

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 compensation for advising or assisting any individual*
20 *regarding any veterans' benefits matter, except as permitted under federal law.*

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

23 *(4) A person seeking to receive compensation for advising or assisting any individual*
24 *with any veterans' benefits matter shall, before rendering any services,*
25 *memorialize all terms regarding the individual's payment of fees for services*
26 *rendered in a written agreement signed by both parties that adheres to all criteria*
27 *specified within 38 C.F.R. sec. 14.636.*

- 1 (5) No person shall receive any compensation for any services rendered before the
2 date on which a notice of disagreement is filed with respect to the individual's
3 case.
- 4 (6) No person shall guarantee, either directly or by implication, that any individual is
5 certain to receive specific veterans' benefits or that any individual is certain to
6 receive a specific level, percentage, or amount of veterans' benefits.
- 7 (7) No person shall receive excessive or unreasonable fees as compensation for
8 advising or assisting any individual with any veterans' benefits matter and all fees
9 shall be in accordance with 38 C.F.R. sec. 14.636.
- 10 (8) No person shall advise or assist for compensation any individual concerning any
11 veterans' benefits matter without clearly providing at the outset of the business
12 relationship the following disclosure both orally and in writing:
13 "This business is not sponsored by, or affiliated with, the United States
14 Department of Veterans' Affairs or the Kentucky Department of Veterans'
15 Affairs, or any other federally chartered veterans' service organization. Other
16 organizations including but not limited to the Kentucky Department of Veterans'
17 Affairs, a local veterans' service organization, and other federally chartered
18 veterans' service organizations may be able to provide you with this service free of
19 charge. Products or services offered by this business are not necessarily endorsed
20 by any of these organizations. You may qualify for other veterans' benefits
21 beyond the benefits for which you are receiving services here."
22 The written disclosure shall appear in at least twelve (12) point font and shall
23 appear in a readily noticeable and identifiable place in the person's agreement
24 with the individual seeking services. The individual shall verbally acknowledge
25 understanding of the oral disclosure and sign the document in which the written
26 disclosure appears to represent understanding of these provisions. The person
27 offering services shall retain a copy of the written disclosure while providing

1 veterans' benefits services for compensation to the individual and for at least one
2 (1) year after the date on which the service relations terminates.

3 (9) No person shall advertise for compensation services in veterans' benefits matters
4 without including the following disclosure:

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

14 If the advertisement is printed, including but not limited to advertisements visible
15 to internet users, the disclosure shall appear in a readily visible place on the
16 advertisement. If the advertisement is verbal, the spoken statement of the
17 disclosure shall be clear and intelligible.

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