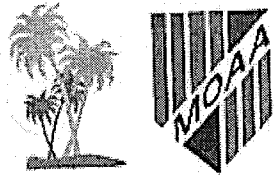


SB2137

SD1



Hawaii Chapter, MOAA
P.O. Box 1185
Kailua, Hawaii 96734-1185

Testimony of

Thomas Smyth, President

Military Officers Association of America, Hawaii Chapter

Before the Committee on Judiciary and Government Operations

Tuesday, February 23, 2010, 10:00 am, Room 016

On SB2137 SD1 Relating to Health Clubs

Chair Taniguchi, Vice Chair Takamine, and Members of the Committee:

Our association of 500 retired and currently serving officers of the seven Uniformed Services strongly supports SB2137 SD1, as amended, which allows a deploying military member to cancel or suspend a health club membership.

With the increase in unit deployments since the beginning of military operations in Iraq, Afghanistan and other places around the world, there has been a corresponding increase in the difficulty of clearing contracts and other agreements that either cannot be used or cannot easily be paid for.

The federal Servicemembers Civil Relief Act (50 U.S.C. App. § 501 *et seq.*) of 2003 (SCRA), among other things, allows for temporary suspension of transactions that may materially affect the servicemember who agreed to a contract before being notified of a deployment. It is particularly applicable to a reservist or member of the National Guard, not on active duty when executing the contract or agreement.

Unfortunately the SCRA, as currently interpreted, does not specifically cover a health club membership contract, even though it could be construed to be an "installment contract" which is covered. **Thus it is necessary to clearly include health clubs, in the cancellation or suspension provisions of Ch. 486N, HRS.**

Health club memberships are usually different than membership in social clubs, country clubs or similar entities that often

charge an initiation fee and then a periodic fee or are governed by their members. These types of clubs are not as formally regulated as are health clubs which have long term contracts.

There clearly have been problems as deploying servicemembers are being denied the ability to cancel or suspend payment and membership in health clubs. **This bill will correct that problem.**

Thank you for the opportunity to provide this testimony.

THE CHAMBER OF COMMERCE OF HAWAII

1132 Bishop Street, Suite 402

Honolulu, HI 96813

Testimony to the Senate Committee on Judiciary and Government Operations

Tuesday, February 23, 2010

10:00 AM

Conference Room 016

RE: SENATE BILL NO. 2137, SD1, RELATING TO HEALTH CLUBS

Chair Taniguchi, Vice Chair Takamine, and members of the committee.

My name is Charles Ota and I am the Vice President for Military Affairs at The Chamber of Commerce of Hawaii (The Chamber). I am here to state The Chamber's support of Senate Bill 2237, Relating To Health Clubs.

The Chamber's Military Affairs Council (MAC) serves as the liaison for the state in matters relating to the US military and its civilian workforce and families, and has provided oversight for the state's multi-billion dollar defense industry since 1985.

The measure proposes to allow military personnel deployed outside Hawaii on federal active duty to cancel or suspend health club membership at any time during the contract term under certain conditions and requires pro rata refund of fees.

We believe that this measure would resolve conflicts when active duty military personnel are placed on orders to deploy outside Hawaii. This measure will clarify conditions under which health clubs should honor federal deployment orders issued to active duty military members.

Military members enter into agreements with health clubs in good faith and have no control over deployment orders issued by the federal government.

We respectfully request that the proposed measure be approved for adoption.

Thank you for the opportunity to testify.