SECTION NO. 4.37 – REGULATION OF CHARTER VESSEL OPERATIONS IN SAN DIEGO BAY AND DISTRICT TIDELANDS

(a) Purpose.

1. California law requires the San Diego Unified Port District (District) to control, regulate and manage the harbor of San Diego upon the tidelands and the waters of San Diego Bay for the promotion of commerce, navigation, fisheries and recreation thereon (San Diego Unified Port District Act, *Harbors and Navigation Code*, Appendix 1, *et seq.*). This Section sets forth the regulations and requirements for Charter Vessel Operations in San Diego Bay and District tidelands. Each Charter Vessel Operation, whether operating from a Marina, Sportfishing Landing or other District approved location, shall obtain a Charter Vessel Operation Permit and authorized decals designating each Charter Vessel as holding a valid Charter Vessel Operation Permit to operate in San Diego Bay or District tidelands, subject to certain requirements and compliance with all United States Coast Guard rules and regulations, and all other applicable local, state and federal laws and regulations for the use of District Facilities. To the extent authority is delegated to the staff of the District and to others to implement this Section, that authority shall be exercised so as to achieve these purposes.
2. This Section requires those who use District tidelands so as to trigger this Section to pay annual permit fees, security deposits and license fees. Permit fees shall be calculated to recover the cost of administering this Section and are regulatory fees under California Constitution, Article XIII C, Section 1, Subsection (e)(3). Security deposits are held to secure performance of the obligations of fee payors under this Section, refunded upon expiration of a license without renewal, and may be forfeited to cover sums owed the District under this Section or for any other reason. Accordingly, they are not fees or taxes per se but merely deposits justified by the regulatory objectives of this Section. To the extent they are deemed fees, they are within California Constitution Article XIII C, Section 1, Subdivision (e)(3). License fees are for the use of District tidelands under Article XIII C, Section 1, Subdivision (e)(4) of the California Constitution and shall be established in an amount proportionate to the value of the license to use District property conferred pursuant to this Section.

(b) Definitions.

1. “Appellant” means an Applicant or Charter Vessel Operator that has filed an appeal pursuant to this Section of an Application for a Charter Vessel Operation Permit that was not granted or granted on terms
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and conditions to which the Appellant objects, or a Charter Vessel Operation Permit which was suspended or revoked.

2. “Applicant” means a Charter Vessel Operator applying for a Charter Vessel Operation Permit pursuant to this Section.

3. “Bareboat Charter” means an arrangement for the chartering or hiring of a vessel whereby no crew or provisions are included as a part of the charter; rather, the vessel or boat owner gives possession of the vessel to a Charterer and the Charterer is solely responsible for providing qualified crew and provisions for the duration of the charter.

4. “Charter Vessel” means a boat, vessel or any type of water craft which is less than one hundred (100) gross tons and carrying one hundred and fifty (150) passengers or fewer and includes but is not limited to, fishing charter, Bareboat Charter, sailing charter, Six Pac Charter, Small Passenger Vessel charter, Uninspected Passenger Vessel, personal watercraft, jet ski, kayak, canoe or paddleboard that operates on San Diego Bay or on District Facilities, for the purpose of taking passengers on the water, for business or pleasure, and has a Charter Vessel Operation Permit issued pursuant to this Section.

5. “Charter Vessel Operation” means the leasing or hiring of a Charter Vessel for use on San Diego Bay, District tidelands or of District

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Facilities and for any Consideration, or an agreement where the Charterer has use of a Charter Vessel for any Consideration, or for a period of time shall be deemed under this chapter to be the owner and takes on legal obligations for the Passengers carried, including Passengers for Hire.

6. “Charter Vessel Operator” means a Charter Vessel owner, operator, or the agent of either with responsibility for the operation of a Charter Vessel.

7. “Charter Vessel Operation Permit” means a Charter Vessel Operation Permit and accompanying decals issued by the District, a Marina, or Sportfishing Landing to a Charter Vessel Operation pursuant to this Section that authorizes a Charter Vessel Operator to conduct business in the District’s jurisdiction, which includes but is not limited to San Diego Bay and District tidelands.

8. “Charterer” means a person or organization that charters a vessel.

