

HOUSE BILL REPORT

HB 2718

As Reported by House Committee On:
Community Development, Housing & Tribal Affairs

Title: An act relating to consumer protections for military members on active duty.

Brief Description: Providing consumer protections for military members on active duty.

Sponsors: Representatives Kilduff, McCabe, Muri, Wilson, Stanford and Jinkins.

Brief History:

Committee Activity:

Community Development, Housing & Tribal Affairs: 1/26/16, 1/28/16 [DPS].

Brief Summary of Substitute Bill

- Allows military service members to cancel or suspend certain service contracts when called into active duty and to resume the services upon return from active duty.

HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Ryu, Chair; Robinson, Vice Chair; Wilson, Ranking Minority Member; Zeiger, Assistant Ranking Minority Member; Appleton, Hickel and Sawyer.

Staff: Sean Flynn (786-7124).

Background:

Federal and state law provides certain consumer protections for military members who are called into active duty service. The federal Service Members' Civil Relief Act (SCRA) of 2003 provides economic and legal protections from financial obligations and liability for service members while in federal active duty. The state enacted a version of the SCRA in 2005 that included similar protections and extended coverage of the federal protections for reserve and National Guard members called into state active duty.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Attorney General may enforce violations of the federal or state SCRA on behalf of a service member. The Attorney General's office also provides consumer protection resources for veterans and military members.

Summary of Substitute Bill:

A military service member may terminate or suspend certain service contracts that are interrupted by the service member being called into federal or state active duty service. The right applies to the following services: telecommunication, health club, Internet, and subscription television.

In order to terminate or suspend a service contract, the service member must notify the service provider with written proof of active duty orders. The contract termination or suspension is effective on the day notice is given to a service provider and may not end or alter any preexisting contractual obligations for services rendered. No penalty, charge, or liability may apply for the contract termination.

A service member may reinstate service within 90 days upon returning from active duty. If the active duty period was less than a year, the service provider must offer the same terms and conditions that applied when the contract was suspended. If the active duty period was over a year, then the service provider must offer the lowest rate offered to any consumer within the previous year. The provision of services must be the same or reasonably similar to the original services provided.

A violation of the act is enforceable under the Consumer Protection Act as an unfair or deceptive act of trade or commerce and an unfair method of competition. The Attorney General may enforce this act against a person who engages in a practice of violating this act or if the violation raises a significant public interest.

Substitute Bill Compared to Original Bill:

The substitute bill includes the protection under the Consumer Protection Act as well as the Attorney General enforcement authority. It also clarifies that federal law governs contracts related to mobile radio services, including cell phones.

Appropriation:

Fiscal Note: Requested on January 28, 2016.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Military service members can be deployed on short notice for long periods of time, which causes significant hardship on the military member and their families. This bill provides some relief for members when called into active duty. The bill promotes active duty readiness by deferring contractual obligations when the service member is called to active duty. The bill does not provide any explicit enforcement provisions, which should be available for a violation of the rights created in this act. There should be more guidance how cell phone contracts are handled when they involve installment purchase agreements.

(Opposed) None.

Persons Testifying: Representative Kilduff, prime sponsor; and Mike Webb, Office of the Attorney General.

Persons Signed In To Testify But Not Testifying: None.