

to provide oscillation between the two axles and that either one of the two axles will not at any one time carry more than the maximum gross weight allowed for one axle or two axles specified in subsection (1) above.

Passed the Senate March 17, 1971.

Passed the House May 10, 1971.

Approved by the Governor May 20, 1971.

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CHAPTER 245

[Substitute Senate Bill No. 216]

ESCROW AGENTS

AN ACT Relating to the registration of escrow agents; amending section 1, chapter 153, Laws of 1965 and RCW 18.44.010; amending section 2, chapter 153, Laws of 1965 as amended by section 1, chapter 76, Laws of 1967 ex.sess. and RCW 18.44.020; amending section 4, chapter 153, Laws of 1965 and RCW 18.44.040; amending section 5, chapter 153, Laws of 1965 and RCW 18.44.050; amending section 8, chapter 153, Laws of 1965 and RCW 18.44.080; and adding new sections to chapter 153, Laws of 1965 and to chapter 18.44 RCW.

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

Section 1. Section 1, chapter 153, Laws of 1965 and RCW 18.44.010 are each amended to read as follows:

Unless the context otherwise requires terms used in this chapter shall have the following meanings:

(1) "Department" means the department of ~~((licenses))~~ motor vehicles.

(2) "Director" means the director of the department of ~~((licenses))~~ motor vehicles, or his duly authorized representative.

(3) "Escrow" means any transaction wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.

(4) "Escrow agent" means any person engaged in the business of

performing for compensation the duties of the third person referred to in RCW 18.44.010(3) above.

(5) "Certificated escrow agent" means any person holding a certificate of registration as an escrow agent under the provisions of this chapter, including corporations, firms, copartnerships and sole proprietors.

(6) "Person" unless a different meaning appears from the context, includes an individual, a firm, association, partnership or corporation, or the plural thereof, whether resident, nonresident, citizen or not.

(7) "Escrow officer" means any natural person handling escrow transactions and licensed as such by the director.

Sec. 2. Section 2, chapter 153, Laws of 1965 as amended by section 1, chapter 76, Laws of 1967 ex.sess. and RCW 18.44.020 are each amended to read as follows:

It shall be unlawful for any person to engage in business as an escrow agent within this state unless such person has been registered with the department and issued a certificate of registration by the director pursuant to this chapter: PROVIDED, That the registration and licensing requirements of this chapter shall not apply to:

(1) Any person doing business under the law of this state or the United States relating to banks, trust companies, mutual savings banks, savings and loan associations, credit unions, insurance companies, title insurance companies, the duly authorized agents of title insurance companies the business of which agents is exclusively devoted to the title insurance business, or any federally approved agency or lending institution under the National Housing Act.

(2) Any person licensed to practice law in this state while engaged in the performance of his professional duties.

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

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

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

Sec. 3. Section 4, chapter 153, Laws of 1965 and RCW 18.44.040 are each amended to read as follows:

Each applicant shall, at the time of applying for registration, file with the director:

(1) Affidavits by any three persons listed in subsections (1) through (3) of RCW 18.44.020, stating that they are acquainted with the applicant or its principal officers and that they believe him to be of good character and reputation.

(2) In the event the applicant is doing business under an assumed name, a certified copy of the certificate of assumed name as filed with the county clerk in the county or counties in which the applicant does business or proposes to do business, as provided in chapter 19.80 RCW.

(3) A commercial type credit and character report from a recognized credit reporting bureau satisfactory to the director.

Sec. 4. Section 5, chapter 153, Laws of 1965 and RCW 18.44.050 are each amended to read as follows:

At the time of filing an application as an escrow agent, or any renewal or reinstatement thereof, the applicant shall satisfy the director that it has obtained a fidelity bond providing fidelity coverage on the applicant and on each officer and employee of the applicant engaged in escrow transactions. Such applicant shall keep said bond in effect at all times while his certificate of registration is in effect. Such bond shall be a primary commercial blanket bond or its equivalent as required by the director and written by an insurer authorized to transact surety insurance business in the state of Washington. Such bond shall provide fidelity coverage in the amount of two hundred thousand dollars and may be canceled by the surety upon delivering thirty days written notice to the director and the principal.

Sec. 5. Section 8, chapter 153, Laws of 1965 and RCW 18.44.080 are each amended to read as follows:

The director shall charge and collect the following fees:

(1) For filing an original or a renewal application for registration as an escrow agent, an annual fee of one hundred dollars for the first office or location and five dollars for each additional office or location.

(2) For filing an original or a renewal application for registration as an escrow officer, an annual fee of fifty dollars.

(3) For filing an application for a duplicate of a certificate of registration lost, stolen, destroyed, or for replacement, five dollars.

~~((3))~~ (4) All fees received by the director under this chapter shall be paid by him into the state treasury to the credit of the general fund.

NEW SECTION. Sec. 6. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

Upon application by the director or any other interested party and upon a showing that the interest of the creditors so requires, the superior court may appoint a receiver to take over, operate, or liquidate any escrow office in this state.

