

## 2021 Kansas Statutes

**58-9a-502. Disbursement from principal.** (a) Subject to K.S.A. 2021 Supp. 58-9a-505, and amendments thereto, and except as otherwise provided in K.S.A. 2021 Supp. 58-9a-601(c)(2), and amendments thereto, a fiduciary shall disburse from principal:

- (1) The balance of the disbursements described in K.S.A. 2021 Supp. 58-9a-501(a) and (c), and amendments thereto, after application of K.S.A. 2021 Supp. 58-9a-501(b), and amendments thereto;
- (2) the fiduciary's compensation calculated on principal as a fee for acceptance, distribution or termination;
- (3) a payment of an expense to prepare for or execute a sale or other disposition of property;
- (4) a payment on the principal of a trust debt;
- (5) a payment of an expense of an accounting, judicial or nonjudicial proceeding or other matter that involves primarily principal, including a proceeding to construe the terms of the trust or protect property;
- (6) a payment of a premium for insurance, including title insurance, not described in K.S.A. 2021 Supp. 58-9a-501(d), and amendments thereto, of which the fiduciary is the owner and beneficiary;
- (7) a payment of an estate or inheritance tax or other tax imposed because of the death of a decedent, including penalties, apportioned to the trust; and
- (8) a payment:
  - (A) Related to environmental matters, including:
    - (i) Reclamation;
    - (ii) assessing environmental conditions;
    - (iii) remedying and removing environmental contamination;
    - (iv) monitoring remedial activities and the release of substances;
    - (v) preventing future releases of substances;
    - (vi) collecting amounts from persons liable or potentially liable for the costs of activities described in clauses (i) through (v);
    - (vii) penalties imposed under environmental laws or regulations;
    - (viii) other actions to comply with environmental laws or regulations;
    - (ix) statutory or common law claims by third parties; and
    - (x) defending claims based on environmental matters; and
  - (B) for a premium for insurance for matters described in subparagraph (A).
- (b) If a principal asset is encumbered with an obligation that requires income from the asset to be paid directly to a creditor, the fiduciary shall transfer from principal to income an amount equal to the income paid to the creditor in reduction of the principal balance of the obligation.

**History:** L. 2021, ch. 63, § 34; July 1.