

**PROPOSED AMENDMENT TO
REENGROSSED SENATE BILL NO. 2029**

SECOND ENGROSSMENT

Introduced by

Legislative Management

(Government Finance Committee)

1 A BILL for an Act to create and enact chapter 27-27.1 and a new subsection to section
2 30.1-28-07 of the North Dakota Century Code, relating to an office of guardianship and
3 conservatorship and the removal of a guardian; to amend and reenact section 30.1-29-15 and
4 subsection 1 of section 50-24.1-07 of the North Dakota Century Code, relating to the removal of
5 a conservator and the recovery of medical assistance expenses; to repeal chapter 27-27 of the
6 North Dakota Century Code, relating to the task force on guardianship monitoring; to provide a
7 penalty; to provide for a report; to provide an appropriation; and to provide a continuing
8 appropriation.

9 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

10 **SECTION 1.** Chapter 27-27.1 of the North Dakota Century Code is created and enacted as
11 follows:

12 **27-27.1-01. Definitions.**

13 As used in this chapter:

- 14 1. "Agency permit" means temporary authorization given by the office to an employee of
15 a professional guardianship or professional conservatorship entity which allows the
16 permitholder to provide guardianship or conservatorship services as an agent of the
17 entity.
- 18 2. "Board" means the guardianship and conservatorship review board.
- 19 3. "Identifiable information" means an individual's personal details, including the
20 individual's name, address, telephone number, facsimile number, social security
21 number, electronic mail address, program identification number, or any other unique

1 identifying number, characteristic, or code, and any demographic information collected
2 about the individual.

3 4. "Investigation counsel" means the guardianship and conservatorship counsel.

4 5. "Licensed conservator" means a person licensed by the office to provide
5 conservatorship services.

6 6. "Licensed guardian" means a person licensed by the office to provide guardianship
7 services.

8 7. "Office" means the office of guardianship and conservatorship.

9 8. "Public conservator" means a conservator under contract with the office to provide
10 conservatorship services for an individual eligible for public services.

11 9. "Public guardian" means a guardian under contract with the office to provide
12 guardianship services for an individual eligible for public services.

13 10. "Public services" means state or federally funded programs administered by the office
14 available to eligible individuals.

15 11. "Unlicensed conservator" means a person providing conservatorship services without
16 a conservator license.

17 12. "Unlicensed guardian" means a person providing guardianship services without a
18 guardian license.

19 **27-27.1-02. Office of guardianship and conservatorship - Purpose - Powers and**
20 **duties - Report - Audit.**

21 1. The office of guardianship and conservatorship is created as a division under the
22 supreme court to administer the programs assigned by state law or the supreme court.

23 2. The office shall:

24 a. Develop policies and procedures, including eligibility criteria, for:

25 (1) Receiving public services;

26 (2) A public guardian or a public conservator;

27 (3) A licensed guardian or a licensed conservator; and

28 (4) Distribution of funding for direct payments and expense reimbursements for
29 public services.

30 b. Develop ethical standards for:

31 (1) A licensed guardian or a licensed conservator; and

32 (2) An unlicensed guardian or an unlicensed conservator.

- 1 c. Develop policies and procedures for proceedings when a guardian or a
2 conservator is unable to fulfill the duties of a guardian or a conservator.
- 3 d. Keep accurate records of all financial transactions performed under this chapter
4 in the manner required by the office of management and budget.
- 5 e. Provide a report each biennium to the legislative management regarding the
6 operations of the office, including the cost of public guardians and public
7 conservators, and any other information requested by the legislative
8 management.
- 9 3. The office may:
- 10 a. Recommend rules applicable to a licensed guardian or a licensed conservator.
- 11 b. Grant licenses to a guardian or conservator and agency permits, including
12 revoking or suspending an agency permit.
- 13 c. Require insurance or bond coverage for a licensed guardian or a licensed
14 conservator as a condition for licensure.
- 15 d. Establish mandatory disclosure and reporting requirements for a licensed
16 guardian or a licensed conservator, including a process to disclose information or
17 submit reports to the office.
- 18 e. Provide training for guardians and conservators.
- 19 f. Monitor guardianship and conservatorship services.
- 20 g. Provide annual reports to the supreme court.
- 21 h. Distribute funding for direct payments, expense reimbursements, or other public
22 services, including funding for public administrators.
- 23 i. Establish and collect fees to support guardianship and conservatorship services
24 and the duties of the office, which must be deposited in the guardianship and
25 conservatorship support fund.
- 26 j. Seek and apply for private, federal, or other funds to help support guardians and
27 conservators and to safeguard the rights of individuals who receive public
28 services.
- 29 k. Accept private funds for deposit in the guardianship and conservatorship support
30 fund.

