
By: **Senator Pinsky (Chairman, Licensing and Regulatory Affairs
Subcommittee)**

Introduced and read first time: January 31, 2002
Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 6, 2002

CHAPTER _____

1 AN ACT concerning

2 **State Board of Pilots - Sunset Extension and Program Evaluation**

3 FOR the purpose of continuing the State Board of Pilots in accordance with the
4 provisions of the Maryland Program Evaluation Act (Sunset Law) by extending
5 to a certain date the termination provisions relating to the statutory and
6 regulatory authority of the Board; requiring the Board to pay certain moneys
7 into the General Fund of the State; providing that compensation of the Board
8 and reimbursement for expenses shall be as provided in the State budget;
9 making provisions of law that apply to certain inactive pilots apply to certain
10 permanently disabled pilots; repealing provisions of law that refer to
11 permanently disabled pilots as an independent category of pilot; requiring the
12 Association of Maryland Pilots to distribute certain payments to inactive pilots
13 on behalf of the Board; altering a provision that requires the Board to make
14 certain payments; altering the oversight of the Maintenance and Replacement
15 Fund by requiring the Association to maintain the Fund instead of the Board;
16 requiring the Association to obtain written approval from the Board for certain
17 expenditures; requiring the Association to maintain a certain fund balance;
18 providing a certain exception to the requirement to maintain a certain fund
19 balance; requiring the Association to submit to the Board certain financial
20 audits of certain payments; requiring the Board to maintain copies of financial
21 audits; requiring that an evaluation of the Board and the statutes and
22 regulations that relate to them be performed on or before a certain date;
23 requiring the Board to report to certain committees on or before a certain date;
24 and generally relating to the State Board of Pilots.

25 BY repealing
26 Article - Business Occupations and Professions

1 Section 11-505
2 Annotated Code of Maryland
3 (2000 Replacement Volume and 2001 Supplement)

4 BY renumbering
5 Article - Business Occupations and Professions
6 Section 11-506 through 11-508, respectively
7 to be Section 11-505 through 11-507, respectively
8 Annotated Code of Maryland
9 (2000 Replacement Volume and 2001 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article - Business Occupations and Professions
12 Section 11-206, 11-504, and 11-802
13 Annotated Code of Maryland
14 (2000 Replacement Volume and 2001 Supplement)

15 BY adding to
16 Article - Business Occupations and Professions
17 Section 11-508
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2001 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Business Occupations and Professions
22 Section 11-505 and 11-506
23 Annotated Code of Maryland
24 (2000 Replacement Volume and 2001 Supplement)
25 (As enacted by Section 2 of this Act)

26 BY repealing and reenacting, without amendments,
27 Article - State Government
28 Section 8-403(a)
29 Annotated Code of Maryland
30 (1999 Replacement Volume and 2001 Supplement)

31 BY repealing and reenacting, with amendments,
32 Article - State Government
33 Section 8-403(b)(51)
34 Annotated Code of Maryland
35 (1999 Replacement Volume and 2001 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That Section(s) 11-505 of Article - Business Occupations and
3 Professions of the Annotated Code of Maryland be repealed.

4 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 11-506
5 through 11-508, respectively, of Article - Business Occupations and Professions of the
6 Annotated Code of Maryland be renumbered to be Section(s) 11-505 through 11-507,
7 respectively.

8 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
9 read as follows:

10 **Article - Business Occupations and Professions**

11 11-206.

12 (a) The Board shall receive all fees and other charges collectible under §§
13 11-406 and 11-408 of this title.

14 (b) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE BOARD SHALL PAY ALL
15 MONEY COLLECTED UNDER THIS TITLE INTO THE GENERAL FUND OF THE STATE.

16 (C) The compensation of the Board [shall be payable only out of the money
17 that the Board collects] AND REIMBURSEMENT FOR EXPENSES UNDER THE
18 STANDARD STATE TRAVEL REGULATIONS SHALL BE AS PROVIDED IN THE STATE
19 BUDGET.

