
SUBSTITUTE HOUSE BILL 1758

State of Washington

69th Legislature

2025 Regular Session

By House Agriculture & Natural Resources (originally sponsored by Representatives Parshley, Barkis, Eslick, Nance, Doglio, and Reed)

READ FIRST TIME 02/18/25.

1 AN ACT Relating to calculating the inflation rate for aquatic
2 land leases; and amending RCW 79.105.060.

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

4 **Sec. 1.** RCW 79.105.060 and 2021 c 148 s 2 are each amended to
5 read as follows:

6 The definitions in this section apply throughout chapters 79.105
7 through 79.145 RCW unless the context clearly requires otherwise.

8 (1) "Aquatic lands" means all tidelands, shorelands, harbor
9 areas, and the beds of navigable waters.

10 (2) "Beds of navigable waters" means those lands lying waterward
11 of and below the line of navigability on rivers and lakes not subject
12 to tidal flow, or extreme low tide mark in navigable tidal waters, or
13 the outer harbor line where harbor area has been created.

14 (3) "First-class shorelands" means the shores of a navigable lake
15 or river belonging to the state, not subject to tidal flow, lying
16 between the line of ordinary high water and the line of navigability,
17 or inner harbor line where established and within or in front of the
18 corporate limits of any city or within two miles of either side.

19 (4) "First-class tidelands" means the shores of navigable tidal
20 waters belonging to the state, lying within or in front of the
21 corporate limits of any city, or within one mile of either side and

1 between the line of ordinary high tide and the inner harbor line; and
2 within two miles of the corporate limits on either side and between
3 the line of ordinary high tide and the line of extreme low tide.

4 (5) "Harbor area" means the area of navigable waters determined
5 as provided in Article XV, section 1 of the state Constitution, which
6 shall be forever reserved for landings, wharves, streets, and other
7 conveniences of navigation and commerce.

8 (6) "Improvements" when referring to state-owned aquatic lands
9 means anything considered a fixture in law placed within, upon, or
10 attached to aquatic lands that has changed the value of those lands,
11 or any changes in the previous condition of the fixtures that changes
12 the value of the land.

13 (7) "Inflation rate" means for a given year the percentage rate
14 of change in the previous calendar year's (~~all commodity producer~~
15 ~~price index of~~) published Seattle area consumer price index, all
16 urban consumers (CPI-U), as compiled by the bureau of labor
17 statistics of the United States department of commerce. If the index
18 ceases to be published, the department shall designate by rule a
19 comparable substitute index.

20 (8) "Inner harbor line" means a line located and established in
21 navigable waters between the line of ordinary high tide or ordinary
22 high water and the outer harbor line, constituting the inner boundary
23 of the harbor area.

24 (9) "Log booming" means placing logs into and taking them out of
25 the water, assembling and disassembling log rafts before or after
26 their movement in waterborne commerce, related handling and sorting
27 activities taking place in the water, and the temporary holding of
28 logs to be taken directly into a processing facility. "Log booming"
29 does not include the temporary holding of logs to be taken directly
30 into a vessel.

31 (10) "Log storage" means the water storage of logs in rafts or
32 otherwise prepared for shipment in waterborne commerce, but does not
33 include the temporary holding of logs to be taken directly into a
34 vessel or processing facility.

35 (11) "Nonwater-dependent use" means a use that can operate in a
36 location other than on the waterfront. Examples include, but are not
37 limited to, hotels, condominiums, apartments, restaurants, retail
38 stores, and warehouses not part of a marine terminal or transfer
39 facility.

1 (12) "Outer harbor line" means a line located and established in
2 navigable waters as provided in Article XV, section 1 of the state
3 Constitution, beyond which the state shall never sell or lease any
4 rights whatever to private persons.

5 (13) "Person" means any private individual, partnership,
6 association, organization, cooperative, firm, corporation, the state
7 or any agency or political subdivision thereof, any public or
8 municipal corporation, or any unit of government, however designated.

9 (14) "Port district" means a port district created under Title 53
10 RCW.

