

SENATE BILL REPORT

SHB 2171

As of February 27, 2014

Title: An act relating to strengthening economic protections for veterans and military personnel.

Brief Description: Strengthening economic protections for veterans and military personnel.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Orwall, Johnson, Tarleton, Ross, Nealey, Hayes, Sullivan, Farrell, Kirby, Hansen, Chandler, Green, Shea, Moscoso, Parker, Smith, Magendanz, Klippert, Rodne, Pollet, Seaquist, Appleton, Carlyle, Stanford, Buys, Morrell, Goodman, Lias, Haigh, Short, Fagan, Bergquist, Fey, Riccelli and Ryu; by request of Governor Inslee and Attorney General).

Brief History: Passed House: 2/17/14, 97-0.

Committee Activity: Law & Justice: 2/26/14.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Tim Ford (786-7423)

Background: The Washington Service Members' Civil Relief Act (WSCRA) was enacted in 2005 to assist service members and their dependents whose financial and legal obligations may be impacted by active military duty. The WSCRA specifically applies for Washington residents who are members of the National Guard or a military reserve component and who are under a call to active service for a period of more than 30 days. The main provisions of the WSCRA provide rights with respect to default judgments and stays in civil proceedings. The WSCRA also contains provisions restricting contract fines and penalties, restructuring interest rates on certain business loans, and tolling statutes of limitations during military service periods.

The WSCRA was modeled on the portions of the federal Service Members Civil Relief Act (SCRA) relating to default judgments and stays of civil proceedings. The SCRA contains a number of other rights for service members, including reducing interest rate obligations on pre-service loans to 6 percent, and protecting service members from evictions and property foreclosures, cancellation of life insurance, and losing certain rights to public land. Congress amended the SCRA in the Veterans' Benefits Act of 2010 (VBA) to include an enforcement mechanism through either a private right of action or an action by the United States Attorney General. Under the VBA amendments, a person covered by the SCRA may bring a private civil action for a violation of the SCRA, and remedies may include equitable or declaratory

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relief, damages, and costs and reasonable attorneys' fees. In addition, the United States Attorney General is authorized to bring an action to enforce the SCRA against a person who engages in a pattern or practice of violating the SCRA or engages in a violation that raises an issue of significant public importance. Remedies may include equitable or declaratory relief, damages, and civil penalties of up to \$55,000 for a first violation and up to \$110,000 for subsequent violations.

Summary of Bill: The WSCRA is amended to provide that the federal SCRA applies in proper cases in all Washington courts, and a violation of the SCRA is a violation of the WSCRA.

A service member or dependent may bring a civil action for a violation of the WSCRA to obtain equitable or declaratory relief, monetary damages, and other appropriate relief. In addition, the court may award the costs of the action and reasonable attorneys' fees to a service member or dependent who prevails in the action.

The Washington Attorney General may bring a civil action to enforce the WSCRA against a person that engages in a pattern or practice of violations or engages in a violation that raises an issue of significant public importance. The court may grant equitable or declaratory relief, monetary damages, and other appropriate relief. In addition, the court may assess a civil penalty of up to \$55,000 for a first violation, and up to \$110,000 for subsequent violations.

The Washington Attorney General is authorized to issue civil investigative demands, prior to commencing a civil action, for the discovery of material information relevant to an investigation of a violation of the WSCRA. Standards are provided for the required contents of a demand; how the demand must be served; the process for production of documents and information; the confidentiality of disclosed documents or information; and court action for contesting, modifying, or enforcing a demand.

A reference to the federal Soldiers' and Sailors' Civil Relief Act of 1940 in state law regarding employment and reemployment rights of persons serving in the uniformed services is revised to instead reference the federal Uniformed Services Employment and Reemployment Rights Act (USERRA). The USERRA is declared to apply in proper cases in all Washington courts.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: We have a duty to our service members. This bill strengthens protections for them relating to financial and legal obligations and allows them to focus on their military mission. We had about 18,000 members in the state who were members of the National Guard or reserve status, and about 12,000 were activated after the

terrorist attacks of September 11. The federal law has protections that our state law does not have yet. Oregon has these protections in place and we should too.

Persons Testifying: PRO: Representative Orwall, prime sponsor; Travis Alley, WA Attorney General's Office; Jim Baumgart, Governor's Office; Nancy Bickford, WA Military Dept.; Mike Davis, citizen.