

REFERENCE TITLE: **disbursements; applicability; definition**

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

SB 1191

Introduced by
Senator Mesnard

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 WHERE DISBURSEMENTS ARE
28 RECORDED ON A LEDGER AND SECURELY DEPOSITED IN AN ESCROW AGENT'S
29 DEPOSITORY ACCOUNT. FOR THE PURPOSES OF THIS PARAGRAPH, "DISTRIBUTED
30 LEDGER TECHNOLOGY" MEANS A DECENTRALIZED, SHARED AND IMMUTABLE LEDGER,
31 WHICH MAY BE PUBLIC OR PRIVATE, PERMISSIONED OR PERMISSIONLESS, OR DRIVEN
32 BY TOKENIZED CRYPTO ECONOMICS OR TOKENLESS. THE LEDGER MUST BE
33 TAMPERPROOF AND PROTECTED WITH CRYPTOGRAPHY TO PRESERVE THE DATA.

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

37 C. Subsection A OF THIS SECTION does not apply to account
38 servicing.