11 (15) "Public utility lines" means pipes, conduits, and similar
12 facilities for distribution of water, electricity, natural gas,
13 telephone, other electronic communication, and sewers, including
14 sewer outfall lines.

15 (16) "Real rate of return" means the average for the most recent
16 ten calendar years of the average rate of return on conventional real
17 property mortgages as reported by the federal home loan bank board or
18 any successor agency, minus the average inflation rate for the most
19 recent ten calendar years.

20 (17) "Second-class shorelands" means the shores of a navigable
21 lake or river belonging to the state, not subject to tidal flow,
22 lying between the line of ordinary high water and the line of
23 navigability, and more than two miles from the corporate limits of
24 any city.

25 (18) "Second-class tidelands" means the shores of navigable tidal
26 waters belonging to the state, lying outside of and more than two
27 miles from the corporate limits of any city, and between the line of
28 ordinary high tide and the line of extreme low tide.

29 (19) "Shorelands," where not preceded by "first-class" or
30 "second-class," means both first-class shorelands and second-class
31 shorelands.

32 (20) "State-owned aquatic lands" means all tidelands, shorelands,
33 harbor areas, the beds of navigable waters, and waterways owned by
34 the state and administered by the department or managed under RCW
35 79.105.420 by a port district. "State-owned aquatic lands" does not
36 include aquatic lands owned in fee by, or withdrawn for the use of,
37 state agencies other than the department.

38 (21) "Terminal" means a point of interchange between land and
39 water carriers, such as a pier, wharf, or group of such, equipped

1 with facilities for care and handling of either cargo or passengers,
2 or both.

3 (22) "Tidelands," where not preceded by "first-class" or "second-
4 class," means both first-class tidelands and second-class tidelands.

5 (23) "Valuable materials" when referring to state-owned aquatic
6 lands means any product or material within or upon lands, such as
7 forest products, forage, stone, gravel, sand, peat, agricultural
8 crops, and all other materials of value except mineral, coal,
9 petroleum, and gas as provided for under chapter 79.14 RCW. However,
10 RCW 79.140.190 and 79.140.200 also apply to materials provided for
11 under chapter 79.14 RCW.

12 (24) (a) "Water-dependent use" means a use that cannot logically
13 exist in any location but on the water. Examples include, but are not
14 limited to: Waterborne commerce; terminal and transfer facilities;
15 ferry terminals; watercraft sales in conjunction with other water-
16 dependent uses; watercraft construction, repair, and maintenance;
17 moorage and launching facilities; aquaculture; log booming; and
18 public fishing piers and parks.

19 (b) "Water-dependent use" includes a vessel or any other floating
20 structure, other than a floating home as defined in RCW 90.58.270(5):
21 (~~((a)–[(i)])~~) (i) That is designed or used primarily as a residence
22 on the water and has detachable utilities; and (~~((b)–[(ii)])~~) (ii)
23 whose owner or primary occupant has held an ownership interest in a
24 marina, or has held a lease or sublease to use space in a marina,
25 since a date prior to July 1, 2014. Any rule making necessary under
26 this subsection (24) (b) is not subject to the requirements of RCW
27 43.21C.030(2) (c).

28 (25) "Water-oriented use" means a use that historically has been
29 dependent on a waterfront location, but with existing technology
30 could be located away from the waterfront. Examples include, but are
31 not limited to, wood products manufacturing, watercraft sales, fish
32 processing, petroleum refining, sand and gravel processing, log
33 storage, and a floating home as defined in RCW 90.58.270(5) (b) (ii).
34 For the purposes of determining rent under this chapter, water-
35 oriented uses shall be classified as water-dependent uses if the
36 activity either is conducted on state-owned aquatic lands leased on
37 October 1, 1984, or was actually conducted on the state-owned aquatic
38 lands for at least three years before October 1, 1984. If, after
39 October 1, 1984, the activity is changed to a use other than a water-
40 dependent use, the activity shall be classified as a nonwater-

1 dependent use. If continuation of the existing use requires leasing
2 additional state-owned aquatic lands and is permitted under the
3 shoreline management act of 1971, chapter 90.58 RCW, the department
4 may allow reasonable expansion of the water-oriented use.

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