

CHAPTER 412

CONSUMER AND COMMERCIAL TRANSACTIONS

SENATE BILL 25-282

BY SENATOR(S) Ball and Pelton B., Cutter, Exum, Gonzales J., Jodeh, Kirkmeyer, Kolker, Mullica, Pelton R., Rodriguez, Wallace, Weissman;
 also REPRESENTATIVE(S) Feret and Armagost, Bird, Boesenecker, Clifford, Duran, Hamrick, Jackson, Lieder, Lindsay, Mabrey, Marshall, Martinez, Paschal, Phillips, Rutinel, Story, Titone, McCluskie.

AN ACT

CONCERNING PERSONS WHO PROVIDE SERVICES RELATED TO VETERANS' BENEFITS CLAIMS, AND, IN CONNECTION THEREWITH, ESTABLISHING THAT CERTAIN ACTIONS BY SUCH PERSONS ARE DECEPTIVE TRADE PRACTICES UNDER THE "COLORADO CONSUMER PROTECTION ACT".

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 6-1-112, **amend** (1)(a), (1)(b), and (1)(c); and **add** (4) as follows:

6-1-112. Civil penalties - definition. (1) The attorney general or a district attorney may bring a civil action on behalf of the state to seek the imposition of civil penalties as follows:

(a) Except as provided in ~~subsection (3)~~ **SUBSECTIONS (3) AND (4)** of this section, any person who violates or causes another to violate any provision of this article 1 shall forfeit and pay to the general fund of this state a civil penalty of not more than twenty thousand dollars for each ~~such~~ violation. For purposes of this subsection (1)(a), a violation of any provision ~~shall constitute~~ **CONSTITUTES** a separate violation with respect to each consumer or transaction involved.

(b) Except as provided in ~~subsection (3)~~ **SUBSECTIONS (3) AND (4)** of this section, any person who violates or causes another to violate any court order or injunction issued pursuant to this article 1 shall forfeit and pay to the general fund of this state a civil penalty of not more than ten thousand dollars for each ~~such~~ violation. For the purposes of this section, the court issuing the order or injunction ~~shall retain~~ **RETAINS** jurisdiction, and the cause ~~shall be~~ **IS** continued. Upon violation, the attorney general or a district attorney may petition the court for the recovery of the

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

civil penalty. ~~Such~~ THE civil penalty ~~shall be~~ IS in addition to any other penalty or remedy available for the enforcement of the provisions of this article 1 and any court order or injunction.

(c) Except as provided in ~~subsection (3)~~ SUBSECTIONS (3) AND (4) of this section, any person who violates or causes another to violate any provision of this article 1, ~~where~~ IN WHICH ~~such~~ THE violation was committed against an elderly person, shall forfeit and pay to the general fund of the state a civil penalty of not more than fifty thousand dollars for each ~~such~~ violation. For purposes of this subsection (1)(c), a violation of any provision of this article 1 is a separate violation with respect to each elderly person involved.

(4) THE ATTORNEY GENERAL OR DISTRICT ATTORNEY SHALL TRANSMIT ANY CIVIL PENALTY COLLECTED IN ACCORDANCE WITH THIS SECTION FOR A VIOLATION DESCRIBED IN SECTION 6-1-105 (1)(iii) TO THE STATE TREASURER FOR DEPOSIT IN THE COLORADO STATE VETERANS TRUST FUND CREATED IN SECTION 28-5-709.

SECTION 2. In Colorado Revised Statutes, **add** 6-1-739 as follows:

6-1-739. Veterans' benefits matters - compensation for services - written agreements - advertising - disclosures - deceptive trade practice - definitions.

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COMPENSATION" MEANS ANY MONEY, THING OF VALUE, OR ECONOMIC BENEFIT CONFERRED ON OR RECEIVED BY A PERSON IN RETURN FOR SERVICES RENDERED OR TO BE RENDERED BY THE PERSON OR ANOTHER.

(b) "PERSON" HAS THE SAME MEANING AS SET FORTH IN SECTION 6-1-102.

(c) "VETERAN" MEANS A PERSON WHO SERVED ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES AND WHO WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN DISHONORABLE, IN ACCORDANCE WITH U.S.C. TITLE 38. "VETERAN" INCLUDES AN ELIGIBLE MEMBER OF THE RESERVES OR NATIONAL GUARD, A VETERAN'S DEPENDENT, A VETERAN'S SURVIVOR, OR ANOTHER INDIVIDUAL ELIGIBLE FOR A BENEFIT PURSUANT TO THE LAWS AND REGULATIONS ADMINISTERED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR THE COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS.

