

GOLD STAR SPOUSES LEASING RELIEF ACT

JULY 24, 2018.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROE of Tennessee, from the Committee on Veterans' Affairs, submitted the following

R E P O R T

[To accompany H.R. 5882]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 5882) to amend the Servicemembers Civil Relief Act to provide for the termination by a spouse of a lessee of certain leases when the lessee dies while in military service, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary .....	2
Background and Need for Legislation .....	2
Hearings .....	2
Subcommittee Consideration .....	2
Committee Consideration .....	3
Committee Votes .....	3
Committee Oversight Findings .....	3
Statement of General Performance Goals and Objectives .....	3
New Budget Authority, Entitlement Authority, and Tax Expenditures .....	3
Earmarks and Tax and Tariff Benefits .....	3
Committee Cost Estimate .....	3
Congressional Budget Office Estimate .....	3
Federal Mandates Statement .....	4
Advisory Committee Statement .....	4
Constitutional Authority Statement .....	5
Applicability to Legislative Branch .....	5
Statement on Duplication of Federal Programs .....	5
Disclosure of Directed Rulemaking .....	5
Section-by-Section Analysis of the Legislation .....	5
Changes in Existing Law Made by the Bill as Reported .....	5

## PURPOSE AND SUMMARY

H.R. 5882, the Gold Star Spouses Leasing Relief Act, would amend the Servicemembers Civil Relief Act (SCRA) to allow the spouse of a servicemember who dies on active duty to terminate a residential lease within one year of the servicemember's death, without penalty. Representative Cheri Bustos of Illinois introduced H.R. 5882 on May 18, 2018.

## BACKGROUND AND NEED FOR LEGISLATION

Section 305(a) of the SCRA authorizes a servicemember to terminate a residential lease if they receive orders for a permanent change of station or to deploy to support a military operation for more than 90 days. This protection is extended to dependents of servicemembers if they are also included on the lease. However, if the spouse is not on the lease and the servicemember dies during military service, the spouse does not receive protection against penalties their landlords might impose if they break the lease. This bill would amend this section of the SCRA to require landlords to allow these spouses to terminate their lease, without penalty, within one year of the servicemember's death. The Committee believes this amendment to the SCRA may be important for spouses who are only living in a location because of the servicemember's military service and may wish to move elsewhere after the servicemember's death.

## HEARINGS

On May 23, 2018, the Subcommittee on Economic Opportunity held a legislative hearing on several bills pending before the Subcommittee including H.R. 5882.

The following witnesses testified:

The Honorable Julia Brownley, U.S. House of Representatives, 26th District, California; The Honorable Scott Peters, U.S. House of Representatives, 52nd District, California; The Honorable Brad Wenstrup, U.S. House of Representatives, 2nd District, Ohio; The Honorable Cheri Bustos, U.S. House of Representatives, 17th District, Illinois; The Honorable Ryan Costello, U.S. House of Representatives, 6th District, Pennsylvania; Ms. Margarita Devlin, Principal Deputy Under Secretary for Benefits, Veterans Benefits Administration, U.S. Department of Veterans Affairs; Mr. John Kamin, Assistant Director, Veterans Employment and Education Division, The American Legion; Ms. Lauren Augustine, Vice President of Government Affairs, Student Veterans of America; and Ms. Rebecca Burgess, Program Manager, Program on American Citizenship, American Enterprise Institute.

Statements for the record were submitted by:

U.S. Department of Defense; U.S. Department of Justice; Tragedy Assistance Program for Survivors; and Paralyzed Veterans of America

## SUBCOMMITTEE CONSIDERATION

There was no Subcommittee consideration of H.R. 5882.

#### COMMITTEE CONSIDERATION

On July 12, 2018 the full Committee met in open markup session, a quorum being present, and ordered H.R. 5882 to be reported favorably to the House of Representatives by voice vote

#### COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, there were no recorded votes taken on amendments or in connection with ordering H.R. 5882 reported to the House. A motion by Representative Tim Walz of Minnesota to report H.R. 5882 favorably to the House of Representatives was adopted by voice vote.

#### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the descriptive portions of this report.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee's performance goals and objectives are to amend SCRA to provide additional protections to the surviving spouse of servicemembers who die on active duty.

#### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

#### EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 5882 does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

#### COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 5882 prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 5882 provided by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, July 19, 2018.*

Hon. PHIL ROE, M.D.,  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5882, the Gold Star Spouses Leasing Relief Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Logan Smith.

Sincerely,

MARK P. HADLEY  
(For Keith Hall, Director).

Enclosure.

*H.R. 5882—Gold Star Spouses Leasing Relief Act*

Under current law, service members may terminate leases for residential, business, or other properties after receiving permanent change of station or deployment orders. H.R. 5882 would permit the spouse of a service member who dies while in military service to terminate property leases previously entered into by the service member. Under the bill, the spouse could terminate such leases without charge or penalty during the year following the service member's death. CBO estimates that H.R. 5882 would have no effect on the federal budget.

Enacting H.R. 5882 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5882 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5882 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The bill would impose a private-sector mandate as defined in UMRA by prohibiting real property lessors, in certain instances, from imposing early termination fees on the spouses of deceased service members. Due to the small population of spouses affected, CBO estimates that the cost of the mandate would fall below the annual private-sector threshold established in UMRA (\$160 million in 2018, adjusted annually for inflation).

The CBO staff contacts for this estimate are Logan Smith (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Leo Lex, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 5882 prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 5882.

## STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, H.R. 5882 is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

## APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 5882 does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

## STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee finds that no provision of H.R. 5882 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

## DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 115th Cong. (2017), the Committee estimates that H.R. 5882 contains no directed rulemaking that would require the Secretary to prescribe regulations.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Short title*

Section 1 of the bill would set the short title of this bill to be the "Gold Star Spouses Leasing Relief Act"

*Section 2. Termination of leases of premises of deceased servicemembers who die while in military service*

Section 2 of the bill would amend section 305(a) of the SCRA by:

- (1) striking "BY LEASEE" in the subsection heading;
- (2) in the heading for paragraph (1), striking "IN GENERAL" and inserting "TERMINATION BY LESSEE"; and
- (3) by adding a new paragraph 3 at the end of this subsection that would authorize that the spouse of a lessee on a lease described in subsection (b)(1) to terminate the lease during the one-year period beginning on the date of the death of the lessee, if the lessee dies while in military service.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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**SERVICEMEMBERS CIVIL RELIEF ACT**

\* \* \* \* \*

**TITLE III—RENT, INSTALLMENT CONTRACTS, MORTGAGES, LIENS, ASSIGNMENT, LEASES, TELEPHONE SERVICE CONTRACTS**

\* \* \* \* \*

**SEC. 305. TERMINATION OF RESIDENTIAL OR MOTOR VEHICLE LEASES.**(a) **TERMINATION [BY LESSEE].—**

(1) **[IN GENERAL] *TERMINATION BY LESSEE.***—The lessee on a lease described in subsection (b) may, at the lessee's option, terminate the lease at any time after—

(A) the lessee's entry into military service; or

(B) the date of the lessee's military orders described in paragraph (1)(B) or (2)(B) of subsection (b), as the case may be.

(2) **JOINT LEASES.**—A lessee's termination of a lease pursuant to this subsection shall terminate any obligation a dependent of the lessee may have under the lease.

(3) **DEATH OF LESSEE.**—*The spouse of the lessee on a lease described in subsection (b)(1) may terminate the lease during the one-year period beginning on the date of the death of the lessee, if the lessee dies while in military service.*

(b) **COVERED LEASES.**—This section applies to the following leases:

(1) **LEASES OF PREMISES.**—A lease of premises occupied, or intended to be occupied, by a servicemember or a servicemember's dependents for a residential, professional, business, agricultural, or similar purpose if—

(A) the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service; or

(B) the servicemember, while in military service, executes the lease and thereafter receives military orders for a permanent change of station or to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 90 days.

