



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 215 (as passed by the Senate)
Sponsor: Senator Sylvia Santana
Committee: Veterans and Emergency Services

Date Completed: 10-16-25

RATIONALE

According to testimony before the Senate Committee on Veterans and Emergency Services, not all veteran service organizations that assist veterans with applying for available benefits are trustworthy. Reportedly, some for-profit companies assist veterans with filing claims and may take advantage of these veterans. Some people believe that the State has a duty to protect veterans from predatory business practices, and so the bill would prescribe standards for for-profit assistance offered to veterans who are seeking help in applying for benefits.

CONTENT

The bill would amend the Michigan Consumer Protection Act to do the following:

- **Expand the definition of "veterans' benefit service" to include disability benefits.**
- **Allow only an individual accredited under applicable Federal laws and regulations to represent a veteran or a veteran's family as an agent or attorney.**
- **Require a person seeking compensation for providing veterans' benefit services for an initial claim for disability benefits to establish amounts to be paid in writing, receive only compensation contingent on an increase in awarded benefits, and protect a client veteran's personal and digital information, among other requirements.**

Currently, "veterans' benefit service" means any 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 a claim.

The bill would modify this definition to include a filing for disability benefits as well.

Among other things, the Act prohibits a person engaged in trade or commerce from providing or offering to provide a veterans' benefit service to a veteran or family member of a veteran *unless* that person is one of the following:

- Employed by a government agency that is authorized to provide the veterans' benefit service.
- An employee or authorized representative of a recognized veterans' services organization.

- An accredited individual under Federal laws and regulations applicable to the administration of veterans' benefits.¹

The bill would specify that, if an individual were *not* accredited, that individual could provide only those veterans' benefits services that did not include representing a veteran or a family member of a veteran as an agent or attorney. Additionally, the bill would define "person" as any individual, corporation, trust, partnership, incorporated or unincorporated association, or any other legal entity.

The Act also prohibits a person engaged in trade or commerce from receiving compensation for providing or offering to provide a veterans' benefit service unless the person is allowed to receive compensation for such under applicable Federal laws and regulations. Under the bill, to receive compensation for providing a veterans' service benefit in connection with an initial claim for disability benefits, the person would have to do the following:

- Memorialize the specific terms under which the amount to be paid would have to be determined in a written agreement signed by both parties.
- Receive only compensation that was purely contingent on an increase in benefits awarded and did not exceed five times the amount of one month's increase in benefits awarded based on the claim; an initial fee could not be charged.
- Not receive compensation for any services rendered in connection with any claim filed within the one-year presumptive period of active-duty release, unless the veteran acknowledged by signing a waiver that the veteran was within this period and was choosing to deny free services that were available to that veteran.
- Ensure that no international call centers or data centers were used for processing veterans' personal information.
- Ensure that a veteran's personal log-in, username, or password information was not used to access that veteran's medical, financial, or government benefits information.
- Ensure that any individual who had access to veterans' medical or financial information underwent a background check prior to having access to that information.

MCL 445.903k

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is a reintroduction of Senate Bill 1103 of the 2023-2024 Legislative Session. Senate Bill 1103 passed the Senate but received no further action.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Scams disproportionately target and affect veterans, military members, and their families. According to the American Association of Retired Persons (AARP), 80% of active military personnel and veterans have been targeted by scams related to their service or benefits. Consequently, veterans, military members, and their families are nearly 40% more likely to lose money to scams and fraud when compared to the civilian population.² The military community lost \$477.0 million to scams in 2023, marking a \$63.0 million increase in one

¹ This would include, for example, agents and attorneys who were accredited by the United States Department of Veterans Affairs and were regulated by that agency.

² Eggleston, C., "AARP Survey: Veterans More Likely to Lose Money to Scams Than Civilians", November 2021.

year.³ The most frequent type of fraud targeting military members is a scam in which an individual pretends to be someone else. These scams in particular cost the military community \$178.0 million of the total \$477.0 million stolen in 2023, marking a \$13.5 million increase from the previous year.⁴ Including disability benefits within the current definition of veterans' benefit service and further governing for-profit assistance offered to veterans in connecting them to disability benefits would reduce the likelihood that veterans fall victim to such scams.

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco, Jr.

³ Kassraie, A., "Military Community Loses \$477 Million to Scams in 2023", February 2024.

⁴ *Id.*

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.