# **Department of Legislative Services**

Maryland General Assembly 2010 Session

## FISCAL AND POLICY NOTE Revised

House Bill 82

(Chair, Economic Matters Committee)(By Request -Departmental - Labor, Licensing and Regulation)

Economic Matters

Education, Health, and Environmental Affairs

#### **State Board of Pilots - Limited Licenses**

This departmental bill changes the categories of limited licenses issued by the State Board of Pilots. Limited licenses based on vessel drafts of 32 feet, 36 feet, and 40 feet replace the current categories of 28 feet, 34 feet, and 37 feet, respectively.

The bill takes effect July 1, 2010.

### **Fiscal Summary**

**State Effect:** None. The change is technical in nature and does not directly affect governmental finances. The Department of Labor, Licensing, and Regulation (DLLR) advises that the bill does not affect the number of pilots licensed by the board.

Local Effect: None.

**Small Business Effect:** DLLR has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

#### Analysis

**Current Law:** Maryland law provides for three categories of limited licenses, conditioned by the maximum draft of the vessel that the holder may pilot, and for an unlimited license. Limited license holders must have trained as apprentice pilots for two years and are granted a limited license based on their ability, skill, and experience determined by the board through observation of their performance. Chapter 727 of 1984

established the 28-foot-draft and 34-foot-draft limited licenses; Chapter 214 of 1996 established the 37-foot-draft limited license.

**Background:** Pilotage is the act of guiding a marine vessel by an individual 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. The board ensures safety in navigation of Maryland's commercial waterways by licensing pilots at four different levels, maintaining continuing education credentials of pilots, and approving pilot work rules.

DLLR advises that, since the institution of the three limited license categories, vessel size and draft have increased significantly and various channels in the Chesapeake Bay have been dredged to accommodate the larger vessels. The board advises that limited license categories should be adjusted to reflect the new conditions and pilots in training should demonstrate skills relative to the greater drafts before being granted a license that would allow them to pilot the largest draft vessels.

As of July 2009, 65 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 Chesapeake City on the C&D Canal, or between the Port of Baltimore and the Chesapeake Bay entrance at Cape Henry, Virginia, which – at approximately 150 miles – is the longest pilot route in the United States.

# **Additional Information**

Prior Introductions: None.

Cross File: None.

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

<b>Fiscal Note History:</b>	First Reader - January 13, 2010
mam/mcr	Revised - House Third Reader - March 23, 2010

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# ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

- TITLE OF BILL: State Board of Pilots Limited Licenses
- BILL NUMBER: HB 82
- PREPARED BY: Department of Labor, Licensing and Regulation

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

\_\_X\_\_ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

#### PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.