

Honolulu, Hawaii

, 2026

FEB 12

RE: H.B. No. 2195  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Transportation, to which was referred H.B. No. 2195 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Transportation to assess a per passenger head fee against cruise ships docking in the State's commercial harbors;
- (2) Establish the Cruise Ship Special Fund to support port facility and harbor capital improvement projects; and
- (3) Repeal existing law imposing the Transient Accommodations Tax on cruise ships, effective retroactive to January 1, 2026.

Your Committee received testimony in support of this measure from the Department of Transportation; McCabe, Hamilton & Renny, Co., Ltd.; Hike Maui; Honolulu Ship Supply; The Maritime Group; Go Tours Hawaii; Hawai'i Harbors Users Group; Polynesian Adventure Tours; Hawaii Tour Consultants, LLC; Norwegian Cruise Line Holdings Ltd.; Kauai Kilohana Plantation; Show You Hawai'i LLC; Hawaii Pilots Association; and Matson Navigation Company, Inc.



Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; Hawai'i Tourism Authority; Tax Foundation of Hawaii; Care for 'Āina Now Coalition; and Hawaii Transportation Association.

Your Committee finds that cruise ships contribute significantly to visitor impacts on the State's infrastructure and natural resources, yet the existing transient accommodations tax structure has proven difficult to apply consistently to cruise operations. The current approach enacted by Act 96, Session Laws of Hawaii 2025, attempted to levy the transient accommodations tax on prorated cruise fares, but has posed practical challenges for enforcement and compliance. This measure replaces that taxing mechanism with a more straightforward per-passenger head fee assessed on cruise ships that dock at commercial harbors, creating a reliable and administratively feasible funding mechanism. Additionally, by establishing a dedicated Cruise Ship Special Fund to receive these fees, this measure ensures that revenues are reinvested into port infrastructure and shore power improvements that support sustainability and mitigate the environmental impact of cruise tourism.

Your Committee notes that the Department of Transportation has requested a \$10 per passenger assessment fee.

Your Committee has amended this measure by:

- (1) Blanking out the passenger head infrastructure fee;
- (2) Clarifying when the fee will be assessed and that the fee shall be in addition to existing port user fees;
- (3) Clarifying the uses of the Cruise Ship Special Fund revenues;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee further notes that the adoption of the Department of Transportation's suggested amendments regarding when the fee is charged, uses of the Cruise Ship Special Fund, and that



the fee is in addition to existing port user fees addresses the concerns of the Department of the Attorney General.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2195, H.D. 1, and be referred to your Committee on Tourism.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



DARIUS KILA, Chair



Record of Votes of the Committee on Transportation

Bill/Resolution No.:	Committee Referral:	Date:		
HB 2195	TRN, TOU, FIN	2/10/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. KILA, Darius K. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle	✓			
4. EVSLIN, Luke A.	✓			
5. GRANDINETTI, Tina Nakada	✓			
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.		✓		
9. PIERICK, Elijah			✓	
TOTAL (9)	1	1	1	0
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Tyson Miyake</u>				
<b>Distribution:</b> Original (White) – Committee		Duplicate (Yellow) – Chief Clerk's Office		Duplicate (Pink) – HMSO