

STATE OF NEW YORK

888

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sen. HOYLMAN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the general obligations law, in relation to the statutory short form and other powers of attorney for purposes of financial and estate planning

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph (b) of subdivision 1 of section 5-1501B of the
2 general obligations law, as amended by a chapter of the laws of 2020
3 amending the general obligations law relating to reforming the statutory
4 short form and other powers of attorney for purposes of financial and
5 estate planning, as proposed in legislative bills numbers S. 3923-a and
6 A. 5630-a, is amended to read as follows:

7 (b) Be signed, initialed and dated by a principal with capacity, or in
8 the name of such principal by another person, other than a person desig-
9 nated as the principal's agent or successor agent, in the principal's
10 presence and at the principal's direction, in either case with the
11 signature of the person signing duly acknowledged in the manner
12 prescribed for the acknowledgment of a conveyance of real property and
13 witnessed by two persons who are not named in the instrument as agents
14 or as permissible recipients of gifts, in the manner described in
15 subparagraph two of paragraph (a) of section 3-2.1 of the estate, powers
16 and trusts law in the presence of the principal. The person who takes
17 the acknowledgement under this paragraph may also serve as one of the
18 witnesses. When a person signs at the direction of a principal he or she
19 shall sign by writing or printing the principal's name, and printing and
20 signing his or her own name.

21 § 2. The section heading and subdivisions 1 and 3 of section 5-1504 of
22 the general obligations law, as amended by a chapter of the laws of 2020
23 amending the general obligations law relating to reforming the statutory

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 short form and other powers of attorney for purposes of financial and
2 estate planning, as proposed in legislative bills numbers S. 3923-a and
3 A. 5630-a, are amended to read as follows:

4 Acceptance of and reliance upon acknowledged and witnessed statutory
5 short form power of attorney. 1. (a) For purposes of this section,
6 "acknowledged" means purportedly verified before a notary public or
7 other individual authorized to take acknowledgements. For purposes of
8 this section, "witnessed" means purportedly witnessed by two persons who
9 are not named in the instrument as agents or as permissible recipients
10 of gifts.

11 (b) A person that in good faith accepts an acknowledged and witnessed
12 power of attorney without actual knowledge that the signature is not
13 genuine may rely upon the presumption that the signature is genuine.

14 (c) A person that in good faith accepts an acknowledged and witnessed
15 power of attorney without actual knowledge that the power of attorney is
16 void, invalid, or terminated, that the purported agent's authority is
17 void, invalid, or terminated, or that the agent is exceeding or improp-
18 erly exercising the agent's authority may rely upon the power of attor-
19 ney as if the power of attorney were genuine, valid and still in effect,
20 the agent's authority were genuine, valid and still in effect, and the
21 agent had not exceeded and had properly exercised the authority.

22 (d) A person that is asked to accept an acknowledged and witnessed
23 power of attorney may request, and rely upon, without further investi-
24 gation:

25 (1) an agent's certification under penalty of perjury of any factual
26 matter concerning the principal, agent or power of attorney; and

27 (2) an opinion of counsel as to any matter of law concerning the power
28 of attorney if the person making the request provides in a writing or
29 other record the reason for the request.

30 (e) An opinion of counsel requested under this section must be
31 provided at the principal's expense unless the request is made more than
32 ten business days after the power of attorney is presented for accept-
33 ance.

34 (f) For purposes of this section, a person that conducts activities
35 through employees is without actual knowledge of a fact relating to a
36 power of attorney, a principal, or an agent if the employee conducting
37 the transaction involving the power of attorney is without actual know-
38 ledge of the fact after making reasonable inquiry with respect thereto.

