## SECOND SUBSTITUTE HOUSE BILL 2576

State of Washington 61st Legislature 2010 Regular Session

**By** House Ways & Means (originally sponsored by Representatives Kenney, Liias, Moeller, Pedersen, and Armstrong; by request of Secretary of State)

READ FIRST TIME 02/28/10.

AN ACT Relating to restructuring and affirming certain fees established by the office of the secretary of state; amending RCW 3 23B.01.530, 24.03.405, 24.06.450, 25.05.500, 43.07.120, 43.07.130, 4 25.15.105, 19.77.030, 23.86.070, 19.09.075, 19.09.079, 19.09.097, 5 19.09.355, and 19.09.530; adding a new section to chapter 19.09 RCW; 6 creating a new section; and repealing RCW 19.09.520.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 <u>NEW SECTION.</u> Sec. 1. It is the intent of the legislature to 9 restructure certain fees for the division of corporations of the office 10 of the secretary of state in a manner that has minimal revenue impact 11 but moves the division of corporations towards a more self-sustaining 12 budget.

13 Sec. 2. RCW 23B.01.530 and 1993 c 269 s 3 are each amended to read 14 as follows:

For the privilege of doing business, every corporation organized under the laws of this state, except the corporations for which existing law provides a different fee schedule, ((shall)) <u>must</u> make and file a statement in the form prescribed by the secretary of state and

((shall)) must pay an annual license fee each year following 1 2 incorporation, on or before the expiration date of its corporate license, to the secretary of state. The secretary of state ((shall)) 3 4 must collect an annual license fee of ((ten dollars for each inactive corporation and fifty dollars for other)) sixty dollars for 5 6 corporations that are not inactive corporations, of which ten dollars is designated to be deposited into the secretary's revolving fund per 7 RCW 43.07.130. The secretary of state must collect an annual license 8 fee for inactive corporations as established by the secretary of state 9 in rule. As used in this section, "inactive corporation" means a 10 corporation that certifies at the time of filing under this section 11 12 that it did not engage in any business activities during the year 13 ending on the expiration date of its corporate license.

14 **Sec. 3.** RCW 24.03.405 and 1993 c 269 s 5 are each amended to read 15 as follows:

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(1) ((<del>The secretary of state shall charge and collect for:</del>

17 (a) Filing articles of incorporation, thirty dollars.

18 (b) Filing an annual report of a domestic or foreign corporation, 19 ten dollars.

20 (c) Filing an application of a foreign corporation for a 21 certificate of authority to conduct affairs in this state, thirty 22 dollars.

23 (2)) The secretary of state ((shall)) <u>must</u> establish by rule, fees 24 for the following:

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(a) Filing articles of incorporation.

26 (b) Filing an annual report of a domestic or foreign corporation.

27 (c) Filing an application of a foreign corporation for a
 28 certificate of authority to conduct affairs in this state.

29 (d) An application for reinstatement under RCW 24.03.386.

30 (((<del>(b)</del>)) <u>(e)</u> Filing articles of amendment or restatement or an 31 amendment or supplement to an application for reinstatement.

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((<del>(c)</del>)) <u>(f)</u> Filing articles of merger or consolidation.

33 (((d))) (g) Filing a statement of change of address of registered 34 office or change of registered agent, or revocation, resignation, or 35 any combination of these. ((A separate fee for filing such statement 36 shall not be charged if the statement appears in an amendment to 1 articles of incorporation or in conjunction with the filing of the 2 annual report.

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(e))) (h) Filing articles of dissolution((, no fee)).

4 ((<del>(f)</del>)) <u>(i)</u> Filing an application of a foreign corporation for an 5 amended certificate of authority to conduct affairs in this state.

6 ((<del>(g)</del>)) <u>(j)</u> Filing an application for withdrawal of a foreign 7 corporation and issuing a certificate of withdrawal((<del>, no fee</del>)).

8 ((<del>(h)</del>)) <u>(k)</u> Filing a certificate by a foreign corporation of the 9 appointment of a registered agent. ((A separate fee for filing such 10 certificate shall not be charged if the statement appears in 11 conjunction with the filing of the annual report.

(i)) (1) Filing a certificate of election adopting the provisions
 of chapter 24.03 RCW.

14 ((<del>(j)</del>)) <u>(m)</u> Filing an application to reserve a corporate name.

