

SB206 INTRODUCED



1 SB206

2 CHG1JWQ-1

3 By Senator Carnley

4 RFD: Veterans, Military Affairs and Public Safety

5 First Read: 27-Feb-25



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SYNOPSIS:

Federal regulations set forth certain restrictions on agents and attorneys who charge fees for representing clients seeking certain veterans benefits.

This bill would set certain parameters around the business practice of assisting or advising individuals wanting to make claims for veterans benefits, including disclosure requirements about the services provided, advertising services, and the amount of compensation that may be charged.

This bill would also make violations a deceptive trade practice.

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



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29 terms have the following meanings:

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

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

37 (3) VETERANS BENEFITS MATTER. The preparation,
38 presentation, or prosecution of any claim affecting any person
39 who has filed or expressed an intent to file a claim for any
40 benefit, program, service, commodity, function, or status
41 entitlement as determined under the laws, rules, and
42 regulations administered by the United States Department of
43 Veterans Affairs or the Alabama Department of Veterans Affairs
44 pertaining to veterans, their dependents, their survivors, and
45 any other individuals eligible for such benefits.

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

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

54 (1) Memorialize all terms regarding the individual's
55 payment of fees for services rendered in a written agreement,
56 signed by both parties, that adheres to all criteria specified



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57 within 38 C.F.R. § 14.636.

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

60 "This business is not sponsored by, or affiliated with,
61 the United States Department of Veterans Affairs or the
62 Alabama Department of Veterans Affairs, or any other federally
63 chartered veterans service organization. Other organizations,
64 including, but not limited to, the Alabama Department of
65 Veterans Affairs, your local county veterans service agency,
66 and other federally chartered veterans service organizations,
67 may be able to provide you with this service free of charge.
68 Products or services offered by this business are not
69 necessarily endorsed by any of these organizations. You may
70 qualify for other veterans benefits beyond the benefits for
71 which you are receiving services here."

72 b. The written disclosure shall appear in at least
73 12-point font and shall appear in a readily noticeable and
74 identifiable place in the person's agreement with the
75 individual seeking services.

76 c. The individual must verbally acknowledge
77 understanding of the oral disclosure and must sign the
78 document in which the written disclosure appears.

79 d. The person offering services shall retain a copy of
80 the written disclosure while providing veterans benefits
81 services for compensation to the individual and for at least
82 one year after the date on which the service relationship
83 terminates.

84 Section 4. (a) A person advising or assisting



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85 individuals pursuant to this act may not guarantee, either
86 directly or by implication, that any individual is certain to
87 receive specific veterans benefits or that any individual is
88 certain to receive a specific level, percentage, or amount of
89 veterans benefits.

90 (b) A person advising or assisting individuals pursuant
91 to this act may not receive excessive or unreasonable fees as
92 compensation. The factors articulated within 38 C.F.R. §
93 14.636 shall govern determinations of whether a fee is
94 excessive or unreasonable.

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

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

110 (b) If the advertisement is printed, including, but not
111 limited to, advertisements visible to Internet users, the
112 disclosure shall appear in a readily visible place on the



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113 advertisement. If the advertisement is verbal, the spoken
114 statement of the disclosure shall be clear and intelligible.

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

119 Section 7. A violation of this act shall be considered
120 a violation of the Deceptive Trade Practices Act under Chapter
121 19 of Title 8, Code of Alabama 1975.

122 Section 8. This act shall become effective on October
123 1, 2025.