

SENATE BILL REPORT

ESSB 6035

As Passed Senate, March 12, 1999

Title: An act relating to the year 2000 citizens' protection act.

Brief Description: Creating the year 2000 citizens' protection act.

Sponsors: Senate Committee on Judiciary (originally sponsored by Senator Swecker).

Brief History:

Committee Activity: Judiciary: 3/1/99, 3/3/99 [DPS].
Passed Senate, 3/12/99, 47-0.

SENATE COMMITTEE ON JUDICIARY

Majority Report: That Substitute Senate Bill No. 6035 be substituted therefor, and the substitute bill do pass.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Costa, Hargrove, McCaslin, Roach and Zarelli.

Staff: Dick Armstrong (786-7460)

Background: The year 2000 (Y2K) problem is caused by the practice of using two digits instead of four to represent years in computer programs and computer chips. This may cause some computers to mistake the year 2000 for the year 1900 which may cause the failure of many computer-related services.

Given the complexity of the problem, it is probable that many Y2K problems will be experienced, particularly with small businesses that do not have the financial resources or personnel to discover every Y2K problem. This may mean that many persons may not have access to bank accounts or other financial resources and therefore may not be able to satisfy their financial obligations in a timely manner.

Summary of Bill: The Year 2000 Citizens' Protection Act is established. It is an affirmative defense to any claim, based on a contract, for a default, failure to pay, breach, or omission that such claim was caused, in whole or in part, by a year 2000 failure associated with an electronic computing device, if the person was otherwise able to satisfy the obligation. Person— means only an individual.

If an affirmative defense is established, the person making the claim may not reassert the claim for 30 days from the date the cause of action was dismissed by the court. The underlying obligation is not otherwise affected by the dismissal.

A person who has established an affirmative defense based on a year 2000 failure has the right to dispute with a credit reporting agency any item of information relating to the year 2000 failure, including placing a statement in the individual's consumer file.

No interest or penalties may be imposed on any employer for failure to pay L&I premiums if the failure was caused by a year 2000 failure and the employer was otherwise able to pay. No interest or penalties may be imposed on any individual for failure to pay property or state excise taxes if the failure was caused by a year 2000 failure and the individual was otherwise able to pay. Failure to pay a premium on an insurance policy because of a year 2000 problem does not result in loss of coverage, penalties, or interest if the person could not make the payment because of a year 2000 failure.

Provisions of the bill expire December 31, 2006.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The bill will give reassurances that people will be able to pay their bills. It is a preventative measure. The bill is narrowly drafted. People who have homes need to make monthly payments and need protection to see that loans are not called because of a few missed payments. Citizens don't know what to expect and people are worried if car payments, house loans, etc. cannot be made. There are many unknowns and many worries, and this bill will allow people to know that they have some limited protections. The bill provides a better approach than just granting immunity.

Testimony Against: None.

Testified: Stephanie Floth, citizen; Denise Fosnacht, citizen; Senator Swecker; Larry Shannon, WSTLA.