

INDEPENDENT ESCROW AGENTS**AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Thomas V. Hatch

This act modifies the Financial Institution title to exempt qualified intermediaries, as defined, from the chapter regulating independent escrow agencies and to make technical corrections.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

7-22-101, as last amended by Chapter 182, Laws of Utah 1996

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **7-22-101** is amended to read:

7-22-101. Definitions -- Exemptions.

(1) As used in this chapter:

(a) "Escrow" means any agreement, express or implied, that provides for one or more parties to deliver or entrust any money, certificate of deposit, security, negotiable instrument, deed, or other property or asset to another person to be held, paid, or delivered in accordance with terms and conditions prescribed in the agreement.

(b) "Escrow agent" means any person that provides or offers to provide escrow services to the public.

(2) This chapter does not apply to:

(a) a trust [companies] company authorized to engage in the trust business in Utah in accordance with Title 7, Chapter 5, Trust Business;

(b) [persons other than] a person who:

(i) is not an escrow [agents] agent regulated under this chapter [that are exempted from the definition of trust business]; and



28 (ii) holds funds, assets, or other property through means described in Subsection
29 7-5-1(1)(c);
30 (c) a depository [institutions] institution that is:
31 (i) chartered by:
32 (A) a state; or
33 (B) the federal government [~~that are~~]; and
34 (ii) engaged in business as a depository institution in Utah; [~~and~~]
35 (d) the State Board of Regents[-];
36 (e) the Utah Higher Education Assistance Authority[-~~or~~];
37 (f) the State Treasurer[-]; or
38 (g) a person who is a qualified intermediary:
39 (i) for purposes of Section 1031, Internal Revenue Code; and
40 (ii) as defined in 26 CFR 1.1031(k)-1.

Legislative Review Note
as of 1-7-03 3:08 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note**Independent Escrow Agents Amendments***22-Jan-03***Bill Number SB0077***10:50 AM*

State Impact

No fiscal impact.

Individual and Business Impact

Individuals that limit their escrow business to 1031 exchanges would save the annual registration fee of \$100 and would not be examined by the Department of Financial Institutions at a savings of \$640. Annual savings to the industry as a whole should be less than \$2,000 because of the small number of businesses that are limited to 1031 exchanges.

Office of the Legislative Fiscal Analyst