

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 1526
A BILL RELATING TO CIVIL RELIEF FOR STATE MILITARY FORCES

PRESENTATION TO
THE HOUSE COMMITTEE ON VETERANS, MILITARY, & INTERNATIONAL
AFFAIRS, & CULTURE AND THE ARTS

BY
MAJOR GENERAL ARTHUR J. LOGAN
ADJUTANT GENERAL
7 February 2017

Chair Ito, Vice-Chair Tokioka and Members of the Committee.

I am Major General Arthur J. Logan, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in **SUPPORT** of House Bill 1526.

This measure expands the rights of service members and mirrors the Federal Service Members Civil Relief Act and allows for service members to apply for financial relief without paying application fees.

Thank you for allowing me to testify in **SUPPORT** of House Bill 1526.



OFFICE OF THE DEPUTY ASSISTANT SECRETARY OF DEFENSE
(MILITARY COMMUNITY AND FAMILY POLICY)

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WASHINGTON, D.C. 20301-4000

DoD-State Liaison Office

The Honorable Ken Ito
House Committee on Veterans, Military, and International Affairs & Culture and the Arts

February 8, 2017

HB1526
RELATING TO CIVIL RELIEF FOR STATE MILITARY FORCES

Chair Ito and Members of the Committee:

On behalf of the Department of Defense, I would like to thank you for the opportunity to submit testimony on the policy espoused in HB1526, a bill relating to civil relief for state military forces. My name is Dr. Laurie Crehan. I am with the Department of Defense State Liaison Office which operates under the direction of the Under Secretary of Defense for Manpower and Readiness, and the Deputy Assistant Secretary of Defense for Military Community and Family Policy. I would like to propose some amendments to HB1526 that would expand the consumer protections to some products not found in the federal Service Members Relief Act (SCRA) and to also extend those protections to all active duty members of the Uniformed Services (not just State Service members) who are deployed for over 30 consecutive days.

Service members are protected as consumers through the federal SCRA; however, the federal law does not protect Service members concerning obligations that occur while on active duty. States can provide additional consumer protections that can mirror and expand the federal SCRA. Although this issue is new for the State Liaison Office, research indicates that three (3) states already do what we are seeking here, including IN, OR and NY. Four (4) other states, including Hawaii, have introduced legislation this legislative session. We really appreciate your consideration in joining these other states on this initiative.

- The 2003 federal SCRA generally provided protections associated with obligations made prior to federal activation, and generally covered stays of some court proceedings; protection from default judgments, evictions, foreclosures and loss of insurance coverage; and limited certain taxes and obligations made before entering active duty.
- Updates to the SCRA since 2003 extended it to cover residential leases, motor vehicle leases and telephone service contracts entered while on active duty, in order to provide relief to Service members when they deploy or assigned overseas, or in some circumstances where they have a permanent change of station. Other changes have also provided remedies and civil enforcement by the U.S. Attorney General.

Many states have applied several of the protections found in the federal SCRA to members of the National Guard under state activation; however, these protections vary widely. It

Improving the Lives of Military Members and their Families

appears that HB1526 updates those protections. Some states have extended their consumer protections beyond what is included in the federal SCRA through state statutes, and applied these additional protections to Service members on federal active duty as well as state activations. Many of these products were not widely used when the federal SCRA was updated in 2003 but are proving to be problematic for federal and state Service members during activation and deployment.

Adding provisions in HB1526 that will allow Service members to cancel or put on hold selected contracts under specified conditions will correct this current deficiency. Those products could include telecommunication services, internet services, television service, athletic club or gym memberships, or satellite radio services. These additional consumer protections might be included in the section of the current bill on cell phone contracts.

Another suggested change would be to include federal active duty military members under the definition of "military service" by adding: "Under a call to active service authorized by the president of the United States or the secretary of defense for a period of more than 30 consecutive days." This change would allow protections to federal uniformed Service members who are suddenly deployed and need to put their contracts on hold.

I have attached our background paper on this issue that explains why this is an important issue to our active duty Service members. It may serve to clarify any questions.

