

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5107**

Chapter 72, Laws of 1991

52nd Legislature  
1991 Regular Session

CORPORATIONS--REVISED PROVISIONS

EFFECTIVE DATE: 7/28/91

Passed by the Senate February 25, 1991  
Yeas 42 Nays 5

JOEL PRITCHARD  
**President of the Senate**

Passed by the House April 17, 1991  
Yeas 94 Nays 0

JOE KING  
**Speaker of the  
House of Representatives**

Approved May 3, 1991

BOOTH GARDNER  
**Governor of the State of Washington**

CERTIFICATE

I, Gordon Golob, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5107** as passed by the Senate and the House of Representatives on the dates hereon set forth.

GORDON A. GOLOB  
**Secretary**

FILED

May 3, 1991 - 10:08 a.m.

**Secretary of State  
State of Washington**



---

**SENATE BILL 5107**

---

Passed Legislature - 1991 Regular Session

**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** Senators Nelson, A. Smith and Newhouse.

Read first time January 21, 1991. Referred to Committee on Law & Justice.

1            AN ACT Relating to corporations; amending RCW 11.36.021, 18.08.420,  
2 18.100.050, 18.100.116, 18.100.130, 18.100.133, 18.100.134, 19.02.100,  
3 23.78.020, 23.78.030, 23.78.050, 23.78.060, 23.78.080, 23.78.100,  
4 23.86.070, 23.86.145, 23.86.200, 23.86.210, 23.86.220, 23.86.230,  
5 23.86.330, 23.86.340, 23.86.360, 23B.01.200, 23B.01.210, 23B.01.220,  
6 23B.01.280, 23B.01.400, 23B.01.410, 23B.01.570, 23B.02.050, 23B.04.010,  
7 23B.07.040, 23B.07.060, 23B.08.240, 23B.10.070, 23B.14.200, 23B.15.040,  
8 23B.15.300, 23B.16.010, 23B.16.220, 24.03.035, 24.03.070, 24.06.905,  
9 24.36.050, 24.36.090, 25.10.020, 25.10.600, 31.24.030, 31.24.150,  
10 33.48.025, 33.48.030, 43.07.120, 43.07.130, 43.07.140, 43.07.190,  
11 50.04.165, and 61.24.010; and repealing RCW 23A.32.050.

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

13            **Sec. 1.** RCW 11.36.021 and 1985 c 30 s 6 are each amended to read  
14 as follows:

15            (1) The following may serve as trustees:

1 (a) Any suitable persons over the age of eighteen years, if not  
2 otherwise disqualified;

3 (b) Any trust company regularly organized under the laws of this  
4 state and national banks when authorized to do so;

5 (c) Any nonprofit corporation, if the articles of incorporation or  
6 bylaws of that corporation permit the action and the corporation is in  
7 compliance with all applicable provisions of Title 24 RCW;

8 (d) Any professional service corporations regularly organized under  
9 the laws of this state whose shareholder or shareholders are  
10 exclusively attorneys; and

11 (e) Any other entity so authorized under the laws of the state of  
12 Washington.

13 (2) The following are disqualified to serve as trustees:

14 (a) Minors, persons of unsound mind, or persons who have been  
15 convicted of any felony or a misdemeanor involving moral turpitude; and

16 (b) A corporation organized under Title ((23A)) 23B RCW that is not  
17 authorized under the laws of the state of Washington to act as a  
18 fiduciary.

19 **Sec. 2.** RCW 18.08.420 and 1985 c 37 s 13 are each amended to read  
20 as follows:

21 (1) An architect or architects may organize a corporation formed  
22 either as a business corporation under the provisions of Title ((23A))  
23 23B RCW or as a professional corporation under the provisions of  
24 chapter 18.100 RCW. For an architect or architects to practice  
25 architecture through a corporation or joint stock association organized  
26 by any person under Title ((23A)) 23B RCW, the corporation or joint  
27 stock association shall file with the board:

28 (a) The application for certificate of authorization upon a form to  
29 be prescribed by the board and containing information required to

1 enable the board to determine whether the corporation is qualified  
2 under this chapter to practice architecture in this state;

3 (b) Its notices of incorporation and bylaws and a certified copy of  
4 a resolution of the board of directors of the corporation that  
5 designates individuals registered under this chapter as responsible for  
6 the practice of architecture by the corporation in this state and that  
7 provides that full authority to make all final architectural decisions  
8 on behalf of the corporation with respect to work performed by the  
9 corporation in this state shall be granted and delegated by the board  
10 of directors to the individuals designated in the resolution. The  
11 filing of the resolution shall not relieve the corporation of any  
12 responsibility or liability imposed upon it by law or by contract; and

13 (c) A designation in writing setting forth the name or names of the  
14 person or persons registered under this chapter who are responsible for  
15 the architecture of the firm. If there is a change in the person or  
16 persons responsible for the architecture of the firm, the changes shall  
17 be designated in writing and filed with the board within thirty days  
18 after the effective date of the changes.

19 (2) Upon the filing with the board of the application for  
20 certificate of authorization, the certified copy of the resolution, and  
21 the information specified in subsection (1) of this section, the board  
22 shall authorize the director to issue to the corporation a certificate  
23 of authorization to practice architecture in this state upon a  
24 determination by the board that:

25 (a) The bylaws of the corporation contain provisions that all  
26 architectural decisions pertaining to any project or architectural  
27 activities in this state shall be made by the specified architects  
28 responsible for the project or architectural activities, or other  
29 responsible architects under the direction or supervision of the  
30 architects responsible for the project or architectural activities;

1 (b) The applicant corporation has the ability to provide, through  
2 qualified personnel, professional services or creative work requiring  
3 architectural experience, and with respect to the architectural  
4 services that the corporation undertakes or offers to undertake, the  
5 personnel have the ability to apply special knowledge to the  
6 professional services or creative work such as consultation,  
7 investigation, evaluation, planning, design, and administration of the  
8 construction contract in connection with any public or private  
9 structures, buildings, equipment, processes, works, or projects;

10 (c) The application for certificate of authorization contains the  
11 professional records of the designated person or persons who are  
12 responsible;

13 (d) The application for certificate of authorization states the  
14 experience of the corporation, if any, in furnishing architectural  
15 services during the preceding five-year period;

16 (e) The applicant corporation meets such other requirements related  
17 to professional competence in the furnishing of architectural services  
18 as may be established and promulgated by the board in furtherance of  
19 the purposes of this chapter; and

20 (f) The applicant corporation is possessed of the ability and  
21 competence to furnish architectural services in the public interest.

22 (3) Upon recommendation of the board, the director shall refuse to  
23 issue or may suspend or revoke a certificate of authorization to a  
24 corporation if the board finds that any of the officers, directors,  
25 incorporators, or the stockholders holding a majority of stock of the  
26 corporation have committed an act prohibited under RCW 18.08.440 or  
27 have been found personally responsible for misconduct under subsection  
28 (6) or (7) of this section.

29 (4) In the event a corporation, organized solely by a group of  
30 architects each registered under this chapter, applies for a

1 certificate of authorization, the board may, in its discretion, grant  
2 a certificate of authorization to that corporation based on a review of  
3 the professional records of such incorporators, in lieu of the required  
4 qualifications set forth in subsections (1) and (2) of this section.  
5 In the event the ownership of such corporation is altered, the  
6 corporation shall apply for a revised certificate of authorization,  
7 based upon the professional records of the owners if exclusively  
8 architects, under the qualifications required by subsections (1) and  
9 (2) of this section.

10 (5) Any corporation authorized to practice architecture under this  
11 chapter, together with its directors and officers for their own  
12 individual acts, are responsible to the same degree as an individual  
13 registered architect and shall conduct their business without  
14 misconduct or malpractice in the practice of architecture as defined in  
15 this chapter.

16 (6) Any corporation that has been certified under this chapter and  
17 has engaged in the practice of architecture shall have its certificate  
18 of authorization either suspended or revoked by the board if, after a  
19 proper hearing, the board finds that the corporation has committed  
20 misconduct or malpractice under RCW 18.08.440. In such a case, any  
21 individual architect registered under this chapter who is involved in  
22 such misconduct is also subject to disciplinary measures provided in  
23 this chapter.

24 (7) All plans, specifications, designs, and reports when issued in  
25 connection with work performed by a corporation under its certificate  
26 of authorization shall be prepared by or under the direction of the  
27 designated architects and shall be signed by and stamped with the  
28 official seal of the designated architects in the corporation  
29 authorized under this chapter.

1 (8) For each certificate of authorization issued under this section  
2 there shall be paid a certification fee and an annual certification  
3 renewal fee as prescribed by the director under RCW 43.24.086.

4 (9) This chapter shall not affect the practice of architecture as  
5 a professional service corporation under chapter 18.100 RCW.

6 **Sec. 3.** RCW 18.100.050 and 1986 c 261 s 1 are each amended to read  
7 as follows:

8 An individual or group of individuals duly licensed or otherwise  
9 legally authorized to render the same professional services within this  
10 state may organize and become a shareholder or shareholders of a  
11 professional corporation for pecuniary profit under the provisions of  
12 Title ((23A)) 23B RCW for the purpose of rendering professional  
13 service: PROVIDED, That one or more of such legally authorized  
14 individuals shall be the incorporators of such professional  
15 corporation: PROVIDED FURTHER, That notwithstanding any other provision  
16 of this chapter, registered architects and registered engineers may own  
17 stock in and render their individual professional services through one  
18 professional service corporation: PROVIDED FURTHER, That licensed  
19 health care professionals, providing services to enrolled participants  
20 either directly or through arrangements with a health maintenance  
21 organization registered under chapter 48.46 RCW or federally qualified  
22 health maintenance organization, may own stock in and render their  
23 individual professional services through one professional service  
24 corporation: AND PROVIDED FURTHER, That professionals may organize a  
25 nonprofit nonstock corporation under this chapter and chapter 24.03 RCW  
26 to provide professional services, and the provisions of this chapter  
27 relating to stock and referring to Title ((23A)) 23B RCW shall not  
28 apply to any such corporation.



