
Appropriations Committee

HB 2989

Brief Description: Funding the business license account created in RCW 19.02.210 through a charge imposed by the secretary of state on annual report filings by certain legal entities.

Sponsors: Representatives Lytton and Nealey.

Brief Summary of Bill

- Requires the Office of the Secretary of State to collect \$11 from various foreign or domestic legal entities when those entities file an annual report.
- Requires the Office of the Secretary of State to deposit the amounts collected from the annual report filings into the Business License Account administered by the Department of Revenue.

Hearing Date: 2/24/18

Staff: Jordan Clarke (786-7123).

Background:

The Secretary of State registers and maintains a list of entities conducting business in the state of Washington, including domestic and foreign (out-of-state) limited liability companies, corporations, and limited partnerships. The legal entities are required to file an annual report with the Secretary of State that includes the following information:

- the name of the entity and its jurisdiction of formation;
- the name and street and mailing addresses of the entity's registered agent in this state;
- the street and mailing addresses of the entity's principal office;
- the names of the entity's governors;
- a brief description of the nature of the entity's business; and
- the entity's unified business identifier number.

Prior to January 1, 2018, the Secretary of State designated the Department of Revenue as the agent for issuing all or a portion of the legal entity renewals within the jurisdiction of the

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Secretary of State. Legal entities were required to file the annual report using the Department of Revenue's Business Licensing Service (BLS). The cost to file the annual report using the BLS was \$71.

Beginning January 1, 2018, the BLS no longer processes annual reports. Legal entities must file all annual reports directly with the Secretary of State, Corporations and Charities Division using their Corporations and Charities Filing System (CCFS). The cost to file the annual report using the CCFS is \$60.

Summary of Bill:

The Secretary of State must collect \$11 from each of the following foreign or domestic legal entities when the legal entities file an annual report:

- For profit corporations;
- Professional service corporations;
- Limited liability companies;
- Professional limited liability companies;
- Public service corporations;
- Massachusetts trusts; and
- For profit cooperatives

All amounts collected from the annual report filings must be deposited into the Business License Account administered by the Department of Revenue.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.