20 11-504.

21 (a) A pilot is eligible for payments as an inactive pilot under [§ 11-506] §
22 11-505 of this subtitle if the pilot:

23 (1) (I) chooses to be placed on the list of inactive pilots maintained by
24 the Association; and

25 [(2)] (II) has been, for at least 25 years:

26 [(i)] 1. a member in good standing of the Association; and

27 [(ii)] 2. licensed by the Board to provide pilotage for vessels of
28 unlimited [draft] DRAFT; OR

29 (2) (I) 1. HAS BEEN CERTIFIED BY TWO PHYSICIANS CHOSEN BY
30 THE BOARD TO BE PERMANENTLY INCAPABLE OF PROVIDING PILOTAGE; OR

31 2. HAS HAD A FEDERAL OR STATE PILOT'S LICENSE
32 REVOKED FOR PHYSICAL DISABILITY; AND

33 (II) BEFORE BECOMING PERMANENTLY DISABLED, THE PILOT WAS:

- 1 1. A MEMBER IN GOOD STANDING OF THE ASSOCIATION;
2 AND
- 3 2. LICENSED BY THE BOARD TO PROVIDE PILOTAGE FOR
4 VESSELS OF ANY DRAFT.

5 (b) A pilot is eligible for reduced payments as an inactive pilot under [§
6 11-506] § 11-505 of this subtitle if the pilot:

- 7 (1) chooses to be placed on the list of inactive pilots maintained by the
8 Association; and
- 9 (2) has been, for at least 20 years:
- 10 (i) a member in good standing of the Association; and
- 11 (ii) licensed by the Board to provide pilotage for vessels of unlimited
12 draft.

13 (C) ELIGIBILITY FOR PAYMENTS AS AN INACTIVE PILOT SHALL CEASE IF:

14 (1) A PILOT WHO WAS DECLARED PERMANENTLY INCAPABLE OF
15 PROVIDING PILOTAGE BECOMES CAPABLE OF PROVIDING PILOTAGE; OR

16 (2) A PILOT WHO HAD A FEDERAL OR STATE PILOT'S LICENSE REVOKED
17 FOR PHYSICAL DISABILITY HAS THE LICENSE REISSUED.

18 11-505.

19 (a) Each month, the Association shall distribute the pilotage fees that the
20 Association collects in the following order:

21 (1) within 10 days after the close of each month, the Association shall
22 [pay]:

23 (I) ACCOUNT to the Board for that month [an] FOR THE amount
24 determined under subsections [(b), (c), and (d)] (B) AND (C) of this section for
25 distribution to the pilots who, at the beginning of that month, were eligible for
26 payments as inactive [or permanently disabled] pilots; and

27 (II) DISTRIBUTE THOSE MONEYS ON BEHALF OF THE BOARD; AND

28 (2) the balance of the pilotage fees collected shall be:

29 (i) first, used by the Association to pay its expenses;

30 (ii) second, paid to the Maintenance and Replacement Fund under
31 [§ 11-507] § 11-506 of this subtitle; and

1 (iii) finally, in accordance with the bylaws of the Association, paid to
2 the regularly working licensed pilots who are members in good standing of the
3 Association.

4 (b) The amount to be [paid] DISTRIBUTED by the Association [to] ON BEHALF
5 OF the Board [for distribution] to eligible inactive pilots ~~who for at least 25 years~~
6 ~~have been members in good standing of the Association and licensed by the Board to~~
7 ~~provide pilotage for vessels of unlimited draft~~ DESCRIBED UNDER § 11-504(A) OF THIS
8 SUBTITLE shall be computed by:

9 (1) determining the greater of:

10 (i) \$200; or

11 (ii) 40% of the share payable under this subtitle for the month for
12 which the payment is to be made to a regularly working licensed pilot; and

13 (2) multiplying the figure determined under item (1) of this subsection
14 by the number of pilots in the Association who, at the beginning of the month for
15 which the payment is to be made, were eligible for payments as inactive pilots under
16 this subsection.

