

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 353

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Veterans
Affairs)

Education, Health, and Environmental Affairs

Health and Government Operations

Veterans – Benefits and Benefits Appeals Services – Disclosure Requirements

This departmental bill requires a person who charges a fee for “veterans benefits services” or “veterans benefits appeals services” to provide a written disclosure stating that such services are offered at no cost by the Maryland Department of Veterans Affairs (MDVA) and other veterans services organizations accredited by the U.S. Department of Veterans Affairs (VA). In addition, a person who charges a fee for veterans benefits appeals services must include in any advertisement for such services notice that the services are also offered at no cost by MDVA and specified veterans services organizations. A violator is subject to a civil penalty of up to \$1,000 for each violation. Civil penalties must be in an amount ordered by the District Court in an action brought by the Attorney General. Any penalty collected must be deposited in the Maryland Veterans Trust Fund.

Fiscal Summary

State Effect: MDVA can approve the required written disclosure form and the Office of the Attorney General can file civil actions with existing budgeted resources. Special fund revenues to the Maryland Veterans Trust Fund increase minimally beginning in FY 2022 as a result of the bill’s civil penalty provisions.

Local Effect: The bill is not anticipated to affect local government operations or finances.

Small Business Effect: MDVA has determined that the bill has minimal or no impact on small business (attached). The Department of Legislative Services disagrees with this assessment, as discussed below.

Analysis

Bill Summary: “Veterans benefits appeals services” means any services that a veteran might reasonably require in order to appeal a denial of specified federal, State, or local veterans benefits. “Veterans benefits services” means any services a veteran or a family member of a veteran might reasonably use in order to obtain federal, State, or local veterans benefits.

Before entering into an agreement with an individual for the provision of veterans benefits services or veterans benefits appeals services, a person who charges a fee for those services must (1) provide a written disclosure statement to each individual and (2) obtain the individual’s signature acknowledging that the individual understands the disclosure statement. The written disclosure statement must be on a form approved by the Secretary of Veterans Affairs and state that veterans benefits services and veterans benefits appeals services are offered at no cost by MDVA and other veterans services organizations.

Current Law/Background:

Maryland Department of Veterans Affairs – Appeals Services

MDVA assists veterans, active-duty service members, and their families and dependents in securing benefits earned through military service. Among other services, MDVA connects veterans and their dependents with a variety of State and federal programs. MDVA has an appeals chief and benefits specialists across the State providing veterans benefits appeals services to veterans at no cost. All MDVA benefits specialists are fully trained and accredited by VA. In fiscal 2020, there were 4,924 decisions on initial claims and 151 decisions on appeals issues. MDVA advises that several veterans services organizations also offer free veterans benefits appeals services, such as the American Legion, Disabled American Veterans, and Veterans of Foreign Wars.

Maryland Veterans Trust Fund

Chapter 742 of 2009 established the Maryland Veterans Trust Fund, which consists of gifts, donations, and grants received by MDVA. The fund also receives (1) 10% of the money that remains in the State Lottery Fund from the proceeds of ticket sales from instant ticket lottery machines by specified veterans’ organizations and (2) designated fees from certain special registration license plates. Money in the fund may be used to make grants and loans to veterans and their families and support public and private programs that serve veterans in the State. Money in the fund may also be used to invest in general obligations of the State or other securities and pay for the cost of administering the fund. Money expended from the fund is supplemental to and not intended to take the place of funding otherwise

appropriated to MDVA. At the close of fiscal 2020, the balance of the fund was approximately \$161,000.

Disclosure Requirements in Other States

MDVA advises that other states have disclosure requirements, similar to those established in the bill, for persons offering veterans services for a fee. In Minnesota and New York, a person advertising veterans benefits appeal services must both provide a written disclosure statement for the client to sign and conspicuously disclose in advertisements that such services are also available at no cost by county veterans services officers.

Small Business Effect: Any small business offering fee-based veterans benefits services and veterans benefits appeals services may lose business as a result of the bill and be subject to civil penalties for violations of the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Veterans Affairs; Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2021
rh/jc Third Reader - February 19, 2021

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Veterans Benefits Services; Disclosure Requirements

BILL NUMBER: DN 353

PREPARED BY: MD Department of Veterans Affairs

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

OR

WILL HAVE A MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

Businesses soliciting for veterans benefits appeal services will be financially responsible for paid advertising in the form of print communications or electronic transmissions. Cost of advertising the disclosure statement will be the sole responsibility of the entity that is soliciting veterans for services. Entities failing to comply with the section will be subject to civil penalties as assessed by the district court.