39 3. (a) Not later than the tenth business day after presentation of an
40 original or attorney certified copy of a statutory short form power of
41 attorney properly executed in accordance with section 5-1501B of this
42 title or in accordance with the laws in effect at the time of its
43 execution to a third party for acceptance, such third party shall either
44 (a) honor the statutory short form power of attorney, or (b) reject the
45 statutory short form power of attorney in a writing that sets forth the
46 reasons for such rejection, which writing shall be sent to the principal
47 and the agent at the addresses on the power of attorney and such other
48 addresses as provided by the principal or the agent, or (c) request the
49 agent to execute an acknowledged affidavit pursuant to subdivision seven
50 of this section stating that the power of attorney is in full force and
51 effect if the statutory short form power of attorney was not submitted
52 for acceptance together with such an acknowledged affidavit. Such
53 reasons for rejection may include, but not be limited to non-conforming
54 form, missing or wrong signature, invalid notarization, or unacceptable
55 identification. In the event that the statutory short form power of
56 attorney presented is not an original or attorney certified copy, as

1 part of the initial rejection, such short form power of attorney may be
2 rejected for such reason, provided, however, in explaining the reason
3 for rejecting the short form power of attorney, the third party shall
4 also identify such other provisions of the short form power of attorney,
5 if any, that would otherwise constitute cause for rejection of the stat-
6 utory short form power of attorney. If the third party initially rejects
7 the statutory short form power of attorney in a writing that sets forth
8 the reasons for such rejection, the third party shall within seven busi-
9 ness days after receipt of a writing in response to the reasons for such
10 rejection (i) honor the statutory short form power of attorney, or (ii)
11 finally reject the statutory short form power of attorney in a writing
12 that sets forth the reasons for such rejection. Such writing shall be
13 sent to the address provided on the power of attorney, to the address of
14 the agent, if any, and may also be sent to such other address as shall
15 be provided on the account documents, or to the address of the attorney
16 as provided in an opinion of counsel pursuant to this section. If the
17 third party requests the agent to execute such an acknowledged affida-
18 vit, the third party shall honor such statutory short form power of
19 attorney within seven business days after receipt by the third party of
20 an acknowledged affidavit which complies with the provisions of subdivi-
21 sion seven of this section, stating that the power of attorney is in
22 full force and effect unless reasonable cause exists as described in
23 paragraph (a) of subdivision two of this section. For the purposes of
24 this subdivision, notice shall be considered delivered at the time such
25 notice is mailed and the time requirements in which to honor or reject
26 the statutory short form power of attorney or request the agent to
27 execute an acknowledged affidavit shall not apply to the department of
28 audit and control [ex], a public retirement system of the state as
29 defined in subdivision six of section one hundred fifty-two of the
30 retirement and social security law, or the department of health, includ-
31 ing social services districts, in the administration of the medical
32 assistance "Medicaid" program pursuant to title XIX of the federal
33 social security act or other public health insurance programs.

34 (b) Notice to the agent as required by paragraph (a) of this subdivi-
35 sion shall not be sent until after a determination is made by adult
36 protective services if the reason for rejection is a reason set forth in
37 subdivision two of this section and is otherwise prohibited by law or
38 regulation.

39 § 3. Section 5-1513 of the general obligations law, as amended by a
40 chapter of the laws of 2020 amending the general obligations law relat-
41 ing to reforming the statutory short form and other powers of attorney
42 for purposes of financial and estate planning, as proposed in legisla-
43 tive bills numbers S. 3923-a and A. 5630-a, is amended to read as
44 follows:

45 § 5-1513. Statutory short form power of attorney. The use of the
46 following form, or one which substantially conforms to the following
47 form, in the creation of a power of attorney is lawful, and, when used,
48 and executed in accordance with subdivision one of section 5-1501B of
49 this title, it shall be construed as a statutory short form power of
50 attorney in accordance with the provisions of this title; provided
51 however, that any section indicated as "Optional" which is not used may
52 be omitted and replaced by the words "Intentionally Omitted":

53
54

"POWER OF ATTORNEY
NEW YORK STATUTORY SHORT FORM

1 (a) CAUTION TO THE PRINCIPAL: Your Power of Attorney is an important
 2 document. As the "principal," you give the person whom you choose (your
 3 "agent") authority to spend your money and sell or dispose of your prop-
 4 erty during your lifetime without telling you. You do not lose your
 5 authority to act even though you have given your agent similar authori-
 6 ty.