15 (((+))) (n) Filing a notice of transfer of a reserved corporate 16 name.

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((<del>(l)</del>)) <u>(o)</u> Filing a name registration.

18 (((-m))) (p) Filing any other statement or report authorized for 19 filing under this chapter.

20 ((<del>(3)</del>)) <u>(2)</u> Fees ((shall be)) are adjusted by rule only in an 21 amount that does not exceed the average biennial increase in the cost 22 of providing service. This ((shall)) <u>must</u> be determined in a 23 ((biannual [biennial])) <u>biennial</u> cost study performed by the secretary.

24 **Sec. 4.** RCW 24.06.450 and 1993 c 269 s 7 are each amended to read 25 as follows:

26 (1) ((The secretary of state shall charge and collect for:

27 (a) Filing articles of incorporation, thirty dollars.

28 (b) Filing an annual report, ten dollars.

29 (c) Filing an application of a foreign corporation for a 30 certificate of authority to conduct affairs in this state, thirty 31 dollars.

32 (2)) The secretary of state ((shall)) must establish by rule, fees
33 for the following:

34 (a) <u>Filing articles of incorporation</u>.

35 <u>(b) Filing an annual report.</u>

36 (c) Filing an application of a foreign corporation for a 37 certificate of authority to conduct affairs in this state. 1 (d) Filing articles of amendment or restatement.

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((<del>(b)</del>)) <u>(e)</u> Filing articles of merger or consolidation.

3 (((<del>c)</del>)) (<u>f</u>) Filing a statement of change of address of registered 4 office or change of registered agent, or revocation, resignation, or 5 any combination of these. ((<u>A separate fee for filing such statement</u> 6 shall not be charged if the statement appears in an amendment to the 7 articles of incorporation or in conjunction with the annual report.

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(d))) (g) Filing articles of dissolution, no fee.

9 ((<del>(e)</del>)) <u>(h)</u> Filing an application of a foreign corporation for an 10 amended certificate of authority to conduct affairs in this state.

11 ((<del>(f)</del>)) <u>(i)</u> Filing a copy of an amendment to the articles of 12 incorporation of a foreign corporation holding a certificate of 13 authority to conduct affairs in this state.

14 ((<del>(g)</del>)) <u>(j)</u> Filing a copy of articles of merger of a foreign 15 corporation holding a certificate of authority to conduct affairs in 16 this state.

17 (((<del>(h)</del>)) <u>(k)</u> Filing an application for withdrawal of a foreign 18 corporation and issuing a certificate of withdrawal((<del>, no fee</del>)).

19 (((i))) (1) Filing a certificate by a foreign corporation of the 20 appointment of a registered agent. ((A separate fee for filing such 21 certificate shall not be charged if the statement appears in an 22 amendment to the articles of incorporation or in conjunction with the 23 annual report.

24 (j)) (m) Filing a certificate by a foreign corporation of the 25 revocation of the appointment of a registered agent. ((A separate fee 26 for filing such certificate shall not be charged if the statement 27 appears in an amendment to the articles of incorporation or in 28 conjunction with the annual report.

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(k))) (n) Filing an application to reserve a corporate name.

30 (((+))) (o) Filing a notice of transfer of a reserved corporate
31 name.

32 ((<del>(m)</del>)) <u>(p)</u> Filing any other statement or report of a domestic or 33 foreign corporation.

34 ((<del>(3)</del>)) <u>(2)</u> Fees ((shall be)) are adjusted by rule in an amount 35 that does not exceed the average biennial increase in the cost of 36 providing service. This ((shall)) <u>must</u> be determined in a biennial 37 cost study performed by the secretary. 1 Sec. 5. RCW 25.05.500 and 2009 c 437 s 4 are each amended to read
2 as follows:

(1) A partnership which is not a limited liability partnership on 3 4 June 11, 1998, may become a limited liability partnership upon the approval of the terms and conditions upon which it becomes a limited 5 б liability partnership by the vote necessary to amend the partnership 7 agreement except, in the case of a partnership agreement that expressly 8 considers obligations to contribute to the partnership, the vote 9 necessary to amend those provisions, and by filing the applications 10 required by subsection (2) of this section. A partnership which is a 11 limited liability partnership on June 11, 1998, continues as a limited 12 liability partnership under this chapter.

