

Honolulu, Hawaii

FEB 20, 2026

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 Tourism, to which was referred H.B. No. 2195, 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 head infrastructure fee against cruise ships docking in the State's commercial harbors;
- (2) Establish the Cruise Ship Special Fund; and
- (3) Repeal existing law imposing the Transient Accommodations Tax on cruise ships, effective retroactively to January 1, 2026.

Your Committee received testimony in support of this measure from the Department of Transportation; The Maritime Group; Hawai'i Harbors Users Group; Hawaii Pilots Association; Maui Ocean Center; Norwegian Cruise Line Holdings LTD; MC&A, Inc.; and two individuals. Your Committee received comments on this measure from the Department of Taxation; Department of the Attorney General; Hawaii Tourism Authority; Hawaii Transportation



Association; Tax Foundation of Hawaii; and Care for 'Āina Now Coalition.

Your Committee finds that cruise ship operations create significant demands on the State's commercial harbor and port facilities, and that a stable and transparent revenue mechanism is necessary to support port facility and harbor capital improvement projects that benefit cruise ship operations. Your Committee further finds that the framework enacted in Act 96, Session Laws of Hawaii 2025, to apply the transient accommodations tax to prorated cruise fares has presented enforcement and compliance challenges, in part because cruise purchases are typically sold as bundled packages that include more than onboard lodging. Your Committee believes that a flat, per-passenger fee assessed when cruise ships dock at commercial harbors is a more practical and fairer way to assess a charge comparable to the Transient Accommodations Tax that can be put toward improving and maintaining the State's commercial ports and harbors.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2195, H.D. 1, and recommends that it be referred to your Committee on Finance.

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



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ADRIAN K. TAM, Chair



