

# SENATE BILL REPORT

## SB 5076

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As Passed Senate, March 17, 2003

**Title:** An act relating to the highest responsible bidder for sales of valuable materials from state-owned aquatic lands.

**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.

**Brief History:**

**Committee Activity:** Natural Resources, Energy & Water: 1/22/03, 1/24/03 [DP].  
Passed Senate: 3/17/03, 49-0.

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### SENATE COMMITTEE ON NATURAL RESOURCES, ENERGY & WATER

**Majority Report:** Do pass.

Signed by Senators Morton, Chair; Hewitt, Vice Chair; Doumit, Fraser, Honeyford, Oke and Regala.

**Staff:** Sam Thompson (786-7413)

**Background:** The Department of Natural Resources manages all state-owned aquatic lands, and oversees the sale of geoducks and other valuable materials from these lands. Geoduck harvest areas are determined in cooperation with the Department of Fish and Wildlife and tribal co-managers, and harvest contracts are auctioned by the Department of Natural Resources to the highest responsible bidder.

The Department of Natural Resources may consider a number of factors in addition to price when awarding geoduck harvest contracts, including the financial ability of the bidder to perform the contract and any past criminal convictions of the bidder. The department does not have explicit authority, however, to include a prior failure to complete a sale as grounds for rejecting a bid. Sales that are not completed can cause delays in harvest and increased expense to the department before the sale can be offered again.

**Summary of Bill:** When determining the highest responsible bidder for a sale of valuable materials from state-owned aquatic lands, the Department of Natural Resources may consider whether the bidder was the highest bidder on a sale within the past five years, but failed to complete the sale. The department may not consider sale bids prior to January 1, 2003.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Some successful bidders have defaulted on contracts awarded to them to harvest geoducks, apparently intending to drive up prices by limiting geoduck supply. This bill gives bidders an incentive to bid responsibly in order to remain competitive in future auctions.

**Testimony Against:** None.

**Testified:** Leigh Espy, Department of Natural Resources (pro).