13 (2)(a) То become and to continue limited liability as a partnership, a partnership ((shall)) must file with the secretary of 14 state an application stating the name of the partnership; the location 15 of a registered office, which need not be a place of its activity in 16 this state; the address of its principal office; if the partnership's 17 principal office is not located in this state, the address of a 18 19 registered office and the name and address of a registered agent for 20 service of process in this state which the partnership will be required 21 to continuously maintain; the number of partners; a brief statement of 22 the business in which the partnership engages; any other matters that 23 the partnership determines to include; and that the partnership thereby 24 applies for status as a limited liability partnership.

(b) A registered agent for service of process under (a) of this
subsection must be an individual who is a resident of this state or
other person authorized to do business in this state.

(3) The application ((shall)) must be accompanied by a fee ((of one hundred seventy-five dollars)) for each partnership as established by
 the secretary of state in rule.

31 (4) The secretary of state ((shall)) <u>must</u> register as a limited 32 liability partnership any partnership that submits a completed 33 application with the required fee.

(5) A partnership registered under this section ((shall)) must pay
an annual fee, in each year following the year in which its application
is filed, on a date and in an amount specified by the secretary of
state. The fee must be accompanied by a notice, on a form provided by

1 the secretary of state, of the number of partners currently in the 2 partnership and of any material changes in the information contained in 3 the partnership's application for registration.

4 (6) Registration is effective immediately after the date an 5 application is filed, and remains effective until:

6 (a) It is voluntarily withdrawn by filing with the secretary of 7 state a written withdrawal notice executed by a majority of the 8 partners or by one or more partners or other persons authorized to 9 execute a withdrawal notice; or

10 (b) Thirty days after receipt by the partnership of a notice from 11 the secretary of state, which notice ((shall)) <u>must</u> be sent by first-12 class mail, postage prepaid, that the partnership has failed to make 13 timely payment of the annual fee specified in subsection (5) of this 14 section, unless the fee is paid within such a thirty-day period.

(7) The status of a partnership as a limited liability partnership, and the liability of the partners thereof, ((shall)) is not ((be)) affected by: (a) Errors in the information stated in an application under subsection (2) of this section or a notice under subsection (6) of this section; or (b) changes after the filing of such an application or notice in the information stated in the application or notice.

(8) The secretary of state may provide forms for the application under subsection (2) of this section or a notice under subsection (6) of this section.

24 Sec. 6. RCW 43.07.120 and 1998 c 103 s 1309 are each amended to 25 read as follows:

26 (1) The secretary of state ((shall)) <u>must</u> establish by rule and 27 collect the fees in this subsection:

(a) For a copy of any law, resolution, record, or other document orpaper on file in the secretary's office;

30 (b) For any certificate under seal;

31 (c) For filing and recording trademark;

32 (d) For each deed or patent of land issued by the governor;

33 (e) For recording miscellaneous records, papers, or other 34 documents.

35 (2) The secretary of state may adopt rules under chapter 34.05 RCW
 36 establishing reasonable fees for the following services rendered under

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1 Title 23B RCW, chapter 18.100, <u>19.09, 19.34,</u> 19.77, 23.86, 23.90, 2 24.03, 24.06, 24.12, 24.20, 24.24, 24.28, 24.36, <u>25.04,</u> 25.15, 25.10, 3 ((<del>or</del>)) 25.05, or 26.60 RCW:

4 (a) Any service rendered in-person at the secretary of state's 5 office;

6 (b) Any expedited service;

7 (c) The electronic or facsimile transmittal of information from
8 corporation records or copies of documents;

9 (d) The providing of information by micrographic or other reduced-10 format compilation;

(e) The handling of checks, drafts, or credit or debit cards upon adoption of rules authorizing their use for which sufficient funds are not on deposit; and

14 (f) Special search charges.

15 (3) To facilitate the collection of fees, the secretary of state 16 may establish accounts for deposits by persons who may frequently be 17 assessed such fees to pay the fees as they are assessed. The secretary 18 of state may make whatever arrangements with those persons as may be 19 necessary to carry out this section.

20 (4) The secretary of state may adopt rules for the use of credit or21 debit cards for payment of fees.

