

TRADE PRACTICES AND DISCLOSURE REQUIREMENTS FOR VETERANS' BENEFIT SERVICES

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House Bill 4918 as enacted

Public Act 211 of 2018

Sponsor: Rep. Sue Allor

House Committee: Financial Services

Senate Committee: Veterans, Military Affairs and Homeland Security

Complete to 7-16-18

SUMMARY:

House Bill 4918 adds Section 3k to the Consumer Protection Act to prohibit certain practices in which an individual attempts to make money by assisting veterans in applying for veterans' benefits. Specifically, Section 3k prohibits an individual who is engaged in trade or commerce from engaging in any of the following acts or practices:

- Providing or offering to provide a *veterans' benefit service* to a veteran or family member unless the person is any of the following:
 - Employed by a government agency authorized to provide the veterans' benefit service.
 - An accredited individual under federal laws and regulations applicable to the administration of veterans' benefits.
 - An employee or authorized representative of a *recognized veterans' services organization*.
- Receiving compensation for providing or offering to provide a veterans' benefit service to a veteran or family member of a veteran unless he or she is permitted to receive compensation for providing that service under applicable federal laws and regulations and, before providing that service, he or she discloses the following to the veteran or family member:
 - That he or she is not affiliated with a government agency or recognized veterans' services organization
 - If applicable, that the veterans' benefit service is available free of charge from a government agency or recognized veterans' services organization.
 - That the veteran could qualify for benefits other than or in addition to benefits obtained if the individual is engaged to provide the veterans' benefit service.
 - That the receipt of a certain level of benefits is not guaranteed if the individual is engaged to provide the veterans' benefit service.
- Using financial or other personal information gathered to prepare documents for or represent the interests of another individual in providing or offering to provide a veterans' benefit service.
- Receiving compensation for referring another individual to an individual accredited by the United States Department of Veterans Affairs.
- Representing that the receipt of a certain level of veterans' benefits is guaranteed.

Disclosure Requirements

The bill prohibits a person engaged in trade or commerce from advertising or promoting any event, presentation, seminar, workshop, or other public gathering regarding veterans' benefits or entitlements that does not include the following disclosure:

This event is not sponsored by, or affiliated with, the United States Department of Veterans Affairs, the Michigan Department of Military and Veterans Affairs, the Michigan Veterans Affairs Agency, or any other congressionally chartered or recognized organization of honorably discharged members of the Armed Forces of the United States, or any of their auxiliaries. Products or services that may be discussed at this event are not necessarily endorsed by those organizations. You may qualify for benefits other than or in addition to the benefits discussed at this event.

The bill requires the disclosure to be in the same type size and font as the term "veteran" when used in event advertisement or promotional materials. The disclosure statement must be disseminated, both orally and in writing, at the beginning of any event, presentation, seminar, workshop, or other public gathering on veterans' benefits or entitlements.

Exclusions

The disclosure requirements do not apply if the United States Department of Veterans Affairs, the Department of Military and Veterans Affairs, the Michigan Veteran Affairs Agency, or any other congressionally chartered veterans organization, or any auxiliary of those entities, has granted written permission to the advertiser to use its name, symbol, or insignia to advertise events, presentations, seminars, workshops, or other public gatherings.

The bill also exempts from the disclosure requirements an event, presentation, seminar, workshop, or gathering that is part of an accredited continuing legal education course.

In addition, Section 3k does not apply to officers, employees, or volunteers of this state, or any county, city or other a political subdivision of this state, or an agency of the United States, acting in an official capacity.

General Provisions

The bill defines *veterans' benefit service* to mean either of the following:

- The preparation, presentation, or prosecution of a claim affecting an individual who has filed or has expressed an intention to file an application for veteran, dependent, or survivor pension or medical benefits under laws administered by the United States Department of Veterans Affairs or the Department of Military and Veterans Affairs pertaining to veterans, dependents, and survivors.
- Advice or representation concerning the preparation, presentation, or prosecution of such a claim.

Recognized veterans' services organization means a veterans' services organization that is recognized under the federal laws and regulations applicable to the administration of veterans' benefits.

The bill makes a violation of the new Section 3k an unfair trade practice under Section 3 of the Consumer Protection Act.

The bill takes effect September 24, 2018, which is 90 days after it was enacted into law.

MCL 445.903 and 445.903k

FISCAL IMPACT:

The bill would have no fiscal impact on the Michigan Veterans Affairs Agency, congressionally chartered veterans service organizations, or local units of government. There would also be no direct or significant fiscal impact to the Office of the Attorney General associated with being permitted to promulgate rules pertaining to the bill's requirements.

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