

AMENDED IN SENATE JUNE 29, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1432

Introduced by Assembly Member Bonta

February 27, 2015

An act to add Section 11775.5 to the Health and Safety Code, relating to human services; amend Sections 1190 and 1191 of the Harbors and Navigation Code, relating to bar pilots, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1432, as amended, Bonta. ~~Drug and alcohol abuse programs. Harbors and ports: Monterey Bay and the Bays of San Francisco, San Pablo, and Suisun: pilotage rates.~~

Existing law provides for the regulation and licensure of pilots for Monterey Bay and the Bays of San Francisco, San Pablo, and Suisun by the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun within the Transportation Agency. Existing law prescribes the rates of bar pilotage fees required to be charged by pilots and paid by vessels inward or outward bound through those bays. Existing law also imposes, among other things, a board operations surcharge, of up to 7.5% of all bar pilotage fees charged by bar pilots, which is paid into the State Treasury to the credit of the Board of Pilot Commissioners' Special Fund and continuously appropriated to the board to compensate the board and the agency for their services and expenses in this regard.

This bill would, consistent with the board’s April 2015 adoption of rate recommendations, increase the rates of those bar pilotage fees, as provided. By increasing the rates of those fees, and thereby increasing the amount of surcharges deposited in the Board of Pilot Commissioners’ Special Fund, the bill would make an appropriation.

Existing law, until January 1, 2011, authorized the board to authorize a movement fee, to be paid as a navigation technology surcharge, in order to recover the pilots’ costs for the purchase, lease, or maintenance of navigation software, hardware, and ancillary equipment purchased after November 5, 2008, and before January 1, 2011.

This bill would, until January 1, 2020, authorize the board to authorize that fee as a navigation surcharge in order to recover the pilots’ costs for that software, hardware, and ancillary equipment purchased after January 1, 2016.

~~Existing law requires the State Department of Health Care Services to administer all statewide service programs related to alcohol and drug abuse. Existing law authorizes the department to receive federal funds to implement programs that provide services to alleviate the problems related to alcohol and other drug use.~~

~~This bill would require the State Department of Health Care Services to submit an application to the federal Centers for Medicare and Medicaid Services for a waiver to implement a demonstration project to accomplish specified goals, including furthering the delivery of high-quality and cost-efficient care for communities and consumers with substance use disorders and co-occurring disorders, and ensuring the long-term viability of the delivery system following the expansion of Medi-Cal eligibility under the federal Patient Protection and Affordable Care Act. The bill would require the department to submit an implementation plan to the Legislature prior to implementing an approved waiver.~~

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

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

- 1 SECTION 1. Section 1190 of the Harbors and Navigation Code
- 2 is amended to read:
- 3 1190. (a) Every vessel spoken inward or outward bound shall
- 4 pay the following rate of bar pilotage through the Golden Gate

1 and into or out of the Bays of San Francisco, San Pablo, and
2 Suisun:

3 (1) Eight dollars and eleven cents (\$8.11) per draft foot of the
4 vessel's deepest draft and fractions of a foot pro rata, and an
5 additional charge of 73.01 mills per high gross registered ton as
6 changed pursuant to law in effect on December 31, 1999. The mill
7 rates established by this paragraph may be changed as follows:

8 (A) (i) On and after January 1, 2010, if the number of pilots
9 licensed by the board is 58 or 59 pilots, the mill rate in effect on
10 December 31, 2006, shall be decreased by an incremental amount
11 that is proportionate to one-half of the last audited annual average
12 net income per pilot for each pilot licensed by the board below 60
13 pilots.

14 (ii) On and after January 1, 2010, if the number of pilots licensed
15 by the board is fewer than 58 pilots, the mill rate in effect on
16 December 31, 2006, shall be adjusted in accordance with the
17 method described in clause (i) as though there are 58 pilots licensed
18 by the board.

19 (iii) The incremental mill rate adjustment authorized by this
20 subparagraph shall be calculated using the data reported to the
21 board for the number of gross registered tons handled by pilots
22 licensed under this division during the same 12-month period as
23 the audited annual average net income per pilot. The incremental
24 mill rate adjustment shall become effective at the beginning of the
25 immediately following quarter, commencing January 1, April 1,
26 July 1, or October 1, as directed by the board.

27 (iv) On and after January 1, 2010, if, during any quarter
28 described in this paragraph, the number of pilots licensed by the
29 board is equal to or greater than 60, clauses (i) to (iii), inclusive,
30 shall become inoperative on the first day of the immediately
31 following quarter.

32 (B) There shall be an incremental rate of additional mills per
33 high gross registered ton as is necessary and authorized by the
34 board to recover the pilots' costs of obtaining new pilot boats and
35 of funding design and engineering modifications for the purposes
36 of extending the service life of existing pilot boats, excluding costs
37 for repair or maintenance. The incremental mill rate charge
38 authorized by this subparagraph shall be identified as a pilot boat
39 surcharge on the pilots' invoices and separately accounted for in
40 the accounting required by Section 1136. Net proceeds from the

1 sale of existing pilot boats shall be used to reduce the debt on the
2 new pilot boats and any debt associated with the modification of
3 pilot boats under this subparagraph. The board may adjust a pilot
4 boat surcharge to reflect any associated operational savings
5 resulting from the modification of pilot boats under this
6 subparagraph, including, but not limited to, reduced repair and
7 maintenance expenses.

