AN ACT concerning the Kansas power of attorney act; relating to durable powers of attorney; duties of the attorney in fact; amending K.S.A. 58-651 and 58-664 and K.S.A. 2013 Supp. 58-652 and 58-656 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 58-651 is hereby amended to read as follows: 58-651. As used in the Kansas power of attorney act:

(a) "Attorney in fact" means an individual, corporation or other legal entity appointed to act as agent of a principal in a written power of attorney.

(b) "Best interest" means the attorney in fact acts solely for the principal's benefit.

(c) "Court" means the district court.

(d) "Capacity" means that at the time the power of attorney was executed, the principal was capable of understanding in a reasonable manner the nature and effect of the act of executing and granting the power of attorney.

(e) "Disabled" means a person who is wholly or partially disabled as defined in K.S.A. 77-201, and amendments thereto, or a similar law of the place having jurisdiction of the person whose capacity is in question.

(f) "Durable power of attorney" means a written power of attorney in which the authority of the attorney in fact does not terminate in the event the principal becomes disabled or in the event of later uncertainty as to whether the principal is dead or alive and which complies with subsection (a) of K.S.A. 58-652, and amendments thereto, or is durable under the laws of any of the following places:

1. The law of the place where executed;
2. The law of the place of the residence of the principal when executed; or
3. The law of a place designated in the written power of attorney if that place has a reasonable relationship to the purpose of the instrument.

(g) "Elder person" shall mean the same as provided in K.S.A 50-676, and amendments thereto.

(h) "Legal representative" means a decedent's personal representative, a guardian or a conservator.
(f) (i) "Nondurable power of attorney" means a written power of attorney which does not meet the requirements of a durable power of attorney.

(f) (j) "Person" means an adult individual, corporation or other legal entity.

(f) (k) "Personal representative" means a legal representative as defined in K.S.A. 59-102, and amendments thereto.

(f) (l) "Power of attorney" means a written power of attorney, either durable or nondurable.

(f) (m) "Principal's family" means the principal's parent, grandparent, uncle, aunt, brother, sister, son, daughter, grandson, granddaughter and their descendants, whether of the whole blood or the half blood, or by adoption, and the principal's spouse, spouse's parent, stepparent and stepchild.

(f) (n) "Third person" means any individual, corporation or legal entity that acts on a request from, contracts with, relies on or otherwise deals with an attorney in fact pursuant to authority granted by a principal in a power of attorney and includes a partnership, either general or limited, governmental agency, financial institution, issuer of securities, transfer agent, securities or commodities broker, real estate broker, title insurance company, insurance company, benefit plan, legal representative, custodian or trustee.

Sec. 2. K.S.A. 2013 Supp. 58-652 is hereby amended to read as follows: 58-652. (a) The authority granted by a principal to an attorney in fact in a written power of attorney is not terminated in the event the principal becomes wholly or partially disabled or in the event of later uncertainty as to whether the principal is dead or alive if:

1. The power of attorney is denominated a "durable power of attorney";

2. the power of attorney includes a provision that states in substance one of the following:
   (A) "This is a durable power of attorney and the authority of my attorney in fact shall not terminate if I become disabled or in the event of later uncertainty as to whether I am dead or alive"; or
   (B) "This is a durable power of attorney and the authority of my attorney in fact, when effective, shall not terminate or be void or voidable if I am or become disabled or in the event of later uncertainty as to whether I am dead or alive"; and

3. the durable power of attorney:
   (A) Is signed by the principal, and dated and acknowledged in the manner prescribed by K.S.A. 53-501 et seq., and amendments thereto. If the principal is physically unable to sign the power of attorney but otherwise competent and conscious, the power of attorney
may be signed by an adult designee of the principal in the presence of the
principal and at the specific direction of the principal expressed in the
presence of a notary public. The designee shall sign the principal's name to
the power of attorney in the presence of a notary public, following which
the document shall be acknowledged in the manner prescribed by K.S.A.
53-501 et seq., and amendments thereto, to the same extent and effect as if
physically signed by the principal; and

(B) is signed and dated by the attorney in fact before a notary public
acknowledging that the attorney in fact or successor attorney in fact is the
person identified in the durable power of attorney as an attorney in fact
for the principal, that such person has read the "Notice to Person
Accepting the Appointment as Attorney in Fact," and that such person
understands and acknowledges the legal responsibilities imposed upon
such person as attorney in fact;

(4) the durable power of attorney contains the following warning
statement to the principal at the beginning of the durable power of
attorney, in not less than 14-point boldface type, or a reasonable
equivalent thereof:

"Notice to Person Executing Durable Power of Attorney.

A durable power of attorney is an important legal document. You
should read this durable power of attorney carefully. When effective, this
durable power of attorney will give your attorney in fact the right to deal
with property that you now own or might acquire in the future. If you do
not understand the durable power of attorney, or any provision of it, you
should ask your attorney to explain it to you prior to signing the
document"; and

(5) the durable power of attorney contains the following notice
statement to the attorney in fact at the conclusion of the durable power of
attorney, in not less than 14-point boldface type, or a reasonable
equivalent thereof:

"Notice to Person Accepting the Appointment as Attorney in Fact.

