By: Zaffirini

1

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A BILL TO BE ENTITLED

AN ACT

2 relating to guardianships, substitutes for guardianships, and 3 durable powers of attorney for persons with disabilities or who are 4 incapacitated.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 751.052, Estates Code, is amended to 7 read as follows:

8 Sec. 751.052. RELATION OF ATTORNEY IN FACT OR AGENT TO 9 COURT-APPOINTED GUARDIAN OF ESTATE. (a) If, after execution of a 10 durable power of attorney, a court [of the principal's domicile] 11 appoints a:

12 (1) permanent guardian of the estate <u>for a ward who is</u> 13 [of] the principal <u>who executed the power of attorney</u>, <u>on the</u> 14 <u>qualification of the guardian</u> the powers <u>and authority granted to</u> 15 [of] the attorney in fact or agent <u>named in the power of attorney</u> 16 <u>are automatically revoked; or</u>

17 (2) temporary guardian of the estate for a ward who is 18 the principal who executed the power of attorney, on the 19 gualification of the guardian the powers and authority granted to 20 the attorney in fact or agent named in the power of attorney are 21 automatically suspended for the duration of the guardianship unless 22 the court enters an order that:

23 (A) affirms and states the effectiveness of the
 24 power of attorney; and

1	(B) confirms the validity of the appointment of
2	the named attorney in fact or agent [terminate on the qualification
3	of the guardian of the estate].
4	(b) If the powers and authority of an [The] attorney in fact
5	or agent are revoked as provided by Subsection (a), the attorney in
6	fact or agent shall:
7	(1) deliver to the guardian of the estate all assets of
8	the ward's estate that are in the possession of the attorney in fact
9	or agent; and
10	(2) account to the guardian of the estate as the
11	attorney in fact or agent would account to the principal if the
12	principal had terminated the powers of the attorney in fact or
13	agent.
14	[(b) If, after execution of a durable power of attorney, a
15	court of the principal's domicile appoints a temporary guardian of
16	the estate of the principal, the court may suspend the powers of the
17	attorney in fact or agent on the qualification of the temporary
18	guardian of the estate until the date the term of the temporary
19	guardian expires. This subsection may not be construed to prohibit
20	the application for or issuance of a temporary restraining order
21	under applicable law.]
22	SECTION 2. Section 751.054(a), Estates Code, is amended to
23	read as follows:
24	(a) The revocation by, the death of, or the qualification of
25	a temporary or permanent guardian of the estate of a principal who
26	has executed a durable power of attorney or the removal of an
27	attorney in fact or agent under Chapter 753 does not revoke,

1 <u>suspend</u>, or terminate the agency as to the attorney in fact, agent,
2 or other person who acts in good faith under or in reliance on the
3 power without actual knowledge of the termination <u>or suspension, as</u>
4 applicable, of the power by:

5

the revocation;

6 (2) the principal's death; [or]

7 (3) the qualification of a <u>temporary or permanent</u>
8 guardian of the estate of the principal; or

9

(4) the attorney in fact's or agent's removal.

10 SECTION 3. Section 751.055(a), Estates Code, is amended to 11 read as follows:

(a) As to an act undertaken in good-faith reliance on a 12 13 durable power of attorney, an affidavit executed by the attorney in fact or agent under the durable power of attorney stating that the 14 attorney in fact or agent did not have, at the time the power was 15 16 exercised, actual knowledge of the termination or suspension of the power, as applicable, by revocation, the principal's death, the 17 principal's divorce or the annulment of the principal's marriage if 18 the attorney in fact or agent was the principal's spouse, [or] the 19 20 qualification of a temporary or permanent guardian of the estate of the principal, or the attorney in fact's or agent's removal, is 21 conclusive proof as between the attorney in fact or agent and a 22 person other than the principal or the principal's personal 23 24 representative dealing with the attorney in fact or agent of the nonrevocation, nonsuspension, or nontermination of the power at 25 26 that time.

