HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL 20(2026)

A BILL FOR AN ORDINANCE

RELATING TO ROUNDING OF CASH PAYMENTS.

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

SECTION 1. Purpose. The purpose of this ordinance is to require the rounding of cash transactions for City taxes, fees, and charges to the nearest 5 cents.

SECTION 2. Section 2-4.2, Revised Ordinances of Honolulu 2021 ("ROH"), is amended to read as follows:

"§ 2-4.2 Additional powers, duties, and functions of the director of budget and fiscal services.

(a) Collection. The director shall be the chief accounting officer of the city and shall:

(1) Collect and receive moneys due to or receivable by the city and issue receipts therefor or authorize other executive agencies to do so under conditions prescribed by the director; and

(2) Have the responsibility of writing off uncollectible debts or accounts of $1,000 or less for moneys due the city, upon recommendation of or with the concurrence of the corporation counsel.

(b) Payment—Check or electronic means.

(1) In all instances where money due the city is paid by check or electronic means, and the payment subsequently is dishonored by a bank or other financial institution when presented for collection, a service fee shall be assessed against the payor. The service fee shall be established and may be amended by the director. The service fee shall be incorporated into the rules of the department of budget and fiscal services and shall not exceed the reasonable costs of the city relating to the processing and collection of dishonored checks, or electronic payments.

(2) Personal checks shall not be accepted by the city in payment of moneys due the city of less than $1.

(3) The director may accept payments of city taxes and other amounts owed to the city made by electronic means, which in the director's discretion are

determined acceptable to the city. If any payment by electronic means tendered for payment of any taxes or other amounts owed to the city is not paid by the bank, credit card company, or other financial institution, the person for whom such payment was tendered shall remain liable for the payment of the taxes or other amounts owed to the city, including the service fee established pursuant to subdivision (1), the same as if such payment had not been tendered.

(4) The director may establish, where allowable, convenience and service fees for payments made by electronic means to be added to the amounts owed to the city. The convenience and service fees shall be adopted by rules of the department of budget and fiscal services and shall not exceed the reasonable costs of the city relating to the processing of the payments.

(5) For purposes of this subsection, payments made by "electronic means" include payments made by automated clearing house (ACH) transactions, fedwires, credit cards, charge cards, debit cards, stored value cards, and other electronic payment technology not yet developed.

(c) Payment – Cash transaction rounding.

(1) In all instances where money due the city is paid by cash, the payment shall be rounded in the following manner:

(A) In any case in which the total transaction amount ends with one cent, two cents, six cents, or seven cents as the final digit, the amount of cents in the sum shall be rounded down to the nearest amount divisible by five;

(B) In any case in which the total transaction amount ends with three cents, four cents, eight cents, or nine cents as the final digit, the amount of cents in the sum shall be rounded up to the nearest amount divisible by five; and

(C) Notwithstanding paragraph (A) to the contrary, in any case in which the total transaction amount, including any taxes, totals $0.01 or $0.02, the transaction shall be rounded up to $0.05.

(2) Subsection (1) shall not apply to any transaction for which payment is made by any demand or negotiable instrument, electronic fund transfer, check, money order, credit card, or other like instrument or method.

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~~[(c)]~~ (d) Change orders. The director shall report in writing to the council whenever:

(1) The city approves change orders for a city-financed construction project where the change orders result in an increase in project costs, which in aggregate exceed one of the following amounts:

(A) Seven percent of the original construction contract award, for construction projects involving renovations to existing buildings, structures, or facilities; or

(B) Five percent of the original construction contract award, for construction projects involving new buildings, structures, or facilities. The director's report to the council on the change orders shall include the amount of the original contract award, the amount appropriated for construction of the project, the amount of the appropriation for construction allocated for contingencies, the total number and total dollar amount of the change orders and the reason or reasons for the change orders. The director shall report to the council within 30 days of the approval of the change order or orders that result in the dollar amount of the change orders exceeding the limits set forth in paragraph (A) or (B), as the case may be. For the purposes of this subsection, a "contract award" means any separate award to a contractor for construction work to be done for a city-financed construction project, and a "city-financed construction project" means a project for which $500,000 or more in city funds have been appropriated; provided that funds originally from the State or federal government shall not be counted towards the $500,000 threshold.

(2) The actual completion date of a city-financed construction project, as defined in subdivision (1), occurs 90 days or more after its scheduled completion date, as set forth in the contract for the construction of the project. The director's report on the aforementioned projects shall include for each project the scheduled completion date, the actual completion date, the number of days that the project was overdue and the reason or reasons for the delay in completing the project. The director shall report to the council within 30 days of the completion of a project that was overdue by 90 days or more.

~~[(d)]~~ (e) Annual review of fees and charges.

(1) The director shall annually review all city fees and charges and recommend to the council whether to increase, decrease, or maintain the current amount of each fee and charge. Each recommendation shall be accompanied by a statement of the reason or reasons why the particular fee or charge may be increased, decreased, or maintained at the current level and the projected amount by which city revenues would increase or decrease as a result of the recommended increase or decrease in each fee or charge.

(2) The director's written recommendations, along with the appropriate proposed ordinance, if any, shall be submitted to the council each year at the same time that the city administration submits the annual executive operating and capital budgets.

(3) All changes in the city's fees and charges recommended by the director shall be reflected in the executive operating budget's projection of revenues for the upcoming fiscal year."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New ordinance 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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SECTION 4. This ordinance shall take effect upon its approval.

INTRODUCED BY:

(br)

DATE OF INTRODUCTION:

FEB 25 2026

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:
Payments; Cash transaction rounding; Department of Budget and Fiscal Services.

Description:
Requires the rounding of cash transactions for City taxes, fees, and charges to the nearest 5 cents.

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