

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.

- Requires DHS to continue to pay health care providers within the required time periods even if year 2000 computer problems disrupt DHS computer systems.

- Appropriates money for a year 2000 loan fund for local government and for a contingent fund for state government systems.

1 Year 2000 activities; immunity.

Subd. 1. Definitions.

Subd. 2. Association. The term covers a trade, professional, government, or similar organization of individuals, enterprises, or government units engaged in similar activity.

Subd. 3. State agency. Means the University of Minnesota, MnSCU, and the entities in the executive, judicial, and legislative branches.

Subd. 4. Year 2000 solution information. Means information addressing the inability of computer systems, software, or electronic devices to recognize certain dates in 1999 and after December 31, 1999.

Subd. 5. Association and related immunity. Prohibits an action against (1) an association for harm resulting from collection or publication of year 2000 solution information, or (2) any person or entity providing such information to the association.

Subd. 6. State agency immunity. Prohibits an action against a state agency for harm from collection or publication of year 2000 solution information.

Subd. 7. Government unit immunity. Prohibits an action against a government unit, including units under a joint powers agreement, for harm due to collection, publication, or dissemination of year 2000 solution information to other government units.

Subd. 8. Exception. No immunity if the defendant knew the information was materially false or provided it with reckless disregard of its accuracy.

Subd. 9. No implied cause of action. The section does not imply or create liability for any person or public or private entity by the absence of a grant of immunity.

- 2 **Trial of Matters on Y2K Processing.** Allows a suit on Y2K processing failure to be commenced and discovery conducted, but prohibits dispositive motions and trials until after January 1, 2001 unless the court determines that failure to rule on a dispositive motion would result in hardship.

Requires these cases to be assigned to a special district court panel to be set up beginning July 1, 1999.

- 3 **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.

- 4 **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.

- 5 **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.

- 6 **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.

- 7 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.

- 8 Department of human services; Year 2000 activity.** Specifies that if year 2000 computer problems cause a malfunction in the DHS systems that pay health care providers, DHS must pay health care providers manually or by other means within the time periods required by statute.

- 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.