

JAN 17 2025

A BILL FOR AN ACT

RELATING TO MARINE PASSENGER FEES.

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

1 SECTION 1. The legislature finds that three cities in
2 Alaska have enacted marine passenger fees that are assessed for
3 each cruise ship passenger arriving in the respective city. The
4 fees assist in funding city projects that offset the impacts
5 created by the cruise ship industry and enhance the tourism
6 experience, such as improving port facilities and
7 infrastructure, and mitigating the negative effects of natural
8 disasters.

9 Juneau has imposed a \$5 per passenger marine passenger fee
10 since 1999. It also charges a \$3 per passenger port development
11 fee. In Haines, Alaska, the marine passenger fee is \$9 per
12 passenger, which will increase to \$12 per passenger in 2027 and
13 \$13 in 2029. In Ketchikan, the marine passenger fee is
14 currently \$11 per passenger.

15 The legislature further finds that the imposition of cruise
16 ship passenger fees by Alaskan cities has been litigated and
17 determined by the United States District Court for the State of



1 Alaska to be lawful. As long as the fees are used for services
2 that are provided to the cruise ship, they do not violate the
3 Tonnage Clause of the United States Constitution or the River
4 and Harbors Appropriation Act of 1899. Examples of permissible
5 fees and uses that the court discussed include wharfage from
6 vessel owners for city-constructed wharves, quarantine fees to
7 examine passengers at a quarantine station so that the ship
8 could receive the necessary certification to proceed,
9 construction of facilities that constitute a service to a vessel
10 such as a gangplank, and services provided to a vessel entering
11 a port, such as charges for regulation of harbor traffic, use of
12 locks, and emergency services for vessels. *Cruise Lines Int'l*
13 *Ass'n Alaska v. City & Borough of Juneau*, 356 F. Supp. 3d 831
14 (D. Alaska 2018).

15 The legislature also finds that, according to the Hawaii
16 tourism authority, 149,980 visitors arrived in Hawai'i aboard
17 seventy-seven out-of-state cruise ships for the period of
18 January to November 2024. In 2023, there were 157,612 visitors
19 who arrived on seventy-four cruise ships. These ships all stop
20 at one or more state harbors.

21 Accordingly, the purpose of this Act is to establish:



1 (1) A cruise ship passenger fee of \$10 per passenger of
2 vessels sized to carry twenty-one or more passengers;
3 and

4 (2) A cruise ship fee special fund, into which shall be
5 deposited all collected fees for infrastructure
6 projects benefiting cruise ships with an emphasis on
7 climate change mitigation and adaptation.

8 SECTION 2. Chapter 266, Hawaii Revised Statutes, is
9 amended by adding two new sections to be appropriately
10 designated and to read as follows:

11 "§266-A Cruise ship passenger fee. (a) It is the purpose
12 of the fee imposed under this section to be utilized for
13 infrastructure projects by the State that benefit cruise ships
14 with an emphasis on climate change mitigation and adaptation
15 projects.

16 (b) Beginning January 1, 2026, the department of
17 transportation shall assess a fee of \$10 per passenger per visit
18 for every marine passenger ship not otherwise exempted. The fee
19 shall be increased annually on January 1 based on the urban
20 Hawaii consumer price index, or a successor index, for the



1 twelve months prior, as calculated by the federal Department of
2 Labor.

3 (c) The passenger fee for each ship shall be calculated
4 based on the passenger manifest for the ship upon entry into any
5 port within the State. Upon entry, the owner or authorized
6 agent from each ship shall present the department of
7 transportation with a passenger manifest.

8 (d) Passenger manifests obtained by the department of
9 transportation under this section shall be kept confidential and
10 shall not be subject to public inspection; provided that the
11 following information shall be made available to the public:

12 (1) Names and owners of ships subject to the fee under
13 this section;

14 (2) Number of passengers per ship;

15 (3) Names and owners of ships which have been issued an
16 exemption certificate; and

17 (4) Names and owners of ships delinquent in the payment of
18 fees, total amount outstanding, and date the fee
19 accrued.