(2) **LEASES OF MOTOR VEHICLES.**—A lease of a motor vehicle used, or intended to be used, by a servicemember or a servicemember's dependents for personal or business transportation if—

- (A) the lease is executed by or on behalf of a person who thereafter and during the term of the lease enters military service under a call or order specifying a period of not less than 180 days (or who enters military service under a call or order specifying a period of 180 days or less and who, without a break in service, receives orders extending the period of military service to a period of not less than 180 days); or
- (B) the servicemember, while in military service, executes the lease and thereafter receives military orders—
- (i) for a change of permanent station—
    - (I) from a location in the continental United States to a location outside the continental United States; or
    - (II) from a location in a State outside the continental United States to any location outside that State; or
  - (ii) to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 180 days.
- (c) MANNER OF TERMINATION.—
- (1) IN GENERAL.—Termination of a lease under subsection (a) is made—
    - (A) by delivery by the lessee of written notice of such termination, and a copy of the servicemember's military orders, to the lessor (or the lessor's grantee), or to the lessor's agent (or the agent's grantee); and
    - (B) in the case of a lease of a motor vehicle, by return of the motor vehicle by the lessee to the lessor (or the lessor's grantee), or to the lessor's agent (or the agent's grantee), not later than 15 days after the date of the delivery of written notice under subparagraph (A).
  - (2) DELIVERY OF NOTICE.—Delivery of notice under paragraph (1)(A) may be accomplished—
    - (A) by hand delivery;
    - (B) by private business carrier; or
    - (C) by placing the written notice in an envelope with sufficient postage and with return receipt requested, and addressed as designated by the lessor (or the lessor's grantee) or to the lessor's agent (or the agent's grantee), and depositing the written notice in the United States mails.
- (d) EFFECTIVE DATE OF LEASE TERMINATION.—
- (1) LEASE OF PREMISES.—In the case of a lease described in subsection (b)(1) that provides for monthly payment of rent, termination of the lease under subsection (a) is effective 30 days after the first date on which the next rental payment is due and payable after the date on which the notice under subsection (c) is delivered. In the case of any other lease described in subsection (b)(1), termination of the lease under subsection (a) is effective on the last day of the month following the month in which the notice is delivered.
  - (2) LEASE OF MOTOR VEHICLES.—In the case of a lease described in subsection (b)(2), termination of the lease under subsection (a) is effective on the day on which the requirements of subsection (c) are met for such termination.

## (e) ARREARAGES AND OTHER OBLIGATIONS AND LIABILITIES.—

(1) LEASES OF PREMISES.—Rent amounts for a lease described in subsection (b)(1) that are unpaid for the period preceding the effective date of the lease termination shall be paid on a prorated basis. The lessor may not impose an early termination charge, but any taxes, summonses, or other obligations and liabilities of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

(2) LEASES OF MOTOR VEHICLES.—Lease amounts for a lease described in subsection (b)(2) that are unpaid for the period preceding the effective date of the lease termination shall be paid on a prorated basis. The lessor may not impose an early termination charge, but any taxes, summonses, title and registration fees, or other obligations and liabilities of the lessee in accordance with the terms of the lease, including reasonable charges to the lessee for excess wear or use and mileage, that are due and unpaid at the time of termination of the lease shall be paid by the lessee.

(f) RENT PAID IN ADVANCE.—Rents or lease amounts paid in advance for a period after the effective date of the termination of the lease shall be refunded to the lessee by the lessor (or the lessor's assignee or the assignee's agent) within 30 days of the effective date of the termination of the lease.

(g) RELIEF TO LESSOR.—Upon application by the lessor to a court before the termination date provided in the written notice, relief granted by this section to a servicemember may be modified as justice and equity require.

(h) MISDEMEANOR.—Any person who knowingly seizes, holds, or detains the personal effects, security deposit, or other property of a servicemember or a servicemember's dependent who lawfully terminates a lease covered by this section, or who knowingly interferes with the removal of such property from premises covered by such lease, for the purpose of subjecting or attempting to subject any of such property to a claim for rent accruing subsequent to the date of termination of such lease, or attempts to do so, shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

## (i) DEFINITIONS.—

(1) MILITARY ORDERS.—The term "military orders", with respect to a servicemember, means official military orders, or any notification, certification, or verification from the servicemember's commanding officer, with respect to the servicemember's current or future military duty status.

(2) CONUS.—The term "continental United States" means the 48 contiguous States and the District of Columbia.

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