

A Bill for an Act Relating to Escrows.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 402, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read:

“Sec. 402- Escrow agreements. In all escrow agreements involving the purchase of real property or appurtenances thereon and in which a company acts as a fiduciary party holding the funds in escrow, any interest earned on such funds during the holding thereof shall accrue to the credit of the purchaser in such transaction unless otherwise instructed in writing by the purchasers and sellers in the escrow.”

SECTION 2. Chapter 449, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read:

“Sec. 449- Interest on funds. In all escrow agreements involving the purchase of real property or appurtenances thereon and in which an escrow depository acts as a fiduciary party holding the funds in escrow, any interest earned on such funds during the holding thereof shall accrue to the credit of the purchaser in such transaction unless otherwise instructed in writing by the purchasers and sellers in the escrow.”

SECTION 3. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.*

SECTION 4. This Act shall take effect on July 1, 1974.

(Approved May 31, 1974.)

*Edited accordingly.