7 When your agent exercises this authority, he or she must act according
 8 to any instructions you have provided or, where there are no specific
 9 instructions, in your best interest. "Important Information for the
 10 Agent" at the end of this document describes your agent's responsibil-
 11 ities.

12 Your agent can act on your behalf only after signing the Power of
 13 Attorney before a notary public.

14 You can request information from your agent at any time. If you are
 15 revoking a prior Power of Attorney, you should provide written notice of
 16 the revocation to your prior agent(s) and to any third parties who may
 17 have acted upon it, including the financial institutions where your
 18 accounts are located.

19 You can revoke or terminate your Power of Attorney at any time for any
 20 reason as long as you are of sound mind. If you are no longer of sound
 21 mind, a court can remove an agent for acting improperly.

22 Your agent cannot make health care decisions for you. You may execute
 23 a "Health Care Proxy" to do this.

24 The law governing Powers of Attorney is contained in the New York
 25 General Obligations Law, Article 5, Title 15. This law is available at a
 26 law library, or online through the New York State Senate or Assembly
 27 websites, www.nysenate.gov or www.nyassembly.gov.

28 If there is anything about this document that you do not understand,
 29 you should ask a lawyer of your own choosing to explain it to you.

30 (b) DESIGNATION OF AGENT(S):

31 I, _____, hereby appoint:

32 name and address of principal

33 _____ as my agent(s)

34 name(s) and address(es) of agent(s)

35 If you designate more than one agent above and you do not initial [a]
 36 **the** statement below, they must act together.

37 [~~() My agents must act TOGETHER.~~]

38 () My ~~successor~~ agents may act SEPARATELY.

39 (c) DESIGNATION OF SUCCESSOR AGENT(S): (OPTIONAL)

40 If any agent designated above is unable or unwilling to serve, I
 41 appoint as my successor agent(s):

42 _____
 43 name(s) and address(es) of successor agent(s)

44 If you do not initial [a] **the** statement below, successor agents desig-
 45 nated above must act together.

46 [~~() My agents must act TOGETHER.~~]

47 () My successor agents may act SEPARATELY.

48 You may provide for specific succession rules in this section. Insert
 49 specific succession provisions here:

50 (d) This POWER OF ATTORNEY shall not be affected by my subsequent inca-
 51 pacity unless I have stated otherwise below, under "Modifications".

52 (e) This POWER OF ATTORNEY DOES NOT REVOKE any Powers of Attorney previ-
 53 ously executed by me unless I have stated otherwise below, under
 54 "Modifications."

55 (f) GRANT OF AUTHORITY:

56 To grant your agent some or all of the authority below, either

- 1 (1) Initial the bracket at each authority you grant, or
 2 (2) Write or type the letters for each authority you grant on the
 3 blank line at (P), and initial the bracket at (P). If you initial
 4 (P), you do not need to initial the other lines.

5 I grant authority to my agent(s) with respect to the following
 6 subjects as defined in sections 5-1502A through 5-1502N of the New York
 7 General Obligations Law:

- 8 () (A) real estate transactions;
 9 () (B) chattel and goods transactions;
 10 () (C) bond, share, and commodity transactions;
 11 () (D) banking transactions;
 12 () (E) business operating transactions;
 13 () (F) insurance transactions;
 14 () (G) estate transactions;
 15 () (H) claims and litigation;
 16 () (I) personal and family maintenance. If you grant your agent
 17 this authority, it will allow the agent to make gifts that you
 18 customarily have made to individuals, including the agent, and
 19 charitable organizations. The total amount of all such gifts in
 20 any one calendar year cannot exceed five thousand dollars;
 21 () (J) benefits from governmental programs or civil or military
 22 service;
 23 () (K) financial matters related to health care; records, reports,
 24 and statements;
 25 () (L) retirement benefit transactions;
 26 () (M) tax matters;
 27 () (N) all other matters;
 28 () (O) full and unqualified authority to my agent(s) to delegate
 29 any or all of the foregoing powers to any person or persons whom
 30 my agent(s) select;
 31 () (P) EACH of the matters identified by the following
 32 letters_____.

