

AMENDED IN SENATE JUNE 16, 2004

AMENDED IN ASSEMBLY MAY 17, 2004

AMENDED IN ASSEMBLY APRIL 21, 2004

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2430

Introduced by Assembly Member Wiggins

(Principal coauthor: Senator Chesbro)

(Coauthor: Senator Machado)

February 19, 2004

An act to amend Sections 5500 and 5501 of, and to add Section 5513 to, the Public Utilities Code, relating to commercial air carriers, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2430, as amended, Wiggins. Commercial air carriers: hot air balloons.

(1) Existing law requires the Public Utilities Commission to require every commercial air operator, as defined, to procure and continue in effect, adequate protection against liability for personal bodily injuries and property damage as a result of an accident, that may be imposed by law upon the operator and upon any person using, operating, or renting an aircraft, as defined, with the permission of the operator.

This bill would exclude from the definition of commercial air operator a person or other entity furnishing or providing transportation by hot air balloon for entertainment or recreational purposes. The bill

would exclude from the definition of aircraft a hot air balloon furnished or providing transportation for entertainment or recreational purposes.

The bill, notwithstanding those provisions, would require that any person providing transportation by hot air balloon for hire, for entertainment or recreational purposes, ~~provide~~ *maintain in force at least \$1,000,000 of liability insurance for personal injury, wrongful death, and property damage resulting from the operation of the balloon.* The bill would require that a notice be provided to every passenger that identifies both the insurer providing a policy of liability insurance to the person providing that transportation and the amount of insurance coverage provided by that policy.

(2) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5500 of the Public Utilities Code is
2 amended to read:

3 5500. As used in this article, “commercial air operator”
4 means any person owning, controlling, operating, renting, or
5 managing aircraft for any commercial purpose for compensation.
6 “Commercial air operator” does not include any person owning,
7 controlling, operating, renting, managing, furnishing, or
8 otherwise providing transportation by hot air balloon for
9 entertainment or recreational purposes.

10 SEC. 2. Section 5501 of the Public Utilities Code is amended
11 to read:

12 5501. As used in this article, “aircraft” means any
13 contrivance used for navigation of, or flight in, the air. “Aircraft”
14 does not include a hot air balloon furnished or providing
15 transportation for entertainment or recreational purposes.

16 SEC. 3. Section 5513 is added to the Public Utilities Code, to
17 read:

18 5513. Notwithstanding any other provision of this article, any
19 person owning, controlling, operating, renting, managing,
20 furnishing, or otherwise providing transportation by hot air
21 balloon for hire, for entertainment or recreational purposes, shall
22 ~~provide a notice~~ *maintain in force liability insurance in a minimum*



1 *amount of one million dollars (\$1,000,000) for injury to or*
2 *wrongful death of passengers or other persons, and for property*
3 *damage, resulting from operation of the balloon. A notice shall be*
4 *provided to every passenger that identifies both the insurer*
5 *providing a policy of liability insurance to the person providing*
6 *that transportation and the amount of insurance coverage provided*
7 *by that policy.*

8 SEC. 4. This act is an urgency statute necessary for the
9 immediate preservation of the public peace, health, or safety
10 within the meaning of Article IV of the Constitution and shall go
11 into immediate effect. The facts constituting the necessity are:

12 The Public Utilities Commission currently requires the hot air
13 balloon industry in this state to obtain liability insurance
14 equivalent to that required for commercial airlines. Hot air balloon
15 companies cannot get the required insurance due to spiraling
16 insurance costs and a dwindling number of insurers. In order to
17 allow hot air balloon companies to seek more reasonable liability
18 insurance appropriate to the industry, and thereby making it
19 possible for those companies to stay in business, it is necessary that
20 this act take effect immediately.