27 SECTION 4. Section 752.051, Estates Code, is amended to

1 read as follows:

2 Sec. 752.051. FORM. The following form is known as a 3 "statutory durable power of attorney":

STATUTORY DURABLE POWER OF ATTORNEY 4 NOTICE: THE POWERS GRANTED BY THIS DOCUMENT ARE BROAD AND SWEEPING. 5 THEY ARE EXPLAINED IN THE DURABLE POWER OF ATTORNEY ACT, SUBTITLE P, 6 7 TITLE 2, ESTATES CODE. IF YOU HAVE ANY QUESTIONS ABOUT THESE POWERS, OBTAIN COMPETENT LEGAL ADVICE. THIS DOCUMENT DOES NOT 8 AUTHORIZE ANYONE TO MAKE MEDICAL AND OTHER HEALTH-CARE DECISIONS 9 FOR YOU. YOU MAY REVOKE THIS POWER OF ATTORNEY IF YOU LATER WISH TO 10 DO SO. 11

You should select someone you trust to serve as your agent (attorney in fact). Unless you specify otherwise, generally the agent's (attorney in fact's) authority will continue until:

15

(1) you die or revoke the power of attorney;

16 (2) your agent (attorney in fact) resigns, is removed
17 by court order, or is unable to act for you; or

18 (3) a guardian is appointed for your estate.
19 I, _____ (insert your name and address), appoint
20 _____ (insert the name and address of the person appointed) as
21 my agent (attorney in fact) to act for me in any lawful way with
22 respect to all of the following powers that I have initialed below.

TO GRANT ALL OF THE FOLLOWING POWERS, INITIAL THE LINE IN FRONT OF (N) AND IGNORE THE LINES IN FRONT OF THE OTHER POWERS LISTED IN (A) THROUGH (M).

26 TO GRANT A POWER, YOU MUST INITIAL THE LINE IN FRONT OF THE 27 POWER YOU ARE GRANTING.

S.B. No. 39 1 TO WITHHOLD A POWER, DO NOT INITIAL THE LINE IN FRONT OF THE 2 POWER. YOU MAY, BUT DO NOT NEED TO, CROSS OUT EACH POWER WITHHELD. (A) Real property transactions; 3 4 (B) Tangible personal property transactions; (C) Stock and bond transactions; 5 ____ (D) Commodity and option transactions; 6 7 ____ (E) Banking other financial and institution transactions; 8 9 ____ (F) Business operating transactions; 10 (G) Insurance and annuity transactions; 11 ____ (H) Estate, trust, and other beneficiary transactions; ____ (I) Claims and litigation; 12 13 (J) Personal and family maintenance; _____ (K) Benefits from social security, Medicare, Medicaid, 14 15 or other governmental programs or civil or military service; 16 ____ (L) Retirement plan transactions; 17 ____ (M) Tax matters; (N) ALL OF THE POWERS LISTED IN (A) THROUGH (M). YOU DO 18 NOT HAVE TO INITIAL THE LINE IN FRONT OF ANY OTHER POWER IF YOU 19 20 INITIAL LINE (N). SPECIAL INSTRUCTIONS: 21 22 Special instructions applicable to gifts (initial in front of the following sentence to have it apply): 23 24 _____ I grant my agent (attorney in fact) the power to apply my 25 property to make gifts outright to or for the benefit of a person, including by the exercise of a presently exercisable general power 26 27 of appointment held by me, except that the amount of a gift to an

individual may not exceed the amount of annual exclusions allowed 1 2 from the federal gift tax for the calendar year of the gift. ON THE FOLLOWING LINES YOU MAY GIVE SPECIAL INSTRUCTIONS 3 LIMITING OR EXTENDING THE POWERS GRANTED TO YOUR AGENT. 4 5 6 7 8 9 10 11 12 13 UNLESS YOU DIRECT OTHERWISE ABOVE, THIS POWER OF ATTORNEY IS 14 15 EFFECTIVE IMMEDIATELY AND WILL CONTINUE UNTIL IT IS REVOKED. 16 CHOOSE ONE OF THE FOLLOWING ALTERNATIVES BY CROSSING OUT THE 17 ALTERNATIVE NOT CHOSEN: This power of attorney is not affected by my subsequent 18 (A) disability or incapacity. 19 20 (B) This power of attorney becomes effective upon my disability or incapacity. 21 YOU SHOULD CHOOSE ALTERNATIVE (A) IF THIS POWER OF ATTORNEY 22 IS TO BECOME EFFECTIVE ON THE DATE IT IS EXECUTED. 23 24 IF NEITHER (A) NOR (B) IS CROSSED OUT, IT WILL BE ASSUMED THAT 25 YOU CHOSE ALTERNATIVE (A). 26 If Alternative (B) is chosen and a definition of my 27 disability or incapacity is not contained in this power of

