

SENATE BILL REPORT

SB 6035

As Reported By Senate Committee On:
Judiciary, March 3, 1999

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

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

Sponsors: Senator Swecker.

Brief History:

Committee Activity: Judiciary: 3/1/99, 3/3/99 [DPS].

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 Substitute 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. The act expires December 31, 2006.

Substitute Bill Compared to Original Bill: The substitute bill clarifies that person— means only a natural person (not a corporation or other business or legal entity) and that claims must be based on a contract. Also, the emergency clause is deleted.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

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.