

Original sponsor: Commerce Committee

Offered: 5/7/71  
Referred: Judiciary

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

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HOUSE CS FOR SENATE BILL NO. 155

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SEVENTH LEGISLATURE - FIRST SESSION

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

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(1) depositing with the commissioner of commerce a corporate surety bond running to the State of Alaska, executed by a surety company satisfactory to the commissioner, in a sum of \$50,000; or

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(2) providing satisfactory evidence to the commissioner that he has clear assets of at least \$50,000.

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

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

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Sec. 08.89.030. APPLICATION OF CHAPTER. The provisions of this 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 or the United States relating to banks, mutual savings banks, trust

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

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

7 (3) a firm or corporation lending money on real or personal  
8 property and which firm or corporation is subject to auditing by a  
9 federal or state agency;

10 (4) a person acting as an escrow agent under a court order.

11 Sec. 08.89.040. DEFINITIONS. In this chapter

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

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

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