

HOWEVER, That no such use of school district buses shall be permitted except where other public or private transportation certificated or licensed by the Washington utilities and transportation commission is not reasonably available to the user: PROVIDED FURTHER, That no user shall be required to accept any charter bus for services which the user believes might place the health or safety of the children or elderly persons in jeopardy.

Whenever any persons are transported by the school district in its own motor vehicles and by its own employees, the board may provide insurance to protect the district against loss, whether by reason of theft, fire or property damage to the motor vehicle or by reason of liability of the district to persons from the operation of such motor vehicle.

The board may provide insurance by contract purchase for payment of hospital and medical expenses for the benefit of persons injured while they are on, getting on, or getting off any vehicles enumerated herein without respect to any fault or liability on the part of the school district or operator. This insurance may be provided without cost to the persons notwithstanding the provisions of RCW 28A.58.420.

If the transportation of children or elderly persons is arranged for by contract of the district with some person, the board may require such contractor to procure such insurance as the board deems advisable.

Passed the House January 27, 1986.

Passed the Senate February 27, 1986.

Approved by the Governor March 10, 1986.

Filed in Office of Secretary of State March 10, 1986.

CHAPTER 33

[Substitute House Bill No. 1335]

PERSONAL SERVICE CONTRACTS

AN ACT Relating to personal services contracts; amending RCW 39.29.040; and adding new sections to chapter 39.29 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 39.29 RCW to read as follows:

The legislature finds that: (1) The state of Washington spends in excess of seventy million dollars per biennium on personal service contracts; (2) there exists widespread confusion regarding definitions, accounting practices, and selection procedures, which, in turn, lead to the use of personal service contracts when they are not appropriate or in a manner that is not cost-effective. In addition, the legislature finds that neither the executive nor the legislative branches of government have oversight procedures which are adequate enough to allow them to determine the true extent of personal service contract use or abuse. Therefore, the legislature finds that it is in the

public interest to establish oversight procedures so that the extent and appropriateness of personal service contracting by the state may be adequately evaluated.

NEW SECTION. Sec. 2. A new section is added to chapter 39.29 RCW to read as follows:

(1) No later than October 31, 1986, and each year thereafter, every agency which enters into personal service contracts shall submit a report listing all personal service contracts that were entered into, amended, or renewed during the immediately preceding fiscal year.

(2) Each report required under this section shall include for each contract or category of contracts: (a) A designation showing which contracts were entered into under a competitive process; (b) a designation showing which contracts and amendments to contracts were filed under RCW 39.29.010 and 39.29.020; (c) a designation showing which contracts were reported as personal service contracts for agency accounting purposes; and (d) the maximum cost of each contract or category of contracts.

(3) The reports required under this section shall include contracts: (a) For those services defined in RCW 39.29.006; (b) for those services which are excluded under RCW 39.29.006 because they are considered routine, continuing, and necessary in nature; (c) for those services entered into under chapter 39.80 RCW; and (d) for those services otherwise exempt from this chapter under RCW 39.29.040 (1), (2), and (3).

(4) The director of financial management shall establish procedures necessary for carrying out the purposes of this section. Such procedures shall include, at a minimum, a format for reporting contracts and the establishment of categories in which contracts may be grouped.

(5) The reports required under this section shall be submitted to the office of the governor, the office of financial management, and the legislative budget committee.

Sec. 3. Section 4, chapter 61, Laws of 1979 ex. sess. and RCW 39.29.040 are each amended to read as follows:

Except as provided in section 2 of this 1986 act, this chapter does not apply to:

(1) Contracts specifying a fee of less than two thousand five hundred dollars if the total of such contracts from that agency with the contractor within a twelve-month period does not exceed two thousand five hundred dollars;

(2) Contracts awarded through competitive bids if the bidding follows a formal, documented bid procedure and if the request for bids is advertised through the media normally used by the particular service being sought: **PROVIDED**, That for management purposes, the office of financial management may require the filing of certain contracts exempted under this subsection;

(3) Contracts where the contracting agency recognizes that an employee-employer relationship exists;

(4) Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;

(5) Intergovernmental agreements awarded to any public corporation, whether federal, state, or local and any department, division, or subdivision thereof; and

(6) Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other public corporation and a like contract is available to all qualified applicants.

Passed the House January 27, 1986.

Passed the Senate February 27, 1986.

Approved by the Governor March 10, 1986.

Filed in Office of Secretary of State March 10, 1986.

CHAPTER 34

[Engrossed House Bill No. 1442]

OIL AND GAS LEASES

AN ACT Relating to oil and gas leases on state lands; amending RCW 79.14.020; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 2, chapter 131, Laws of 1955 as amended by section 2, chapter 459, Laws of 1985 and RCW 79.14.020 are each amended to read as follows:

The commissioner is authorized to lease public lands for the purpose of prospecting for, developing and producing oil, gas or other hydrocarbon substances. Each such lease is to be composed of not more than six hundred forty acres or an entire government surveyed section, except a lease on river bed, lake bed, tide and submerged lands which is to be composed of not more than one thousand nine hundred twenty acres. All leases shall contain such terms and conditions as may be prescribed by the rules and regulations adopted by the commissioner in accordance with the provisions of this chapter. Leases may be for an initial term of from five up to ten years and ~~((may)) shall~~ be extended for so long thereafter as lessee shall comply with ~~((the provisions hereof and))~~ one of the following conditions: (1) ((shall)) Prosecute development on the leased land with the due diligence of a prudent operator upon encountering oil, gas, or other hydrocarbon substances, ~~(2) produce any of said substances from the leased lands, ((or (2) shall be engaged))~~ (3) engage in drilling, deepening, repairing, or redrilling any well thereon, ((or be thereafter excused therefrom but not to exceed a period of twenty years, except the lease shall be continued for a producing well as