
SENATE BILL 6500

State of Washington

64th Legislature

2016 Regular Session

By Senator Miloscia

Read first time 01/22/16. Referred to Committee on Accountability & Reform.

1 AN ACT Relating to aquatic lands management; amending RCW
2 79.36.355; adding a new section to chapter 79.105 RCW; adding a new
3 section to chapter 43.30 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The state auditor's office must
6 conduct a performance audit of the department of natural resources
7 focused on its contract management procedures for state-owned aquatic
8 lands. The performance audit must include, but is not limited to:

9 (a) A thorough review of the department's process for determining
10 aquatic lands fair market value, whether by an independent appraisal
11 or other method, including procurement planning, solicitation
12 planning, solicitation of bids or proposals, and source selection;

13 (b) An analysis of the process reviewed in (a) of this subsection
14 compared to relevant contract management best practices for land
15 transactions;

16 (c) A thorough review of department contract administration and
17 contract closeout procedures for contracts entered into for the
18 purpose of a fair market value determination and also for the sale,
19 lease, or other grant of rights to state aquatic lands;

1 (d) An analysis of the process reviewed in (c) of this subsection
2 compared to relevant contract management best practices for land
3 transactions;

4 (e) An examination of existing department policy and procedures
5 to review and ensure the department follows contract management best
6 practices, including contract review and appeals processes; and

7 (f) Recommendations to improve the quality and consistency of
8 department contract management procedures according to identified
9 best practices.

10 (2) A final report of the performance audit must be submitted to
11 the appropriate legislative policy and fiscal committees by December
12 31, 2016.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 79.105
14 RCW to read as follows:

15 The department may not grant any easement or other right in
16 aquatic lands under RCW 79.36.355 unless:

17 (1) Prior to the aquatic lands transaction, the board reviews and
18 approves the department's full market value determination, whether by
19 an independent appraisal or other method; and

20 (2) The final rent or rate agreed to by the department for the
21 aquatic lands transaction is within twenty percent of the full market
22 value determination approved under subsection (1) of this section.

23 **Sec. 3.** RCW 79.36.355 and 2004 c 199 s 218 are each amended to
24 read as follows:

25 (1) The department may grant to any person such easements and
26 rights in public lands, not otherwise provided in law, as the
27 applicant applying therefor may acquire in privately owned lands. No
28 grant shall be made under this section until such time as the full
29 market value of the estate or interest granted together with damages
30 to all remaining property of the state of Washington has been
31 ascertained and safely secured to the state.

32 (2) Aquatic lands transactions completed under this section are
33 subject to the requirements in section 2 of this act.

34 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.30
35 RCW to read as follows:

36 (1) The department shall study the application of the Baldrige
37 quality management framework or equivalent performance management

1 system to its own activities and report its findings to the governor
2 and relevant policy and fiscal committees of the legislature by
3 December 1, 2016.

4 (2) The department must undergo a Baldrige assessment of its
5 operations by December 1, 2017, and then every two years afterwards.
6 Completed assessments and feedback must be transmitted to the office
7 of financial management and relevant policy and fiscal committees of
8 the legislature.

9 (3) The department must establish a goal of achieving a sixty
10 percent Baldrige assessment score within ten years of its first
11 Baldrige assessment. When a sixty percent score is achieved, the
12 department must apply for a Malcolm Baldrige national quality award
13 under 15 U.S.C. Sec. 3711a. If the department is unable to achieve
14 this sixty percent goal, the department must move to achieve
15 certification under an internationally recognized quality management
16 system, such as ISO 9001 or its equivalent, within ten years of the
17 first Baldrige assessment, or as soon as practicable after the
18 inability is identified. Nothing in this section prohibits the
19 department from adopting an internationally recognized quality
20 management system at an earlier date or in addition to its other
21 activities.

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