



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3086

Introduced 2/6/2025, by Rep. Lisa Davis

SYNOPSIS AS INTRODUCED:

See Index

Amends the Veteran Service Organizations State Charter Act. Changes the name of the Act to the Veteran Service Organizations Equal Act. Provides that a veteran service organization shall be considered to have veteran service organization status (rather than shall be considered state chartered) when the organization meets all of the requirements listed in the Act and the organization's application for veteran service organization status (rather than state charter status) has been approved by the Attorney General. Makes corresponding changes throughout the Act. Provides that the Attorney General shall grant veteran service organization status (rather than state charter status) to any organization that has demonstrated that all requirements for obtaining veteran service organization status have been met. Requires a veteran service organization to have annual expenditures that demonstrate that 20% (rather than a majority) of the organization's expenses reflect support for veterans in order to qualify for veteran service organization status. Requires an application for veteran service organization status to include a statement from the organization's Commander, President, or chief executive officer (rather than all officers of the organization) attesting that all requirements for a veteran service organization status have been met. Amends the Consumer Fraud and Deceptive Business Practices Act. Provides that it is an unlawful practice for any person providing veteran or military benefits services to: (i) receive compensation for referring any individual to another person to advise or assist the individual with any veterans' benefits matter; (ii) guarantee, either directly or by implication, a successful outcome or that any individual is certain to receive specific veterans' benefits; (iii) utilize international call centers or data centers for processing veterans' personal information; and (iv) other matters.

LRB104 06119 KTG 16152 b

1 AN ACT concerning veterans.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Veteran Service Organizations State Charter
5 Act is amended by changing the title of the Act and Sections 1,
6 5, 10, 15, 20, 25, 30, 35, 40, 45, and 50 as follows:

7 (330 ILCS 46/1)

8 Sec. 1. Short title. This Act may be cited as the Veteran
9 Service Organizations Equal State Charter Act.

10 (Source: P.A. 103-405, eff. 1-1-24.)

11 (330 ILCS 46/5)

12 Sec. 5. Veteran service organization status ~~State charter~~.
13 A veteran service organization shall be considered to have
14 veteran service organization status ~~state chartered~~ when the
15 organization meets all of the requirements listed in this Act
16 and the organization's application for veteran service
17 organization ~~state charter~~ status has been approved by the
18 Attorney General. Upon approval, the Attorney General shall
19 issue a letter granting veteran service organization ~~state~~
20 ~~charter~~ status to the organization.

21 (Source: P.A. 103-405, eff. 1-1-24.)

1 (330 ILCS 46/10)

2 Sec. 10. Granting of veteran service organization ~~state~~
3 ~~charter~~ status. The Attorney General shall grant veteran
4 service organization ~~state charter~~ status to any organization
5 that has demonstrated that all requirements for obtaining
6 veteran service organization ~~state charter~~ status have been
7 met.

8 (Source: P.A. 103-405, eff. 1-1-24.)

9 (330 ILCS 46/15)

10 Sec. 15. Veteran service organization ~~State charter~~
11 requirements. To qualify for veteran service organization
12 ~~state charter~~ status, a veteran service organization must:

13 (1) (A) Have been formed by and for veterans, have a
14 board where a majority of its members are veterans, and
15 have annual expenditures that demonstrate that 20% ~~a~~
16 ~~majority~~ of the organization's expenses reflect support
17 for veterans; or (B) have a paid membership of at least 15
18 individuals and be associated with a congressionally
19 chartered organization.

20 (2) Possess tax-exempt status from the Internal
21 Revenue Service either under Section 501(c)(3) or Section
22 501(c)(19) of the Internal Revenue Code and have the
23 primary charitable purpose of providing service or
24 assistance to veterans, their spouses, or their
25 dependents.

1 (3) Possess a current certificate of good standing as
2 an Illinois registered not-for-profit organization from
3 the Secretary of State.

4 (4) Obtain and maintain ongoing registration and
5 compliance under the Charitable Trust Act with the
6 Charitable Trust Bureau of the Attorney General's Office
7 or substantiation for an exemption.

8 (5) For organizations with veteran service officers,
9 demonstrate that each veteran service officer possesses a
10 valid U.S. Department of Veterans Affairs accreditation or
11 that such accreditation is pending.

12 (6) Comply with the methods and criteria set forth
13 under Section 9 of the Military Veterans Assistance Act if
14 the veteran service organization has delegates and
15 alternates or is in the process of selecting and
16 submitting delegates and alternates to a county Veterans
17 Assistance Commission at the time of application for
18 veteran service organization ~~State charter~~ status.

19 (Source: P.A. 103-405, eff. 1-1-24.)

20 (330 ILCS 46/20)

21 Sec. 20. Application for veteran service organization
22 ~~state charter~~ status. A veteran service organization may
23 submit an application for veteran service organization ~~state~~
24 ~~charter~~ status to the Attorney General. All supporting
25 documentation demonstrating that each of the requirements

1 listed in this Act have been met shall be provided with the
2 application.

