§ 71. Purpose of the trust; "trust claims"; "beneficiaries." 1. The trust assets of which an owner is trustee under subdivisions five (a) to five (f), inclusive, of section seventy of this chapter shall be held and applied for payment of the cost of improvement. The trust assets of which an owner is trustee under subdivision five (g) of section seventy of this chapter shall be held and applied for payment of the cost of improvement and, in addition, for the purposes of the further trust provided in section seventy-one-a of this chapter.

2. The trust assets of which a contractor or subcontractor is trustee shall be held and applied for the following expenditures arising out of the improvement of real property, including home improvement or public improvement and incurred in the performance of his contract or subcontract, as the case may be:

(a) payment of claims of subcontractors, architects, engineers, surveyors, laborers and materialmen;

(b) payment of the amount of taxes based on payrolls including such persons and withheld or required to be withheld and taxes based on the purchase price or value of materials or equipment required to be installed or furnished in connection with the performance of the improvement;

(c) payment of taxes and unemployment insurance and other contributions due by reason of the employment out of which such claims arose;

(d) payment of any benefits or wage supplements, or the amounts necessary to provide such benefits or furnish such supplements, to the extent that the trustee, as employer, is obligated to pay or provide such benefits or furnish such supplements by any agreement to which he is a party;

(e) payment of premiums on a surety bond or bonds filed and premiums on insurance accrued during the making of the improvement, including home improvement, or public improvement;

(f) payment to which the owner is entitled pursuant to the provisions of section seventy-one-a of this chapter.

3. (a) With respect to the trust of which an owner is trustee, "trust claims" means claims of contractors, subcontractors, architects,

engineers, surveyors, laborers and materialmen arising out of the improvement, for which the owner is obligated, and also means any obligation of the owner incurred in connection with the improvement for a payment or expenditure defined as cost of improvement.

(b) With respect to the trusts of which a contractor or subcontractor is trustee, "trust claims" means claims arising at any time for payments for which the trustee is authorized to use trust funds as provided in subdivision two of this section.

(c) No claim acquired by the trustee by assignment or otherwise shall be a trust claim after it has been so acquired.

4. Persons having claims for payment of amounts for which the trustee is authorized to use trust assets as provided in this section are beneficiaries of the trust whether or not they have filed or had the right to file a notice of lien as provided in article two of this chapter or shall have recovered a judgment therefor. Where an owner becomes obligated to incur an expenditure as part of the cost of improvement, any person to whom he is so obligated is a beneficiary.

5. For the purposes of this article, every trust claim shall be deemed to be in existence from the time of the making of the contract or the occurrence of the transaction out of which the claim arises and, except as provided in section seventy-six and section seventy-seven, the rights of each member of the class of beneficiaries accrue at the making of the contract or the occurrence of the transaction out of which the claim arises.