

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
Third Reader

House Bill 1614  
Economic Matters

(Delegate Valentino-Smith, *et al.*)

Judicial Proceedings

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Public Safety - Military Service Members - Civil Relief

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This bill authorizes a military service member to terminate or suspend certain consumer-related contracts when called into military service, as specified, without suffering any penalty, loss of deposit, or other additional cost. Additionally, a service member who terminates or suspends a service in this manner may reinstate the service on the same terms and conditions as originally agreed to before the termination or suspension.

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Fiscal Summary

**State Effect:** The bill does materially affect State operations or finances.

**Local Effect:** The bill does not materially affect local operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** A service member who terminates, suspends, or reinstates a consumer contract for the services and in the manner described below (1) may not be charged a penalty, fee, loss of deposit, or any other additional cost and (2) is not liable for payment for any services after the effective date of the termination or suspension, until the effective date of any reinstatement of services. The rights and protections established by the bill are in addition to the rights and protections regarding consumer transactions, contracts, and service providers included in Title III of the federal Service Members Civil Relief Act (50 U.S.C. APP 531 through 538).

A service member may terminate or suspend a contract for (1) telecommunication services; (2) Internet services; (3) television services; (4) athletic club or gym memberships; and

(5) satellite radio services. This may be done at any time after the date the service member receives military orders to relocate for a period of military service (as defined by the bill) of at least 90 days to a location where the service member would be unable to use the services under the contract. To terminate a contract, the service member must provide to the service provider a written or electronic notice of the termination and a copy of the service member's military orders. The service provider must then provide the service member with a written or electronic notice of the service member's rights (which are posted on the Maryland National Guard's Internet website).

A service member who terminates or suspends services in this manner may reinstate the service when he or she is no longer in active military service, as specified in the bill. The service must be reinstated under the same terms and conditions in effect when the service was terminated or suspended. To reinstate the service, the service member must provide written notice to the service provider within 90 days after the service member's active military service ends.

**Current Law/Background:** Most consumer protections for military service members are provided at the federal level; however, certain federal protections do not apply to members of the National Guard. Instead, State law extends these federal protections to National Guard members, including the protections of the federal Service Members Civil Relief Act. Among other things, the act (1) protects service members from eviction, foreclosure, and seizure of real property during a period of military service; (2) protects the life insurance policy of a service member from termination due to unpaid premiums during a period of military service; and (3) allows a service member to terminate a residential or motor vehicle lease or a telephone service contract without having to pay early termination charges.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Office of the Attorney General; Judiciary (Administrative Office of the Courts); Military Department; U.S. Code; Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2018  
mm/kdm Revised - Correction - March 13, 2018  
Third Reader - March 20, 2018

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