17 (c) The amount to be [paid] DISTRIBUTED by the Association [to] ON BEHALF
18 OF the Board [for distribution] to eligible inactive pilots ~~who become inactive with at~~
19 ~~least 20 years but less than 25 years as members in good standing of the Association~~
20 ~~and licensed by the Board to provide pilotage for vessels of unlimited draft~~
21 DESCRIBED UNDER § 11-504(B) OF THIS SUBTITLE shall be computed as follows:

22 (1) for each pilot determining the greater of:

23 (i) \$200; or

24 (ii) 1. 32% of the share payable under this subtitle for the month
25 for which the payment is to be made to a regularly working licensed pilot; and

26 2. 1.6% of the share payable under this subtitle for the
27 month for which the payment is to be made to a regularly working licensed pilot in
28 addition for each year of service in excess of 20 years and up to 25 years; and

29 (2) totalling the sums determined under item (1) of this subsection for
30 each pilot in the Association who, at the beginning of the month for which the
31 payment is to be made, was eligible for payment as an inactive pilot under this
32 subsection.

33 [(d) The amount to be paid by the Association to the Board for distribution to
34 permanently disabled pilots shall be computed by:

35 (1) determining the greater of:

36 (i) \$200; or

1 (ii) 40% of the share payable under this subtitle for the month for
2 which the payment is to be made to a regularly working licensed pilot; and

3 (2) multiplying the figure determined under item (1) of this subsection
4 by the number of pilots in the Association who, at the beginning of the month for
5 which the payment is to be made, were eligible for payments as permanently disabled
6 pilots.

7 (e) Within 10 days after the Board receives the amounts paid under
8 subsections (b), (c), or (d) of this section, the Board shall distribute those amounts:

9 (1) equally to those pilots who, at the beginning of the month for which
10 the payment is made, were eligible for payments as inactive or permanently disabled
11 pilots under subsections (b) and (d) of this section; and

12 (2) in the amounts as adjusted in accordance with subsection (c) of this
13 section to inactive pilots with at least 20 years but less than 25 years as a member in
14 good standing of the Association and licensed by the Board to provide pilotage for
15 vessels of unlimited draft.]

16 11-506.

17 (a) THE BOARD OF SUPERVISORS OF THE ASSOCIATION SHALL MAINTAIN A
18 MAINTENANCE AND REPLACEMENT FUND FOR THE REPLACEMENT AND REPAIR OF
19 THE MAJOR EQUIPMENT OF THE ASSOCIATION.

20 (B) The State Board of Pilots shall determine a percentage of the pilotage fees
21 collected by the Association to be set aside in [a fund] THE FUND [for the
22 replacement and repair of the major equipment of the Association].

23 (C) THE BOARD OF SUPERVISORS OF THE ASSOCIATION SHALL OBTAIN
24 WRITTEN APPROVAL FROM THE STATE BOARD OF PILOTS FOR ANY EXPENDITURES
25 FROM THE FUND.

26 (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE
27 BALANCE IN THE FUND SHALL REMAIN AT OR ABOVE \$500,000.

28 (2) (I) THE BALANCE OF THE FUND MAY FALL BELOW \$500,000 FOR
29 EXPENDITURES AUTHORIZED BY THE BOARD.

30 (II) THE BALANCE OF THE FUND MAY NOT REMAIN BELOW \$500,000
31 FOR MORE THAN 10 CONSECUTIVE YEARS.

32 (III) AT NO TIME SHALL THE BALANCE OF THE FUND FALL BELOW
33 \$100,000.

34 [(b)] (E) [(1) The Board of Supervisors of the Association shall deduct the
35 percentage set by the State Board of Pilots from the pilotage fees collected by the
36 Association and pay that amount to the State Board of Pilots.

