATE OF INTRODUCTION: _____

_____

July 22, 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:
Public Transit; Islandwide Fare Structure; Individuals with Extremely Low Income; Fare Structure Table; Deeply Discounted Fares; Special Reduced Term Fares; Special Single Ride Fares; TheHandi-Van, TheBus, Skyline; HOLO Card or City Payment Card; Paratransit Eligibility Identification Card Fares; Department of Transportation Services ("DTS"); Oahu Transit Services, Inc. ("OTS")

Description:
Amends certain provisions of ROH Chapter 15B related to the fare structure for Oahu's Multimodal Municipal Transportation System. Repeals and replaces the Fare Structure Table to, among other things, increase prices charged for certain passenger categories; incentivize the use of the HOLO card over cash fares; and establish a combined reduced fare category for the following passengers: Senior Citizens, Persons with a Disability, Paratransit Eligibility ID Holders, Medicare cardholders, and Individuals with Extremely Low Income (provided that the reduced fare for the monthly pass and the annual pass are only eligible to passengers who are Hawai'i residents). Increases the price of the special reduced term seven-day pass. Authorizes the DTS to establish a special event single ride fare for certain special events. Authorizes the DTS to establish a special single ride fare for transportation to and from the Daniel K. Inouye International Airport. Amends the fare amounts for individuals with extremely low incomes and repeals the appropriation cap on the availability of the program for individuals with extremely low incomes. Increases the one-way passenger trip fare for any person issued a paratransit eligibility identification card and any person accompanying the ADA paratransit eligible individual. Takes effect on July 1, 2026.

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