

SESSION OF 2012

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 404**

As Recommended by Senate Committee on  
Judiciary

**Brief\***

SB 404 would amend the spendthrift trust provision statute in the Kansas Uniform Trust Code to specifically address a creditor's rights where the beneficiary is serving as sole trustee of a trust subject to the trustee's discretion. If the standard of distribution to such beneficiary is not an ascertainable standard, a creditor may compel any present distribution the trustee is authorized to make to such beneficiary at the time the creditor initiates legal proceedings, and the creditor may attach such beneficiary's interest in the trust, limited to any present or future discretionary distributions, if the interest is not subject to a spendthrift clause.

**Background**

SB 404 was introduced by the Senate Judiciary Committee at the request of the Kansas Bar Association (KBA). In the Senate Judiciary Committee, a representative of the KBA spoke in support of the bill, explaining it would help protect the intent of the grantors or testators who create trusts containing an ascertainable standard of distribution. The Committee recommended the bill be passed.

The fiscal note on the bill indicates it would have no fiscal effect on the state budget.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>