[First Reprint]

ASSEMBLY, No. 4618

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

Sponsored by:

Assemblywoman CAROL A. MURPHY
District 7 (Burlington)
Assemblyman RONALD S. DANCER
District 12 (Burlington, Middlesex, Monmouth and Ocean)
Assemblywoman VALERIE VAINIERI HUTTLE
District 37 (Bergen)

Co-Sponsored by:

Assemblywomen Dunn, Gove, Speight and B.DeCroce

SYNOPSIS

Revises and updates law pertaining to guardianship to encourage ethical conduct by guardians and to provide stronger protections for wards and proposed wards.

CURRENT VERSION OF TEXT

As reported by the Assembly Aging and Senior Services Committee on March 8, 2021, with amendments.



(Sponsorship Updated As Of: 3/15/2021)

AN ACT concerning guardianship arrangements, supplementing chapter 12 of Title 3B of the New Jersey Statutes, and amending various sections of the ¹[New Jersey Statutes] statutory law¹.

4 5

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

678

9

14

1516

17

18

19

2021

22

23

- 1. (New section) ¹In accordance with the Rules Governing the Courts of the State of New Jersey: ¹
- a. A ward or proposed ward shall be represented by counsel throughout the course of guardianship proceedings ¹ [and, if a guardianship arrangement is established, until such time as the arrangement is terminated.]; ¹
 - b. Counsel shall personally interview the ward or proposed ward, as the case may be ${}^{1}\mathbf{I}$, not more than 72 hours before each scheduled hearing related to guardianship, and shall certify to the court that the interview has been performed. \mathbf{I} :
 - c. If the ward or proposed ward is, at any time, not represented by counsel and is unable to afford counsel, the court shall appoint counsel therefor ¹; and
 - d. Prior to the hearing date, counsel shall file a report with the court in such form, and include all such provisions, as required by the Administrative Director of the Courts¹.

2425

26

27

28

2930

3132

33

- ¹[2. N.J.S.3B:12-37 is amended to read as follows:
- 3B:12-37. Letters of guardianship to state any limitations at the time of appointment or later.
- a. A court establishing a guardianship arrangement shall authorize the level of intervention that the court finds to be least restrictive of the proposed ward's rights while being consistent with the protection of the ward's welfare and safety. The basis for this finding shall be included in the record of the court.
 - b. A court may:
- (1) either at the time a guardian is appointed or at any time thereafter while the guardianship arrangement is ongoing, expand or limit the powers of the guardian that have been conferred by this chapter or by a previous order of the court. If the court limits any power conferred on the guardian, the limitation shall be [so] expressly stated in [certificates of] the applicable letters of guardianship [thereafter issued]; and
- 41 (2) revoke or revise, at any time, the expansion or limitation of 42 powers that has been ordered by the court pursuant to paragraph (1) 43 of this subsection.
- 44 (cf: P.L.2005, c.304, s.25)]¹

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

¹2. Section 12 of P.L.2005, c.304 (C.3B:12-24.1) is amended to read as follows:

