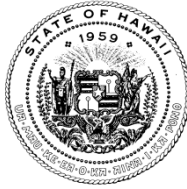


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I**  
**DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

EDWIN H. SNIFFEN  
DIRECTOR  
KA LUNA HO'OKELE

Deputy Directors  
Nā Hope Luna Ho'okele  
DREANALEE K. KALILI  
TAMMY L. LEE  
CURT T. OTAGURO  
ROBIN K. SHISHIDO

Thursday, February 5, 2026  
9:30 AM  
State Capitol, 430

**HB2451**  
**RELATING TO TRANSPORTATION**

House Committee on Transportation

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The Department of Transportation (DOT) offers comments on H.B. No. 2451, which seeks to expand access to public transportation and advance equity and sustainability goals.

While the DOT supports improving transit affordability, the Department prefers a more targeted approach, such as those reflected in SB2699 and HB1879, which focus on providing fare-free public transportation for keiki rather than mandating fare-free access for all riders.

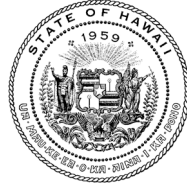
Providing free transit for keiki supports access to education and essential activities, reduces transportation costs for working families, and advances equity in a fiscally responsible manner. By contrast, a universal fare-free mandate presents long-term fiscal and operational considerations for county transit systems that could affect service sustainability.

The DOT looks forward to continuing to work with the Legislature and county partners to advance targeted, sustainable transit policies that best serve Hawai'i's communities.

Thank you for the opportunity to provide comments.

**JOSH GREEN M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**GARY S. SUGANUMA**  
DIRECTOR

**KRISTEN M.R. SAKAMOTO**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
Ka 'Oihana 'Auhau  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 2451, Relating to Transportation

**BEFORE THE:**

House Committee on Transportation

**DATE:** Thursday, February 5, 2026

**TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 430

Chair Kila, Vice-Chair Miyake, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2451 for your consideration.

H.B. 2451 adds a new section under chapter 46, Hawaii Revised Statutes (HRS) directing each county to implement a program offering public transportation services at no cost to all riders to their respective public transportation systems. Each county, subject to availability of funds and approval by DOTAX, would be eligible for reimbursement in the following amounts:

- \$2,500,000 for the county of Kauai;
- \$5,000,000 for the county of Hawaii;
- \$45,000,000 for the city and county of Honolulu; and
- \$5,000,000 for the county of Maui;

These amounts are to be annually adjusted for inflation.

Section 3 of the bill creates a fare-free public transportation tax and dividend special fund, to receive funds from the taxes collected under 243-3.5(a), HRS, money appropriated by the legislature, and earned or accrued interest on money in the fund.

The fund would be administered by DOTAX and used to reimburse the counties for providing the public with fare-free access to public transportation systems.

Section 4 of the bill amends section 243-3.5(a), HRS, to increase the state environmental response, energy, and food security tax ("barrel tax") on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The rate would increase from its current \$1.05 per barrel or fractional part of a barrel to \$3.35, with an annual increase in an amount to be determined on January 1 of each year beginning in 2028. With this tax increase, \$2.30 of the tax collected will be deposited into the "fare-free public transportation tax and dividend special fund." The amount deposited each subsequent year is to increase by an undetermined amount.

The bill takes effect upon its approval; however, section 4 of the bill to take effect on January 1, 2027, will apply to taxable years beginning after December 31, 2026.

DOTAX notes that it is unable to administer the fare-free public transportation tax and dividend special fund. DOTAX does not have the subject matter expertise or capacity to review costs incurred by the counties and make determinations regarding eligibility, issue reimbursements to the counties, and otherwise administer the special fund.

Further, DOTAX recommends that the effective date in section 6 be amended by deleting "and shall apply to taxable years beginning after December 31, 2026."

Thank you for the opportunity to provide comments on this measure.



## Testimony of the Oahu Metropolitan Planning Organization

### Committee on Transportation

February 5, 2026 at 9:30AM

Conference Room 430

**HB 2451**

**Relating to Transportation**

Dear Chair Kila, Vice Chair Miyake, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports HB 2451**, which requires each county to implement fare-free access to its public transportation systems, establishes the Fare-Free Public Transportation Tax and Dividend Special Fund, and increases the Environmental Response, Energy, and Food Security Tax on petroleum products to fund fare-free public transportation.

This bill is consistent with several goals of the Oahu Regional Transportation Plan including support for active and public transportation, promoting an equitable transportation system, and improving air quality and protecting environmental and cultural assets.<sup>1</sup> Establishing statewide fare-free access to public transportation systems will help offset the significant subsidies allotted to vehicle owners and drivers, reduce transportation costs for existing transit riders, and potentially encourage other residents whose primary reason for not trying public transit is its cost.

