

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 25-0769.01 Anna Petrini x5497

**HOUSE BILL 25-1233**

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**HOUSE SPONSORSHIP**

**Richardson and Carter**, Armagost, Keltie

**SENATE SPONSORSHIP**

**Hinrichsen**, Sullivan

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**House Committees**

State, Civic, Military, & Veterans Affairs

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING PERSONS WHO PROVIDE ASSISTANCE WITH VETERANS'**  
102              **BENEFITS CLAIMS, AND, IN CONNECTION THEREWITH,**  
103              **ESTABLISHING THAT CERTAIN ACTIONS BY SUCH PERSONS ARE**  
104              **DECEPTIVE TRADE PRACTICES UNDER THE "COLORADO**  
105              **CONSUMER PROTECTION ACT".**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill makes it a deceptive trade practice under the "Colorado Consumer Protection Act" for a person who advises, assists, or consults

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

a veteran, in connection with a claim for veterans' benefits (veterans' benefits matter), to:

- Receive compensation in excess of \$12,500 for the service, subject to additional limitations linking permissible compensation to results delivered;
- Receive compensation for referring a veteran to a third party;
- Collect compensation on behalf of a third party engaged to assist with any aspect of a veterans' benefits matter;
- Receive compensation in connection with a claim filed within the one-year period following a veteran's release from active duty without a signed waiver from the veteran;
- Fail to provide a veteran the option of an interest-free payment plan;
- Guarantee a successful outcome in a veterans' benefits matter or engage in certain direct advertising;
- Fail to memorialize the payment terms and certain disclosures in a written, signed business agreement;
- Fail to take various security measures related to veterans' personal information; or
- Fail to remain a member in good standing of a national veterans' benefit trade organization that holds members to ethics and certification standards.

The bill requires the attorney general or district attorney to transmit any civil penalty collected for a violation of the veterans' benefits matter provisions to the state treasurer for deposit in the Colorado state veterans trust fund.

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

2           **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4           (a) Veterans embody courage and sacrifice, defending our  
5 freedoms. Ensuring they receive the benefits they have earned is a moral  
6 obligation shared by all. Supporting veterans honors their service and  
7 ensures they thrive in civilian life while reflecting our values and  
8 fulfilling our commitment to those who have safeguarded our nation.

9           (b) According to 2023 data from the United States department of  
10 veterans affairs, Colorado is home to an estimated 369,000 veterans. The

1 \$2.7 billion in service-connected compensation Colorado's veterans and  
2 veterans' survivors receive each year undeniably improves their quality of  
3 life and has a significant impact on the state's economy.

4 (c) As of mid-January 2025, the United States veterans  
5 administration reports 969,748 pending benefit claims, including  
6 disability compensation and pension claims that normally require a rating  
7 decision. Over a quarter of the pending benefit claims have been active  
8 for 125 days or longer and are considered backlogged. Colorado's  
9 veterans have 17,433 pending claims, and 4,235 of them are backlogged.  
10 The average processing time for a Colorado veteran's claim is 135 days.

11 (d) By assisting with the preparation of a veteran's benefit claim,  
12 professional, trained, and ethical individuals can help reduce the time that  
13 the veterans administration requires to process the claim once it is  
14 submitted;

15 (e) State and local veterans service officers and veterans  
16 associations, including the veterans of foreign wars, American legion, and  
17 disabled American veterans, as well as attorneys and agents accredited by  
18 the United States department of veterans affairs, continue to provide free  
19 claims preparation services that hold great value for veterans and deserve  
20 our support. However, the large volume of benefit claims exceeds the  
21 combined capacity of these organizations and individuals.

22 (f) The private sector, which includes non-accredited consultants  
23 that are not acting as agents or attorneys, has stepped forward to assist  
24 and offer options for those who choose to forego the free services of  
25 veterans service officers and veterans associations. While the majority of  
26 for-profit service providers deliver quality services in a transparent and  
27 ethical manner, there will always be some that prey on veterans who are

1 unsuspecting or simply desperate for help.

2 (g) Because of the predatory practices of some providers of claims  
3 preparation services, consumer protections are necessary to safeguard  
4 Colorado's veterans and ensure that only legitimate for-profit entities  
5 operate in the state to provide choice and capacity in the preparation of  
6 veterans' benefits claims.

7 **SECTION 2.** In Colorado Revised Statutes, 6-1-112, **amend**  
8 (1)(a), (1)(b), and (1)(c); and **add** (4) as follows:

9 **6-1-112. Civil penalties - definition.** (1) The attorney general or  
10 a district attorney may bring a civil action on behalf of the state to seek  
11 the imposition of civil penalties as follows:

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

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

1 remedy available for the enforcement of the provisions of this article 1  
2 and any court order or injunction.

