

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 215 (Senator Astle)
Education, Health, and Environmental Affairs

Economic Matters

Pilots - Recreational Vessels - Employment Requirement

This emergency bill exempts a “recreational vessel” from having to employ a licensed bay pilot to pilot the vessel when underway on the navigable waters of the State if the vessel (1) is both less than 200 feet in overall length and has less than a 12-foot draft; (2) except for pleasure use charters, is not engaged in a commercial service; (3) is not carrying a passenger for hire; and (4) possesses a cruising license.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations. The Department of Labor, Licensing, and Regulation advises that the bill applies to an average of six *foreign vessel* pilotages annually.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: State law requires that each American vessel engaged in foreign trade and each *foreign vessel* must employ a licensed pilot to pilot the vessel when it is underway on the navigable waters of the State, including when the vessel is towing or being towed by another vessel. However, a vessel that is not required to employ a licensed pilot may voluntarily do so.

A “recreational vessel” as defined in 46 U.S.C. § 2101 means a vessel being manufactured or operated primarily for pleasure or leased, rented, or chartered to another for the latter’s pleasure. “Commercial service” includes any type of trade or business

involving the transportation of goods or individuals, except for service performed by a combatant vessel. "Passenger for hire" means a passenger for whom consideration is contributed as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, charterer, operator, agent, or any other person having an interest in the vessel.

Federal cruising licenses exempt pleasure boats of certain countries from having to undergo formal entry and clearance procedures such as filing manifests and obtaining permits to proceed as well as from the payment of tonnage tax and entry and clearance fees at all but the first port of entry. These *licenses* can be obtained from the U.S. Customs and Border Protection Port Director at the first port of arrival in the United States. *Cruising licenses* are normally valid for up to a year. Federal law specifies that a foreign-flag yacht that is not in possession of a cruising license is required to comply with the laws applicable to foreign vessels arriving at, departing from, and proceeding between U.S. ports.

Background: Pilotage is the act of guiding a marine vessel by a person who is licensed to conduct the ship into or out of port or through dangerous water. Oversight of the profession is maintained through federal and State regulation. Federal law specifies that pilots in the bays, rivers, harbors, and ports of the United States must be regulated only in conformity with the laws of the states.

In Maryland, pilotage is accomplished by pilots who are licensed by the State Board of Pilots and who are members of the Association of Maryland Pilots. The State regulates pilotage while the association manages the day-to-day implementation of pilotage services. As of January 2015, approximately 70 individuals were licensed by the State to provide pilotage for the Port of Baltimore and other ports in the State. Most vessel movements in the State occur between the Port of Baltimore and the Chesapeake Bay entrance at Cape Henry, Virginia, or between the Port of Baltimore and Chesapeake City. There are approximately 2,000 pilotages annually in the State.

Additional Information

Prior Introductions: None.

Cross File: HB 223 (Delegate Hammen) - Economic Matters.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Natural Resources; U.S. Department of Homeland Security; Association of Maryland Pilots; Department of Legislative Services

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