According to the City and County of Honolulu's Department of Transportation Services' Public Transit Title VI Program, 71% of Oahu transit riders have a household income of less than \$60,000, with 21% making less than \$20,000.<sup>2</sup> More than half (54%) of Oahu transit riders do not have an available vehicle at home, and 27% of transit riders only have one working vehicle at home.<sup>3</sup> This means that for the majority of transit riders, their transit fare makes up a large portion of their income and many have no transportation alternatives. With transit fares set to rise this summer on Oahu, this bill is crucial to help residents reduce their transportation costs.

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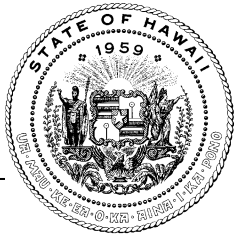
<sup>1</sup> [https://oahumpo.org/?wpfb\\_dl=2215](https://oahumpo.org/?wpfb_dl=2215)

<sup>2</sup> <https://www.honolulu.gov/dts/wp-content/uploads/sites/45/2025/03/DRAFT-2025-DTS-Public-Transit-TVI-Program-Report.pdf>

<sup>3</sup> IBID.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP), which encourages and promotes a safe, efficient, and resilient transportation system that serves the mobility needs of all people and freight (including walkways, bicycles, and transit), fosters economic growth and development, while minimizing fuel consumption and air pollution ([23 CFR 450.300](#)).

Thank you for the opportunity to provide testimony on this measure.



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:  
Web:

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

MARK B. GLICK  
CHIEF ENERGY OFFICER

(808) 451-6648  
energy.hawaii.gov

## Testimony of **MARK B. GLICK, Chief Energy Officer**

### before the **HOUSE COMMITTEE ON TRANSPORTATION**

Thursday, February 05, 2026  
9:30 AM  
State Capitol, Conference Room 430 and Videoconference

Providing Comments on  
**HOUSE BILL NO. 2451**

### **RELATING TO TRANSPORTATION.**

Chair Kila, Vice Chair Miyake, and members of the Committee, the Hawai'i State Energy Office (HSEO) offers the following comments on House Bill No. 2451, which requires counties to implement fare-free public transit for all riders, establishes the Fare-Free Public Transportation Tax and Dividend Special Fund, and increases the environmental response, energy, and food security tax on petroleum products to support fare-free transit statewide.

HSEO appreciates the Legislature's continued focus on improving access to affordable, equitable transportation options for Hawai'i's residents. Transportation is Hawai'i's largest source of greenhouse gas emissions, and policies that expand access to efficient, shared transportation modes can play an important role in advancing the State's long-term energy and climate objectives.

Hawai'i has established ambitious statutory goals to reduce greenhouse gas emissions by fifty percent by 2030 and achieve net negative emissions by 2045. Meeting these targets will require a portfolio of strategies, including reductions in vehicle miles traveled (VMT), improved system efficiency, and expanded access to low- and zero-emission mobility options. Increasing public transit use can contribute meaningfully to these outcomes.

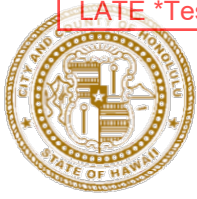
HSEO's 2023 Pathways to Decarbonization Report emphasizes that reducing reliance on single-occupancy vehicle travel is an important complement to vehicle electrification. The report highlights land use, travel behavior, and access to shared transportation as key drivers of transportation energy demand. Programs that lower barriers to transit use for the general public can shape long-term travel patterns while providing household cost savings and mobility benefits.

HSEO also notes that transportation mode choice depends on factors beyond fare levels, including service frequency, reliability, travel time, safety, and connectivity. Data collection and evaluation are needed to understand how fare-free transit affects ridership, system performance, and emissions and to inform future policy decisions.

Finally, HSEO recognizes that fare-free access to public transit supports broader state priorities related to equity, public health, and safety. For households facing transportation cost burdens or limited access to private vehicles, reliable transit can improve access to education, employment, and essential services, particularly for low-income residents. To the extent that fare-free transit results in increased transit use, it contributes to reduced traffic congestion and supports more efficient use of roadway infrastructure.

HSEO defers to the Department of Budget and Finance on the budgetary impact of increasing the environmental response, energy, and food security tax funds.

Thank you for the opportunity to testify.



LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

# HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

530 S. KING ST. STE. 202, HONOLULU, HI 96813

TYLER DOS SANTOS-TAM  
HONOLULU CITY COUNCIL  
DISTRICT 6

TELEPHONE: (808) 768-5006

FAX: (808) 768-1176

EMAIL: [tdossantos-tam@honolulu.gov](mailto:tdossantos-tam@honolulu.gov)

Thursday, February 5, 2026

House Committee on Transportation

9:30 AM

**HB2451** Testimony in Support

Chair Kila, Vice Chair Miyake, & Members of the House Committee on Transportation:

My name is Councilmember Tyler Dos Santos-Tam, and I have the privilege of representing parts of Urban Honolulu from Kalihi Valley to Kaka'ako on the Honolulu City Council. I am pleased to submit **strong support on HB2451**, Relating to Public Transit. This measure would establish fare free transit paid through a small increase in the barrel tax, which then would be transferred to the county and placed into a "fare-free public transportation tax and dividend special fund."

