

HB 2855 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 3/1

WHAT THE MEASURE DOES:

Creates process for purchaser of real property to obtain deed of conveyance without going to court when contract has been fulfilled.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

When parties enter into a contract for the transfer or conveyance of an interest in real property, the seller holds the title until terms of the contract have been fulfilled, at which point the seller provides the buyer with a deed of conveyance. If the contract includes a forfeiture remedy, the current statutes provide a process for the seller to enforce the forfeiture remedy. However, if the terms of the contract are fulfilled and the seller fails or refuses to provide the purchaser with a deed of conveyance, the purchaser must file suit to obtain the deed of conveyance.

House Bill 2855 establishes a process by which the purchaser can obtain the deed of conveyance after terms of the contract are fulfilled; this process is an alternative to going through the courts to obtain the title. The process requires that the purchaser provide notice to the seller, occupants of the property, and anyone one holding title or interest. The purchaser must record with the county in which the property is located a notice of intent to enforce the requirement to provide a deed of conveyance. The seller can record an objection, at which point the purchaser may file a suit to challenge the objection and have the contract enforced. After providing the notice and county recording, if the seller does not provide the deed of conveyance, the purchaser must publish a notice in the newspaper of general circulation that the purchaser intends to enforce the contract. If no objection was recorded and the purchaser satisfies the notice and recording requirements, the purchaser may record a declaration of fulfillment with the county. The declaration of fulfillment has the effect of ending any further rights in the contract or the property that were claimed by the seller and eliminating any right to redeem the property.