

HOUSE BILL ANALYSIS

ESSB 6035

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 Summary of Bill

- Delays a cause of action against a person for 30 days if the cause of action was caused by a year 2000 (Y2K) failure.
- Allows a person to dispute an item of information in his or her consumer file if the item of information relates to a Y2K failure.
- Prohibits the imposition of penalties based on a failure to pay Labor and Industries premiums, property tax, state excise tax, or insurance premiums if the failure to pay was caused by a Y2K failure.

HOUSE COMMITTEE ON JUDICIARY

Staff: Jim Morishima (786-7191).

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.

It is possible that the Y2K problem will interfere with a person's ability to access bank accounts and other financial resources. This may, in turn, interfere with the person's ability to satisfy his or her financial obligations in a timely manner.

Summary of Bill:

It is an affirmative defense to any claim based on a contract, a default, a failure to pay, a breach, or an omission, that such a claim was caused, in whole or in part, by a Y2K failure associated with an electronic computing device if the person was otherwise able to satisfy the obligation. If the 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 Y2K failure has the right to dispute with a credit reporting agency any item of information relating to the Y2K failure, including the placement of a statement in the individual's consumer file.

No interest or penalties may be imposed on any employer for failure to pay Labor and Industries premiums if the failure was caused by a Y2K failure, the employer was otherwise able to pay, and payment occurred within 30 days of the Y2K problem being fixed. 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 Y2K failure, the individual was otherwise able to pay, and payment occurred within 30 days of the Y2K problem being fixed. Failure to pay a premium on an insurance policy does not result in loss of coverage, penalties, or interest if the failure was caused by a Y2K failure, the insured was otherwise able to pay, and payment occurred within 30 days of the Y2K problem being fixed.

Fiscal Note: Requested on March 29, 1999.

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

Office of Program Research