As a bus rider, I strongly believe in the value of public transportation. As a bus rider, I also have the daily privilege to interact with the O'ahu residents who also ride TheBus. Public transit is a critical piece of our community. It is a lifeline to many, bringing them to school, work, doctors' appointments, a variety of stores and many other places. Those who ride TheBus also are the largest detractor of auto traffic and lead the way in decreasing carbon emissions. The majority of riders (60%) make below \$50,000 and 71% have household incomes below \$60,000.<sup>i</sup>

There are many reasons removing transit fares for all riders is good, equitable policy. Ridership will increase and auto congestion will decrease. The financial barrier of fares is quickly overcome, and it also removes the bureaucracy of applying for special rates. Money saved by riders can go back into the local boosting economic impact. Boarding times decrease with no "check" before boarding, and cleaner air and lower emissions help to support environmental goals.

Furthermore, the operational costs will be covered through a small increase of the barrel tax, which would be covered by those who use gasoline for automobiles, also incentivizing mass transit. Transit ultimately should be a free public good offering access to all citizens like libraries, public parks, and first responders. It is a way we can support our communities to make them work for everyone.

Mahalo for the opportunity to submit supportive testimony for HB245.

Tyler Dos Santos-Tam  
Councilmember, District 6  
Honolulu City Council

<sup>i</sup> <https://www.honolulu.gov/dts/wp-content/uploads/sites/45/2025/08/Final-2025-DTS-Public-Transit-TVI-Program-Report-08-2025.pdf>



**HB-2451**

Submitted on: 2/3/2026 12:33:43 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Henry Curtis	Life of the Land	Support	Written Testimony Only

Comments:

Aloha

STRONG SUPPORT

Free transit is absolutely necessary to reduce road congestion and greenhouse gas emissions.

Henry Curtis, Executive Director



## HIPHI Board

May Okihiro, MD, MS  
Chair  
John A. Burns School of Medicine,  
Department of Pediatrics

Jennifer José Lo, MD  
Vice Chair  
Hawai'i Health Partners

Titimaea Ta'ase, JD  
Secretary  
Taase Law Office

Jonathan Ching  
Kaiser Permanente

Tammy Ho  
The Queen's Medical Center

Carissa Holley, MEd  
Hale Makua Health Services

Joyce Lee-Ibarra, MS  
JLI Consulting

Misty Pacheco, DrPH  
University of Hawai'i at Hilo

Dina Shek, JD  
Medical-Legal Partnership  
For Children in Hawai'i

JoAnn Tsark, MPH  
John A. Burns School of Medicine, Native  
Hawaiian Research Office

Danette Wong Tomiyasu, MBA  
Retired, Hawai'i State Department of  
Health

## HIPHI Initiatives

Coalition for a  
Tobacco-Free Hawai'i

Community-Based Research &  
Evaluation

Community Health  
Worker Initiatives

Environmental Health

Hawai'i Climate Change and Health  
Working Group

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &  
Community Living

Public Health Workforce Development

Date: February 3, 2026

To: Representative Darius K. Kila, Chair  
Representative Tyson K. Miyake, Vice Chair  
Members of the House Committee on Transportation

Re: Support for HB 2451 Relating To Transportation

Hrg: February 5, 2026, at 9:30 AM, Conference Room 430

Hawai'i Public Health Institute (HIPHI)<sup>1</sup> and the Healthy Eating + Active Living<sup>2</sup> (HEAL) Statewide Coalition are in **support of HB 2451**, which would require each county to implement **fare-free access to its public transportation systems** beginning January 1, 2027 and establish a dedicated fund to reimburse counties through an increased Environmental Response, Energy, and Food Security Tax on petroleum products.

## Necessary Public Service

Public transportation is more than a mobility option — it is an essential public service that connects residents to jobs, education, healthcare, and community resources. Fare costs disproportionately burden low- and moderate-income households and act as a barrier to equitable access. By eliminating fares across all counties, HB 2451 increases the affordability of transit for residents who depend on buses, rail, and paratransit services but are stretched by Hawai'i's extremely high cost of living.

## Aligning With Climate Goals

This measure aligns with the State's broader climate goals, including achieving a zero-emissions clean economy, by encouraging transit use over single-occupancy vehicle trips. Free transit increases ridership and reduces greenhouse gas emissions, congestion, and transportation costs for households, thereby supporting both environmental sustainability and economic resilience. Fare-free transit programs nationwide have increased ridership while reducing fuel use and carbon emissions.<sup>3</sup>

## Rising Costs and Limited Options on O'ahu and Kauai

On Oahu, residents face limited bus route options and increased costs. The Honolulu City Council just passed more than a 10% increase to fares, creating an

<sup>1</sup> Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

<sup>2</sup> The Healthy Eating + Active Living (HEAL) Coalition, formerly known as the Obesity Prevention Task Force, was created by the legislature in 2012 and is comprised of over 60 statewide organizations. The HEAL Coalition works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents.