In closing, let me say that we are grateful for the tremendous effort that Hawaii has historically given in supporting our Service members and their families. We appreciate the opportunity to submit testimony. Please feel free to contact me if you have any questions. I am in Pacific Time Zone as I live in San Diego.



Laurie Crehan, Ed.D.
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STATE ENHANCEMENTS TO THE SERVICE MEMBER'S CIVIL RELIEF ACT (SCRA)

As a result of military duty, Service members can have unintended consumer concerns for which they can be protected through state consumer protection policies.

KEY MESSAGE: Service members are protected as consumers through the federal SCRA; however, the federal law does not protect Service members concerning obligations that occur while on active duty. States can provide additional consumer protections that can mirror and expand the federal SCRA.



DISCUSSION POINTS:

- The 2003 federal SCRA generally provided protections associated with obligations made prior to federal activation, and generally covered stays of some court proceedings; protection from default judgements, evictions, foreclosures and loss of insurance coverage; and limited certain taxes and obligations made before entering active duty.
- Updates to the SCRA since 2003 extended it to cover residential leases, motor vehicle leases and telephone service contracts entered while on active duty, in order to provide relief to Service members when they deploy or assigned overseas, or in some circumstances where they have a permanent change of station. Other changes have also provided remedies and civil enforcement by the U.S. Attorney General.
- Many states have applied several of the protections found in the federal SCRA to members of the National Guard under state activation; however, these protections vary widely. Some states have extended their consumer protections beyond what is included in the federal SCRA through state statutes, and applied these additional protections to Service members on federal active duty as well as state activations.
- DoD recognizes that states need to develop protections that make sense within the context of their consumer protection laws. DoD requests states consider protections:
 - Applicable to active duty for members of the Uniformed Services, (which parallels members covered by the federal SCRA: Army, Navy, Marine Corps, Air Force, Coast Guard, National Guard, Public Health Services and National Oceanic and Atmospheric Administration);¹
 - Applicable to a contract to provide telecommunication services, internet services, television services, athletic club or gym memberships, or satellite radio services;¹
 - Applicable as well to certain residential lease/rental agreements due to moves into government owned/leased housing.

Title VIII of the SCRA provides authority to the Attorney General to enforce the provisions of the federal SCRA (Section 801 – 50 U.S.C. §597). In February 2012, the federal government and 49 state attorneys general reached an unprecedented joint settlement of \$25 Billion with the nation's five largest mortgage servicers to address mortgage loan servicing and foreclosure abuses.

¹ Protections approved as part of Indiana House Bill 1456, 2015

The Uniformed Service Member's Voice in Government
NATIONAL ASSOCIATION FOR UNIFORMED SERVICES
Hawaii Chapter (HI-1)

FEBRUARY 7TH 2017

TESTIMONY IN SUPPORT OF HOUSE BILL 1526
RELATING TO CIVIL RELIEF FOR STATE MILITARY FORCES.

HOUSE COMMITTEE ON VETERANS, MILITARY, & INTERNATIONAL
AFFAIRS, & CULTURE AND THE ARTS, AT 9:30AM, ON THURSDAY
FEBRUARY 9TH 2017, IN CONFERENCE ROOM 429

Aloha Chair Ito and Vice Chair Tokioka: Mahalo for providing this opportunity to share our sentiments, in support of House Bill 1526. The National Association for Uniformed Services (NAUS) is well known, as "The Service Member's Voice in Government." While this voice is silent, on Capitol Hill, NAUS Hawaii Chapter (HI-1) continues to serve at the will and pleasure of our nation's largest per-capita uniformed services community.

NAUS Hawaii Chapter (HI-1) sincerely appreciates your willingness to consider

- a. revising Chapter 657D, Hawaii Revised Statutes, concerning civil relief for state military forces to conform with the federal Servicemember's Civil Relief Act, and
- b. Waiving filing fees and court costs for a service member or other person seeking to enforce rights pursuant to Chapter 657D.

Your efforts are greatly appreciated, especially by our deployed military and Guard personnel and their love ones.

Thank you for being here for us,

D Egge

Dennis Egge; NAUS Hawaii Chapter President



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