

LAW REVIEW 1079

Congress Strengthens SCRA Provision on Terminating Lease of Premises or Vehicle upon Activation, Deployment, or PCS Orders

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4.2—Right To Terminate a Lease or Contract upon Mobilization

On October 13, 2010, President Obama signed into law the Veterans' Benefits Act of 2010 (VBIA-2010), Public Law 111-275. This important new law makes several welcome amendments to the Uniformed Services Employment and Reemployment Rights Act (USERRA) and the Servicemembers Civil Relief Act (SCRA).

Congress enacted the SCRA in 2003, as a long-overdue replacement for the Soldiers' and Sailors' Civil Relief Act (SSCRA), which can be traced back to 1917. The SCRA is codified in title 50, United States Code Appendix, sections 501-596 (50 U.S.C. App. 501-596).

The SSCRA has long provided the right to terminate a lease on premises (apartment, house, office, etc.) upon entering active duty or upon deployment or Permanent Change of Station (PCS) orders. In 2003, the SCRA extended this provision to give the service member the right to terminate a lease on a vehicle. Vehicle leases did not exist in 1917.

The SCRA provision on terminating leases is 50 U.S.C. App. 535. Section 301 of VBA-2010 amends subsection (e) of section 535 to read as follows:

``(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."

This welcome amendment strengthens the SCRA provision on terminating leases on premises and vehicles.