

SENATE JUDICIARY COMMITTEE

MINUTES OF MEETING

MARCH 19, 1975

The meeting was called to order at 9:15 a.m. Senator Close was in the Chair.

PRESENT: Senator Close
 Senator Wilson
 Senator Bryan
 Senator Sheerin
 Senator Dodge
 Senator Foote
 Senator Hilbrecht

ABSENT:

SB 202 Requires title insurance companies transacting escrow services be licensed as escrow agents and places restrictions on escrow accounts.

Testimony was presented before the Committee by the following:

Marty Milner - Real Estate Division

Stated that it was meaningless to have escrow companies licensed under the real estate division because the majority are exempted under the underwritten title company exemption and at the present time there are only two or three companies licensed. He felt that the examination of escrow companies should be handled by the insurance division. If it is placed under the jurisdiction of the insurance division he recommended retaining the bracketed material on page 1, lines 16 through 18.

In response to a question by Senator Dodge, he stated that the bonding requirement of \$25,000 would be transferred if the insurance division took over regulation of escrow companies. It was the general concensus of the Committee that this amount was not sufficient.

Ron Evans - President, Western Title Company

Stated that he was in favor of some regulatory legislation and that he preferred it to be on the state level rather than the federal level. He informed the Committee that over the past two years he has been involved in a study on this type of problem.

He feels that the term "opening an escrow" is misleading and that in his dealings, an escrow account is not opened until the instructions have been signed. The common practice is that when funds are actually deposited, the forms read "deposited herewith", otherwise, it would be "to be deposited herewith". Additionally, he felt that Section 2 may be construed to mean that if you are an underwritten title company, you may not collect a fee for your escrow services.

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Harold Wandsford - Vice President, Title Insurance & Trust Co.
 He felt that there was an inconsistency in Section 2 regarding cash in that banks and savings and loan companies in Las Vegas have their own escrow department and they should be included in this also.

Senator Close informed him that Section 2 would apply to them also in that it regulates all escrow activities.

Mr. Wandsford also stated that there are two different types of title insurance companies 1) insurance companies and 2) underwritten title companies and that it is his belief that the statutes ought to be tightened to bring the underwritten companies under control also.

Ray O'Brien - First Commercial Title

He concurred with Mr. Milner in regard to bringing the escrow companies under the control of the insurance division. In addition to the bonding requirements, Mr. O'Brien stated that he would like to see a net worth capital requirement because at the present time all you need to start a title company is a business license.

Gene Milligan - Nevada Association of Realtors

He endorses the position of the Nevada Land Title Association. They are particularly concerned with Sections 2 and 3. They support the concept that is being expressed but are opposed to the language.

George Vicari - Vice President, Title Insurance and Trust of Northern Nevada

Stated that when an escrow instruction asserts that the money is receipted and that receipt is acknowledged, they are liable and there is no question that the money has been deposited.

The Committee also discussed with Mr. Vicari a sample escrow instruction form which, according to Senator Bryan would lead the average person to believe that money has been deposited in an account, when actually it may not have been.

Mr. Vicari replied that this form demonstrated a "cash flow" rather than actual receipt of money.

Senator Wilson suggested that some reasonable means should be designed to show a seller that the money is on deposit.

Jack Kenny - Southern Nevada Home Builders

In Section 2 he had a question as to whether you would have to add additional or unexpected costs of building into the escrow before closing.

Senator Close informed him that this bill dealt only with the opening of an escrow.

It was the decision of the Committee to have Marty Milner, Real Estate Division and Dick Rottman, Insurance Division come before them on Friday, March 21, 1975 to discuss the bill and the possibility of creating some regulations governing escrow activities.

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SB 52 Makes changes in law relating to sexual crimes against persons.

Senator Bryan discussed with the Committee the findings of his research.

It was his opinion that the name should be changed from "rape" to "sexual battery" but that it would not be advisable to change the elements of rape as they have been adequately established by Nevada case law.

There was no action taken at this time.


There being no further business, the meeting was adjourned.

Respectfully submitted,



Cheri Kinsley, Secretary

APPROVED: :



Senator Close, Chairman