

HOUSE RESEARCH

Bill Summary

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Overview

Contains a variety of measures designed to address potential Year 2000 problems. Significant parts of the bill include:

- Grants immunity from civil liability for communication of certain information relating to year 2000 problems and solutions;
 - Allows the Governor to declare emergencies based on actual or potential year 2000 failures of critical public systems, thus allowing governments to take certain actions without compliance with usual procedures. Provides exemptions from municipal contracting laws.
 - Requires electric utilities, telephone companies, hospitals, nursing homes and water supply systems to report to state agencies on year 2000 problems and solutions.
 - Permits political subdivisions to issue debt for year 2000 problem remediation without regard to debt limits or voter approval requirements.
 - Appropriates money for a year 2000 loan fund for local government; for a contingent fund for state government systems; and for the division of emergency management to deal with year 2000 problems.
- 1 **Peacetime emergency.** Adds "technological hazard" and "terrorist incident" to the list of reasons why the Governor may declare a peacetime emergency.
 - 2 **Definitions; immunity.** Defines terms for purposes of granting immunity for certain communications relating to year 2000 issues. A Year 2000 statement for purposes of the immunity section is defined as any communication before July 14, 2001 concerning year 2000 processing capabilities, year 2000 test plans and results, and year 2000 operations problems or solutions.

- 3 **Civil Immunity.** Provides that there is no civil liability for an allegedly false, inaccurate or misleading year 2000 statement unless it is shown by clear and convincing evidence that the statement was made with actual knowledge that it was false, inaccurate or misleading, was made with intent to deceive or mislead, or was made with reckless disregard as to accuracy.

If a statement is a republication, the immunity applies only if the person gives notice that the statement has not been verified, or that the person making the statement is not the original source and that it is based on information supplied by an identified person or entity.

- 4 **Exceptions to immunity.** The immunity provisions do not apply to contracts; consumer warranties; advertisements of offers to sell; government enforcement actions; or statements made by people in the course of the business of selling 2000 remediation products or services.
- 5 **Declaration of emergency.** Provides that until February 1, 2000, the governor has special powers to declare emergencies, based on actual or potential failure of critical public systems due to year 2000 problems. Current law provides that in emergencies, government agencies may take actions without following certain laws, such as laws governing purchase of materials, entering into contracts, and employment of workers.

A governor's declaration under this section must specify what government units are covered and the time period for which the declaration applies.

- 6 **Year 2000 problem reports.** Requires electric utilities and telephone companies to file status reports on year 2000 problems with the public utilities commission, the department of public service, and the division of emergency services. Reports must be filed on June 1, September 1, and December 1, 1999. Specifies contents of the reports.
- 7 **Exemption from municipal contracting law.** Provides that the municipal contracting law does not apply when a municipality determines there is an urgency due to actual or potential failure or malfunction of critical public infrastructure or systems due to year 2000 problems.
- 8 **Local government debt.** Permits cities, counties, towns, school districts, and metropolitan agencies to incur debt for year 2000 problem remediation without regard to debt limits and without approval by voters. This authority expires December 31, 2000, but the debt can be repaid by December 31, 2005.
- 9 **Health department.** Requires the Department of Health, by June 30, 1999 to survey hospitals, nursing homes and certain water systems concerning year 2000 issues, and to disseminate this information in a prompt and reasonable manner.
- Requires these entities to file status reports on year 2000 problems with the health department and the division of emergency services on June 1, September 1, and December 1, 1999. Specifies contents of the reports.
- 10 **Status reports.** Provides that state agencies must consult with reporting entities on the form of the status reports required under sections 6 and 9.
- 11 **Carry-forward.** Provides that a 1997 appropriation to the department of administration for state year 2000 systems is available until expended.
- 12 **Year 2000 loan fund.** Makes a \$20 million general fund appropriation to the commissioner of finance to establish a fund to make loans to school districts, counties, joint powers boards, cities and towns for year 2000 costs. Requires that priority be given to requests from local governments that have relatively limited resources for year 2000 problems and to request that would correct problems that are most likely to affect public health and safety or cause catastrophic loss to property or the environment.

Requires local governments to repay the loans in five equal annual installments beginning one

year after receipt. Loans are interest free.

- 13 Department of administration appropriation.** Appropriates \$5.5 million on a contingent basis to the commissioner of administration for modification of state systems related to the year 2000.
- 14 Department of public safety appropriation.** Appropriates money to the department of public safety for the emergency management division to respond to year 2000 problems.
- 15 Effective dates.** Effective upon enactment.