

HOUSE BILL NO. 574

INTRODUCED BY G. GOLIE

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING PERSONS THAT PROVIDE ESCROW SERVICES INVOLVING THE TRANSFER OF REAL PROPERTY BY CONTRACT FOR DEED TO RECORD THE TRANSFER UPON COMPLETION OF CONDITIONS OF THE CONTRACT; PROVIDING FOR AN EXCEPTION; AND PROVIDING PENALTIES FOR FAILURE TO RECORD."

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

NEW SECTION. **Section 1. Contract for deed -- satisfaction -- escrow -- recording -- EXCEPTION.**

(1) ~~An~~ EXCEPT AS PROVIDED IN SUBSECTION (2), AN escrow agent who provides escrow services involving the transfer of real property by contract for deed shall, when all conditions of the contract have been met by the purchaser, including completion of all payments under the contract, record any deed or other instrument evidencing the transfer of the real property with the county clerk and recorder for the county in which the property is located in accordance with Title 70, chapter 21. An escrow agent that neglects, fails, or refuses to record the transfer is liable in the amount of \$100 plus all actual damages occasioned by the neglect, failure, or refusal.

(2) THE PROVISIONS OF SUBSECTION (1) DO NOT APPLY IF A PARTY INVOLVED IN A TRANSFER OF REAL PROPERTY BY CONTRACT FOR DEED REQUESTS THAT AN ESCROW AGENT NOT RECORD THE DEED WITH THE COUNTY CLERK AND RECORDER.

~~(2)~~(3) As used in this section, "escrow agent" means a person that conducts escrow business, as defined in 32-7-102, including:

- (a) a person licensed to conduct escrow business under Title 32, chapter 7, part 1;
- (b) a person, regulated by the commissioner of insurance, whose principal business is that of preparing abstracts or making searches of title that are used as a basis for the issuance of any title insurance policy by a company doing business under the laws of this state relating to insurance companies;
- and
- (c) a financial institution, as defined in 32-6-103.

