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By: **Senator Hughes**  
Introduced and read first time: February 5, 1999  
Assigned to: Judicial Proceedings

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A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions - Year 2000 Liability**

3 FOR the purpose of establishing when an action arises against a person whose  
4 product or service is not year 2000-ready; establishing that a person whose  
5 product or service is not year 2000-ready is liable for any damages proximately  
6 caused by the failure of the product or service to be year 2000-ready; providing  
7 that it is not a defense to an action brought against a person whose product or  
8 service is not year 2000-ready that the person took certain actions; providing  
9 that a certain provision in certain contracts entered into after a certain date is  
10 void and unenforceable; defining certain terms; providing for the effective date  
11 of this Act; and generally relating to liability of certain persons whose products  
12 or services are not year 2000-ready.

13 BY adding to  
14 Article - Courts and Judicial Proceedings  
15 Section 3-1501 through 3-1503, inclusive, to be under the new subtitle "Subtitle  
16 15. Year 2000 Liability"  
17 Annotated Code of Maryland  
18 (1998 Replacement Volume)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Courts and Judicial Proceedings**

22 **SUBTITLE 15. YEAR 2000 LIABILITY.**

23 3-1501.

24 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
25 INDICATED.

26 (B) "DATE DATA" MEANS DATA THAT CONTAINS DATES OR THAT CONTAINS  
27 BOTH DATES AND TIMES.

1 (C) "INFORMATION TECHNOLOGY SYSTEM OR PRODUCT" INCLUDES ANY  
2 SOFTWARE, FIRMWARE, MICROCODE, HARDWARE, EMBEDDED CHIPS, OR OTHER  
3 SYSTEM OR PRODUCT, OR ANY COMBINATION OF THOSE ITEMS, THAT CREATES,  
4 READS, WRITES, CALCULATES, COMPARES, SEQUENCES, OR OTHERWISE PROCESSES  
5 DATE DATA.

6 (D) "YEAR 2000-READY" MEANS ANY PRODUCT OR SERVICE THAT:

7 (1) RELIES UPON AN INFORMATION TECHNOLOGY SYSTEM OR PRODUCT  
8 THAT INCLUDES DATE DATA; AND

9 (2) BEFORE JANUARY 2, 2001, OPERATES IN A MANNER CONSISTENT  
10 WITH THE DESIGN REQUIREMENTS OR OTHER SPECIFICATIONS FOR THE PRODUCT  
11 OR SERVICE.

12 3-1502.

13 (A) AN ACTION AGAINST A PERSON WHOSE PRODUCT OR SERVICE IS NOT  
14 YEAR 2000-READY ARISES ON THE DATE ON WHICH THE PRODUCT OR SERVICE THAT  
15 RELIES ON AN INFORMATION TECHNOLOGY SYSTEM OR PRODUCT:

16 (1) FAILS TO OPERATE IN A MANNER CONSISTENT WITH THE DESIGN  
17 REQUIREMENTS OR OTHER SPECIFICATIONS FOR THE PRODUCT OR SERVICE; AND

18 (2) CAUSES DAMAGE OR LOSS.

19 (B) A PERSON WHOSE PRODUCT OR SERVICE IS NOT YEAR 2000-READY SHALL  
20 BE LIABLE FOR ANY DAMAGES PROXIMATELY CAUSED BY THE FAILURE OF THE  
21 PRODUCT OR SERVICE TO BE YEAR 2000-READY.

22 (C) IT IS NOT A DEFENSE TO ANY ACTION BROUGHT BY A PLAINTIFF AGAINST  
23 ANY PERSON WHOSE PRODUCT OR SERVICE IS NOT YEAR 2000-READY THAT:

24 (1) THE PERSON EXERCISED DUE DILIGENCE TO ENSURE THAT IT WAS  
25 YEAR 2000-READY; OR

26 (2) THE PERSON DETERMINED AND IMPLEMENTED ACTIONS  
27 NECESSARY FOR THE PERSON TO BECOME YEAR 2000-READY IN ACCORDANCE WITH  
28 THE REQUIREMENTS AND STANDARDS SET FORTH IN § 2-405.1 OF THE  
29 CORPORATIONS AND ASSOCIATIONS ARTICLE.

30 3-1503.

31 ANY PROVISION OF A CONTRACT ENTERED INTO AFTER JUNE 2, 1999, THAT  
32 WAIVES OR LIMITS THE LIABILITY OF A PERSON FOR DAMAGES CAUSED BY THE  
33 FAILURE OF THE PERSON'S PRODUCT OR SERVICE TO BE YEAR 2000-READY IS VOID  
34 AND UNENFORCEABLE BY THE PERSON AS CONTRARY TO THE PUBLIC POLICY OF  
35 THE STATE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 June 1, 1999.