<sup>3</sup> Massachusetts Budget & Policy Center, *Freeing the Climate: Environmental Benefits of Eliminating Transit Fares*, 2021. <https://massbudget.org/2021/03/24/freeing-the-climate-environmental-benefits-of-eliminating-transit-fares/>.



even greater barrier to transportation.<sup>4</sup> We should instead be making public transit free and accessible to all.

### **Proven Successes on Maui and Hawai'i Island**

Maui County allows free public transit for its youth already, with Hawai'i County allowing for free public transportation for the entire island. Since implementing this program, ridership has more than doubled in Hawai'i County. We can follow the lead from Maui and Hawai'i Island and provide free transportation access for all of our youth.

Universal access to transportation would:

- Remove stigma and administrative barriers tied to income-based eligibility<sup>5</sup>
- Improve mobility and independence for youth, seniors, and residents without reliable access to private vehicles
- Strengthen workforce access and local economic participation by connecting people to jobs
- Reduce traffic vehicle crashes, air pollution, and associated respiratory illnesses, and increase physical activity levels<sup>6</sup>

By mandating fare-free access statewide and establishing a dedicated funding source, this bill enhances mobility, supports climate goals, and invests in the economic well-being of our residents. HB 2451 creates consistent statewide access, removes financial barriers, and aligns with our climate goals at a modest cost compared to ongoing investments in vehicle infrastructure

Mahalo for the opportunity to testify and for your commitment to advancing fair, sustainable transportation in Hawai'i.

A handwritten signature in black ink, appearing to read "Lauren Loor", with a stylized flourish at the end.

Lauren Loor  
Healthy Eating + Active Living Statewide Program Manager

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<sup>4</sup> Hawai'i Department of Education, "EXPRESS County Bus Pass Program," accessed January, 2026. <https://hawaiipublicschools.org/school-services/express-county-bus-pass-program/>

<sup>5</sup> Chapman, L. E., (2025). Understanding Free or Reduced-Price School Meal Stigma: A Qualitative Analysis of Parent Perspectives. The Journal of school health, 95(6), 389–399. <https://doi.org/10.1111/josh.70004>

<sup>6</sup> CDC. (2026, January 14). Improving Health Through Transportation Advocacy Policy. <https://www.cdc.gov/transportation/php/about/index.html>



**Testimony in Support for HB2451 - Relating to Public Transit**  
**Committee on Transportation (TRN)**  
**Thursday, February 5th, 2026 at 09:30AM**

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Dear Chair Kila, Vice Chair Miyake, and members of the TRN committee,  
Mahalo for the opportunity to **testify in STRONG SUPPORT of HB2451**, which would require each county to implement fare-free access to its public transportation systems. The bill would also increase the Environmental Response, Energy, and Food Security Tax on petroleum products to fund fare-free public transportation.

Public transit is more than a way to get from place to place—it is essential infrastructure that supports economic opportunity, public health, and climate resilience. For many Hawai'i residents, public transportation is a lifeline, providing access to work, school, health care, food, and social services. Yet transit fares remain a significant barrier, particularly for low-income households, seniors, people with disabilities, youth, and individuals who do not have access to a private vehicle. Locally, this appears to be particularly true. On O'ahu an estimated 21 percent of bus riders have a household annual income of less than \$20,000, and 71 percent have a household income of less than \$60,000.<sup>1</sup> Additionally, 54 percent of O'ahu bus riders do not have a vehicle at home and 53 percent do not have a driver's license.<sup>2</sup>

Fare-free public transportation is one of the most effective ways to improve mobility for people of all ages and backgrounds. Data from existing local and national fare-free transit programs consistently show that **eliminating fares leads to increased transit ridership, reduced household transportation costs, increased access to employment and essential services, boosted local economic activity, and reductions in vehicle travel, fuel consumption, and carbon emissions.**<sup>3</sup>

Hawai'i already has some experience with fare-free transit. Hawai'i County's Hele-On bus system has been completely fare-free since 2022, demonstrating that fare-free service is both feasible and popular. Maui County offers fare-free access for youth, seniors and income eligible households, while other counties maintain a patchwork of reduced-fare programs. While these efforts are valuable, they result in uneven access to transit across the state. Whether someone can afford to ride—or ride at all—often depends on where they live, their age, income, or eligibility for a specific program.

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<sup>1</sup> Department of Transportation Services, 2025 Public Transit Title VI Program, City and County of Honolulu, accessed September 2025.  
<https://www4.honolulu.gov/docushare/dsweb/Get/Document-352782/Final%202025%20DTS%20Public%20Transit%20TVI%20Program%20Report%20%20-%2008-2025.pdf>

<sup>2</sup> Ibid.

