

House Engrossed Senate Bill
disbursements; applicability; definition

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SENATE BILL 1191

AN ACT

AMENDING SECTION 6-843, ARIZONA REVISED STATUTES; RELATING TO ESCROW AGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-843, Arizona Revised Statutes, is amended to
3 read:

4 6-843. Disbursements; applicability

5 A. Except as provided by subsection B OF THIS SECTION, an escrow
6 agent may only disburse money out of an escrow account if deposits are
7 previously made that are at least equal to the disbursements and the
8 deposits relate directly to the transaction for which the money is being
9 disbursed. The deposits shall be in at least one of the following forms:

10 1. Wire transfers so that the monies are received by the escrow
11 agent or the agent's depository.

12 2. Except as provided in paragraphs 1, 4 and 5 OF THIS SUBSECTION,
13 checks, drafts, negotiable orders of withdrawal, money orders or any other
14 item that has become available for withdrawal in accordance with the
15 federal expedited funds availability act (P.L. 100-86; 101 Stat. 635; 12
16 United States Code section 4001).

17 3. Credit transfers through the automated clearing house that are
18 deemed available by the depository institution receiving the credits. The
19 credits must conform to the operating rules set forth by a national
20 automated clearing house association.

21 4. Cashier's checks, certified checks or teller's checks that have
22 been deposited in the escrow agent's depository account.

23 5. Checks made by an affiliate of a state or federally regulated
24 depository institution where the check is drawn on the affiliated
25 depository institution so that the monies are deposited in the escrow
26 agent's depository account.

27 6. DISTRIBUTED LEDGER TECHNOLOGY TRANSFERS WITHIN OR AMONG A SECURE
28 NETWORK OF FEDERALLY INSURED DEPOSITORY INSTITUTIONS WHERE DISBURSEMENTS
29 ARE RECORDED ON A LEDGER AND SECURELY DEPOSITED IN AN ESCROW AGENT'S
30 DEPOSITORY ACCOUNT. A DEPOSITORY INSTITUTION SHALL SETTLE TRANSFERS BY
31 USING AN ESTABLISHED NATIONAL CLEARING HOUSE NETWORK, EXCEPT THAT
32 TRANSFERS MAY NOT BE SETTLED OR BACKED BY A CENTRAL BANK DIGITAL CURRENCY.
33 DISTRIBUTED LEDGER TECHNOLOGY TRANSFERS SHALL BE FULLY SETTLED,
34 IRREVOCABLY CREDITED AND TRANSFERRED IN UNITED STATES DOLLARS. FOR THE
35 PURPOSES OF THIS PARAGRAPH, "DISTRIBUTED LEDGER TECHNOLOGY" MEANS A
36 DECENTRALIZED, SHARED AND IMMUTABLE LEDGER, WHICH MAY BE PUBLIC OR
37 PRIVATE, PERMISSIONED OR PERMISSIONLESS, OR DRIVEN BY TOKENIZED CRYPTO
38 ECONOMICS OR TOKENLESS. THE LEDGER MUST BE TAMPER RESISTANT AND PROTECTED
39 WITH CRYPTOGRAPHY TO PRESERVE THE DATA. FOR THE PURPOSES OF THIS
40 PARAGRAPH, A TRANSFER, WHETHER TOKENIZED OR TOKENLESS, MUST MAINTAIN PRICE
41 STABILITY BY BACKING THE VALUE OF THE TRANSFERRED DIGITAL ASSET TO UNITED
42 STATES DOLLARS THAT IS REDEEMABLE ON A ONE-TO-ONE BASIS.

1 B. An escrow agent may disburse up to ~~five hundred dollars~~ \$500 per
2 transaction or any funds that are available as cash without complying with
3 subsection A OF THIS SECTION.

4 C. Subsection A OF THIS SECTION does not apply to account
5 servicing.