(d) "VETERANS' BENEFITS MATTER" MEANS THE PREPARATION, PRESENTATION, OR PROSECUTION OF A CLAIM AFFECTING A VETERAN WHO HAS FILED OR EXPRESSED AN INTENT TO FILE A CLAIM FOR A BENEFIT, PROGRAM, SERVICE, COMMODITY, FUNCTION, STATUS, OR ENTITLEMENT FOR WHICH THE VETERAN MAY BE ELIGIBLE PURSUANT TO THE LAWS AND REGULATIONS ADMINISTERED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR THE COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS.

(2)(a) A PERSON MAY ONLY BE COMPENSATED FOR CONSULTING WITH, ADVISING, OR ASSISTING A VETERAN ON A VETERANS' BENEFITS MATTER IF THE PERSON SECURES AN INCREASE IN THE BENEFITS AWARDED. COMPENSATION FOR CONSULTING WITH, ADVISING, OR ASSISTING A VETERAN ON A VETERANS' BENEFITS MATTER MUST NOT EXCEED THE LESSER OF NINE THOUSAND TWO HUNDRED DOLLARS OR TWENTY-FIVE

PERCENT OF ANY PAST-DUE BENEFITS A VETERAN ACTUALLY RECEIVES AFTER AN INCREASE IN MONTHLY BENEFITS IS AWARDED AS A RESULT OF THE PERSON'S CONSULTATION, ADVICE, OR ASSISTANCE.

(b) A PERSON SHALL NOT RECEIVE ANY COMPENSATION FOR CONSULTING WITH, ADVISING, OR ASSISTING A VETERAN ON A VETERANS' BENEFITS MATTER BEYOND THE COMPENSATION CALCULATED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION. THE PROHIBITION ON ADDITIONAL COMPENSATION EXTENDS TO, BUT IS NOT LIMITED TO, AN INITIAL OR NONREFUNDABLE FEE.

(3) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER SHALL NOT RECEIVE COMPENSATION IN CONNECTION WITH A CLAIM FILED PRIOR TO A VETERAN'S RELEASE FROM ACTIVE DUTY OR WITHIN THE ONE-YEAR PERIOD FOLLOWING A VETERAN'S RELEASE FROM ACTIVE DUTY DURING WHICH THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS PRESUMES CERTAIN DISABLING CONDITIONS ARE SERVICE-CONNECTED.

(4) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER SHALL NOT GUARANTEE, EITHER DIRECTLY OR BY IMPLICATION, A SUCCESSFUL OR SPECIFIC OUTCOME IN A VETERANS' BENEFITS MATTER, INCLUDING THAT A VETERAN IS CERTAIN TO RECEIVE SPECIFIC VETERANS' BENEFITS OR THAT A VETERAN IS CERTAIN TO RECEIVE A SPECIFIC LEVEL, PERCENTAGE, OR AMOUNT OF VETERANS' BENEFITS.

(5) A PERSON SEEKING COMPENSATION FOR CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER SHALL, BEFORE RENDERING ANY SERVICES, MEMORIALIZE IN READABLE, CLEAR, AND UNAMBIGUOUS LANGUAGE IN A WRITTEN CONTRACT SIGNED BY BOTH PARTIES THE TERMS AND CONDITIONS OF THE AGREEMENT FOR SERVICES, INCLUDING A DESCRIPTION OF THE SERVICES; THE DISCLOSURES REQUIRED PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION; AND HOW THE AMOUNT OF COMPENSATION IS DETERMINED AND PAID.

