
HOUSE BILL 1940

State of Washington

62nd Legislature

2011 Regular Session

By Representative Kelley

1 AN ACT Relating to modifying the definition of escrow to include
2 collection of payments and the performance of related services; and
3 reenacting and amending RCW 18.44.011.

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

5 **Sec. 1.** RCW 18.44.011 and 2010 c 34 s 1 are each reenacted and
6 amended to read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Controlling person" is any person who owns or controls ten
10 percent or more of the beneficial ownership of any escrow agent,
11 regardless of the form of business organization employed and regardless
12 of whether such interest stands in such person's true name or in the
13 name of a nominee.

14 (2) "Department" means the department of financial institutions.

15 (3) "Designated escrow officer" means any licensed escrow officer
16 designated by a licensed escrow agent and approved by the director as
17 the licensed escrow officer responsible for supervising that agent's
18 handling of escrow transactions, management of the agent's trust

1 account, and supervision of all other licensed escrow officers employed
2 by the agent.

3 (4) "Director" means the director of financial institutions, or his
4 or her duly authorized representative.

5 (5) "Director of licensing" means the director of the department of
6 licensing, or his or her duly authorized representative.

7 (6) "Escrow" means any transaction, except the acts of a qualified
8 intermediary in facilitating an exchange under section 1031 of the
9 internal revenue code, wherein any person or persons, for the purpose
10 of effecting and closing the sale, purchase, exchange, transfer,
11 encumbrance, or lease of real or personal property to another person or
12 persons, delivers any written instrument, money, evidence of title to
13 real or personal property, or other thing of value to a third person to
14 be held by such third person until the happening of a specified event
15 or the performance of a prescribed condition or conditions, when it is
16 then to be delivered by such third person, in compliance with
17 instructions under which he or she is to act, to a grantee, grantor,
18 promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor,
19 or any agent or employee thereof. For purposes of this definition,
20 "escrow" includes the collection of payments and the performance of
21 related services by a third party in connection with a loan secured by
22 a lien on real or personal property but excludes vessel transfers.

23 (7) "Escrow agent" means any person engaged in the business of
24 performing for compensation the duties of the third person referred to
25 in subsection (6) of this section.

26 (8) "Escrow commission" means the escrow commission of the state of
27 Washington created by RCW 18.44.500.

28 (9) "Licensed escrow agent" means any sole proprietorship, firm,
29 association, partnership, or corporation holding a license as an escrow
30 agent under the provisions of this chapter.

31 (10) "Licensed escrow officer" means any natural person handling
32 escrow transactions and licensed as such by the director.

33 (11) "Person" means a natural person, firm, association,
34 partnership, corporation, limited liability company, or the plural
35 thereof, whether resident, nonresident, citizen, or not.

36 (12) "Split escrow" means a transaction in which two or more escrow

1 agents act to effect and close an escrow transaction.

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