

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;
- 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 under specified emergency conditions.
- 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 specified types of year 2000 problem remediation without regard to debt limits or voter approval requirements.
- Appropriates money for a year 2000 loan fund for local government and for a contingent fund for state government systems.

- 1 **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.
- 2 **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.

- 3 **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.
- 4 **Declaration of emergency.** Provides that until April 1, 2000, the governor has special powers to declare emergencies, if actual or potential failure of computers or electronically controlled devices creates an actual or imminent serious threat to health or safety of person or of catastrophic loss to property or the environment. 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. This section provides that compliance with laws could be omitted only to the extent necessary to protect health and safety or prevent catastrophic loss.

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

Requires units of local government to report to the state year 2000 project office on omitting compliance with procedures and laws under this section.

- 5 **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.
- 6 **Exemption from municipal contracting law.** Provides that until April 1, 2000, the municipal contracting law does not apply when the governing body of 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.

Requires reporting to the state year 2000 office on each instance in which a municipality omits compliance with the uniform municipal contracting law.

- 7 **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 applies only to a year 2000 problem that creates an actual or imminent serious threat to health or safety of persons, or of catastrophic loss to property or the environment. This authority expires April 1, 2000, but the debt can be repaid by December 31, 2005.

Requires reporting to the commissioner of administration on use of this authority.

- 8 **Health department.** Requires the Department of Health, by July 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.

- 9 **Status reports.** Provides that state agencies must consult with reporting entities on the form of the status reports required under sections 5 and 8.
- 10 **Carry-forward.** Provides that a 1997 appropriation to the department of administration for state year 2000 systems is available until expended.
- 11 **Year 2000 loan fund.** Makes an appropriation from the budget reserve account 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 loans may not be made until the state year 2000 office certifies that (1) proposed use of the loan is related only to year 2000 remediation; (2) the unit of government has insufficient resources to address year 2000 problems; and (3) the loan would be used to correct problems that are 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, except as provided in section 12.

Requires reporting to the state year 2000 project office. Provides that the appropriation in this section cancels April 1, 2000, and must be deposited in the budget reserve account.

- 12 Department of administration review:** Requires the commissioner of administration, through staff of the Y2K project office, to review use of emergency authority and emergency funds under this act. If the commissioner determines loan funds were used in a manner not consistent with this act, the political subdivision must pay 12 percent interest on the loan.
- 13 Appropriation.** Makes an appropriation from the budget reserve account to the commissioner of administration for modification of state business systems to address year 2000 changes. Provides conditions for use of this appropriation.
- 14 Effective dates.** Effective upon enactment.