

SB206 ENGROSSED



1 SB206
2 CHG1JWQ-2
3 By Senator Carnley
4 RFD: Veterans, Military Affairs and Public Safety
5 First Read: 27-Feb-25



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A BILL
TO BE ENTITLED
AN ACT

Relating to veterans; to establish certain parameters for the business practice of advising or assisting individuals wanting to file claims for veterans benefits; and to provide that violations are a deceptive trade practice.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For purposes of this act, the following terms have the following meanings:

(1) COMPENSATION. Payment of any money, thing of value, or financial benefit.

(2) PERSON. An individual; corporation; business; estate; trust; partnership; limited liability company; association; joint venture; or public corporation; a state, county, or municipal governmental body or instrumentality thereof; or any other commercial entity.

(3) VETERANS BENEFITS MATTER. The preparation, presentation, or prosecution of any claim affecting any person who has filed or expressed an intent to file a claim for any benefit, program, service, commodity, function, or status entitlement as determined under the laws, rules, and regulations administered by the United States Department of



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Veterans Affairs or the Alabama Department of Veterans Affairs pertaining to veterans, their dependents, their survivors, and any other individuals eligible for such benefits.

Section 2. No person shall receive compensation for advising or assisting any individual with regard to any veterans benefits matter, except as permitted under federal law and pursuant to this section.

Section 3. A person seeking to receive compensation for advising or assisting any individual with any veterans benefits matter, before rendering any services, shall do both of the following:

(1) Memorialize all terms regarding the individual's payment of fees for services rendered in a written agreement, signed by both parties, that adheres to all criteria specified within 38 C.F.R. § 14.636.

(2)a. Provide the following disclosure, both orally and in writing:

"This business is not sponsored by, or affiliated with, the United States Department of Veterans Affairs or the Alabama Department of Veterans Affairs, or any other federally chartered veterans service organization. Other organizations, including, but not limited to, the Alabama Department of Veterans Affairs, your local county veterans service agency, and other federally chartered veterans service organizations, may be able to provide you with this service free of charge. Products or services offered by this business are not necessarily endorsed by any of these organizations. You may qualify for other veterans benefits beyond the benefits for



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57 which you are receiving services here."

58 b. The written disclosure shall appear in at least
59 12-point font and shall appear in a readily noticeable and
60 identifiable place in the person's agreement with the
61 individual seeking services.

62 c. The individual must verbally acknowledge
63 understanding of the oral disclosure and must sign the
64 document in which the written disclosure appears.

65 d. The person offering services shall retain a copy of
66 the written disclosure while providing veterans benefits
67 services for compensation to the individual and for at least
68 one year after the date on which the service relationship
69 terminates.

70 Section 4. (a) A person advising or assisting
71 individuals pursuant to this act may not guarantee, either
72 directly or by implication, that any individual is certain to
73 receive specific veterans benefits or that any individual is
74 certain to receive a specific level, percentage, or amount of
75 veterans benefits.

76 (b) A person advising or assisting individuals pursuant
77 to this act may not receive excessive or unreasonable fees as
78 compensation. The factors articulated within 38 C.F.R. §
79 14.636 shall govern determinations of whether a fee is
80 excessive or unreasonable.

81 Section 5. (a) A person may not advertise the person's
82 services of advising or assisting in veterans benefits matters
83 for compensation without including the following disclosure:

84 "This business is not sponsored by, or affiliated with,



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the United States Department of Veterans Affairs, the Alabama Department of Veterans Affairs, or any other federally chartered veterans service organization. Other organizations, including, but not limited to, the Alabama Department of Veterans Affairs, your local county veterans service agency, and other federally chartered veterans service organizations, may be able to provide you with these services free of charge. Products or services offered by this business are not necessarily endorsed by any of these organizations. You may qualify for other veterans benefits beyond the services that this business offers."

(b) If the advertisement is printed, including, but not limited to, advertisements visible to Internet users, the disclosure shall appear in a readily visible place on the advertisement. If the advertisement is verbal, the spoken statement of the disclosure shall be clear and intelligible.

Section 6. In no event may a person receive compensation for referring an individual to another person to advise or assist the individual with any veterans benefits matter.

Section 7. A violation of this act shall be considered a violation of the Deceptive Trade Practices Act under Chapter 19 of Title 8, Code of Alabama 1975.

Section 8. The provisions of this act shall not apply to an attorney accredited by the federal government pursuant to 38 C.F.R. § 14.629.

Section 9. This act shall become effective on October 1, 2025.



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115 Senate

116 Read for the first time and referred27-Feb-25
117 to the Senate committee on Veterans,
118 Military Affairs and Public Safety

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120 Read for the second time and placed05-Mar-25
121 on the calendar:
122 0 amendments

123
124 Read for the third time and passed10-Apr-25
125 as amended
126 Yeas 27
127 Nays 0
128 Abstains 0

129
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131 Patrick Harris,
132 Secretary.
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