

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

Senate Bill 237 (Senator Blount. *et al.*)

Economic and Environmental Affairs

State Board of Docking Masters

The bill establishes a five-member State Board of Docking Masters in the Department of Labor, Licensing, and Regulation. The board shall: (1) be the regulatory authority governing and licensing docking masters; (2) be responsible for the safety of docking services; and (3) keep a list of all licensees. Docking services are tug boat-assisted berthing and unberthing of a vessel or shifting a vessel within port.

The bill charges the Public Service Commission with the responsibility of establishing the fees for docking services.

The bill sunsets on July 1, 2010 and a sunset evaluation report is due by or on July 1, 2009.

Fiscal Summary

State Effect: Minimal. The increase in general fund revenues from licensing fees will be approximately \$7,200 annually beginning in FY 2001. General fund expenditures could increase by \$50,000 in FY 2001. Out-year expenditures are expected to decrease significantly.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: In addition to certain age and experience requirements, the bill requires each docking master to possess a first-class pilot's license and a master's license for steam and motor vessels from the U.S. Coast Guard, and pass a U.S. Coast Guard approved drug test. A docking master must also pass a physical exam each year.

The bill also establishes a 15-member Joint Committee on the Port of Baltimore to examine and evaluate issues affecting the competitive position of the Port of Baltimore. The committee must submit a report to the Governor and the Legislative Policy Committee by December 31 of each year.

Current Law: There is no docking master designation. The services are provided by docking pilots at this time.

Background: An *ad hoc* subcommittee was formed during the 1998 interim to study the issue of licensing harbor pilots. This subcommittee was formed as a result of a referral made in the Senate in response to SB 601 of 1998, which sought to create such a license. The port's bid to become the North American hub for Maersk/Sea Land stalled the study and legislative efforts in the 1999 session. The subcommittee reconvened after the 1999 session. Its study contains no recommendations.

There are currently two classes of ship pilots. Bay Pilots (a.k.a. Maryland Pilots or State Pilots) are licensed by the Maryland Board of Pilots and pilot ships from the time they enter State waters until which time they require tug boat assistance. At that time a docking pilot (a.k.a. harbor pilot), which the bill re-titles as docking masters, assumes command. Docking pilots are employed by tug boat companies. All three Port of Baltimore tug companies require that docking pilots hold a first-class federal pilots license (issued by the U.S. Coast Guard).

The U.S. Coast Guard has expressed concern about which legal authority (the State or federal officials) has jurisdiction should there be an accident in the port itself. The Coast Guard recently published a proposed rule requiring all docking pilots to have a first-class federal pilots license. The Coast Guard has declared the current Port of Baltimore docking and undocking procedures safe.

At this time, docking pilots' wages are determined by market forces determined by the competition between tug companies, not only in Maryland but in surrounding ports as well. It is estimated that a docking pilot's annual salary ranges between \$60,000 and \$85,000 a year. Bay pilots are paid a share of the net pilotage revenues, which is set by the Public

Service Commission. (In the last year that a study was done (1997) a bay pilot was paid \$166,430.)

State Fiscal Effect: The new licensing regulations require each docking master to pay a \$600 licensing fee every two years. At this time there are 12 docking pilots who will be re-classified as docking masters and subject to this fee.

General fund expenditures will increase by about \$50,000 in fiscal 2001. This figure includes test development costs, computer upgrading, and the production and publication of various regulatory guidelines. Since the State Board of Docking Masters is only required to meet four times a year and there are no staffing provisions for the Joint Committee on the Port of Baltimore, it is anticipated that ongoing operating expenditures will be minimal and could be handled with existing budgeted resources.

Additional Information

Prior Introductions: Substantially similar bills were introduced in the 1999 session as SB 558 and HB 493. SB 558 was not reported from the Economic and Environmental Affairs Committee. HB 493 was assigned to the House Economic Matters Committee.

Cross File: HB 766 (Delegate McHale, *et al.*) - Economic Matters.

Information Source(s): Public Service Commission, Senate Economic and Environmental Affairs Committee - Interim Study, Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2000
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