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attorney, I shall be considered disabled or incapacitated for 1 2 purposes of this power of attorney if a physician certifies in writing at a date later than the date this power of attorney is 3 executed that, based on the physician's medical examination of me, 4 I am mentally incapable of managing my financial affairs. 5 Т authorize the physician who examines me for this purpose to 6 7 disclose my physical or mental condition to another person for purposes of this power of attorney. A third party who accepts this 8 9 power of attorney is fully protected from any action taken under this power of attorney that is based on the determination made by a 10 11 physician of my disability or incapacity.

I agree that any third party who receives a copy of this document may act under it. Revocation of the durable power of attorney is not effective as to a third party until the third party receives actual notice of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance on this power of attorney.

If any agent named by me dies, becomes legally disabled, resigns, [or] refuses to act, <u>or is removed by court order</u>, I name the following (each to act alone and successively, in the order named) as successor(s) to that agent: _____.

22	Signed this day of		-	
23				
24		(your signature)		
25	State of			
26	County of			
27	This document was acknowledged before	ore me on	_(date)	by

1	
2	(name of principal)
3	
4	(signature of notarial officer)
5	(Seal, if any, of notary)
6	(printed name)
7	My commission expires:
8	IMPORTANT INFORMATION FOR AGENT (ATTORNEY IN FACT)
9	Agent's Duties
10	When you accept the authority granted under this power of
11	attorney, you establish a "fiduciary" relationship with the
12	principal. This is a special legal relationship that imposes on you
13	legal duties that continue until you resign or the power of attorney
14	is terminated, suspended, or revoked by the principal or by
15	operation of law. A fiduciary duty generally includes the duty to:
16	(1) act in good faith;
17	(2) do nothing beyond the authority granted in this
18	power of attorney;
19	(3) act loyally for the principal's benefit;
20	(4) avoid conflicts that would impair your ability to
21	act in the principal's best interest; and
22	(5) disclose your identity as an agent or attorney in
23	fact when you act for the principal by writing or printing the name
24	of the principal and signing your own name as "agent" or "attorney
25	in fact" in the following manner:
26	(Principal's Name) by (Your Signature) as Agent (or as
27	Attorney in Fact)

In addition, the Durable Power of Attorney Act (Subtitle P,
 Title 2, Estates Code) requires you to:

3 (1) maintain records of each action taken or decision4 made on behalf of the principal;

(2) maintain all records until delivered to 5 the principal, released by the principal, or discharged by a court; and 6 7 (3) if requested by the principal, provide an accounting to the principal that, unless otherwise directed by the 8 9 principal or otherwise provided in the Special Instructions, must include: 10

(A) the property belonging to the principal that
has come to your knowledge or into your possession;

(B) each action taken or decision made by you as
agent or attorney in fact;

15 (C) a complete account of receipts, 16 disbursements, and other actions of you as agent or attorney in fact 17 that includes the source and nature of each receipt, disbursement, 18 or action, with receipts of principal and income shown separately;

(D) a listing of all property over which you have
exercised control that includes an adequate description of each
asset and the asset's current value, if known to you;

(E) the cash balance on hand and the name and
 location of the depository at which the cash balance is kept;

24 (F) each known liability;

(G) any other information and facts known to you
 as necessary for a full and definite understanding of the exact
 condition of the property belonging to the principal; and

1 2 proportu

(H) all documentation regarding the principal's

2 property.

