

# SENATE BILL REPORT

## SB 5063

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As Passed Senate, March 11, 1997

**Title:** An act relating to names of corporations and units of government.

**Brief Description:** Clarifying naming conventions for corporations and units of government.

**Sponsors:** Senators Roach, Haugen, Johnson and Winsley; by request of Secretary of State.

**Brief History:**

**Committee Activity:** Law & Justice: 1/16/97 [DP].

Passed Senate, 3/11/97, 45-0.

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### SENATE COMMITTEE ON LAW & JUSTICE

**Majority Report:** Do pass.

Signed by Senators Roach, Chair; Johnson, Vice Chair; Fairley, Goings, Haugen, Jacobsen, Long, Stevens and Zarelli.

**Staff:** Aldo Melchiori (786-7439)

**Background:** In 1996, several corporations were registered with the office of the Secretary of State using names which were the same or very similar to the names of cities and/or counties in the state of Washington. In one such case, a corporation was registered under the name City of East Wenatchee, Inc.— Believing it had exclusive rights to the name, the corporation threatened litigation if the city of Wenatchee continued to use its name. Although this situation has not arisen often, this legislation provides a mechanism to preclude it from occurring in the future.

**Summary of Bill:** Cities, counties, state agencies, and other political subdivisions of the state have the ability to pursue administrative dissolution of any corporation whose name is not distinguishable from the applying entity. If the corporation was formed or certified prior to the creation of the governmental entity, a judicial determination of which party holds the superior property interest in the name must be obtained before dissolution may be sought.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The bill protects governmental entities from business organizations created to preempt the entities' rights and duties. The bill only affects three or four business organizations currently on the books.

**Testimony Against:** None.

**Testified:** Ralph Munro, Secretary of State (pro); Jeffrey Even, Assistant Attorney General (pro); Jim Justin, Association of Washington Cities (pro).