1

2

3

4

5

6

7

8

9

10

11

12

39

40

41

42

43

44

45

46

- 12. Determination by the court of need for guardianship services, specific services.
- a. General Guardian. If the court finds that an individual is incapacitated as defined in N.J.S.3B:1-2 and is without capacity to govern himself or manage his affairs, the court may appoint a general guardian who shall exercise all rights and powers of the incapacitated person. The general guardian of the estate shall furnish a bond conditioned as required by the provisions of N.J.S.3B:15-1 et seq., unless the guardian is relieved from doing so by the court.
- 13 b. Limited Guardian. If the court finds that an individual is incapacitated and lacks the capacity to do some, but not all, of the 14 15 tasks necessary to care for himself, the court may appoint a limited 16 guardian of the person, limited guardian of the estate, or limited 17 guardian of both the person and estate. A court, when establishing 18 a limited guardianship shall make specific findings regarding the 19 individual's capacity, including, but not limited to which areas, such 20 as residential, educational, medical, legal, vocational and financial 21 decision making, the incapacitated person retains sufficient capacity 22 to manage. A court establishing a limited guardianship shall 23 authorize the level of intervention that the court finds to be the least 24 restrictive of the incapacitated person's rights while being 25 consistent with the protection of the incapacitated person's welfare 26 and safety. The basis for this finding shall be included in the record 27 of the court. A judgment of limited guardianship may specify the 28 limitations upon the authority of the guardian or alternatively the 29 areas of decision making retained by the person. The limited 30 guardian of the estate shall furnish a bond in accordance with the 31 provisions of N.J.S.3B:15-1 et seq., unless the guardian is relieved 32 from doing so by the court. A court may: (1) either at the time a 33 guardian is appointed or at any time thereafter while the 34 guardianship arrangement is ongoing, expand or limit the powers 35 of the guardian that have been conferred by this chapter or by a previous order of the court; and (2) revoke or revise, at any time, 36 37 the expansion or limitation of powers that has been ordered by the 38 court pursuant to paragraph (1) of this subsection.
 - c. Pendente lite; Temporary Guardian.
 - (1) Whenever a complaint is filed in the Superior Court to declare a person incapacitated and appoint a guardian, the complaint may also request the appointment of a temporary guardian of the person or estate, or both, pendente lite. Notice of a pendente lite temporary guardian application shall be given to the alleged incapacitated person or alleged incapacitated person's attorney or the attorney appointed by the court to represent the alleged incapacitated person.

(2) Pending a hearing for the appointment of a guardian, the court may for good cause shown and upon a finding that there is a critical need or risk of substantial harm, including, but not limited to:

- (a) the physical or mental health, safety and well-being of the person may be harmed or jeopardized;
- (b) the property or business affairs of the person may be repossessed, wasted, misappropriated, dissipated, lost, damaged or diminished or not appropriately managed;
- (c) it is in the best interest of the alleged incapacitated person to have a temporary guardian appointed and such may be dealt with before the hearing to determine incapacity can be held, after any notice as the court shall direct, appoint a temporary guardian pendente lite of the person or estate, or both, of the alleged incapacitated person.
- (3) A pendente lite temporary guardian appointed pursuant to this section may be granted authority to arrange interim financial, social, medical or mental health services or temporary accommodations for the alleged incapacitated person determined to be necessary to deal with critical needs of or risk of substantial harm to the alleged incapacitated person or the alleged incapacitated person's property or assets. The pendente lite temporary guardian may be authorized to make arrangements for payment for such services from the estate of the alleged incapacitated person.
- (4) A pendente lite temporary guardian appointed hereunder shall be limited to act for the alleged incapacitated person only for those services determined by the court to be necessary to deal with critical needs or risk of substantial harm to the alleged incapacitated person.
- (5) The alleged incapacitated person's attorney or attorney appointed by the court to represent the alleged incapacitated person shall be given notice of the appointment of the pendente lite temporary guardian. The pendente lite temporary guardian shall communicate all actions taken on behalf of the alleged incapacitated individual to the alleged incapacitated person's attorney or attorney appointed by the court to represent the alleged incapacitated person who shall have the right to object to such actions.
- (6) A pendente lite temporary guardian appointment shall not have the effect of an adjudication of incapacity or effect of limitation on the legal rights of the individual other than those specified in the court order.
- (7) If the court enters an order appointing a pendente lite temporary guardian without notice, the alleged incapacitated person may appear and move for its dissolution or modification on two days' notice to the plaintiff and to the temporary guardian or on such shorter notice as the court prescribes.
- (8) Every order appointing a pendente lite temporary guardian granted without notice expires as prescribed by the court, but within

a period of not more than 45 days, unless within that time the court extends it for good cause shown for the same period.

