

1 AN ACT relating to the protection of veterans' benefits.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) For the purposes of this section:*

6 *(a) "Compensation" means any money, thing of value, or economic benefit*
7 *conferred on, or received by, any person in return for services rendered, or*
8 *to be rendered, by himself or herself or another;*

9 *(b) "Person" means any natural person, corporation, trust, partnership,*
10 *incorporated or unincorporated association, or any other legal entity; and*

11 *(c) "Veterans' benefits matter" means the preparation, presentation, or*
12 *prosecution of any claim affecting any person who has filed or expressed an*
13 *intent to file a claim for any benefit, program, service, commodity, function,*
14 *status, or entitlement to which is determined to pertain to veterans, their*
15 *dependents, their survivors, or any other individual eligible for such*
16 *benefits under the laws and regulations administered by the United States*
17 *Department of Veterans Affairs or the Kentucky Department of Veterans'*
18 *Affairs.*

19 *(2) No person shall receive any compensation for referring any individual to another*
20 *person to advise or assist the individual with any veterans' benefits matter.*

21 *(3) No person shall receive any compensation for any services rendered in*
22 *connection with any claim filed within the one (1) year presumptive period of*
23 *active duty release.*

24 *(4) A person seeking to receive compensation for advising, assisting, or consulting*
25 *any individual with any veterans' benefits matter shall, before rendering any*
26 *services, memorialize all terms regarding the individual's payment of fees for*
27 *services rendered in a written agreement signed by both parties that specifies:*

1 (a) Fees for services are contingent upon a successful outcome, and shall not
2 exceed five (5) times the one (1) month increase in benefits; and

3 (b) No initial or nonrefundable fee shall be charged.

4 (5) A person seeking to receive compensation for advising, assisting, or consulting
5 any individual with any veterans' benefits matter or engaging in the preparation
6 of an initial claim for a fee shall not:

7 (a) Utilize international call centers or data centers for processing any
8 veterans' personal information;

9 (b) Aggressively or directly solicit business regarding any veterans' benefit
10 matter; or

11 (c) Gain direct access to any personal medical, financial, or government
12 benefits log-in, username, or password information.

13 (6) A person seeking to receive compensation for advising, assisting, or consulting
14 any individual with any veterans' benefits matter shall not utilize a medical
15 professional for a secondary medical exam with whom they have an employment
16 or business relationship.

17 (7) A person shall not advertise or guarantee, either directly or by implication, that
18 any individual is certain to receive specific veterans' benefits or that any
19 individual is certain to receive a specific level, percentage, or amount of veterans'
20 benefits.

21 (8) (a) A person shall not advise, assist, or consult for compensation any individual
22 concerning any veterans' benefits matter without clearly providing at the
23 outset of the business relationship the following disclosure both orally and
24 in writing:

25 "This business is not sponsored by, or affiliated with, the United States
26 Department of Veterans Affairs or the Kentucky Department of Veterans'
27 Affairs, or any other federally chartered veterans' service organization.

1 Other organizations, including but not limited to the Kentucky Department
2 of Veterans' Affairs, a local veterans' service organization, and other
3 federally chartered veterans' service organizations may be able to provide
4 you with this service free of charge. Products or services offered by this
5 business are not necessarily endorsed by any of these organizations. You
6 may qualify for other veterans' benefits beyond the benefits for which you
7 are receiving services here."

8 (b) The written disclosure in paragraph (a) of this subsection shall appear in at
9 least twelve (12) point font and shall appear in a readily noticeable and
10 identifiable place in the person's agreement with the individual seeking
11 services. The individual shall verbally acknowledge understanding of the
12 oral disclosure and sign the document in which the written disclosure
13 appears to represent understanding of these provisions. The person offering
14 services shall retain a copy of the written disclosure while providing
15 veterans' benefits services for compensation to the individual and for at
16 least one (1) year after the date on which the service relations terminate.

17 (9) A violation of this section shall constitute an unfair, false, misleading, or
18 deceptive act or practice in the conduct of trade or commerce under KRS 367.170.

19 (10) Notwithstanding this section, an attorney or law firm seeking to receive
20 compensation for advising, assisting, or consulting any individual with any
21 veterans' benefits matter shall be governed by the limitations set forth in 38
22 C.F.R. sec. 14.636.