3 (Source: P.A. 103-405, eff. 1-1-24.)

4 (330 ILCS 46/25)

5 Sec. 25. Attestation of compliance. Any application for
6 veteran service organization ~~state charter~~ status shall
7 include the following statement, from the Commander,
8 President, or chief executive officer: "I, ~~on organizational~~
9 letterhead and signed by all officers: "All officers for
10 (insert lawful ~~organizational~~ name of the Commander,
11 President, or chief executive officer) do hereby attest that
12 all requirements for a veteran service organization status
13 ~~state charter~~ have been met, that there are no past or ongoing
14 enforcement actions or lawsuits against the organization or
15 any of its officers for violations or suspected violations of
16 the Consumer Fraud and Deceptive Business Practices Act, or
17 the Military Veterans Assistance Act, and that we will notify
18 the Attorney General within 30 days if, at any point, the
19 organization no longer meets one or more of the requirements
20 for veteran service organization ~~state charter~~ status."

21 (Source: P.A. 103-405, eff. 1-1-24.)

22 (330 ILCS 46/30)

23 Sec. 30. Denial of veteran service organization ~~state~~
24 ~~charter~~. The Attorney General shall deny an application for

1 veteran service organization ~~state charter~~ status to any
2 organization that does not meet all the requirements for
3 veteran service organization ~~state charter~~ status in Section
4 15. Any organization whose veteran service organization ~~state~~
5 ~~charter~~ application has been denied may resubmit that
6 application once all deficiencies have been corrected.

7 (Source: P.A. 103-405, eff. 1-1-24.)

8 (330 ILCS 46/35)

9 Sec. 35. Duration of veteran service organization ~~state~~
10 ~~charter~~ status. Veteran service organization ~~State charter~~
11 status shall be valid for 3 years. A veteran service
12 organization must reapply for veteran service organization
13 ~~state charter~~ status at least 120 days prior to the expiration
14 of its current ~~state charter~~ status.

15 (Source: P.A. 103-405, eff. 1-1-24.)

16 (330 ILCS 46/40)

17 Sec. 40. Revocation. If the Attorney General is made
18 aware, either through notification as provided in Section 30
19 or through other information or evidence, that an organization
20 that has been granted veteran service organization ~~state~~
21 ~~charter~~ status no longer meets one or more of the requirements
22 of Section 15, the Attorney General may revoke the veteran
23 service organization ~~state charter~~ status. Nothing in this
24 Section is intended to take away or limit any powers of the

1 Attorney General under common law or other statutory law, and
2 the Attorney General may, in his or her sole discretion,
3 request that a court revoke veteran service organization ~~state~~
4 ~~charter~~ status based on other conduct not specifically listed
5 in this Section.

6 (Source: P.A. 103-405, eff. 1-1-24.)

7 (330 ILCS 46/45)

8 Sec. 45. Publication of ~~state chartered~~ veteran service
9 organizations. The Attorney General shall maintain a publicly
10 accessible list of ~~state chartered~~ veteran service
11 organizations that are granted status in accordance with this
12 Act.

13 (Source: P.A. 103-405, eff. 1-1-24.)

14 (330 ILCS 46/50)

15 Sec. 50. Violation; remedies. It is a violation of Section
16 9 of the Military Veterans Assistance Act for any person,
17 group, or entity to assert veteran service organization ~~state~~
18 ~~charter~~ status where such status has not been granted in
19 accordance with this Act or where such status has been
20 revoked. In addition to any other remedies, a court may assess
21 a civil penalty not to exceed \$5,000 for each violation of this
22 Act.

23 (Source: P.A. 103-405, eff. 1-1-24.)

1 Section 10. The Consumer Fraud and Deceptive Business
2 Practices Act is amended by changing Section 2YYY as follows:

3 (815 ILCS 505/2YYY)

4 Sec. 2YYY. Deceptive practices targeting veterans and
5 military members.

6 (a) As used in this Section:

7 "Compensation" means any money, thing of value, or
8 economic benefit conferred on, or received by, any person in
9 return for services rendered, or to be rendered, by himself or
10 herself or another.

11 "Veteran or military benefits services" means any services
12 offered or provided to a veteran, military member, or family
13 member who is entitled to receive benefits under federal,
14 State, or local law, policy, or practice as a result of, at
15 least in part, qualifying military service. Such services
16 include assistance, consulting or coaching in the preparation,
17 presentation, or prosecution of claims or other attempts to
18 obtain benefits, increase benefits, or appeal a decision
19 related to obtaining or increasing benefits.

