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AB-2562 Military service: benefits. (2015-2016)

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Assembly Bill No. 2562

CHAPTER 332

An act to amend Sections 800 and 803 of the Military and Veterans Code, relating to military service.

[Approved by Governor September 13, 2016. Filed with Secretary of State September 13, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2562, Committee on Veterans Affairs. Military service: benefits.

Existing law authorizes a reservist, as defined, who is called to active duty on and after January 1, 2014, to defer payments on mortgages, credit cards, retail installment accounts and contracts, real property taxes and assessments, vehicle leases, and obligations owed to utility companies, for the period of active duty plus 60 calendar days, or 180 days, whichever is the lesser, as specified. Existing law authorizes similar provisions to a reservist who was called to active duty before January 1, 2014, as a part of the Iraq and Afghanistan conflicts.

This bill would delete references to the date a reservist is called to active duty, in both the definition of a reservist and the payment deferral provisions, thereby making the above-described benefits available to any reservist who otherwise meets the definition.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 800 of the Military and Veterans Code is amended to read:

800. (a) Subject to subdivision (b), in addition to any other benefits provided by law and to the extent permitted by federal law, a reservist who is called to active duty may defer payments on any of the following obligations while serving on active duty:

- (1) An obligation secured by a mortgage or deed of trust.
- (2) Credit Card, as defined in Section 1747.02 of the Civil Code.
- (3) Retail installment contract, as defined in Section 1802.6 of the Civil Code.
- (4) Retail installment account, installment account, or revolving account, as defined in Section 1802.7 of the Civil Code.
- (5) Up to two vehicle loans. For purposes of this chapter, "vehicle" means a vehicle as defined in Section 670 of the Vehicle Code.

(6) A payment of property tax or any special assessment of in-lieu property tax imposed on real property that is assessed on residential property owned by the reservist and used as that reservist's primary place of residence on the date the reservist was ordered to active duty.

(7) An obligation owed to a utility company.

(b) (1) In order for an obligation or liability of a reservist to be subject to the provisions of this chapter, the reservist or the reservist's designee shall deliver to the obligor both of the following:

(A) A letter signed by the reservist, under penalty of perjury, requesting a deferment of financial obligations.

(B) A copy of the reservist's activation or deployment order and any other information that substantiates the duration of the service member's military service.

(2) If required by a financial institution, proof that the reservist's employer does not provide continuing income to the reservist while the reservist is on active military duty, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(c) Upon request of the reservist or the reservist's dependent or designee and within five working days of that request, if applicable, the employer of a reservist shall furnish the letter or other comparable evidence showing that the employer's compensation policy does not provide continuing income to the reservist, including the reservist's military pay, of more than 90 percent of the reservist's monthly salary and wage income earned before the call to active duty.

(d) The deferral period on financial obligations shall be the lesser of 180 days or the period of active duty plus 60 calendar days and shall apply only to those payments due subsequent to the notice provided to a lender as provided in subdivision (b). In addition, the total period of the deferment shall not exceed 180 days within a 365-day period.

(e) If a lender defers payments on a closed end credit obligation or an open-end credit obligation with a maturity date, pursuant to this chapter, the lender shall extend the term of the obligation by the amount of months the obligation was deferred.

(f) If a lender defers payments on an open-end credit obligation pursuant to this chapter, the lender may restrict the availability of additional credit with respect to that obligation during the term of the deferral.

SEC. 2. Section 803 of the Military and Veterans Code is amended to read:

803. The following definitions apply for purposes of this chapter:

(a) "Reservist" means either of the following:

(1) A member of the militia, as defined in Section 120, called or ordered into state military service pursuant to Section 143 or Section 146, or in federal or state military service pursuant to Title 10 or Title 32 of the United States Code.

(2) A reservist of the United States Military Reserve who has been ordered to full-time federal active duty by the President of the United States pursuant to Title 10 of the United States Code.

(b) "Military service" means either of the following:

(1) Full-time active state service or full-time active federal service of a service member who is a member of the militia, as described in subparagraph (A) of paragraph (1) of subdivision (a).

(2) Full-time active duty of a service member who is a reservist, as described in paragraph (2) of subdivision (a) for a period of 30 consecutive days.