1       **Sec. 4.** RCW 18.100.116 and 1983 c 51 s 10 are each amended to read  
2 as follows:

3       If a shareholder of a professional corporation dies, or if shares  
4 of a professional corporation are transferred by operation of law or  
5 court decree to an ineligible person, and if the shares held by the  
6 deceased shareholder or by such ineligible person are less than all of  
7 the outstanding shares of the corporation:

8       (1) The shares held by the deceased shareholder or by the  
9 ineligible person may be transferred to remaining shareholders of the  
10 corporation or may be redeemed by the corporation pursuant to terms  
11 stated in the articles of incorporation or by laws of the corporation,  
12 or in a private agreement. In the absence of any such terms, such  
13 shares may be transferred to any individual eligible to be a  
14 shareholder of the corporation.

15       (2) If such a redemption or transfer of the shares held by a  
16 deceased shareholder or an ineligible person is not completed within  
17 twelve months after the death of the deceased shareholder or the  
18 transfer, as the case may be, such shares shall be deemed to be shares  
19 with respect to which the holder has elected to exercise the right of  
20 dissent described in chapter 23B.13 RCW (~~((23A.24.040))~~) and has made  
21 written demand on the corporation for payment of the fair value of such  
22 shares. The corporation shall forthwith cancel the shares on its books  
23 and the deceased shareholder or ineligible person shall have no further  
24 interest in the corporation other than the right to payment for the  
25 shares as is provided in RCW (~~((23A.24.040))~~) 23B.13.250. For purposes  
26 of the application of RCW (~~((23A.24.040))~~) 23B.13.250, the date of the  
27 corporate action and the date of the shareholder's written demand shall  
28 be deemed to be one day after the date on which the twelve-month period  
29 from the death of the deceased shareholder, or from the transfer,  
30 expires.

1       **Sec. 5.** RCW 18.100.130 and 1986 c 261 s 2 are each amended to read  
2 as follows:

3       (1) For a professional service corporation organized for pecuniary  
4 profit under this chapter, the provisions of Title ((23A)) 23B RCW  
5 shall be applicable except to the extent that any of the provisions of  
6 this chapter are interpreted to be in conflict with the provisions  
7 thereof, and in such event the provisions and sections of this chapter  
8 shall take precedence with respect to a corporation organized pursuant  
9 to the provisions of this chapter.

10       (2) For a professional service corporation organized under this  
11 chapter and chapter 24.03 RCW as a nonprofit nonstock corporation, the  
12 provisions of chapter 24.03 RCW shall be applicable except to the  
13 extent that any of the provisions of this chapter are interpreted to be  
14 in conflict with the provisions thereof, and in such event the  
15 provisions and sections of this chapter shall take precedence with  
16 respect to a corporation organized under the provisions of this  
17 chapter.

18       **Sec. 6.** RCW 18.100.133 and 1986 c 261 s 5 are each amended to read  
19 as follows:

20       A business corporation formed under the provisions of Title ((23A))  
21 23B RCW may amend its articles of incorporation to change its stated  
22 purpose to the rendering of professional services and to conform to the  
23 requirements of this chapter. Upon the effective date of such  
24 amendment, the corporation shall be subject to the provisions of this  
25 chapter and shall continue in existence as a professional corporation  
26 under this chapter.

27       **Sec. 7.** RCW 18.100.134 and 1986 c 261 s 3 are each amended to read  
28 as follows:

1 A professional corporation may amend its articles of incorporation  
2 to delete from its stated purposes the rendering of professional  
3 services and to conform to the requirements of Title ((23A)) 23B RCW,  
4 or to the requirements of chapter 24.03 RCW if organized pursuant to  
5 RCW 18.100.050 as a nonprofit nonstock corporation. Upon the effective  
6 date of such amendment, the corporation shall no longer be subject to  
7 the provisions of this chapter and shall continue in existence as a  
8 corporation under Title ((23A)) 23B RCW or chapter 24.03 RCW.

9 **Sec. 8.** RCW 19.02.100 and 1982 c 182 s 10 are each amended to read  
10 as follows:

11 (1) The department shall not issue or renew a master license to any  
12 person if:

13 (a) The person does not have a valid tax registration, if required;

14 (b) The person is a corporation delinquent in fees or penalties  
15 owing to the secretary of state or is not validly registered under  
16 Title ((23A)) 23B RCW, chapter 18.100 RCW, Title 24 RCW, and any other  
17 statute now or hereafter adopted which gives corporate or business  
18 licensing responsibilities to the secretary of state; or

19 (c) The person has not submitted the sum of all fees and deposits  
20 required for the requested individual license endorsements, any  
21 outstanding master license delinquency fee, or other fees and penalties  
22 to be collected through the system.

23 (2) Nothing in this section shall prevent registration by the state  
24 of an employer for the purpose of paying an employee of that employer  
25 industrial insurance or unemployment insurance benefits.

26 **Sec. 9.** RCW 23.78.020 and 1987 c 457 s 3 are each amended to read  
27 as follows:

1 Any corporation organized under the laws of this state may elect to  
2 be governed as an employee cooperative under  
3 the provisions of this chapter, by so stating in its articles of  
4 incorporation, or articles of amendment filed in accordance with Title  
5 ((23A)) 23B RCW.

6 A corporation so electing shall be governed by all provisions of  
7 Title ((23A)) 23B RCW, except RCW 23B.07.050, 23B.13.020, and chapter  
8 ((23A.20)) 23B.11 RCW, and except as otherwise provided in this  
9 chapter.

10 **Sec. 10.** RCW 23.78.030 and 1987 c 457 s 4 are each amended to read  
11 as follows:

12 An employee cooperative may revoke its election under this chapter  
13 by a vote of two-thirds of the members and through articles of  
14 amendment filed with the secretary of state in accordance with  
15 ((chapter 23A.16)) RCW 23B.01.200 and 23B.10.060.

16 **Sec. 11.** RCW 23.78.050 and 1987 c 457 s 6 are each amended to read  
17 as follows:

18 (1) The articles of incorporation or the bylaws shall establish  
19 qualifications and the method of acceptance and termination of members.  
20 No person may be accepted as a member unless employed by the employee  
21 cooperative on a full-time or part-time basis.

22 (2) An employee cooperative shall issue a class of voting stock  
23 designated as "membership shares." Each member shall own only one  
24 membership share, and only members may own these shares.

25 (3) Membership shares shall be issued for a fee as determined from  
26 time to time by the directors. RCW ((23A.08.140 and 23A.08.200))  
27 23B.06.040 and 23B.06.200 do not apply to such membership shares.

1 Members of an employee cooperative shall have all the rights and  
2 responsibilities of stockholders of a corporation organized under Title  
3 ((23A)) 23B RCW, except as otherwise provided in this chapter.

4 **Sec. 12.** RCW 23.78.060 and 1987 c 457 s 7 are each amended to read  
5 as follows:

6 (1) No capital stock other than membership shares shall be given  
7 voting power in an employee cooperative, except as otherwise provided  
8 in this chapter, or in the articles of incorporation.

9 (2) The power to amend or repeal bylaws of an employee cooperative  
10 shall be in the members only.

11 (3) Except as otherwise permitted by RCW ((23A.16.030)) 23B.10.040,  
12 no capital stock other than membership shares shall be permitted to  
13 vote on any amendment to the articles of incorporation.

14 **Sec. 13.** RCW 23.78.080 and 1987 c 457 s 9 are each amended to read  
15 as follows:

16 (1) Any employee cooperative may establish through its articles of  
17 incorporation or bylaws a system of internal capital accounts to  
18 reflect the book value and to determine the redemption price of  
19 membership shares, capital stock, and written notices of allocation.

20 (2) The articles of incorporation or bylaws of an employee  
21 cooperative may permit the periodic redemption of written notices of  
22 allocation and capital stock, and must provide for recall and  
23 redemption of the membership share upon termination of membership in  
24 the cooperative. No redemption shall be made if redemption would  
25 result in a violation of RCW ((23A.08.020)) 23B.06.400.

26 (3) The articles of incorporation or bylaws may provide for the  
27 employee cooperative to pay or credit interest on the balance in each  
28 member's internal capital account.

1 (4) The articles of incorporation or bylaws may authorize  
2 assignment of a portion of retained net earnings and net losses to a  
3 collective reserve account. Earnings assigned to the collective  
4 reserve account may be used for any and all corporate purposes as  
5 determined by the board of directors.

6 **Sec. 14.** RCW 23.78.100 and 1987 c 457 s 11 are each amended to  
7 read as follows:

8 (1) When any employee cooperative revokes its election in  
9 accordance with RCW 23.78.030, the articles of amendment shall provide  
10 for conversion of membership shares and internal capital accounts or  
11 their conversion to securities or other property in a manner consistent  
12 with Title ((23A)) 23B RCW.

13 (2) An employee cooperative that has not revoked its election under  
14 this chapter may not ((consolidate or)) merge with another corporation  
15 other than an employee cooperative. Two or more employee cooperatives  
16 may ((consolidate or)) merge in accordance with RCW 23B.01.200,  
17 23B.07.050, and chapter ((23A.20)) 23B.11 RCW.