- (9) The pendente lite temporary guardian, upon application to the court, shall be entitled to receive reasonable fees for his services, as well as reimbursement of his reasonable expenses, which shall be payable by the estate of the alleged incapacitated person or minor.
- (10) The pendente lite temporary guardian shall furnish a bond in accordance with the provisions of N.J.S.3B:15-1 et seq., unless the guardian is relieved from doing so by the court.
- d. Disclosure of information. Physicians and psychologists licensed by the State are authorized to disclose medical information, including but not limited to medical, mental health and substance abuse information as permitted by State and federal law, regarding the alleged incapacitated person in affidavits filed pursuant to the Rules Governing the Courts of the State of New Jersey.
- e. Court appearance. The alleged incapacitated person shall appear in court unless the plaintiff and the court-appointed attorney certify that the alleged incapacitated person is unable to appear because of physical or mental incapacity.
- f. Communication. When a person who is allegedly in need of guardianship services appears to have a receptive or expressive communication deficit, all reasonable means of communication with the person shall be attempted for the purposes of this section, including written, spoken, sign or non-formal language, which includes translation of the person's spoken or written word when the person is unable to communicate in English, and the use of adaptive equipment.
- g. Additional subject areas. At the request of the limited guardian, and if the incapacitated person is not represented, after appointment of an attorney for the incapacitated person and with notice to all interested parties, the court may determine that a person is in need of guardian services regarding additional subject areas and may enlarge the powers of the guardian to protect the person from significant harm.
- h. Limitations of guardian powers. At the request of the guardian, the incapacitated person or another interested person, and if the incapacitated person is not represented, after appointment of an attorney for the incapacitated person and with notice to all interested parties, the court may limit the powers conferred upon a guardian.
- i. Any proposed guardian shall comply with any applicable background screening policy for proposed guardians of incapacitated adults is required by the Administrative Director of the Courts, including, but not limited to, fingerprinting.¹
- 46 (cf: P.L.2005, c.304, s.12)

3. N.J.S.3B:12-38 is amended to read as follows:

1 3B:12-38. Title to ward's property vested in guardian as trustee.

¹[a.]¹ The appointment of a guardian of the estate of a minor or [an] incapacitated person vests in [him] the guardian title as trustee to all property of [his] the ward, presently held or thereafter acquired, including title to any property theretofore held for the ward by [attorneys in fact] attorneys-in-fact 1, subject to any bond, in accordance with the provisions of N.J.S.3B:15-1 et seq., required by N.J.S.3B:12-24.1 or order of the court¹. The appointment of a guardian is not a transfer or alienation within the meaning of general provisions of any [Federal] federal or State statute or regulation, insurance policy, pension plan, contract, will, or trust instrument[, imposing] that imposes restrictions upon, or penalties for, the transfer or alienation by the ward of [his] the ward's rights or interest, but this section does not restrict the ability of [persons] any person to make specific provision by contract or dispositive instrument relating to a guardian.

¹ [b. If a court finds that a guardian of the estate of a minor or incapacitated person has breached the guardian's fiduciary duties to the ward by taking action that is outside the scope of the guardianship arrangement or that violates the rights of the ward, contradicts or violates the ward's best interests, or is otherwise deemed by the court to be improper for a fiduciary, the guardian of the estate shall be liable to the ward or other interested persons for damage or loss resulting from breach of fiduciary duty to the same extent as a trustee of an express trust.]¹

26 (cf: P.L.2005, c.304, s.26)

4. N.J.S.3B:12-42 is amended to read as follows:

3B:12-42. Reporting condition of ward's person and property to court.

[A guardian shall report at] ¹[At time intervals [as] ordered by the court, [unless otherwise waived by the court,] but not less often than every six months during the course of a guardianship arrangement, the guardian shall report to the court, under oath,] A guardian shall report, annually in accordance with the Rules Governing the Courts of the State of New Jersey, unless otherwise ordered by the court, ¹ the condition of the ward and the condition of the ward's estate which has been subject to the guardian's possession or control as ordered by the court.

