
Environment Committee

HB 1553

Brief Description: Concerning the annual rent rate for marinas.

Sponsors: Representatives Upthegrove, Warnick, Ryu and Dammeier; by request of Department of Natural Resources.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Changes the lease rate calculation for marinas located on state-owned aquatic lands that are located adjacent to upland parcels valued more than 45 percent above or below a geographic average.
--

Hearing Date: 2/8/11

Staff: Jason Callahan (786-7117).

Background:

The Legislature has delegated the management of state-owned aquatic lands to the Department of Natural Resources (DNR), with directions to encourage public use and access, foster water-dependent uses, ensure environmental protection, and utilize renewable resources. The DNR is further instructed to charge a rent to the users of state-owned aquatic lands, with different standards applying to different use types. Non-water dependent uses are charged the fair market value for the use of the land. Water-dependent uses are charged rent according to a statutory formula.

Water-dependent uses, defined as uses that cannot logically exist except on water, are assessed a rent that is associated with upland values. Generally, water-dependent users, such as marinas, must pay a rent that is based on a percentage of the assessed value of the nearest upland parcel. After an initial rent amount is determined, the DNR is directed to apply a real capitalization rate every four years.

Summary of Bill:

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.

The lease rate for state-owned aquatic lands is changed for marinas only. A marina is defined, with some exception, as an entity occupying state-owned aquatic lands that provides vessel moorage for a fee.

All marinas begin with the assumption that their lease rates will be calculated like all other water-dependant uses. However, an alternate lease rate will be calculated for marinas located adjacent to uplands with a value not within 45 percent of the geographic average upland value. The geographic average upland value is to be calculated based on all marinas located within a five mile radius.

If the value of a marina's adjacent upland value is 45 percent above the geographic average upland value, then the marina's lease will be set at a rate that is 45 percent above the average of the adjacent upland property values. Conversely, if the marina's adjacent upland parcel is 45 percent below the geographic average upland value, then the marina's lease will be set at 45 percent of that average upland value. The calculated rate is above a base rent of \$250.

The lease rate paid by a marina may not fluctuate more or less than 25% in any lease determination period.

Appropriation: None.

Fiscal Note: Available.

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