

---

## Environment Committee

---

### HB 1306

**Brief Description:** Concerning the management of state-owned aquatic lands by cities for the purposes of operating a publicly owned marina.

**Sponsors:** Representatives Hayes, Orwall, Smith, Gregerson and Kochmar.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes cities that operate publicly-owned marinas to enter into rent-free or reduced-rent leased aquatic lands management agreements with the Department of Natural Resources.</li></ul>
--



**Hearing Date:** 1/26/15

**Staff:** Jacob Lipson (786-7196).

**Background:**

The Department of Natural Resources (DNR) is responsible for managing state-owned aquatic lands to provide a balance of public benefits for the state. The aquatic lands that DNR manages includes tidelands, shorelands, harbors, and the lands lying beneath navigable waters.

The DNR's management of aquatic lands is required to balance multiple goals, including the encouragement of public access, the fostering of uses of aquatic lands that are currently or were historically dependent on a waterfront location, the use of renewable resources, environmental protection, and the generation of revenue in a manner consistent with other aquatic land management goals. The rental rates for aquatic lands leased for water-dependent uses are based on the value of the upland parcel adjacent to the aquatic lands.

With the exception of the revenue portion reserved for the DNR's management costs, revenue generated from the state's aquatic land management activities is deposited in the Aquatic Lands Enhancement Account (ALEA), and is generally directed to be used for public benefits, such as shoreline access, environmental protection, and recreational opportunities.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Port districts and the DNR may enter into agreements that authorize port districts to manage state owned aquatic lands. Under a port-DNR management agreement, ports are not required to pay rent on lands used for water-dependent or water-oriented uses. Ports must remit the state 85% of any revenue from the lease of state-owned aquatic lands for uses that are not water-dependent.

In 2008 the Legislature authorized a city with a population between 20,000 and 35,000 that operates a publicly-owned marina to enter into a reduced rent lease by June, 2009. A lease between DNR and the city would not require the city to pay rent for the state-owned aquatic lands for the first ten years of the lease. A city under this lease is not eligible for grants from the ALEA. The City of Oak Harbor currently operates a public marina under a reduced-fee lease of aquatic lands from the DNR.

**Summary of Bill:**

Upon request by a city, the DNR and a city may enter into a management agreement that authorizes the city to operate a publicly-owned marina on State aquatic lands. All aquatic lands beneath any publicly-owned city marina are eligible to be covered by this type of management agreement. Management agreements between a city and the DNR must define the area to be managed and the terms and conditions of the city's use of those lands, which must be consistent with DNR management requirements.

Cities that manage aquatic lands under a management agreement do not owe rent for uses of the aquatic lands that are currently dependent, or were historically dependent, on a waterfront location. Once a city submits an application to enter into a management agreement with DNR, the city does not owe rent so long as the lease application is pending and being pursued. Cities that sub-lease State aquatic lands to others must charge a rental rate comparable to similar rents charged by DNR. If a city sub-leases aquatic lands for a use that is not water dependent, it must remit 85 percent of the rent to the state.

If a city operates a marina within a port district, it must obtain port commission approval before applying to the DNR for a management agreement. However, port commission approval is not required prior to the city entering into an agreement, and final authority to enter into a management agreement rests with the city's legislative authority.

The DNR is directed to adopt rules, if necessary to implement city management lease agreements.

**Appropriation:** None.

**Fiscal Note:** Requested on January 19, 2015.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.