
A BILL FOR AN ACT

RELATING TO VETERANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature acknowledges the risk of
2 misleading or unfair practices associated with the services
3 associated with veterans benefits matters, and emphasizes the
4 necessity of requirements and restrictions to protect veteran
5 consumers from potential exploitation.

6 Accordingly, the purpose of this Act is to establish
7 provisions governing any person who receives compensation for
8 advising, assisting, or consulting any individual with veterans
9 benefits who is not otherwise regulated under federal law.

10 SECTION 2. Chapter 363, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 **"PART . VETERANS BENEFITS**

14 **§363- Prohibitions.** (a) No person shall receive
15 compensation for referring any individual to another person for
16 the purpose of receiving advice, assistance, or consultation
17 with regard to any veterans benefits matter.



1 (b) Before rendering any services, a person seeking to
2 receive compensation for advising, assisting, or consulting with
3 any individual in connection with a veterans benefits matter
4 shall memorialize, in a written agreement signed by both
5 parties, the specific terms under which the amount to be paid
6 will be determined. Compensation shall be purely contingent
7 upon an increase in benefits awarded, and if successful,
8 compensation shall not exceed five times the amount of the
9 monthly increase in benefits awarded based on the claim. No
10 initial or nonrefundable fee shall be charged by the person
11 advising, assisting, or consulting an individual on a veterans
12 benefits matter.

13 (c) No person shall receive compensation for any services
14 rendered in connection with any claim filed within the one-year
15 presumptive period of active-duty release, unless the veteran
16 acknowledges by signing a waiver that the veteran is within the
17 one-year presumptive period and chooses to deny free services
18 available to the veteran.

19 (d) No person shall guarantee, either directly or by
20 implication, a successful outcome or that any individual is
21 certain to receive specific veterans benefits or that any



1 individual is certain to receive a specific level, percentage,
2 or amount of veterans benefits.

3 (e) No person shall receive excessive or unreasonable fees
4 as compensation for advising, assisting, or consulting any
5 individual with any veterans benefits matter.

6 (f) Nothing in this section shall be construed as
7 prohibiting a division of fees between attorneys that is
8 otherwise proper under the Hawaii rules of professional conduct.

9 **§363- Disclosure.** (a) Any person advising, assisting,
10 or consulting on veterans benefits matters for compensation
11 shall provide the following disclosure at the outset of the
12 business relationship:

13 "THIS BUSINESS IS NOT SPONSORED BY, OR AFFILIATED WITH, THE
14 UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR THE HAWAII
15 DEPARTMENT OF DEFENSE, HAWAII OFFICE OF VETERANS' SERVICES, OR
16 ANY OTHER FEDERALLY CHARTERED VETERANS SERVICE ORGANIZATION.
17 OTHER ORGANIZATIONS, INCLUDING BUT NOT LIMITED TO THE HAWAII
18 DEPARTMENT OF DEFENSE, HAWAII OFFICE OF VETERANS' SERVICES, YOUR
19 LOCAL COUNTY VETERANS SERVICE AGENCY, AND OTHER FEDERALLY
20 CHARTERED VETERANS SERVICE ORGANIZATIONS, MAY BE ABLE TO PROVIDE
21 YOU WITH THIS SERVICE FREE OF CHARGE. PRODUCTS OR SERVICES



1 OFFERED BY THIS BUSINESS ARE NOT NECESSARILY ENDORSED BY ANY OF
2 THESE ORGANIZATIONS. YOU MAY QUALIFY FOR OTHER VETERANS
3 BENEFITS BEYOND THE BENEFITS FOR WHICH YOU ARE RECEIVING
4 SERVICES HERE."

5 (b) The written disclosure required by subsection (a)
6 shall appear in at least twelve-point font and shall appear in
7 an easily identifiable place in the person's agreement with the
8 individual seeking services. The individual shall sign the
9 document where the written disclosure appears to represent
10 understanding of the provisions. The person offering services
11 shall retain a copy of the written disclosure while providing
12 veterans benefits services for compensation to the individual
13 and for at least one year after the date on which the services
14 terminate.

15 **§363- Advertising.** Businesses advising, assisting, or
16 consulting on veterans benefits matters for a fee shall adhere
17 to the following:

18 (1) Businesses shall not utilize international call
19 centers or data centers for processing a veteran's
20 personal information;



1 (2) Businesses shall not use a veteran's personal login,
2 username, or password information to access that
3 veteran's medical, financial, or government benefits
4 information; and

5 (3) Businesses shall ensure that any individual who has
6 access to a veteran's medical, financial, or
7 government benefits information undergoes a background
8 check before having access to the information;
9 provided that the background check shall be conducted
10 by a reputable source and include identity
11 verification and a criminal records check.

12 **§363- Penalty.** A violation of this part shall be an
13 unfair or deceptive act or practice under chapter 481A and a
14 violation of section 480-2."

15 SECTION 3. Chapter 363, Hawaii Revised Statutes, is
16 amended by designating sections 363-1 to 363-13 as part I,
17 entitled "General Provisions".

18 SECTION 4. Section 363-1, Hawaii Revised Statutes, is
19 amended by adding three new definitions to be appropriately
20 inserted and to read as follows:



1 "Compensation" means any money, thing of value, or
2 economic benefit conferred on, or received by, any person in
3 return for services rendered, or to be rendered, by the person
4 or another.

5 "Person" means any natural person, corporation, trust,
6 partnership, incorporated or unincorporated association, or any
7 other legal entity.

8 "Veterans benefits matter" means the preparation,
9 presentation, or prosecution of any claim affecting any person
10 who has filed or expressed an intent to file a claim for any
11 benefit, program, service, commodity, function, status, or
12 entitlement where the veteran, their dependents, their
13 survivors, or any other individual are eligible under the laws
14 and regulations administered by the United States Department of
15 Veterans Affairs or the office of veterans' services."

16 SECTION 5. If any provision of this Act, or the
17 application thereof to any person or circumstance, is held
18 invalid, the invalidity does not affect other provisions or
19 applications of the Act that can be given effect without the
20 invalid provision or application, and to this end the provisions
21 of this Act are severable.



1 SECTION 6. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 7. This Act shall not be applied so as to impair
5 any contract existing as of the effective date of this Act in a
6 manner violative of either the Hawaii State Constitution or
7 Article I, Section 10 of the United States Constitution.

8 SECTION 8. Nothing in this Act shall be construed to apply
9 to, limit, or expand the requirements imposed on an agent,
10 attorney, or other representative accredited and regulated by
11 the United States Department of Veterans Affairs.

12 SECTION 9. New statutory material is underscored.

13 SECTION 10. This Act shall take effect on July 1, 2077.

14



S.B. NO. 603
S.D. 1

Report Title:

Veterans Rights and Benefits; Advisors; Compensation;
Disclosures; Penalties

Description:

Establishes provisions governing any person who receives compensation for advising, assisting, or consulting another person with veterans benefits. Effective 7/1/2077. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