8 (C) In addition to the incremental rate specified in subparagraph
9 (B), the mill rate established by this subdivision may be adjusted
10 at the direction of the board if, after a hearing conducted pursuant
11 to Article 9 (commencing with Section 11120) of Chapter 1 of
12 Part 1 of Division 3 of Title 2 of the Government Code, the board
13 determines that there has been a catastrophic cost increase to the
14 pilots that would result in at least a 2-percent increase in the overall
15 annual cost of providing pilot services.

16 (2) A minimum charge for bar pilotage shall be six hundred
17 sixty-two dollars (\$662) for each vessel piloted.

18 (3) The vessel's deepest draft shall be the maximum draft
19 attained, on a stillwater basis, at any part of the vessel during the
20 course of such transit inward or outward.

21 (b) The rate specified in subdivision (a) shall apply only to a
22 pilotage that passes through the Golden Gate to or from the high
23 seas to or from a berth within an area bounded by the Union Pacific
24 Railroad Bridge to the north and Hunter's Point to the south. The
25 rate for pilotage to or from the high seas to or from a point past
26 the Union Pacific Railroad Bridge or Hunter's Point shall include
27 a movement fee in addition to the basic bar pilotage rate as
28 specified by the board pursuant to Section 1191.

29 (c) The rate established in paragraph (1) of subdivision (a) shall
30 be for a trip from the high seas to dock or from the dock to high
31 seas. The rate specified in Section 1191 shall not be charged by
32 pilots for docking and undocking vessels. This subdivision does
33 not apply to the rates charged by inland pilots for their services.

34 (d) The board shall determine the number of pilots to be licensed
35 based on the 1986 manpower study adopted by the board.

36 (e) Consistent with the board's ~~May 2002~~ *April 2015* adoption
37 of rate recommendations, the rates imposed pursuant to paragraph
38 (1) of subdivision (a) that are in effect on December 31, ~~2002~~;
39 *2015*, shall be increased by ~~4~~ *3* percent on January 1, ~~2003~~; *2016*;
40 those in effect on December 31, ~~2003~~; *2016*, shall be increased by

1 4 3 percent on January 1, ~~2004~~; *2017*; those in effect on December
2 31, ~~2004~~; *2017*, shall be increased by ~~3~~ 2 percent on January 1,
3 ~~2005~~; *2018*; and those in effect on December 31, ~~2005~~; *2018*, shall
4 be increased by ~~3~~ 2 percent on January 1, ~~2006~~. *2019*.

5 (f) (1) There shall be a movement fee as is necessary and
6 authorized by the board to recover a pilot's costs for the purchase,
7 lease, or maintenance of navigation software, hardware, and
8 ancillary equipment purchased after ~~November 5, 2008~~, and before
9 ~~January 1, 2011~~. *January 1, 2016*.

10 (2) The software, equipment, and technology covered by this
11 subdivision shall be used strictly and exclusively to aid in piloting
12 on the pilotage grounds. The movement fee authorized by this
13 subdivision shall be identified as a navigation technology surcharge
14 on a pilot's invoices and separately accounted for in the accounting
15 required by Section 1136. The board shall review and adjust as
16 necessary the navigation technology surcharge at least quarterly.
17 This subdivision shall become inoperative on January 1, ~~2011~~.
18 *2020*.

19 *SEC. 2. Section 1191 of the Harbors and Navigation Code is*
20 *amended to read:*

21 1191. (a) The board, pursuant to Chapter 6 (commencing with
22 Section 1200), shall recommend that the Legislature, by statute,
23 adopt a schedule of pilotage rates providing fair and reasonable
24 return to pilots engaged in ship movements or special operations
25 if rates for those movements or operations are not specified in
26 Section 1190.

27 (b) A vessel using pilots for ship movements or special
28 operations that do not constitute bar pilotage shall pay the rate
29 specified in the schedule of pilotage rates adopted by the
30 Legislature.

31 (c) Consistent with the board's adoption of rate
32 recommendations in ~~May 2002~~; *April 2015*, the minimum rates
33 imposed pursuant to this section that are in effect on December
34 31, ~~2002~~; *2015*, shall be increased by ~~26~~ 3 percent on January 1,
35 ~~2003~~; *2016*; those in effect on December 31, ~~2003~~; *2016*, shall be
36 increased by ~~26~~ 3 percent on January 1, ~~2004~~; *2017*; those in effect
37 on December 31, ~~2004~~; *2017*, shall be increased by ~~14~~ 2 percent
38 on January 1, ~~2005~~; *2018*; and those in effect on December 31,
39 ~~2005~~; *2018*, shall be increased by 14 percent on January 1, ~~2006~~.
40 *2019*.

1 SECTION 1.— Section 11775.5 is added to the Health and Safety
2 Code, to read:
3 11775.5.— (a) ~~The State Department of Health Care Services~~
4 ~~shall submit an application to the federal Centers for Medicare and~~
5 ~~Medicaid Services for a waiver to implement a demonstration~~
6 ~~project to accomplish all of the following:~~
7 (1) ~~Further the delivery of high-quality and cost-efficient care~~
8 ~~for communities and consumers with substance use disorders and~~
9 ~~co-occurring disorders.~~
10 (2) ~~Ensure the long-term viability of the delivery system~~
11 ~~following the expansion of Medi-Cal eligibility under the federal~~
12 ~~Patient Protection and Affordable Care Act.~~
13 (3) ~~Continue California’s momentum and successes in~~
14 ~~innovation achieved under the 2010 “Bridge to Reform” Waiver.~~
15 (b) ~~In developing the waiver application, the department shall~~
16 ~~consult with interested stakeholders and the Legislature.~~
17 (c) ~~The department shall submit an implementation plan to the~~
18 ~~Legislature prior to implementing the demonstration project~~
19 ~~authorized pursuant to an approved waiver.~~