18 **Sec. 15.** RCW 23.86.070 and 1989 c 307 s 9 are each amended to read  
19 as follows:

20 For filing articles of incorporation of an association organized  
21 under this chapter or filing application for a certificate of authority  
22 by a foreign corporation, there shall be paid to the secretary of state  
23 the sum of twenty-five dollars and for filing of an amendment the sum  
24 of twenty dollars. Fees for filing other documents with the secretary  
25 of state and issuing certificates shall be as prescribed in RCW  
26 ((23A.40.020)) 23B.01.220. Associations subject to this chapter shall  
27 not be subject to any corporation license fees excepting the fees  
28 hereinabove enumerated.

1       **Sec. 16.** RCW 23.86.145 and 1989 c 307 s 31 are each amended to  
2 read as follows:

3       (1) Except as provided otherwise under subsection (2) of this  
4 section, the rights and procedures set forth in ((RCW 23A.24.040))  
5 chapter 23B.13 RCW shall apply to a member who elects to exercise the  
6 right of dissent.

7       (2) The articles of incorporation of an association subject to this  
8 chapter may provide that a dissenting member shall be limited to a  
9 return of less than the fair value of the member's equity interest in  
10 the association, but a dissenting member may not be limited to a return  
11 of less than the consideration paid to or retained by the association  
12 for the equity interest unless the fair value is less than the  
13 consideration paid to or retained by the association.

14       **Sec. 17.** RCW 23.86.200 and 1971 ex.s. c 221 s 1 are each amended  
15 to read as follows:

16       For the purposes of RCW 23.86.200 through 23.86.230 a "domestic"  
17 cooperative association or "domestic" corporation is one formed under  
18 the laws of this state, and an "ordinary business" corporation is one  
19 formed or which could be formed under Title ((23A)) 23B RCW.

20       **Sec. 18.** RCW 23.86.210 and 1989 c 307 s 27 are each amended to  
21 read as follows:

22       (1) A cooperative association may be converted to a domestic  
23 ordinary business corporation pursuant to the following procedures:

24       (a) The board of directors of the association shall, by affirmative  
25 vote of not less than two-thirds of all such directors, adopt a plan  
26 for such conversion setting forth:

27       (i) The reasons why such conversion is desirable and in the  
28 interests of the members of the association;

1 (ii) The proposed contents of articles of conversion with respect  
2 to items (ii) through (ix) of subparagraph (c) below; and

3 (iii) Such other information and matters as the board of directors  
4 may deem to be pertinent to the proposed plan.

5 (b) After adoption by the board of directors, the plan for  
6 conversion shall be submitted for approval or rejection to the members  
7 of the association at any regular meetings or at any special meetings  
8 called for that purpose, after notice of the proposed conversion has  
9 been given to all members entitled to vote thereon, in the manner  
10 provided by the bylaws. The notice of the meeting shall be accompanied  
11 by a full copy of the proposed plan for conversion or by a summary of  
12 its provisions. At the meeting members may vote upon the proposed  
13 conversion in person, or by written proxy, or by mailed ballot. The  
14 affirmative vote of two-thirds of the members voting thereon shall be  
15 required for approval of the plan of conversion. If the total vote  
16 upon the proposed conversion shall be less than twenty-five percent of  
17 the total membership of the association, the conversion shall not be  
18 approved.

19 (c) Upon approval by the members of the association, the articles  
20 of conversion shall be executed in duplicate by the association by one  
21 of its officers and shall set forth:

22 (i) The dates and vote by which the plan for conversion was adopted  
23 by the board of directors and members respectively;

24 (ii) The corporate name of the converted organization. The name  
25 shall comply with requirements for names of business corporations  
26 formed under Title ((23A)) 23B RCW, and shall not contain the term  
27 "cooperative";

28 (iii) The purpose or purposes for which the converted corporation  
29 is to exist;



1 (iv) The duration of the converted corporation, which may be  
2 perpetual or for a stated term of years;

3 (v) The capitalization of the converted corporation and the class  
4 or classes of shares of stock into which divided, together with the par  
5 value, if any, of such shares, in accordance with statutory  
6 requirements applicable to ordinary business corporations, and the  
7 basis upon which outstanding shares of the association are converted  
8 into shares of the converted corporation;

9 (vi) Any provision limiting or denying to shareholders the  
10 preemptive right to acquire additional shares of the converted  
11 corporation;

12 (vii) The address of the converted corporation's initial registered  
13 office and its initial registered agent at such address;

14 (viii) The names and addresses of the persons who are to serve as  
15 directors of the converted corporation until the first annual meeting  
16 of shareholders of the converted corporation or until their successors  
17 are elected and qualify;

18 (ix) Any additional provisions, not inconsistent with law, provided  
19 for by the plan for conversion for the regulation of the internal  
20 affairs of the converted corporation, including any provision  
21 restricting the transfer of shares or which under Title ((23A)) 23B RCW  
22 is required or permitted to be set forth in bylaws.

23 (d) The executed duplicate originals of the articles of conversion  
24 shall be delivered to the secretary of state. If the secretary of  
25 state finds that the articles of conversion conform to law, the  
26 secretary of state shall, when all the fees have been paid as in this  
27 section prescribed:

28 (i) Endorse on each of such originals the word "Filed", and the  
29 effective date of such filing;

30 (ii) File one of such originals; and

1 (iii) Issue a certificate of conversion to which one of such  
2 originals shall be affixed.

3 (e) The certificate of conversion, together with the original of  
4 the articles of conversion affixed thereto by the secretary of state,  
5 shall be returned to the converted corporation or its representative.  
6 The original affixed to the certificate of conversion shall be retained  
7 by the converted corporation.

8 (f) Upon filing the articles of conversion the converted  
9 corporation shall pay, and the secretary of state shall collect, the  
10 same filing and license fees as for filing articles of incorporation of  
11 a newly formed business corporation similarly capitalized.

12 (2) Upon filing by the secretary of state of the articles of  
13 conversion, the conversion of the cooperative association to an  
14 ordinary business corporation shall become effective; the articles of  
15 conversion shall thereafter constitute and be treated in like manner as  
16 articles of incorporation; and the converted corporation shall be  
17 subject to all laws applicable to corporations formed under Title  
18 ((23A)) 23B RCW, and shall not thereafter be subject to laws applying  
19 only to cooperative associations. The converted corporation shall  
20 constitute and be deemed to constitute a continuation of the corporate  
21 substance of the cooperative association and the conversion shall in no  
22 way derogate from the rights of creditors of the former association.

23 **Sec. 19.** RCW 23.86.220 and 1989 c 307 s 28 are each amended to  
24 read as follows:

25 (1) A cooperative association may merge with one or more domestic  
26 cooperative associations, or with one or more domestic ordinary  
27 business corporations, in accordance with the procedures and subject to  
28 the conditions set forth or referred to in this section.

1 (2) If the merger is into another domestic cooperative association,  
2 the board of directors of each of the associations shall approve by  
3 vote of not less than two-thirds of all the directors, a plan of merger  
4 setting forth:

5 (a) The names of the associations proposing to merge;

6 (b) The name of the association which is to be the surviving  
7 association in the merger;

8 (c) The terms and conditions of the proposed merger;

9 (d) The manner and basis of converting the shares of each merging  
10 association into shares or other securities or obligations of the  
11 surviving association;

12 (e) A statement of any changes in the articles of incorporation of  
13 the surviving association to be effected by such merger; and

14 (f) Such other provisions with respect to the proposed merger as  
15 are deemed necessary or desirable.

16 (3) Following approval by the boards of directors, the plan of  
17 merger shall be submitted to a vote of the members of each of the  
18 associations at any regular meeting or at any special meetings called  
19 for that purpose, after notice of the proposed merger has been given to  
20 all members entitled to vote thereon, in the manner provided in the  
21 bylaws. The notice of the meeting shall be in writing stating the  
22 purpose or purposes of the meeting and include or be accompanied by a  
23 copy or summary of the plan of merger. At the meeting members may vote  
24 upon the proposed merger in person, or by written proxy, or by mailed  
25 ballot. The affirmative vote of two-thirds of the members voting  
26 thereon, by each association, shall be required for approval of the  
27 plan of merger. If the total vote of either association upon the  
28 proposed merger shall be less than twenty-five percent of the total  
29 membership of such association, the merger shall not be approved.

1 (4) Upon approval by the members of the associations proposing to  
2 merge, articles of merger shall be executed in duplicate by each  
3 association by an officer of each association, and shall set forth:

4 (a) The plan of merger;

5 (b) As to each association, the number of members and, if there is  
6 capital stock, the number of shares outstanding; and

7 (c) As to each association, the number of members who voted for and  
8 against such plan, respectively.

9 (5) Duplicate originals of the articles of merger shall be  
10 delivered to the secretary of state. If the secretary of state finds  
11 that such articles conform to law, the secretary of state shall, when  
12 all fees have been paid as in this section prescribed:

13 (a) Endorse on each of such originals the word "Filed", and the  
14 effective date of such filing;

15 (b) File one of such originals; and

16 (c) Issue a certificate of merger to which one of such originals  
17 shall be affixed.

18 (6) The certificate of merger, together with the duplicate original  
19 of the articles of merger affixed thereto by the secretary of state  
20 shall be returned to the surviving association or its representative.

21 (7) For filing articles of merger hereunder the secretary of state  
22 shall charge and collect the same fees as apply to filing of articles  
23 of merger of ordinary business corporations.

24 (8) If the plan of merger is for merger of the cooperative  
25 association into a domestic ordinary business corporation, the  
26 association shall follow the same procedures as hereinabove provided  
27 for merger of domestic cooperative associations and the ordinary  
28 business corporation shall follow the applicable procedures set forth  
29 in RCW 23B.07.050 and chapter ((23A.20)) 23B.11 RCW.

