

# SENATE BILL REPORT

## SB 5041

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As Reported By Senate Committee On:  
Natural Resources, Energy & Water, February 13, 2003  
Ways & Means, February 25, 2003

**Title:** An act relating to lease rates for marinas on state-owned aquatic lands that provide public moorage.

**Brief Description:** Determining annual rental rates for the lease of state-owned aquatic lands for qualifying marinas.

**Sponsors:** Senators Morton, T. Sheldon, B. Sheldon and Oke; by request of Commissioner of Public Lands.

**Brief History:**

**Committee Activity:** Natural Resources, Energy & Water: 1/16/03, 2/13/03 [DP-WM, DNP].

Ways & Means: 2/18/03, 2/25/03 [DP, DNP].

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### SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Morton, Chair; Hewitt, Vice Chair; Hale, Hargrove, Honeyford and Oke.

**Minority Report:** Do not pass.

Signed by Senators Fraser and Regala.

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

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Doumit, Hale, Honeyford, Johnson, Roach, Sheahan, B. Sheldon and Winsley.

**Minority Report:** Do not pass.

Signed by Senators Fraser and Regala.

**Staff:** Richard Ramsey (786-7412)

**Background:** The Department of Natural Resources manages 2.4 million acres of state-owned aquatic lands, including tidelands, shorelands and the beds of navigable fresh and salt waters. Marinas and other water-dependent uses such as shipyards, docks and ferry terminals lease aquatic lands from the Department of Natural Resources. In order to foster water-

dependent uses, current law requires the rent of such uses of state-owned aquatic lands to be based on 30 percent of the assessed value of the adjacent upland parcel.- The Legislature has asked the Department of Natural Resources and the private marinas to study marina rates to establish a more equitable formula for establishing rent lease rates.

**Summary of Bill:** The rent for qualifying marinas is set at the June 30, 2002 amount with annual increases at the Seattle/Tacoma/Bremerton Consumer Price Index, but not to exceed 5 percent. To qualify for the new rate formula, marinas must have 75 percent of their lineal feet of moorage dedicated to general public moorage and the lease must be in good standing. Marinas closed to the general public do not qualify.

Rent for qualifying marinas may not be less than \$500 a year.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For (Natural Resources, Energy & Water):** Many marinas serving the public have had their lease rates go up six and seven fold between 1979 and 2002. The general public cannot afford increases in marina rates. The average boater does not own a large vessel. There is no way to predict increases, and planning for expansion of facilities or remodeling of a marina is very difficult when future rates cannot be predicted.

**Testimony Against (Natural Resources, Energy & Water):** The state and local governments will lose almost a million dollars in future revenue over the next five years under this new rate plan. Serious economic hardship has not been demonstrated. There have been no bankruptcies in the last five years and marinas are selling for a profit. The whole basic rent setting is flawed. Do not change just one part, re-do the whole system.

**Testified (Natural Resources, Energy & Water):** Cliff Webster, NW Marine Trade Assn. (pro); Margre Freeman, Assn. of Independent Marinas (pro); Neil Falkenburg, Puget Sound Marina Owners and Operators (pro); Fran McNair, DNR (pro); Scott Merriman, Assn. of Counties (con); Michelle Hagen, WA Assn. of County Officials (con); Bruce Wishart, People For Puget Sound (con).

**Testimony For (Ways & Means):** This bill is a solution to a problem that needs to be resolved. It's not a perfect solution, but the DNR can live with it.

**Testimony Against (Ways & Means):** Marina rents should be market-based and determined using an income approach. This bill continues to tie rent to the adjacent upland parcel.

**Testified (Ways & Means):** PRO: Senator Bob Morton, prime sponsor; Fran McNair, Department of Natural Resources; Cliff Webster, NW Marine Trade Association; CON: Michelle Hagen, Washington Association of County Officials.