20 "Veterans services disclosures" means providing, in upper
21 case type in size at least as large as the type size of the
22 written communication or by voice-over, the following
23 statements:

24 "THIS BUSINESS IS NOT ENDORSED OR SPONSORED BY, OR
25 AFFILIATED WITH, THE UNITED STATES DEPARTMENT OF VETERANS

1 AFFAIRS OR THE ILLINOIS DEPARTMENT OF VETERANS AFFAIRS, OR ANY
2 FEDERALLY CHARTERED VA ACCREDITED VETERAN SERVICE
3 ORGANIZATION. YOU MAY QUALIFY FOR OTHER VETERANS BENEFITS
4 BEYOND THE BENEFITS FOR WHICH YOU ARE RECEIVING SERVICES
5 HERE.".

6 "VETERAN AND MILITARY BENEFITS SERVICES ARE AVAILABLE FREE
7 OF CHARGE FROM VA ACCREDITED COUNTY VETERAN SERVICE OFFICERS,
8 REPRESENTATIVES OF THE ILLINOIS DEPARTMENT OF VETERANS
9 AFFAIRS, AND THE VETERAN SERVICE OFFICERS OF FEDERALLY
10 CHARTERED VETERAN SERVICE ORGANIZATIONS. TO LEARN MORE,
11 CONTACT THESE ORGANIZATIONS OR THE ILLINOIS ATTORNEY GENERAL'S
12 OFFICE AT 1-800-382-3000.".

13 (b) It is an unlawful practice within the meaning of this
14 Act for any person providing veteran or military benefits
15 services to:

16 (1) Fail in any advertising to conspicuously disclose
17 veterans services disclosures when veteran or military
18 benefits services are provided in exchange for any
19 financial compensation, benefit or thing of value.

20 (2) Fail at the outset of the business relationship to
21 clearly provide, both orally and in writing, veterans
22 services disclosures when veteran or military benefits
23 services are provided in exchange for any financial
24 compensation, benefit or thing of value.

25 (3) Fail to obtain all veteran or military benefits
26 services qualifications, certifications, and

1 accreditations required under State or federal law for the
2 services that person provides.

3 (3.5) Receive compensation for referring any
4 individual to another person to advise or assist the
5 individual with any veterans' benefits matter.

6 (3.6) Guarantee, either directly or by implication, a
7 successful outcome or that any individual is certain to
8 receive specific veterans' benefits or that any individual
9 is certain to receive a specific level, percentage, or
10 amount of veterans' benefit.

11 (4) Fail, when acting as a fiduciary for a veteran
12 receiving benefits, to meet the responsibilities of
13 fiduciaries under 38 CFR 13.140.

14 (5) Fail, when providing representation before the
15 United States Department of Veterans Affairs, to meet the
16 standards of conduct under 38 CFR 14.632.

17 (6) Charge fees or expenses in violation of 38 CFR
18 14.636 or 14.637.

19 (7) When acting as an accredited agent, attorney, or
20 representative for a veteran, charge fees or expenses in
21 violation of 38 CFR 14.636 or 14.637.

22 (8) When assisting, advising, or consulting with a
23 veteran on an initial claim, receive any compensation for
24 any services rendered in connection with any claim filed
25 within the one year presumptive period of active-duty
26 release, unless the veteran acknowledges by signing a

1 waiver that the veteran is within this period and is
2 choosing to deny any available free services.

3 (9) When assisting, advising, or consulting with a
4 veteran on an initial claim, receive compensation without
5 first memorializing the specific terms under which the
6 amount to be paid will be determined in a written
7 agreement signed by both parties. Compensation must be
8 purely contingent upon an increase in benefits awarded,
9 and if successful, compensation must not exceed 5 times
10 the amount of the monthly increase in benefits awarded
11 based on the claim. No initial or nonrefundable fee may be
12 charged by a person advising, assisting, or consulting
13 with a veteran on an initial claim.

14 (10) When assisting, advising, or consulting with a
15 veteran on an initial claim for compensation, utilize
16 international call centers or data centers for processing
17 veterans' personal information.

18 (11) When assisting, advising, or consulting with a
19 veteran on an initial claim for compensation, use a
20 veteran's personal log-in, username, or password
21 information to access that veteran's medical, financial,
22 or government benefits information.

23 (12) When assisting, advising, or consulting with a
24 veteran on an initial claim for compensation, fail to
25 ensure that every individual who has access to the
26 veteran's medical or financial information undergoes a

1 background check prior to having access to that
2 information. The background check must be conducted by a
3 reputable source and include identity verification and a
4 criminal records check.

5 (Source: P.A. 102-386, eff. 1-1-22; 102-813, eff. 5-13-22;
6 103-783, eff. 1-1-25.)

1 INDEX

2 Statutes amended in order of appearance

3 330 ILCS 46/1

4 330 ILCS 46/5

5 330 ILCS 46/10

6 330 ILCS 46/15

7 330 ILCS 46/20

8 330 ILCS 46/25

9 330 ILCS 46/30

10 330 ILCS 46/35

11 330 ILCS 46/40

12 330 ILCS 46/45

13 330 ILCS 46/50

14 815 ILCS 505/2YYY