



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED

FACT SHEET FOR S.B. 1308

veterans' benefits' claims; prohibitions

Purpose

Prescribes requirements and procedures that individuals assisting with veterans' benefits matters before the Arizona Department of Veterans' Services (ADVS) or the U.S. Department of Veterans Affairs (U.S. VA) must fulfill prior to receiving compensation for such services.

Background

ADVS duties include: 1) assisting veterans and their families and dependents in presenting, providing and establishing claims, privileges, rights and benefits they may have under federal, state or local law; 2) cooperating with all government and private agencies receiving services for or benefits to veterans and their families and dependents; 3) entering into agreements with veterans' organizations in Arizona holding a charter granted by the U.S. Congress for the beneficial interest of veterans; 4) evaluating, programs offered by educational institutions and training establishments pursuant to federal and state law, so that veterans and their dependents may draw the educational allowance provided by federal law while pursuing approved programs; and 5) establishing an application process for the Arizona gold star military medal, verifying the eligibility of recipients and, if funding is available, awarding the Arizona gold star military medal to an eligible individual ([A.R.S. § 41-603](#)).

The U.S. VA is an agency of the federal government that provides benefits, health care and cemetery services to military veterans. The Veterans Benefits Administration within the U.S. VA is responsible for initial veteran registration, eligibility determination and administration of non-medical benefits, including home loan guarantees, insurance, vocational training, education and pension compensation. Veterans' service organizations are sometimes used to assist with applications for veterans benefits and appeals, and the U.S. VA maintains a directory of recognized veterans' service organizations ([U.S. VA](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a person from receiving compensation for:
 - a) advising, consulting or assisting an individual regarding a veterans' benefits matter before ADVS or the U.S. VA; or
 - b) referring an individual to another person to advise, consult or assist the individual with a veterans' benefits matter.

2. Allows a person to receive compensation for advising, consulting or assisting an individual with a veterans' benefits matter if the person, prior to providing any services, prepares an agreement to be signed by all parties that contains the following:
 - a) the terms of the agreement, including the payment amount for the services being provided; and
 - b) a disclosure written in 12-point font, in a readily noticeable and easily identifiable place, stating that the business is not sponsored, endorsed by or affiliated with ADVS or the U.S. VA or other federally chartered veterans' service organization, and that specified organizations may be able to provide the veteran with the same services free of charge.
3. Prohibits a person from charging an initial fee or a nonrefundable fee for advising, consulting or assisting an individual regarding a veterans' benefits matter.
4. Requires the reception of compensation to be contingent on the veteran's benefits being increased.
5. Prohibits compensation from being more than five times the amount of the veteran's increase in benefits.
6. Prohibits a person assisting with veterans benefits matters from doing any of the following:
 - a) guarantee that the individual will receive a specific veterans' benefit or a specific level, percentage or amount of veterans' benefits;
 - b) receive excessive or unreasonable fees as compensation for services;
 - c) receive compensation for any services provided regarding a matter that is filed within the one-year presumptive period of active duty release, unless the individual acknowledges in writing that the individual is still within the one-year presumptive period of active duty release;
 - d) advertise services regarding veterans' benefits matters without including the required disclosure;
 - e) use a medical professional with which the person has a business relationship to perform a medical examination when providing services;
 - f) use an international call center or data center for processing a veterans' benefits matter; and
 - g) gain direct access to any veterans' personal medical, financial or government benefits information.
7. Requires the disclosure, if an advertisement is printed, to be placed in a readily noticeable and easily identifiable area on the advertisement, or, if the advertisement is verbal, to be stated clearly.
8. States that a violation of these requirements constitutes an unfair, false, misleading or deceptive trade practice under the laws of Arizona.
9. Defines *veterans' benefits matter* as any benefit, program, service, commodity, function of status the entitlement to which is determined by ADVS or the U.S. VA pertaining to veterans, their dependents, their survivors and any other individual eligible for such benefits.
10. Defines *compensation* as any money, item of value or economic benefit conferred on or received by an individual un return for services provided by a person.

11. Defines *person* as any corporation, trust, partnership, incorporated or unincorporated association, or any other legal entity.
12. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Allows a person to receive compensation for advising, consulting or assisting an individual with a veterans' benefits matter if the person, prior to providing any services, prepares an agreement to be signed by all parties that contains the terms of the agreement and an outlined disclosure.
2. Requires the reception of compensation to be contingent on the veteran's benefits being increased.
3. Prohibits a person from charging an initial fee or a nonrefundable fee for advising, consulting or assisting an individual regarding a veterans' benefits matter, and from receiving compensation in excess of five times the increase of the veteran's benefits.
4. Modifies acts that a person providing services related to a veterans' benefits matter is prohibited from taking.
5. Removes provisions related to division of attorney fees and ethical standards under the Rules of Professional Conduct.
6. Adds definitions.

Senate Action

MAPS 2/14/24 DPA 7-0-0

Prepared by Senate Research

February 19, 2024

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