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1999 ASSEMBLY BILL 51

January 19, 1999 - Introduced by Representatives Jensen, Albers, Hutchison and F. Lasee. Referred to Committee on Information Policy.

AN ACT to repeal 13.0992; to amend 19.37 (2), 19.37 (3), 134.99 (1), 218.015 (7), 560.05 (3) and 775.01; and to create 13.0992, 16.528 (3) (f), 66.285 (4) (f), 134.92, 893.83 and 904.17 of the statutes; relating to: gathering of information by state and local governmental officers and agencies concerning year 2000 and leap year-related processing and public access to such information; recovery of damages in certain actions against state and local governmental units and officers, employes and agents thereof caused by the incorrect processing; transmittal or receipt of certain date data; admissibility of statements regarding the year 2000 processing capabilities of a product or service; preparation of year 2000 impact statements; educational outreach concerning year 2000 and leap year-related computer failures; testing of local emergency

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contingency plans for responding to year 2000 computer problems; granting rule-making authority; and providing a penalty.

Analysis by the Legislative Reference Bureau

Information gathering

This bill permits any state or local governmental unit which or officer who has regulatory power over any person to require that person to provide to the unit or officer information relating to year 2000 processing. Year 2000 processing information includes any communication made by the person to any other person or persons: 1) concerning an assessment, projection or estimate relating to, or plans, objectives or timetables for implementing or verifying year 2000 processing capabilities of an entity, product, service or set of products or services; 2) concerning test plans, dates or results, or operational problems or solutions related to year 2000 processing by products or services that incorporate or otherwise utilize products; 3) concerning the correction or avoidance of a year 2000 processing failure in computer hardware, a computer system, a component of a computer system, a computer program or software or services utilizing any computer hardware, system, component, program or software or services; or 4) reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities. The information may only pertain to a matter relating to public health or safety that is regulated by that authority or a matter relating to public health or safety that has an effect upon a matter that is regulated by that authority. The bill defines "year 2000 processing" as processing, transmitting or receiving date data from, into and between the 20th and 21st centuries and during the years 1999 and 2000, and from leap year calculations. Currently, no such authority exists.

Under the bill, if any business fails to provide the information required, knowingly gives a false answer to a request for information or evades the answer to any request for information, each director, partner or proprietor of that business is subject to a forfeiture (civil penalty) of \$100 for each offense. Each day of violation constitutes a separate offense.

The bill requires each state or local governmental unit which or officer who receives information under the bill to withhold from access all information provided to the unit or officer under the public records access law, except that the unit or officer must provide the information to the department of administration (DOA) upon written request of the department and may, upon written consent of a person who provides information to the unit or officer, provide the information to another specified person or to any person.

This bill provides that no year 2000 processing information provided by a person at the request of a governmental unit that has regulatory power over the person is admissible in any civil action or proceeding. Any other year 2000 processing information may be offered in evidence only if the information is in a statement made by a person who knew that the statement was false, misleading or deceptive or that was made with reckless disregard as to the truth or falsity of the

statement, if the information is in a republished year 2000 statement that the person who republished the statement knew was false, misleading or deceptive, if the information is in a statement made by a person who was compensated for providing a year 2000 statement as part of a contractual service or made by a person when soliciting a consumer, or if the information is offered in any action brought by the state or a local governmental unit acting in regulatory, supervisory or enforcement capacity.

