

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

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SENATE BILL NO. 155

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act relating to escrow agents."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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* Section 1. AS 08 is amended by adding a new chapter to read:

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CHAPTER 89. ESCROW AGENTS.

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Sec. 08.89.010. BOND FOR ESCROW AGENTS. (a) A person may not

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engage in or act in the capacity of an escrow agent without

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(1) depositing with the commissioner of commerce a corporate

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surety bond running to the State of Alaska, executed by a surety

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company satisfactory to the commissioner, in a sum of \$200,000; or

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(2) providing satisfactory evidence to the commissioner that

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he has clear assets of at least \$200,000.

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(b) The commissioner may at any time require an escrow agent to

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deposit with the commissioner an additional bond when in the commis-

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sioner's opinion a bond then in force is insufficient to protect the

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public interest.

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Sec. 08.89.020. REPORTS AND AUDITS. Before March 1 in each year,

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every escrow agent shall make an annual written report of its affairs

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and operations and submit an audited financial statement to the

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commissioner.

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Sec. 08.89.030. APPLICATION OF CHAPTER. The provisions of this

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chapter do not apply to and the term "escrow agent" does not include

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(1) a person doing business under the laws of the state

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or the United States relating to banks, mutual savings banks, trust

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companies, savings and loan associations, common and consumer finance.

1 companies, industrial loan companies, or insurance companies;

2 (2) an attorney at law rendering services in the performance
3 of his duties as attorney at law;

4 (3) a person whose principal business is that of preparing
5 abstracts or making searches of title which are used as a basis for
6 the insurance of titles by a title insurance company authorized to
7 do business in the state;

8 (4) a firm or corporation lending money on real or personal
9 property and which firm or corporation is subject to licensing, super-
10 vision or auditing by a federal or state agency;

11 (5) a person acting as an escrow agent under a court order.

12 Sec. 08.89.040. DEFINITIONS. In this chapter

13 (1) "commissioner" means the commissioner of commerce;

14 (2) "escrow" means a transaction in which a written instru-
15 ment, money, evidence of title to real or personal property or other
16 thing of value is delivered to a person not otherwise having a right,
17 title or interest in it for the purpose of effecting the sale,
18 transfer, encumbrance or lease of real or personal property, to be
19 held by that person until the happening of a specified event or the
20 performance of a prescribed condition, when it is then to be delivered
21 by that person to a grantee, grantor, promisee, promisor, obligee,
22 obligor, bailee, bailor, or an agent or employee of any of them;

23 (3) "escrow agent" means a person engaged in the business
24 of receiving escrows for deposit or delivery for compensation.
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