

JOSH GREEN M.D.  
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STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

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GARY S. SUGANUMA  
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DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 2195, H.D.1, Relating to Transportation

**BEFORE THE:**

House Committee on Tourism

**DATE:** Thursday, February 19, 2026

**TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 423

Chair Tam, Vice-Chair Templo, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2195, H.D.1, for your consideration.

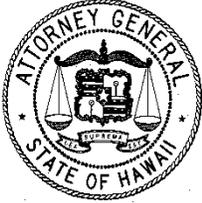
H.B. 2195, H.D.1, amends chapter 266, Hawaii Revised Statutes (HRS), governing the Department of Transportation Harbors Division, by adding section 266-A, HRS, which imposes a new per passenger "infrastructure fee" of an unspecified amount. This fee would be collected for each passenger, on any cruise ship upon its entry at any commercial harbor in Hawai'i, and is in addition to existing port user fees. All revenues collected from the fee shall be deposited into the new "cruise ship special fund" established under new section 266-B, HRS.

Sections 2, 3, and 4, of the bill amend sections 37-79, 237D-1, and 237D-2, HRS, to delete provisions regarding the imposition of TAT on cruise fares.

The measure has a defective effective date of July 1, 3000, with sections 2, 3, and 4 retroactively effective beginning on January 1, 2026.

DOTAX notes that it can implement the tax law changes by the January 1, 2026, effective date currently stated in the bill.

Thank you for the opportunity to provide comments on this measure.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2195, H.D. 1, RELATING TO TRANSPORTATION.

**BEFORE THE:**

HOUSE COMMITTEE ON TOURISM

**DATE:** Thursday, February 19, 2026      **TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 423

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Yvonne R. Shinmura, Deputy Attorney General

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Chair Tam and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to impose upon cruise ships a passenger head fee that will be deposited into a cruise ship special fund. The moneys in the special fund will be used solely for port facility and harbor capital improvement projects to support cruise ship operations. This bill also retroactively repeals the transient accommodations tax on cruise ships established by Act 96, Session Laws of Hawaii 2025, effective January 1, 2026, the effective date of Act 96.

The following are the Department's concerns and recommendations pertaining to the expenditure provisions and savings clause.

1. Expenditure Provisions. According to article VII, section 5, of the Hawaii State Constitution, "[n]o public money shall be expended except pursuant to appropriations made by law." The new section 266-B(a)(2), page 2, lines 8-9, allows for an appropriation by the Legislature into the special fund, but does not provide the means for the Legislature to deposit funds into the special fund. To effectuate the purpose of the bill, we recommend that a new section 5 be inserted at page 8, beginning at line 8, to allow the legislature to appropriate funds into the special fund.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2026-2027 to be deposited into the cruise ship special fund.

In addition, to allow expenditure of moneys in the special fund by the Department of Transportation, we recommend the insertion of a new section 6 into the bill:

SECTION 6. There is appropriated out of the cruise ship special fund the sum of \$\_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2026-2027 to be expended by the department of transportation for the purposes of this Act.

2. Savings Clause for Passenger Head Fee. We recommend adding the following savings clause, a new section 7, for the purposes of section 1, which establishes the passenger head fee:

SECTION 7. Section 1 of this Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

Accordingly, existing sections 5 and 6 of the bill should be redesignated as sections 8 and 9.

We respectfully ask the Committee to make the recommended amendments.

Thank you for the opportunity to provide comments on this bill.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



**STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I**  
**DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU**  
869 PUNCHBOWL STREET  
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DREANALEE K. KALILI  
TAMMY L. LEE  
CURT T. OTAGURO  
ROBIN K. SHISHIDO

Thursday, February 19, 2026  
9:30 A.M.  
State Capitol, 423

HB2195, HD1  
**RELATING TO TRANSPORTATION**

House Committee on Tourism

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The Department of Transportation (DOT) supports this measure that authorizes the Department to assess a per passenger head fee against cruise ships docking in the State's commercial harbors, establishes the Cruise Ship Special Fund, and repeals existing law imposing the transient accommodations tax on cruise ships.

The DOT recognizes the intent of this bill to generate revenue for port facility and harbor capital improvements through a passenger head fee on cruise ships. We appreciate the Legislature's efforts to address the ongoing need for funding to maintain and upgrade our critical maritime infrastructure.