9. “Consent to Boarding” means Charter Vessel Operator’s agreement to allow boarding of a Charter Vessel Operation by the District, the District’s Harbor Police Department, or United States Coast Guard.

10. “Consideration” means an economic benefit, inducement, right, or profit including pecuniary payment accruing to an individual, person, or entity, but not including a voluntary sharing of the actual expenses
11. “District” means the San Diego Unified Port District, or any department thereof.

12. “District Clerk” means the Clerk of the San Diego Unified Port District or his or her designee.

13. “District Facilities” means San Diego Bay and District tidelands which include, but are not limited to, docks, boat launch ramps, anchorages, landings, and embarkation and disembarkation locations for a Charter Vessel Operation.

14. “Executive Director” means the Executive Director of the San Diego Unified Port District or his or her designee.

15. “Gross Charter Vessel Operation Income” means the total income derived from any Charter Vessel Operation, from whatever source derived and whether for cash or credit, including deposit. Bad debt losses shall not be deducted from Gross Charter Vessel Operation Income. Gross Charter Vessel Operation Income shall not include the cost of Mexican fishing permit fees and/or California fishing license fees paid by Charterer or Passengers.

16. “Hearing Officer” means a person designated by the Executive Director to hear an appeal pursuant to this Section.
17. “Marina” means any:
   a) business that allows any Charter Vessel Operation on land or submerged land that (i) has docks or slips, or (ii) is otherwise used as a vessel docking facility for berthing privately-owned recreational pleasure vessels or, as the context may require,
   b) such premises.

18. “Passenger” means an individual carried on a vessel, except:
   a) the owner or an individual representative of the owner, or in the case of a vessel under charter, an individual Charterer or individual representative of the Charterer; if more than one person represents an owner or Charter, all shall be counted as Passengers except the first;
   b) the master, captain or skipper; or
   c) a member of the crew engaged in the business of the vessel who has not provided Consideration for carriage and who is paid for on-board services.

19. “Passenger(s) for Hire” means Passenger(s) for whom Consideration is provided as a condition of carriage on the vessel, whether directly or indirectly flowing to the owner, Charterer, Charter Vessel Operator, agent, or any other person having an interest in the vessel.
20. “Recreational Vessel” means a vessel:
   a) operated primarily for pleasure; or
   b) leased, rented, or chartered to another for pleasure.

21. “Seaworthy” means a vessel properly equipped, sufficiently constructed, and watertight in order to withstand stress of the wind, waves, and other environmental conditions that the vessel might reasonably be expected to encounter; and, a vessel in good condition which is not likely to sink or become a nuisance or a menace to navigation, and which is capable of getting underway and navigating safely using its own propulsion system.

22. “Small Passenger Vessel” means a vessel required to be annually inspected United States Coast Guard of less than one hundred (100) gross tons as measured pursuant to the provisions of 46 U.S.C. Section 14502, or an alternate tonnage measured pursuant to 46 U.S.C. Section 14302 as prescribed under 46 U.S.C. Section 14104 that is:
   a) a vessel for hire that carries more than six (6) Passengers, including at least one Passenger for Hire; or
   b) chartered with crew provided or specified by the owner or the owner’s representative and carrying more than six (6) Passengers; or
c) chartered with no crew provided or specified by the owner’s representative and carrying more than twelve (12) Passengers; or

d) a submersible or wing-in-ground craft, regardless of tonnage, carrying at least one (1) Passenger for Hire; or,

e) a ferry carrying more than six (6) Passengers.


24. “Uninspected Passenger Vessel” means an uninspected vessel:

a) of at least one hundred (100) gross tons as measured pursuant to the provisions of 46 U.S.C. Section 14502, or an alternate tonnage measured pursuant to the provisions of 46 U.S.C. Section 14302, as prescribed by the Secretary under 46 U.S.C. Section 14104,

1) carrying not more than twelve (12) Passengers, including at least one (1) Passenger for Hire; or

2) that is chartered with the crew provided or specified by the owner or the owner’s representative and carrying not more than twelve (12) Passengers; and
b) of less than one hundred (100) gross tons as measured pursuant to the provisions of 46 U.S.C. Section 14502, or an alternate tonnage measured pursuant to the provisions of 46 U.S.C. Section 14302, as prescribed by the Secretary under 46 U.S.C. Section 14104,

1) carrying not more than six (6) Passengers, including at least one (1) Passenger for Hire; or

2) that is chartered with the crew provided or specified by the owner or the owner’s representative and carrying not more than six (6) Passengers.

