

# FINAL BILL REPORT

## SB 5076

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Synopsis as Enacted

**Brief Description:** Determining a "highest responsible bidder" for valuable materials from state-owned aquatic lands.

**Sponsors:** Senators Morton, Fraser, T. Sheldon and Doumit; by request of Commissioner of Public Lands.

**Senate Committee on Natural Resources, Energy & Water**  
**House Committee on Agriculture & Natural Resources**

**Background:** The Department of Natural Resources (DNR) sells geoducks and other valuable materials from state-owned aquatic lands. Generally, DNR awards sales of valuable materials to the highest responsible bidders at public auctions. In determining a highest responsible bidder, DNR may consider (in addition to bid price) a bidder's ability to perform the contract, whether the bidder has previously complied with the terms of past contracts, whether the bidder has been convicted of a crime related to public lands or natural resources, and whether the bidder is controlled by, or will subcontract with, bidders that are not responsible. If DNR finds that a high bidder meets any of these criteria, it may award the sale to the next highest responsible bidder or reject all bids.

DNR lacks explicit authority to include a bidder's prior failure to complete a sale as grounds for rejecting a bid. Uncompleted sales can cause delays in harvest and increased expense to DNR before the agency can offer the sale again.

**Summary:** In addition to bid price, DNR may consider whether a bidder for a sale of valuable materials from state-owned aquatic lands has, in the past five years, failed to complete a sale that he or she was awarded. Failure to complete a sale includes not entering into a resulting contract or not paying the difference between the deposit and the total amount due. If DNR determines that an apparent high bidder failed to complete a sale, it may award the sale to the next highest responsible bidder or reject all bids. DNR may not consider failures to complete sales bid prior to January 1, 2003.

**Votes on Final Passage:**

Senate	49 0
House	90 2

**Effective:** July 27, 2003