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

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

16 **SECTION 3.** In Colorado Revised Statutes, **add 6-1-737** as  
17 follows:

18 **6-1-737. Veterans' benefits matters - compensation for**  
19 **services - written agreements - advertising - disclosures - deceptive**  
20 **trade practice - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE  
21 CONTEXT OTHERWISE REQUIRES:

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

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

27 (c) "VETERAN" MEANS A PERSON WHO SERVED IN THE ACTIVE

1 MILITARY, NAVAL, OR AIR FORCE SERVICE OF THE UNITED STATES AND  
2 WHO WAS DISCHARGED OR RELEASED UNDER CONDITIONS OTHER THAN  
3 DISHONORABLE, IN ACCORDANCE WITH U.S.C. TITLE 38. "VETERAN"  
4 INCLUDES AN ELIGIBLE MEMBER OF THE RESERVES OR NATIONAL GUARD,  
5 A VETERAN'S DEPENDENT, A VETERAN'S SURVIVOR, OR ANOTHER  
6 INDIVIDUAL ELIGIBLE FOR A BENEFIT PURSUANT TO THE LAWS AND  
7 REGULATIONS ADMINISTERED BY THE UNITED STATES DEPARTMENT OF  
8 VETERANS AFFAIRS OR THE COLORADO DEPARTMENT OF MILITARY AND  
9 VETERANS AFFAIRS.

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

18 (2) (a) A PERSON MAY ONLY BE COMPENSATED FOR ADVISING,  
19 ASSISTING, OR CONSULTING A VETERAN ON A VETERANS' BENEFITS MATTER  
20 IF THE PERSON SECURES AN INCREASE IN THE BENEFITS AWARDED.  
21 COMPENSATION FOR ADVISING, ASSISTING, OR CONSULTING A VETERAN ON  
22 A FEDERAL VETERANS' ADMINISTRATION DISABILITY CLAIM MUST NOT  
23 EXCEED FIVE TIMES THE AMOUNT OF ANY INCREASE IN MONTHLY BENEFITS  
24 AWARDED AS A RESULT OF THE PERSON'S ADVICE, ASSISTANCE, OR  
25 CONSULTATION.

26 (b) THE COMPENSATION CALCULATED PURSUANT TO SUBSECTION  
27 (2)(a) OF THIS SECTION MUST NOT EXCEED TWELVE THOUSAND FIVE

1 HUNDRED DOLLARS.

2 (c) A PERSON SHALL NOT RECEIVE ANY COMPENSATION FOR  
3 ADVISING, ASSISTING, OR CONSULTING A VETERAN ON A VETERANS'  
4 BENEFITS MATTER BEYOND THE COMPENSATION CALCULATED PURSUANT  
5 TO SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION. THE PROHIBITION ON  
6 ADDITIONAL COMPENSATION EXTENDS TO, BUT IS NOT LIMITED TO:

7 (I) AN INITIAL OR NONREFUNDABLE FEE;

8 (II) COMPENSATION RECEIVED ON BEHALF OF A THIRD PERSON  
9 ENGAGED TO ADVISE, ASSIST, OR CONSULT ON AN ASPECT OF A VETERANS'  
10 BENEFITS MATTER; OR

11 (III) COMPENSATION FOR REFERRING A VETERAN TO A THIRD  
12 PERSON TO ADVISE, ASSIST, OR CONSULT ON A VETERANS' BENEFITS  
13 MATTER.

14 (3) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A  
15 VETERANS' BENEFITS MATTER SHALL NOT RECEIVE COMPENSATION FOR  
16 SERVICES RENDERED IN CONNECTION WITH A CLAIM FILED WITHIN THE  
17 ONE-YEAR PERIOD FOLLOWING A VETERAN'S RELEASE FROM ACTIVE DUTY  
18 DURING WHICH THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS  
19 PRESUMES CERTAIN DISABLING CONDITIONS ARE SERVICE-CONNECTED,  
20 UNLESS THE VETERAN ACKNOWLEDGES BY SIGNING A WAIVER THAT THE  
21 VETERAN IS WITHIN THE ONE-YEAR PERIOD AND CHOOSES TO DECLINE FREE  
22 SERVICES THAT ARE AVAILABLE.

23 (4) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A  
24 VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL PROVIDE A  
25 VETERAN THE OPTION OF AN INTEREST-FREE PAYMENT PLAN OF NOT  
26 LONGER THAN ONE YEAR.