<sup>3</sup> Massachusetts Budget & Policy Center, "Freeing the Climate: Environmental Benefits of Eliminating Transit Fares," 2021.  
<https://massbudget.org/2021/03/24/freeing-the-climate-environmental-benefits-of-eliminating-transit-fares/>.

A statewide approach to fare-free transit, as proposed under HB2451, would eliminate these inconsistencies and ensure that all residents, regardless of county or circumstance, can access public transportation without financial barriers. Universal fare-free transit also reduces administrative costs associated with fare collection, enforcement, and eligibility verification, allowing transit agencies to focus resources on improving service frequency, reliability, and coverage.

Importantly, HB2451 aligns transportation funding with Hawai'i's broader environmental and climate goals. The proposed increase to the Environmental Response, Energy, and Food Security Tax on petroleum products reflects an approach that reinvests revenue from fossil fuel consumption into cleaner transportation options that are available to individuals of all ages, income levels, and physical abilities. This policy direction is especially critical as Hawai'i works to meet its statutory commitment to achieve net-zero greenhouse gas emissions by 2045 under HRS §225P-5.

Currently, the State's transportation spending priorities remain heavily skewed toward vehicle infrastructure. Based on Hawai'i Appleseed's 2024 analysis, the Hawai'i Department of Transportation's capital improvement program averaged roughly \$700 million annually over the past decade, with more than two-thirds directed toward expanding vehicle capacity and only a small fraction invested in pedestrian, bicycling, and transit infrastructure.<sup>4</sup> This imbalance has contributed to traffic congestion, high transportation costs, and continued dependence on fossil fuels—outcomes that fare-free public transit can help reverse.<sup>5</sup>

In summary, HB2451 represents a transformative opportunity to reduce household transportation costs, expand residents' mobility options, and advance the State's climate and energy goals.

Mahalo for the opportunity to testify on this important measure.



Abbey Seitz

Director of Transportation Equity

Hawai'i Appleseed Center for Law and Economic Justice

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<sup>4</sup> Seitz, A., "Shifting budget priorities to expand mobility options & reduce vehicle travel," Hawai'i Appleseed Center for Law and Economic Justice, December, 2024. <https://hiappleseed.org/publications/rethinking-roads>.

<sup>5</sup> Ibid.

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: ADMINISTRATION, FUEL, Increase Barrel Tax to Fund Fare-Free Public Transportation

BILL NUMBER: HB 2451, SB 2904

INTRODUCED BY: HB by IWAMOTO, ALCOS, GRANDINETTI, LA CHICA, MARTEN, PERRUSO, POEPOE, Kila, Reyes Oda; SB by WAKAI, CHANG, FEVELLA, GABBARD, LEE, C., RHOADS, RICHARDS, SAN BUENAVENTURA

EXECUTIVE SUMMARY: Beginning 1/1/2027, requires each county to implement fare-free access to its public transportation systems. Establishes the Fare-Free Public Transportation Tax and Dividend Special Fund. Increases the Environmental Response, Energy, and Food Security Tax on petroleum products to fund fare-free public transportation.

SYNOPSIS: Adds a new section to chapter 46, HRS, requiring each county to implement fare-free access to its public transportation system and allowing it to be reimbursed a certain amount per fiscal year out of a newly established special fund. That certain amount will be annually adjusted for inflation.

Adds a new section to chapter 231, HRS, to establish the Fare-Free Public Transportation Tax and Dividend Special Fund. The fund would be fed by an earmark on the barrel tax, as discussed below; legislative appropriations; and earnings on fund assets.

Amends section 243-3.5, HRS, to increase the tax on each barrel of petroleum product from \$1.05 to \$3.35, with incremental increases each year thereafter. The difference of \$2.30 plus the annual increases will go to the aforementioned special fund.

EFFECTIVE DATE: Upon approval, except that the tax increase takes effect for taxable years beginning after December 31, 2026.

STAFF COMMENTS: The barrel tax, HRS section 243-3.5, now imposes a tax of \$1.05 on each barrel of petroleum product sold to an end user. It also imposes a tax on 19 cents per million BTU on a fossil fuel other than a petroleum product that is sold to an end user.

If it is proposed to raise the barrel tax on petroleum products, we question why there is no comparable increase to the barrel tax on non-petroleum fossil fuels.

In addition, the proposed measure would perpetuate the earmarking of tax revenues. The cost of fare-free public transportation may be a worthy expense if considered alone. But does that justify bypassing the normal appropriation and budgeting process that also considers invasive species, risks to the social safety net, and the aging infrastructure in our educational system?

Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

Next, it should be remembered that revenues diverted for a special purpose, in this case to fund fare-free public transportation, will not be counted against the state's spending ceiling or debt limit and will obscure the state's true financial condition.

Digested: 2/3/2026



## **Testimony in Support of HB2451**

Hearing on February 5, 2026 at 9:30am | House Committee on Transportation

Aloha Chair Kila, Vice Chair Miyake, and Members of the House Transportation Committee,

My name is Doorae Shin, and I am submitting this testimony on behalf of Our Children's Trust in strong support of HB2451, which establishes fare-free transit in all counties in Hawai'i.

