

AMENDED IN SENATE JULY 16, 2015

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 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. 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.

Vote: majority. Appropriation: 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
5 and into or out of the Bays of San Francisco, San Pablo, and
6 Suisun:

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

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

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

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

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

14 (B) There shall be an incremental rate of additional mills per
15 high gross registered ton as is necessary and authorized by the
16 board to recover the pilots' costs of obtaining new pilot boats and
17 of funding design and engineering modifications for the purposes
18 of extending the service life of existing pilot boats, excluding costs
19 for repair or maintenance. The incremental mill rate charge
20 authorized by this subparagraph shall be identified as a pilot boat
21 surcharge on the pilots' invoices and separately accounted for in
22 the accounting required by Section 1136. Net proceeds from the
23 sale of existing pilot boats shall be used to reduce the debt on the
24 new pilot boats and any debt associated with the modification of
25 pilot boats under this subparagraph. The board may adjust a pilot
26 boat surcharge to reflect any associated operational savings
27 resulting from the modification of pilot boats under this
28 subparagraph, including, but not limited to, reduced repair and
29 maintenance expenses.

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

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

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

4 (b) The rate specified in subdivision (a) shall apply only to a
5 pilotage that passes through the Golden Gate to or from the high
6 seas to or from a berth within an area bounded by the Union Pacific
7 Railroad Bridge to the north and Hunter’s Point to the south. The
8 rate for pilotage to or from the high seas to or from a point past
9 the Union Pacific Railroad Bridge or Hunter’s Point shall include
10 a movement fee in addition to the basic bar pilotage rate as
11 specified by the board pursuant to Section 1191.

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

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

19 (e) Consistent with the board’s April 2015 adoption of rate
20 recommendations, the rates imposed pursuant to paragraph (1) of
21 subdivision (a) that are in effect on December 31, 2015, shall be
22 increased by 3 percent on January 1, 2016; those in effect on
23 December 31, 2016, shall be increased by 3 percent on January 1,
24 2017; those in effect on December 31, 2017, shall be increased by
25 2 percent on January 1, 2018; and those in effect on December 31,
26 2018, shall be increased by 2 percent on January 1, 2019.

27 (f) (1) There shall be a movement fee as is necessary and
28 authorized by the board to recover a pilot’s costs for the purchase,
29 lease, or maintenance of navigation software, hardware, and
30 ancillary equipment purchased after January 1, 2016.

31 (2) The software, equipment, and technology covered by this
32 subdivision shall be used strictly and exclusively to aid in piloting
33 on the pilotage grounds. The movement fee authorized by this
34 subdivision shall be identified as a navigation technology surcharge
35 on a pilot’s invoices and separately accounted for in the accounting
36 required by Section 1136. The board shall review and adjust as
37 necessary the navigation technology surcharge at least quarterly.
38 This subdivision shall become inoperative on January 1, 2020.

39 SEC. 2. Section 1191 of the Harbors and Navigation Code is
40 amended to read:

1 1191. (a) The board, pursuant to Chapter 6 (commencing with
2 Section 1200), shall recommend that the Legislature, by statute,
3 adopt a schedule of pilotage rates providing fair and reasonable
4 return to pilots engaged in ship movements or special operations
5 if rates for those movements or operations are not specified in
6 Section 1190.

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

11 (c) Consistent with the board's adoption of rate
12 recommendations in April 2015, the minimum rates imposed
13 pursuant to this section that are in effect on December 31, 2015,
14 shall be increased by 3 percent on January 1, 2016; those in effect
15 on December 31, 2016, shall be increased by 3 percent on January
16 1, 2017; those in effect on December 31, 2017, shall be increased
17 by 2 percent on January 1, 2018; and those in effect on December
18 31, 2018, shall be increased by ~~14~~ 2 percent on January 1, 2019.

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