(5) No member of the legislature, state officer, justice of the supreme court, judge of the court of appeals, or judge of the superior court ((shall)) may be charged for any search relative to matters pertaining to the duties of his or her office; nor may such official be charged for a certified copy of any law or resolution passed by the legislature relative to his or her official duties, if such law has not been published as a state law.

29 Sec. 7. RCW 43.07.130 and 2005 c 518 s 924 are each amended to 30 read as follows:

There is created within the state treasury a revolving fund, to be known as the "secretary of state's revolving fund," which ((shall)) <u>must</u> be used by the office of the secretary of state to defray the costs of ((printing, reprinting, or distributing printed matter)) providing registration and information services authorized by law ((to be issued)) by the office of the secretary of state, and any other cost of carrying out the functions of the secretary of state under Title <u>11</u>,

1 <u>18, 19, 23, 23B, 24, 25, 26, 30, 42, 43, or 64</u> RCW((, or chapters 2 <del>18.100, 23.86, 23.90, 24.03, 24.06, 24.12, 24.20, 24.24, 24.28, 24.36,</del> 3 <del>25.15, or 25.10 RCW</del>)).

The secretary of state is ((hereby)) authorized to charge a fee for 4 5 ((such)) publications in an amount which will compensate for the costs of printing, reprinting, and distributing such printed matter. б Fees 7 recovered by the secretary of state under RCW 43.07.120(2), 19.09.305, 19.09.315, 19.09.440, 23B.01.220 (1)(e), (6) and (7), 23B.18.050, 8 24.03.410, 24.06.455, <u>25.10.600(6)</u>, <u>25.10.916(1)(e)</u>, or 46.64.040, and 9 such other moneys as are expressly designated for deposit in the 10 secretary of state's revolving fund ((shall)) must be placed in the 11 12 secretary of state's revolving fund.

During the 2005-2007 fiscal biennium, the legislature may transfer from the secretary of state's revolving fund to the state general fund such amounts as reflect the excess fund balance of the fund.

16 **Sec. 8.** RCW 25.15.105 and 2001 c 307 s 2 are each amended to read 17 as follows:

(1) Each domestic limited liability company, and each foreign
limited liability company authorized to transact business in this
state, ((shall)) <u>must</u> deliver to the secretary of state for filing,
both initial and annual reports that set forth:

(a) The name of the company and the state or country under whoselaw it is organized;

(b) The street address of its registered office and the name of itsregistered agent at that office in this state;

(c) In the case of a foreign company, the address of its principal
office in the state or country under the laws of which it is organized;

(d) The address of the principal place of business of the companyin this state;

30 (e) The names and addresses of the company's members, or if the 31 management of the company is vested in a manager or managers, then the 32 name and address of its manager or managers; and

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(f) A brief description of the nature of its business.

34 (2) Information in an initial report or an annual report must be
35 current as of the date the report is executed on behalf of the company.
36 (3) A company's initial report must be delivered to the secretary

37 of state within one hundred twenty days of the date on which a domestic

company's certificate of formation was filed, or on which a foreign company's application for registration was submitted. Subsequent annual reports must be delivered to the secretary of state on a date determined by the secretary of state, and at such additional times as the company elects.

6 (4)(a) The secretary of state may allow a company to file an 7 <u>initial or</u> annual report through electronic means. If allowed, the 8 secretary of state ((shall)) <u>must</u> adopt rules detailing the 9 circumstances under which the electronic filing of ((such)) <u>the</u> reports 10 ((shall be)) <u>is</u> permitted and how ((such)) <u>the</u> reports may be filed.

(b) For purposes of this section only, a person executing an electronically filed annual report may deliver the report to the office of the secretary of state without a signature and without an exact or conformed copy, but the person's name must appear in the electronic filing as the person executing the filing, and the filing must state the capacity in which the person is executing the filing.