State and local governmental liability

Currently, under the common law doctrine of sovereign immunity, the state is immune from lawsuits, except in certain instances in which laws permit the state to be sued or the enforcement of a federal or constitutional right is involved. State authorities and local governmental units do not enjoy such broad immunity, although narrower grants of immunity are provided to such authorities and units under various specific laws. Also, in certain limited circumstances, a state governmental officer, employe or agent may be sued for certain acts or omissions even though a lawsuit arising from the same acts or omissions may not be brought against the governmental unit that the officer, employe or agent serves. A state or local governmental officer, employe or agent who is sued for a negligent action or omission may be protected from liability currently if the officer, employe or agent makes a good faith attempt to resolve the problem that results in the act or omission. No punitive damages (damages not resulting from direct or indirect loss but awarded, instead, as punishment for wrongful conduct) may be awarded in any lawsuit against a state or local governmental officer, employe or agent based upon tort (a noncontractual claim based upon alleged wrongful conduct). Damages in tort lawsuits are generally limited to \$250,000 in the case of a state officer, employe or agent, or \$50,000 in the case of a local governmental unit or officer, employe or agent thereof. Currently, with certain exceptions, the state and local governments must pay interest on late payments to vendors.

This bill provides that no person may recover any damages against any state or local governmental unit, including a state authority, or any officer, employe or agent thereof, for any act or omission caused by the failure of an electronic computing device that is under the control of such a unit, officer, employe or agent to process, transmit or receive date data from, into and between the 20th and 21st centuries and during the years 1999 and 2000 and from leap year calculations if the unit had a remediation plan in effect at the time of the act or omission that was designed to prevent the failure and the unit or the officer, employe or agent made a reasonable effort to find, identify and replace or correct any electronic computing device that may have contributed to the failure. The bill also voids any contrary provision of a contract entered into on or after the day on which the bill becomes law. In addition, the bill provides that the state and local governments are not required to pay interest to vendors on late payments arising from a "year 2000" failure described above.

Year 2000 impact statements

This bill provides that whenever a bill is introduced in either house of the legislature that would have an impact on the ability of a state governmental unit, a local governmental unit or any other person to avoid a year 2000 problem, as defined

in the bill, the speaker of the assembly or president of the senate may require that a year 2000 impact statement be prepared by DOA. The statement describes the impact upon the year 2000 problem that would result from enactment of the bill.

Educational outreach

This bill permits DOA to contract with one or more private contractors to provide educational outreach with respect to the potential failure of computers to process, transmit or receive date data from, into and between the 20th and 21st centuries and during the years 1999 and 2000 and from leap year calculations, and the methods of correction and contingency planning for such failures. Under the bill, DOA has discretion to determine the persons to whom the outreach is to be provided.

Currently, DOA has no authority or responsibility to conduct outreach for this purpose. Under current law, state agencies may contract for services that they are authorized or required to provide if the services can be provided more economically or efficiently by contract, subject to certain statutory requirements, rules of DOA and collective bargaining laws and agreements. State agencies must justify the need for contractual service procurements. This bill provides that certain of these statutes and rules do not apply to the contractual services that DOA is permitted to procure under the bill.

Emergency management contingency plans

Under current law, the adjutant general, as the head of the department of military affairs (DMA), is required to develop and promulgate a statewide plan of emergency management for the security of persons and property and to provide training to and standards for local emergency management services agencies.

This bill requires DMA to review all of the local emergency management services agency contingency plans for responding to the failure of a computer to handle and correctly interpret year 2000 data. If DMA determines that those plans are inadequate or in need of testing, the bill authorizes DMA to prepare a plan for the funding of a local governmental unit to test those contingency plans and to submit that funding plan to the joint committee on finance. The bill allows the joint committee on finance to supplement DMA appropriations to implement the testing of the contingency plans.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- **Section 1.** 13.0992 of the statutes is created to read:
- 2 13.0992 Review of bills impacting on year 2000 problem. (1)
- 3 Definitions. In this section:

- (a) "Department" means the department of administration.
- (b) "Electronic computing device" means any computer hardware or software, computer chip, embedded chip, process control equipment or other information system used to capture, store, manipulate or process information, or that controls, monitors or assists in the operation of physical apparatus that relies on automation or digital technology to function.
- (c) "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district or a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing.
- (d) "Processing" includes calculating, comparing, sequencing, displaying or storing.
- (e) "State governmental unit" means this state, and every subunit or instrumentality of this state, including any institution or authority, regardless of whether moneys are appropriated to the unit.
- (f) "Year 2000 problem" means a failure in year 2000 processing of an electronic computing device.
- (g) "Year 2000 processing" means the processing, transmitting or receiving of date data from, into, and between the 20th and 21st centuries and during the years 1999 and 2000, and from leap year calculations.
- (2) Report on BILLS IMPACTING ON YEAR 2000 PROBLEM. (a) Whenever a bill is introduced in either house of the legislature that would have an impact on the ability of a state governmental unit, a local governmental unit or any other person to avoid a year 2000 problem, the department, upon the request of the speaker of the assembly or the president of the senate, shall prepare a report on the bill within 5

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- working days of the request. The department shall request information from any individual, organization or state or local governmental unit that the department considers likely to be affected by the bill, if enacted. Individuals, organizations and state and local governmental units shall comply with requests by the department for information that is reasonably necessary for the department to prepare the report. To the greatest extent possible, reports under this section shall be based on the information obtained by the department from individuals, organizations and state and local governmental units under this paragraph.
- (b) The report prepared under this section shall be printed as an appendix to that applicable bill and shall be distributed in the same manner as amendments.
- (3) FINDINGS OF THE DEPARTMENT TO BE CONTAINED IN THE REPORT. The report of the department shall contain the following information:
- (a) A statement of the year 2000 problem affected by the bill, including all of the following:
 - 1. Whether current law creates a hardship and, if so, the degree of the hardship.
- 2. The costs associated with complying with current law and any anticipated savings likely to result from the bill, if enacted.
- 3. Whether any other efforts have been made to resolve the year 2000 problem affected by the bill.
- 4. The degree of control by those affected by the bill over the year 2000 problem affected by the bill.
- (b) A description of the proposed effect of the bill, if enacted, on the year 2000 problem.
- (c) Any other special considerations concerning the effect of the bill, such as the frequency of use of the proposed change and the support and involvement of

- businesses, industries, state governmental units and local governmental units affected by the proposed change.
- (4) RULE-MAKING AUTHORITY. The department may promulgate any rules necessary for the administration of this section.
- **SECTION 2.** 13.0992 of the statutes, as created by 1999 Wisconsin Act (this act), is repealed.
 - **Section 3.** 16.528 (3) (f) of the statutes is created to read:
- 8 16.528 **(3)** (f) An order or contract to which s. 893.83 applies.
 - **Section 4.** 19.37 (2) of the statutes is amended to read:
 - 19.37 (2) Costs, fees and damages. (a) Except as provided in this paragraph and s. 893.83, the court shall award reasonable attorney fees, damages of not less than \$100, and other actual costs to the requester if the requester prevails in whole or in substantial part in any action filed under sub. (1) relating to access to a record or part of a record under s. 19.35 (1) (a). If the requester is a committed or incarcerated person, the requester is not entitled to any minimum amount of damages, but the court may award damages. Costs and fees shall be paid by the authority affected or the unit of government of which it is a part, or by the unit of government by which the legal custodian under s. 19.33 is employed and may not become a personal liability of any public official.
 - (b) In Except as provided in s. 893.83, in any action filed under sub. (1) relating to access to a record or part of a record under s. 19.35 (1) (am), if the court finds that the authority acted in a wilful or intentional manner, the court shall award the individual actual damages sustained by the individual as a consequence of the failure.
 - **SECTION 5.** 19.37 (3) of the statutes is amended to read:

| 19.37 (3) Punitive damages. If Except as provided in s. 893.83, if a court finds |
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| that an authority or legal custodian under s. 19.33 has arbitrarily and capriciously |
| denied or delayed response to a request or charged excessive fees, the court may |
| award punitive damages to the requester. |
| Section 6. 66.285 (4) (f) of the statutes is created to read: |
| 66.285 (4) (f) An order or contract to which s. 893.83 applies. |
| SECTION 7. 134.92 of the statutes is created to read: |
| 134.92 Year 2000 processing information. (1) In this section: |
| (a) "Agent" means an authorized person, other than a director, officer or |
| employe, who acts on behalf of or at the direction of another person. |
| (b) "Authority" has the meaning given in s. 19.32 (1). |
| (c) "Processing" includes calculating, comparing, sequencing, displaying or |
| storing. |
| (d) "Regulatory power" means the power to authorize or require a specific class |
| of persons to perform certain acts. |
| (e) "Year 2000 processing" means the processing, transmitting or receiving of |
| date data from, into, and between the 20th and 21st centuries and during the years |
| 1999 and 2000, and from leap year calculations. |
| (f) "Year 2000 statement" means any communication or other conveyance of |
| information by a person to another person or to the public, in any form or medium, |
| including a computer program: |
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1. Concerning an assessment, projection or estimate relating to year 2000

processing capabilities of an entity, product, service or set of products and services.

- 2. Concerning plans, objectives, or timetables for implementing or verifying the year 2000 processing capabilities of an entity, product, service or set of products and services.
- 3. Concerning test plans, test dates, test results or operational problems or solutions related to year 2000 processing by products or services that incorporate or utilize products.
- 4. Concerning the correction or avoidance of a year 2000 processing failure in computer hardware, a computer system, a component of a computer system, a computer program or software or services utilizing any computer hardware, system, component, program or software or services.
- 5. Reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities.
- (2) Each authority may require any person over whom the authority exercises regulatory power to provide to the authority information relating to year 2000 processing, including a year 2000 statement, with respect to any matter relating to public health or safety that is regulated by that authority or any matter relating to public health or safety that has an effect upon a matter that is regulated by that authority.
- (3) (a) Each director, partner or proprietor of a business shall forfeit \$100 if the business does any of the following:
 - 1. Fails to provide any information required under sub. (2).
- 22 2. Knowingly gives a false answer to any request for information made under sub. (2).
 - 3. Evades the answer to any request for information made under sub. (2).
 - (b) Each day of violation under par. (a) constitutes a separate offense.

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- (4) (a) Except as provided in pars. (b) and (c), each authority shall withhold from access by any person under s. 19.35 (1) all information provided to the authority under sub. (2).
- (b) Each authority shall provide to the department of administration, upon written request of the department, any information provided to the authority under sub. (2). The department of administration shall withhold from access by any person under s. 19.35 (1) any information provided to the department under this paragraph.
- (c) Any person who provides information to an authority under sub. (2) may consent in writing to that authority for the authority to provide that information to another specified person or to any person.
- (5) No information provided to an authority upon request of the authority under sub. (2) is admissible in evidence in any civil action or proceeding.
 - **Section 8.** 134.99 (1) of the statutes is amended to read:
- 134.99 (1) Whoever is concerned in the commission of a violation of this chapter, except s. 134.92, for which a forfeiture is imposed is a principal and may be charged with and convicted of the violation although he or she did not directly commit it and although the person who directly committed it has not been convicted of the violation.
 - **Section 9.** 218.015 (7) of the statutes is amended to read:
- 218.015 (7) In Except as provided in s. 893.83, in addition to pursuing any other remedy, a consumer may bring an action to recover for any damages caused by a violation of this section. The court shall award a consumer who prevails in such an action twice the amount of any pecuniary loss, together with costs, disbursements and reasonable attorney fees, and any equitable relief the court determines appropriate.

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Section 10. 560.05 (3) of the statutes is amended to read:

560.05 (3) The Subject to s. 893.83, the state shall be liable for accrued rentals and for any other default under any lease or sublease made under sub. (2) (c) and may be sued therefor on contract as in other contract actions under ch. 775, except that it shall not be necessary for the lessor under any such lease or sublease or any assignee of such lessor or any person or other legal entity proceeding on behalf of such lessor to file any claim with the legislature prior to the commencement of any such action.