3 Termination of Agent's Authority

You must stop acting on behalf of the principal if you learn of any event that terminates <u>or suspends</u> this power of attorney or your authority under this power of attorney. An event that terminates this power of attorney or your authority to act under this power of attorney includes:

9

(1) the principal's death;

10 (2) the principal's revocation of this power of 11 attorney or your authority;

12 (3) the occurrence of a termination event stated in13 this power of attorney;

14 (4) if you are married to the principal, the 15 dissolution of your marriage by court decree of divorce or 16 annulment;

17 (5) the appointment and qualification of a permanent 18 guardian of the principal's estate <u>unless a court order provides</u> 19 <u>otherwise;</u> or

if ordered by a court, your removal as agent 20 (6) (attorney in fact) under this power of attorney. An event that 21 22 suspends this power of attorney or your authority to act under this power of attorney is the appointment and qualification of a 23 temporary guardian unless a court order provides otherwise [if 24 25 ordered by a court, the suspension of this power of attorney on the appointment and qualification of a temporary guardian until the 26 27 date the term of the temporary guardian expires].

1 Liability of Agent

2 The authority granted to you under this power of attorney is specified in the Durable Power of Attorney Act (Subtitle P, Title 2, 3 4 Estates Code). If you violate the Durable Power of Attorney Act or act beyond the authority granted, you may be liable for any damages 5 caused by the violation or subject to 6 prosecution for 7 misapplication of property by a fiduciary under Chapter 32 of the Texas Penal Code. 8

9 THE ATTORNEY IN FACT OR AGENT, BY ACCEPTING OR ACTING UNDER 10 THE APPOINTMENT, ASSUMES THE FIDUCIARY AND OTHER LEGAL 11 RESPONSIBILITIES OF AN AGENT.

SECTION 5. Subtitle P, Title 2, Estates Code, is amended by adding Chapter 753 to read as follows:

14

CHAPTER 753. REMOVAL OF ATTORNEY IN FACT OR AGENT

15 Sec. 753.001. PROCEDURE FOR REMOVAL. (a) In this section, 16 "person interested," notwithstanding Section 22.018, has the 17 meaning assigned by Section 1002.018.

18 (b) The following persons may file a petition under this 19 section:

20 (1) any person named as a successor attorney in fact or
21 agent in a durable power of attorney; or

(2) if the person with respect to whom a guardianship proceeding has been commenced is a principal who has executed a durable power of attorney, any person interested in the guardianship proceeding, including an attorney ad litem or guardian ad litem.

27 (c) On the petition of a person described by Subsection (b),

1	a probate court, after a hearing, may enter an order:
2	(1) removing a person named and serving as an attorney
3	in fact or agent under a durable power of attorney;
4	(2) authorizing the appointment of a successor
5	attorney in fact or agent who is named in the durable power of
6	attorney if the court finds that the successor attorney in fact or
7	agent is willing to accept the authority granted under the power of
8	attorney; and
9	(3) if compensation is allowed by the terms of the
10	durable power of attorney, denying all or part of the removed
11	attorney in fact's or agent's compensation.
12	(d) A court may enter an order under Subsection (c) if the
13	court finds:
14	(1) that the attorney in fact or agent has breached the
15	attorney in fact's or agent's fiduciary duties to the principal;
16	(2) that the attorney in fact or agent has materially
17	violated or attempted to violate the terms of the durable power of
18	attorney and the violation or attempted violation results in a
19	material financial loss to the principal;
20	(3) that the attorney in fact or agent is
21	incapacitated or is otherwise incapable of properly performing the
22	attorney in fact's or agent's duties; or
23	(4) that the attorney in fact or agent has failed to
24	make an accounting:
25	(A) that is required by Section 751.104 within
26	the period prescribed by Section 751.105, by other law, or by the
27	terms of the durable power of attorney; or

1	(B) as ordered by the court.
2	Sec. 753.002. NOTICE TO THIRD PARTIES. Not later than the
3	21st day after the date the court enters an order removing an
4	attorney in fact or agent and authorizing the appointment of a
5	successor under Section 753.001, the successor attorney in fact or
6	agent shall provide actual notice of the order to each third party
7	that the attorney in fact or agent has reason to believe relied on
8	or may rely on the durable power of attorney.
9	SECTION 6. Section 1055.003, Estates Code, is amended by
10	amending Subsection (a) and adding Subsection (d) to read as
11	follows:
12	(a) Notwithstanding the Texas Rules of Civil Procedure <u>and</u>
13	except as provided by Subsection (d), an interested person may
14	intervene in a guardianship proceeding only by filing a timely
15	motion to intervene that is served on the parties.
16	(d) A person who is entitled to receive notice under Section
17	1051.104 is not required to file a motion under this section to
18	intervene in a guardianship proceeding.
19	SECTION 7. Section 1101.002, Estates Code, is amended to
20	read as follows:
21	Sec. 1101.002. CONTENTS OF APPLICATION; CONFIDENTIALITY OF
22	CERTAIN ADDRESSES. An application filed under Section 1101.001 may
23	omit the address of a person named in the application if:
24	(1) the application states that the person is <u>or was</u>
25	protected by a protective order issued under Chapter 85, Family
26	Code;
27	(2) a copy of the protective order is attached to the

