

2025 South Dakota Legislature

House Bill 1238**AMENDMENT 1238D
FOR THE HOUSE MILITARY AND VETERANS AFFAIRS
ENGROSSED BILL**

1 **An Act to establish consumer protections for a veteran seeking assistance in a**
2 **veterans' benefit matter.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That a NEW SECTION be added to chapter 33A-2:**

5 For the purposes of this Act, terms mean:

6 (1) "Compensation," any money, thing of value, or economic benefit conferred on, or
7 received by, any person in return for services rendered, or to be rendered, by any
8 person;

9 (2) "Veterans' benefits matter," the preparation, presentation, or prosecution of any
10 claim affecting any individual who has filed, or has expressed an intent to file, a
11 claim for any benefit, commodity, entitlement, function, program, service, or
12 status, for which a veteran, a dependent of a veteran, a survivor of a veteran, or
13 any other individual is eligible under the laws and regulations administered by the
14 United States Department of Veterans Affairs or the South Dakota Department of
15 Veterans Affairs.

16 **Section 2. That a NEW SECTION be added to chapter 33A-2:**

17 Before rendering a service to advise, assist, or consult an individual in connection
18 with a veterans' benefits matter, a person shall disclose the terms of the service and
19 compensation for the service, in a written agreement that is signed by both parties. The
20 person offering the services shall retain a copy of the written agreement for one year
21 following the termination of the service.

22 In an easily identifiable place in the written agreement, the person offering services
23 shall disclose that:

24 (1) The person is not sponsored by or affiliated with:

25 (a) The United States Department of Veterans' Affairs;

- 1 **(b) The South Dakota Department of Veterans' Affairs; or**
 2 **(c) Any other federally chartered veterans' service organization;**
 3 **(2) Other organizations may provide the same service free of charge;**
 4 **(3) The products or services offered by the person are not necessarily endorsed by any**
 5 **veterans' organization; and**
 6 **(4) The individual receiving the service may qualify for other veterans' benefits beyond**
 7 **those offered by the person.**

8 **Section 3. That a NEW SECTION be added to chapter 33A-2:**

9 **When providing a service to advise, assist, or consult an individual in connection**
 10 **with a veterans' benefits matter, a person may not:**

11 **(1) Charge:**

12 **(a) An initial fee; or**

13 **(b) A nonrefundable fee;**

14 **(2) Guarantee, either directly or by implication:**

15 **(a) A successful outcome;**

16 **(b) The reception of a specific veterans' benefit; or**

17 **(c) The reception of a level, percentage, or amount of a veterans' benefit;**

18 **(3) Receive compensation for a service rendered in connection with a claim filed within**
 19 **the one-year presumptive period of release from active duty, unless the individual**
 20 **requesting the service signs a waiver stating that the individual:**

21 **(a) Is within the one-year presumptive period of active duty release; and**

22 **(b) Has chosen to deny free services available to the individual; or**

23 **(4) Use:**

24 **(a) International call centers or data centers for processing veterans' personal**
 25 **information; or**

26 **(b) A veteran's personal log-in, username, or password information to access**
 27 **that veteran's medical, financial, or government benefits information.**

28 **Any compensation received for a service to advise, assist, or consult an individual**
 29 **in connection with a veterans' benefits matter must be contingent upon an increase in the**
 30 **benefit awarded to the individual and must not exceed an amount equal to five times the**
 31 **monthly increase in benefits awarded based on the claim.**

32 **No person may receive compensation for referring an individual to another person**
 33 **to advise or assist the individual with any veterans' benefits matter.**

1 **Section 4. That a NEW SECTION be added to chapter 33A-2:**

2 Before a person may be authorized to access veterans' medical or financial
3 information, the person must submit to and pass a background check. The background
4 check must be conducted by a reputable source and include identity verification and a
5 criminal records check.

6 **Section 5. That a NEW SECTION be added to chapter 33A-2:**

7 The attorney general may impose a civil penalty against a person for violating
8 sections 2 to 4, inclusive, of this Act. The amount of the civil penalty may not exceed five
9 thousand dollars. The attorney general shall forward any civil penalty collected under this
10 section to the state treasurer for deposit in the veterans affairs department special
11 revenue fund.

12 **Section 6. That a NEW SECTION be added to chapter 33A-2:**

13 Nothing in this Act applies to, limits, or expands the requirements imposed on
14 agents, attorneys, or other representatives accredited or regulated by the United States
15 Department of Veterans Affairs.