- a. A report <u>submitted</u> by [the] <u>a</u> guardian of the person, <u>pursuant to this section</u>, shall ¹be made in such form as is required by the Administrative Director of the Courts and in accordance with the Rules Governing the Courts of the State of New Jersey, and shall ¹ state or contain:
- 45 (1) the current mental, physical, and social condition of the ward;

- (2) the living arrangements for all addresses of the ward during the reporting period;
- (3) the medical, educational, vocational, and other services provided to the ward, and the guardian's opinions as to the adequacy of the ward's care;
 - (4) a summary of the guardian's visits with the ward and activities <u>undertaken by the guardian</u> on the ward's behalf, and <u>an indication as to</u> the extent to which the ward has participated in decision-making;
 - (5) if the ward is institutionalized, <u>an indication as to</u> whether or not the guardian considers the current plan for care, treatment, or habilitation to be in the ward's best interest;
 - (6) plans for future care; and

- (7) a recommendation as to the need for continued guardianship and any recommended changes in the scope of the guardianship.
- b. [The court may appoint an individual to review a report, interview the ward or guardian and make any other investigation the court directs] A report submitted by a guardian of the estate, pursuant to this section, shall be made in such form as is required by the Administrative Director of the Court and in accordance with the Rules Governing the Courts of the State of New Jersey, which shall state or contain :
 - (1) an itemized inventory identifying and appraising all of the real and personal property that has come into the guardian's hands or control or has come into the hands of any other person, on the guardian's behalf, during the reporting period, under the auspices of the established guardianship arrangement; and
- (2) a formal accounting showing each expenditure and disbursement that has been made by the guardian from the ward's estate during the reporting period information on the assets, income, disbursements, and liabilities of the guardianship estate 1.
- c. Agencies authorized to act pursuant to P.L.1985, c. 298 (C.52:27G-20 et seq.), P.L.1985, c. 145 (C.30:6D-23 et seq.), P.L.1965, c. 59 (C.30:4-165.1 et seq.), and P.L.1970, c. 289 (C.30:4-165.7 et seq.), and public officials appointed as limited guardians of the person for medical purposes for individuals in psychiatric facilities listed in R.S.30:1-7, shall be exempt from the provisions of this section.
 - d. ¹[The] In accordance with the Rules Governing the Courts of the State of New Jersey, the court shall review the reports received pursuant to this section, on at least an annual basis, to ensure that the guardian is properly fulfilling the guardian's duties with respect to the ward or the ward's estate, or both, as the case may be, and is operating in a manner that is consistent with the ward's best interests. The court may, at any time, and shall, whenever a report submitted pursuant to this section indicates that a guardian may not be properly fulfilling the guardian's duties or

- acting in the ward's best interests, appoint a third-party to interview
- 2 the ward and guardian ¹[and] or ¹ undertake any other investigation
- 3 <u>the court may direct.</u>
- 4 (cf: P.L.2005, c.304, s.29)

5 6

20

21

2223

24

25

26

27

28

29

30

31 32

33

34

35

3637

38

39

- 5. N.J.S.3B:12-43 is amended to read as follows:
- 7 3B:12-43. Expenditures to be made by guardian out of ward's 8 estate.
- 9 a. A guardian of the estate of a minor or incapacitated person 10 may expend or distribute so much or all of the income or principal 11 of [his] the ward for the support, maintenance, education, care, 12 general use, and benefit of the ward and [his] the ward's dependents and other household members, in the manner, at the 13 14 time or times, and to the extent, that the guardian, in an exercise of 15 a reasonable discretion, deems suitable and proper, taking into 16 account the requirements of the "Prudent Investor Act," P.L.1997,
- c.36 (C.3B:20-11.1 et seq.)[,] and the considerations specified in
 N.J.S.3B:12-44 and N.J.S.3B:12-45.
 b. The expenditure or distribution of funds ¹ as to the ward or
 - b. The expenditure or distribution of funds ¹as to the ward or the ward's dependent made ¹ pursuant to this section may occur either with or without court order [, with]. ¹The expenditure or distribution of funds as to other household members pursuant to this section shall only occur pursuant to order of the court. ¹
 - c. A guardian expending or distributing funds pursuant to this section:
 - (1) shall give due regard to the duty and ability of [any person] other persons to support or provide for the ward if the ward is a minor, [and without due regard to] but shall not consider the duty and ability of any person to support or provide for the ward if the ward is an incapacitated person [, and with or without regard to]; and
 - (2) shall be authorized, but not required, to consider whether any other sources of funds, income, or property [which may be] are available for [that purpose] the purposes specified in this section.
 - d. All decisions made by a guardian of the estate with respect to the expenditure or distribution of funds pursuant to this section shall be consistent with the ward's best interests and the specified wishes and preferences of the ward, to the extent that the ward retains the capacity to express such wishes and preferences.
- 40 (cf: P.L.2005, c.304, s.30)