17 **Sec. 9.** RCW 19.77.030 and 1998 c 39 s 1 are each amended to read 18 as follows:

(1) Subject to the limitations set forth in this chapter, any person who has adopted and is using a trademark in this state may file in the office of the secretary of state, on a form to be furnished by the secretary of state, an application for registration of that trademark setting forth, but not limited to, the following information: (a) The name and business address of the applicant, and, if the applicant is a corporation, its state of incorporation;

(b) The particular goods or services in connection with which thetrademark is used and the class in which such goods or services fall;

(c) The manner in which the trademark is placed on or affixed to the goods or containers, or displayed in connection with such goods, or used in connection with the sale or advertising of the services;

31 (d) The date when the trademark was first used with such goods or 32 services anywhere and the date when it was first used with such goods 33 or services in this state by the applicant or his predecessor in 34 business;

35 (e) A statement that the trademark is presently in use in this36 state by the applicant;

1 (f) A statement that the applicant believes himself to be the owner 2 of the trademark and believes that no other person has the right to use 3 such trademark in connection with the same or similar goods or services 4 in this state either in the identical form or in such near resemblance 5 thereto as to be likely, when used on or in connection with the goods 6 or services of such other person, to cause confusion or mistake or to 7 deceive; and

8 (g) Such additional information or documents as the secretary of 9 state may reasonably require.

10 (2) A single application for registration of a trademark may 11 specify all goods or services in a single class or in multiple classes 12 for which the trademark is actually being used.

(3) The application ((shall)) <u>must</u> be signed by the applicant
individual, or by a member of the applicant firm, or by an officer of
the applicant corporation, association, union or other organization.

16 (4) The application ((shall)) <u>must</u> be accompanied by three 17 specimens or facsimiles of the trademark for each of the goods or 18 services for which its registration is requested, and a filing fee, as 19 set by rule by the secretary of state, payable to the secretary of 20 state. The fee established by the secretary may vary based upon the 21 number of categories listed in the application.

22 (5) An applicant may correct an application previously filed by the 23 secretary of state, within ninety days of the original filing, if the 24 application contains an incorrect statement or the application was defectively executed, signed, or acknowledged. 25 An application is 26 corrected by filing a form provided by the secretary of state, and 27 accompanied by a filing fee established by the secretary by rule. The correction may not change the mark itself. A corrected application is 28 29 effective on the effective date of the document it corrects, except 30 that it is effective on the date the correction is filed as to persons relying on the uncorrected document and adversely affected by the 31 32 correction.

(6) An applicant may amend an application previously filed by the secretary of state if the applicant changes the categories in which it does business. An application is amended by filing a form provided by the secretary of state, accompanied by three specimens or facsimiles of the trademark for any new or additional goods or services for which the

amendment is requested, and a filing fee established by the secretary
 by rule. The amendment or correction may not change the mark itself.
 An amended application is effective on the date it is filed.

4 (7) If the secretary of state determines within ninety days of 5 issuance, that a certificate of registration was issued in error, then 6 the secretary may cancel the certificate of registration. The 7 secretary shall promptly notify the registrant of the cancellation in 8 writing. The registrant may petition the superior court of Thurston 9 county for review of the cancellation within sixty days.

10 **Sec. 10.** RCW 23.86.070 and 1993 c 269 s 1 are each amended to read 11 as follows:

For filing articles of incorporation of an association organized 12 13 under this chapter or filing application for a certificate of authority 14 by a foreign corporation, there ((shall)) must be paid to the secretary of state ((the sum of twenty five dollars)) a fee as established by the 15 16 secretary by rule. Fees for filing an amendment to articles of 17 incorporation ((shall)) must be established by the secretary of state by rule. For filing other documents with the secretary of state and 18 issuing certificates, fees ((shall be)) are as prescribed in RCW 19 20 23B.01.220. Associations subject to this chapter ((shall)) are not 21 ((be)) subject to any corporation license fees excepting the fees 22 hereinabove enumerated.

23 <u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 19.09 RCW 24 to read as follows:

The secretary of state shall collect the following fees in accordance with this chapter:

(1) For an application for registration as a charitable organization, a fee of sixty dollars. Twenty dollars of this fee must be deposited in the state general fund and the remaining forty dollars must be deposited in the charitable organization education account under RCW 19.09.530;

32 (2) For an annual renewal of registration as a charitable 33 organization, a fee of forty dollars. Ten dollars of this fee must be 34 deposited in the state general fund and the remaining thirty dollars 35 must be deposited in the charitable organization education account 36 under RCW 19.09.530;

1 (3) For an application for registration as a commercial fundraiser, 2 a fee of three hundred dollars. Two hundred fifty dollars of this fee 3 must be deposited in the state general fund and the remaining fifty 4 dollars must be deposited in the charitable organization education 5 account under RCW 19.09.530;

6 (4) For an annual renewal of registration as a commercial 7 fundraiser, a fee of two hundred twenty-five dollars. One hundred 8 seventy-five dollars of this fee must be deposited in the state general 9 fund and the remaining fifty dollars must be deposited in the 10 charitable organization education account under RCW 19.09.530;

(5) For a registration of a commercial fundraiser service contract, a fee of twenty dollars. Ten dollars of this fee must be deposited in the state general fund and the remaining ten dollars must be deposited in the charitable organization education account under RCW 19.09.530.