(c) Unpermitted Charter Vessel Operations Prohibited.

No person shall conduct a Charter Vessel Operation in San Diego Bay or District Facilities without a Charter Vessel Operation Permit issued pursuant to this Section. This Section shall not apply to:

1. Any person who operates a Charter Vessel, including any vessel common carrier, from a federal facility such as a United States Naval base or United States Coast Guard facility, or;

2. A ferry, or;

3. A passenger water transportation center located on District Facilities.

(d) Charter Vessel Operation Prohibited at Shelter Island Boat Launching Facility and Parking Lot.
No Charter Vessel Operation shall in any way use the Shelter Island Boat Launching Facility or parking lot for docking, embarking or debarking of Passengers, or to park any vehicle or trailer carrying a Charter Vessel. The Shelter Island Boat Launching Facility and parking lot shall be utilized as a launching facility solely for recreational small craft vessels with no Passengers for Hire. The Executive Director, or his or her designee, may determine whether other District Facilities including other boat launch ramps, are suitable for use by Charter Vessel Operations.

(e) Regulation of Charter Vessel Operations.

Charter Vessel Operations may be permitted on San Diego Bay and District Facilities as set forth in this Section and subject to the following requirements. In order to obtain and retain a Charter Vessel Operation Permit, the owner(s), agent(s) or operator of each permitted Charter Vessel, and any crew members of each Charter Vessel shall conform to all rules, regulations and polices prescribed by the District in writing, any ordinances of the city in which the Charter Vessel is operated; and any federal or state laws, including without limitation regulations prescribed by the United States Coast Guard, as any of the same now exist or may hereinafter be adopted or amended. Failure to comply with any of the above-stated laws, rules, regulations or policies or any provision of this Section, shall be grounds for
denial, or for suspension or revocation, of a Charter Vessel Operation Permit.

1. Charter Vessel Operation Permitting Requirements. In order to obtain and retain a Charter Vessel Operation Permit, any person engaged in Charter Vessel Operation, whether permitted by a Marina, Sportfishing Landing or the District must obtain and retain in full force and effect for the full term of the Charter Vessel Operation Permit each of the following:

a) Licensing: Each Bareboat Charter Vessel carrying a Passenger for Hire, Small Passenger Vessel, and Uninspected Passenger Vessel shall have aboard at all times during Charter Vessel Operation a Captain licensed by United States Coast Guard.

b) Insurance: Each Charter Vessel Operation shall maintain insurance as follows:

1) Comprehensive or commercial general liability insurance, with minimum limits of not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, personal injury, products and completed operations, fire damage and legal liability.
2) Vessel Pollution Liability Insurance with combined single limit of One Million Dollars ($1,000,000) each claim, One Million Dollars ($1,000,000) aggregate, and with coverage to include legal liability arising from the sudden and accidental release of pollutants, and no less than one-year extended reporting period.

3) All liability insurance policies shall contain a cross-liability clause, shall name as additional insured by written endorsement the “San Diego Unified Port District, its officials, employees and agents”, shall be primary and non-contributory to any other insurance available to an additional insured with respect to claims arising out of a Charter Vessel Operation Permit, and shall provide that such insurance applies separately to each insured against who complaint is made or suit is brought except with respect to the limits of the insurer’s liability.

