## HOUSE BILL No. 2266

## By Committee on Taxation

## 2-4

9 AN ACT concerning service members; relating to civil relief; enacting the Kansas military service relief act.

Be it enacted by the Legislature of the State of Kansas:

Section 1. This act shall be known and may be cited as the Kansas military service relief act.

Sec. 2. For the purposes of sections 1 through 14, and amendments thereto:

- (a) "Dependent" means:
- (1) The service member's spouse;
- (2) the service member's minor child; or
- (3) an individual for whom the service member provided more than one-half of the individual's support for 180 days immediately preceding an application for relief under this act.
- (b) "Judgment" does not include temporary orders issued by a court in domestic relations cases under article 16 of chapter 60 of the Kansas Statutes Annotated, and amendments thereto, including, but not limited to, the establishment of any interlocutory orders pursuant to K.S.A. 60-1607, and amendments thereto, or entry of an emergency or temporary order under article 31 of chapter 60 of the Kansas Statutes Annotated, and amendments thereto.
- (c) "Military service" means a service member under a call to active service authorized by the president of the United States or the secretary of defense for a period of more than 30 consecutive days.
- (d) "National guard" means that part of the military force of the state that is organized, equipped and federally recognized under the provisions of the national defense act of the United States.
- (e) "Service member" means any resident of the state of Kansas that is a member of the national guard or member of a military reserve component.
- (f) "Uniformed services" means the armed forces of the United States as defined by 10 U.S.C. 101(a)(4), including reserved components of the armed forces, the army national guard and the air national guard, the commissioned corps of the public health service, and any other category of persons designated by the president in time of war or emergency.

- Sec. 3. (a) Any service member who is ordered to report for military service and the service member's dependents are entitled to the rights and protections of this act during the period beginning on the date on which the service member receives the order and ending 180 days after termination of or release from military service.
- (b) This act applies to any judicial proceeding commenced in any court or any administrative proceeding initiated by an agency in Kansas in which a service member or the service member's dependent is a defendant. This act shall not apply to criminal proceedings.
- (c) This act shall be construed liberally so as to provide fairness and do substantial justice to service members and their dependents.
- Sec. 4. (a) Whenever, pursuant to this act, a court stays, postpones or suspends: (1) The enforcement of an obligation or liability; (2) the prosecution of a suit or proceeding; (3) the entry or enforcement of an order, writ, judgment or decree; or (4) the performance of any other act, the court may likewise grant such a stay, postponement or suspension to a surety, guarantor, endorser, accommodation maker, comaker or other person who is or may be primarily or secondarily subject to the obligation or liability the performance or enforcement of which is stayed, postponed or suspended.
- (b) When a judgment or decree is vacated or set aside, in whole or in part, pursuant to this act, the court may also set aside or vacate, as the case may be, the judgment or decree as to a surety, guarantor, endorser, accommodation maker, comaker or other person who is or may be primarily or secondarily liable on the contract or liability for the enforcement of the judgment decree.
- Sec. 5. (a) A service member may waive any of the rights and protections provided by this act. In the case of a waiver that permits an action described in subsection (b), the waiver is effective only if made pursuant to a written agreement of the parties that is executed during or after the service member's period of military service. The written agreement shall specify the legal instrument to which the waiver applies and, if the service member is not party to that instrument, the service member concerned.
- (b) The requirement in subsection (a) for a written waiver applies to the following: (1) The modification, termination or cancellation of a contract, lease or bailment; or an obligation secured by a mortgage, trust, deed, lien or other security in the nature of a mortgage; and (2) the repossession, retention, foreclosure, sale, forfeiture or taking possession of property that is security for any obligation or was purchased or received under a contract, lease or bailment.
- Sec. 6. (a) This section applies to any civil action or proceeding in which a service member or the service member's dependent is a defendant and does not make an appearance under applicable court rules or by

law.

- (b) In any action or proceeding covered by this section, the court, before entering judgment for the plaintiff, shall require the plaintiff to file with the court an affidavit:
- (1) Stating whether the defendant is in military service, or is a dependent of a service member in military service, and showing necessary facts to support the affidavit; or
- (2) if the plaintiff is unable to determine whether the defendant is in military service or is a dependent of a service member in military service, stating that the plaintiff is unable to determine whether the defendant is in military service or is a dependent of a service member in military service.
- (c) (1) To determine whether or not a defendant is a dependent of a service member in military service, the plaintiff may serve on or mail via first-class mail to the defendant a written notice in substantially the following form:

"NOTICE: State and federal laws provide protections to defendants who are service members on active duty in the military *and to their dependents*. Dependents of a service member include the service member's spouse, minor child, and individuals for whom the service member provided more than one-half of the individual's support for 180 days immediately preceding an application for relief.