1 4. The office may not authorize payment for services for any public guardian or public
2 conservator that provides services for more individuals than allowed through statute,
3 regulation, court rule, or policy adopted by the office.

4 5. The office, its officers, or its employees, may not act as a public guardian or a public
5 conservator or act in any other representative capacity for any individual. This
6 subsection does not prohibit an officer or employee from acting as a guardian or
7 conservator in a personal capacity apart from any duties as an officer or employee.

8 6. The office is subject to audits by the state auditor under chapter 54-10.

9 **27-27.1-03. Guardianship and conservatorship support fund - Continuing**
10 **appropriation.**

11 There is created in the state treasury the guardianship and conservatorship support fund.
12 The fund consists of all moneys transferred to the fund by the legislative assembly, interest
13 upon moneys in the fund, fee collections, donations, grants, and other contributions received for
14 deposit in the fund. All moneys in the fund are appropriated on a continuing basis to the judicial
15 branch to defray the expenses of the office for supporting guardianship and conservatorship
16 services, including guardianship and conservatorship training and monitoring.

17 **27-27.1-04. Records - Confidentiality - Disclosure - Penalty.**

18 1. Identifiable information concerning an individual who is applying for or receiving public
19 services under this chapter is confidential and may be disclosed only:

20 a. In the administration of any program under the supervision or administration of
21 the office.

22 b. When authorized by a policy or procedure of the office.

23 c. When allowed or required by rule or law.

24 2. A report concerning an applicant, provider, or recipient of public services is confidential
25 if the report is made in good faith and may be disclosed only to:

26 a. Authorized staff and agents of the office, who may further disclose the
27 information to a person that has a definite interest in the well-being of the
28 individual concerned, is in a position to serve the individual's interests, and that
29 needs to know the contents of the records to assure the well-being and interests
30 of the individual concerned.

31 b. An individual who is the subject of the report, if the identity of the person
32 reporting or supplying information under this chapter is protected until the

- 1 information is needed for use in an administrative, legal, or disciplinary
2 proceeding arising out of the report.
- 3 c. A public official and the public official's authorized agent who requires the
4 information in connection with the discharge of official duties.
- 5 d. A court when the court determines the information is necessary for the
6 determination of an issue before the court.
- 7 e. The investigation counsel.
- 8 3. The investigation counsel may disclose information uncovered during a disciplinary
9 investigation to the attorney general or bureau of criminal investigation related to a
10 criminal investigation when the investigation counsel suspects the subject of the
11 investigation has committed a crime.
- 12 4. A person that discloses, authorizes, or knowingly allows, participates in, or acquiesces
13 in the disclosure of confidential information in violation of this section is guilty of a
14 class C felony.

15 **27-27.1-05. Guardianship and conservatorship limitations - Representation to the**
16 **public - Exemption.**

- 17 1. A person may not serve as a guardian or a conservator for three or more adult
18 individuals at the same time unless that person is a licensed guardian or a licensed
19 conservator or has an agency permit. This subsection does not apply to an individual
20 appointed as a guardian or conservator for a family member.
- 21 2. A public guardian or a public conservator may not provide services to a minor unless
22 authorized by a proceeding under section 30.1-28-03.3.
- 23 3. A person must be a licensed guardian or a licensed conservator to offer guardianship
24 or conservatorship services to the public.
- 25 4. This section does not apply to:
- 26 a. A federal or state agency.
- 27 b. A financial institution under section 6-08.1-01 when appointed as a conservator.
- 28 c. An individual appointed as a guardian or conservator for a family member.Human
29 service zones, including human service zone directors or team members, as
30 defined in section 50-01.1-01.
- 31 5. A person who violates this section after August 1, 2026, is guilty of a class B
32 misdemeanor.

1 **27-27.1-06. Immunity.**

2 A person who in good faith provides information or testimony regarding a guardian's or
3 conservator's misconduct or lack of professionalism is not subject to civil liability.

4 **27-27.1-07. Jurisdiction - Waiver of court costs - Applicability.**

5 1. The supreme court has original jurisdiction to revoke or suspend a guardian or a
6 conservator license.