4) All insurance policies shall be endorsed to provide thirty (30) days’ written notice to the District of cancellation, non-renewal or reduction in coverage or limits.
5) Proof of the insurance coverage required by Subsections (d) 1. b) 1) through 4) shall be maintained for inspection on each Charter Vessel Operation or made immediately available upon request.

c) Charter Vessel Documentation and Registration: Each Charter Vessel shall be either registered or documented pursuant to applicable federal or state law. Any Charter Vessel that is a Small Passenger Vessel or an Uninspected Passenger Vessel shall also have and maintain a valid Certificate of Documentation – Coastwise Service, as required by applicable law.

d) Certificate of Inspection: Each Small Passenger Vessel for which a Charter Vessel Operation Permit is sought shall be inspected by the United States Coast Guard and shall obtain and retain in full force and effect a Certificate of Inspection for the entire term of the Charter Vessel Operation Permit.

e) Drug Testing Program: Each Charter Vessel Operator that requires a Certificate of Inspection issued by the United States Coast Guard for a Charter Vessel must have in full force and effect for any employee who is required on board the Charter Vessel a drug testing program that complies with federal and
state law, if applicable, and United States Coast Guard regulations.

f) Indemnification: Each Charter Vessel Operator shall, to the fullest extent permitted by law, defend, indemnify, and hold harmless the District, its officers, employees and agents for any and all liability, claims, judgments, damages, proceedings, orders, directives, costs, including reasonable attorney’s fees and costs, or demands arising directly or indirectly from the issuance of a Charter Vessel Operation Permit by the District, or a Charter Vessel Operator’s use of District Facilities, except claims and litigation arising out of the sole negligence or willful misconduct of the District.

g) Business License: Each Charter Vessel Operator shall obtain and maintain in full force and effect for the term of the Charter Vessel Operation Permit a business license from the city in which the Charter Vessel Operator’s business is located.

h) Seaworthiness: No Charter Vessel Operation Permit may issue for a Charter Vessel unless it is demonstrated to be Seaworthy and, should a permitted Charter Vessel become unseaworthy, the District may revoke or suspend the permit.

2. General Requirements for all Charter Vessel Operations.
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a) No Charter Vessel Operation Permit may be issued until the Applicant has completed, fully executed, and provided all required documents required by this Section.

b) Upon receipt of a Charter Vessel Operation Permit and decals, each Charter Vessel Operator shall affix the decals in a visible location on both the exterior port and starboard sides of the bridge of each Charter Vessel to which the permit applies. No person shall conduct a Charter Vessel Operation without obtaining a Charter Vessel Operation Permit and displaying said decals on each Charter Vessel used. Decals shall not be reassigned or transferred in any manner. Each decal shall expire on the soonest of (i) December 31st of the year in which the Charter Vessel Operation Permit and decals were issued, (ii) the day the permitted Charter Vessel Operator ceases to use the vessel in Charter Vessel Operations, or (iii) when title to the vessel is transferred to one other than the permittee voluntarily or otherwise.

c) Each Charter Vessel Operation Permit is non-exclusive and expires annually unless renewed.

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a) Prior to each departure from port, each Charter Vessel Operator shall provide the Marina, Sportfishing Landing, or District, via hard copy or email a Passenger manifest listing each crew member’s and each Passenger’s name, address, email address, and telephone number, and the Gross Charter Vessel Operation Income for that charter. Each Charter Vessel Operator shall keep a true and correct written count signed by the Charter Vessel Operator under penalty of perjury of all Passengers who embark on and disembark from the vessel. Prior to each departure from port, the Charter Vessel Operator shall communicate the Passenger count orally or in writing to the Marina, Sportfishing Landing, or District, and make a copy available ashore at the Charter Vessel Operation’s normal berthing location or with a representative of the Charter Vessel Operation for inspection on request by the United States Coast Guard, Harbor Police, or the District.

b) Each Charter Vessel Operator shall maintain on board and subject to inspection at any time by the District, Harbor Police or United States Coast Guard, a monthly summary log containing the date of each Charter Vessel Operation and the
Gross Charter Vessel Operation Income received, and for any Bareboat Charter, a copy of any agreement or contract documenting the arrangement for its charter or hire.

c) Failure to comply with any part of Subsections a) and b) above, as well as any permitting requirement set forth in Section (d)1. a) through i) above, shall subject the Charter Vessel Operator to the suspension or revocation of its Charter Vessel Operation Permit, may subject the Charter Vessel Operator to the summary termination of a Charter Vessel Operation voyage, as well as any of the penalties enumerated in Section (i) below.

