
SUBSTITUTE HOUSE BILL 2248

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Broback, Dellwo, Mielke, Forner, Tate, Zellinsky, Winsley, D. Sommers, Casada, Paris, May and Silver)

Read first time 01/24/92.

1 AN ACT Relating to the conveyance of real property; and adding a
2 new section to chapter 64.04 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 64.04 RCW
5 to read as follows:

6 (1) As used in this section:

7 (a) "Real estate settlement services" means any service provided in
8 connection with a conveyance of real estate, any interest therein, and
9 any contract creating or evidencing any encumbrance upon real estate
10 including, but not limited to, title searches, title examinations, the
11 provision of title certificates, title insurance, services rendered by
12 an attorney, the preparation of documents, property surveys, the
13 rendering of credit reports or appraisals, pest and fungus inspections,

1 services rendered by a real estate agent or broker, and the handling of
2 the processing, and closing or settlement;

3 (b) "Controlled business arrangement" means an arrangement in which
4 a person who is in a position to refer business incident to or a part
5 of a real estate settlement service or an associate of such person has
6 either an affiliate relationship with or a direct or beneficial
7 ownership interest of more than one percent in a provider of settlement
8 services and either of those persons directly or indirectly refers such
9 business to that provider or affirmatively influences the selection of
10 that provider;

11 (c) "Associate" means a person who has one or more of the following
12 relationships with a person in a position to refer settlement business:

13 (i) A spouse, parent, or child of such person;

14 (ii) A corporation or business entity that controls or is
15 controlled by, or is under common control with such person;

16 (iii) An employer, officer, director, partner, franchisor, or
17 franchisee of such person; or

18 (iv) Anyone who has an agreement, arrangement, or understanding,
19 with such person, the purpose or substantial effect of which is to
20 enable the person in a position to refer settlement business to benefit
21 financially from the referrals of such business.

22 (2) Controlled business arrangements are prohibited unless:

23 (a) At or prior to the time of the referral a disclosure is made of
24 the existence of such an arrangement to the person being referred and,
25 in connection with the referral, the person is provided a written
26 estimate of the charge or range of charges generally made by the
27 provider to which the person is referred; and

28 (b) The person is not required to use any particular provider of
29 settlement services.

1 (3) This section does not apply to controlled business arrangements
2 governed by the federal real estate settlement procedures act (12
3 U.S.C. Sec. 2601 et seq.).