

CERTIFICATION OF ENROLLMENT

SENATE BILL 5040

65th Legislature
2017 Regular Session

Passed by the Senate March 1, 2017
Yeas 48 Nays 1

President of the Senate

Passed by the House April 5, 2017
Yeas 97 Nays 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5040** as passed by Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 5040

Passed Legislature - 2017 Regular Session

State of Washington

65th Legislature

2017 Regular Session

By Senators Pedersen and Padden; by request of Secretary of State

Read first time 01/11/17. Referred to Committee on Law & Justice.

1 AN ACT Relating to making revisions to the uniform business
2 organizations code; and amending RCW 23.95.235, 23.95.255, 23.95.530,
3 23B.01.570, and 25.05.500.

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

5 **Sec. 1.** RCW 23.95.235 and 2015 c 176 s 1208 are each amended to
6 read as follows:

7 (1) On request of any person, the secretary of state shall issue
8 a certificate of existence for a domestic entity or a certificate of
9 registration for a registered foreign entity.

10 (2) A certificate under subsection (1) of this section must
11 state:

12 (a) The domestic entity's name or the registered foreign entity's
13 name used in this state;

14 (b) In the case of a domestic entity:

15 (i) That its public organic record has been filed and has taken
16 effect;

17 (ii) The date the public organic record became effective;

18 (iii) The period of the entity's duration if the records of the
19 secretary of state reflect that the entity's period of duration is
20 less than perpetual; and

1 (iv) That the records of the secretary of state do not reflect
2 that the entity has been dissolved;

3 (c) In the case of a registered foreign entity((τ)):

4 (i) That it is registered to do business in this state;

5 (ii) The date the foreign entity registered to do business in
6 this state; and

7 (iii) That the records of the secretary of state do not reflect
8 that the foreign entity's registration to do business in the state
9 has been terminated;

10 (d) That all fees, interest, and penalties owed to this state by
11 the domestic or foreign entity and collected through the secretary of
12 state have been paid, if:

13 (i) Payment is reflected in the records of the secretary of
14 state; and

15 (ii) Nonpayment affects the existence or registration of the
16 domestic or foreign entity;

17 (e) That the most recent annual report required by RCW 23.95.255
18 has been delivered to the secretary of state for filing;

19 (f) That a proceeding is not pending under RCW 23.95.610 as to a
20 domestic entity or under RCW 23.95.550 as to a registered foreign
21 entity; and

22 (g) Other facts reflected in the records of the secretary of
23 state pertaining to the domestic or foreign entity which the person
24 requesting the certificate reasonably requests.

25 (3) Subject to any qualification stated in the certificate, a
26 certificate issued by the secretary of state under subsection (1) of
27 this section may be relied upon as conclusive evidence of the facts
28 stated in the certificate, and that as of the date of its issuance:

29 (a) In the case of a domestic entity, it is in existence and duly
30 formed or incorporated, as applicable; and (b) in the case of a
31 foreign entity, it is registered and authorized to do business in
32 this state.

33 (4) The terms "doing business" and "transacting business," and
34 their variants such as "do business" and "transact business," are
35 used interchangeably, and each has the same meaning as the other when
36 used in this title and in Titles 23B, 24, and 25 RCW.

37 **Sec. 2.** RCW 23.95.255 and 2015 c 176 s 1212 are each amended to
38 read as follows:

1 (1) A domestic entity other than a limited liability partnership
2 or nonprofit corporation shall, within one hundred twenty days of the
3 date on which its public organic record became effective, deliver to
4 the secretary of state for filing an initial report that states the
5 information required under subsection (2) of this section.

6 (2) A domestic entity or registered foreign entity shall deliver
7 to the secretary of state for filing an annual report that states:

8 (a) The name of the entity and its jurisdiction of formation;

9 (b) The name and street and mailing addresses of the entity's
10 registered agent in this state;

11 (c) The street and mailing addresses of the entity's principal
12 office;

13 (d) In the case of a registered foreign entity, the street and
14 mailing address of the entity's principal office in the state or
15 country under the laws of which it is incorporated;

16 (e) The names of the entity's governors;

17 (f) A brief description of the nature of the entity's business;

18 and

19 ~~(g) ((In the case of a business corporation, the names and
20 addresses of the chairperson of its board of directors, if any,
21 president, secretary, and treasurer, or individuals, however
22 designated, performing the functions of such officers; and~~

23 ~~(h))~~ The entity's unified business identifier number.

24 (3) Information in an initial or annual report must be current as
25 of the date the report is executed by the entity.

26 (4) Annual reports must be delivered to the secretary of state on
27 a date determined by the secretary of state and at such additional
28 times as the entity elects.

29 (5) If an initial or annual report does not contain the
30 information required by this section, the secretary of state promptly
31 shall notify the reporting entity in a record and return the report
32 for correction.

33 (6) If an initial or annual report contains the name or address
34 of a registered agent that differs from the information shown in the
35 records of the secretary of state immediately before the annual
36 report becomes effective, the differing information in the initial or
37 annual report is considered a statement of change under RCW
38 23.95.430.