1 (9) At any time prior to filing of the articles of merger, the  
2 merger may be abandoned pursuant to provisions therefor, if any, set  
3 forth in the plan of merger.

4 **Sec. 20.** RCW 23.86.230 and 1989 c 307 s 29 are each amended to  
5 read as follows:

6 (1) Upon issuance of the certificate of merger by the secretary of  
7 state, the merger of the cooperative association into another  
8 cooperative association or ordinary business corporation, as the case  
9 may be, shall be effected.

10 (2) When merger has been effected:

11 (a) The several parties to the plan of merger shall be a single  
12 cooperative association or corporation, as the case may be, which shall  
13 be that cooperative association or corporation designated in the plan  
14 of merger as the survivor.

15 (b) The separate existence of all parties to the plan of merger,  
16 except that of the surviving cooperative association or corporation,  
17 shall cease.

18 (c) If the surviving entity is a cooperative association, it shall  
19 have all the rights, privileges, immunities and powers and shall be  
20 subject to all the duties and liabilities of a cooperative association  
21 organized under chapter 23.86 RCW. If the surviving entity is an  
22 ordinary business corporation, it shall have all the rights,  
23 privileges, immunities and powers and shall be subject to all the  
24 duties and liabilities of a corporation organized or existing under  
25 Title ((23A)) 23B RCW.

26 (d) Such surviving cooperative association or corporation, as the  
27 case may be, shall thereupon and  
28 thereafter possess all the rights, privileges, immunities, and  
29 franchises, both public and private of each of the merging

1 organizations, to the extent that such rights, privileges, immunities,  
2 and franchises are not inconsistent with the corporate nature of the  
3 surviving organization; and all property, real, personal and mixed, and  
4 all debts due on whatever account, including subscriptions to shares,  
5 and all other choses in action, and all and every other interest of or  
6 belonging to or due to each of the organizations so merged shall be  
7 taken and deemed to be transferred to and vested in such surviving  
8 cooperative association or corporation, as the case may be, without  
9 further act or deed; and the title to any real estate, or any interest  
10 therein, vested in any such merged cooperative association shall not  
11 revert or be in any way impaired by reason of such merger.

12 (3) The surviving cooperative association or corporation, as the  
13 case may be, shall, after the merger is effected, be responsible and  
14 liable for all the liabilities and obligations of each of the  
15 organizations so merged; and any claim existing or action or proceeding  
16 pending by or against any of such organizations may be prosecuted as if  
17 the merger had not taken place and the surviving cooperative  
18 association or corporation may be substituted in its place. Neither the  
19 right of creditors nor any liens upon the property of any cooperative  
20 association or corporation party to the merger shall be impaired by the  
21 merger.

22 (4) The articles of incorporation of the surviving cooperative  
23 association or of the surviving ordinary business corporation, as the  
24 case may be, shall be deemed to be amended to the extent, if any, that  
25 changes in such articles are stated in the plan of merger.

26 **Sec. 21.** RCW 23.86.330 and 1989 c 307 s 17 are each amended to  
27 read as follows:

1       The provisions of RCW (~~(23A.28.125)~~) 23B.14.200 and 23B.14.210  
2 shall apply to every association subject to this chapter formed on or  
3 after July 23, 1989.

4       **Sec. 22.** RCW 23.86.340 and 1989 c 307 s 18 are each amended to  
5 read as follows:

6       The provisions of RCW (~~(23A.28.127)~~) 23B.14.220 shall apply to  
7 every association subject to this chapter. An association may apply  
8 for reinstatement within three years after the effective date of  
9 dissolution.

10       **Sec. 23.** RCW 23.86.360 and 1989 c 307 s 32 are each amended to  
11 read as follows:

12       The provisions of Title (~~(23A)~~) 23B RCW shall apply to the  
13 associations subject to this chapter, except where such provisions are  
14 in conflict with or inconsistent with the express provisions of this  
15 chapter. The terms "shareholder" or "shareholders" as used in Title  
16 (~~(23A)~~) 23B RCW, or in chapter 24.06 RCW as incorporated by reference  
17 herein, shall be deemed to refer to "member" or "members" as defined in  
18 this chapter. When the terms "share" or "shares" are used with  
19 reference to voting rights in Title (~~(23A)~~) 23B RCW, or in chapter  
20 24.06 RCW as incorporated by reference herein, such terms shall be  
21 deemed to refer to the vote or votes entitled to be cast by a member or  
22 members.

23       **Sec. 24.** RCW 23B.01.200 and 1989 c 165 s 3 are each amended to  
24 read as follows:

25       (1) A document must satisfy the requirements of this section, and  
26 of any other section that adds to or varies from these requirements, to  
27 be entitled to filing by the secretary of state.

1 (2) This title must require or permit filing the document in the  
2 office of the secretary of state.

3 (3) The document must contain the information required by this  
4 title. It may contain other information as well.

5 (4) The document must be typewritten or printed, and must meet such  
6 legibility or other standards as may be prescribed by the secretary of  
7 state.

8 (5) The document must be in the English language. A corporate name  
9 need not be in English if written in English letters or Arabic or Roman  
10 numerals, and the certificate of existence required of foreign  
11 corporations need not be in English if accompanied by a reasonably  
12 authenticated English translation.

13 (6) ((The)) Unless otherwise indicated in this title, all documents  
14 submitted for filing must be executed:

15 (a) By the chairperson of the board of directors of a domestic or  
16 foreign corporation, by its president, or by another of its officers;

17 (b) If directors have not been selected or the corporation has not  
18 been formed, by an incorporator; or

19 (c) If the corporation is in the hands of a receiver, trustee, or  
20 other court-appointed fiduciary, by that fiduciary.

21 (7) The person executing the document shall sign it and state  
22 beneath or opposite the signature the name of the person and the  
23 capacity in which the person signs. The document may but need not  
24 contain: (a) The corporate seal; (b) an attestation by the secretary  
25 or an assistant secretary; or (c) an acknowledgment, verification, or  
26 proof.

27 (8) If the secretary of state has prescribed a mandatory form for  
28 the document under RCW 23B.01.210, the document must be in or on the  
29 prescribed form.



1 (9) The document must be delivered to the office of the secretary  
2 of state for filing and must be accompanied by one exact or conformed  
3 copy, the correct filing fee or charge, including license fee, penalty  
4 and service fee, and any attachments which are required for the filing.

5 **Sec. 25.** RCW 23B.01.210 and 1989 c 165 s 4 are each amended to  
6 read as follows:

7 The secretary of state may prescribe and furnish on request, forms  
8 for: (1) An application for a certificate of existence; (2) a foreign  
9 corporation's application for a certificate of authority to transact  
10 business in this state; (3) a foreign corporation's application for a  
11 certificate of withdrawal; (4) ~~((the))~~ an initial report; (5) an annual  
12 report; and ~~((+5+))~~ (6) such other forms not in conflict with this  
13 title as may be prescribed by the secretary of state. If the secretary  
14 of state so requires, use of these forms is mandatory.

15 **Sec. 26.** RCW 23B.01.220 and 1990 c 178 s 1 are each amended to  
16 read as follows:

17 (1) The secretary of state shall collect in accordance with the  
18 provisions of this title:

19 (a) Fees for filing documents and issuing certificates;

20 (b) Miscellaneous charges;

21 (c) License fees as provided in RCW 23B.01.500 through 23B.01.550;

22 (d) Penalty fees; and

23 (e) Other fees as the secretary of state may establish by rule  
24 adopted under chapter 34.05 RCW.

25 (2) The secretary of state shall collect the following fees when  
26 the documents described in this subsection are delivered for filing:

27 (a) One hundred seventy-five dollars, pursuant to RCW 23B.01.520  
28 and 23B.01.540, for:

1 (i) Articles of incorporation; and  
2 (ii) Application for certificate of authority;  
3 (b) Fifty dollars for an application for reinstatement;  
4 (c) Twenty-five dollars for:  
5 (i) Articles of correction;  
6 (ii) Amendment of articles of incorporation;  
7 (iii) Restatement of articles of incorporation, with or without  
8 amendment;  
9 (iv) Articles of merger or share exchange;  
10 (v) Articles of revocation of dissolution; and  
11 (vi) Application for amended certificate of authority;  
12 (d) Twenty dollars for an application for reservation,  
13 registration, or assignment of reserved name;  
14 (e) Ten dollars for:  
15 (i) Corporation's statement of change of registered agent or  
16 registered office, or both, except where this information is provided  
17 in conjunction with and on an initial report or an annual report form  
18 filed under RCW 23B.01.530, 23B.01.550, 23B.02.050, or 23B.16.220;  
19 (ii) Agent's resignation, or statement of change of registered  
20 office, or both, for each affected corporation;  
21 (iii) Initial report or annual report; and  
22 (iv) Any document not listed in this subsection that is required or  
23 permitted to be filed under this title;  
24 (f) No fee for:  
25 (i) Agent's consent to act as agent;  
26 (ii) Agent's resignation, if appointed without consent;  
27 (iii) Articles of dissolution;  
28 (iv) Certificate of judicial dissolution; and  
29 (v) Application for certificate of withdrawal.

1 (3) The secretary of state shall collect a fee of twenty-five  
2 dollars per defendant served, upon being served process under this  
3 title. The party to a proceeding causing service of process is  
4 entitled to recover this fee as costs if such party prevails in the  
5 proceeding.