7 2. The supreme court must establish a process to appeal license denials and board
8 orders.

9 3. The courts shall waive court costs and filing fees in any proceeding in which a person
10 is receiving public services under this chapter.

11 4. A guardian or conservator subject to the jurisdiction of a court of this state shall follow
12 the applicable policies, procedures, and standards of the office, or other approval
13 authority authorized by court rule, if the guardian or the conservator serves an adult
14 ward, adult protected person, or incapacitated person, as defined in title 30.1.

15 **27-27.1-08. Guardianship and conservatorship review board - Guardianship and**
16 **conservatorship counsel - Guardianship and conservatorship operations committee.**

17 1. The supreme court may establish a guardianship and conservatorship review board to
18 conduct disciplinary proceedings for a guardian or conservator.

19 2. The supreme court may establish a guardianship and conservatorship counsel to
20 investigate noncompliance reported under this chapter. The director of the office is the
21 hiring authority for the investigation counsel.

22 3. The supreme court must create a guardianship and conservatorship operations
23 committee to supervise the operations of the office and investigation counsel. The
24 operations committee:

25 a. Must develop and submit budgets for the office, board, and investigation counsel.

26 b. Is the hiring authority for the office director.

27 c. May adopt policies recommended by the office.

28 **27-27.1-09. Supreme court - Discretionary powers.**

29 The supreme court may:

30 1. Grant immunity to a member of the board and the board's agents if a district court or
31 the supreme court would have immunity in performing the same functions.

32 2. Establish confidentiality and disclosure standards for disciplinary proceedings.

- 1 3. Authorize officials, officers, agents, and designees of the office, the board, and the
2 investigation counsel to:
- 3 a. Administer oaths.
- 4 b. Order and otherwise provide for the inspection of books and records.
- 5 c. Issue subpoenas for the attendance of witnesses and the production of
6 designated documents, electronically stored information, or tangible things in
7 accordance with the North Dakota Rules of Civil Procedure.
- 8 d. Order the deposition of a person residing within or outside the state to be taken in
9 accordance with the North Dakota Rules of Civil Procedure.
- 10 4. Adopt rules to effectuate the powers and duties under this chapter.

11 **27-27.1-10. Attorney general - Counsel - Bureau of criminal investigation - Primary**
12 **authority for investigations.**

- 13 1. The attorney general shall act as legal counsel in any particular investigation or
14 proceeding under section 54-12-02. The attorney general shall appear and defend any
15 officer or employee of the office and any member of the board in any action founded
16 on an act or omission arising out of performance of an official duty consistent with
17 section 54-12-01.3.
- 18 2. In accordance with chapter 54-12, the attorney general and bureau of criminal
19 investigation have primary authority to investigate criminal cases related to a
20 guardianship or conservatorship.

21 **27-27.1-11. Duty to disclose and cooperate.**

- 22 1. A state and local governmental entity and its officers and employees, and the officials,
23 officers, and employees of the courts of this state shall disclose records and
24 information requested by the board or investigation counsel or any authorized
25 representative of the board or investigation counsel and shall cooperate with and give
26 reasonable assistance to the board or investigation counsel and any authorized
27 representative of the board or counsel unless prohibited by federal regulation or law.
- 28 2. The service of process extends to all parts of the state in any investigation or
29 disciplinary proceeding under this chapter. A sheriff or police officer shall serve
30 process and execute all lawful orders upon request of the office, its authorized
31 representative, the board, or the investigation counsel.

1 **27-27.1-12. Duties of witnesses - Penalty.**

- 2 1. An individual is obliged to attend as a witness in any investigation or disciplinary
3 proceeding commenced under this chapter.
- 4 2. If an individual refuses to attend, testify, or produce any writings or things required by
5 subpoena, the office, board, or investigation counsel that issued the subpoena may
6 petition the district court of the district in which the attendance or production is
7 required for an order compelling the individual to attend and testify or produce the
8 writings or things required by the subpoena. The court shall order the individual to
9 appear before the court at a specified time and place to show cause why the individual
10 has not attended, testified, or produced the writings or things as required. A copy of
11 the order must be served on the individual. If the court determines the subpoena was
12 regularly issued, the court shall order the individual to appear at the time and place
13 fixed in the order and testify or produce the required writings or things.
- 14 3. An individual who fails to obey an order under this section is guilty of a class A
15 misdemeanor.

