

AMENDED IN SENATE MAY 11, 2016
AMENDED IN SENATE SEPTEMBER 4, 2015
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
(Principal coauthor: Senator Wieckowski)

February 27, 2015

An act to amend ~~Sections 1190 and 1191 of~~ *Section 1190 of*, and to *add and repeal Section 1190.4 of*, the Harbors and Navigation Code, relating to bar pilots, and making an appropriation therefor. *pilots.*

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: rates: technology surcharge.~~

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 *and other surcharges* 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~~, *January 1 2021*, authorize the board to authorize that ~~fee~~ *fee, not to exceed a cumulative amount of \$1,200,000, to be paid* as a navigation ~~surcharge~~ *technology surcharge*, in order to recover the pilots' costs for that software, hardware, and ancillary equipment ~~purchased that is authorized by the board as reasonable and necessary on or after January 1, 2016~~. *2017*.

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. 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

1 net income per pilot for each pilot licensed by the board below 60
2 pilots.

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

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

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

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

37 (C) In addition to the incremental rate specified in subparagraph
38 (B), the mill rate established by this subdivision may be adjusted
39 at the direction of the board if, after a hearing conducted pursuant
40 to Article 9 (commencing with Section 11120) of Chapter 1 of

1 Part 1 of Division 3 of Title 2 of the Government Code, the board
2 determines that there has been a catastrophic cost increase to the
3 pilots that would result in at least a 2-percent increase in the overall
4 annual cost of providing pilot services.

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

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

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

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

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

25 (e) Consistent with the board's May 2002 adoption of rate
26 recommendations, the rates imposed pursuant to paragraph (1) of
27 subdivision (a) that are in effect on December 31, 2002, shall be
28 increased by 4 percent on January 1, 2003; those in effect on
29 December 31, 2003, shall be increased by 4 percent on January 1,
30 2004; those in effect on December 31, 2004, shall be increased by
31 3 percent on January 1, 2005; and those in effect on December 31,
32 2005, shall be increased by 3 percent on January 1, 2006.

33 ~~(f) (1) There shall be a movement fee as is necessary and~~
34 ~~authorized by the board to recover a pilot's costs for the purchase,~~
35 ~~lease, or maintenance of navigation software, hardware, and~~
36 ~~aneillary equipment purchased after November 5, 2008, and before~~
37 ~~January 1, 2011.~~

38 ~~(2) The software, equipment, and technology covered by this~~
39 ~~subdivision shall be used strictly and exclusively to aid in piloting~~
40 ~~on the pilotage grounds. The movement fee authorized by this~~

1 subdivision shall be identified as a navigation technology surcharge
 2 on a pilot's invoices and separately accounted for in the accounting
 3 required by Section 1136. The board shall review and adjust as
 4 necessary the navigation technology surcharge at least quarterly.
 5 This subdivision shall become inoperative on January 1, 2011.

6 SEC. 2. Section 1190.4 is added to the Harbors and Navigation
 7 Code, to read:

8 1190.4. (a) There shall be a movement fee imposed as is
 9 necessary and authorized by the board to recover a pilot's costs
 10 for the purchase, lease, or maintenance of navigation software,
 11 hardware, and ancillary equipment that is authorized by the board
 12 as reasonable and necessary on or after January 1, 2017.

13 (b) The software, equipment, and technology covered by this
 14 section shall be used strictly and exclusively to aid in piloting on
 15 the pilotage grounds.

16 (c) The movement fee authorized by this section shall be
 17 identified as a navigation technology surcharge on a pilot's
 18 invoices and separately accounted for in the accounting required
 19 by subdivision (b) of Section 1136.

20 (d) The cumulative amount of the surcharge collected pursuant
 21 to this section shall not exceed one million two hundred thousand
 22 dollars (\$1,200,000).

23 (e) The board shall review and adjust as necessary the
 24 navigation technology surcharge authorized by this section at least
 25 quarterly.

26 (f) This section shall remain in effect only until January 1, 2021,
 27 and as of that date is repealed, unless a later enacted statute, that
 28 is enacted before January 1, 2021, deletes or extends that date.

29 SECTION 1. Section 1190 of the Harbors and Navigation Code
 30 is amended to read:

31 1190. (a) Every vessel spoken inward or outward bound shall
 32 pay the following rate of bar pilotage through the Golden Gate
 33 and into or out of the Bays of San Francisco, San Pablo, and
 34 Suisun:

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

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

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

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

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

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

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

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

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

14 ~~(b) The rate specified in subdivision (a) shall apply only to a~~
15 ~~pilotage that passes through the Golden Gate to or from the high~~
16 ~~seas to or from a berth within an area bounded by the Union Pacific~~
17 ~~Railroad Bridge to the north and Hunter's Point to the south. The~~
18 ~~rate for pilotage to or from the high seas to or from a point past~~
19 ~~the Union Pacific Railroad Bridge or Hunter's Point shall include~~
20 ~~a movement fee in addition to the basic bar pilotage rate as~~
21 ~~specified by the board pursuant to Section 1191.~~

22 ~~(e) The rate established in paragraph (1) of subdivision (a) shall~~
23 ~~be for a trip from the high seas to dock or from the dock to high~~
24 ~~seas. The rate specified in Section 1191 shall not be charged by~~
25 ~~pilots for docking and undocking vessels. This subdivision does~~
26 ~~not apply to the rates charged by inland pilots for their services.~~

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

29 ~~(e) Consistent with the board's April 2015 adoption of rate~~
30 ~~recommendations, the rates imposed pursuant to paragraph (1) of~~
31 ~~subdivision (a) that are in effect on December 31, 2015, shall be~~
32 ~~increased by 3 percent on January 1, 2016; and those in effect on~~
33 ~~December 31, 2016, shall be increased by 3 percent on January 1,~~
34 ~~2017.~~

35 ~~(f) (1) There shall be a movement fee as is necessary and~~
36 ~~authorized by the board to recover a pilot's costs for the purchase,~~
37 ~~lease, or maintenance of navigation software, hardware, and~~
38 ~~ancillary equipment purchased after January 1, 2016.~~

39 ~~(2) The software, equipment, and technology covered by this~~
40 ~~subdivision shall be used strictly and exclusively to aid in piloting~~

1 on the pilotage grounds. The movement fee authorized by this
2 subdivision shall be identified as a navigation technology surcharge
3 on a pilot's invoices and separately accounted for in the accounting
4 required by Section 1136. The board shall review and adjust as
5 necessary the navigation technology surcharge at least quarterly.
6 This subdivision shall become inoperative on January 1, 2020.

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

9 1191. (a) The board, pursuant to Chapter 6 (commencing with
10 Section 1200), shall recommend that the Legislature, by statute,
11 adopt a schedule of pilotage rates providing fair and reasonable
12 return to pilots engaged in ship movements or special operations
13 if rates for those movements or operations are not specified in
14 Section 1190.

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

19 (c) Consistent with the board's adoption of rate
20 recommendations in April 2015, the minimum rates imposed
21 pursuant to this section that are in effect on December 31, 2015,
22 shall be increased by 3 percent on January 1, 2016; and those in
23 effect on December 31, 2016, shall be increased by 3 percent on
24 January 1, 2017.