15 Sec. 12. RCW 19.09.075 and 2007 c 471 s 3 are each amended to read 16 as follows:

17 An application for registration as a charitable organization shall 18 be submitted in the form prescribed by rule by the secretary, 19 containing, but not limited to, the following:

20 (1) The name, address, and telephone number of the charitable 21 organization;

22 (2) The name(s) under which the organization will solicit 23 contributions;

(3) The name, address, and telephone number of the officers of orpersons accepting responsibility for the organization;

26 (4) The names of the three officers or employees receiving the27 greatest amount of compensation from the organization;

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(5) The purpose of the organization;

29 (6)(a) Whether the organization is exempt from federal income tax; 30 and if so the organization shall attach to its application a copy of 31 the letter by which the internal revenue service granted such status; 32 and

33 (b) The name and address of the entity that prepares, reviews, or 34 audits the financial statement of the organization;

35 (7) A solicitation report of the organization for the preceding 36 accounting year including:

37 (a) The types of solicitations conducted;

1 (b) The total dollar value of contributions received from 2 solicitations and from all other sources received on behalf of the 3 charitable purpose of the charitable organization;

4 (c) The total amount of money applied to charitable purposes, fund 5 raising costs, and other expenses; and

6 (d) The name, address, and telephone number of any commercial fund 7 raiser used by the organization;

8 (8) An irrevocable appointment of the secretary to receive service 9 of process in noncriminal proceedings as provided in RCW 19.09.305; and 10 (9) The total revenue of the preceding fiscal year.

11 The solicitation report required to be submitted under subsection 12 (7) of this section shall be in the form prescribed by rule by the 13 secretary, or as agreed to by the secretary and a charitable 14 organization. The president, treasurer, or comparable officer of the organization must sign and date the application. The application shall 15 be submitted with a nonrefundable filing fee ((which shall be in an 16 17 amount to be established by the secretary by rule. In determining the 18 amount of this application fee, the secretary may consider factors such 19 as the entity's annual budget and its federal income tax status)) established in section 11 of this act. If the secretary determines 20 21 that the application is complete, the application shall be filed and 22 the applicant deemed registered.

23 **Sec. 13.** RCW 19.09.079 and 2007 c 471 s 5 are each amended to read 24 as follows:

An application for registration as a commercial fund raiser shall be submitted in the form prescribed by the secretary, containing, but not limited to, the following:

28 (1) The name, address, and telephone number of the commercial fund-29 raising entity;

30 (2) The name(s), address(es), and telephone number(s) of the 31 owner(s) and principal officer(s) of the commercial fund-raising 32 entity;

33 (3) The name, address, and telephone number of the individual 34 responsible for the activities of the commercial fund-raising entity in 35 Washington;

36 (4) The names of the three officers or employees receiving the

1 greatest amount of compensation from the commercial fund-raising 2 entity;

3 (5) The name and address of the entity that prepares, reviews, or
4 audits the financial statement of the organization;

5 (6) A solicitation report of the commercial fund-raising entity for6 the preceding accounting year, including:

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(a) The types of fund raising services conducted;

8 (b) The names of charitable organizations required to register 9 under RCW 19.09.065 for whom fund raising services have been performed;

10 (c) The total value of contributions received on behalf of 11 charitable organizations required to register under RCW 19.09.065 by 12 the commercial fund raiser, affiliate of the commercial fund raiser, or 13 any entity retained by the commercial fund raiser; and

(d) The amount of money disbursed to charitable organizations for charitable purposes, net of fund raising costs paid by the charitable organization as stipulated in any agreement between charitable organizations and the commercial fund raiser;

18 (7) The name, address, and telephone number of any commercial fund 19 raiser that was retained in the conduct of providing fund raising 20 services; and

(8) An irrevocable appointment of the secretary to receive service
of process in noncriminal proceedings as provided in RCW 19.09.305.