20 The department of transportation shall post on its website
21 the public information updated on a monthly basis.



1 (e) The passenger fees shall be paid by the owner or agent
2 of the ship to the state within sixty days from entry of the
3 ship into any port within the State. Interest shall accrue at a
4 rate of ten per cent per year on any fees not paid after sixty
5 days.

6 (f) The fee shall not apply to:

7 (1) Ships having accommodations for twenty or fewer
8 passengers;

9 (2) Ships without berths or overnight accommodations for
10 passengers; or

11 (3) Noncommercial ships, ships operated by nonprofit
12 entities as determined by the United States Internal
13 Revenue Service, or ships operated by the State, the
14 United States of America, or a foreign government.

15 The burden of proving an exemption shall be on the person
16 claiming the exemption.

17 (g) Each owner or agent of a ship subject to payment of a
18 fee under this section shall maintain and keep for a period of
19 three years after the date of filing all of the passenger
20 manifests, forms, supporting records, and other records
21 prescribed by the manager by regulation. Upon the request of



1 the department of transportation, the owner or agent of a marine
2 passenger ship shall make available for examination in the State
3 the books, records, and other documents of the ship.

4 (h) No ship delinquent in the payment of passenger fees,
5 nor any vessel carrying passengers to or from the ship shall be
6 allowed to moor at any port facility in the State.

7 (i) Any fees collected under this section shall be placed
8 in the cruise ship passenger fee special fund.

9 (j) The department of transportation shall administer and
10 enforce this section and may adopt rules pursuant to chapter 91.

11 (k) For the purposes of this section:

12 "Agent" and "authorized agent" mean the master or person in
13 charge of the ship or any other person authorized by the owner
14 or operator of the ship to act on behalf of the owner or
15 operator with respect to the ship.

16 "Entry" into any port means anchoring or mooring and
17 allowing passengers to disembark.

18 "Marine passenger" and "passenger" mean any person who has
19 paid any amount for a ticket contract entitling that person to
20 transportation aboard the ship. The term does not include the
21 owner's or operator's employees or their immediate family



1 members sharing their quarters; the owner's or operator's
2 contractors or subcontractors; or musicians, artists, guest
3 speakers, art auctioneers, interpreters, rangers or similar
4 persons traveling without charge but providing passenger
5 services for the owner or operator.

6 "Marine passenger ship" and "ship" mean a vessel carrying
7 passengers for compensation.

8 "Person" means any individual, partnership, firm,
9 association, joint stock company, corporation or combination of
10 individuals of whatever form or character.

11 "Visit" means an entry into any port of the State more than
12 twenty-four hours before or after another entry by the same
13 ship, excluding visits for emergency purposes.

14 **\$266-B Cruise Ship Passenger Fee Special Fund.** (a) There
15 is established within the treasury of the State, a cruise ship
16 passenger fee special fund, into which shall be deposited all
17 moneys collected by the department of transportation from cruise
18 ship passenger fees pursuant to section 266-A.

19 (b) Moneys in the fund may be used by the department of
20 transportation for port infrastructure projects that benefit



1 cruise ships with an emphasis on climate change mitigation and
2 adaptation projects."

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2025-2026 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2026-2027 to be deposited into the cruise ship passenger
8 fee special fund.

9 The sums appropriated shall be expended by the department
10 of transportation for the purposes of this Act.

11 SECTION 4. In codifying the new sections added by section
12 2 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 5. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 2025.

17

INTRODUCED BY:

Karl Rhoads



S.B. NO. 634

Report Title:

DOT; Marine Passenger Fees; Cruise Ship Passenger Fee; Cruise Ship Passenger Fee Special Fund; Appropriation

Description:

Establishes a cruise ship passenger fee to be collected beginning 1/1/2026 by the Department of Transportation to be used for infrastructure projects benefiting cruise ships with an emphasis on climate change mitigation and adaptation.
Establishes the Cruise Ship Passenger Fee Special Fund.
Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