A person who is appointed an attorney in fact under a durable power
of attorney has no duty to exercise the authority conferred in the power of
attorney, unless the attorney in fact has agreed expressly in writing to act
for the principal in such circumstances. By acting or agreeing to act as the
attorney in fact under this durable power of attorney, you assume the
fiduciary and other legal responsibilities of an agent. This relationship
will continue until you resign or the durable power of attorney is revoked
or terminated. Your responsibilities shall include:

1. The legal duty to act according to the instructions from the
principal, or, where there are no instructions, solely in the best interests of
the principal, avoiding conflicts of interest that would impair your ability
to act in the principal's best interests.
2. Keeping the principal's funds and property separate and distinct from any funds or assets you own or control, unless otherwise permitted by law.

3. Keeping a record of all receipts, disbursements and transactions made on behalf of the principal.

4. Disclosing your identity as an attorney in fact whenever you act for the principal.

You may not use the principal's assets to benefit yourself or make gifts to yourself or anyone else unless the principal has specifically granted you that authority in the durable power of attorney. If you have been granted that authority, you must act according to the instructions of the principal or, where there are no such instructions, in the principal's best interests. Failure to do so may result in criminal prosecution under the laws of the state of Kansas. In addition to criminal prosecution, you may also be sued in civil court.

You may resign by giving written notice to the principal and to any co-attorney in fact, successor attorney in fact, or the principal's guardian if one has been appointed.

If there is anything about this document or your responsibilities that you do not understand, you should seek legal advice before accepting the appointment."

(b) (1) All acts done by an attorney in fact pursuant to a durable power of attorney shall inure to the benefit of and bind the principal and the principal's successors in interest, notwithstanding any disability of the principal. An attorney in fact shall use the principal's money, property or other assets only in the principal's best interest and the attorney in fact shall not use the principal's money, property or other assets for the benefit of the attorney in fact.

(2) Any acts done by the attorney in fact not strictly in the principal's best interest or the best interest of the principal's estate are in violation of the Kansas power of attorney act, unless such acts are otherwise specifically provided for in written detail in the power of attorney, and may result in prosecution under the criminal laws of the state of Kansas.

(3) Any acts done by the attorney in fact to intimidate or deceive the principal in procuring the power of attorney are in violation of the Kansas power of attorney act may result in prosecution under the criminal laws of the state of Kansas.

(4) A power of attorney executed by a person who does not have capacity is invalid. In a criminal proceeding, the attorney in fact has the burden of proving by clear and convincing evidence that the principal had capacity. In a civil proceeding, if the party challenging the validity of the power of attorney on the grounds of lack of capacity proves by a preponderance of the evidence that, at the time the power of attorney was
executed, the principal was an elder person, the attorney in fact has the burden of proving by a preponderance of the evidence that the principal had capacity.

(c) (1) A power of attorney does not have to be recorded to be valid and binding between the principal and attorney in fact or between the principal and third persons.

(2) A power of attorney may be recorded in the same manner as a conveyance of land is recorded. A certified copy of a recorded power of attorney may be admitted into evidence.

(3) If a power of attorney is recorded any revocation of that power of attorney must be recorded in the same manner for the revocation to be effective. If a power of attorney is not recorded it may be revoked by a recorded revocation or in any other appropriate manner.

(4) If a power of attorney requires notice of revocation be given to named persons, those persons may continue to rely on the authority set forth in the power of attorney until such notice is received.

(d) A person who is appointed an attorney in fact under a durable power of attorney has no duty to exercise the authority conferred in the power of attorney, unless the attorney in fact has agreed expressly in writing to act for the principal in such circumstances. An agreement to act on behalf of the principal is enforceable against the attorney in fact as a fiduciary without regard to whether there is any consideration to support a contractual obligation to do so. Acting for the principal in one or more transactions does not obligate an attorney in fact to act for the principal in subsequent transactions.

(e) The grant of power or authority conferred by a power of attorney in which any principal shall vest any power or authority in an attorney in fact, if such writing expressly so provides, shall be effective only upon: (1) A specified future date; (2) the occurrence of a specified future event; or (3) the existence of a specified condition which may occur in the future. In the absence of actual knowledge to the contrary, any person to whom such writing is presented shall be entitled to rely on an affidavit, executed by the attorney in fact, setting forth that such event has occurred or condition exists.

(f) A person who in good faith contracts with, buys from or sells to an attorney in fact is protected as if the attorney in fact properly exercised such power, regardless of whether the authority of such person as the attorney in fact has been terminated.

