

ASSEMBLY BILL NO. 214—COMMITTEE
ON COMMERCE AND LABOR

MARCH 1, 2011

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing certain disbursements of money from escrow accounts. (BDR 54-1016)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in **bolded italics** is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to escrow accounts; requiring that certain disbursements of money from escrow accounts be payable in United States currency; requiring that certain disbursements of money from escrow accounts be disbursed in accordance with federal law governing next-day availability of such money; establishing provisions concerning the disbursement of money from an escrow account by a title insurer, title agent or escrow officer; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law governs the disbursement of money held in escrow by an escrow
2 officer or escrow agent relating to certain transactions and prohibits disbursements
3 from an escrow account on the same business day as the money is deposited unless
4 the deposit is made in certain forms which allow for the immediate withdrawal of
5 the money. (NRS 645A.171) **Section 1** of this bill requires certain disbursements
6 by an escrow agent which are available on the same business day as that on which
7 the money is deposited to be payable in United States currency. **Section 1** also
8 requires that money in an escrow account which is accorded next-day availability
9 be disbursed by the escrow agent in accordance with all applicable federal laws.

10 **Section 2** of this bill establishes provisions concerning the disbursement of
11 money from an escrow account by a title insurer, title agent or escrow officer with
12 respect to real estate transactions. **Section 2** prohibits the disbursement of such
13 money until deposits that are at least equal to the proposed disbursement have been
14 received, prohibits the disbursement unless the deposit is made in certain forms
15 which allow for the immediate withdrawal of the money and requires that money in
16 an escrow account which is accorded next-day availability be disbursed by the title
17 insurer, title agent or escrow officer in accordance with all applicable federal laws.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 645A.171 is hereby amended to read as follows:

645A.171 1. ~~{No escrow officer or person who acts as an}~~ **An** escrow agent ~~{may}~~ **shall not** disburse money from an escrow account unless deposits which are at least equal in value to the proposed disbursements and which relate directly to the transaction for which the money is to be disbursed have been received.

2. ~~{No escrow officer or person who acts as an}~~ **An** escrow agent ~~{may}~~ **shall not** disburse money from an escrow account on the same business day as the money is deposited unless the deposit is made in one of the following forms:

(a) Cash;

(b) Interbank electronic transfer such that the money deposited is available for immediate withdrawal without condition ~~{;}~~ **and payable in United States currency;**

(c) Negotiable order of withdrawal, money order, cashier's check or certified check which is payable in this State and which is drawn from a financial institution located in this State;

(d) Any depository check, including any cashier's check or teller's check, that is governed by the Expedited Funds Availability Act, 12 U.S.C. §§ 4001 et seq.; or

(e) Any other form that permits conversion of the deposit to cash on the same day as the deposit is made.

3. ~~{As used in this section, "escrow officer" has the meaning ascribed to it in NRS 692A.028.}~~ **An escrow agent who disburses money from an escrow account pursuant to this section on the next business day after the day on which the money is deposited shall comply with all applicable federal laws or regulations with respect to the disbursement of money accorded next-day availability that is deposited in an escrow account.**

Sec. 2. Chapter 692A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A title insurer, title agent or escrow officer shall not disburse money from an escrow account unless deposits which are at least equal in value to the proposed disbursements and which relate directly to the transaction for which the money is to be disbursed have been received.

2. A title insurer, title agent or escrow officer shall not disburse money from an escrow account on the same business day as the money is deposited unless the deposit is made in one of the following forms:

(a) Cash;



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1 ***(b) Interbank electronic transfer such that the money***
2 ***deposited is available for immediate withdrawal without condition***
3 ***and payable in United States currency;***

4 ***(c) Negotiable order of withdrawal, money order, cashier's***
5 ***check or certified check which is payable in this State and which is***
6 ***drawn from a financial institution located in this State;***

7 ***(d) Any depository check, including any cashier's check or***
8 ***teller's check, that is governed by the Expedited Funds Availability***
9 ***Act, 12 U.S.C. §§ 4001 et seq.; or***

10 ***(e) Any other form that permits conversion of the deposit to***
11 ***cash on the same day as the deposit is made.***

12 ***3. A title insurer, title agent or escrow officer who disburses***
13 ***money from an escrow account pursuant to this section on the***
14 ***next business day after the day on which the money is deposited***
15 ***shall comply with all applicable federal laws or regulations with***
16 ***respect to the disbursement of money accorded next-day***
17 ***availability that is deposited in an escrow account.***

