

SENATE BILL 831

P1

4lr3146
CF HB 875

By: **Senator Klausmeier**

Introduced and read first time: February 2, 2024

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Veterans – Persons Providing Veterans Benefits Services and Veterans Benefits**
3 **Appeals Services – Fees and Compensation**

4 FOR the purpose of prohibiting, except as authorized by federal law, a person from charging
5 a fee or receiving compensation for providing or referring a certain individual to
6 another person for the provision of veterans benefits services or veterans benefits
7 appeals services; establishing standards for the division of attorney’s fees in
8 connection with the provision of veterans benefits services or veterans benefits
9 appeals services; setting ethical standards for persons charging a fee or receiving
10 compensation for providing or referring a certain individual to another person for
11 the provision of veterans benefits services or veterans benefits appeals services; and
12 generally relating to veterans benefits services and veterans benefits appeals
13 services.

14 BY repealing and reenacting, with amendments,
15 Article – State Government
16 Section 9–905.1
17 Annotated Code of Maryland
18 (2021 Replacement Volume and 2023 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

21 **Article – State Government**

22 9–905.1.

23 (a) (1) In this section the following words have the meanings indicated.

24 (2) “Advertisement” means:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) a written or printed communication made for the purpose of
2 soliciting business for veterans benefits appeals services;

3 (ii) a directory listing for a person that is offering veterans benefits
4 appeals services; or

5 (iii) a radio, television, computer network or airwave, or electronic
6 transmission that solicits business for or promotes a person offering veterans benefits
7 appeals services.

8 (3) (I) **“COMPENSATION” MEANS THE PAYMENT OF MONEY OR**
9 **ANYTHING OF VALUE OR FINANCIAL BENEFIT RECEIVED BY A VETERAN OR**
10 **INTERESTED PARTY IN CONNECTION WITH THE PROVISION OF VETERANS BENEFITS**
11 **SERVICES OR VETERANS BENEFITS APPEALS SERVICES.**

12 (II) **“COMPENSATION” DOES NOT INCLUDE ORDINARY WAGES**
13 **OR SALARY PAID BY A DISINTERESTED THIRD PARTY OR OTHER PERSON OTHERWISE**
14 **ACTING IN ACCORDANCE WITH 38 C.F.R. § 14.636.**

15 (4) **“Veterans benefits appeals services” means any services that a veteran**
16 **might reasonably require in order to appeal a denial of federal, state, or local veterans**
17 **benefits, including denials of disability, limited income, home loan, insurance, education**
18 **and training, health care, burial and memorial, and dependent and survivor benefits.**

19 [(4)] (5) **“Veterans benefits services” means any services a veteran or a**
20 **family member of a veteran might reasonably use in order to obtain federal, state, or local**
21 **veterans benefits.**

22 (b) (1) **EXCEPT AS AUTHORIZED UNDER FEDERAL LAW, A PERSON MAY**
23 **NOT CHARGE A FEE OR RECEIVE COMPENSATION FOR:**

24 (I) **PROVIDING VETERANS BENEFITS SERVICES OR VETERANS**
25 **BENEFITS APPEALS SERVICES; OR**

26 (II) **REFERRING AN INDIVIDUAL TO ANOTHER PERSON TO**
27 **PROVIDE VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS**
28 **SERVICES.**

29 (2) **TO THE EXTENT AUTHORIZED UNDER FEDERAL LAW, AN**
30 **ATTORNEY PROVIDING, OR REFERRING AN INDIVIDUAL TO ANOTHER PERSON TO**
31 **PROVIDE, VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS**
32 **SERVICES MAY ENTER INTO AN ARRANGEMENT FOR A DIVISION OF FEES IN**
33 **ACCORDANCE WITH RULE 19–301.5 OF THE MARYLAND RULES.**

1 **(3) A PERSON WHO CHARGES A FEE OR RECEIVES COMPENSATION**
2 **FOR PROVIDING VETERANS BENEFITS SERVICES OR VETERANS BENEFITS APPEALS**
3 **SERVICES SHALL COMPLY WITH THE SAME ETHICAL STANDARDS AS THOSE SET FOR**
4 **ATTORNEYS UNDER THE MARYLAND RULES IN REGARD TO:**

5 **(I) ADVERTISING;**

6 **(II) SOLICITATION OF CLIENTS;**

7 **(III) CONFIDENTIALITY;**

8 **(IV) THE DUTY OF CARE;**

9 **(V) THE DUTY OF HONESTY; AND**

10 **(VI) THE DUTY TO ZEALOUSLY PURSUE THE BEST INTEREST OF**
11 **THE PERSON'S CLIENT.**

12 **(C) (1)** Before entering into an agreement with an individual for the provision
13 of veterans benefits services or veterans benefits appeals services, a person who charges a
14 fee **OR RECEIVES COMPENSATION** for those services shall:

15 (i) provide a written disclosure statement to each individual; and

16 (ii) obtain the individual's signature on the written disclosure
17 statement acknowledging that the individual understands the disclosure statement.

18 (2) The written disclosure statement shall:

19 (i) be on a form approved by the Secretary; and

20 (ii) state that veterans benefits services and veterans benefits
21 appeals services are offered at no cost by the Department and other veterans services
22 organizations accredited by the U.S. Department of Veterans Affairs.

23 **[(c)] (D)** A person who charges a fee **OR RECEIVES COMPENSATION** for
24 providing veterans benefits appeals services shall provide in any advertisement for appeals
25 services notice that appeals services are also offered at no cost by the Department and other
26 veterans services organizations accredited by the U.S. Department of Veterans Affairs.

27 **[(d)] (E) (1)** A person who violates the provisions of this section is subject to
28 a civil penalty of not more than \$1,000 for each violation.

29 (2) Civil penalties shall be in an amount ordered by the District Court in
30 an action brought by the Attorney General.

1 (3) Each day a violation continues is a separate violation.

2 (4) Any civil penalty collected shall be deposited in the Maryland Veterans
3 Trust Fund.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2024.