Sec. 3. K.S.A. 2013 Supp. 58-656 is hereby amended to read as follows: 58-656. (a) An attorney in fact who elects agrees to act under a power of attorney is under a duty to act in the interest of the principal and to avoid conflicts of interest that impair the ability of the attorney in fact so to act. A person who is appointed an attorney in fact under a power of
attorney who undertakes to exercise the authority conferred in the power of attorney, has a fiduciary obligation to exercise the powers conferred in the best interests of the principal, and to avoid self-dealing and conflicts of interest, as in the case of a trustee with respect to the trustee's beneficiary or beneficiaries. The attorney in fact shall keep a record of receipts, disbursements and transactions made on behalf of the principal and shall not comingle funds or assets of the principal with the funds or assets of the attorney in fact. In the absence of explicit authorization, the attorney in fact shall exercise a high degree of care in maintaining, without modification, any estate plan which the principal may have in place, including, but not limited to, arrangements made by the principal for disposition of assets at death through beneficiary designations, ownership by joint tenancy or tenancy by the entirety, trust arrangements or by will or codicil. Unless otherwise provided in the power of attorney or in a separate agreement between the principal and attorney in fact, an attorney in fact who elects agrees to act shall exercise the authority granted in a power of attorney with that degree of care that would be observed by a prudent person dealing with the property and conducting the affairs of another, except that all investments made on or after July 1, 2003, shall be in accordance with the provisions of the Kansas uniform prudent investor act, K.S.A. 58-24a01 et seq., and amendments thereto. If the attorney in fact has special skills or was appointed attorney in fact on the basis of representations of special skills or expertise, the attorney in fact has a duty to use those skills in the principal's behalf.

(b) On matters undertaken or to be undertaken in the principal's behalf and to the extent reasonably possible under the circumstances, an attorney in fact has a duty to keep in regular contact with the principal, to communicate with the principal and to obtain and follow the instructions of the principal.

(c) If, following execution of a durable power of attorney, a court of the principal's domicile appoints a conservator, guardian of the estate or other fiduciary charged with the management of all of the principal's property or all of the principal's property except specified exclusions, the attorney in fact is accountable to the fiduciary as well as to the principal. The fiduciary has the same power to revoke or amend the durable power of attorney that the principal would have had if the principal were not an adult with an impairment in need of a guardian or conservator or both as defined by subsection (a) of K.S.A. 59-3051, and amendments thereto.

(d) A principal may nominate by a power of attorney, a guardian or conservator, or both, for consideration by the court. If a petition to appoint a guardian or conservator, or both, is filed, the court shall make the appointment in accordance with the principal's most recent nomination in the power of attorney, so long as the individual nominated is a fit and
(e) An attorney in fact shall exercise authority granted by the principal in accordance with the instrument setting forth the power of attorney, any modification made therein by the principal or the principal's legal representative or a court, and the oral and written instructions of the principal, or the written instructions of the principal's legal representative or a court.

(f) An attorney in fact may be instructed in a power of attorney that the authority granted shall not be exercised until, or shall terminate on, the happening of a future event, condition or contingency, as determined in a manner prescribed in the instrument.

(g) On the death of the principal, the attorney in fact shall follow the instructions of the court, if any, having jurisdiction over the estate of the principal, or any part thereof, and shall communicate with and be accountable to the principal's personal representative, or if none, the principal's successors. The attorney in fact shall promptly deliver to and put in the possession and control of the principal's personal representative or successors, any property of the principal and copies of any records of the attorney in fact relating to transactions undertaken in the principal's behalf that are deemed by the personal representative or the court to be necessary or helpful in the administration of the decedent's estate.

(h) If an attorney in fact has a property or contract interest in the subject of the power of attorney or the authority of the attorney in fact is otherwise coupled with an interest in a person other than the principal, this section does not impose any duties on the attorney in fact that would conflict or be inconsistent with that interest.

(i) The attorney in fact shall maintain adequate records of receipts, disbursements and transactions made on behalf of the principal and shall not commingle funds or assets of the principal with funds or assets of the attorney in fact.

(j) (1) Failure to maintain adequate records is negligently failing to maintain such records as are necessary to disclose fully the nature of the receipts, disbursements and transactions made by the attorney in fact on behalf of the principal. Such records of receipts, disbursements and transactions shall be maintained by the attorney in fact for five years after the date on which such receipt, disbursement or transaction occurs.

(2) An attorney in fact who fails to maintain adequate records, as defined in this subsection, may be liable for all costs, fees and expenses, including reasonable attorney fees, incurred in acquiring or reproducing such records of receipts, disbursements or transactions.

(3) If the attorney in fact is found to have commingled funds or assets of the principal with the funds or assets of the attorney in fact, the attorney in fact shall be liable to restore such funds or assets to the principal, and
shall be liable for all costs of recovering those funds or assets, including reasonable attorney fees.

Sec. 4. K.S.A. 58-664 is hereby amended to read as follows: 58-664.

(a) The repeal of the uniform durable power of attorney act, K.S.A. 58-610 through 58-617 and the repeal of K.S.A. 58-601 and 58-602, shall not affect the validity of powers of attorney created under those sections, the validity of the acts and transactions of attorneys in fact under authority granted in powers of attorney executed under those sections, or the duties of attorneys in fact under powers of attorney executed under those sections.

(b) Powers of attorney created and fully executed by the principal prior to July 1, 2014, shall be governed by the laws in existence at the time such powers of attorney were created and fully executed.


Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.