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AB-1432 Monterey Bay and the Bays of San Francisco, San Pablo, and Suisun: pilotage rates: technology surcharge. (2015-2016)

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Assembly Bill No. 1432

CHAPTER 119

An act to amend Section 1190 of, and to add and repeal Section 1190.4 of, the Harbors and Navigation Code, relating to bar pilots.

[Approved by Governor August 17, 2016. Filed with Secretary of State August 17, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1432, Bonta. Monterey Bay and the Bays of San Francisco, San Pablo, and Suisun: pilotage 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, 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, 2021, authorize the board to authorize that fee, not to exceed a cumulative amount of \$1,200,000, to be paid as a navigation technology surcharge, in order to recover the pilots' costs for that software, hardware, and ancillary equipment that is authorized by the board as reasonable and necessary on or after January 1, 2017.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

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

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

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

(A) (i) On and after January 1, 2010, if the number of pilots licensed by the board is 58 or 59 pilots, the mill rate in effect on December 31, 2006, shall be decreased by an incremental amount that is proportionate to one-half of the last audited

annual average net income per pilot for each pilot licensed by the board below 60 pilots.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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