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FISCAL IMPACT REPORT

SPONSOR	Reps. Sariñana and Martinez, A./Sen. Brandt	LAST UPDATED	02/07/2025
		ORIGINAL DATE	
SHORT TITLE	Compensation For Veterans' Benefits	BILL NUMBER	House Bill 245
		ANALYST	Chilton

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Veterans' Services Department (VSD)

Agency Analysis was Solicited but Not Received From
Administrative Office of the Courts (AOC)
New Mexico Attorney General (NMAG)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 245

House Bill 245 proposes a new section of Chapter 20 NMSA 1978, which deals with military affairs. The bill would prohibit soliciting compensation for helping a veteran obtain benefits due to the veteran's dependents, unless permitted to do so under federal law, as well as prohibit referring a veteran or the dependents to someone else for that purpose. Those providing services to a veteran seeking benefits could not charge for those services before a decision is made on a veteran's benefit application, could not "guarantee" results of a veteran's application, and could not charge excessive fees, as defined in federal law, for their services. A written agreement must be in place between the veteran and the person seeking compensation for services before any services are rendered.

Violation of any of these prohibitions would be a violation of the Unfair Practices Act. This bill

does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

No fiscal impact is identified.

SIGNIFICANT ISSUES

A variety of benefits are available to veterans of the military services and the U.S. Public Health Service, including healthcare for veterans with service-connected, educational benefits, and pensions. Applying for those benefits is often time-consuming and confusing, opening the door for abuse by those who would profit by offering to help with the applications for such services. Federal law accredits some people or organizations to provide help with applications. According to a federal [Department of Veterans Affairs website](#), “An accredited attorney, claims agent, or veterans’ service organization (VSO) representative can help you file a claim or request a decision review.”

New Mexico Veterans’ Services Department comments:

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.