The original version of this measure proposed a per passenger fee of \$6.50, but the H.D. 1 blanked out the specific fee amount. Based on cruise ship passenger counts from Fiscal Year 2025, we estimate the annual revenue generation from this fee as originally proposed at \$6.50 is \$6.3 million. Port improvements, especially those at cruise facilities, are costly. To better cover these costs, DOT requests this committee consider setting the per passenger fee at \$10.00 to generate sufficient revenue to support timely project delivery.

Thank you for the opportunity to provide testimony in support of this bill.



TESTIMONY OF  
**CAROLINE ANDERSON**  
Interim President & CEO  
**Hawai'i Tourism Authority**  
before the  
**HOUSE COMMITTEE ON TOURISM**

Tuesday, February 19, 2026  
9:30 a.m.

State Capitol, Room 423

In consideration of  
**HB 2195 HD 1**  
RELATING TO TRANSPORTATION

Aloha Chair Tam, Vice Chair Templo, and Members of the Committee:

The Hawai'i Tourism Authority (HTA) offers comments on HB 2195 HD1, which would establish a per-passenger head fee on cruise ships each time they dock at a commercial harbor in the State. It would also create a Cruise Ship Special Fund and limit its use to port and harbor capital improvement projects that support the cruise industry. In addition, the bill would repeal the existing framework that applies the transient accommodations tax (TAT) to cruise ship cabins and fares.

HTA believes HB 2195 HD1 addresses several industry concerns regarding the framework established by Act 096. First, a flat, per-passenger fee assessed at each port call is easier for cruise lines to forecast and administer than a percentage-based tax applied to cruise fares.

Second, the per-passenger approach is a more practical and fair way to assess a charge comparable to a transient accommodations tax, because cruise purchases are typically sold as bundled packages that include much more than onboard lodging. A flat fee acknowledges that difference and simplifies the application of an accommodation-style tax to a bundled product.

Third, directing revenues into a dedicated Cruise Ship Special Fund provides a clearer and more transparent path for how revenues are spent. By limiting the fund to port and harbor capital improvements, the bill strengthens the connection between the fee paid and the benefit provided at the locations cruise ships and passengers use.

Finally, focusing the fund on harbor and port infrastructure upgrades—especially shore power—can help cruise operators meet the sustainability expectations outlined in the Department of Transportation's Hawai'i Energy Security and Waste Reduction Plan. This approach is also consistent with the environmental intent of Act 096, by supporting investments that reduce impacts and improve environmental performance in maritime operations.

Mahalo for the opportunity to provide comments on HB 2195 HD1.



February 19, 2026

**HOUSE COMMITTEE ON TOURISM**

Rep. Adrian Tam, Chair; Rep. Shirley Ann Templo, Vice Chair; and Committee Members  
Public Hearing, February 19, 2026, 9:30 a.m. – Conference Room 423, State Capitol

**Testimony of William F. Anonsen, Managing Partner/Principal of The Maritime Group**  
**In Support of H.B. 2195 HD1, Relating to Cruise Ship Special Fund**

My name is William F. Anonsen, Managing Partner/Principal of The Maritime Group. I respectfully submit testimony in strong support of H.B. 2195, H.D. 1, as amended by the House Committee on Transportation. As reflected in the Committee Report, this measure replaces the prior application of the Transient Accommodations Tax to cruise fares with a more straightforward per-passenger head fee assessed on cruise ships docking at Hawai'i's commercial harbors.

The Committee found that the prior TAT framework created practical enforcement and compliance challenges and that a harbor-based fee provides a more reliable and administratively feasible mechanism. H.D. 1 strengthens the measure by blanking the specific fee amount to allow further policy discussion, clarifying when the fee will be assessed, confirming that it is in addition to existing port user fees, clarifying permissible uses of the Cruise Ship Special Fund, and adjusting the effective date to allow continued deliberation. These amendments appropriately address legal and structural concerns raised during the hearing process.

From a maritime policy standpoint, cruise vessels utilize Hawai'i's ports as transportation infrastructure, not lodging accommodations. A harbor-based per-passenger assessment better reflects actual port use and aligns revenue generation with infrastructure impact. It also provides greater transparency and predictability than applying a lodging tax framework to cruise transportation activity.

Equally important, the establishment of a dedicated Cruise Ship Special Fund ensures that revenues are reinvested directly into harbor capital improvement projects, including port modernization, shore power, and environmental mitigation initiatives. This "user-pays, user-benefits" structure supports long-term sustainability, environmental performance, and operational resilience within Hawai'i's commercial harbor system. As the Legislature continues its discussion of the appropriate fee level and implementation timeline, H.D. 1 provides a sound structural framework on which those decisions can be made responsibly.

Mahalo. For these reasons, we respectfully urge the passage of H.B. 2195, H.D. 1.

Respectfully submitted,

*William F. Anonsen*

William F. Anonsen  
Managing Partner/Principal  
THE MARITIME GROUP



**TESTIMONY OF TINA YAMAKI, MANAGING DIRECTOR  
HAWAII TRANSPORTATION ASSOCIATION  
FEBRUARY 19, 2026  
HB 2195 HD1 RELATING TO TRANSPORTATION.**

Aloha Chair Tam and Chair Ilagan and members of the House Committee on Tourism and the House Committee on Economic Development & Technology. I am Tina Yamaki, Managing Director of the Hawaii Transportation Association and I appreciate this opportunity to testify.

The Hawaii Transportation Association (HTA Hawaii) was founded in 1938 and incorporated in 1963, and is a private, non-profit trade organization dedicated to the service and assistance to the commercial ground transportation industry in the State of Hawaii. Our members include family owned small and medium sized businesses, independent owner operators, and national motor carriers range from delivery services to passenger carriers - as well as allied industry partners.

HTA Hawaii understands the intent of HB 2195 HD1. This measure allows tax credits claimed under the State Low-Income Housing Tax Credit Program to be used to offset taxes imposed by the state transient accommodations tax law; specifies that tax credit amounts applied to state transient accommodations taxes be limited to state transient accommodations taxes imposed in the same county in which the qualified low-income building is located; makes permanent Act 129, SLH 2016. Effective 7/1/3000.

This measure establishes a clearer, fairer, and more workable framework for assessing fees on cruise ships docking at Hawai'i's commercial harbors.

While the per-passenger head fee is still a form of taxation, it is more modest and equitable than the current tax structure. It represents a lower burden than the existing Transient Accommodations Tax applied to cruise ship passengers, while still ensuring that cruise ship activity contributes to the costs it imposes on the State. By aligning the fee with actual passenger counts, the bill creates a more proportionate and transparent method of assessment.

Revenue generated through the passenger fee and deposited into the Cruise Ship Special Fund can be used to support harbor maintenance, environmental mitigation, and infrastructure improvements necessary to address the environmental impacts associated with cruise ship operations. In this way, the fee helps protect Hawai'i's natural resources while supporting sustainable tourism practices.

In addition, the bill repeals the existing law imposing the Transient Accommodations Tax on cruise ships, effectively retroactive to January 1, 2026. This repeal cleans up statutory language enacted last year and resolves confusion caused by applying a tax structure designed for lodging accommodations to cruise ship passengers. Replacing that approach with a clearly defined per-passenger fee improves clarity and administrative efficiency.

It is important to strike a careful balance when considering the imposition or increase of any fee or tax. While revenue generation may support important public purposes, excessive or disproportionate charges risk creating unintended economic consequences. Hawai'i's visitor industry operates within a highly competitive global marketplace, where travelers are price-sensitive and have numerous alternative destinations. If fees or taxes are set too high, they may discourage visitors from choosing Hawai'i, thereby reducing overall visitor spending and negatively impacting local businesses, employment, and state revenues.

Overall, this measure reflects a more balanced and fair policy approach that better aligns fees with actual impacts while providing the State with appropriate resources to manage cruise ship activity.

Mahalo for this opportunity to testify.



Testimony in **SUPPORT** for HB 2195 HD1, Relating to Transportation

House Committee on Tourism  
House Committee on Economic Development & Technology  
February 19, 2026

Aloha Chairs Tam and Ilagan, Vice Chairs Templo and Hussey, and members of the committees,

The Hawaii Harbors Users Group is writing in **support** of HB 2195 HD1, relating to transportation. This bill requires the Department of Transportation to impose a per-passenger head fee on cruise ships docking at Hawai'i's commercial harbors, creates a dedicated Cruise Ship Special Fund, and repeals the Transient Accommodations Tax on cruise ships effective January 1, 2026.

Our membership includes a broad range of maritime stakeholders, including cruise ship operators and companies that work directly in harbor operations, giving us a unique and informed perspective on the practical needs of the industry and the State.

Cruise vessels depend heavily on harbor services such as berthing, security, pilotage, tug assistance, longshore labor, and terminal facilities. These services require continuous investment to maintain safe, efficient, and reliable operations alongside cargo and interisland shipping. A per-passenger head fee is a transparent and predictable mechanism that directly links harbor use to harbor support.

Equally important, the repeal of the Transient Accommodations Tax on cruise ships is a positive and necessary policy clarification. Removing the TAT recognizes that cruise travel is fundamentally different from land-based accommodations and avoids duplicative taxation on the same visitor activity, while still ensuring that cruise passengers contribute meaningfully through a fee tied directly to the use of state harbor facilities. HHUG strongly supports this change as a fairer approach that aligns taxation with actual impacts on infrastructure.

From the perspective of our members—including cruise operators themselves—stable, modern, and well-maintained harbor facilities are essential to sustaining maritime commerce and Hawai'i's visitor economy. HB 2195 HD1 advances that goal while providing regulatory certainty and fairness for the cruise industry.

HOUSE COMMITTEE ON TOURISM  
Testimony of Hawaii Pilots Association  
In Support of HB2195 HD1  
February 19, 2026

Dear Chair Tam, Vice Chair Templo, and Committee Members:

Hawaii Pilots Association supports HB2195 HD1, which enacts a per passenger charge for cruise ships and mandates that these fees be used for harbor infrastructure improvements.

Lack of funding is one reason why much needed harbor improvements are delayed or cancelled. This bill ensures that these fees collected from cruise ships will be dedicated to paying for new harbor infrastructure. Such harbor improvements will help to increase port safety and efficiency for cargo transportation and handling as well as for passenger terminal operations.

Thank you for the opportunity to provide this testimony.

# MAUI OCEAN CENTER

*Our Mission: To foster understanding,  
wonder and respect for Hawaii's marine life.*

## HOUSE COMMITTEE ON TRANSPORTATION

**Honorable Chair Kila, Vice Chair Miyake, and Committee Members**

### **STRONG SUPPORT FOR HB2195 HD1**

Dear Honorable Members of the Hawaii State Legislature,

My name is Tapani Vuori and I am the General Manager of Maui Ocean Center, a public aquarium, Board Director of Maui Visitors Bureau, Board Director of Ma'alaea Village Association advocating for the Ma'alaea community, Board Director of Ma'alaea Triangle Association overseeing the commercial business area at Ma'alaea Triangle and the Founder and President of MOC Marine Institute, a 501c3 marine science non-profit organization. I wanted to highlight the various community organizations besides Maui Ocean Center as our entire community, near and at large is impacted by tourism and depends on it. I strongly support HB2195 HD1.

I am also involved planning and strategy discussion on tourism and how we, our community can manage it more effectively so as to mitigate overtourism and start shifting the nexus of benefit to our local communities. I firmly believe that the cruise ship travel segment is a desirable tourism profile for the low negative impact on our infrastructure and positive financial impact on our local business that cater to address the needs of this segment. Maui Ocean Center is also a financial beneficiary of this segment.

The proposed passenger harbor use fee should be dedicated towards critical and continued infrastructure improvements to support and optimize the operations. Furthermore, we need to invest in the renewable shore power and emissions reduction initiatives and take action on expressed community concerns of negative environmental impacts. Furthermore, we need to partner and encourage the industry to be more forward looking starting from the ship emissions and environmental reduction design.

Aloha,



Tapani Vuori  
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tvuori@mauiocenter.com



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NORWEGIAN CRUISE LINE  
HOLDINGS LTD.

Testimony for HB 2195 HD1, Relating to Transportation

February 18, 2026

Aloha Chair Tam, Vice Chair Templo, and members of the committee,

Norwegian Cruise Line Holding Ltd **supports** HB 2195 HD1 relating to transportation.

As the only cruise company operating a U.S. flagged, year-round cruise ship in Hawaii – the Pride of America – Norwegian Cruise Line has been a committed partner to the state since the early 2000s. This home-ported ship consistently generates substantial positive economic impact, benefiting not only visitors but the broader maritime industry. These benefits reach a wide array of stakeholders, including airports, hotels, local provisions, stevedoring, security personnel, tugboat operators, ground-handlers, and tour operators. In addition, its operations generate significant tax revenue for the State. Beyond the year-round ship, several foreign-flag vessels from the Norwegian, Regent Seven Seas and Oceania brands visit the Hawaiian islands seasonally, collectively contributing to the vibrancy and sustainability of the visitor industry. In 2024 alone, the cruise industry generated approximately \$1 Billion in induced economic benefits.

This bill seeks to revise and replace the transient accommodation tax language for cruise ships that was enacted during the 2025 legislative season. The late-stage amendments, which became Act 96, are currently being challenged as a violation of the Tonnage Clause of the United States Constitution. The Tonnage Clause prohibits States from imposing any tax or fees that acts as a charge for the privilege of entering in, staying in, or conducting trade in a port without congressional consent.

