

HOUSE BILL REPORT

SHB 1758

As Passed House:

March 10, 2025

Title: An act relating to calculating the inflation rate for aquatic land leases.

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

Sponsors: House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Parshley, Barkis, Eslick, Nance, Doglio and Reed).

Brief History:

Committee Activity:

Agriculture & Natural Resources: 2/12/25, 2/14/25 [DPS].

Floor Activity:

Passed House: 3/10/25, 92-1.

Brief Summary of Substitute Bill

- Changes the basis of the inflation rate for certain aquatic land leases from the producer price index to the consumer price index.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Reeves, Chair; Morgan, Vice Chair; Dent, Ranking Minority Member; Engell, Assistant Ranking Minority Member; Bernbaum, McClintock, Orcutt, Richards, Schmick and Springer.

Staff: Lily Smith (786-7175).

Background:

Price Indexes.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

The United States Bureau of Labor Statistics compiles data that measures 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 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 Substitute 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.

Staff Summary of Public Testimony:

(In support) The current price index for the inflation rate is highly volatile, which is difficult for both the DNR and marina owners. Marina owners cannot predict what their rate will be, need to adjust budgets on a short timeframe, and the DNR sees wildly fluctuating revenues. This change will smooth that out and increase predictability, consistency, stability, and the ability to forecast future expenses. Boaters have a large economic impact in the state.

(Opposed) None.

Persons Testifying: Representative Lisa Parshley, prime sponsor; Roman Daniels-Brown, Northwest Marine Trade Association; Tarin Todd; Dwight Jones; and Tom Gorman, Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.