(6)(a) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL PROVIDE THE FOLLOWING DISCLOSURE IN THE CONTRACT REQUIRED PURSUANT TO SUBSECTION (5) OF THIS SECTION AND IN ALL ADVERTISING:

THIS BUSINESS IS NOT SPONSORED BY OR AFFILIATED WITH THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR THE COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, OR ANY OTHER FEDERALLY CHARTERED VETERANS' SERVICE ORGANIZATION. OTHER ORGANIZATIONS, INCLUDING, BUT NOT LIMITED TO, THE COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, A LOCAL VETERANS' SERVICE ORGANIZATION AND OTHER FEDERALLY CHARTERED VETERANS' SERVICE ORGANIZATIONS, PROVIDE THIS SERVICE FREE OF CHARGE. YOU MAY QUALIFY FOR OTHER VETERANS' BENEFITS SERVICES OUTSIDE THE SCOPE OF WHAT THIS BUSINESS OFFERS. ALL DISABILITY CLAIMS FOR INCREASED RATINGS ARE PROCESSED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS. THIS BUSINESS CANNOT EXPEDITE THE PROCESSING OF YOUR CLAIM BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

(b) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS

MATTER FOR COMPENSATION SHALL ENSURE THAT THE DISCLOSURE REQUIRED PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION IS CLEARLY AND CONSPICUOUSLY DISPLAYED IN ANY PRINT OR VISUAL ADVERTISING MEDIUM, COMMUNICATED AT A VOLUME AND CADENCE SUFFICIENT TO BE READILY AUDIBLE AND UNDERSTANDABLE IN ANY AUDIO ADVERTISING MEDIUM, OR OTHERWISE INTELLIGIBLE AS APPROPRIATE TO THE ADVERTISING MEDIUM.

(7) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL NOT MAKE A FALSE REPRESENTATION THAT THE PERSON IS A REPRESENTATIVE OF A VETERANS' SERVICE ORGANIZATION, A CLAIMS AGENT, OR AN ATTORNEY, WHO IS ACCREDITED BY THE UNITED STATES VETERANS ADMINISTRATION TO ASSIST VETERANS IN THE PREPARATION, PRESENTATION, OR PROSECUTION OF BENEFIT CLAIMS.

(8)(a) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL NOT:

(I) USE A VETERAN'S PERSONAL LOG-IN CREDENTIALS TO ACCESS THE VETERAN'S MEDICAL, FINANCIAL, OR GOVERNMENT BENEFITS INFORMATION; OR

(II) DISCLOSE PERSONAL DATA OBTAINED IN CONNECTION WITH A VETERANS' BENEFITS MATTER TO A THIRD PERSON, UNLESS THE DISCLOSURE IS MADE PURSUANT TO A COURT ORDER.

(b) A PERSON CONSULTING, ADVISING, OR ASSISTING ON A VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL SAFEGUARD A VETERAN'S PERSONAL, FINANCIAL, AND MEDICAL INFORMATION IN COMPLIANCE WITH FEDERAL AND STATE PRIVACY LAWS, INCLUDING THE FEDERAL "HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996", 42 U.S.C. SEC. 1320d TO 1320d-9.

(9) IF A VETERAN DIES BEFORE A CLAIM IS PROCESSED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS OR THE COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, A PERSON CONSULTING, ADVISING, OR ASSISTING ON THE VETERANS' BENEFITS MATTER SHALL NOT COLLECT COMPENSATION IN CONNECTION WITH THE VETERANS' BENEFITS MATTER. THE DEATH OF THE VETERAN IMMEDIATELY TERMINATES A CONTRACT OR PAYMENT PLAN FOR SERVICES THE PERSON PERFORMS IN CONNECTION WITH THE VETERANS' BENEFITS MATTER.

(10) FOLLOWING AN INITIAL DECISION BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS IN A VETERANS' BENEFITS MATTER, A PERSON WHO IS NOT ACCREDITED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS SHALL NOT CONSULT, ADVISE, ASSIST, OR OFFER OTHER SERVICES IN CONNECTION WITH AN APPEAL OR REVIEW OF THE DECISION.

(11) A PERSON WHO VIOLATES A PROVISION OF THIS SECTION ENGAGES IN A DECEPTIVE TRADE PRACTICE.

(12) THIS SECTION DOES NOT APPLY TO AGENTS, ATTORNEYS, OR OTHER REPRESENTATIVES ACCREDITED BY THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS AND REGULATED BY THAT AGENCY.

SECTION 3. In Colorado Revised Statutes, 6-1-105, **add** (1)(iiii) as follows:

6-1-105. Unfair or deceptive trade practices - definitions. (1) A person engages in a deceptive trade practice when, in the course of the person's business, vocation, or occupation, the person:

(iii) VIOLATES A PROVISION OF SECTION 6-1-739.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 3, 2025