

SB 150 STAFF MEASURE SUMMARY

Senate Committee On Veterans, Emergency Management, Federal and World Affairs

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Meeting Dates: 2/27

WHAT THE MEASURE DOES:

The measure prohibits, except as applicable, compensation for preparing or advising with applications for veterans’ benefits or appealing decisions on such claims, and for referring veterans to those providing aforementioned services. It prohibits guarantees that receipt of benefits is certain and prohibits excessive fees for such services. It applies these prohibitions to services and functions an eligible claimant may receive at no charge from the Department of Veterans’ Affairs (VA) or someone the VA has delegated authority to. It states that someone who receives compensation for these services must specify terms and conditions in a written agreement signed by all parties, and makes violation of these provisions unlawful. It takes effect on the 91st day after sine die.

Fiscal impact: May have fiscal impact, but no statement yet issued

Revenue impact: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Federal law prohibits companies unaccredited by the Department of Veterans Affairs (VA) from charging fees for helping veterans file disability claims. No penalties exist for violating that law. Companies not accredited by the VA sometimes guarantee specific benefits from the VA to clients, or charge fees for assistance and consulting for filing VA claims. These fees sometimes reach thousands of dollars, though the VA and VA-accredited organizations offer assistance for free in some circumstances. These companies are sometimes referred to as “claim sharks,” including by the VA, which put out a fraud alert in November 2023. These companies became more common after passage of the federal Promise to Address Comprehensive Toxics (PACT) Act of 2022, which expanded VA health care and benefits to veterans exposed to burn pits and other toxic substances in recent conflicts such as in Iraq and Afghanistan.

Senate Bill 150 would prohibit, except as applicable, excessive fees for services and functions that an eligible claimant may receive at no charge from the VA or from a designate of the VA for veterans’ benefits.