

FINAL BILL REPORT

SB 6218

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Synopsis as Enacted

Brief Description: Concerning escrow licensing requirement exceptions relating to the practice of law.

Sponsors: Senators Frockt, Chase, Kline, Harper, Pflug and Hobbs; by request of Washington State Bar Association.

Senate Committee on Judiciary
House Committee on Judiciary

Background: It is unlawful for a person to engage in business as an escrow agent with respect to personal or real property transactions in Washington State unless the person has a valid license issued by the director of financial institutions. The license requirement does not apply to, among others, a person licensed to practice law in this state while engaged in the performance of the person's professional duties, provided that no separate compensation or gain is received for escrow services; and the service is provided under the same legal entity as the law practice. Any attorney who is engaged principally as an escrow agent must obtain a license.

Summary: The license requirement does not apply to a person licensed to practice law in this state if:

- the escrow transactions are performed by either the lawyer engaged in the practice of law or any employee under direct supervision of the lawyer;
- all escrow transactions are performed under a legal entity that is operated as a law practice; and
- all escrow funds are deposited to, maintained in, and disbursed from a trust account in compliance with rules enacted by the Washington Supreme Court that regulates the conduct of lawyers.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: June 7, 2012

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.