

Substituted by the House, on motion of Messrs. Broadhurst of Methuen and Marini of Hanson, for a Bill clarifying the duties of real estate brokers (House, No. 3455). February 3, 2000.

The Commonwealth of Massachusetts

In the Year Two Thousand.

AN ACT RELATIVE TO THE DUTIES OF ESCROW AGENTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 17A of chapter 184 of the General Laws, as appearing in the 1998 Official Edition, is hereby amended by adding the following two paragraphs:—

In the event that an individual is holding funds entrusted to him pursuant to a written agreement for the sale of real property and the written agreement expressly authorizes the individual, as escrow agent, to continue to hold the funds in the event of a dispute between the buyer and seller concerning who is entitled to the funds, no claim may be maintained against the individual as escrow agent, whether as trustee, as stakeholder or otherwise; provided, that said escrow agent has neither breached the mutual written instructions of the buyer and seller nor has failed to abide by an order or judgment of a court or a final decision of an arbitrator with regard to accounting for or disbursing the funds.

In any action commenced with regard to entitlement to such escrowed funds, any party may file a motion seeking an order to have the funds paid into court by the escrow agent. Written notice shall be given by the moving party to all parties and to the escrow agent. The escrow agent shall pay the funds into court within ten (10) days of receipt of such order or within such other time as provided by the court.

SECTION 2. This act shall apply to each agreement for the sale of real property that is commenced on or after the effective date of this act.

