

# HOUSE BILL REPORT

## HB 2299

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### As Passed Legislature

**Title:** An act relating to defining person under the business corporation act, uniform limited partnership act, and limited liability company act.

**Brief Description:** Defining person under the business corporation act, uniform limited partnership act, and limited liability company act.

**Sponsors:** By Representatives Esser, Lantz and Benson.

### Brief History:

#### Committee Activity:

Judiciary: 1/15/02, 1/22/02 [DP].

#### Floor Activity:

Passed House: 1/28/02, 96-0.

Passed Senate: 3/2/02, 44-0.

Passed Legislature.

### Brief Summary of Bill

- Provides uniformity in the definition of "person" in various business entity statutes.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass. Signed by 7 members: Representatives Lantz, Chair; Hurst, Vice Chair; Carrell, Ranking Minority Member; Dickerson, Esser, Lovick and Lysen.

**Staff:** Bill Perry (786-7123).

### Background:

A variety of business entities are authorized under Washington law. Some of these entities are the subject of individual chapters in the RCW. In recent years, several new kinds of business entities, such as limited liability partnerships and companies have been authorized.

The word "person" appears in the definition sections of several of the laws relating to

business entities. The word is applied in various ways throughout each of these laws. The word may be defined somewhat differently in each of these separate laws. For instance, "person" in the Business Corporation Act is defined simply to include "an individual and an entity," although the word "entity" is defined elsewhere in the act with some greater specificity.

The most recent enactment relating to business entities is the Revised Uniform Partnership Act (RUPA). That law was enacted in 1998 and contains a more detailed and comprehensive definition of the term "person."

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**Summary of Bill:**

The Business Corporation Act, the Uniform Limited Partnership Act, and the Limited Liability Company Act are each amended to incorporate the definition of "person" that is used in the RUPA.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This is a purely technical bill that provides uniformity among various business entity laws. It reduces the chances of confusion and unnecessary litigation.

**Testimony Against:** None.

**Testified:** Representative Esser, prime sponsor; and John Reed, Washington State Bar Association.