

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) No initial or nonrefundable fee shall be charged; and
- 2 (b) Fees for representation or assistance shall not include late fees or interest
- 3 and shall not exceed five (5) times the one (1) month increase in benefits,
- 4 not to exceed twelve thousand five hundred dollars (\$12,500).
- 5 (5) A person seeking to receive compensation for advising, assisting, or consulting
- 6 any individual with any veterans' benefits matter or engaging in the preparation
- 7 of an initial claim for a fee shall not:
- 8 (a) Utilize international call centers or data centers for processing any
- 9 veterans' personal information;
- 10 (b) Aggressively or directly solicit business regarding any veterans' benefit
- 11 matter; or
- 12 (c) Gain direct access to any personal medical, financial, or government
- 13 benefits log-in, username, or password information.
- 14 (6) A person seeking to receive compensation for advising, assisting, or consulting
- 15 any individual with any veterans' benefits matter may utilize an independent
- 16 medical professional for a medical exam but shall not utilize a medical
- 17 professional with whom they have an employment or business relationship.
- 18 (7) A person shall not advertise or guarantee, either directly or by implication, that
- 19 any individual is certain to receive specific veterans' benefits or that any
- 20 individual is certain to receive a specific level, percentage, or amount of veterans'
- 21 benefits.
- 22 (8) (a) A person shall not advise, assist, or consult for compensation any individual
- 23 concerning any veterans' benefits matter without clearly providing at the
- 24 outset of the business relationship the following disclosure both orally and
- 25 in writing:
- 26 "This business is not sponsored by, or affiliated with, the United States
- 27 Department of Veterans Affairs or the Kentucky Department of Veterans'

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

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

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

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