

SENATE BILL REPORT

SB 5504

As of February 2, 2017

Title: An act relating to city use of state-owned aquatic lands for a publicly owned marina.

Brief Description: Concerning city use of state-owned aquatic lands for a publicly owned marina.

Sponsors: Senators Keiser and Bailey.

Brief History:

Committee Activity: Natural Resources & Parks: 2/02/17.

Brief Summary of Bill

- Broadens and extends the rent exception for publicly owned marinas that meet certain requirements.

SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

Staff: Kelsey Morfitt (786-7407)

Background: The Department of Natural Resources (DNR) manages aquatic land leases. The Legislature directed DNR to favor water-dependent uses, which are uses that cannot logically exist in any location but on water. For example, DNR may lease aquatic lands to cities and private organizations for the purpose of a marina.

Rent for water-dependent aquatic lands leases is determined by a statutory formula, which is primarily based on the value of an associated upland parcel. DNR must lease parcels used for non-water dependent uses at fair market value.

In 2008, the Legislature approved a ten-year rent exception for city-operated marinas with a city population between 20,000 and 25,000. This exception expires July 1, 2019.

Summary of Bill: A city operating a publicly owned marina must have a population between 20,000 and 35,000 to qualify for the rent exception. The city's option to enter a rent-free lease is extended ten years. The rent exception expires July 1, 2029.

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 city must amend or renew its aquatic lands lease within three years of the effective date of this act to apply its provisions. DNR must amend applicable leases to comply with this act.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This rent exception only applies to two marinas and it helps these marinas provide public use benefits near the water, including fishing and other public events. The Des Moines Marina can serve as an emergency staging area. Oak Harbor has lower incomes compared to the rest of the state.

CON: This creates a disparity between public and private marinas since private marinas have to pay rent for their leases. Oak Harbor and Des Moines marinas collect a fee like a business and should be able to pay rent like any other business. This bill takes away funds from the Aquatic Lands Enhancement Account (ALEA), which provides statewide benefits.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Douglas Merriman, City of Oak Harbor/City Administrator; Steve Powers, City of Oak Harbor/Development Services Department Director; Joe Dusenbury, City of Des Moines/Harbormaster; Michael Matthias, City of Des Moines/City Manager.

CON: Joe DePinto, Recreational Boaters of Washington; Kristin Swenddal, DNR; Dwight Jones, Elliott Bay Marina.

Persons Signed In To Testify But Not Testifying: No one.