

SENATE BILL REPORT

SHB 1692

As Reported By Senate Committee On:
Natural Resources & Parks, February 26, 1998
Ways & Means, March 2, 1998

Title: An act relating to management of state-owned aquatic lands.

Brief Description: Describing those lands eligible to be included in a port district aquatic lands management agreement.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Sehlin, Morris, Anderson, Honeyford, Huff, Lantz and Chopp).

Brief History:

Committee Activity: Natural Resources & Parks: 4/3/97 [DP-WM]; 2/19/98, 2/26/98 [DPA-WM].

Ways & Means: 4/7/97 [DP, DNP]; 3/2/98 [DPA (NRP)].

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Oke, Chair; Rossi, Vice Chair; Hargrove, Jacobsen, Morton, Prentice, Roach, Snyder, Spanel, Stevens and Swecker.

Staff: Vic Moon (786-7469)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Natural Resources & Parks.
Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Hochstatter, Long, Loveland, McDonald, Roach, Rossi, Schow, Snyder, Spanel, Swecker and Zarelli.

Staff: Vic Moon (786-7469)

Background: The Department of Natural Resources (DNR) manages approximately 2.2 million acres of state-owned aquatic lands. Original title to these lands was established by Article XVII of the state Constitution.

DNR is authorized by law to lease aquatic lands for terms of up to 55 years. The aquatic land policies and lease rates established in statute are designed to encourage water-dependent uses over other uses of aquatic lands. Aquatic land lease rates for water-dependent uses are based on an aquatic land value equal to 30 percent of the adjacent upland value. Nonwater-dependent rates are based on the appraised value of the land. Approximately 70 percent of lease revenues from state-owned aquatic lands are deposited in the Aquatic Lands

Enhancement Account (ALEA), and are appropriated for aquatic lands enhancement and fisheries projects. The remaining 30 percent of lease revenues are deposited in the Resource Management Cost Account (RMCA) and appropriated for DNR management costs.

Upon the request of a port district, DNR and the port district may enter into a management agreement that permits the port district to manage state-owned aquatic lands abutting or used in conjunction with and contiguous to uplands owned, leased, or otherwise used by the port district. Port districts are exempt from paying rent to DNR for water-dependent uses on aquatic lands covered by a management agreement, but must pay to the state 85 percent of rent revenues attributable to nonwater-dependent uses. Port rents on lands covered by a management agreement must be comparable to rents charged for the same or similar uses by the DNR.

Summary of Amended Bill: Port districts may enter into agreements with DNR for port management of state-owned aquatic lands beneath public marina facilities if the port property is in a bay where the distance between the headlands is two miles or less. Marina— means a waterfront facility that provides moorage for recreation vessels, charter vessels, commercial fishing vessels, and water-based aircraft, and supports related activities.

The authority to enter into agreements with DNR for management of state-owned aquatic lands is expanded to include cities that operate publicly-owned marinas. Cities located within the territorial limits of a port district must obtain approval of the port commission prior to applying for a management agreement for marinas constructed or expanded after the effective date of the act.

Amended Bill Compared to Substitute Bill: The port lease agreement language is limited to ports in coves.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Natural Resources & Parks): Because of a cove in Friday Harbor and how the Department of Natural Resources has surveyed the aquatic lands, the port's marina does not come under the statute giving ports rent free space for water dependent public uses.

The city of Oak Harbor is facing increasing aquatic lease rates, and if the city had the same authority as public ports, the city could have port marina space free.

Testimony Against (Natural Resources & Parks): This should be worked on between the parties and is not a legislative issue. The bill significantly broadens the city and public port authorities.

Testified (Natural Resources & Parks): PRO: Representative Barry Sehlin, prime sponsor; Representative Jeff Morris, co-sponsor; Greg Hertel, Port of Friday Harbor; Erick Johnson, WA Public Ports Association; Brian Calvert, Port of Friday Harbor; David Williams, City of Oak Harbor; Joe Dusenbury, City of Des Moines; Nick Thompson, City

of South Bend; CON: Paul Silver, Department of Natural Resources; Bruce Wishart, People For Puget Sound.

Testimony For (Ways & Means): Cities should have the same powers as ports when marina lease rates are set. The Port of Friday Harbor should not pay for a marina lease just because of a DNR survey technique.

Testimony Against (Ways & Means): The bill is too broad giving several cities free marina rent. The loss to the aquatic lands enhancement account would be almost \$350,000 per year.

Testified (Ways & Means): PRO: Representative Barry Sehlin, prime sponsor; Greg Hertel, Port Commissioner; Friday Harbor; Eric Johnson, WA Public Ports Association; CON: Scott Merriman, Department of Natural Resources.