

JAN 23 2026

A BILL FOR AN ACT

RELATING TO PUBLIC TRANSIT.

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

1 SECTION 1. The legislature finds that the use of public
2 transit has social, environmental, and economic benefits.
3 Public transit provides access to education, employment, and
4 community activities. The legislature further finds that public
5 transit is especially critical for individuals without driver's
6 licenses or functional vehicles or for individuals who cannot
7 afford to pay for gas, parking, and insurance. This segment of
8 the population includes residents who are low-income, disabled,
9 or too young to drive. The legislature additionally finds that
10 public transit plays a crucial role in Hawaii's transition away
11 from fossil fuels for transportation as the bus fleet becomes
12 electrified and powered by renewable energy. Furthermore, the
13 legislature finds that the use of public transit reduces traffic
14 congestion and the demand for parking, thereby decreasing costs
15 for many businesses and increasing access for customers.

16 Moreover, the legislature finds that making bus service
17 free to youth increases equitable access to mobility today while



1 developing habits and knowledge that may dispose youth to
2 continue using public transit as adults. Families traveling
3 with children who previously may have determined that private
4 vehicle travel was more economical than the purchase of multiple
5 transit fares would, under this Act, experience a reduction in
6 total transportation costs, as eligible children would be
7 permitted to use public transit services without charge. Fewer
8 private vehicles on the road will help move the State toward its
9 zero-emissions transportation goals, reduce transit time for all
10 road users, and require less land devoted to parking.

11 In addition, the legislature finds that there are already
12 various free or discounted fares for children and youth in each
13 county of the State. Free bus service for individuals under the
14 age of twenty-five on Maui and free bus service for all riders
15 on Hawaii island have increased ridership on those islands. The
16 city and county of Honolulu and county of Kauai do not charge
17 riders under six and seven years old, respectively, and offer
18 reduced fares for passengers up to the age of nineteen and
19 eighteen, respectively.

20 The legislature also finds that the department of education
21 is already spending \$1,890,000 this year for 6,208 middle and



1 high school students on Oahu and ninety-nine students on Kauai
2 to use the public bus instead of a school bus due to shortages
3 of school bus drivers. The department of education and the city
4 and county of Honolulu and county of Kauai already have systems
5 in place to distribute and manage bus passes through school
6 administrations and for the counties to charge only for the
7 number of passes actually used. To reduce the administrative
8 burden on the counties, it is proposed that these systems
9 continue to be used. However, for the purposes of this pilot
10 program, the passes would be usable year-round rather than just
11 during the school year. In addition, comparable systems would
12 be established with public charter schools and private schools.
13 Age-eligible youth who do not attend school would also be able
14 to acquire passes directly from public transit offices by
15 providing proof of age and residency.

16 Therefore, the purpose of this Act is to establish a two-
17 year pilot program to extend fare-free county transit services
18 to all children from birth through eighteen years of age.

19 SECTION 2. (a) As used in this Act:

20 "Child" or "children" means an individual:



1 (1) From birth up to, but not including, nineteen years of
2 age; and

3 (2) Who is a resident of Hawaii.

4 "County transit service" means a public bus or rail
5 service, operated by or on behalf of a county in the State.

6 "Keiki" means child or children.

7 (b) The department of transportation, in coordination with
8 the counties, shall establish a two-year keiki fare-free transit
9 pilot program to expand fare-free county transit services to
10 children in counties that currently charge these children a
11 fare.

12 (c) Fare-free access to county transit services for
13 children, as defined in this Act, shall be deemed a privilege
14 and not a right. This privilege may be suspended or revoked for
15 cause if a rider engages in conduct that endangers the safety of
16 others or reasonably causes other passengers or transit
17 personnel to feel unsafe while the rider is using county transit
18 services.

19 (d) The department of transportation shall coordinate with
20 the counties to evaluate the pilot program's:



1 (1) Impact on ridership, costs, and transportation equity
2 for disadvantaged and rural communities; and

3 (2) Alignment with state environmental goals.

4 (e) If the department of transportation's evaluation
5 justifies continuation of the keiki fare-free transit pilot
6 program and its expansion statewide, the department shall
7 propose a sustainable revenue source to continue the program
8 beyond the end of the pilot program and expand the program
9 statewide.

10 SECTION 3. No later than twenty days prior to the
11 convening of the regular session of 2029, the department of
12 transportation shall submit a report to the legislature
13 regarding the pilot program's implementation, including data on
14 ridership; costs; administrative issues; and recommendations for
15 continuation or modification of the program, or both, or
16 discontinuation. If the department's recommendation is to
17 continue the keiki fare-free transit pilot program and to expand
18 the program statewide, the report shall also include
19 recommendations for a sustainable funding source to support the
20 program.



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2026-2027 for
4 the department of transportation, in coordination with the city
5 and county of Honolulu and county of Kauai, to:

- 6 (1) Provide fare-free county transit service for all
7 children, as defined in this Act; and
- 8 (2) Cover necessary administrative and program evaluation
9 costs associated with the implementation and operation
10 of the keiki fare-free transit pilot program.

11 The sum appropriated shall be expended by the department of
12 transportation for the purposes of this Act.

13 SECTION 5. The appropriation made by this Act shall not
14 lapse at the end of the fiscal year for which the appropriation
15 is made; provided that all moneys from the appropriation
16 unencumbered as of June 30, 2028, shall lapse as of that date.

17 SECTION 6. This Act shall take effect on July 1, 2026;
18 provided that section 2 of this Act shall be repealed on June
19 30, 2028.



S.B. NO. 2994

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INTRODUCED BY:

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S.B. NO. 2994

Report Title:

Public Transit; Keiki Fare-free Transit Pilot Program;
Department of Transportation; Oahu and Kauai; Appropriation

Description:

Establishes a two-year Keiki Fare-Free Transit Pilot Program on
Oahu and Kauai. Appropriates funds.

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