
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO ESTABLISH A FOSSIL FUEL SUBSIDY AND FARE-FREE TRANSIT FISCAL IMPACT WORKING GROUP TO IDENTIFY THE IMPACTS OF FOSSIL FUEL SUBSIDIES AND THE ECONOMIC, ENVIRONMENTAL, AND HEALTH IMPACTS OF STATEWIDE FARE-FREE PUBLIC TRANSPORTATION.

1 WHEREAS, the State is committed to achieving a zero-
2 emissions clean economy by 2045 pursuant to Act 15, Session Laws
3 of Hawaii 2018; and
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5 WHEREAS, transportation is the largest source of greenhouse
6 gas emissions in the State, with the majority attributable to
7 on-road gasoline consumption; and
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9 WHEREAS, according to the United States Energy Information
10 Administration, Hawaii consistently experiences among the
11 highest retail gasoline prices in the United States due to
12 geographic isolation and reliance on imported petroleum; and
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14 WHEREAS, the Congressional Budget Office and United States
15 Government Accountability Office have documented that the
16 federal government provides billions of dollars annually in tax
17 expenditures and other fiscal support benefiting fossil fuel
18 production and consumption; and
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20 WHEREAS, the International Monetary Fund has found that
21 when accounting for direct fiscal support and indirect
22 externalized costs, including climate damages, air pollution-
23 related health impacts, and infrastructure burdens, the
24 effective subsidy for fossil fuels substantially exceeds direct
25 budgetary expenditures; and
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27 WHEREAS, the American Public Transportation Association
28 reports that public transportation reduces household
29 transportation costs, lowers fuel consumption, and decreases



1 greenhouse gas emissions, with national transit use saving
2 billions of gallons of gasoline annually; and

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4 WHEREAS, research indicates that fare-free public
5 transportation programs can increase ridership by twenty to
6 sixty percent depending on service availability and population
7 density; and

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9 WHEREAS, increasing public transportation ridership in
10 Hawaii could reduce vehicle miles traveled, lower gasoline
11 consumption, reduce roadway wear and congestion, and generate
12 long-term public infrastructure savings; now, therefore,

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14 BE IT RESOLVED by the House of Representatives of the
15 Thirty-third Legislature of the State of Hawaii, Regular Session
16 of 2026, that the Department of Transportation is requested to
17 establish a Fossil Fuel Subsidy and Fare-Free Transit Fiscal
18 Impact Working Group to identify the impacts of fossil fuel
19 subsidies and the economic, environmental, and health impacts of
20 statewide fare-free public transportation; and

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22 BE IT FURTHER RESOLVED that the Fossil Fuel Subsidy and
23 Fare-Free Transit Fiscal Impact Working Group is requested to:

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25 (1) Quantify the total annual amount of federal taxpayer
26 dollars used to subsidize fossil fuels nationally and
27 estimate the proportional share attributable to
28 petroleum consumed in Hawaii;
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30 (2) Estimate the "true cost" per gallon of gasoline in
31 Hawaii if federal fossil fuel subsidies were
32 eliminated, including:
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34 (A) The removal of direct federal tax expenditures;
35 and
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37 (B) The monetized value of externalized environmental
38 and public health costs, where feasible;
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40 (3) Determine the total annual cost to each county of
41 providing fare-free public transportation, including
42 the City and County of Honolulu;



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- (4) Estimate potential state and county government cost savings associated with fare-free public transportation, including reductions in:
 - (A) Roadway maintenance and repair costs;
 - (B) Congestion mitigation expenditures;
 - (C) Public health costs associated with vehicle emissions; and
 - (D) Administrative costs related to fare collection;
- (5) Model a scenario in which statewide public transportation ridership increases by twenty percent, forty percent, and sixty percent and calculate:
 - (A) The estimated reduction in private vehicle miles traveled;
 - (B) The estimated reduction in gasoline consumption by private vehicles;
 - (C) The corresponding reduction in greenhouse gas emissions; and
 - (D) Long-term infrastructure and fiscal savings associated with fewer vehicles on public roadways;
- (6) Provide ten-year and twenty-year comparative projections of:
 - (A) Business-as-usual transportation expenditures; and
 - (B) A fare-free public transportation system funded through increased petroleum taxation; and
- (7) Develop policy recommendations consistent with the State's 2045 zero-emissions mandate; and



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2 BE IT FURTHER RESOLVED that the Director of Transportation,
3 or the Director's designee, shall serve as the Chairperson of
4 the working group; and

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6 BE IT FURTHER RESOLVED that the working group is requested
7 to include representatives from:

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9 (1) The Department of Taxation;
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11 (2) The Department of Business, Economic Development, and
12 Tourism;
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14 (3) Each county public transportation agency, including:
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16 (A) TheBus;
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18 (B) Hele-On Bus;
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20 (C) Maui Bus; and
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22 (D) Kauai Bus;
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24 (4) The University of Hawaii Economic Research
25 Organization;
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27 (5) At least one transportation economist to be invited by
28 the Chairperson;
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30 (6) Three representatives from three different
31 organizations serving working families, to be invited
32 by the Chairperson; and
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34 (7) At least one climate or public health expert, to be
35 invited by the Chairperson; and
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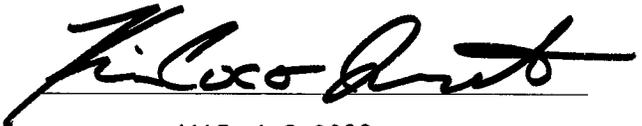
37 BE IT FURTHER RESOLVED that the Department of
38 Transportation is requested to convene the first meeting of the
39 working group no later than ninety days after the adoption of
40 this Resolution; and
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1 BE IT FURTHER RESOLVED that the working group is requested
 2 to submit a report of its findings and recommendations,
 3 including detailed fiscal tables, gasoline price modeling
 4 scenarios, emissions reduction projections, and any proposed
 5 legislation, to the Legislature no later than twenty days prior
 6 to the convening of the Regular Session of 2027; and
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8 BE IT FURTHER RESOLVED that certified copies of this
 9 Resolution be transmitted to the Director of Transportation;
 10 Director of Taxation; Director of Business, Economic
 11 Development, and Tourism; Mayors of each county; Chairpersons of
 12 each County Council; Director of the Department of
 13 Transportation Services for the City and County of Honolulu;
 14 Executive Director of the Transportation Agency for the County
 15 of Kaua'i; Director of the Department of Transportation for the
 16 County of Maui; and Administrator of the County of Hawai'i Mass
 17 Transit Agency.
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OFFERED BY: 
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