

CERTIFICATION OF ENROLLMENT

SENATE BILL 6218

Chapter 124, Laws of 2012

62nd Legislature
2012 Regular Session

ESCROW LICENSING--REQUIREMENTS--EXCEPTIONS

EFFECTIVE DATE: 06/07/12

Passed by the Senate February 13, 2012
YEAS 48 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 1, 2012
YEAS 97 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 29, 2012, 2:22 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6218** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 29, 2012

**Secretary of State
State of Washington**

SENATE BILL 6218

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By Senators Frockt, Chase, Kline, Harper, Pflug, Hobbs, and Keiser; by request of Washington State Bar Association

Read first time 01/16/12. Referred to Committee on Judiciary.

1 AN ACT Relating to escrow licensing requirement exceptions; and
2 amending RCW 18.44.021.

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

4 **Sec. 1.** RCW 18.44.021 and 2010 c 34 s 2 are each amended to read
5 as follows:

6 It shall be unlawful for any person to engage in business as an
7 escrow agent by performing escrows or any of the functions of an escrow
8 agent as described in RCW 18.44.011(~~((4))~~) (7) within this state or
9 with respect to transactions that involve personal property or real
10 property located in this state unless such person possesses a valid
11 license issued by the director pursuant to this chapter. The licensing
12 requirements of this chapter shall not apply to:

13 (1) Any person doing business under the law of this state or the
14 United States relating to banks, trust companies, mutual savings banks,
15 savings and loan associations, credit unions, insurance companies, or
16 any federally approved agency or lending institution under the national
17 housing act (12 U.S.C. Sec. 1703).

18 (2) Any person licensed to practice law in this state (~~while~~
19 ~~engaged in the performance of his or her professional duties:~~

1 ~~PROVIDED, That no separate compensation or gain is received for escrow~~
2 ~~services, and the service is provided under the same legal entity as~~
3 ~~the law practice. Any attorney who is principally engaged as an escrow~~
4 ~~agent is required to be licensed. If an attorney holds himself or~~
5 ~~herself out publicly as being able to perform the services of an escrow~~
6 ~~agent, he or she is principally engaged as an escrow agent) if:~~

7 (a) All escrow transactions are performed by the lawyer while
8 engaged in the practice of law, or by employees of the law practice
9 under the direct supervision of the lawyer while engaged in the
10 practice of law;

11 (b) All escrow transactions are performed under a legal entity
12 publicly identified and operated as a law practice; and

13 (c) All escrow funds are deposited to, maintained in, and disbursed
14 from a trust account in compliance with rules enacted by the Washington
15 supreme court regulating the conduct of lawyers.

16 (3) Any real estate company, broker, or agent subject to the
17 jurisdiction of the director of licensing while performing acts in the
18 course of or incidental to sales or purchases of real or personal
19 property handled or negotiated by such real estate company, broker, or
20 agent: PROVIDED, That no compensation is received for escrow services.

21 (4) Any transaction in which money or other property is paid to,
22 deposited with, or transferred to a joint control agent for disbursement
23 or use in payment of the cost of labor, material, services, permits,
24 fees, or other items of expense incurred in the construction of
25 improvements upon real property.

26 (5) Any receiver, trustee in bankruptcy, executor, administrator,
27 guardian, or other person acting under the supervision or order of any
28 superior court of this state or of any federal court.

29 (6) Title insurance companies having a valid certificate of
30 authority issued by the insurance commissioner of this state and title
31 insurance agents having a valid license as a title insurance agent
32 issued by the insurance commissioner of this state.

Passed by the Senate February 13, 2012.

Passed by the House March 1, 2012.

Approved by the Governor March 29, 2012.

Filed in Office of Secretary of State March 29, 2012.