27 (5) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A

1 VETERANS' BENEFITS MATTER SHALL NOT GUARANTEE, EITHER DIRECTLY  
2 OR BY IMPLICATION, A SUCCESSFUL OUTCOME IN A VETERANS' BENEFITS  
3 MATTER, INCLUDING THAT A VETERAN IS CERTAIN TO RECEIVE SPECIFIC  
4 VETERANS' BENEFITS OR THAT A VETERAN IS CERTAIN TO RECEIVE A  
5 SPECIFIC LEVEL, PERCENTAGE, OR AMOUNT OF VETERANS' BENEFITS.

6 (6) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A  
7 VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL NOT DIRECTLY  
8 ADVERTISE OR MARKET TO AN INDIVIDUALLY IDENTIFIED VETERAN,  
9 RESIDENCE, OR BUSINESS LOCATION. THE PROHIBITION ON DIRECT  
10 ADVERTISING AND MARKETING DOES NOT INCLUDE COMMUNICATING VIA  
11 TELEPHONE, MAIL, OR ELECTRONIC COMMUNICATION, IF INITIATED BY A  
12 VETERAN.

13 (7) A PERSON SEEKING COMPENSATION FOR ADVISING, ASSISTING,  
14 OR CONSULTING ON A VETERANS' BENEFITS MATTER SHALL, BEFORE  
15 RENDERING ANY SERVICES, MEMORIALIZE THE SPECIFIC TERMS UNDER  
16 WHICH THE AMOUNT OF COMPENSATION WILL BE DETERMINED AND PAID  
17 IN A WRITTEN BUSINESS AGREEMENT SIGNED BY BOTH PARTIES.

18 (8) (a) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A  
19 VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL PROVIDE THE  
20 FOLLOWING DISCLOSURE IN THE WRITTEN BUSINESS AGREEMENT REQUIRED  
21 PURSUANT TO SUBSECTION (7) OF THIS SECTION:

22 THIS BUSINESS IS NOT SPONSORED BY OR AFFILIATED WITH  
23 THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS  
24 OR THE COLORADO DEPARTMENT OF MILITARY AND  
25 VETERANS AFFAIRS, OR ANY OTHER FEDERALLY CHARTERED  
26 VETERANS' SERVICE ORGANIZATION. OTHER  
27 ORGANIZATIONS, INCLUDING, BUT NOT LIMITED TO, THE



1 COLORADO DEPARTMENT OF MILITARY AND VETERANS  
2 AFFAIRS, A LOCAL VETERANS' SERVICE ORGANIZATION AND  
3 OTHER FEDERALLY CHARTERED VETERANS' SERVICE  
4 ORGANIZATIONS, MAY PROVIDE THIS SERVICE FREE OF  
5 CHARGE OR MIGHT NOT ENDORSE THIS SERVICE. YOU MAY  
6 QUALIFY FOR OTHER VETERANS' BENEFITS OUTSIDE THE  
7 SCOPE OF THIS BUSINESS AGREEMENT.

8 (b) IF A PERSON, OR AN EMPLOYEE, CONTRACTOR, OR  
9 SUBCONTRACTOR OF THE PERSON, WHO IS ADVISING, ASSISTING, OR  
10 CONSULTING ON A VETERANS' BENEFITS MATTER FOR COMPENSATION IS  
11 NOT ACCREDITED BY THE UNITED STATES VETERANS ADMINISTRATION  
12 PURSUANT TO THE REQUIREMENTS OF 38 CFR 14.629, THE PERSON SHALL  
13 DISCLOSE THE LACK OF ACCREDITATION ALONG WITH A CLEAR  
14 EXPLANATION OF WHAT IT MEANS TO LACK ACCREDITATION. A PERSON  
15 ADVISING, ASSISTING, OR CONSULTING ON A VETERANS' BENEFITS MATTER  
16 FOR COMPENSATION SHALL PROVIDE THE ACCREDITATION DISCLOSURE  
17 REQUIRED PURSUANT TO THIS SUBSECTION (8)(b) IN THE WRITTEN  
18 AGREEMENT REQUIRED PURSUANT TO SUBSECTION (7) OF THIS SECTION, IN  
19 A CONSPICUOUS LOCATION ON THE PERSON'S WEBSITE, AND IN A  
20 CONSPICUOUS LOCATION AT THE PERSON'S PHYSICAL ADDRESS, IF  
21 APPLICABLE.