6 (4) The secretary of state shall collect from every person or  
7 organization:

8 (a) For furnishing a certified copy of any document, instrument, or  
9 paper relating to a corporation, ten dollars for the certificate, plus  
10 twenty cents for each page copied;

11 (b) For furnishing a certificate, under seal, attesting to the  
12 existence of a corporation, or any other certificate, ten dollars; and

13 (c) For furnishing copies of any document, instrument, or paper  
14 relating to a corporation, other than of an initial report or an annual  
15 report, one dollar for the first page and twenty cents for each page  
16 copied thereafter. The fee for furnishing a copy of the most recent  
17 annual report of a corporation (or of the initial report if no annual  
18 report has been filed) is one dollar, and the fee for furnishing a copy  
19 of any other annual report of a corporation is five dollars.

20 (5) For annual license fees for domestic and foreign corporations,  
21 see RCW 23B.01.500, 23B.01.510, 23B.01.530, and 23B.01.550. For  
22 penalties for nonpayment of annual license fees and failure to complete  
23 annual report, see RCW 23B.01.570.

24 **Sec. 27.** RCW 23B.01.280 and 1989 c 165 s 11 are each amended to  
25 read as follows:

26 (1) Any person may apply to the secretary of state to furnish a  
27 certificate of existence for a domestic corporation or a certificate of  
28 authorization for a foreign corporation.

1 (2) A certificate of existence or authorization means that as of  
2 the date of its issuance:

3 (a) The domestic corporation is duly incorporated under the laws of  
4 this state, or that the foreign corporation is authorized to transact  
5 business in this state;

6 (b) All fees and penalties owed to this state under this title have  
7 been paid, if (i) payment is reflected in the records of the secretary  
8 of state, and (ii) nonpayment affects the existence or authorization of  
9 the domestic or foreign corporation;

10 (c) The corporation's initial report or its most recent annual  
11 report required by RCW 23B.16.220 has been delivered to the secretary  
12 of state; and

13 (d) Articles of dissolution or an application for withdrawal have  
14 not been filed by the secretary of state.

15 (3) A person may apply to the secretary of state to issue a  
16 certificate covering any fact of record.

17 (4) Subject to any qualification stated in the certificate, a  
18 certificate of existence or authorization issued by the secretary of  
19 state may be relied upon as conclusive evidence that the domestic or  
20 foreign corporation is in existence or is authorized to transact  
21 business in the corporate form in this state.

22 **Sec. 28.** RCW 23B.01.400 and 1989 c 165 s 14 are each amended to  
23 read as follows:

24 Unless the context clearly requires otherwise, the definitions in  
25 this section apply throughout this title.

26 (1) "Articles of incorporation" include amended and restated  
27 articles of incorporation and articles of merger.

28 (2) "Authorized shares" means the shares of all classes a domestic  
29 or foreign corporation is authorized to issue.

1 (3) "Conspicuous" means so written that a reasonable person against  
2 whom the writing is to operate should have noticed it. For example,  
3 printing in italics or boldface or contrasting color, or typing in  
4 capitals or underlined, is conspicuous.

5 (4) "Corporation" or "domestic corporation" means a corporation for  
6 profit, which is not a foreign corporation, incorporated under or  
7 subject to the provisions of this title.

8 (5) "Deliver" includes (a) mailing and (b) for purposes of  
9 delivering a demand, consent, or waiver to the corporation or one of  
10 its officers, transmission by facsimile equipment.

11 (6) "Distribution" means a direct or indirect transfer of money or  
12 other property, except its own shares, or incurrence of indebtedness by  
13 a corporation to or for the benefit of its shareholders in respect to  
14 any of its shares. A distribution may be in the form of a declaration  
15 or payment of a dividend; a purchase, redemption, or other acquisition  
16 of shares; a distribution of indebtedness; or otherwise.

17 (7) "Effective date of notice" has the meaning provided in RCW  
18 23B.01.410.

19 (8) "Employee" includes an officer but not a director. A director  
20 may accept duties that make the director also an employee.

21 (9) "Entity" includes a corporation and foreign corporation, not-  
22 for-profit corporation, profit and not-for-profit unincorporated  
23 association, business trust, estate, partnership, trust, and two or  
24 more persons having a joint or common economic interest, and the state,  
25 United States, and a foreign government.

26 (10) "Foreign corporation" means a corporation for profit  
27 incorporated under a law other than the law of this state.

28 (11) "Governmental subdivision" includes authority, county,  
29 district, and municipality.

30 (12) "Includes" denotes a partial definition.

1 (13) "Individual" includes the estate of an incompetent or deceased  
2 individual.

3 (14) "Means" denotes an exhaustive definition.

4 (15) "Notice" has the meaning provided in RCW 23B.01.410.

5 (16) "Person" includes an individual and an entity.

6 (17) "Principal office" means the office, in or out of this state,  
7 so designated in the annual report where the principal executive  
8 offices of a domestic or foreign corporation are located.

9 (18) "Proceeding" includes civil suit and criminal, administrative,  
10 and investigatory action.

11 (19) "Public company" means a corporation that has a class of  
12 shares registered with the federal securities and exchange commission  
13 pursuant to section 12 of the securities exchange act of 1934, or  
14 section 8 of the investment company act of 1940, or any successor  
15 statute, and that has more than three hundred holders of record of its  
16 shares.

17 (20) "Record date" means the date established under chapter 23B.07  
18 RCW on which a corporation determines the identity of its shareholders  
19 and their shareholdings for purposes of this title. The determinations  
20 shall be made as of the close of business on the record date unless  
21 another time for doing so is specified when the record date is fixed.

22 (21) "Secretary" means the corporate officer to whom the board of  
23 directors has delegated responsibility under RCW 23B.08.400(3) for  
24 custody of the minutes of the meetings of the board of directors and of  
25 the shareholders and for authenticating records of the corporation.

26 (22) "Shares" means the units into which the proprietary interests  
27 in a corporation are divided.

28 (23) "Shareholder" means the person in whose name shares are  
29 registered in the records of a corporation or the beneficial owner of

1 shares to the extent of the rights granted by a nominee certificate on  
2 file with a corporation.

3 (24) "State," when referring to a part of the United States,  
4 includes a state and commonwealth, and their agencies and governmental  
5 subdivisions, and a territory and insular possession, and their  
6 agencies and governmental subdivisions, of the United States.

7 (25) "Subscriber" means a person who subscribes for shares in a  
8 corporation, whether before or after incorporation.

9 (26) "United States" includes a district, authority, bureau,  
10 commission, department, and any other agency of the United States.

11 (27) "Voting group" means all shares of one or more classes or  
12 series that under the articles of incorporation or this title are  
13 entitled to vote and be counted together collectively on a matter at a  
14 meeting of shareholders. All shares entitled by the articles of  
15 incorporation or this title to vote generally on the matter are for  
16 that purpose a single voting group.

17 **Sec. 29.** RCW 23B.01.410 and 1990 c 178 s 2 are each amended to  
18 read as follows:

19 (1) Notice under this title must be in writing except that oral  
20 notice of any meeting of the board of directors may be given if  
21 expressly authorized by the articles of incorporation or bylaws.

22 (2) Written notice may be transmitted by: Mail, private carrier or  
23 personal delivery; telegraph or teletype; or telephone, wire or  
24 wireless equipment which transmits a facsimile of the notice. If these  
25 forms of written notice are impracticable, written notice may be  
26 transmitted by an advertisement in a newspaper of general circulation  
27 in the area where published. Oral notice may be communicated in person  
28 or by telephone, wire or wireless equipment which does not transmit a  
29 facsimile of the notice. If these forms of oral notice are

1 impracticable, oral notice may be communicated by radio, television, or  
2 other form of public broadcast communication.

3 (3) Written notice by a domestic or foreign corporation to its  
4 shareholder, if in a comprehensible form, is effective when mailed, if  
5 mailed with first-class postage prepaid and correctly addressed to the  
6 shareholder's address shown in the corporation's current record of  
7 shareholders.

8 (4) Written notice to a domestic or foreign corporation, authorized  
9 to transact business in this state, may be addressed to its registered  
10 agent at its registered office or to the corporation or its secretary  
11 at its principal office shown in its most recent annual report or, in  
12 the case of a foreign corporation that has not yet delivered an annual  
13 report, in its application for a certificate of authority.

14 (5) (~~Except as provided in subsection (3) of this section,~~)  
15 Written notice, if in a comprehensible form, is effective at the  
16 earliest of the following:

17 (a) If expressly authorized by the articles of incorporation or  
18 bylaws, and if notice is sent to the person's address, telephone  
19 number, or other number appearing on the records of the corporation,  
20 when dispatched by telegraph, teletype, or facsimile equipment;

21 (b) When received;

22 (c) Except as provided in subsection (3) of this section, five days  
23 after its deposit in the United States mail, as evidenced by the  
24 postmark, if mailed with first-class postage, prepaid and correctly  
25 addressed; or

26 (d) On the date shown on the return receipt, if sent by registered  
27 or certified mail, return receipt requested, and the receipt is signed  
28 by or on behalf of the addressee.

29 (6) Oral notice is effective when communicated if communicated in  
30 a comprehensible manner.



1 (7) If this title prescribes notice requirements for particular  
2 circumstances, those requirements govern. If articles of incorporation  
3 or bylaws prescribe notice requirements, not inconsistent with this  
4 section or other provisions of this title, those requirements govern.

5 **Sec. 30.** RCW 23B.01.570 and 1989 c 165 s 23 are each amended to  
6 read as follows:

7 In the event any corporation, foreign or domestic, ~~((shall do))~~  
8 fails to file a full and complete initial report under RCW  
9 23B.02.050(4) and 23B.16.220(3) or does business in this state without  
10 having paid its annual corporate license fee ((or substantially  
11 completed its)) and without having filed a substantially complete  
12 annual report under RCW 23B.16.220(1) when either is due, there shall  
13 become due and owing the state of Washington a penalty of twenty-five  
14 dollars.

