

ORDINANCE NO. _____

BILL NO. 61 (2026)

A BILL FOR AN ORDINANCE ESTABLISHING A NEW CHAPTER 3.101, MAUI COUNTY CODE, FOR A FISCAL RESERVE FUND

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. This Ordinance's purpose is to establish a new Chapter 3.101, Maui County Code, for a fiscal reserve fund. The fiscal reserve fund will provide funding that the County can draw on in the event of revenue loss in order to mitigate the need for tax increases or a decrease in operations. In addition, this fund is a result of the Mayor's comments last year that his administration will work with the County Council during the coming fiscal year to explore the creation of a fiscal reserve fund in addition to the Emergency Fund, providing the County with added stability in times of hardship.

SECTION 2: Title 3, Maui County Code, is amended by adding a new chapter to be appropriately designated and to read as follows:

"Chapter 3.101

FISCAL RESERVE FUND

Sections:

- 3.101.010 Fund established**
- 3.101.020 Purpose**
- 3.101.030 Administration**

3.101.010 Fund established. In accordance with article 9, of the revised charter of the County of Maui (1983), as amended, there is established and created a fund to be known as the "fiscal

reserve fund.” Any unappropriated surplus and any unencumbered balances of any appropriations in any fund at the end of any fiscal year must be available in the fiscal reserve fund for appropriation for the succeeding fiscal year

3.101.020 Purpose. A. The fiscal reserve fund is established for the purpose of providing a temporary, supplemental source of funds for the county to use during times of financial hardships while a plan for cost reduction, or revenue enhancement, is developed. Additionally, the fund may be used to insulate general fund programs and current service levels from:

1. Revenue shortfalls to minimize the need for budget cuts or tax increases.
2. A revenue reduction due to a change in state or federal legislation.
3. Slower revenue growth that typically occurs during an economic recession.

B. In adopting each year’s budget and capital program, the council may make appropriations to the fund. Any balance remaining in this fund at the end of the fiscal year does not lapse, but remains in the fund, accumulating from year to year. No amounts transferred into this fund will be deducted from amounts to be raised by taxes for ensuing years.

C. The revenues in this fund must not be used for any purpose except those listed in subsection A of this section.

3.101.030 Administration. A. The director of finance must establish a separate account to record revenues and supplemental transfers credited to, and expenditures made from, this fund.

B. Appropriations from this fund are by ordinance passed on a vote by at least seven members of the council.”

SECTION 3. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



Kristie M. Wrigglesworth
Deputy Corporation Counsel
Department of the Corporation Counsel
County of Maui
LF 2026-0181

2026-03-09 Ord Establishing Ch 3.101 Fiscal Reserve Fund

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Chris Lee", written over a horizontal line.

Upon the request of the Mayor.