

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) A person shall not receive any compensation for referring any individual to  
20       another person to advise or assist the individual with any veterans' benefits  
21       matter.

22       (3) A person shall not receive any compensation for any services rendered in  
23       connection with any claim filed within the one (1) year presumptive period of  
24       active duty release unless the veteran signs a waiver stating the veteran:

25       (a) Acknowledges he or she is in the presumptive period;  
26       (b) Acknowledges there are free benefits claims services available during this  
27       period;



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

5       "This business is not sponsored by, or affiliated with, the United States  
6       Department of Veterans Affairs or the Kentucky Department of Veterans'  
7       Affairs, or any other federally chartered veterans' service organization.  
8       Other organizations, including but not limited to the Kentucky Department  
9       of Veterans' Affairs, a local veterans' service organization, and other  
10       federally chartered veterans' service organizations, may be able to provide  
11       you with this service free of charge. Products or services offered by this  
12       business are not necessarily endorsed by any of these organizations. You  
13       may qualify for other veterans' benefits beyond the benefits for which you  
14       are receiving services here."

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

24       (9) A person that receives compensation for advising, assisting, or consulting any  
25       individual with any veterans' benefits matter for the individual's initial disability  
26       claims shall report annually by December 1 to the Kentucky Department of  
27       Veterans' Affairs identifying information of the person to include the:

1                   (a) Name or names under which the person conducts business; and  
2                   (b) Address of principal place of business and address of any office maintained  
3                   in Kentucky;

4                   (10) A person that receives compensation for advising, assisting, or consulting any  
5                   individual with any veterans' benefits matter for the individual's initial disability  
6                   claims shall, within one hundred twenty (120) days of the request by Kentucky  
7                   Department of Veterans' Affairs, submit a report for the reporting year, with the  
8                   following information:

9                   (a) Aggregate number of veterans served in Kentucky;  
10                   (b) Number of veterans' benefits claims approved, denied, and pending;  
11                   (c) Average claim return time; and  
12                   (d) Number of veterans who received a successful increase who have a  
13                   previously-assigned agent of record in a veterans' benefits matter.

14                   Data provided shall exclude any items of personal financial, medical, or other  
15                   data deemed confidential, business privileged, or HIPPA-protected information.

16                   (11) The Kentucky Department of Veterans' Affairs may, by administrative regulation  
17                   promulgated in accordance with KRS Chapter 13A, create and display on its  
18                   website a form to assist persons in providing the information required in  
19                   subsections (9) and (10) of this section.

20                   (12) A violation of any provision of this section shall constitute an unfair, false,  
21                   misleading, or deceptive act or practice in the conduct of trade or commerce  
22                   under KRS 367.170.

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