Section 11. 775.01 of the statutes is amended to read:

775.01 Actions against state; bond. Upon Except as provided in s. 893.83, upon the refusal of the legislature to allow a claim against the state the claimant may commence an action against the state by service as provided in s. 801.11 (3) and by filing with the clerk of court a bond, not exceeding \$1,000, with 2 or more sureties, to be approved by the attorney general, to the effect that the claimant will indemnify the state against all costs that may accrue in such action and pay to the clerk of court all costs, in case the claimant fails to obtain judgment against the state.

Section 12. 893.83 of the statutes is created to read:

893.83 Claims against state and local governmental units resulting from certain incorrect dates. (1) In this section:

(a) "Electronic computing device" means any computer hardware or software, computer chip, embedded chip, process control equipment, or other information system used to capture, store, manipulate, or process information, or that controls, monitors, or assists in the operation of physical apparatus that relies on automation or digital technology to function.

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- (b) "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing.
 - (c) "Process" includes calculate, compare, sequence, display or store.
- (cm) "Remediation plan" means a written document that includes a listing of tasks, resources and target milestone dates, developed to implement changes to ensure that electronic computing devices will accurately process, transmit and receive date data from, into and between the 20th and 21st centuries and during the years of 1999 and 2000, and from leap year calculations.
- (d) "State governmental unit" means this state, and every subunit or instrumentality of this state, including any institution or authority, regardless of whether moneys are appropriated to the unit, but does not include a local governmental unit.
- (2) No person may maintain an action against any state governmental unit or local governmental unit, or any officer, employe or agent of such a unit acting in his or her capacity as an officer, employe or agent, for any damages arising from any wrongful act or omission caused by the failure of an electronic computing device that is controlled by such a unit, officer, employe or agent to process, transmit or receive date data from, into and between the 20th and 21st centuries and during the years 1999 and 2000, and from leap year calculations, if the unit had a remediation plan in effect at the time of the act or omission that was designed to prevent the failure and the unit or the officer, employe or agent made a reasonable effort to find, identify and replace or correct any electronic computing device that may have contributed to the failure.

| (3) Any provision of a contract entered into, extended, modified or renewed by |
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| a state governmental unit or local governmental unit on or after the effective date |
| of this subsection [revisor inserts date], contrary to sub. (2) is void. |
| Section 13. 904.17 of the statutes is created to read: |
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904.17 Year 2000 statements. (1) In this section:

- (a) "Local governmental unit" means a political subdivision of this state, a special purpose district in this state, an instrumentality or corporation of such a political subdivision or special purpose district, a combination or subunit of any of the foregoing or an instrumentality of the state and any of the foregoing.
- (b) "Processing" includes calculating, comparing, sequencing, displaying or storing.
- (c) "Year 2000 processing" means the processing, transmitting or receiving of date data from, into and between the 20th and 21st centuries, and during the years 1999 and 2000, and from leap year calculations.
- (d) "Year 2000 statement" means any communication or other conveyance of information by a person to another or to the public in any form or medium, including a computer program:
- 1. Concerning an assessment, projection, or estimate relating to year 2000 processing capabilities of an entity, product, service or set of products and services.
- 2. Concerning plans, objectives or timetables for implementing or verifying the year 2000 processing capabilities of an entity, product, service or set of products and services.
- 3. Concerning test plans, test dates, test results or operational problems or solutions related to year 2000 processing by products or services that incorporate or utilize products.