The application shall be signed by an officer or owner of the commercial fund raiser and shall be submitted with a nonrefundable fee ((in an amount to be established by rule of the secretary)) established in section 11 of this act. If the secretary determines that the application is complete, the application shall be filed and the applicant deemed registered.

29 Sec. 14. RCW 19.09.097 and 2007 c 471 s 7 are each amended to read 30 as follows:

(1) No charitable organization may contract with a commercial fund raiser for any fund raising service or activity unless its contract requires that both parties comply with the law and permits officers of the charity reasonable access to: (a) The fund raisers' financial records relating to that charitable organization; (b) the fund raisers' operations including without limitation the right to be present during any telephone solicitation; and (c) the names of all of the fund

raisers' employees or staff who are conducting fund raising 1 or 2 charitable solicitations on behalf of the charitable organization. In addition, the contract shall specify the amount of raised funds that 3 4 the charitable organization will receive or the method of computing that amount, the amount of compensation of the commercial fund raiser 5 or the method of computing that amount, and whether the compensation is б 7 fixed or contingent.

8 (2) Before a charitable organization may contract with a commercial fund raiser for any fund raising service or activity, the charitable 9 10 organization and commercial fund raiser shall complete and file a registration form with the secretary. The registration shall be filed 11 12 by the charitable organization in the form prescribed by the secretary. 13 The registration shall contain, but not be limited to, the following 14 information:

15 (a) The name and registration number of the commercial fund raiser; (b) The name of the surety or sureties issuing the bond required by 16 17 RCW 19.09.190, the aggregate amount of such bond or bonds, the bond number(s), original effective date(s), and termination date(s); 18

19 and registration number of (C) The the charitable name organization; 20

21 (d) The name of the representative of the commercial fund raiser 22 who will be responsible for the conduct of the fund raising;

23 (e) The type(s) of service(s) to be provided by the commercial fund 24 raiser;

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(f) The dates such service(s) will begin and end;

26 (g) The terms of the agreement between the charitable organization 27 and commercial fund raiser relating to:

28 (i) Amount or percentages of amounts to inure to the charitable 29 organization;

30 (ii) Limitations placed on the maximum amount to be raised by the fund raiser, if the amount to inure to the charitable organization is 31 32 not stated as a percentage of the amount raised;

(iii) Costs of fund raising that will be the responsibility of the 33 charitable organization, regardless of whether paid as a direct 34 expense, deducted from the amounts disbursed, or otherwise; and 35

36 (iv) The manner in which contributions received directly by the 37 charitable organization, not the result of services provided by the

commercial fund raiser, will be identified and used in computing the
 fee owed to the commercial fund raiser; and

3 (h) The names of any entity to which more than ten percent of the 4 total anticipated fund raising cost is to be paid, and whether any 5 principal officer or owner of the commercial fund raiser or relative by 6 blood or marriage thereof is an owner or officer of any such entity.

7 (3) A correct copy of the contract shall be filed with the8 secretary before the commencement of any campaign.

9 (4) The registration form shall be submitted with a nonrefundable 10 filing fee ((in an amount to be established by rule of the secretary)) 11 <u>established in section 11 of this act</u> and shall be signed by an owner 12 or principal officer of the commercial fund raiser and the president, 13 treasurer, or comparable officer of the charitable organization.

14 **Sec. 15.** RCW 19.09.355 and 1983 c 265 s 18 are each amended to 15 read as follows:

Except as otherwise provided in this chapter, all fees and other moneys received by the secretary of state under this chapter shall be transmitted to the state treasurer for deposit in the state general fund.

20 Sec. 16. RCW 19.09.530 and 2007 c 471 s 14 are each amended to 21 read as follows:

The charitable organization education account is created in ((<del>[the]</del>)) <u>the</u> state treasury. All receipts from the <u>portion of</u> fees ((<del>authorized in RCW 19.09.520(1)</del>)) <u>designated in section 11 of this act</u> must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the charitable organization education program authorized in RCW 19.09.510.

29 <u>NEW SECTION.</u> Sec. 17. RCW 19.09.520 (Charitable organization 30 education program--Fees) and 2007 c 471 s 13 are each repealed.

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