33 You need not initial the other lines if you initial line (P).

34 (g) CERTAIN GIFT TRANSACTIONS: (OPTIONAL)

35 In order to authorize your agent to make gifts in excess of an annual
 36 total of \$5,000 for all gifts described in (I) of the grant of authority
 37 section of this document (under personal and family maintenance), and/or
 38 to make changes to interest in your property, you must expressly grant
 39 that authorization in the Modifications section below. If you wish to
 40 authorize your agent to make gifts to himself or herself, you must
 41 expressly grant such authorization in the Modifications section below.
 42 Granting such authority to your agent gives your agent the authority to
 43 take actions which could significantly reduce your property and/or
 44 change how your property is distributed at your death. Your choice to
 45 grant such authority should be discussed with a lawyer.

46 () I grant my agent authority to make gifts in accordance with the
 47 terms and conditions of the Modifications that supplement this Statutory
 48 Power of Attorney.

49 (h) MODIFICATIONS: (OPTIONAL)

50 In this section, you may make additional provisions, including, but
 51 not limited to, language to limit or supplement authority granted to
 52 your agent, language to grant your agent the specific authority to make
 53 gifts to himself or herself, and/or language to grant your agent the
 54 specific authority to make other gift transactions and/or changes to
 55 interests in your property. Your agent is entitled to be reimbursed from
 56 your assets for reasonable expenses incurred on your behalf. In this

1 section, you may make additional provisions if you ALSO wish your
2 agent(s) to be compensated from your assets for services rendered on
3 your behalf, and you may define "reasonable compensation."

4 (i) DESIGNATION OF MONITOR(S): (OPTIONAL)

5 If you wish to appoint monitor(s), initial and fill in the section
6 below:

7 () I wish to designate _____, whose address(es) is
8 (are) _____, as
9 monitor(s). Upon the request of the monitor(s), my agent(s) must provide
10 the monitor(s) with a copy of the power of attorney and a record of all
11 transactions done or made on my behalf. Third parties holding records of
12 such transactions shall provide the records to the monitor(s) upon
13 request.

14 (j) COMPENSATION OF AGENT(S):

15 Your agent is entitled to be reimbursed from your assets for reason-
16 able expenses incurred on your behalf. If you ALSO wish your agent(s) to
17 be compensated from your assets for services rendered on your behalf,
18 and/or you wish to define "reasonable compensation", you may do so
19 above, under "Modifications".

20 (k) ACCEPTANCE BY THIRD PARTIES: I agree to indemnify the third party
21 for any claims that may arise against the third party because of reli-
22 ance on this Power of Attorney. I understand that any termination of
23 this Power of Attorney, whether the result of my revocation of the Power
24 of Attorney or otherwise, is not effective as to a third party until the
25 third party has actual notice or knowledge of the termination.

26 (l) TERMINATION: This Power of Attorney continues until I revoke it or
27 it is terminated by my death or other event described in section 5-1511
28 of the General Obligations Law.

29 Section 5-1511 of the General Obligations Law describes the manner in
30 which you may revoke your Power of Attorney, and the events which termi-
31 nate the Power of Attorney.

32 (m) SIGNATURE AND ACKNOWLEDGMENT: In Witness Whereof I have hereunto
33 signed my name on _____, 20____.

34 PRINCIPAL signs here: ==> _____
35 (acknowledgment)

36 (n) SIGNATURES OF WITNESSES:

37 By signing as a witness, I acknowledge that the principal signed the
38 Power of Attorney in my presence and in the presence of the other
39 witness, or that the principal acknowledged to me that the principal's
40 signature was affixed by him or her or at his or her direction. I also
41 acknowledge that the principal has stated that this Power of Attorney
42 reflects his or her wishes and that he or she has signed it voluntarily.
43 I am not named herein as an agent or as a permissible recipient of
44 gifts.