1 application as an exhibit;

2 (3) the application states the county in which the3 person resides;

4 (4) the application indicates the place where notice 5 to or the issuance and service of citation on the person may be made 6 or sent; and

7 (5) the application is accompanied by a request for an
8 order under Section 1051.201 specifying the manner of issuance,
9 service, and return of citation or notice on the person.

SECTION 8. Section 1151.051(d), Estates Code, is amended to read as follows:

(d) Notwithstanding Subsection (c)(4), a guardian of the 12 13 person of a ward has the power to personally transport the ward or to direct the ward's transport by emergency medical services or 14 15 other means to an inpatient mental health facility for а preliminary examination in accordance with Subchapters A and C, 16 Chapter 573, Health and Safety Code. 17 The guardian shall immediately provide written notice to the court that granted the 18 guardianship as required by Section 573.004, Health and Safety 19 20 Code, of the filing of an application under that section.

21 SECTION 9. Section 1357.052, Estates Code, is amended to 22 read as follows:

23 Sec. 1357.052. AUTHORITY OF SUPPORTER; NATURE OF 24 <u>RELATIONSHIP</u>. (a) A supporter may exercise the authority granted 25 to the supporter in the supported decision-making agreement.

26 (b) The supporter owes to the adult with a disability 27 fiduciary duties as listed in the form provided by Section

1357.056(a), regardless of whether that form is used for the 1 2 supported decision-making agreement. 3 (c) The relationship between an adult with a disability and the supporter with whom the adult enters into a supported 4 decision-making agreement: 5 (1) is one of trust and confidence; and 6 7 (2) does not undermine the decision-making authority of the adult. 8 9 SECTION 10. Subchapter B, Chapter 1357, Estates Code, is amended by adding Section 1357.0525 to read as follows: 10 11 Sec. 1357.0525. DESIGNATION OF ALTERNATE SUPPORTER ΙN CERTAIN CIRCUMSTANCES. In order to prevent a conflict of interest, 12 13 if a determination is made by an adult with a disability that the supporter with whom the adult entered into a supported 14 decision-making agreement is the most appropriate person to provide 15 16 to the adult supports and services for which the supporter will be compensated, the adult may amend the supported decision-making 17 agreement to designate an alternate person to act as the adult's 18 supporter for the limited purpose of participating in 19 20 person-centered planning as it relates to the provision of those 21 supports and services. 22 SECTION 11. Section 1357.053(b), Estates Code, is amended to read as follows: 23 24 (b) The supported decision-making agreement is terminated 25 if: the Department of Family and Protective Services 26 (1)27 finds that the adult with a disability has been abused, neglected,

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or exploited by the supporter; [or] 1 (2) the supporter is found criminally liable for 2 conduct described by Subdivision (1); or 3 4 (3) a temporary or permanent guardian of the person or estate appointed for the adult with a disability qualifies. 5 6 SECTION 12. Section 1357.056(a), Estates Code, is amended 7 to read as follows: (a) Subject to Subsection (b), a supported decision-making 8 9 agreement is valid only if it is in substantially the following form: 10 SUPPORTED DECISION-MAKING AGREEMENT 11 Important Information For Supporter: Duties 12 13 When you agree to provide support to an adult with a disability under this supported decision-making agreement, you 14 15 have a duty to: 16 (1) act in good faith; 17 (2) act within the authority granted in this agreement; 18 (3) act loyally and without self-interest; and 19 20 (4) avoid conflicts of interest. 21 Appointment of Supporter 22 I, (insert your name), make this agreement of my own free will. 23 I agree and designate that: _____ 24 25 Name: 26 Address:____ Phone Number: 27

