

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 343 (Chairman, Economic Matters Committee)

(Departmental - Labor, Licensing, and Regulation)

Economic Matters

Referred to Economic and Environmental Affairs

State Board of Pilots - Licensing, Disability, Retirement, and Compensation of Pilots

This amended departmental bill provides that the State Board of Pilots may issue a 37-foot-draft limited license to qualified applicants for a fee of \$300 and changes the terms of all limited licenses to two years from the date of issuance. In addition, the bill modifies the pilots' retirement program by adopting minimum service requirements and providing reduced benefits to pilots with more than 20 years of service but less than 25. The bill also increases the daily compensation payable to pilots detained, quarantined, or carried to sea on a vessel.

Fiscal Summary

State Effect: Potential minimal increase in FY 1997 special fund revenues. Future year revenues could decrease by a minimal amount, as discussed below. Expenditures would not be affected because the bill does not significantly alter the activities or responsibilities of the State Board of Pilots. The change in retirement benefits would impact pilotage fees only, which are collected and distributed by the Pilots Association and not by the State.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment as discussed below. (This assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: The Department of Labor, Licensing, and Regulation estimates that only six individuals are qualified to obtain a 37-foot-draft limited license at this time. If all six applied for this license in fiscal 1997 and paid the \$300 fee, revenues would increase by \$1,800.

The bill also changes the terms of all limited licenses by providing that such licenses are valid for two years from the date of issuance. Under current law, all limited licenses expire on May 30 of an even-numbered year. Since the effective date of the bill is October 1, 1996, limited licenses issued anytime after this date and before May 30, 1998 would not expire until two years from the issuance date rather than on May 30, 1998. This could decrease special fund revenues in fiscal 1998. However, since there are very few new limited licenses issued annually, the change should be minimal.

Small Business Effect: The bill could have an impact on small businesses offering bay pilot services. There are about 70 licensed bay pilots in the State. Many operate as self-employed businesses. The bill could increase a pilot's compensation by changing the rate charged the vessel owner if a pilot is detained. In addition, the bill could impact a pilot's eligibility to operate a 37-foot vessel and could affect a pilot's retirement benefits under certain circumstances.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Fiscal Services

Fiscal Note History: First Reader - January 29, 1996

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