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ALL:all:jf **SECTION 13**

- 4. Concerning the correction or avoidance of a year 2000 processing failure in computer hardware, a computer system, a component of a computer system, a computer program or software or services utilizing any computer hardware, system, component, program or software or services.
- 5. Reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities.
- (2) No information provided to an authority under s. 134.92 (2) is admissible in evidence in any civil action or proceeding.
- (3) Except for information covered under sub. (2), information contained in a year 2000 statement may be offered in evidence in any civil action or proceeding only if one of the following applies:
- (a) The information is contained in a year 2000 statement made by a person who knew that the statement was false, misleading or deceptive or that was made with reckless disregard as to the truth or falsity of the statement.
- (b) The information is contained in a republished year 2000 statement that the person who republished the statement knew was false, misleading or deceptive.
- (c) The information is contained in a year 2000 statement that was made by a person who was compensated for making that statement as part of a contractual service related to the assessment, contingency planning, remediation or testing of a failure in year 2000 processing.
- (d) The information is contained in a year 2000 statement that was made by a person when soliciting a consumer, including when advertising or offering to sell a product.
- (e) The information is being offered in a civil action or proceeding brought by a local governmental unit acting in a regulatory, supervisory or enforcement capacity

or by a state governmental unit acting in a regulatory, supervisory or enforcement capacity.

SECTION 14. Nonstatutory provisions.

- (1) Year 2000 Educational Outreach.
- (a) In this subsection:
- 1. "Electronic computing device" means any computer hardware or software, computer chip, embedded chip, process control equipment, or other information system used to capture, store, manipulate, or process information, or that controls, monitors, or assists in the operation of physical apparatus that relies on automation or digital technology to function.
 - 2. "Process" includes calculate, compare, sequence, display or store.
- (b) Notwithstanding section 16.705 (1) of the statutes, the department of administration may contract with one or more private contractors to provide educational outreach with respect to potential failures of electronic computing devices to process, transmit or receive date data from, into and between the 20th and 21st centuries and during the years 1999 and 2000, and from leap year calculations, and methods of correction of and contingency planning for such failures. No contract entered into under this subsection may extend beyond December 31, 1999. Section 16.705 (2) and (3) of the statutes do not apply to any such contract.
 - (2) Emergency management contingency plans.
- (a) In this subsection, "electronic computing device" means any computer hardware or software, computer chip, embedded chip, process control equipment or other information system used to capture, store, manipulate or process information, or that controls, monitors or assists in the operation of physical apparatus that relies on automation or digital technology to function.

(b) The department of military affairs shall review all of the local emergency management services agency contingency plans for responding to the failure of an electronic computing device to process, transmit or receive date data from, into and between the 20th and 21st centuries, and during the years 1999 and 2000, and from leap year calculations. If that review determines that those local emergency management services agency contingency plans are not adequate or need testing, the department of military affairs shall prepare a plan for the funding of one or more counties, cities or villages to test those contingency plans. The adjutant general shall submit its findings and plan for funding to the joint committee on finance by the 60th day after the effective date of this paragraph. If the joint committee on finance approves the funding plan, the joint committee on finance may supplement the appropriation under section 20.465 (3) (a) of the statutes from the appropriation under section 20.865 (4) (a) of the statutes. Notwithstanding section 13.101 (3) (a) of the statutes, the joint committee on finance is not required to find that an emergency exists.

SECTION 15. Initial applicability.

- (1) Admissibility of year 2000 statements. The treatment of section 904.17 of the statutes first applies to a year 2000 statement made on the effective date of this subsection.
- (2) State and local governmental liability. The treatment of sections 16.528 (3) (f), 19.37 (2) and (3), 66.285 (4) (f), 218.015 (7), 560.05 (3), 775.01 and 893.83 of the statutes first applies with respect to noncontractual injuries occurring or injuries occurring under contracts entered into, extended, modified or renewed on the effective date of this subsection.

| 1 | (3) Year 2000 impact statements. The creation of section 13.0992 of the statutes |
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| 2 | first applies to bills introduced on the effective date of this subsection. |
| 3 | SECTION 16. Effective dates. This act takes effect on the day after |
| 4 | publication, except as follows: |
| 5 | (1) The repeal of section 13.0992 of the statutes takes effect on January 1, 2001 |
| 6 | (END) |