15 A corporation organized under this title may at any time prior to  
16 its dissolution as provided in RCW 23B.14.200, and a foreign  
17 corporation qualified to do business in this state may at any time  
18 prior to the revocation of its certificate of authority as provided in  
19 RCW 23B.15.300, pay to the state of Washington its current annual  
20 license fee, provided it also pays an amount equal to all previously  
21 unpaid annual license fees plus the penalty specified in this section.

22 **Sec. 31.** RCW 23B.02.050 and 1989 c 165 s 30 are each amended to  
23 read as follows:

24 (1) ~~((Within ninety days))~~ After ~~((the date on which the~~  
25 ~~corporation's articles of))~~ incorporation ~~((were filed))~~:

26 (a) If initial directors are named in the articles of  
27 incorporation, the initial directors shall hold an organizational  
28 meeting, at the call of a majority of the directors, to complete the

1 organization of the corporation by appointing officers, adopting  
2 bylaws, and carrying on any other business brought before the meeting;

3 (b) If initial directors are not named in the articles, the  
4 incorporator or incorporators shall hold an organizational meeting at  
5 the call of a majority of the incorporators:

6 (i) To elect directors and complete the organization of the  
7 corporation; or

8 (ii) To elect a board of directors who shall complete the  
9 organization of the corporation.

10 (2) Action required or permitted by this title to be taken by  
11 incorporators at an organizational meeting may be taken without a  
12 meeting if the action taken is evidenced by one or more written  
13 consents describing the action taken and signed by each incorporator.

14 (3) An organizational meeting may be held in or out of this state.

15 (4) (~~Within thirty days after the date of its organizational~~  
16 ~~meeting, the corporation shall file an initial report with the~~  
17 ~~secretary of state containing the information described in RCW~~  
18 ~~23B.16.220(1).~~) A corporation's initial report containing the  
19 information described in RCW 23B.16.220(1) must be delivered to the  
20 secretary of state within one hundred twenty days of the date on which  
21 the corporation's articles of incorporation were filed.

22 **Sec. 32.** RCW 23B.04.010 and 1989 c 165 s 37 are each amended to  
23 read as follows:

24 (1) A corporate name:

25 (a) Must contain the word "corporation," "incorporated," "company,"  
26 or "limited," or the abbreviation "corp.," "inc.," "co.," or "ltd.";

27 (b) Must not contain language stating or implying that the  
28 corporation is organized for a purpose other than those permitted by  
29 RCW 23B.03.010 and its articles of incorporation;

1 (c) Must not contain any of the following words or phrases:  
2 "Bank," "banking," "banker," "trust," "cooperative," or any combination  
3 of the words "industrial" and "loan," or any combination of any two or  
4 more (~~{of the}~~) of the words "building," "savings," "loan," "home,"  
5 "association," and "society," or any other words or phrases prohibited  
6 by any statute of this state; and

7 (d) Except as authorized by subsections (2) and (3) of this  
8 section, must be distinguishable upon the records of the secretary of  
9 state from:

10 (i) The corporate name of a corporation incorporated or authorized  
11 to transact business in this state;

12 (ii) A corporate name reserved or registered under RCW 23B.04.020  
13 or 23B.04.030;

14 (iii) The fictitious name adopted pursuant to RCW 23B.15.060 by a  
15 foreign corporation authorized to transact business in this state  
16 because its real name is unavailable;

17 (iv) The corporate name of a not-for-profit corporation  
18 incorporated or authorized to conduct affairs in this state; and

19 (v) The name or reserved name of a foreign or domestic limited  
20 partnership formed or registered under chapter 25.08 or 25.10 RCW.

21 (2) A corporation may apply to the secretary of state for  
22 authorization to use a name that is not distinguishable upon the  
23 records from one or more of the names described in subsection (1) of  
24 this section. The secretary of state shall authorize use of the name  
25 applied for if:

26 (a) The other corporation, holder, or limited partnership consents  
27 to the use in writing and files with the secretary of state documents  
28 necessary to change its name or the name reserved or registered to a  
29 name that is distinguishable upon the records of the secretary of state  
30 from the name of the applying corporation; or

1 (b) The applicant delivers to the secretary of state a certified  
2 copy of the final judgment of a court of competent jurisdiction  
3 establishing the applicant's right to use the name applied for in this  
4 state.

5 (3) A corporation may use the name, including the fictitious name,  
6 of another domestic or foreign corporation that is used in this state  
7 if the other corporation is incorporated or authorized to transact  
8 business in this state and the proposed user corporation:

9 (a) Has merged with the other corporation; or

10 (b) Has been formed by reorganization of the other corporation.

11 (4) This title does not control the use of assumed business names  
12 or "trade names."

13 (5) A name shall not be considered distinguishable upon the records  
14 of the secretary of state by virtue of:

15 (a) A variation in the designation, under subsection (1)(a) of this  
16 section, used for the same name;

17 (b) The addition or deletion of an article or conjunction such as  
18 "the" or "and" from the same name;

19 (c) Punctuation, capitalization, or special characters or symbols  
20 in the same name; or

21 (d) Use of abbreviation or the plural form of a word in the same  
22 name.

23 **Sec. 33.** RCW 23B.07.040 and 1989 c 165 s 63 are each amended to  
24 read as follows:

25 (1) Action required or permitted by this title to be taken at a  
26 shareholders' meeting may be taken without a meeting if the action is  
27 taken by all the shareholders entitled to vote on the action. The  
28 action must be evidenced by one or more written consents describing the  
29 action taken, signed by all the shareholders entitled to vote on the

1 action, and delivered to the corporation for inclusion in the minutes  
2 or filing with the corporate records.

3 (2) If not otherwise fixed under RCW 23B.07.030 or 23B.07.070, the  
4 record date for determining shareholders entitled to take action  
5 without a meeting is the date the first shareholder signs the consent  
6 under subsection (1) of this section.

7 (3) A shareholder may withdraw consent only by delivering a written  
8 notice of withdrawal to the corporation prior to the time ~~((that))~~ when  
9 all consents ~~((are in possession of))~~ have been delivered to the  
10 corporation.

11 (4) Action taken under this section is effective when all consents  
12 ~~((are in possession of))~~ have been delivered to the corporation, unless  
13 the consent specifies a later effective date.

14 (5) A consent signed under this section has the effect of a meeting  
15 vote and may be described as such in any document.

16 (6) If this title requires that notice of proposed action be given  
17 to nonvoting shareholders and the action is to be taken by unanimous  
18 consent of the voting shareholders, the corporation must give its  
19 nonvoting shareholders written notice of the proposed action at least  
20 ten days before the action is taken. The notice must contain or be  
21 accompanied by the same material that, under this title, would have  
22 been required to be sent to nonvoting shareholders in a notice of  
23 meeting at which the proposed action would have been submitted to such  
24 shareholders for action.

25 **Sec. 34.** RCW 23B.07.060 and 1989 c 165 s 65 are each amended to  
26 read as follows:

27 (1) A shareholder may waive any notice required by this title, the  
28 articles of incorporation, or bylaws before or after the date and time  
29 of the meeting that is the subject of such notice, or in the case of

1 notice required by RCW 23B.07.040(6), before or after the action to be  
2 taken by written consent is effective. Except as provided by  
3 subsections (2) and (3) of this section, the waiver must be in writing,  
4 be signed by the shareholder entitled to the notice, and be delivered  
5 to the corporation for inclusion in the minutes or filing with the  
6 corporate records.

7 (2) A shareholder's attendance at a meeting waives objection to  
8 lack of notice or defective notice of the meeting, unless the  
9 shareholder at the beginning of the meeting objects to holding the  
10 meeting or transacting business at the meeting.

11 (3) A shareholder waives objection to consideration of a particular  
12 matter at a meeting that is not within the purpose or purposes  
13 described in the meeting notice, unless the shareholder objects to  
14 considering the matter when it is presented.

15 **Sec. 35.** RCW 23B.08.240 and 1989 c 165 s 95 are each amended to  
16 read as follows:

17 (1) Unless the articles of incorporation or bylaws require a  
18 greater or lesser number, a quorum of a board of directors consists of  
19 a majority of the number of directors specified in or fixed in  
20 accordance with the articles of incorporation or bylaws.

21 (2) ~~((The articles of incorporation or bylaws may authorize))~~  
22 Notwithstanding subsection (1) of this section, a quorum of a board of  
23 directors ~~((to consist of))~~ may in no ~~((fewer))~~ event be less than one-  
24 third of the ~~((fixed or specified))~~ number of directors ~~((determined~~  
25 ~~under subsection (1) of this section))~~ specified in or fixed in  
26 accordance with the articles of incorporation or bylaws.

27 (3) If a quorum is present when a vote is taken, the affirmative  
28 vote of a majority of directors present is the act of the board of

1 directors unless the articles of incorporation or bylaws require the  
2 vote of a greater number of directors.

3 (4) A director who is present at a meeting of the board of  
4 directors when action is taken is deemed to have assented to the action  
5 taken unless: (a) The director objects at the beginning of the  
6 meeting, or promptly upon the director's arrival, to holding it or  
7 transacting business at the meeting; (b) the director's dissent or  
8 abstention from the action taken is entered in the minutes of the  
9 meeting; or (c) the director delivers written notice of the director's  
10 dissent or abstention to the presiding officer of the meeting before  
11 its adjournment or to the corporation within a reasonable time after  
12 adjournment of the meeting. The right of dissent or abstention is not  
13 available to a director who votes in favor of the action taken.

