

SB 5272 - H COMM AMD

By Committee on Natural Resources, Ecology & Parks

1 Beginning on page 30, line 15, after "(7)" strike all material
2 through "(8)" on page 32, line 6, and insert "~~((a) For leases for~~
3 ~~marina uses only, as of July 1, 2004, lease rates will be a percentage~~
4 ~~of the annual gross revenues generated by that marina. It is the~~
5 ~~intent of the legislature that additional legislation be enacted prior~~
6 ~~to July 1, 2004, to establish the percentage of gross revenues that~~
7 ~~will serve as the basis for a marina's rent and a definition of gross~~
8 ~~revenues. Annual rent must be recalculated each year based upon the~~
9 ~~marina's gross revenues from the previous year, as reported to the~~
10 ~~department consistent with this subsection (7).~~

11 ~~(b) By December 31, 2003, the department will develop a recommended~~
12 ~~formula for calculating marina rents consistent with this subsection~~
13 ~~(7) and report the recommendation to the legislature. The formula~~
14 ~~recommended by the department must include a percentage or a range of~~
15 ~~percentages of gross revenues, a system for implementing such~~
16 ~~percentages, and the designation of revenue sources to be considered~~
17 ~~for rent calculation purposes. The department must also ensure, given~~
18 ~~the available information, that the rent formula recommended by the~~
19 ~~department is initially calculated to maintain state proceeds from~~
20 ~~marina rents as of July 1, 2003, and that if the department does not~~
21 ~~receive income reporting forms representing at least ninety percent of~~
22 ~~the projected annual marina revenue and at least seventy five percent~~
23 ~~of all marinas, the current model for calculating marina rents, as~~
24 ~~described in subsections (1) through (6) of this section, will continue~~
25 ~~to be the method used to calculate marina rents, and the income method,~~
26 ~~as described in (a) of this subsection, will not be applied. In~~
27 ~~addition to the percent of marina income, the department shall~~
28 ~~determine its direct administrative costs (cost of hours worked~~
29 ~~directly on applications and leases, based on salaries and benefits,~~
30 ~~plus travel reimbursement and other actual out of pocket costs) to~~
31 ~~calculate, audit, execute, and monitor marina leases, and shall recover~~

1 ~~these costs from lessees. All administrative costs recovered by the~~
2 ~~department must be deposited into the resource management cost account~~
3 ~~created in RCW 79.64.020. Prior to making recommendations to the~~
4 ~~legislature, a work session consisting of the department, marina~~
5 ~~owners, and stakeholders must be convened to discuss the rate setting~~
6 ~~criteria. The legislature directs the department to deliver~~
7 ~~recommendations to the legislature by December 2003, including any~~
8 ~~minority reports by the participating parties.~~

9 ~~(c) When developing its recommendation for a marina lease formula~~
10 ~~consistent with this subsection (7), the department shall ensure that~~
11 ~~the percentage of revenue established is applied to the income of the~~
12 ~~direct lessee, as well as to the income of any person or entity that~~
13 ~~subleases, or contracts to operate the marina, with the direct lessee,~~
14 ~~less the amount paid by the sublease to the direct lessee.~~

15 ~~(d) All marina operators under lease with the department must~~
16 ~~return to the department an income reporting form, provided by the~~
17 ~~department, and certified by a licensed certified public accountant,~~
18 ~~before July 1, 2003, and again annually on a date set by the~~
19 ~~department. On the income reporting form, the department may require~~
20 ~~a marina to disclose to the department any information about income~~
21 ~~from all marina related sources, excluding restaurants and bars. All~~
22 ~~income reports submitted to the department are subject to either audit~~
23 ~~or verification, or both, by the department, and the department may~~
24 ~~inspect all of the lessee's books, records, and documents, including~~
25 ~~state and federal income tax returns relating to the operation of the~~
26 ~~marina and leased aquatic lands at all reasonable times. If the lessee~~
27 ~~fails to submit the required income reporting form once the new method~~
28 ~~for calculating marina rents is effective, the department may conduct~~
29 ~~an audit at the lessee's expense or cancel the lease.~~

30 ~~(e) Initially, the marina rent formula developed by the department~~
31 ~~pursuant to (b) of this subsection will be applied to each marina on~~
32 ~~its anniversary date, beginning on July 1, 2004, and will be based on~~
33 ~~that marina's 2003 income information. Thereafter, rents will be~~
34 ~~recalculated each year, based on the marina's gross revenue from the~~
35 ~~previous year.~~

36 ~~(f) No marina lease may be for less than five hundred dollars plus~~
37 ~~direct administrative costs.~~

1 ~~(8)~~))"

EFFECT: Eliminates language that references passed dates and completed studies relating to marina lease rate calculations.

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