

**RCW 11.104B.410 Disbursements—Disbursement from principal. (1)**

Subject to RCW 11.104B.440, and except as otherwise provided in RCW 11.104B.500(3)(b), a fiduciary shall disburse from principal:

- (a) The balance of the disbursements described in RCW 11.104B.400(1) and (3) after application of RCW 11.104B.400(2);
- (b) The fiduciary's compensation calculated on principal as a fee for acceptance, distribution, or termination;
- (c) A payment of an expense to prepare for or execute a sale or other disposition of property;
- (d) A payment on the principal of a trust debt;
- (e) 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;
- (f) A payment of a premium for insurance, including title insurance, not described in RCW 11.104B.400(4), of which the fiduciary is the owner and beneficiary;
- (g) 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
- (h) A payment:
  - (i) Related to environmental matters, including:
    - (A) Reclamation;
    - (B) Assessing environmental conditions;
    - (C) Remedying and removing environmental contamination;
    - (D) Monitoring remedial activities and the release of substances;
    - (E) Preventing future releases of substances;
    - (F) Collecting amounts from persons liable or potentially liable for the costs of activities described in (h)(i)(A) through (E) of this subsection (1);
    - (G) Penalties imposed under environmental laws or regulations;
    - (H) Other actions to comply with environmental laws or regulations;
    - (I) Statutory or common law claims by third parties; and
    - (J) Defending claims based on environmental matters; and
  - (ii) For a premium for insurance for matters described in (h)(i) of this subsection (1).
- (2) 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. [2021 c 140 s 2502.]