45 _____
46 Signature of Witness 1 Signature of Witness 2
47 _____
48 Date Date
49 _____
50 Print name Print name
51 _____
52 Address Address
53 _____
54 City, State, Zip Code City, State, Zip Code

55 (o) IMPORTANT INFORMATION FOR THE AGENT:

1 When you accept the authority granted under this Power of Attorney, a
 2 special legal relationship is created between you and the principal.
 3 This relationship imposes on you legal responsibilities that continue
 4 until you resign or the Power of Attorney is terminated or revoked. You
 5 must:

6 (1) act according to any instructions from the principal, or, where
 7 there are no instructions, in the principal's best interest;

8 (2) avoid conflicts that would impair your ability to act in the prin-
 9 cipal's best interest;

10 (3) keep the principal's property separate and distinct from any
 11 assets you own or control, unless otherwise permitted by law;

12 (4) keep a record of all transactions conducted for the principal or
 13 keep all receipts of payments and transactions conducted for the princi-
 14 pal; and

15 (5) disclose your identity as an agent whenever you act for the prin-
 16 cipal by writing or printing the principal's name and signing your own
 17 name as "agent" in either of the following manners: (Principal's Name)
 18 by (Your Signature) as Agent, or (your signature) as Agent for (Princi-
 19 pal's Name).

20 You may not use the principal's assets to benefit yourself or anyone
 21 else or make gifts to yourself or anyone else unless the principal has
 22 specifically granted you that authority in the modifications section of
 23 this document or a Non-Statutory Power of Attorney. If you have that
 24 authority, you must act according to any instructions of the principal
 25 or, where there are no such instructions, in the principal's best inter-
 26 est. You may resign by giving written notice to the principal and to any
 27 co-agent, successor agent, monitor if one has been named in this docu-
 28 ment, or the principal's guardian if one has been appointed. If there is
 29 anything about this document or your responsibilities that you do not
 30 understand, you should seek legal advice.

31 Liability of agent:

32 The meaning of the authority given to you is defined in New York's
 33 General Obligations Law, Article 5, Title 15. If it is found that you
 34 have violated the law or acted outside the authority granted to you in
 35 the Power of Attorney, you may be liable under the law for your
 36 violation.

37 [~~(e)~~] (p) AGENT'S SIGNATURE AND ACKNOWLEDGMENT OF APPOINTMENT:

38 It is not required that the principal and the agent(s) sign at the
 39 same time, nor that multiple agents sign at the same time.

40 I/we, _____, have read the forego-
 41 ing Power of Attorney. I am/we are the person(s) identified therein as
 42 agent(s) for the principal named therein.

43 I/we acknowledge my/our legal responsibilities.

44 In Witness Whereof I have hereunto signed my name on _____
 45 20_____.

46 Agent(s) sign(s) here:==>_____

47 (acknowledgment(s))

48 [~~(p)~~] (q) SUCCESSOR AGENT'S SIGNATURE AND ACKNOWLEDGMENT OF APPOINTMENT:

49 It is not required that the principal and the SUCCESSOR agent(s), if
 50 any, sign at the same time, nor that multiple SUCCESSOR agents sign at
 51 the same time. Furthermore, successor agents can not use this power of
 52 attorney unless the agent(s) designated above is/are unable or unwilling
 53 to serve.

54 I/we, _____, have read the forego-
 55 ing Power of Attorney. I am/we are the person(s) identified therein as
 56 SUCCESSOR agent(s) for the principal named therein.

1 In Witness Whereof I have hereunto signed my name on _____
2 20_____.
3 Successor Agent(s) sign(s) here:==>_____
4 (acknowledgment(s))"

5 § 4. This act shall take effect on the same date and in the same
6 manner as a chapter of the laws of 2020 amending the general obligations
7 law relating to reforming the statutory short form and other powers of
8 attorney for purposes of financial and estate planning, as proposed in
9 legislative bills numbers S. 3923-a and A. 5630-a, takes effect.