- 6. N.J.S.3B:12-44 is amended to read as follows:
- 3B:12-44. Recommendations to be considered by guardian of ward's estate in making expenditures.
- 45 <u>a.</u> In making expenditures [under] <u>and distributions pursuant to</u>
 46 N.J.S.3B:12-43, the guardian of the estate of a minor or
- 47 incapacitated person shall consider <u>any</u> recommendations relating to

- the [appropriate standard of] expenditure and distribution of estate
- 2 <u>funds for the support, education, care, general use, and benefit</u> [for]
- 3 of the ward, the ward's dependents, and other members of the
- 4 ward's household, which are made by [a parent or] the following
- 5 persons:

8

13

17

18

- 6 (1) the ward, to the extent that the ward is capable of making such recommendations;
 - (2) if the ward is a minor, the parents of the ward, if any;
- 9 (3) if the ward is an incapacitated person, the spouse of the ward
 10 and any adult children of the ward or, if the incapacitated ward has
 11 no adult children, the person or persons who are closest in degree of
 12 kinship to the ward;
 - (4) the guardian of the ward's person, if any; and
- 14 (5) the person or persons with whom the ward resides or, if the
 15 ward resides in an institution, the chief administrator of that
 16 institution.
 - <u>b.</u> The guardian of the estate [may not be surcharged] shall be subject to pay a penalty surcharge for any sums that are paid or distributed thereby, pursuant to the recommendation of a person
- distributed thereby, pursuant to the recommendation of a person listed in subsection a. of this section, to persons or organizations
- 21 actually furnishing support, education, or care to the ward
- 22 **I**pursuant to the recommendations of a parent or guardian of the
- person unless if the recommendation resulting in the payment or
- 24 <u>distribution is clearly not in the ward's best interests or</u> the guardian
- 25 knows that the **[**parent or the guardian**]** person making the
- 26 <u>recommendation</u> is deriving personal financial benefit therefrom **[**,
- or unless the recommendations are clearly not in the best interests
- of the ward.
- 29 (cf: P.L.2005, c.304, s.31)

- 7. N.J.S.3B:12-45 is amended to read as follows:
- 32 3B:12-45. Other factors to be considered by guardian of ward's estate in making expenditures.
- In [making expenditures] <u>addition to considering the</u>
- 35 recommendations of the persons listed in N.J.S.3B:12-44, whenever
- 36 <u>a guardian of the estate makes an expenditure or distribution of</u>
- 37 <u>funds from a ward's estate</u> under N.J.S.3B:12-43, the guardian of
- 38 the estate of a minor or incapacitated person shall expend or
- distribute sums reasonably necessary for the support, education, care or benefit of the ward with shall give due regard to:
- a. [The] the size of the ward's estate;
- b. [The] the probable duration of the guardianship
- 43 <u>arrangement</u> and the likelihood that the ward, at some future time,
- may be fully able to manage [his] the ward's own affairs and the
- estate [which] that has been conserved for [him] the ward; [and]

- 1 c. [The] the accustomed standard of living of the ward, the ward's dependents, and other members of the ward's household;
 - d. the best interests of the ward; and
- e. the wishes and preferences of the ward, to the extent that the
 ward is capable of expressing those wishes and preferences.