39 (7) The secretary of state shall send to each domestic entity and
40 registered foreign entity, not less than thirty or more than ninety

1 days prior to the expiration date of the entity's annual renewal, a
2 notice that the entity's annual report must be filed as required by
3 this chapter and that any applicable annual renewal fee must be paid,
4 and stating that if the entity fails to file its annual report or pay
5 the annual renewal fee it will be administratively dissolved. The
6 notice may be sent by postal or (~~electronic mail [email]~~) email as
7 elected by the entity, addressed to its registered agent within the
8 state, or to an electronic address designated by the entity in a
9 record retained by the secretary of state. Failure of the secretary
10 of state to provide any such notice does not relieve a domestic
11 entity or registered foreign entity from its obligations to file the
12 annual report required by this chapter or to pay any applicable
13 annual renewal fee. The option to receive the notice provided under
14 this section by (~~electronic mail [email]~~) email may be selected
15 only when the secretary of state makes the option available.

16 **Sec. 3.** RCW 23.95.530 and 2015 c 176 s 1507 are each amended to
17 read as follows:

18 (1) A registered foreign entity may withdraw its registration by
19 delivering a statement of withdrawal to the secretary of state for
20 filing. The statement of withdrawal must be executed by the entity
21 and state:

22 (a) The name of the entity and its jurisdiction of formation;

23 (b) That the entity is not doing business in this state and that
24 it withdraws its registration to do business in this state;

25 (c) That the entity revokes the authority of its registered agent
26 to accept service on its behalf in this state; and

27 (d) An address to which service of process may be made under
28 subsection (3) of this section.

29 (2) For foreign corporations, the statement of withdrawal must be
30 accompanied by a copy of a revenue clearance certificate issued
31 pursuant to RCW 82.32.260.

32 (3) After the withdrawal of the registration of an entity,
33 service of process in any action or proceeding based on a cause of
34 action arising during the time the entity was registered to do
35 business in this state may be made pursuant to RCW 23.95.450.

36 **Sec. 4.** RCW 23B.01.570 and 2015 c 176 s 2111 are each amended to
37 read as follows:

1 In the event any domestic corporation(~~(, foreign or domestic,)~~)
2 fails to file a full and complete initial report under RCW 23.95.255,
3 or in the event any corporation, foreign or domestic, does business
4 in this state without having paid its annual corporate license fee
5 and without having filed a substantially complete annual report under
6 RCW 23.95.255 when either is due, there shall become due and owing
7 the state of Washington a penalty as established by rule by the
8 secretary under RCW 23.95.260.

9 A corporation organized under this title may at any time prior to
10 its dissolution as provided in Article 6 of chapter 23.95 RCW, and a
11 foreign corporation registered to do business in this state may at
12 any time prior to the termination of its registration as provided in
13 RCW 23.95.550, pay to the state of Washington its current annual
14 license fee, provided it also pays an amount equal to all previously
15 unpaid annual license fees plus the penalty established by rule by
16 the secretary under RCW 23.95.260.

17 **Sec. 5.** RCW 25.05.500 and 2015 c 176 s 5108 are each amended to
18 read as follows:

19 (1) A partnership which is not a limited liability partnership on
20 June 11, 1998, may become a limited liability partnership upon the
21 approval of the terms and conditions upon which it becomes a limited
22 liability partnership by the vote necessary to amend the partnership
23 agreement except, in the case of a partnership agreement that
24 expressly considers obligations to contribute to the partnership, the
25 vote necessary to amend those provisions, and by delivering to the
26 secretary of state for filing the applications required by subsection
27 (2) of this section. A partnership which is a limited liability
28 partnership on June 11, 1998, continues as a limited liability
29 partnership under this chapter.

30 (2)(a) To become and to continue as a limited liability
31 partnership, a partnership must deliver to the secretary of state for
32 filing an application stating the name of the partnership; the
33 address of its principal office; the name and address of a registered
34 agent for service of process in this state which the partnership will
35 be required to continuously maintain in accordance with Article 4 of
36 chapter 23.95 RCW; the number of partners; a brief statement of the
37 business in which the partnership engages; any other matters that the
38 partnership determines to include; and that the partnership thereby
39 applies for status as a limited liability partnership.

1 (b) A registered agent for service of process under (a) of this
2 subsection may be any person authorized under Article 4 of chapter
3 23.95 RCW to serve as registered agent.

4 (3) The application must be accompanied by a fee for each
5 partnership as established by the secretary of state under RCW
6 23.95.260.

7 (4) The secretary of state must register as a limited liability
8 partnership any partnership that submits a completed application with
9 the required fee.

10 (5) A partnership registered under this section must pay an
11 annual fee, in each year following the year in which its application
12 is filed, on a date and in an amount specified by the secretary of
13 state under RCW 23.95.260. The fee must be accompanied by (~~a notice,~~
14 ~~on a form provided by the secretary of state, of the number of~~
15 ~~partners currently in the partnership and of any material changes in~~
16 ~~the information contained in the partnership's application for~~
17 ~~registration~~) an annual report pursuant to RCW 23.95.255(2).

18 (6) Registration is effective as specified in RCW 23.95.210, and
19 remains effective until:

20 (a) It is voluntarily withdrawn by delivering to the secretary of
21 state for filing a written withdrawal notice executed by a majority
22 of the partners or by one or more partners or other persons
23 authorized to execute a withdrawal notice; or

24 (b) Thirty days after receipt by the partnership of a notice from
25 the secretary of state, which notice must be sent by first-class
26 mail, postage prepaid, that the partnership has failed to make timely
27 payment of the annual fee specified in subsection (5) of this
28 section, unless the fee is paid within such a thirty-day period.

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

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