

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1320

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

June 25, 2025

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on June 25, 2025, the following bill was signed into law:

S.B. NO. 934, S.D. 2,
H.D. 1, C.D. 1

RELATING TO THE STATE BUDGET.
ACT 218

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D.".

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO THE STATE BUDGET.

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

1 SECTION 1. The legislature finds that the current special
2 fund ceiling for the mass transit special fund has produced
3 carry-over balances, impacting the use of funds by the
4 department of budget and finance in the subsequent fiscal year.
5 The legislature further finds that in fiscal year
6 2022-2023, there was a carry-over balance of \$95,877,228 from
7 fiscal year 2021-2022. The department of budget and finance was
8 unable to disburse the available moneys in fiscal year
9 2022-2023, leading to a carry-over balance in fiscal year
10 2023-2024. Based on the special fund carry-over balance of
11 \$123,756,991 from fiscal year 2022-2023, and estimated revenue
12 of \$410,240,000 for fiscal year 2023-2024, the department of
13 budget and finance anticipates another shortfall in the special
14 fund ceiling authorized by Act 88, Session Laws of Hawaii 2021,
15 as amended by Act 248, Session Laws of Hawaii 2022. In
16 anticipation of this shortfall, the department of budget and
17 finance received an emergency appropriation of \$179,000,000 for



1 the disbursement of funds by Act 23, Session Laws of Hawaii
2 2024.

3 The legislature further finds that the Waiawa Pearl
4 Highlands station has been identified as critical to expanding
5 access to potential users across Central Oahu and increasing
6 initial ridership. Therefore, the Waiawa Pearl Highlands
7 station is essential to the financial sustainability of the
8 Honolulu rail transit project. As such, the Honolulu authority
9 for rapid transportation proposed the construction of an access
10 ramp at the Waiawa Pearl Highlands station from the H-2 freeway
11 and bus transit center, as detailed in the authority's 2022
12 recovery plan. The amended full funding grant agreement with
13 the Federal Transit Administration, which initiated federal
14 funding for the Honolulu rail transit project in 2017, is based
15 on the recovery plan. The recovery plan clearly states that the
16 Ala Moana transit center and Pearl Highlands parking garage must
17 be provided by non-Federal Transit Administration capital
18 investment grant program funds, affirming the commitment for the
19 Honolulu authority for rapid transportation to complete the
20 project.



1 The estimated cost for completion of the rail transit
2 project is approximately \$9,000,000,000, with upwards of
3 \$1,500,000,000 from the federal government and the remainder
4 from the State's general excise tax and the transient
5 accommodations tax. The request for an increase in the mass
6 transit special fund ceiling is in recognition of the incoming
7 tax revenue collected at an increased rate, allocating the
8 additional available funds to fulfill the obligations as
9 provided in the recovery plan.

10 Accordingly, the purpose of this Act is to increase the
11 special fund expenditure ceiling for the mass transit special
12 fund for the fiscal year beginning July 1, 2025, and ending June
13 30, 2026, for the developments detailed in the Honolulu
14 authority for rapid transportation 2022 recovery plan.

15 SECTION 2. There is appropriated out of the mass transit
16 special fund the sum of \$572,695,000 or so much thereof as may
17 be necessary for fiscal year 2025-2026 for making disbursements
18 pursuant to section 248-2.7, Hawaii Revised Statutes; provided
19 that:

20 (1) A preliminary analysis of financing options and
21 potential partners for the planning, design, and



1 construction of a park-and-ride facility adjacent to
2 the Pearl Highlands rail transit station shall be
3 completed no later than January 1, 2026;

4 (2) Remaining project cash balances after the completion
5 of the minimum operating segment between East Kapolei
6 and Civic Center (Kakaako) as identified in the
7 amended full funding grant agreement shall be
8 prioritized in obligation to planning and design of:

9 (A) A park-and-ride facility for the Pearl Highlands
10 rail transit station, dedicated to serving
11 Central Oahu and North Shore commuters, unless
12 already completed; and

13 (B) The extension to Ala Moana; and

14 (3) Moneys remaining in the mass transit special fund
15 above the amount appropriated in this section shall
16 remain in the mass transit special fund consistent
17 with the prioritization provided in paragraph (2).

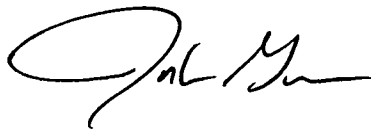
18 The sum appropriated shall be expended by the department of
19 budget and finance for the purposes of this Act.

20 SECTION 3. This Act shall take effect on July 1, 2025.



S.B. NO. 934
S.D. 2
H.D. 1
C.D. 1

APPROVED this 25th day of June, 2025

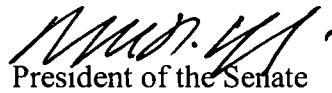
A handwritten signature in black ink, appearing to read "J. M.", is positioned above the title of the Governor.


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: April 30, 2025
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-Third Legislature of the State of Hawai‘i, Regular Session of 2025.


President of the Senate


Clerk of the Senate

SB No. 934, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.



Nadine K. Nakamura
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives