

AMENDED IN SENATE APRIL 22, 2008

AMENDED IN SENATE APRIL 2, 2008

SENATE BILL

No. 1627

Introduced by Senator Wiggins
(Coauthor: Assembly Member DeVore)

February 22, 2008

An act to amend Sections 1150, 1153, 1154, 1159, 1159.1, 1171.5, 1180.6, 1195, and 1196 of, and to add Sections ~~1159.2, 1159.3~~, 1159.4, 1159.5, 1195.1, 1195.2, 1195.3, 1196.1, 1196.2, and 1196.3 to, the Harbors and Navigation Code, relating to pilot commissioners, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1627, as amended, Wiggins. Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, Suisun, and Monterey.

Existing law provides for the regulation and licensing of pilots for the Bays of San Francisco, San Pablo, Suisun, and Monterey by the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun. Under existing law, the board consists of 7 members who are appointed by the Governor, with the consent of the Senate. Existing law requires the board to appoint and license the number of pilots needed to carry out these provisions and requires the board to consider various factors in making this determination. Existing law specifies that the board has the sole authority to determine the qualifications and requirements for obtaining a pilot license, and it also authorizes the board to suspend or revoke licenses for misconduct, and it specifies procedures for such action. Existing law establishes various rights and duties of these pilots. Existing law also prescribes pilotage rates for vessels and requires vessels spoken inward or outward bound to pay a

specified rate of bar pilotage through the Golden Gate and into or out of the Bays of San Francisco, San Pablo, and Suisun and vessels navigating the waters of Monterey Bay are also required to pay a specified rate. Under existing law, there is a San Francisco Bar Pilot pension plan, and existing law specifies benefits, administration, eligibility, financing, and other matters relating to the operation of the plan. Existing law also imposes various surcharges for, among other things, pilot trainee training, pilot training, and board operations.

This bill would revise and recast those provisions by making the board a part of the Business, Transportation and Housing Agency, to be renamed the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, ~~Suisun, and Monterey~~ *and Suisun*. The bill would authorize the board to appoint an executive officer. The bill would create the Pilot Trainee Fund and the Pilot and Inland Pilot Continuing Education Fund, ~~which would be continuously appropriated~~, and would direct *that* the money collected from the pilot trainee surcharge and the pilot and inland pilot continuing education surcharge ~~to be deposited in these respective funds to be used only for funding pilot trainee training and pilot and inland pilot continuing education.~~

The bill would require the board ~~to report annually, by October 1, to the Legislature certain statistical information relating to incidents and reports against licensees and to submit various specified financial reports to the Department of Finance and the appropriate budget committees of the Legislature by certain dates~~ *only if this bill becomes operative and SB 1217 is not enacted*. The bill would require the Department of Finance to complete specified audits of the board by October 1, 2009, and January 1, 2010, respectively, and to provide copies of these audits to the board and the Legislature and to make these audits available to the public. *The bill would also require the Business, Transportation and Housing Agency to provide comments and recommendations, if any, to the board and the Legislature based on the final audits of the Department of Finance no later than 6 months from the date of the receipt of the audits.*

~~The bill would require the board to prepare an analysis and submit a report to the Business, Transportation and Housing Agency and the Legislature every 4 years, except as specified, and would require the agency to evaluate and review the effectiveness and efficiency of the board and to make a final, specified report by January 1, 2013, and to make this report available to the public and the Legislature. The bill would also state the intent of the Legislature that upon receipt of this~~

report, the appropriate legislative committees schedule a hearing within the same year to review the findings and recommendations in the report.

Vote: majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. *The Legislature finds and declares that providing*
2 *transparency and accountability to the Board of Pilot*
3 *Commissioners is in the public interest and it is the intent of the*
4 *Legislature to enhance, preserve, and continue the state’s*
5 *commitment to state licensure of pilotage on the Bays of San*
6 *Francisco, San Pablo, and Suisun in order to ensure safe*
7 *navigation, promote commerce, and protect the environment.*

8 ~~SECTION 1.~~

9 SEC. 2. Section 1150 of the Harbors and Navigation Code is
10 amended to read:

11 1150. (a) There is in the Business, Transportation and Housing
12 Agency a Board of Pilot Commissioners for the Bays of San
13 Francisco, San Pablo, ~~Suisun, and Monterey~~ *and Suisun*, consisting
14 of seven members appointed by the Governor, with the consent of
15 the Senate, as follows:

16 (1) Two members shall be pilots licensed pursuant to this
17 division.

18 (2) Two members shall represent the industry and shall be
19 persons currently engaged as owners, officers, directors, employees,
20 or representatives of a firm or association of firms that is a
21 substantial user of pilotage service in the Bay of San Francisco,
22 San Pablo, Suisun, or Monterey, one of whom shall be engaged
23 in the field of tanker company operations, and one of whom shall
24 be engaged in dry cargo operations. The board of directors of a
25 regional maritime trade association controlled by West Coast vessel
26 operators that specifically represents the owners and operators of
27 vessels or barges engaged in transportation by water of cargo or
28 passengers from or to the Pacific area of the United States shall
29 nominate, rank, and submit to the Governor the names of three
30 persons for each category of industry member to be appointed.

31 (3) Three members shall be public members. Any person may
32 serve as a public member unless otherwise prohibited by law,
33 except that during his or her term of office or within the two years

1 preceding his or her appointment, no public member appointed ~~on~~
2 ~~or after January 1, 2009~~, may have (A) any financial or proprietary
3 interest in the ownership, operation, or management of tugs, cargo,
4 or passenger vessels, (B) sailed under the authority of a federal or
5 state pilot license in waters under the jurisdiction of the board, (C)
6 been employed by a company that is a substantial user of pilot
7 services, or (D) been a consultant or other person providing
8 professional services who had received more than 20 percent in
9 the aggregate of his or her income from a company that is a
10 substantial user of pilot services or an association of companies
11 that are substantial users of pilot services. Ownership of less than
12 one-tenth of 1 percent of the stock of a publicly traded corporation
13 is not a financial or proprietary interest in the ownership of tugs,
14 cargo, or passenger vessels.

15 (4) Notwithstanding any other provision of law, this chapter
16 does not prohibit the Governor from notifying the nominating
17 authority identified in paragraph (2) that persons nominated are
18 unacceptable for appointment. Following that notification, the
19 nominating authority shall submit a new list of nominees to the
20 Governor, naming three persons, none of whom were previously
21 nominated, from which the Governor may make the appointment.
22 This process shall be continued until a person nominated by the
23 nominating authority and satisfactory to the Governor has been
24 appointed.

25 ~~(b) A member shall be appointed for a four-year term and may~~
26 ~~not be appointed for more than two terms. Vacancies on the board~~
27 ~~for both expired and unexpired terms shall be filled by the~~
28 ~~appointing power in the manner prescribed by subdivision (a).~~

29 *(b) Each of the members appointed pursuant to paragraphs (1)*
30 *and (2) of subdivision (a) shall be appointed for a four-year term,*
31 *and may not be appointed for more than two terms. Members*
32 *appointed pursuant to paragraph (3) of subdivision (a) shall be*
33 *appointed with staggered four-year terms with the initial four-year*
34 *terms expiring on December 31 of the years 1988, 1990, and 1991,*
35 *respectively, and a person may not be appointed for more than*
36 *two terms. Vacancies on the board for both expired and unexpired*
37 *terms shall be filled by the appointing power in the manner*
38 *prescribed by subdivision (a).*

1 (c) A quorum of the board members consists of four members.
2 All actions of the board shall require the vote of four members, a
3 quorum being present.

4 ~~SEC. 2.~~

5 *SEC. 3.* Section 1153 of the Harbors and Navigation Code is
6 amended to read:

7 1153. (a) The board shall organize itself by electing a
8 president, and shall provide offices in the City and County of San
9 Francisco or any other county specified in Section 1151, in which
10 of San Francisco, in which it shall meet once a month, and it may
11 adjourn its regular meetings from time to time.

12 (b) Meetings of the board are subject to the Bagley-Keene Open
13 Meeting Act (Article 9 (commencing with Section 11120) of
14 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
15 Code).

16 ~~(e) Protection of the public shall be the highest priority for the
17 board in exercising its licensing, regulatory, and disciplinary
18 functions. Whenever the protection of the public is inconsistent
19 with other interests sought to be promoted, the protection of the
20 public shall be paramount.~~

21 ~~SEC. 3.~~

22 *SEC. 4.* Section 1154 of the Harbors and Navigation Code is
23 amended to read:

24 1154. (a) The board is vested with all functions and duties
25 relating to the administration of this chapter *division*, except those
26 functions and duties vested in the Secretary of Business,
27 Transportation and Housing.

28 (b) The board's vested powers include the power to make and
29 enforce rules and regulations that are reasonably necessary to carry
30 out its provisions and to govern its actions. These rules and
31 regulations shall be adopted in accordance with Chapter 3.5
32 (commencing with Section 11340) of Part 1 of Division 3 of Title
33 2 of the Government Code.

34 ~~(e) The board may adopt rules and regulations of professional
35 conduct that are not inconsistent with state and federal law and
36 may include definitions of incompetence, misconduct, and
37 negligence. A person who holds a license issued by the board
38 pursuant to this chapter shall be governed by these rules and
39 regulations.~~

1 ~~SEC. 4.~~

2 SEC. 5. Section 1159 of the Harbors and Navigation Code is
3 amended to read:

4 1159. (a) Except as provided in Sections 1195.1 and 1196.1,
5 moneys received by the board pursuant to the provisions of any
6 law shall be accounted for at the close of each month to the
7 Controller in the form that the Controller may prescribe and, at
8 the same time on the order of the Controller, all these moneys shall
9 be paid into the State Treasury to the credit of the Board of Pilot
10 Commissioners' Special Fund.

11 (b) Notwithstanding Section 13340 of the Government Code,
12 the moneys deposited in the State Treasury to the credit of the
13 Board of Pilot Commissioners' Special Fund are appropriated
14 without regard to fiscal years for the payment of the compensation
15 and expenses of the board, its officers and employees, and the
16 training programs.

17 ~~SEC. 5.~~

18 SEC. 6. Section 1159.1 of the Harbors and Navigation Code,
19 as added by Section 9 of Chapter 1423 of the Statutes of 1990, is
20 amended to read:

21 1159.1. (a) The vessel shall pay a board operations surcharge,
22 the purpose of which is to fully compensate the board ~~for its official~~
23 ~~services, for the services of its staff, and for all its incidental~~
24 ~~expenses and the Business, Transportation and Housing Agency~~
25 ~~for the official services, staff services, and incidental expenses of~~
26 ~~the board and agency.~~ The amount of the surcharge shall be 7.5
27 percent of all pilotage fees charged by pilots and inland pilots,
28 pursuant to Sections 1190 and 1191 unless the board establishes,
29 with the approval of the Department of Finance, a lesser
30 percentage, not to exceed any percentage consistent with
31 subdivision (d).

32 (b) The surcharge shall be billed and collected by the pilots and
33 inland pilots. The pilots and inland pilots shall pay all surcharges
34 collected by them to the board monthly or at such later time as the
35 board may direct.

36 (c) The board shall quarterly review its ongoing and anticipated
37 expenses and adjust the surcharge to reflect any changes which
38 have occurred since the last adjustment.

39 (d) The board operations surcharge shall not represent a
40 percentage significantly more than that required to support the

1 board *and the Business, Transportation and Housing Agency*
2 pursuant to subdivision (a) in addition to the maintenance of a
3 reasonable reserve.

4 ~~SEC. 6. Section 1159.2 is added to the Harbors and Navigation~~
5 ~~Code, to read:~~

6 ~~1159.2. (a) The board may select and contract with necessary~~
7 ~~consultants to assist it in its enforcement program on an intermittent~~
8 ~~basis. The consultants shall perform only those services that are~~
9 ~~necessary to carry out and enforce this chapter.~~

10 ~~(b) The employment of legal counsel by the board is subject to~~
11 ~~the requirements of Section 11040 of the Government Code.~~

12 ~~(c) For the purposes of Division 3.6 (commencing with Section~~
13 ~~810) of Title 1 of the Government Code, a consultant under contract~~
14 ~~with the board shall be considered a public employee.~~

15 ~~SEC. 7. Section 1159.3 is added to the Harbors and Navigation~~
16 ~~Code, to read:~~

17 ~~1159.3. The board shall report annually to the Legislature, not~~
18 ~~later than October 1 of each year, the following statistical~~
19 ~~information for the prior fiscal year. The following data shall be~~
20 ~~reported on incidents or complaints reported to the board against~~
21 ~~licensed pilots, trainees, and any unlicensed persons acting as~~
22 ~~licensees:~~

23 ~~(a) The number of incidents or complaints received by the board~~
24 ~~categorized by source, such as licensee, public, vessel master, trade~~
25 ~~or professional association, government agency, or board-initiated,~~
26 ~~and by type of complaint, such as licensee, trainee, or nonlicensee.~~

27 ~~(b) The number of complaints and incidents closed prior to~~
28 ~~referral for field investigation categorized by the reason for the~~
29 ~~closure.~~

30 ~~(c) The number of complaints and incidents referred for field~~
31 ~~investigation categorized by the type of complaint or incident.~~

32 ~~(d) The number of complaints and incidents closed after referral~~
33 ~~for field investigation categorized by the reason for the closure.~~

34 ~~(e) The number of complaints and incidents pending at the end~~
35 ~~of the fiscal year grouped in 90-day increments and the percentage~~
36 ~~of total complaints and incidents pending.~~

37 ~~(f) The number of citations issued to licensees categorized by~~
38 ~~the type of citation, such as order of correction only or order of~~
39 ~~correction and fine, and the number of citations issued to licensees~~
40 ~~that were vacated or withdrawn.~~

1 ~~(g) The number of citations issued to trainees or nonlicensees~~
 2 ~~and the number of these citations that were vacated or withdrawn.~~

3 ~~(h) The number of complaints or incidents resulting in the filing~~
 4 ~~of an accusation categorized by type of complaint.~~

5 ~~(i) Actions taken by the board, including, but not limited to, the~~
 6 ~~following:~~

7 ~~(1) The number of disciplinary actions categorized by type, such~~
 8 ~~as revocations or suspensions, categorized by whether the~~
 9 ~~disciplinary action resulted from an accusation.~~

10 ~~(2) The number of accusations dismissed or withdrawn.~~

11 ~~(j) The number of interim suspension orders sought, interim~~
 12 ~~suspension orders granted, temporary restraining orders sought,~~
 13 ~~and temporary restraining orders granted.~~

14 ~~(k) The amount of cost recovery ordered and collected.~~

15 ~~(l) Case aging data, including data for each major stage of the~~
 16 ~~enforcement process, including the average number of days from~~
 17 ~~the filing of a complaint or incident to its review by the board's~~
 18 ~~incident review committee, the average number of days until its~~
 19 ~~closure by the board, the average number of days from the filing~~
 20 ~~of an accusation to the first hearing date or date of a stipulated~~
 21 ~~settlement.~~

22 ~~SEC. 8.~~

23 ~~SEC. 7.~~ Section 1159.4 is added to the Harbors and Navigation
 24 Code, to read:

25 1159.4. The Department of Finance by January 1, 2010, shall
 26 complete a comprehensive performance audit of the Board of Pilot
 27 Commissioners and, by October 1, 2009, shall complete a
 28 comprehensive financial audit of the Board of Pilot Commissioners.
 29 Copies of all audits shall be delivered to the board, *the Business,*
 30 *Transportation and Housing Agency,* and the Legislature and made
 31 available to the public on or before these completion dates.

32 ~~SEC. 9.~~

33 ~~SEC. 8.~~ Section 1159.5 is added to the Harbors and Navigation
 34 Code, to read:

35 ~~1159.5. (a) The board shall prepare an analysis and submit a~~
 36 ~~report to the Business, Transportation and Housing Agency and~~
 37 ~~the Legislature every four years or until such time that the agency~~
 38 ~~determines otherwise. In addition, the agency shall evaluate and~~
 39 ~~review the effectiveness and efficiency of the board. The analysis~~

1 and report of the agency shall include, but not be limited to, all of
2 the following factors and minimum standards of performance:
3 (1) A comprehensive statement of the board's mission, goals,
4 objectives, and legal jurisdiction in protecting the health, safety,
5 and welfare of the public.
6 (2) The board's fund conditions, sources of revenues, and
7 expenditure categories for the last four fiscal years by program
8 component.
9 (3) The board's initiation of legislative efforts, budget change
10 proposals, and other initiatives to improve its legislative mandate.
11 (4) A complete cost-benefit analysis of the board's operation
12 for each of the four years preceding the date of the report or over
13 a time period specified by the agency.
14 (5) Whether the basis or facts that necessitated the initial reaction
15 of the state board have changed.
16 (6) Whether existing statutes and regulations establish the most
17 effective regulation consistent with the public interest, considering
18 other available regulatory mechanisms, and whether the board
19 rules enhance the public interest and are within the scope of
20 legislative intent.
21 (7) Whether the state board operates and enforces its
22 responsibilities in the public interest and whether its mission is
23 impeded or enhanced by existing statutes, regulations, policies,
24 practices, or any other circumstances, including budgetary,
25 resource, and personnel matters.
26 (8) Whether an analysis of the state board indicates that it
27 performs its statutory duties efficiently and effectively.
28 (9) Whether the composition of the state board adequately
29 represents the public interest and whether it encourages public
30 participation in its decisions rather than participation only by the
31 entities it regulates or advises.
32 (10) Whether the state board and its laws or regulations stimulate
33 or restrict competition and the extent of the economic impact the
34 board's regulatory practices have on the state's business and
35 technological growth.
36 (11) Whether administrative and statutory changes are necessary
37 to improve the state board operations to enhance the public interest.
38 (b) The agency, by January 1, 2013, shall complete and make
39 available to the public and the Legislature a final report, including
40 final recommendations. The report may include proposed

1 ~~legislation to carry out its recommendations. It is the intent of the~~
2 ~~Legislature that upon receipt of the report, the appropriate~~
3 ~~legislative committees shall schedule a hearing within the same~~
4 ~~year to review the findings and recommendations in the report.~~

5 *1159.5. The Business, Transportation and Housing Agency*
6 *shall provide comments and recommendations, if any, to the board*
7 *and the Legislature based on the final audits of the Department*
8 *of Finance completed pursuant to Section 1159.4 no later than six*
9 *months from the date that the agency receives the final audit.*

10 ~~SEC. 10.~~

11 *SEC. 9.* Section 1171.5 of the Harbors and Navigation Code
12 is amended to read:

13 1171.5. (a) The board shall adopt, by regulation, licensing
14 standards that equal or exceed standards for obtaining federal
15 endorsements and that conform with and support the state policy
16 specified in Sections 1100 and 1101.

17 (b) The board shall adopt reasonable rules and regulations that
18 require pilots to be qualified to perform all pilot duties.

19 (c) The board shall adopt, by regulation, training standards and
20 a training program for pilots, inland pilots, and pilot trainees. In
21 the case of pilot trainees, the training program shall be for a
22 minimum of one year and a maximum of three years. In the case
23 of pilots and inland pilots, the board shall specify the type, nature,
24 duration, and frequency of the training required and the identity
25 of the pilots or inland pilots who are required to undergo training
26 in the next 12-month period. Pursuant to Section 1182, the license
27 of a pilot or inland pilot may be revoked or suspended if he or she
28 fails to complete the training required by this subdivision during
29 the period specified. The board shall also require that an evaluation
30 of the pilot's or inland pilot's performance be prepared by the
31 institution selected by the board to provide pilot training, and the
32 institution shall provide copies of the evaluation to the pilot or
33 inland pilot and to the pilot evaluation committee.

34 (d) The board shall adopt, by regulation, the qualifications,
35 standards, and rating criteria for admission of pilot trainees to the
36 training program. Notwithstanding subdivision (f), the board shall
37 administer and conduct the pilot trainee admission selection in
38 accordance with the regulations for admission.

39 (e) The board shall establish a pilot evaluation committee
40 consisting of five active pilots who each have at least 10 years'

1 experience as a pilot on the Bays of San Francisco, San Pablo, and
2 Suisun. The board shall select the members of the pilot evaluation
3 committee. A member may not serve for more than two four-year
4 terms, except that two of the initial members appointed to the pilot
5 evaluation committee shall serve terms of two years.

6 (f) The pilot evaluation committee shall conduct and supervise
7 the pilot training programs pursuant to the direction and regulation
8 of the board and consistent with the intent of this division.

9 (g) The board shall issue a certificate of completion to each
10 pilot trainee who satisfactorily completes the training program.
11 The board shall not issue a pilot's license to any person who does
12 not receive a certificate of completion of the training program from
13 the board, although the board may refuse to issue a pilot license
14 to a pilot trainee who has received this certificate.

15 (h) The training and continuing education programs for pilots,
16 inland pilots, and pilot trainees shall be funded from the Pilot
17 Trainee Fund established pursuant to Section 1195.2 and the Pilot
18 and Inland Pilot Continuing Education Fund established pursuant
19 to Section 1196.2.

20 ~~SEC. 11.~~

21 *SEC. 10.* Section 1180.6 of the Harbors and Navigation Code
22 is amended to read:

23 1180.6. (a) The incident review committee, after full
24 consideration of the evidence relating to the investigation of an
25 incident, misconduct, or other matter pursuant to Section 1180.3,
26 shall, at the conclusion of the investigation, take one of the
27 following actions:

28 (1) Serve an accusation for suspension or revocation of the
29 pilot's or inland pilot's license on the pilot or inland pilot, as
30 provided in Chapter 5 (commencing with Section 11500) of Part
31 1 of Division 3 of Title 2 of the Government Code, pursuant to
32 Sections 1181 and 1182.

33 (2) ~~Recommend that the board approve~~ *Enter into* a written
34 stipulation for corrective action to be performed by the pilot or
35 inland pilot, which may include, but is not limited to, further
36 training or supervised practice trips. A written stipulation may
37 provide that it may be referred to and considered following a
38 finding of fault in any subsequent accusation brought against the
39 same pilot or inland pilot for the purpose of considering an

1 appropriate sanction. A written stipulation shall not be used for
2 any purpose more than five years after the date of its execution.

3 (3) Provide counseling for the pilot or inland pilot relating to
4 the duties and obligations of a pilot.

5 (4) Issue a warning letter of reprimand to the pilot or inland
6 pilot.

7 (5) Take any other action, as provided in the guidelines adopted
8 pursuant to subdivision (e).

9 (6) Close the investigation without further action.

10 (b) ~~The incident review committee shall act~~ *Action shall be*
11 *taken by the incident review committee* pursuant to subdivision (a)
12 only if both members of the incident review committee agree on
13 the course of action. If agreement cannot be reached between the
14 board member serving on the incident review committee and the
15 executive director concerning appropriate action, the president of
16 the board shall appoint one additional public member of the board
17 to serve on the incident review committee until there is final
18 disposition of the case. Action required pursuant to subdivision
19 (a) shall then be taken by a majority vote of the incident review
20 committee.

21 (c) A member of the board shall not sit on the board as a trier
22 of fact for those cases in which he or she has served on the incident
23 review committee recommending action to the board.

24 (d) The executive director shall establish a suspense file to
25 ensure that all training, practice trips, or other corrective action
26 required to be performed pursuant to subdivision (a) by the pilot
27 or inland pilot are completed as required. The executive director
28 shall report to the board each month on the progress of any training,
29 supervised practice trips, or other corrective action or the
30 completion of any other action required pursuant to subdivision
31 (a).

32 (e) The board shall adopt guidelines for the determination by
33 the incident review committee of the action to be taken pursuant
34 to subdivision (a) at the completion of an investigation conducted
35 pursuant to Section 1180.3.

36 ~~SEC. 12.~~

37 *SEC. 11.* Section 1195 of the Harbors and Navigation Code is
38 amended to read:

39 1195. (a) In addition to other fees for pilotage, there shall be
40 a surcharge in an amount established by the board for each

1 movement of a vessel using pilot services for each pilot trainee
2 who is enrolled in the pilot trainee training program established
3 by the board.

4 (b) By action of the board, the board may adjust the amount
5 established pursuant to subdivision (a) as necessary to efficiently
6 administer the pilot trainee training program.

7 ~~SEC. 13.~~

8 *SEC. 12.* Section 1195.1 is added to the Harbors and Navigation
9 Code, to read:

10 1195.1. The moneys charged and collected each month from
11 the pilot trainee surcharge pursuant to Section 1195 shall be paid
12 to the Pilot Trainee Fund established pursuant to Section 1195.2.
13 The moneys shall be used only to fund the pilot trainee training
14 program referred to in subdivision (h) of Section 1171.5 and
15 Section 1195.3.

16 ~~SEC. 14.~~

17 *SEC. 13.* Section 1195.2 is added to the Harbors and Navigation
18 Code, to read:

19 1195.2. (a) A special fund to be known as the Pilot Trainee
20 Fund is hereby created within the State Treasury. ~~Notwithstanding~~
21 ~~Section 13340 of the Government Code, the moneys in the fund~~
22 ~~are continuously appropriated~~ *the moneys in the fund shall be used*
23 for carrying out the purposes specified in Section 1195.1. The fund
24 shall receive all proceeds from the surcharge authorized by Section
25 1195. The Treasurer shall designate a depository to receive
26 surcharge proceeds for transmission to the State Treasury and for
27 deposit in the Pilot Trainee Fund.

28 (b) Except as provided by this chapter, moneys in the General
29 Fund or any other state fund shall not be transferred to the Pilot
30 Trainee Fund or otherwise used to support the board or to pay the
31 debts, obligations, or encumbrances of the board, its licensees, or
32 trainees.

33 ~~SEC. 15.~~

34 *SEC. 14.* Section 1195.3 is added to the Harbors and Navigation
35 Code, to read:

36 1195.3. (a) Expenses of the Pilot Trainee Fund shall include
37 all costs incurred by the board in the operation and administration
38 of the pilot trainee training program and all costs resulting from
39 any contracts entered into for the purchase or lease of goods and
40 services required by the board, including, but not limited to, the

1 costs of testing, test preparation, advertising and soliciting for
2 trainee applicants, trainee stipends, worker's compensation
3 insurance premiums, reimbursement of costs of services provided
4 to the board by other governmental entities, and for the costs for
5 any other goods and services necessary for effectuating the
6 purposes of training as determined by the board.

7 (b) Notwithstanding any other provision of law, the board shall
8 submit to the Department of Finance, the Joint Legislative Budget
9 Committee, the Assembly Committee on Budget, and the Senate
10 Committee on Budget and Fiscal Review, all of the following:

11 (1) In conjunction with submission of the board's quarterly
12 financial statements, a report comparing estimated administrative
13 costs to budgeted administrative costs for the previous fiscal year.
14 The reports shall be in sufficient detail that they may be used for
15 legislative review purposes and for sustaining a thorough ongoing
16 review of the expenditures of the board.

17 (2) No later than January 10 of each year, a copy of the proposed
18 budget for the board for the following fiscal year that is included
19 in the Governor's Budget.

20 (3) No later than June 1 of each year, a copy of the proposed
21 budget.

22 (4) No later than June 30 of each year, the final budget and
23 revenue projections approved by the board. The report shall include
24 any approved revision, and supporting documentation, to the June
25 1 proposed budget for the board.

26 *SEC. 14.1. Section 1195.3 is added to the Harbors and*
27 *Navigation Code, to read:*

28 *1195.3. Expenses of the Pilot Trainee Fund shall include all*
29 *costs incurred by the board in the operation and administration*
30 *of the pilot trainee training program and all costs resulting from*
31 *any contracts entered into for the purchase or lease of goods and*
32 *services required by the board, including, but not limited to, the*
33 *costs of testing, test preparation, advertising and soliciting for*
34 *trainee applicants, trainee stipends, worker's compensation*
35 *insurance premiums, reimbursement of costs of services provided*
36 *to the board by other governmental entities, and for the costs for*
37 *any other goods and services necessary for effectuating the*
38 *purposes of training as determined by the board.*

1 ~~SEC. 16.~~

2 *SEC. 15.* Section 1196 of the Harbors and Navigation Code is
3 amended to read:

4 1196. (a) In addition to other fees for pilotage, there shall be
5 a surcharge in an amount established by the board for each
6 movement of a vessel using pilot services for the pilot and inland
7 pilot training program established by the board.

8 (b) By action of the board, the board may adjust the amount
9 established pursuant to subdivision (a) as necessary to efficiently
10 administer the pilot and inland pilot training program.

11 ~~SEC. 17.~~

12 *SEC. 16.* Section 1196.1 is added to the Harbors and Navigation
13 Code, to read:

14 1196.1. The moneys charged and collected each month from
15 the pilot and inland pilot continuing education surcharge pursuant
16 to Section 1196 shall be paid to the Pilot and Inland Pilot
17 Continuing Education Fund established pursuant to Section 1196.2.
18 The moneys shall be used only to fund the pilot and inland pilot
19 continuing education program referred to in subdivision (h) of
20 Section 1171.5 and Section 1196.3.

21 ~~SEC. 18.~~

22 *SEC. 17.* Section 1196.2 is added to the Harbors and Navigation
23 Code, to read:

24 1196.2. (a) A special fund to be known as the Pilot and Inland
25 Pilot Continuing Education Fund is hereby created within the State
26 Treasury. ~~Notwithstanding Section 13340 of the Government Code,~~
27 ~~the moneys in the fund are continuously appropriated for State~~
28 *Treasury. The moneys in the fund shall be used for* carrying out
29 the purposes specified in Section 1196.1. The fund shall receive
30 all proceeds from the surcharge authorized by Section 1196. The
31 Treasurer shall designate a depository to receive surcharge proceeds
32 for transmission to the State Treasury and for deposit in the Pilot
33 and Inland Pilot Continuing Education Fund.

34 (b) Except as provided in this chapter, moneys in the General
35 Fund or any other state fund shall not be transferred to the Pilot
36 and Inland Pilot Continuing Education Fund or otherwise used to
37 support the board or to pay the debts, obligations, or encumbrances
38 of the board, its licensees, or trainees.

1 ~~SEC. 19.~~

2 *SEC. 18.* Section 1196.3 is added to the Harbors and Navigation
3 Code, to read:

4 1196.3. (a) Expenses of the Pilot and Inland Pilot Continuing
5 Education Fund shall include all costs incurred by the board in the
6 operation and administration of the pilot and inland pilot continuing
7 education program and all costs resulting from any contracts
8 entered into for the purchase or lease of goods and services required
9 by the board, including, but not limited to, the reimbursement of
10 costs of services provided to the board by other governmental
11 entities, and for the costs for any other goods and services
12 necessary for effectuating the purposes of continuing education
13 as determined by the board.

14 (b) Notwithstanding any other provision of law, the board shall
15 submit to the Department of Finance, the Joint Legislative Budget
16 Committee, the Assembly Committee on Budget, and the Senate
17 Committee on Budget and Fiscal Review, all of the following:

18 (1) In conjunction with submission of the board’s quarterly
19 financial statements, a report comparing estimated administrative
20 costs to budgeted administrative costs for the previous fiscal year.
21 The reports shall be in sufficient detail that they may be used for
22 legislative review purposes and for sustaining a thorough ongoing
23 review of the expenditures of the board.

24 (2) No later than January 10 of each year, a copy of the proposed
25 budget for the board for the following fiscal year that is included
26 in the Governor’s Budget.

27 (3) No later than June 1 of each year, a copy of the board’s
28 proposed budget.

29 (4) No later than June 30 of each year, the final budget and
30 revenue projections approved by the board. The report shall include
31 any approved revision, and supporting documentation, to the June
32 1 proposed budget.

33 *SEC. 18.1. Section 1196.3 is added to the Harbors and*
34 *Navigation Code, to read:*

35 1196.3. *Expenses of the Pilot and Inland Pilot Continuing*
36 *Education Fund shall include all costs incurred by the board in*
37 *the operation and administration of the pilot and inland pilot*
38 *continuing education program and all costs resulting from any*
39 *contracts entered into for the purchase or lease of goods and*
40 *services required by the board, including, but not limited to, the*

1 *reimbursement of costs of services provided to the board by other*
2 *governmental entities, and for the costs for any other goods and*
3 *services necessary for effectuating the purposes of continuing*
4 *education as determined by the board.*

5 *SEC. 21. (a) Sections 14 and 18 of this act shall become*
6 *operative only if Senate Bill 1217 is not enacted and this act is*
7 *enacted and becomes effective on or before January 1, 2009.*

8 *(b) Sections 14.1 and 18.1 of this act shall become operative*
9 *only if both this act and Senate bill 1217 are enacted and become*
10 *effective on or before January 1, 2009.*

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