SB 2698 aims to address this constitutional issue by replacing the challenged tax with a per passenger fee, the proceeds of which will be deposited into a cruise ship special fund. Importantly, these collections will be exclusively allocated for harbor and port facility capital improvements, thereby aligning the fee with requirements of the Tonnage Clause. The proposed fee will be incorporated into Section 2, Chapter 266 of the Hawaii Revised Statutes, alongside existing passenger fees, dockage, port entry and wharfage which will remain unchanged.

Norwegian Cruise Line Holdings Ltd. is dedicated to being responsible stewards of the destinations we visit. Transitioning to a per-passenger fee that is directly reinvested into improving Hawaii's harbors and maritime infrastructure will serve to strengthen Hawaii's critical harbor systems benefiting all maritime users as well as local residents. We believe that the proposed fee is fair and reasonable when viewed in the context of the range of taxes and fees already paid by cruise passengers.

For these reasons, we respectfully urge the committee to advance HB 2195 to ensure a sustainable, thriving future for Hawaii's maritime industry and the communities it supports.

**TESTIMONY IN SUPPORT OF HB2195  
RELATING TO -TRANSPORTATION**

Aloha Chair Kila, Vice Chair Miyake, and Committee Members,

My name is Curtis Chee and I submit this testimony **in support** of HB2195 on behalf of MC&A, Inc., a Hawai‘i-based destination management company supporting cruise operations statewide.

**We strongly support HB2195.** This bill supports a workable path for cruise-related fees while protecting local jobs and strengthening harbour and sustainability priorities.

**1) Jobs, local business impact, and Hawai‘i’s reliance on cruise**

At MC&A, Inc., cruise activity supports **close to 300 team members**, including a dedicated Cruise Services team and **part-time Saturday staffing** to manage ship turnaround in Honolulu. On the neighbor islands, we work with **hundreds of tour operating partners and activity providers** delivering shore excursions to cruise guests, who in turn employ their own local staff and contract with transportation, catering, entertainment, and other Hawai‘i companies.

Cruise is a **reliable source of revenue** that can be planned **two-plus years out**, which matters to staffing, training, and operational readiness across the state. This stability is especially important in the **shoulder seasons**, and it supports Hawai‘i jobs year-round.

**2) Dedicated funding for harbors and sustainability**

HB2195 establishes a per-passenger fee framework and a dedicated fund intended to support harbor improvements and sustainability needs. Ports require sustained investment, and a dedicated mechanism supports better long-term planning.

**3) Greater legal certainty and reduced disruption**

The cruise-related language added to the final TAT “Green Bill” has raised constitutional concerns under the Tonnage Clause, creating uncertainty for the State and for businesses that rely on predictable cruise planning cycles. A clearer structure, including repeal of the challenged language and a more defensible framework, reduces risk and disruption.

Mahalo for the opportunity to provide testimony. We respectfully request that you **advance HB2195**.

Respectfully submitted,

**CURTIS CHEE**

**Director, Cruise Services**

On behalf of MC&A, Inc.

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2155 Kalakaua Avenue, Suite 810, Honolulu, HI 96815

**TESTIMONY IN SUPPORT OF HB2195  
RELATING TO -TRANSPORTATION**

Aloha Chair Kila, Vice Chair Templo, and Committee Members,

My name is Johan Marzuki and I submit this testimony **in support** of HB2195 on behalf of MC&A, Inc., a Hawai'i-based destination management company supporting cruise operations statewide.

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Mahalo for the opportunity to provide testimony. We respectfully request that you **advance HB2195**.

Respectfully submitted,

**JOHAN MARZUKI**  
**EVP & General Manager**  
**On behalf of MC&A, Inc.**

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**HB-2195-HD-1**

Submitted on: 2/13/2026 9:59:40 PM

Testimony for TOU on 2/19/2026 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2195 HB RELATING TO TRANSPORTATION.

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, MISCELLANEOUS, New Head Charge for Cruise Ships, Repeal of TAT Extension to Cruise Ships

BILL NUMBER: HB 2195 HD1

INTRODUCED BY: TRN

EXECUTIVE SUMMARY: Requires the Department of Transportation to assess a per passenger head infrastructure fee against cruise ships docking in the State's commercial harbors. Establishes the Cruise Ship Special Fund. Repeals existing law imposing the Transient Accommodations Tax on cruise ships, effective retroactive to 1/1/2026. Effective 7/1/3000. (HD1)

SYNOPSIS: Adds two new sections to chapter 266, HRS.