One protection provided is the protection against the entry of a default judgment in certain circumstances. This notice only pertains to a defendant who is a dependent of a member of the national guard or a military reserve component under a call to active service for a period of more than 30 consecutive days. Other defendants in military service also have protections against default judgments not covered by this notice. If you are the dependent of a member of the national guard or a military reserve component under a call to active service for a period of more than 30 consecutive days, you should notify the plaintiff or the plaintiff's attorney(s) in writing of your status as such within 20 days of receipt of this notice. If you fail to do so, then a court or an administrative tribunal may presume that you are not a dependent of an active duty member of the national guard or reserves, and proceed with the entry of an order of default and/or a default judgment without further proof of your status. Your response to the plaintiff or plaintiff's attorney(s) about your status does not constitute an appearance for jurisdictional purposes in any pending litigation nor a waiver of your rights."

(2) If the notice is either served on the defendant 20 or more days prior to an application for an order of default or a default judgment or mailed to the defendant more than 23 days prior to such application, and

 the defendant fails to timely respond, then for purposes of entry of an order of default or default judgment, the court or administrative officer may presume that the defendant is not a dependent of a person in military service under this act.

- (3) Nothing prohibits the plaintiff from allowing a defendant more than 20 days to respond to the notice, or from amending the notice to so provide.
- (d) If in an action covered by this section it appears that the defendant is in military service or is a dependent of a service member in military service, the court may not enter a judgment until after the court appoints an attorney to represent the defendant. If an attorney appointed under this section to represent a service member or a service member's dependent cannot locate the service member or dependent, actions by the attorney in the case do not waive any defense of the service member or dependent or otherwise bind the service member or dependent.
- (e) In an action covered by this section in which the defendant is in military service or is a dependent of a service member in military service, the court shall grant a stay of proceedings until 180 days after termination of or release from military service, upon application of defense counsel or on the court's own motion, if the court determines that:
- (1) There may be a defense to the action and a defense cannot be presented without presence of the defendant; or
- (2) after due diligence, counsel has been unable to contact the defendant or otherwise determine if a meritorious defense exists. The defendant's failure to communicate or cooperate with counsel after having been contacted is not grounds to find that counsel has been unable to contact the defendant or that counsel has been unable to determine if a meritorious defense exists.
- (f) No bar to entry of judgment under subsection (d) or requirement for grant of stay under subsection (e) precludes the entry of temporary orders in domestic relations cases under article 16 of chapter 60 of the Kansas Statutes Annotated, and amendments thereto. If a court or administrative officer enters a temporary order as allowed under this subsection, it shall include a finding that failure to act, despite the absence of the service member, would result in manifest injustice to the other interested parties. Temporary orders issued without the service member's participation shall not set any precedent for the final disposition of the matters addressed therein.
- (g) If a service member or dependent who is a defendant in an action covered by this section receives actual notice of the action, the service member or dependent may request a stay of proceedings under section 6 of this act, and amendments thereto.
- (h) If a default judgment is entered in an action covered by this sec-

 tion against a service member or the service member's dependent during the service member's period of military service or within 180 days after the termination of or release from military service, the court entering the judgment, upon application by or on behalf of the service member or the service member's dependent, shall reopen the judgment for the purpose of allowing the service member or the service member's dependent to defend the action if it appears that:

- (1) The service member or dependent was materially affected by reason of that military service in making a defense to the action; and
- (2) the service member or dependent has a meritorious or legal defense to the action or some part thereof.
- (i) If a court vacates, sets aside or reverses a default judgment against a service member or the service member's dependent and the vacating, setting aside or reversing is because of a provision of this act, that action does not impair a right or title acquired by a bona fide purchaser for value.
- Sec. 7. (a) This section applies to any civil action or proceeding in which a defendant at the time of filing an application under this section:
- (1) (A) Is in military service, or it is within 180 days after termination of or release from military service; or
  - (B) is a dependent of a service member in military service; and
  - (2) has received actual notice of the action or proceeding.
- (b) At any stage before final judgment in a civil action or proceeding in which a service member or the service member's dependent described in subsection (a) is a party, the court may on its own motion and, upon application by the service member or the service member's dependent, shall stay the action until 180 days after termination of or release from military service, if the conditions in subsection (c) are met.
- (c) An application for a stay under subsection (b) shall include the following:
- (1) A letter or other communication setting forth facts stating the manner in which current military duty requirements materially affect the service member's or dependent's ability to appear and stating a date when the service member or dependent will be available to appear; and
- (2) a letter or other communication from the service member's commanding officer stating that the service member's current military duty prevents either the service member's or dependent's appearance and that military leave is not authorized for the service member at the time of the letter.
- (d) An application for a stay under this section does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense, including a defense relating to lack of personal jurisdiction.

- (e) A service member or dependent who is granted a stay of a civil action or proceeding under subsection (b) may apply for an additional stay based on the continuing material affect of military duty on the service member's or dependent's ability to appear. Such application may be made by the service member or the service member's dependent at the time of the initial application under subsection (b) or when it appears that the service member or the service member's dependent is unable to prosecute or defend the action. The same information required under subsection (c) shall be included in an application under this subsection.
- (f) If the court refuses to grant an additional stay of proceedings under subsection (b), the court shall appoint counsel to represent the service member or the service member's dependent in the action or proceeding.
- (g) A service member or dependent who applies for a stay under this section and is unsuccessful may not seek the protections afforded by section 5, and amendments thereto.
- Sec. 8. (a) If an action for compliance with the terms of a contract is stayed pursuant to this act, a penalty shall not accrue for failure to comply with the terms of the contract during the period of the stay.
- (b) If a service member or the service member's dependent fails to perform an obligation arising under a contract and a penalty is incurred arising from that nonperformance, a court may reduce or waive the fine or penalty if:
- (1) (A) The service member was in military service at the time the fine or penalty was incurred; or
- (B) the action is against a dependent of the service member and the service member was in military service at the time the fine or penalty was incurred; and
- (2) the ability of the service member or dependent to perform the obligation was materially affected by the military service.
- Sec. 9. If the service member or the service member's dependent is a codefendant with others who are not in military service and who are not entitled to the relief and protections provided under this act, the plaintiff may proceed against those other defendants with the approval of the court.
- Sec. 10. (a) The period of a service member's military service may not be included in computing any period limited by law, rule or order, for the bringing of any action or proceeding in a court, or in any agency of a state or political subdivision thereof, or the United States by or against the service member or the service member's dependents, heirs, executors, administrators or assigns.
- (b) A period of military service may not be included in computing any period provided by law for the redemption of real property sold or forfeited to enforce an obligation, tax or assessment.

(c) This section does not apply to any period of limitation prescribed by or under the internal revenue laws of the United States.

Sec. 11. If a court determines, in any proceeding to enforce a civil right, that any interest, property or contract has been transferred or acquired with the intent to delay the just enforcement of such right by taking advantage of this act, the court shall enter such judgment or make such order as might lawfully be entered or made concerning such transfer or acquisition.

Sec. 12. The provisions of the service members civil relief act, 50 U.S.C. 501 et seq., are adopted and made a part of this act, and all of the benefits, protections and rights provided in the servicemembers civil relief act shall be applicable to all service members in military service and shall be enforceable pursuant to the provisions of this act.

Sec. 13. The department of labor shall make available the following notice that every employer shall post in a conspicuous place in each employment establishment:

"If you are in the national guard, military reserves, or active duty in the military, you have certain protected employment and reemployment rights, freedom from discrimination rights, and civil relief rights under federal law 38 U.S.C. 4301 et seq. (USERRA) and 50 U.S.C. 501 et seq. (SCRA) and the Kansas military service relief act (sections 1 through 14, and amendments thereto). If you feel that you have been discriminated against or denied such rights on account of your service in the uniformed services, contact the Employer Support Guard and Reserve Committee at 1-800-336-4590."

- Sec. 14. (a) The district courts of this state shall have jurisdiction over proceedings involving the servicemembers civil relief act which shall be governed by the court rules applicable to ordinary proceedings.
- 29 (b) Suits to enforce the provisions of this act may be instituted in any 30 court of competent jurisdiction and appropriate venue by the attorney 31 general of Kansas.
  - Sec. 15. This act shall take effect and be in force from and after its publication in the Kansas register.