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1 E-mail Address: _____ 2 is my supporter. My supporter may help me with making everyday life decisions relating to the following: 3 4 Y/N obtaining food, clothing, and shelter Y/N taking care of my physical health 5 managing my financial affairs. 6 Y/N 7 My supporter is not allowed to make decisions for me. To help me with my decisions, my supporter may: 8 Help me access, collect, or obtain information that is 9 1. relevant to a decision, including medical, psychological, 10 11 financial, educational, or treatment records; 12 2. Help me understand my options so I can make an informed 13 decision; or Help me communicate my decision to appropriate persons. 14 3. 15 Y/N A release allowing my supporter to see protected 16 health information under the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191) is attached. 17 Y/N A release allowing my supporter to see educational 18 records under the Family Educational Rights and Privacy Act of 1974 19 20 (20 U.S.C. Section 1232g) is attached. Effective Date of Supported Decision-Making Agreement 21 22 This supported decision-making agreement is effective immediately and will continue until (insert date) or until the 23 24 agreement is terminated by my supporter or me or by operation of 25 law. Signed this _____ day of _____, 20____ 26

1 Consent of Supporter 2 I, (name of supporter), consent to act as a supporter under 3 this agreement. 4 (signature of supporter) (printed name of supporter) 5 Signature 6 7 (my signature) (my printed name) 8 9 (printed name of witness 1) 10 (witness 1 signature) 11 (witness 2 signature) (printed name of witness 2) 12 State of 13 County of _____ 14 This document was acknowledged before me 15 16 on _____ (date) by _____ and _____ 17 (name of adult with a disability) 18 (name of supporter) 19 (signature of notarial officer) 20 (Seal, if any, of notary) _____ 21 22 (printed name) 23 My commission expires:_____ 24 WARNING: PROTECTION FOR THE ADULT WITH A DISABILITY 25 IF A PERSON WHO RECEIVES A COPY OF THIS AGREEMENT OR IS AWARE 26 OF THE EXISTENCE OF THIS AGREEMENT HAS CAUSE TO BELIEVE THAT THE ADULT WITH A DISABILITY IS BEING ABUSED, NEGLECTED, OR EXPLOITED BY 27

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THE SUPPORTER, THE PERSON SHALL REPORT THE ALLEGED ABUSE, NEGLECT,
 OR EXPLOITATION TO THE DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES
 BY CALLING THE ABUSE HOTLINE AT 1-800-252-5400 OR ONLINE AT
 4 WWW.TXABUSEHOTLINE.ORG.

5 SECTION 13. (a) Sections 751.052, 751.054(a), and 6 751.055(a), Estates Code, as amended by this Act, and Chapter 753, 7 Estates Code, as added by this Act, apply to a durable power of 8 attorney, including a statutory durable power of attorney, executed 9 before, on, or after the effective date of this Act.

10 (b) Section 752.051, Estates Code, as amended by this Act, 11 applies to a statutory durable power of attorney executed on or 12 after the effective date of this Act. A statutory durable power of 13 attorney executed before the effective date of this Act is governed 14 by the law as it existed on the date the statutory durable power of 15 attorney was executed, and the former law is continued in effect for 16 that purpose.

(c) Section 1055.003, Estates Code, as amended by this Act, applies to a guardianship proceeding that is pending or commenced on or after the effective date of this Act.

(d) Section 1101.002, Estates Code, as amended by this Act,
applies to an application for a guardianship filed on or after the
effective date of this Act.

(e) Sections 1357.052 and 1357.053(b), Estates Code, as
amended by this Act, and Section 1357.0525, Estates Code, as added
by this Act, apply to a supported decision-making agreement entered
into before, on, or after the effective date of this Act.

27 (f) Section 1357.056(a), Estates Code, as amended by this

Act, applies to a supported decision-making agreement entered into on or after the effective date of this Act. A supported decision-making agreement entered into before the effective date of this Act is governed by the law as it existed on the date the supported decision-making agreement was entered into, and the former law is continued in effect for that purpose.

7 SECTION 14. This Act takes effect September 1, 2017.