The first would establish a passenger head fee of \$\_\_\_\_\_ per passenger to be collected from any cruise ship that docks in any commercial harbor in the State.

The second would establish a special fund into which the fee would be deposited.

Amends sections 37-79, 237D-1, and 237D-2, HRS, to repeal the 2025 amendments extending the transient accommodations tax to cruise ships.

EFFECTIVE DATE: July 1, 3000; the tax sections in the bill are retroactive to January 1, 2026.

STAFF COMMENTS: We note that the cruise ship industry has filed suit in federal court against the State seeking to enjoin enforcement of the transient accommodation tax extension to cruise ships as a violation of the Tonnage Clause in the U.S. Constitution and the Rivers and Harbors Act, 33 U.S.C. § 5.

The U.S. Supreme Court has read the language of the Tonnage Clause “as forbidding a State to ‘do that indirectly which she is forbidden . . . to do directly.’ *Passenger Cases*, 7 How. 283, 458 (1849). Thus, the Court has said that the Clause, which literally forbids a State to ‘levy a duty or tax . . . graduated on the tonnage,’ must also forbid a State to ‘effect the same purpose by merely changing the ratio, and graduating it on the number of masts, or of mariners, the size and power of the steam-engine, **or the number of passengers which she carries.**’ *Id.*, at 458–459.” *Polar Tankers, Inc. v. City of Valdez*, 557 U.S. 1, 8 (2009) (bold type added).

We understand that the Harbors Division of DOT now imposes port entry, dockage, and passenger user fees under chapter 266, HRS, and the administrative rules thereunder. Apparently, those fees have never been challenged. And section 266-B(b) proposed requires that moneys collected by the per-head charge be used solely for port facility and harbor capital improvement projects to support cruise ship operations. Care must be taken to ensure that the fund is restricted in use and does not get deployed to fund statewide green projects like the rest of the “green fee” authorized

Re: HB 2195 HD1

Page 2

in 2025; if it does, or if the fees assessed are not reasonably proportionate to the benefits received, this fee may be characterized as a tax (see *Hawaii Insurers Council v. Lingle*, 120 Haw. 51, 201 P.3d 564, (2008); *State v. Medeiros*, 89 Haw. 361, 973 P.2d 736 (1999)), and, as such, may be vulnerable to Tonnage Clause challenge.

Digested: 2/15/2026



## Care for 'Āina Now Coalition

February 19, 2026

Hawai'i State Legislature  
House Committee on Tourism  
House Committee on Economic Development & Technology

Re: Testimony with **Comments** on HB 2195 HD1, Relating to Transportation

Aloha Chairs Tam and Ilagan, Vice Chairs Templo and Hussey, and esteemed members of the committees,

On behalf of our coalition's leadership committee, we are writing to provide **comments** on HB 2195 HD1, relating to transportation. This bill requires the Department of Transportation to impose a per-passenger head fee on cruise ships docking at Hawai'i's commercial harbors, creates a dedicated Cruise Ship Special Fund, and repeals the Transient Accommodations Tax on cruise ships effective January 1, 2026.

The Care for 'Āina Now Coalition strongly supports Hawai'i's broader efforts to ensure that visitors meaningfully contribute to the stewardship of our natural and cultural resources through the State's Green Fee framework. Our coalition has consistently advocated for a comprehensive approach that asks all sectors of the tourism industry to share responsibility for protecting the ecosystems, infrastructure, and communities that make Hawai'i such a special place.

From that perspective, we offer these comments to encourage alignment between HB 2195 HD1 and the broader Green Fee approach. We are concerned that removing cruise ships from the Transient Accommodations Tax without clear integration into the Green Fee structure could create inconsistencies across the visitor economy. While we appreciate efforts to clarify the passenger fee, the amount remains unspecified, and it is critical that cruise visitors contribute meaningfully and equitably. We respectfully suggest that any alternative mechanism ensure cruise visitors contribute on equal footing with other travelers and that revenues support the same core priorities identified for Green Fee investments.

We also encourage clarity regarding how any new revenues would be deployed, including transparency, accountability, and reinvestment in the port communities and natural resources most affected by cruise activity. Ensuring consistency across the tourism sector will help maintain public trust and advance Hawai'i's long-term sustainability goals.

Mahalo for the opportunity to provide comments on this measure.

Care for 'Āina Now Coalition Leadership Committee