1 (2) The [State Board of Pilots] BOARD OF SUPERVISORS OF THE
2 ASSOCIATION shall deposit the [amount received under this subsection] MONEYS
3 AUTHORIZED UNDER SUBSECTION (B) OF THIS SECTION into the Maintenance and
4 Replacement Fund.

5 [(c)] (F) (1) The [State Board of Pilots] BOARD OF SUPERVISORS OF THE
6 ASSOCIATION shall hold the Maintenance and Replacement Fund in trust [for the
7 Association].

8 (2) The [State Board of Pilots] ASSOCIATION:

9 (i) may invest or hold the Fund in any manner that the [Board]
10 ASSOCIATION finds desirable, in light of the nature and purpose of the Fund;

11 (ii) may place control and management of the Fund, or a part of the
12 Fund, with a bank or trust company that is subject to State or federal regulation; and

13 (iii) is not limited to investments in property that has been
14 designated, under any law of the State, as strictly suitable for investment of a trust
15 fund.

16 [(d)] (G) Assets held in trust under this section are not subject to attachment
17 or execution.

18 11-508.

19 (A) THE ASSOCIATION SHALL SUBMIT TO THE BOARD:

20 (1) AN ANNUAL FINANCIAL AUDIT OF PAYMENTS TO PILOTS UNDER §
21 11-505 OF THIS SUBTITLE; AND

22 (2) AN ANNUAL FINANCIAL AUDIT OF THE MAINTENANCE AND
23 REPLACEMENT FUND UNDER § 11-506 OF THIS SUBTITLE.

24 (B) THE BOARD SHALL KEEP COPIES OF THE FINANCIAL AUDITS RECEIVED
25 UNDER SUBSECTION (A) OF THIS SECTION.

26 11-802.

27 Subject to the evaluation and reestablishment provisions of the Maryland
28 Program Evaluation Act, this title and all regulations adopted under this title shall
29 terminate and be of no effect after July 1, [2003] 2013.

30 **Article - State Government**

31 8-403.

32 (a) On or before December 15 of the 2nd year before the evaluation date of a
33 governmental activity or unit, the Legislative Policy Committee, based on a

1 preliminary evaluation, may waive as unnecessary the evaluation required under this
2 section.

3 (b) Except as otherwise provided in subsection (a) of this section, on or before
4 the evaluation date for the following governmental activities or units, an evaluation
5 shall be made of the following governmental activities or units and the statutes and
6 regulations that relate to the governmental activities or units:

7 (51) Pilots, State Board of (§ 11-201 of the Business Occupations and
8 Professions Article: July 1, [2002] 2012);

9 SECTION 4. AND BE IT FURTHER ENACTED, That the State Board of Pilots
10 shall report to the Senate Education, Health, and Environmental Affairs Committee
11 and the House Economic Matters Committee on or before October 1, 2002, in
12 accordance with § 2-1246 of the State Government Article, on the implementation of
13 the recommendations of the Department of Legislative Services contained in the
14 sunset evaluation report dated October 2001. This report shall include:

15 (a) The development of a methodology for determining the appropriate
16 number of licensed pilots to ensure reliable pilotage service, including:

17 (1) the source of future Port of Baltimore vessel call information;

18 (2) the future pilot complement; and

19 (3) the future actions to be taken by the Board to monitor this
20 information;

21 (b) The actions the Board intends to take regarding oversight of pilot work
22 rules, including hours of service and required rest periods; and

23 (c) The actions the Board has taken to better and more accurately maintain
24 information important to the functions of the Board, including such information as:

25 (1) incidents by type;

26 (2) resolution of incidents;

27 (3) number and type of licenses issued;

28 (4) licenses revoked or suspended;

29 (5) license terms;

30 (6) applications received; and

31 (7) pilot continuing education credits.

32 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 July 1, 2002.