NEW SECTION. Sec. 7. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

No escrow agent shall engage in the business of handling escrow transactions unless such transactions are handled by an agent licensed as an "escrow officer": PROVIDED, That (1) in the case of a partnership, one licensed partner may act on behalf of the partnership; (2) in the case of a corporation, one licensed officer thereof may act on behalf of the corporation; and (3) each branch office shall be required to have at least one licensed escrow officer designated by the escrow agent.

NEW SECTION. Sec. 8. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

There is established an escrow commission of the state of Washington. The commission shall consist of five members, which shall consist of the director who shall be chairman, and the remaining members shall be appointed by the governor for a term of four years each: PROVIDED, That one of such appointees shall be selected from persons designated by the governing authority of the escrow association of Washington, and one shall be selected from designees of the governing authority of the Washington state bar association, and the remaining two members shall be selected from persons engaged in the business of handling escrow transactions: PROVIDED FURTHER, That for the first term of office, the two members selected at the governor's discretion shall serve for a term of two years each.

NEW SECTION. Sec. 9. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

Any person desiring to be an escrow officer shall meet the requirement of RCW 18.44.040 and must successfully pass an examination, be a resident of the state of Washington and furnish such other proof as the director may require concerning his honesty, truthfulness, and good reputation.

NEW SECTION. Sec. 10. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

No examination will be given unless the applicant has one year within the three years immediately preceding application of full time experience in the handling of escrow transactions or in comparable or allied fields, as may be determined from time to time by the escrow commission; and the applicant must be twenty-one years of age or older.

Completion of college-level educational courses of the nature and extent prescribed by the escrow commission may be substituted for

the experience requirement.

NEW SECTION. Sec. 11. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

The examination given shall encompass the following:

(1) Appropriate knowledge of the English language, including reading, writing, and arithmetic.

(2) An understanding of the principles of real estate conveyancing, the general purposes and legal effects of deeds, mortgages, deeds of trust, contracts of sale, exchanges, rental and optional agreements, leases, earnest money agreements, personal property transfers, and encumbrances.

(3) An understanding of the obligations between principal and agent.

(4) An understanding of the meaning and nature of encumbrances upon real property.

The examination shall be in such form as prescribed by the director and approved by the commission, and shall be given at least annually.

Upon successful completion of the examination the director shall issue an "escrow officer" license to the applicant which license shall be renewable annually.

NEW SECTION. Sec. 12. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

The commission shall have the authority to hold educational conferences for the benefit of the industry and shall conduct examinations for licenses as an escrow officer.

NEW SECTION. Sec. 13. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

The director may, upon his own motion, and shall, upon verified complaint in writing by any person, investigate the actions of any licensed escrow officer and may temporarily suspend or permanently revoke or deny such license for any holder who is guilty of the following:

(1) Obtaining a license by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the director.

(2) Violating any of the provisions of this chapter or any lawful rules or regulations made by the director pursuant thereto.

(3) A crime against the laws of this or any other state or government, involving moral turpitude or dishonest dealings.

(4) Knowingly committing or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme, or device whereby any other person lawfully relying upon the word, representation, or conduct of the licensee acts to his injury or damage.

(5) Conversion of any money, contract, deed, note, mortgage,

or abstract or other evidence of title to his own use or to the use of his principal or of any other person, when delivered to him in trust or on condition, in violation of the trust or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, abstract or other evidence of title within thirty days after the owner thereof is entitled thereto, and makes demand therefor, shall be prima facie evidence of such conversion.

(6) Failing, upon demand, to disclose any information within his knowledge to, or to produce any document, book, or record in his possession for inspection of, the director or his authorized representatives acting by authority of law.

(7) Committing any act of fraudulent or dishonest dealing, and a certified copy of the final holding of any court of competent jurisdiction in such matter shall be conclusive evidence in any hearing under this chapter.

(8) Accepting, taking or charging any undisclosed commission, rebate or direct profit on expenditures made for the principal.

NEW SECTION. Sec. 14. There is added to chapter 153, Laws of 1967 and to chapter 18.44 RCW a new section to read as follows:

The proceedings for revocation or suspension of a license or refusal to renew a license or accept an application for renewal, and any appeal therefrom or review thereof shall be governed by the provisions of chapter 34.04 RCW.

NEW SECTION. Sec. 15. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not effected.

Passed the Senate May 10, 1971.

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CHAPTER 246

[Senate Bill No. 288]

DISPOSAL OF LAND NOT NEEDED FOR STATE PARK PURPOSES--
USE OF STATE SCHOOL LANDS FOR PARK AND RECREATIONAL PURPOSES

AN ACT Relating to the disposal of land not needed for state park purposes; and amending section 43.51.210, chapter 8, Laws of 1965 as amended by section 3, chapter 99, Laws of 1969.

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

Section 1. Section 43.51.210, chapter 8, Laws of 1965 as