STAND. COM. REP. NO. 2154 -26

Honolulu, Hawaii

APR 10 , 2026

RE: S.B. No. 2698
S.D. 2
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 Finance, to which was referred S.B. No. 2698, S.D. 2, H.D. 1, 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 fee against cruise ships docking in the State's commercial harbors in addition to existing port user fees;

(2) Establish the Cruise Ship Special Fund, to be funded in part by per-passenger fee revenues, to be used solely for port facility and capital improvement projects to support authorized cruise ship operations;

(3) Repeal existing law imposing the Transient Accommodations Tax on cruise ships; and

(4) Appropriate funds to implement this measure.

Your Committee received testimony in support of this measure from the Department of Transportation; The Maritime Group; McCabe,

Hamilton & Renny Co., Ltd.; Matson Navigation Company, Inc.; MC&A, Inc.; Hawaii Tour Consultants; Kilohana Plantation; Hawai'i Harbors Users Group; Norwegian Cruise Line Holdings Ltd.; American Institute of Architects, Hawai'i State Council; and Polynesian Adventure Tours. Your Committee received testimony in opposition to this measure from the Care for 'Āina Now Coalition; The Nature Conservancy Hawai'i and Palmyra; and Kupu. Your Committee received comments on this measure from the Department of Taxation; Hawai'i Tourism Authority; Maui Chamber of Commerce; and Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2698, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

CHRIS TODD, Chair

State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 2154-26

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date:
SB2698, SD2, HD1	TRN, JDL, FIN	4/8/26

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☑ Pass, unamended (as is) ☐ Pass, with amendments (HD) ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TODD, Chris (C)	/			
2. TAKENOUCHI, Jenna (VC)	/			
3. HARTSFIELD, Daisy	/			
4. HUSSEY, Ikaika		/		
5. KEOHOKAPU-LEE LOY, Sue L.	/			
6. KITAGAWA, Lisa	/			
7. KUSCH, Matthias	/			
8. LEE, Mike	/			
9. MIYAKE, Tyson K.	/			
10. MORIKAWA, Dee	/			
11. PERRUSO, Amy A.			/	
12. TEMPLO, Shirley Ann	/			
13. YAMASHITA, Kyle T.	/			
14. ALCOS III, David			/	
15. GEDEON, Joe		/		
16. REYES ODA, Julie		/		
TOTAL (16)	11	3	2	0

The recommendation is: ☑ Adopted ☐ Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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