This bill addresses a critical and growing challenge facing families across our state: the high and rising cost of transportation. Transportation is one of the largest household expenses in Hawai'i, and for many families, transit fares create a real barrier to accessing school, jobs, healthcare, extracurricular activities, and community resources. By making public transit free for residents, this bill provides immediate and meaningful relief to families while expanding mobility, independence, and opportunity for families across Hawai'i.

Free transit also promotes equity and access. Residents from lower-income households, rural communities, and families without reliable access to a private vehicle are disproportionately impacted by transportation costs. This bill helps ensure that a person's ability to participate fully in education and community life is not determined by their family's income or zip code. By strengthening and simplifying existing transit access programs, this bill creates a more consistent and accessible system statewide.

In addition to affordability and equity benefits, this bill advances Hawai'i's climate and public health goals. Encouraging the community to use public transit from an early age reduces reliance on single-occupancy vehicles, lowers transportation-related emissions, and supports long-term mode shift toward cleaner, more sustainable transportation. Increased transit ridership also improves air quality, which is especially important for protecting the health of keiki, kupuna, and other vulnerable populations.

HB2451 is directly aligned with Hawai'i's legal and policy obligations to reduce transportation emissions. In 2022, thirteen youth plaintiffs filed *Navahine v. Hawai'i Department of Transportation (HDOT)*, resulting in a settlement that requires HDOT to "take any actions necessary" to achieve zero emissions from ground, marine, and inter-island aviation by no later than 2045. The settlement was agreed to as a means to protect children's constitutional rights to a life-sustaining climate system and to preserve Hawai'i's public trust resources for present and future generations. In 2025, HDOT released its Energy Security and Waste Reduction Plan, which identifies the critical near-, mid-, and long-term policies needed to comply with the settlement agreement. Expanding access to public transit is a concrete and necessary step toward fulfilling these obligations.

Mahalo,

Doorae Shin  
Our Children's Trust



**HB-2451**

Submitted on: 2/3/2026 12:04:23 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

## Comments:

Iowa City made its buses free. Traffic cleared and so did the air. Since the fare-free program began, people in Iowa City have driven 1.8 million fewer miles and emissions have fallen by 24,000 metric tons of carbon dioxide a year, the same as taking 5,200 vehicles off the roads. Imaging how the numbers would improve here in Hawaii with a statewide program.

The savings will provide riders with more money in their pocketbooks, funds they can spend locally, putting money back into the local economy. That will then translate into new jobs.

Please move this bill forward. Transit riders will thank you.

Lynne Matusow

**HB-2451**

Submitted on: 2/3/2026 2:10:51 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kayla Marie	Individual	Support	Written Testimony Only

Comments:

I strongly support this measure

**HB-2451**

Submitted on: 2/3/2026 2:14:15 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Hagan	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Kila, Vice Chair Miyake, and Members of the Committee:

I know from personal experience that even \$2 can be a barrier to riding the Maui public bus. Free public transportation will reduce friction of use and benefit us all.

The Big Island saw an 85% increase in ridership with its pilot free ridership program.

After housing, transportation is the biggest expense for low-income families. Free fares improve bus service and decrease the burden on drivers and staff. Increased ridership improves public health and safety. Improved public transportation enhances Hawaii's energy independence and reduces reliance on fossil fuel imports.

I strongly support this bill.

Thank you,

Doug Hagan

Paia, Maui

**HB-2451**

Submitted on: 2/3/2026 3:59:44 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Smart	Individual	Oppose	Written Testimony Only

## Comments:

I oppose HB 2451. As it is, the operating cost for rail on Oahu far exceeds the farebox revenue. Taxing fuel to partially defray the costs of "free" public transit is going to make Hawaii even less affordable for its residents, prompting more out-migration of our young people, This bill is a gift to those few people who find public transportation useful and will not significantly improve ridership.

**HB-2451**

Submitted on: 2/3/2026 4:17:54 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Brian Huffman	Individual	Support	Written Testimony Only

## Comments:

I am writing as a constituent to express my strong support for **House Bill 2451**, *Relating to Transportation*, which would require each county in Hawaii to implement fare-free public transportation beginning January 1, 2027 and establish a dedicated funding mechanism through the *Fare-Free Public Transportation Tax and Dividend Special Fund*.

Public transit is a critical public service that ensures mobility and access to opportunity for all residents, especially those who are low-income, seniors, or working multiple jobs. By eliminating fares, HB 2451 would reduce economic barriers to transportation, increase ridership, and expand access to education, jobs, healthcare, and essential services.

Importantly, providing fare-free transit aligns with Hawaii's environmental goals. The bill's funding proposal — increasing the *Environmental Response, Energy, and Food Security Tax* on petroleum products — would more effectively price pollution while simultaneously investing in cleaner, more sustainable transportation options statewide. Encouraging a shift from single-occupancy vehicles to public transit will reduce greenhouse gas emissions, help ease traffic congestion, and support the State's broader climate commitments.