16 **27-27.1-13. Preferred claim.**

- 17 1. The office has a preferred claim against the estate of an individual or an individual's
18 spouse for recovery of funds expended under this chapter for the care of that
19 individual or the individual's spouse. All funds recovered under this chapter must be
20 deposited in the general fund.
- 21 2. A claim may not be required to be paid and interest may not begin to accrue during the
22 lifetime of the decedent's surviving spouse, if any.
- 23 3. A statute of limitation or similar statute or the doctrine of laches may not bar a claim
24 under this chapter.

25 **SECTION 2.** A new subsection to section 30.1-28-07 of the North Dakota Century Code is
26 created and enacted as follows:

27 The court may order a guardian to be listed on a registry if the court removed the
28 guardian for good cause. A guardian listed on the registry is disqualified from acting as
29 a guardian in any guardianship proceeding. The court shall send a copy of the order to
30 the state court administrator, who shall maintain and administer the registry. This
31 subsection does not apply to a licensed guardian. For purposes of this subsection, a

1 licensed guardian includes a guardian whose license has been suspended but
2 excludes a guardian whose license is revoked.

3 **SECTION 3. AMENDMENT.** Section 30.1-29-15 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **30.1-29-15. (5-415) Death, resignation, or removal of conservator.**

6 1. The court may remove a conservator for good cause, upon notice and hearing, or
7 accept the resignation of a conservator. After a conservator's death, resignation, or
8 removal, the court may appoint another conservator. A conservator so appointed
9 succeeds to the title and powers of the predecessor.

10 2. The court may order a conservator to be listed on a registry if the court removed the
11 conservator for good cause. A conservator listed on the registry is disqualified from
12 acting as a conservator in any conservatorship proceeding. The court shall send a
13 copy of the order to the state court administrator, who shall maintain and administer
14 the registry. This subsection does not apply to a licensed conservator. For purposes of
15 this subsection, a licensed conservator includes a conservator whose license has
16 been suspended but excludes a conservator whose license is revoked.

17 **SECTION 4. AMENDMENT.** Subsection 1 of section 50-24.1-07 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 1. On the death of any recipient of medical assistance who was a resident of a nursing
20 facility, intermediate care facility for individuals with intellectual disabilities, or other
21 medical institution and with respect to whom the department determined that resident
22 reasonably was not expected to be discharged from the medical institution and to
23 return home, or who was fifty-five years of age or older when the recipient received the
24 assistance, and on the death of the spouse of the deceased recipient, the total amount
25 of medical assistance paid on behalf of the recipient following the institutionalization of
26 the recipient who cannot reasonably be expected to be discharged from the medical
27 institution, or following the recipient's fifty-fifth birthday, as the case may be, must be
28 allowed as a preferred claim against the decedent's estate after payment, in the
29 following order, of:

- 30 a. Recipient liability expense applicable to the month of death for nursing home or
31 basic care services;
- 32 b. Funeral expenses not in excess of three thousand five hundred dollars;

- 1 c. Expenses of the last illness, other than those incurred by medical assistance;
2 d. Expenses of administering the estate, including attorney's fees approved by the
3 court;
4 e. Claims made under chapter 50-01;
5 f. Claims made under chapter 50-24.5;
6 g. Claims made under chapter 50-06.3 and on behalf of the state hospital; ~~and~~
7 h. Claims made under chapter 27-27.1; and
8 i. Claims made under subsection 4.

9 **SECTION 5. REPEAL.** Chapter 27-27 of the North Dakota Century Code is repealed.

10 **SECTION 6. APPROPRIATION - JUDICIAL BRANCH - OFFICE OF GUARDIANSHIP**

11 **AND CONSERVATORSHIP.** The funds provided in this section, or so much of the funds as may
12 be necessary, are appropriated out of any moneys in the general fund in the state treasury, not
13 otherwise appropriated, to the judicial branch for the purpose of defraying the expenses of the
14 office of guardianship and conservatorship, for the biennium beginning July 1, 2025, and ending
15 June 30, 2027, as follows:

16 Establishment costs - indigents	\$1,550,000
17 Establishment costs - developmentally disabled	1,096,400
18 Public guardian and conservator fees - indigents	7,100,000
19 Guardianship contracts - developmentally disabled	<u>5,500,000</u>
20 Total general fund	\$15,246,400