(cf: P.L.2005, c.304, s.32)

- 8. N.J.S.3B:12-57 is amended to read as follows:
- 9 3B:12-57. Powers and duties of a guardian of the person of a ward.
- a. (Deleted by amendment, P.L.2005, c.304.)
- b. (Deleted by amendment, P.L.2005, c.304.)
- 13 c. (Deleted by amendment, P.L.2005, c.304.)
- d. (Deleted by amendment, P.L.2005, c.304.)
- e. (Deleted by amendment, P.L.2005, c.304.)
- f. In accordance with Section 12 of P.L.2005, c.304 (C.3B:12-
 - 24.1), a guardian of the person of a ward shall exercise authority over matters relating to the rights and best interest of the ward's personal needs, only to the extent adjudicated by a court of competent jurisdiction. In taking or forbearing from any action affecting the personal needs of a ward, a guardian shall give due regard to the preferences of the ward, if known to the guardian or otherwise ascertainable upon reasonable inquiry. To the extent that it is consistent with the terms of any order by a court of competent jurisdiction, the guardian shall:
 - (1) take custody of the ward and establish the ward's place of abode in or outside of this State;
 - (2) personally visit the ward or if a public agency which is authorized to act pursuant to P.L.1965, c.59 (C.30:4-165.1 et seq.) and P.L.1970, c.289 (C.30:4-165.7 et seq.) or the Office of the Public Guardian pursuant to P.L.1985, c.298 (C.52:27G-20 et seq.) or their representatives which may include a private or public agency, visits the ward not less than once every three months, or as deemed appropriate by the court, and otherwise maintain sufficient contact with the ward to know [his] the ward's capacities, limitations, needs, opportunities, and physical and mental health;
 - (3) provide for the care, comfort and maintenance, and, whenever appropriate, the education and training of the ward;
 - (4) subject to the provisions of subsection c. of N.J.S.3B:12-56, give or withhold any consents or approvals that may be necessary to enable the ward to receive medical or other professional care, counsel, treatment, or service;
 - (5) take reasonable care of the ward's clothing, furniture, vehicles and other personal effects, and, where appropriate, sell or dispose of such effects to meet the current needs of the ward;
- 46 (6) institute an action for the appointment of a guardian of the 47 property of the ward, if necessary for the protection of the property;

(7) develop a plan of supportive services for the needs of the ward and a plan to obtain the supportive services;

1

2

3

4

5

25

26

27

28

29

30

31

3233

34

35

36

37

3839

40

- (8) if necessary, institute an action against a person having a duty to support the ward or to pay any sum for the ward's welfare in order to compel the performance of the duties;
- (9) receive money, payable from any source for the current 6 7 support of the ward, and tangible personal property deliverable to 8 the ward. Any sums so received shall be applied to the ward's 9 current needs for support, health care, education, and training in the 10 exercise of the guardian's reasonable discretion, with or without 11 court order, with or without regard to the duty or ability of any 12 person to support or provide for the ward and with or without 13 regard to any other funds, income, or property that may be available 14 for that purpose, unless an application is made to the court to 15 establish a supplemental needs trust or other trust arrangement. 16 However, the guardian may not use funds from the ward's estate for 17 room and board, which the guardian, the guardian's spouse or 18 domestic partner as defined in section 3 of P.L.2003, c.246 19 (C.26:8A-3), or the ward's parent or child have furnished the ward, 20 unless agreed to by a guardian of the ward's estate pursuant to 21 N.J.S.3B:12-41, or unless a charge for the service is approved by 22 order of the court made upon notice to at least one of the heirs of 23 the ward, if possible. The guardian shall exercise care to conserve 24 any excess funds for the ward's needs; and
 - (10) If necessary, institute an action that could be maintained by the ward including but not limited to, actions alleging fraud, abuse, undue influence, and exploitation.
 - g. In the exercise of the foregoing powers, the guardian shall:
 - (1) act, at all times, in the ward's best interests;
 - (2) consider the expressed wishes and preferences of the ward, to the extent that the ward is capable of expressing those wishes and preferences, and encourage the ward to participate with the guardian in the decision-making process, to the maximum extent of the ward's ability [in order to]; and
 - (3) encourage the ward to act on [his] the ward's own behalf, whenever [he] the ward is able to do so, and to develop or regain higher decision-making capacity [to make decisions], to the maximum extent practicable, in those areas in which [he] the ward is in need of guardianship services[, to the maximum extent possible].
- 41 (cf: P.L.2005, c.304, s.39)
- 9. This act shall take effect ¹[immediately] on the 120th day after the date of enactment ¹.