HB 2451 is also a pro-economic mobility measure. Transportation costs are a significant portion of household expenses, and fare-free transit can provide real savings to families while stimulating local economies as more people can access jobs and commerce without cost barriers.

I respectfully urge you to support HB 2451 during the upcoming Transportation Committee hearing and throughout the legislative process. Investing in fare-free public transportation is a forward-looking policy that advances equity, environmental sustainability, and economic opportunity for communities across Hawaii.

Thank you for your public service and for considering my views on this important issue.

Sincerely,  
Brian Huffman

**HB-2451**

Submitted on: 2/3/2026 8:29:18 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonathan Huynh	Individual	Comments	Written Testimony Only

Comments:

Aloha,

As someone who takes public transit everyday, I am a strong proponent of public transportation. However, public transit should be viewed as something valuable and not something entitled to every person for free. Anything that is free is often treated as such and may degrade the ride experience and quality. I support amending HB2451 to create a fund that reduces the cost of fares. The recent approval by the Honolulu City Council to increase fares will be devastating to ridership and will disproportionately impact lower-income earners. I support establishing a fund that ensures that fares remain low, but not free, for everyone.

Mahalo,

Jonathan Huynh

**HB-2451**

Submitted on: 2/3/2026 9:49:39 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nathan Abril	Individual	Support	Written Testimony Only

## Comments:

Public transportation is an essential part of a healthy society. Affordable public transportation has been shown to not only have positive effects on our environment, but, also, people's finances, health, and safety. Increased access to public transportation has been shown time-and-time again to reduce carbon emissions by helping to lower the number of vehicles on the road. Increased public transportation has been shown to create better economic opportunities for working people by making it easier (and more affordable) for them to get to work, save money, and have more money to spend and support local businesses. Increased public transportation has also been shown to create better health outcomes by encouraging people to exercise and move more. A healthier population will help to reduce the risks associated with obesity and heart disease which will help lower overall health insurance costs and hospital bills. Further, a fare-free bus system will help lower the number of traffic fatalities by encouraging people to drive less and lower the amount of DUIs, and other vehicular crimes, by giving people a safer option to travel that does not involve driving after a day or night of drinking. A fare-free bus system is not some radical idea and has been implemented in many cities and counties within the US (such as Albuquerque, Kansas City, Tampa, and Montgomery County) and will soon be implemented in New York City under Mayor Mamdani. There is no reason we cannot implement similar solutions here in Hawaii. In summary, free busses means a cleaner environment, a more financially independent population, a healthier society, and a safer island.

**HB-2451**

Submitted on: 2/4/2026 12:32:04 AM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Tesoro-Rarangol	Individual	Support	Written Testimony Only

Comments:

I fully support this bill. I will help a lot of people who take public transportation.



Welina mai ke aloha,

Mahalo to Chair Kila, Vice Chair Miyake, and the representatives of the Committee on Transportation for hearing HB2451. My name is Cardenas Pintor, and I am testifying in support of this bill.

I ride the bus every day here in Hawai‘i, and it is covered under the University of Hawai‘i at Mānoa for \$50.00 a semester. I save a lot of money, which makes a huge difference in my life. I am not alone. The American Public Transportation Association (APTA) reports that gas prices have risen by 25% in 2023,<sup>1</sup> making the bus the ideal mode of transportation for most riders. In December 2025, average weekly ridership in Honolulu was 124,719.<sup>2</sup> Honolulu ranks eighth in potential savings from taking the bus, with \$1,218 per month and \$14,612 per year in potential savings. However, Honolulu should strive to be number one!

In a time when Hawai‘i faces affordability and the high cost of living, citizens have concerns about how to get to their destination, especially if it is their only form of transportation. Once again, let us provide the people with the proper care they need by making bus fares free in Hawai‘i, as bus fares are the only barrier to transportation. I uplift the voices of bus riders that help contribute to our communities, which includes our keiki who are going to school, who will help make a better future for all of us, our adults who are working hard to help vitalize the economy and help provide us general welfare, and our kūpuna who continue to pass down their knowledge.

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<sup>1</sup> <https://www.apta.com/research-technical-resources/research-reports/transit-savings-report/>

<sup>2</sup> [https://www.thebus.org/Performance/Performance\\_Bus.asp](https://www.thebus.org/Performance/Performance_Bus.asp)

Mahalo nui,

Cardenas Pintor

**HB-2451**

Submitted on: 2/4/2026 8:41:29 AM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Andre Johnson	Individual	Oppose	Written Testimony Only

## Comments:

As a daily TheBus or Skyline rider I believe that free fares seem nice, but in reality will negatively impact our system. When something is free people feel entitled to it, and will devalue the transit system. When people can ride for free they will end up trashing the transit system and taking it for granted.

