

AN ACT concerning civil law.

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

Section 5. The Illinois Power of Attorney Act is amended by changing Sections 2-7 and 2-10 as follows:

(755 ILCS 45/2-7) (from Ch. 110 1/2, par. 802-7)

Sec. 2-7. Duty - standard of care - record-keeping - exoneration.

(a) The agent shall be under no duty to exercise the powers granted by the agency or to assume control of or responsibility for any of the principal's property, care or affairs, regardless of the principal's physical or mental condition. Whenever a power is exercised, the agent shall act in good faith for the benefit of the principal using due care, competence, and diligence in accordance with the terms of the agency and shall be liable for negligent exercise. An agent who acts with due care for the benefit of the principal shall not be liable or limited merely because the agent also benefits from the act, has individual or conflicting interests in relation to the property, care or affairs of the principal or acts in a different manner with respect to the agency and the agent's individual interests. The agent shall not be affected by any amendment or termination of the agency until the agent

has actual knowledge thereof. The agent shall not be liable for any loss due to error of judgment nor for the act or default of any other person.

(b) An agent that has accepted appointment must act in accordance with the principal's expectations to the extent actually known to the agent and otherwise in the principal's best interests.

(c) An agent shall keep a record of all receipts, disbursements, and significant actions taken under the authority of the agency and shall provide a copy of this record when requested to do so by:

(1) the principal, a guardian, another fiduciary acting on behalf of the principal, and, after the death of the principal, the personal representative or successors in interest of the principal's estate;

(2) a representative of a provider agency, as defined in Section 2 of the Elder Abuse and Neglect Act, acting in the course of an assessment of a complaint of elder abuse or neglect under that Act;

(3) a representative of the Office of the State Long Term Care Ombudsman, acting in the course of an investigation of a complaint of financial exploitation of a nursing home resident under Section 4.04 of the Illinois Act on the Aging;

(4) a representative of the Office of Inspector General for the Department of Human Services, acting in the course

of an assessment of a complaint of financial exploitation of an adult with disabilities pursuant to Section 35 of the Abuse of Adults with Disabilities Intervention Act; ~~or~~

(5) a court under Section 2-10 of this Act; or -

(6) a representative of the Office of State Guardian or public guardian for the county in which the principal resides acting in the course of investigating whether to file a petition for guardianship of the principal under Section 11a-4 or 11a-8 of the Probate Act of 1975.

(d) If the agent fails to provide his or her record of all receipts, disbursements, and significant actions within 21 days after a request under subsection (c), the elder abuse provider agency, the State Guardian, the public guardian, or the State Long Term Care Ombudsman may petition the court for an order requiring the agent to produce his or her record of receipts, disbursements, and significant actions. If the court finds that the agent's failure to provide his or her record in a timely manner to the elder abuse provider agency, the State Guardian, the public guardian, or the State Long Term Care Ombudsman was without good cause, the court may assess reasonable costs and attorney's fees against the agent, and order such other relief as is appropriate.

(e) An agent is not required to disclose receipts, disbursements, or other significant actions conducted on behalf of the principal except as otherwise provided in the power of attorney or as required under subsection (c).

(f) An agent that violates this Act is liable to the principal or the principal's successors in interest for the amount required (i) to restore the value of the principal's property to what it would have been had the violation not occurred, and (ii) to reimburse the principal or the principal's successors in interest for the attorney's fees and costs paid on the agent's behalf. This subsection does not limit any other applicable legal or equitable remedies.

(Source: P.A. 96-1195, eff. 7-1-11.)

(755 ILCS 45/2-10) (from Ch. 110 1/2, par. 802-10)

Sec. 2-10. Agency-court relationship.

(a) Upon petition by any interested person (including the agent), with such notice to interested persons as the court directs and a finding by the court that the principal lacks either the capacity to control or the capacity to revoke the agency, the court may construe a power of attorney, review the agent's conduct, and grant appropriate relief including compensatory damages.

(b) If the court finds that the agent is not acting for the benefit of the principal in accordance with the terms of the agency or that the agent's action or inaction has caused or threatens substantial harm to the principal's person or property in a manner not authorized or intended by the principal, the court may order a guardian of the principal's person or estate to exercise any powers of the principal under

the agency, including the power to revoke the agency, or may enter such other orders without appointment of a guardian as the court deems necessary to provide for the best interests of the principal.

(c) If the court finds that the agency requires interpretation, the court may construe the agency and instruct the agent, but the court may not amend the agency.

(d) If the court finds that the agent has not acted for the benefit of the principal in accordance with the terms of the agency and the Illinois Power of Attorney Act, or that the agent's action caused or threatened substantial harm to the principal's person or property in a manner not authorized or intended by the principal, then the agent shall not be authorized to pay or be reimbursed from the estate of the principal the attorneys' fees and costs of the agent in defending a proceeding brought pursuant to this Section.

(e) Upon a finding that the agent's action has caused substantial harm to the principal's person or property, the court may assess against the agent reasonable costs and attorney's fees to a prevailing party who is a provider agency as defined in Section 2 of the Elder Abuse and Neglect Act, a representative of the Office of the State Long Term Care Ombudsman, the State Guardian, a public guardian, or a governmental agency having regulatory authority to protect the welfare of the principal.

(f) As used in this Section, the term "interested person"

includes (1) the principal or the agent; (2) a guardian of the person, guardian of the estate, or other fiduciary charged with management of the principal's property; (3) the principal's spouse, parent, or descendant; (4) a person who would be a presumptive heir-at-law of the principal; (5) a person named as a beneficiary to receive any property, benefit, or contractual right upon the principal's death, or as a beneficiary of a trust created by or for the principal; (6) a provider agency as defined in Section 2 of the Elder Abuse and Neglect Act, a representative of the Office of the State Long Term Care Ombudsman, the State Guardian, a public guardian, or a governmental agency having regulatory authority to protect the welfare of the principal; and (7) the principal's caregiver or another person who demonstrates sufficient interest in the principal's welfare.

(g) Absent court order directing a guardian to exercise powers of the principal under the agency, a guardian will have no power, duty or liability with respect to any property subject to the agency or any personal or health care matters covered by the agency.

(h) Proceedings under this Section shall be commenced in the county where the guardian was appointed or, if no Illinois guardian is acting, then in the county where the agent or principal resides or where the principal owns real property.

(i) This Section shall not be construed to limit any other remedies available.

Public Act 098-0562

SB1280 Enrolled

LRB098 08941 HEP 39073 b

(Source: P.A. 96-1195, eff. 7-1-11.)

Section 99. Effective date. This Act takes effect upon becoming law.