STAND. COM. REP. NO. 83

Honolulu, Hawaii

## FEB 0 7 2025

RE: S.B. No. 608 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Public Safety and Military Affairs, to which was referred S.B. No. 608 entitled:

"A BILL FOR AN ACT RELATING TO VETERANS RIGHTS AND BENEFITS," begs leave to report as follows:

The purpose and intent of this measure is to regulate persons receiving compensation for providing advice or assistance regarding veterans benefits.

Your Committee received testimony in opposition to this measure from the Black Veterans Empowerment Council Inc; Brotherhood of Maintenance of Way Employes of the International Brotherhood of Teamsters; National Association for Veteran Rights; Purple Heart Homes; United Veteran Benefits Agency, LLC; Veteran Benefits Guide; Veterans Caucus of the Democratic Party of Hawai'i; Veterans Guardian VA Claim Consulting, LLC; and four individuals.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that it is necessary to regulate predatory practices that occur within the industry providing services relating to veterans benefits matters in exchange for a fee. This measure will help protect the vulnerable population of disabled veterans in the State seeking assistance with the disability claims process.



However, your Committee acknowledges the opposition and concerns raised by members of the veteran community regarding this measure. Opponents testified that this measure, as it is currently written, undermines veterans' freedom to seek the expert support they need in navigating the complex disability claims process by placing unnecessary barriers on reputable organizations that provide essential, high-quality support. According to testimony, this measure unintentionally penalizes legitimate, ethical organizations by imposing overly restrictive measures that limit veterans' abilities to choose their preferred service providers.

Your Committee further acknowledges the comments provided by the Department of the Attorney General regarding potential challenges to this measure under the Contract Clause and the First Amendment of the United States Constitution. Your Committee notes that several opponents of this measure from the veteran community also raised concerns relating to free speech and the First Amendment. Therefore, amendments to this measure are necessary to address these issues.

Your Committee has amended this measure by:

- (1) Inserting legislative findings;
- (2) Specifying that this measure shall not be applied so as to impair any contract existing as of its effective date in a manner violative of either the Hawaii State Constitution or Article I, Section 10 of the United States Constitution;
- (3) Inserting a savings clause;
- (4) Inserting an effective date of July 1, 2077, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 608, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as S.B. No. 608, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Judiciary.

Respectfully submitted on behalf of the members of the Committee on Public Safety and Military Affairs,

BRANDON J.C. ELEFANTE, Chair

## The Senate Thirty-Third Legislature State of Hawai'i

## Record of Votes Committee on Public Safety and Military Affairs PSM

Bill / Resolution No.:*	Committee Referral: Date:				
SB 608	PSM, CPN/JDC 1-29-25				
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
ELEFANTE, Brandon J.C. (C)		<b>1</b>			
WAKAI, Glenn (VC)		V			
FUKUNAGA, Carol		V/		<u> </u>	
RHOADS, Karl					
DECORTE, Samantha			<u>/</u>	V	
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TOTAL		4	0		
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:					
<b>Distribution:</b> Original File with Committee Rep		llow s Office D	Pink rafting Agency		enrod e File Copy
*Only <u>one</u> measure per Record of Votes					