
HOUSE BILL 2878

State of Washington

52nd Legislature

1992 Regular Session

By Representatives Ballard and McLean

Read first time 01/31/92. Referred to Committee on Natural Resources & Parks.

1 AN ACT Relating to the lease of certain aquatic lands; and amending
2 79.90.480.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 79.90.480 and 1984 c 221 s 7 are each amended to read
5 as follows:

6 Except as otherwise provided by this chapter, annual rent rates for
7 the lease of state-owned aquatic lands for water-dependent uses shall
8 be determined as follows:

9 (1)(a) The assessed land value, exclusive of improvements, as
10 determined by the county assessor, of the upland tax parcel used in
11 conjunction with the leased area or, if there are no such uplands, of
12 the nearest upland tax parcel used for water-dependent purposes divided
13 by the parcel area equals the upland value.

1 (b) The upland value times the area of leased aquatic lands times
2 thirty percent equals the aquatic land value.

3 (2) As of July 1, 1989, and each July 1 thereafter, the department
4 shall determine the real capitalization rate to be applied to water-
5 dependent aquatic land leases commencing or being adjusted under
6 subsection (3)(a) of this section in that fiscal year. The real
7 capitalization rate shall be the real rate of return, except that until
8 June 30, 1989, the real capitalization rate shall be five percent and
9 thereafter it shall not change by more than one percentage point in any
10 one year or be more than seven percent or less than three percent.

11 (3) The annual rent shall be:

12 (a) Determined initially, and redetermined every four years or as
13 otherwise provided in the lease, by multiplying the aquatic land value
14 times the real capitalization rate; ~~((and))~~

15 (b) Adjusted by the inflation rate each year in which the rent is
16 not determined under subsection (3)(a) of this section; and

17 (c) Reviewed by the department in cases where upland tax parcels
18 have increased in value, so that if lease adjustments under (a) of this
19 subsection exceed ten percent over the previous year's rent, the
20 department shall phase in these adjustments at rates not to exceed ten
21 percent annually until the appropriate lease level is reached.

22 (4) If the upland parcel used in conjunction with the leased area
23 is not assessed or has an assessed value inconsistent with the purposes
24 of the lease, the nearest comparable upland parcel used for similar
25 purposes shall be substituted and the lease payment determined in the
26 same manner as provided in this section.

27 (5) For the purposes of this section, "upland tax parcel" is a tax
28 parcel, some portion of which has upland characteristics. Filled
29 tidelands or shorelands with upland characteristics which abut state-

1 owned aquatic land shall be considered as uplands in determining
2 aquatic land values.

3 (6) The annual rent for filled state-owned aquatic lands that have
4 the characteristics of uplands shall be determined in accordance with
5 RCW 79.90.500 in those cases in which the state owns the fill and has
6 a right to charge for the fill.