

# SENATE BILL REPORT

## 2SSB 6156

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As Passed Senate, February 16, 1998

**Title:** An act relating to studying methods for calculating water-dependent lease rates on state-owned aquatic lands.

**Brief Description:** Studying methods for calculating water-dependent lease rates on state-owned aquatic lands.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Swecker, Fraser and Spanel; by request of Department of Natural Resources).

**Brief History:**

**Committee Activity:** Natural Resources & Parks: 1/15/98, 1/29/98 [DPS-WM].

Ways & Means: 2/6/98, 2/9/98 [DP2S].

Passed Senate, 2/16/98, 49-0.

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### SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

**Majority Report:** That Substitute Senate Bill No. 6156 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Oke, Chair; Rossi, Vice Chair; Hargrove, Jacobsen, Morton, Prentice, Snyder, Stevens and Swecker.

**Staff:** Vic Moon (786-7469)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 6156 be substituted therefor, and the second substitute bill do pass.

Signed by Senators West, Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Long, Loveland, McDonald, Roach, Rossi, Schow, B. Sheldon, Snyder, Spanel, Swecker, Thibaudeau and Winsley.

**Staff:** Steve Jones (786-7440)

**Background:** The Department of Natural Resources has been using a legislatively set lease rate formula established in the early 1980s. The initial statute was drafted in 1983 and has not been changed since that time. The present method of establishing aquatic land lease rates is based on upland values and there have been some problems with that formula. A study of how aquatic dependent lease rates are assessed in this state and in other states is necessary.

**Summary of Bill:** The Legislature finds that the current method for determining water-dependent rental rates for aquatic lands may not be achieving the management goals

established by the Legislature. The Department of Natural Resources is directed to study and prepare a report to the Legislature on alternative methods for determination of rents. The report must be prepared with the assistance of appropriate outside economic expertise and stakeholder involvement. Stakeholders are listed including private marina operators, Northwest Marine Trade Association, the Association of Cities, the Association of Counties, the public ports, commercial waterfront businesses other than marinas, and the Department of Natural Resources. The Department of Natural Resources report must consider the method and costs of different types of aquatic land lease rental formulas, provide information on the private industry's perspective on public land leasing, describe the public perspective on public land leasing, analyze the impact of changes in rate formulas on lease revenue and evaluate the ease of administration of any revenue changes.

The annual lease rate in effect on December 31, 1997 for leases for marina uses remains in effect until July 1, 1999.

**Appropriation:** None.

**Fiscal Note:** Requested on January 8, 1998.

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

**Testimony For:** Marina lease rates have increased greatly since 1990 due to upland land re-evaluations. A new and more equitable formula is needed.

**Testimony Against:** None.

**Testified:** PRO: Paul Silver, DNR; Jim Justin, AWC; Bill Bradbrooke, Tye Marina; Stephen Luengen, Peninsula Yacht Basin; Bill Fritz, Lake Union Association.

**House Amendment(s):** The Department of Natural Resources is required to evaluate and report on the impacts of water-dependent rates in economically distressed counties. A null and void clause is added.