14 **Sec. 36.** RCW 23B.10.070 and 1989 c 165 s 126 are each amended to  
15 read as follows:

16 (1) Any officer of the corporation may restate its articles of  
17 incorporation at any time.

18 (2) A restatement may include one or more amendments to the  
19 articles of incorporation. If the restatement includes an amendment  
20 not requiring shareholder approval, it must be adopted by the board of  
21 directors. If the restatement includes an amendment requiring  
22 shareholder approval, it must be adopted in accordance with RCW  
23 23B.10.030.

24 (3) If the board of directors submits a restatement for shareholder  
25 action, the corporation shall notify each shareholder, whether or not  
26 entitled to vote, of the proposed shareholders' meeting in accordance  
27 with RCW 23B.07.050. The notice must also state that the purpose, or  
28 one of the purposes, of the meeting is to consider the proposed  
29 restatement and contain or be accompanied by a copy of the restatement

1 that identifies any amendment or other change it would make in the  
2 articles of incorporation.

3 (4) A corporation restating its articles of incorporation shall  
4 deliver to the secretary of state for filing articles of restatement  
5 setting forth the name of the corporation and the text of the restated  
6 articles of incorporation together with a certificate setting forth:

7 (a) If the restatement does not include an amendment to the  
8 articles of incorporation, a statement to that effect;

9 (b) If the restatement contains an amendment to the articles of  
10 incorporation not requiring shareholder approval, a statement that the  
11 board of directors adopted the restatement and the date of such  
12 adoption; ~~((or))~~

13 (c) If the restatement contains an amendment to the articles of  
14 incorporation requiring shareholder approval, the information required  
15 by RCW 23B.10.060; and

16 (d) Both the articles of restatement and the certificate must be  
17 executed.

18 (5) Duly adopted restated articles of incorporation supersede the  
19 original articles of incorporation and all amendments to them.

20 (6) The secretary of state may certify restated articles of  
21 incorporation, as the articles of incorporation currently in effect,  
22 without including the certificate information required by subsection  
23 (4) of this section.

24 **Sec. 37.** RCW 23B.14.200 and 1990 c 178 s 5 are each amended to  
25 read as follows:

26 The secretary of state may administratively dissolve a corporation  
27 under RCW 23B.14.210 if:

28 (1) The corporation does not pay any license fees or penalties,  
29 imposed by this title, when they become due;



1 (2) The corporation does not deliver its completed initial report  
2 or annual report to the secretary of state when it is due;

3 (3) The corporation is without a registered agent or registered  
4 office in this state;

5 (4) The corporation does not notify the secretary of state that its  
6 registered agent or registered office has been changed, that its  
7 registered agent has resigned, or that its registered office has been  
8 discontinued;

9 (5) The corporation's period of duration stated in its articles of  
10 incorporation expired after July 1, 1990; or

11 (6) The corporation's period of duration stated in its articles of  
12 incorporation expired prior to July 1, 1990, but the corporation has  
13 timely paid all license fees imposed by this title, has timely filed  
14 annual reports with the secretary of state, has never been without a  
15 registered agent or registered office in this state for sixty days or  
16 more, and has never failed to notify the secretary of state of changes  
17 in a registered agent or registered office within sixty days of such  
18 change.

19 **Sec. 38.** RCW 23B.15.040 and 1989 c 165 s 172 are each amended to  
20 read as follows:

21 (1) A foreign corporation authorized to transact business in this  
22 state must obtain an amended certificate of authority from the  
23 secretary of state if it changes:

24 (a) Its corporate name; or

25 (b) The period of its duration.

26 (2) (~~The requirements of RCW 23B.15.030 for obtaining an original~~  
27 ~~certificate of authority apply to obtaining an amended certificate~~  
28 ~~under this section.~~)

1 A foreign corporation may apply for an amended certificate of  
2 authority by delivering an application to the secretary of state for  
3 filing that sets forth:

4 (a) The name of the foreign corporation and the name in which the  
5 corporation is authorized to transact business in Washington, if  
6 different;

7 (b) The name of the state or country under whose law it is  
8 incorporated;

9 (c) The date it was authorized to transact business in this state;

10 (d) A statement of the change or changes being made;

11 (e) In the event the change or changes include a name change to a  
12 name that does not meet the requirements of RCW 23B.15.060, a  
13 fictitious name for use in Washington, and a copy of the resolution of  
14 the board of directors, certified by the corporation's secretary,  
15 adopting the fictitious name; and

16 (f) A copy of the document filed in the state or country of  
17 incorporation showing that jurisdiction's "filed" stamp.

18 **Sec. 39.** RCW 23B.15.300 and 1990 c 178 s 9 are each amended to  
19 read as follows:

20 The secretary of state may revoke the certificate of authority of  
21 a foreign corporation authorized to transact business in this state if:

22 (1) The foreign corporation does not deliver its completed initial  
23 report or annual report to the secretary of state when it is due;

24 (2) The foreign corporation does not pay any license fees or  
25 penalties, imposed by this title, when they become due;

26 (3) The foreign corporation is without a registered agent or  
27 registered office in this state;

28 (4) The foreign corporation does not inform the secretary of state  
29 under RCW 23B.15.080 or 23B.15.090 that its registered agent or

1 registered office has changed, that its registered agent has resigned,  
2 or that its registered office has been discontinued;

3 (5) An incorporator, director, officer, or agent of the foreign  
4 corporation signed a document knowing it was false in any material  
5 respect with intent that the document be delivered to the secretary of  
6 state for filing; or

7 (6) The secretary of state receives a duly authenticated  
8 certificate from the secretary of state or other official having  
9 custody of corporate records in the state or country under whose law  
10 the foreign corporation is incorporated stating that it has been  
11 dissolved or disappeared as the result of a merger.

12 **Sec. 40.** RCW 23B.16.010 and 1989 c 165 s 182 are each amended to  
13 read as follows:

14 (1) A corporation shall keep as permanent records minutes of all  
15 meetings of its shareholders and board of directors, a record of all  
16 actions taken by the shareholders or board of directors without a  
17 meeting, and a record of all actions taken by a committee of the board  
18 of directors exercising the authority of the board of directors on  
19 behalf of the corporation.

20 (2) A corporation shall maintain appropriate accounting records.

21 (3) A corporation or its agent shall maintain a record of its  
22 shareholders, in a form that permits preparation of a list of the names  
23 and addresses of all shareholders, in alphabetical order by class of  
24 shares showing the number and class of shares held by each.

25 (4) A corporation shall maintain its records in written form or in  
26 another form capable of conversion into written form within a  
27 reasonable time.

28 (5) A corporation shall keep a copy of the following records at its  
29 principal office:

1 (a) Its articles or restated articles of incorporation and all  
2 amendments to them currently in effect;

3 (b) Its bylaws or restated bylaws and all amendments to them  
4 currently in effect;

5 (c) The minutes of all shareholders' meetings, and records of all  
6 action taken by shareholders without a meeting, for the past three  
7 years;

8 (d) The financial statements described in RCW 23B.16.200(1), for  
9 the past three years;

10 (e) All written communications to shareholders generally within the  
11 past three years;

12 (f) A list of the names and business addresses of its current  
13 directors and officers; and

14 (g) Its initial report or most recent annual report delivered to  
15 the secretary of state under RCW 23B.16.220.

16 **Sec. 41.** RCW 23B.16.220 and 1989 c 165 s 187 are each amended to  
17 read as follows:

18 (1) Each domestic corporation, and each foreign corporation  
19 authorized to transact business in this state, shall deliver to the  
20 secretary of state for filing ~~((an))~~ initial and annual reports that  
21 set~~((s))~~ forth:

22 (a) The name of the corporation and the state or country under  
23 whose law it is incorporated;

24 (b) The street address of its registered office and the name of its  
25 registered agent at that office in this state;

26 (c) In the case of a foreign corporation, the address of its  
27 principal office in the state or country under the laws of which it is  
28 incorporated;

1 (d) The address of the principal place of business of the  
2 corporation in this state;

3 (e) The names and addresses of its directors, if the corporation  
4 has dispensed with or limited the authority of its board of directors  
5 pursuant to RCW 23B.08.010 or analogous authority, the names and  
6 addresses of persons who will perform some or all of the duties of the  
7 board of directors;

8 (f) A brief description of the nature of its business; and

9 (g) The names and addresses of its chairperson of the board of  
10 directors, if any, president, secretary, and treasurer, or of  
11 individuals, however designated, performing the functions of such  
12 officers.

13 (2) Information in ~~((the))~~ an initial report or an annual report  
14 must be current as of the date the ~~((annual))~~ report is executed on  
15 behalf of the corporation.

16 (3) A corporation's ~~((first—annual))~~ initial report must be  
17 delivered to the secretary of state within one hundred twenty days of  
18 the date on which the articles of incorporation for a domestic  
19 corporation were filed, or on which a foreign corporation's certificate  
20 of authority was filed. Subsequent annual reports must be delivered to  
21 the secretary of state on, or prior to, the date on which the domestic  
22 or foreign corporation is required to pay its annual corporate license  
23 fee, and at such additional times as the corporation elects.

24 **Sec. 42.** RCW 24.03.035 and 1986 c 240 s 5 are each amended to read  
25 as follows:

26 Each corporation shall have power:

27 (1) To have perpetual succession by its corporate name unless a  
28 limited period of duration is stated in its articles of incorporation.

29 (2) To sue and be sued, complain and defend, in its corporate name.

1 (3) To have a corporate seal which may be altered at pleasure, and  
2 to use the same by causing it, or a facsimile thereof, to be impressed  
3 or affixed or in any other manner reproduced.

