AN ACT concerning the Kansas uniform trust code; relating to spendthrift trusts; amending K.S.A. 58a-502 and repealing the existing section.

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

Section 1. K.S.A. 58a-502 is hereby amended to read as follows: 58a-502. (a) A spendthrift provision is valid.

(b) A term of a trust providing that the interest of a beneficiary is held subject to a "spendthrift trust," or words of similar import, is sufficient to restrain both voluntary and involuntary transfer of the beneficiary's interest.

(c) A beneficiary may not transfer an interest in a trust in violation of a valid spendthrift provision and, except as otherwise provided in this article, a creditor or assignee of the beneficiary may not reach the interest or a distribution by the trustee before its receipt by the beneficiary.

(d) Whether or not a trust contains a spendthrift provision, a creditor of a beneficiary may not compel a distribution that is subject to the trustee's discretion even if: (1) The discretion is expressed in the form of a standard for distribution; or (2) the trustee has abused the discretion.

(e) This section does not limit the right of a beneficiary to maintain a
Sec. 1. Judicial proceeding against a trustee for an abuse of discretion or failure to comply with a standard for distribution.

Sec. 2. K.S.A. 58a-502 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.