

JAN 30 2026

A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

SECTION 1. Section 37-79, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~37-79~~]~~ **Climate change and tourism destination management; maritime purposes and uses; projects; budget requests.** (a) The governor shall request, in the budget or the supplemental budget submitted to the legislature pursuant to section 37-71 or 37-72, that an amount of general funds that approximates the additional revenue generated by any increase to the transient accommodations tax rates pursuant to section 237D-2(a)(6) and (c)(4) beginning on January 1, 2026, and section 237D-2(e) beginning on July 1, 2026, [~~and by assessment of the transient accommodations tax on gross rental proceeds derived from cruise fares pursuant to section 237D-2(a)]~~ be expended equally to advance specific projects to:

- (1) Protect, manage, and restore the State's natural resources, including native forests, native plants and



1 animals, aquatic resources, coastal lands, and
2 freshwater resources;

3 (2) Increase the resilience of structures and
4 infrastructure to natural and climate-related
5 disasters, such as hurricanes and sea level rise, and
6 perform hazard mitigation activities, such as wildfire
7 and flood mitigation; and

8 (3) Improve the visitor experience, mitigate the impacts
9 of tourism on the natural environment, ensure that the
10 State's natural resources are maintained for future
11 residents and visitors, and support destination
12 management, such as park improvements and beach
13 improvement, nourishment, and maintenance projects.

14 (b) The governor shall request, in the budget or the
15 supplemental budget submitted to the legislature pursuant to
16 section 37-71 or 37-72, that an amount of general funds that
17 approximates the additional revenue generated by the assessment
18 of the transient accommodations tax on gross rental proceeds
19 derived from cruise fares pursuant to section 237D-2(a) be
20 expended for maritime purposes and uses, including:



- 1 (1) Reducing greenhouse gas emissions and pollutants
2 through increased shore power connectivity;
3 (2) Mitigating and adapting to sea level rise in the
4 State's harbors;
5 (3) Increasing the resilience of maritime structures and
6 infrastructure; and
7 (4) Addressing maritime environmental issues, as
8 determined by the department of transportation."

9 SECTION 2. Section 237D-1, Hawaii Revised Statutes, is
10 amended by amending the definition of "cruise fare" to read as
11 follows:

12 ""Cruise fare" means the [~~total~~] amount paid by a transient
13 for a cruise ship cabin on a cruise ship[, ~~inclusive of any~~
14 ~~mandatory fees imposed by a cruise ship operator, owner, or~~
15 ~~representative thereof on a transient for the use of shipboard~~
16 ~~services, facilities, meals, and onboard entertainment, but].~~
17 "Cruise fare" does not include [optional] charges for shipboard
18 services, facilities, meals, excursions, [and] onboard
19 entertainment [beyond the mandatory fee amount].
20 transportation, and other ancillary fees."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Louise R. Swartz*



S.B. NO. 3289

Report Title:

DOT; Governor; Transient Accommodations Tax; Cruise Ships;
Cruise Fares; Budget Request; Maritime Purposes and Uses

Description:

Requires the Governor to request in the executive budget or supplemental budget that an amount of general funds that approximates the additional revenue generated by assessing the Transient Accommodations Tax on gross rental proceeds derived from cruise fares be expended for maritime purposes and uses, including addressing maritime environmental issues, as determined by the Department of Transportation, rather than be expended as part of the green fee. Amends the definition of "cruise fares" with respect to the Transient Accommodations Tax.

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