
Agriculture & Natural Resources Committee

HB 1758

Brief Description: Calculating the inflation rate for aquatic land leases.

Sponsors: Representatives Parshley, Barkis, Eslick, Nance, Doglio and Reed.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Changes the basis of the inflation rate for certain aquatic land leases from the producer price index to the consumer price index.
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Hearing Date: 2/12/25

Staff: Lily Smith (786-7175).

Background:

Price Indexes.

The US Bureau of Labor Statistics compiles data that measure changes in prices over time. Consumer price indexes (CPI) measure prices paid by urban consumers on different goods and services. Producer price indexes (PPI) measure prices received for the output of domestic producers.

Aquatic Lands Leases.

The Department of Natural Resources (DNR) manages state-owned aquatic lands for a variety of purposes for the benefit of the public, including revenue generation.

The DNR must establish standards for determining equitable and predictable lease rates for users

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of state-owned aquatic lands. Lease and easement rates are adjusted annually by the rates of change of price indexes. For aquatic easements, charges are adjusted by the change in the previous year's CPI. For water-dependent uses, lease rents are adjusted by the inflation rate each year, which is based on the change in the previous year's PPI.

Summary of Bill:

The basis for the inflation rate for water-dependent aquatic land leases is CPI, rather than PPI.

Appropriation: None.

Fiscal Note: Available.

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