d) Any Charter Vessel Operator not operating out of a Marina or Sportfishing Landing shall only operate out of a public dock, boat launch or other District Facility that is approved by the District and the United States Coast Guard. The District is authorized to prohibit Charter Vessel Operations from any District Facility which is deemed inappropriate in light of the purposes of this Section by the Executive Director.

e) Each Charter Vessel Operator, whether operating out of a Marina, Sportfishing Landing or District Facility, by doing so consents to boarding of a Charter Vessel at any time by the
United States Coast Guard, Harbor Police, or the District, for any reason relating to enforcement of any law, including but not limited to the requirements of this Section.

   a) Each person the District issues a Charter Vessel Operation Permit shall pay the District an annual permit fee, security deposit and license fee and provide a detailed monthly report of all Gross Charter Vessel Operation Income received and signed under penalty of perjury.
   b) Each person the District issues a Charter Vessel Operation Permit that operates out of a Marina or Sportfishing Landing shall pay the District an annual permit fee and provide a detailed monthly report of all Gross Charter Vessel Operation Income received and signed under penalty of perjury.
   c) Each person conducting a Charter Vessel Operation from a Marina or Sportfishing Landing shall pay the Marina or Sportfishing Landing pursuant to its agreement with the Marina or Sportfishing Landing.
   d) Each Marina or Sportfishing Landing shall pay the District that amount of income derived from each Charter Vessel Operation, in accordance with its agreement with the District.
to operate the Marina or Sportfishing Landing on Port tidelands. Said payments shall be subject to audit by the District.

5. Revenue Collection.
   a) Each Charter Vessel Operator permitted by the District shall timely pay the District the annual permit fee, security deposit and license fees as set forth in his, her or its Charter Vessel Operation Permit. A payment not received on or before the date due is subject to penalty as set forth in the Charter Vessel Operation Permit.
   b) Each Marina or Sportfishing Landing shall make timely payments to the District as set forth in its lease with the District. A payment not received on or before the date due is subject to penalty as set forth in such lease.
   c) Failure to comply with any portion of Subsections a) and b) above, may subject the Charter Vessel Operator, Marina or Sportfishing Landing to any of the penalties enumerated in Section (i) below.
   d) The District retains the right to audit the records of any Charter Vessel Operation, Marina or Sportfishing Landing, and may charge the cost of the audit to the Charter Vessel Operator,
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Marina or Sportfishing Landing if the variance between the payment received and the audited amount exceeds five percent (5%).

6. Record-Keeping Requirements.
   a) Each Marina or Sportfishing Landing shall conform to all written rules, regulations, and policies prescribed in its lease and otherwise by the District, any applicable Ordinances of the City in which the Marina or Sportfishing Landing is located, and any state or federal laws, as any of the same now exist or may hereinafter be adopted or amended.
   b) Each Marina and Sportfishing Landing shall post or display a copy of this Section No. 4.37 in a prominent place on leasehold and website in a manner reasonably calculated to provide notice to Charter Vessel Operators of this Section No. 4.37.
   c) Each Marina, Sportfishing Landing or Charter Vessel Operator shall maintain for inspection by the District or the United States Coast Guard a file for each permitted Charter Vessel which contains copies of certificates of insurance, certificates of inspection, certificates of documentation, any and all permits and licenses required for the operation of the
Charter Vessel, and any and all permits and licenses required for crew members to operate the Charter Vessel.

(f) **Appeals of Denials of or Conditions of Charter Vessel Operation Permit.**

1. Should the District refuse to issue a Charter Vessel Operation Permit and decals to an Applicant or issues a Permit and decals on terms to which the Applicant objects, the Applicant may appeal such decision, in writing, to the Executive Director within ten (10) calendar days of Applicant’s receipt of the decision, providing any evidence, testimony or documents in support of the appeal.

2. The Executive Director shall have ten (10) calendar days to respond in writing to Applicant detailing the reasons for the decision and shall affirm, overrule or modify the District’s refusal to issue a Charter Vessel Operation Permit. The decision of the Executive Director is final as to the District but subject to judicial review pursuant to *Code of Civil Procedure* sections 1094.5 and 1094.6.

