

Introduced: 3/9/71
Referred: Commerce

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 SENATE BILL NO. ~~155~~

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

9 CHAPTER 89. ESCROW AGENTS.

10 Sec. 08.89.010. BOND FOR ESCROW AGENTS. (a) A person may not
11 engage in or act in the capacity of an escrow agent for compensation
12 without

13 (1) depositing with the commissioner of commerce a corporate
14 surety bond running to the State of Alaska, executed by a surety
15 company satisfactory to the commissioner, in a sum of \$200,000; or

16 (2) providing satisfactory evidence to the commissioner that
17 he has clear assets of at least \$200,000.

18 (b) The commissioner may at any time require an escrow agent to
19 deposit with the commissioner an additional bond when in the commis-
20 sioner's opinion a bond then in force is insufficient to protect the
21 public interest.

22 Sec. 08.89.020. REPORTS AND AUDITS. Before March 1 in each year,
23 every escrow agent shall make an annual written report of its affairs
24 and operations and submit an audited financial statement to the
25 commissioner.

26 Sec. 08.89.030. APPLICATION OF CHAPTER. The provisions of this
27 chapter do not apply to and the term "escrow agent" does not include

28 (1) a person doing business under the laws of the state
29 or the United States relating to banks, mutual savings banks, trust

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1 companies, savings and loan association, common and consumer finance
2 companies, industrial loan companies, or insurance companies;

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

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

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

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

13 Sec. 08.89.040. DEFINITIONS. In this chapter

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

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

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