

1939, ch. 580, sec. 7.

7. (Expenses—Trust Estates.)

(1) All ordinary expenses incurred in connection with the trust estate or with its administration and management, including regularly recurring taxes assessed against any portion of the principal, water rates, premiums on insurance taken upon the estates of both tenant and remainderman, interest on mortgages on the principal, ordinary repairs, trustees' compensation except commissions computed on principal, and court costs and attorneys' and other fees on regular accountings, shall be paid out of income.

(2) All other expenses, including trustee's commissions computed upon principal, cost of investing or reinvesting principal, attorneys' fees and other costs incurred in maintaining or defending any action to protect the trust or the property or assure the title thereof, unless due to the fault or cause of the tenant, and costs of, or assessments for, improvements to property forming part of the principal, shall be paid out of principal. Any tax levied by any authority, federal, state or foreign, upon profit or gain defined as principal under the terms of Subsection (2) of Section 3 shall be paid out of principal, notwithstanding said tax may be denominated a tax upon income by the taxing authority.

(3) Expenses paid out of income according to Subsection (1) which represent regularly recurring charges shall be considered to have accrued from day to day, and shall be apportioned on that basis whenever the right of the tenant begins or ends at some date within the period over which such apportionment is to be made. Where the expenses to be paid out of income are of unusual amount, the trustee may distribute them throughout an entire year or part thereof, or throughout a series of years. After such distribution, where the right of the tenant ends during the period, the expenses shall be apportioned between tenant and remainderman on the basis of such distribution.

1939, ch. 580, sec. 8.

8. (Expenses—Non-Trust Estates.) The provisions of Section 7, so far as applicable, shall govern the apportionment of expenses between tenants and remaindermen where no trust has been created, subject, however, to any legal agreement of the parties or any specific direction of the taxing or other statutes; but where either tenant or remainderman has incurred an expense for the benefit of his own estate and without the consent or agreement of the other, he shall pay such expense in full.

1939, ch. 580, sec. 9.

9. (Uniformity of Interpretation.) Such of the provisions of this Article as are uniform with similar statutes enacted in other States shall be so construed as to effectuate its purpose to make uniform the laws of those States which enact such provisions.

1939, ch. 580, sec. 10.

10. (Application of Article.) This Article shall not apply to successive estates or interests created by deed or other non-testamentary act, executed prior to June 1, 1939, or by will of a testator dying prior to said date, or by operation of law prior thereto. As to estates created by the exercise of a power of appointment, the date of such exercise, and not the effective date of the instrument creating such power, shall be the date of creation for this purpose.¹

¹ Sec. 2, ch. 580, 1939, repealed all laws inconsistent therewith to extent of such inconsistency.