3. If the Executive Director intends to rely on any evidence other than the application and the evidence the Appellant submitted with the appeal, he or she shall inform the Appellant of that evidence and provide at least ten (10) days for the Appellant to submit written comment on, or offer rebuttal evidence as to, that additional evidence before acting pursuant to paragraph 2 of this subsection.
(g) Suspension or Revocation of Charter Vessel Operation Permit.

1. The Executive Director may suspend or revoke a Charter Vessel Operation Permit for failure to comply with any provision of this Section. Prior to the suspension or revocation of any Charter Vessel Operation Permit, the Charter Vessel Operator shall be given ten (10) calendar days written notice of the proposed suspension or revocation (“Notice of Intent to Suspend or Revoke Charter Vessel Operation Permit”) which shall include the reasons therefor. In the case of an emergency or a threat to public safety, the safety of Passengers, crew, or due to the existence of an unsafe condition on any Charter Vessel, the Harbor Police, or the District may immediately suspend or revoke a Charter Vessel Operation Permit without notice. Notice shall be provided as soon as practicable and all appeal rights set forth in this section shall be followed.

2. Any suspension or revocation imposed after a “Notice of Intent to Suspend or Revoke Charter Vessel Operation Permit” shall become effective on the day after the ten (10) day appeal period has expired, if no timely appeal is filed pursuant to paragraph (g) of this Section above.

3. If a Charter Vessel Operator files a timely appeal pursuant to paragraph (g) of this Section above, any suspension or revocation of
the Charter Vessel Operation Permit shall be stayed pending final determination of the appeal.

(h) Appeals of Charter Vessel Operation Permit Suspension or Revocation.

1. A Notice of Intent to Suspend or Revoke Charter Vessel Operation Permit issued under paragraph (f) above shall notify a Charter Vessel Operator of the right to file a written appeal to the Executive Director which shall be delivered or mailed to the District Clerk. The Charter Vessel Operator shall have ten (10) calendar days from the date of the Notice of Intent to Suspend or Revoke a Charter Vessel Operation Permit to file the appeal.

2. The Executive Director may assign a Hearing Officer to hear the appeal or conduct it personally. The matter shall be heard no later than fifteen (15) calendar days from the date of the filing of the appeal, unless the Appellant agrees otherwise. The Hearing Officer shall notify the parties, in writing, of the time, date and place of the hearing. The notice of hearing may be sent to Appellant by mail, by personal delivery, or by email if the Appellant agrees to email notice.

3. The hearing shall be an informal administrative proceeding and the formal rules of evidence shall not apply, although decisions must be supported by substantial evidence. The parties may be represented by counsel and may produce and examine witnesses.
4. The Executive Director or Hearing Officer may affirm, overrule or modify the Notice of Intent to Suspend or Revoke Charter Vessel Operation Permit, and the decision of the Hearing Officer shall be final. The decision of the Hearing Officer specifying his or her findings shall be furnished to the parties within fifteen (15) calendar days after the hearing is concluded except for good cause stated in any later decision. For purposes of judicial review, the decision shall be final when filed with the District Clerk.

The Executive Director or Hearing Officer's decision shall be subject to judicial review pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6.

(i) Penalties.

Failure to comply with any requirement of this Section shall subject all persons responsible for that failure to the following fines.

1. A first offense in 12 consecutive months - $500;
2. A second offense in 12 consecutive months- $2,500;
3. For each additional offense in 12 consecutive months - $5,000.

In addition to any of the penalties enumerated in this Section, any violation of this Section may also be punished in accordance with Article 0, Section 0.11 (General Penalty), and Article 0, Section 0.13 (Permit Violations) of
this Code and by any other penalty or remedy available at law or in equity. Remedies shall be cumulative, and no election of remedies shall apply.

(j) Conflict.
To the extent that any provision of this Section conflicts with or is inconsistent with the provisions of any other District ordinance, regulation, or policy, including but not limited to Board of Port Commissioners Policy No. 380 - Sportfishing, the provision(s) of this Section shall supersede said Policy provisions.

(k) Invalidity.
If any section, subsection, sentence, clause, phrase or portion of this Section is held to be invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions which shall be enforced to the fullest extent permissible by law to attain the purposes of the Section.

(Enacted February 20, 2001 – Ordinance No. 2123)

(Amended __________, 2019 – Ordinance No. XXXX)