**HB-2451**

Submitted on: 2/4/2026 9:15:12 AM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mady Bumalang	Individual	Support	Written Testimony Only

## Comments:

Aloha Chair Kila, Vice Chair Miyake, and everyone on the Transportation committee. I support free bus fares, the bus system made a difference when I was in high school, especially when the Maui fires occurred. I was able to get home from Maui High to Kīhei nearly everyday after sports practice. I believe everyone should be able to get to their destination. If this goes into effect, it would bring convenience to everyone, especially the youth that are enrolled in school.

Mahalo nui loa!

Mady Bumalang

Date: February 3, 2026  
Re: **STRONG SUPPORT for HB2451** RELATING TO TRANSPORTATION  
Hearing Date: February 5, 2026 @ 9:30AM

Aloha Chair Kila, Vice-Chair Miyake, and members of the TRN Committee:

I'm writing in **strong support of HB2451**.

This bill would fully fund free transportation for all by slightly increasing the barrel tax by less than 10 cents per gallon. Given the demographics of public transit riders, this bill would for the most part benefit those that most need the financial support.

As to questions about will this bill incentivize people to take public transit, I've heard from college students how the offer of free transportation is the reason for taking public transit. The Big Island saw an 85% increase in ridership with its pilot free ridership program.

Though more needs to be done around public transportation such as increasing the number of buses, but offering free public transportation will reduce friction of use and benefit us all.

The bill creates a good nexus between fees on fossil fuels and reducing the State's carbon emissions, helping the State achieve its 2045 emissions targets. Improved public transportation enhances Hawaii's energy independence and reduces reliance on fossil fuel imports.

Please pass HB2451 out of your committee as an important step in improving affordability, equity, and the environment.

Mahalo nui loa,



Paul Bernstein  
Honolulu, O'ahu

**HB-2451**

Submitted on: 2/4/2026 2:55:21 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jordan Kapono Nakamura	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Jordan Kapono Nakamura, a resident of Honolulu and I strongly support HB2451 which would be a major step in reducing monthly costs on innumerable working people who rely on public transportation and a viable option for mobility that doesn't require high fees. This is a standard of living that is present in countless countries as a foundation of social infrastructure designed to alleviate the financial burden on the most economically vulnerable. This bill would help improve access to vital institutional and state services like schools, workplaces, healthcare facilities, to those who may feel unable to finance these commutes due to the high costs of living. It will also increase the regular ability of riders to rely on public transportation infrastructure and thus reduce traffic and all the issues associated with high traffic areas, including injuries and fatalities. I urge the legislature to consider the systemic health of our community as well as the strategic impact support for the transportation fees of the lowest income residents will benefit the social, infrastructural, economic, political, and environmental health of Hawai'i as a whole. Mahalo nui for your consideration!

**HB-2451**

Submitted on: 2/4/2026 3:20:05 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Virginia Tincher	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Kila, Vice Chair Miyake, and Members of the Committee:

After housing, transportation is the biggest expense for low-income families. Free fares improve bus service and decrease the burden on drivers and staff. Increased ridership improves public health and safety. Improved public transportation enhances Hawaii's energy independence and reduces reliance on fossil fuel imports.

I strongly support this bill.

**HB-2451**

Submitted on: 2/4/2026 8:05:46 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nana Clemons	Individual	Support	Written Testimony Only

Comments:

I support HB2451 for fare-free public transit. As the cost of living continues to rise and climate change/carbon emissions continue to threaten our 'āina, fare-free public transit would help people and encourage them use it. As someone who commutes daily via TheBus, it upsets me to see the constant threat of rising bus fare costs. And with the Rail now, it is pointless to encourage people to use it while raising the costs to ride it. FARE-FREE PUBLIC TRANSIT!!!



**HB-2451**

Submitted on: 2/4/2026 10:46:37 PM

Testimony for TRN on 2/5/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Matthew-Ian Blancaflor	Individual	Support	Written Testimony Only

Comments:

Dear Chair Kila, Vice Chair Miyake, and members of the committee:

I am Matthew-Ian and I am writing in strong support of the bill HB2451. I think that moving towards making public transportation free will greatly lift the burden of car traffic and shift public attitude to seeing cars no longer as a necessity, but as an option. When the rail was made free for opening weekend, I remember how so many people rode it for fun, to sightsee, and to shop around (especially in Pearlridge). If public transit was to be free indefinitely, I believe this would stimulate the economy, curb our reliance on cars, and allow people the freedom to travel where and how they please.

As someone who has lived in New York City during a time where MTA fares got more and more expensive, I can see first-hand how even the best American public transit system can become downgraded by increasing prices. With Zohran Mamdani becoming mayor on a platform of fast and free buses, I think that public transit in Hawai'i has a real shot of making waves in the way we move forward as a community. This shift towards less car-centric infrastructure will be heavily supported by HB2451 and I strongly support this!

Thank you for letting me testify and have a good day!