22 (9) THE DISCLOSURES REQUIRED PURSUANT TO SUBSECTION (8) OF  
23 THIS SECTION MUST APPEAR IN BOLD-FACED FONT IN AT LEAST  
24 TWELVE-POINT TYPE IN AN EASILY IDENTIFIABLE PLACE IN THE BUSINESS  
25 AGREEMENT. THE VETERAN SHALL SIGN THE PAGE ON WHICH EACH  
26 DISCLOSURE APPEARS TO REPRESENT AN UNDERSTANDING OF ITS TERMS.  
27 THE PERSON ADVISING, ASSISTING, OR CONSULTING ON A VETERANS'

1 BENEFITS MATTER FOR COMPENSATION SHALL RETAIN A COPY OF THE  
2 WRITTEN BUSINESS AGREEMENT CONTAINING THE DISCLOSURE FOR AT  
3 LEAST ONE YEAR AFTER THE DATE ON WHICH THE SERVICE RELATIONSHIP  
4 WITH THE VETERAN TERMINATES.

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

7 (I) USE INTERNATIONAL CALL CENTERS OR DATA CENTERS FOR  
8 PROCESSING VETERANS' PERSONAL INFORMATION;

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

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

15 (b) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A  
16 VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL:

17 (I) COMPLETE A CRIMINAL BACKGROUND CHECK OF A PERSON  
18 PRIOR TO PERMITTING THE PERSON TO ACCESS A VETERAN'S MEDICAL,  
19 FINANCIAL, OR GOVERNMENT BENEFITS INFORMATION. THE BACKGROUND  
20 CHECK MUST BE CONDUCTED BY A REPUTABLE SOURCE AND INCLUDE  
21 IDENTITY VERIFICATION AND A CRIMINAL HISTORY RECORD CHECK.

22 (II) SAFEGUARD A VETERAN'S MEDICAL DATA IN COMPLIANCE WITH  
23 FEDERAL AND STATE PRIVACY LAWS, INCLUDING THE FEDERAL "HEALTH  
24 INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996", 42 U.S.C.  
25 SEC. 1320d TO 1320d-9.

26 (11) A PERSON ADVISING, ASSISTING, OR CONSULTING ON A  
27 VETERANS' BENEFITS MATTER FOR COMPENSATION SHALL REMAIN A

1 MEMBER IN GOOD STANDING OF THE NATIONAL ASSOCIATION FOR VETERAN  
2 RIGHTS OR A NATIONAL VETERANS' BENEFIT TRADE ORGANIZATION THAT  
3 HAS ESTABLISHED FOR EMPLOYEES, CONTRACTORS, AND SUBCONTRACTORS  
4 OF THE ORGANIZATION'S MEMBERS BOTH A CODE OF ETHICS AND  
5 TECHNICAL CERTIFICATION STANDARDS EQUIVALENT TO THE CODE OF  
6 ETHICS AND TECHNICAL CERTIFICATION STANDARDS THAT APPLY TO A  
7 VETERANS SERVICE OFFICER CERTIFIED BY THE UNITED STATES  
8 DEPARTMENT OF VETERANS AFFAIRS AND EQUIVALENT TO THE CODE OF  
9 ETHICS AND TECHNICAL CERTIFICATION STANDARDS OF THE NATIONAL  
10 ASSOCIATION FOR VETERAN RIGHTS.

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

13 (13) THIS SECTION DOES NOT APPLY TO, LIMIT, OR EXPAND THE  
14 REQUIREMENTS IMPOSED ON AGENTS, ATTORNEYS, OR OTHER  
15 REPRESENTATIVES ACCREDITED BY THE UNITED STATES DEPARTMENT OF  
16 VETERANS AFFAIRS AND REGULATED BY THAT AGENCY.

17 **SECTION 4.** In Colorado Revised Statutes, 6-1-105, **add** (1)(iii)  
18 as follows:

19 **6-1-105. Unfair or deceptive trade practices - definitions.** (1) A  
20 person engages in a deceptive trade practice when, in the course of the  
21 person's business, vocation, or occupation, the person:

22 (iii) VIOLATES A PROVISION OF SECTION 6-1-737.

23 **SECTION 5. Act subject to petition - effective date -**  
24 **applicability.** (1) This act takes effect January 1, 2026; except that, if a  
25 referendum petition is filed pursuant to section 1 (3) of article V of the  
26 state constitution against this act or an item, section, or part of this act  
27 within the ninety-day period after final adjournment of the general

1 assembly, then the act, item, section, or part will not take effect unless  
2 approved by the people at the general election to be held in November  
3 2026 and, in such case, will take effect on the date of the official  
4 declaration of the vote thereon by the governor.

5 (2) This act applies to violations on or after the applicable  
6 effective date of this act.