

LFC Requester:

Kelly Klundt

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov*(Analysis must be uploaded as a PDF)***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*Date Prepared: 02/04/25

Check all that apply:

Bill Number: HB 245Original Correction Amendment Substitute

Sponsor:	Debra Sariñana / Craig Brandt /	Agency Name and Code Number:	Department of Veterans' Services /
	Alan Martinez		67000
Short Title:	Compensation for Veterans' Benefits	Person Writing	Danelle Lucero
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
N/A	N/A		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	N/A	N/A		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE Relating to Veterans' affairs; prohibiting receiving compensation for assisting a person to obtain veterans' benefits except as permitted under federal law; amending the Unfair Practices Act.

BILL SUMMARY

This legislation aims to prohibit individuals or entities from receiving compensation for helping someone obtain veterans' benefits, unless allowed under federal law. It also amends the Unfair Practices Act to prevent deceptive or unauthorized practices in assisting veterans with their benefits claims. The goal is to protect veterans from exploitation and ensure that assistance is provided only by qualified, authorized parties in accordance with federal regulations.

FISCAL IMPLICATIONS No Fiscal Implications are foreseen by the agency.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Predatory claims representatives are not subject to VA standards. They strategically advertise their services to avoid regulatory oversight and as a result, may engage in predatory and unethical practices that target veterans and exploit their VA benefits. Federal laws and regulations prohibit anyone from assisting a veteran in the preparation, presentation, or prosecution of a VA benefit claim, or charging a fee for this assistance, without accreditation from VA's Office of General Counsel. However, VA and other federal agencies are limited in their ability to enforce existing law because explicit criminal penalties were stripped from statute. This has contributed to the proliferation of unaccredited claims representatives in recent years. This legislation will discourage for-profit companies from operating outside the bounds of federal law and will give VA and other agencies an additional tool to protect veteran claimants from predatory practices.

Anyone filing claims to the VA and charging veterans should be required to inform them of available free resources, such as accredited veterans' service organizations, where they can receive assistance without incurring fees. This ensures that veterans are fully aware of their options and are not misled into paying for services they can obtain at no cost.

If a legislative bill to outlaw unfair veteran claims charging in New Mexico is not enacted, veterans will continue to face financial exploitation. These charges often burden vulnerable individuals who have already served their country, creating a significant barrier to accessing the benefits they have earned. Without legal protection, unscrupulous organizations and individuals can prey on veterans, charging excessive fees for claims assistance. As a result, veterans may receive less than they are entitled to, diminishing their quality of life and well-being. Additionally, the lack of such a law can erode trust in the system, making veterans hesitant to seek help when they need it most. Ultimately, failing to pass this bill could perpetuate an ongoing injustice for those who have served their country.

PERFORMANCE IMPLICATIONS

Without regulation, veterans are left vulnerable to poor representation, delaying their claims and potentially causing financial harm or denial of their rightful benefits because they lack the necessary training and knowledge of VA procedures, which results in improper filing or missed benefits for veterans.

ADMINISTRATIVE IMPLICATIONS Veterans will need to be informed about their rights and legal assistance providers through new informational campaigns, and marketing materials. These initiatives will ensure veterans can easily access accurate information and identify legitimate services to protect them from exploitation. The agency may experience an increased workload in assisting veterans with accredited claims representation, potentially requiring more staff or resources for support.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP N/A

TECHNICAL ISSUES N/A

OTHER SUBSTANTIVE ISSUES N/A

ALTERNATIVES N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL Status quo.

AMENDMENTS N/A