

FINAL BILL REPORT

SB 5107

C 72 L 91

SYNOPSIS AS ENACTED

Brief Description: Making multiple changes to the statutes governing corporations.

SPONSORS: Senators Nelson, A. Smith and Newhouse.

SENATE COMMITTEE ON LAW & JUSTICE

HOUSE COMMITTEE ON JUDICIARY

BACKGROUND:

The Washington Business Corporation Act was enacted by the Legislature in 1989 to replace the former law governing the operation of corporations within the state. The act was modified last year to incorporate several technical changes recommended by the Corporate Act Revision Committee of the Washington State Bar Association.

Additional refinements to the Washington Business Corporation Act are proposed.

SUMMARY:

In addition to other specified forms, the Secretary of State may prescribe a standardized "initial report" form for use by corporations. A corporation's initial report must be delivered to the Secretary of State within 120 days of the date on which the corporation's articles of incorporation were filed. The filing fee for an initial report is \$10. The copying fee for an initial report is \$1. The penalty for failing to file a full and complete initial report is \$25. The Secretary of State may also administratively dissolve a corporation for failing to file an initial report when due. Each corporation is required to keep a copy of its initial report at its principal office. The officers of a corporation must consist of a president, one or more vice presidents, a secretary, and a treasurer.

The definition of "deliver" is expanded to make it clear that demands, consents, and waivers may be delivered to the corporation and its officers by facsimile transmission. In addition to first-class mail, notice to shareholders may be effected by telegraph, teletype, or facsimile equipment. For purposes of taking action without a meeting, a written consent from a shareholder is effective upon "delivery" instead of "possession."

In addition to more than a majority of the directors, the articles of incorporation or bylaws of a corporation may also specify a quorum consisting of less than a majority of the directors.

The procedure by which a foreign corporation applies to the Secretary of State for an amended certificate of authority is outlined.

VOTES ON FINAL PASSAGE:

Senate	42	5
House	94	0

EFFECTIVE: July 28, 1991