4 (4) To purchase, take, receive, lease, take by gift, devise or  
5 bequest, or otherwise acquire, own, hold, improve, use and otherwise  
6 deal in and with real or personal property, or any interest therein,  
7 wherever situated.

8 (5) To sell, convey, mortgage, pledge, lease, exchange, transfer  
9 and otherwise dispose of all or any part of its property and assets.

10 (6) To lend money or credit to its employees other than its  
11 officers and directors.

12 (7) To purchase, take, receive, subscribe for, or otherwise  
13 acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or  
14 otherwise dispose of, and otherwise use and deal in and with, shares or  
15 other interests in, or obligations of, other domestic or foreign  
16 corporations, whether for profit or not for profit, associations,  
17 partnerships or individuals, or direct or indirect obligations of the  
18 United States, or of any other government, state, territory,  
19 governmental district or municipality or of any instrumentality  
20 thereof.

21 (8) To make contracts and incur liabilities, borrow money at such  
22 rates of interest as the corporation may determine, issue its notes,  
23 bonds, and other obligations, and secure any of its obligations by  
24 mortgage or pledge of all or any of its property, franchises and  
25 income.

26 (9) To lend money for its corporate purposes, invest and reinvest  
27 its funds, and take and hold real and personal property as security for  
28 the payment of funds so loaned or invested.

29 (10) To conduct its affairs, carry on its operations, and have  
30 offices and exercise the powers granted by this chapter in any state,

1 territory, district, or possession of the United States, or in any  
2 foreign country.

3 (11) To elect or appoint officers and agents of the corporation,  
4 and define their duties and fix their compensation.

5 (12) To make and alter bylaws, not inconsistent with its articles  
6 of incorporation or with the laws of this state, for the administration  
7 and regulation of the affairs of the corporation.

8 (13) Unless otherwise provided in the articles of incorporation, to  
9 make donations for the public welfare or for charitable, scientific or  
10 educational purposes; and in time of war to make donations in aid of  
11 war activities.

12 (14) To indemnify any director or officer or former director or  
13 officer or other person in the manner and to the extent provided in RCW  
14 (~~23A.08.025~~) 23B.08.500 through 23B.08.600, as now existing or  
15 hereafter amended.

16 (15) To make guarantees respecting the contracts, securities, or  
17 obligations of any person (including, but not limited to, any member,  
18 any affiliated or unaffiliated individual, domestic or foreign, profit  
19 or not for profit, corporation, partnership, association, joint venture  
20 or trust) if such guarantee may reasonably be expected to benefit,  
21 directly or indirectly, the guarantor corporation. As to the  
22 enforceability of the guarantee, the decision of the board of directors  
23 that the guarantee may be reasonably expected to benefit, directly or  
24 indirectly, the guarantor corporation shall be binding in respect to  
25 the issue of benefit to the guarantor corporation.

26 (16) To pay pensions and establish pension plans, pension trusts,  
27 and other benefit plans for any or all of its directors, officers, and  
28 employees.

29 (17) To be a promoter, partner, member, associate or manager of any  
30 partnership, joint venture, trust or other enterprise.

1 (18) To be a trustee of a charitable trust, to administer a  
2 charitable trust and to act as executor in relation to any charitable  
3 bequest or devise to the corporation. This subsection shall not be  
4 construed as conferring authority to engage in the general business of  
5 trusts nor in the business of trust banking.

6 (19) To cease its corporate activities and surrender its corporate  
7 franchise.

8 (20) To have and exercise all powers necessary or convenient to  
9 effect any or all of the purposes for which the corporation is  
10 organized.

11 **Sec. 43.** RCW 24.03.070 and 1986 c 240 s 13 are each amended to  
12 read as follows:

13 The initial bylaws of a corporation shall be adopted by its board  
14 of directors. The power to alter, amend or repeal the bylaws or adopt  
15 new bylaws shall be vested in the board of directors unless otherwise  
16 provided in the articles of incorporation or the bylaws. The bylaws may  
17 contain any provisions for the regulation and management of the affairs  
18 of a corporation not inconsistent with law or the articles of  
19 incorporation. The board may adopt emergency bylaws in the manner  
20 provided by RCW ((23A.08.240)) 23B.02.070.

21 **Sec. 44.** RCW 24.06.905 and 1969 ex.s. c 120 s 105 are each amended  
22 to read as follows:

23 The enactment of this chapter shall not have the effect of  
24 terminating, or in any way modifying, any liability, civil or criminal,  
25 which shall already be in existence at the date this chapter becomes  
26 effective; and any corporation existing under any prior law which  
27 expires on or before the date when this chapter takes effect shall  
28 continue its corporate existence: PROVIDED, That this chapter shall



1 apply prospectively to all existing corporations which do not otherwise  
2 qualify under the provisions of Titles ((23A)) 23B and 24 RCW, to the  
3 extent permitted by the Constitution of this state and of the United  
4 States.

5 **Sec. 45.** RCW 24.36.050 and 1959 c 312 s 5 are each amended to read  
6 as follows:

7 The provisions of Title ((23)) 23B RCW and all powers and rights  
8 thereunder, apply to associations, except where such provisions are in  
9 conflict with or inconsistent with the express provisions of this  
10 chapter.

11 **Sec. 46.** RCW 24.36.090 and 1983 c 3 s 28 are each amended to read  
12 as follows:

13 Any two or more associations may be merged into one such  
14 constituent association or consolidated into a new association. Such  
15 merger or consolidation shall be made in the manner prescribed by RCW  
16 23B.07.050 and chapter ((23A.20)) 23B.11 RCW for domestic corporations.

17 **Sec. 47.** RCW 25.10.020 and 1987 c 55 s 2 are each amended to read  
18 as follows:

19 The name of each limited partnership formed pursuant to this  
20 chapter as set forth in its certificate of limited partnership:

21 (1) Shall contain the words "limited partnership" or the  
22 abbreviation "L.P.";

23 (2) May not contain the name of a limited partner unless (a) it is  
24 also the name of a general partner, or the corporate name of a  
25 corporate general partner, or (b) the business of the limited  
26 partnership had been carried on under that name before the admission of  
27 that limited partner;

1 (3) May not be the same as, or deceptively similar to the name of  
2 any domestic corporation or limited partnership existing under the laws  
3 of this state or any foreign corporation or limited partnership  
4 authorized to transact business in this state, or a name the exclusive  
5 right to which is, at the time, reserved in the manner provided in this  
6 title, or under the provisions of RCW (~~((23A.08.060))~~ 23B.04.020, or the  
7 name of a corporation or limited partnership which has in effect a  
8 registration of its corporate or limited partnership name as provided  
9 in this title or under the provisions of Title (~~((23A))~~ 23B RCW, unless:

10 (a) The written consent of such other domestic or foreign  
11 corporation or limited partnership or holder of a reserved or  
12 registered name to use the same or deceptively similar name has been  
13 filed with the certificate and one or more words or numerals are added  
14 or deleted to make the name distinguishable from the other name as  
15 determined by the secretary of state; or

16 (b) A certified copy of a final decree of a court of competent  
17 jurisdiction establishing the prior right of the limited partnership to  
18 use the name in this state is filed with the certificate;

19 (4) May not contain the following words or phrases: "Bank",  
20 "banking", "banker", "trust", "cooperative"; or any combination of the  
21 words "industrial" and "loan"; or any combination of any two or more  
22 words "building", "savings", "loan", "home", "association"; or any  
23 other words or phrases prohibited by any statute of this state.

24 **Sec. 48.** RCW 25.10.600 and 1987 c 55 s 35 are each amended to read  
25 as follows:

26 The secretary of state shall adopt rules establishing fees which  
27 shall be charged and collected for:

28 (1) Filing of a certificate of limited partnership for a domestic  
29 or foreign limited partnership;

1 (2) Filing of a certificate of cancellation or a certificate of  
2 dissolution for a domestic or foreign limited partnership;

3 (3) Filing of a certificate of amendment or restatement for a  
4 domestic or foreign limited partnership;

5 (4) Filing an application to reserve or transfer a limited  
6 partnership name;

7 (5) Filing any other statement or report authorized or permitted to  
8 be filed;

9 (6) Copies, certified copies, certificates, service of process  
10 filings, and expedited filings or other special services.

11 In the establishment of a fee schedule, the secretary of state shall,  
12 insofar as is possible and reasonable, be guided by the fee schedule  
13 provided for corporations registering pursuant to Title ((23A)) 23B  
14 RCW. Fees for copies, certified copies, certificates of record, and  
15 service of process filings shall be as provided for in RCW  
16 ((~~23A.40.030~~)) 23B.01.220.

17 All fees collected by the secretary of state shall be deposited  
18 with the state treasurer pursuant to law.

19 **Sec. 49.** RCW 31.24.030 and 1985 c 466 s 42 are each amended to  
20 read as follows:

21 In furtherance of its purposes and in addition to the powers now or  
22 hereafter conferred on business corporations by the provisions of Title  
23 ((23A)) 23B RCW, the corporation shall, subject to the restrictions and  
24 limitations herein contained, have the following powers:

25 (1) To elect, appoint and employ officers, agents and employees; to  
26 make contracts and incur liabilities for any of the purposes of the  
27 corporation: PROVIDED, That the corporation shall not incur any  
28 secondary liability by way of guaranty or endorsement of the

1 obligations of any person, firm, corporation, joint stock company,  
2 association or trust, or in any other manner.

3 (2) To borrow money from its members and the small business  
4 administration and any other similar federal agency, for any of the  
5 purposes of the corporation; to issue therefor its bonds, debentures,  
6 notes or other evidence of indebtedness, whether secured or unsecured,  
7 and to secure the same by mortgage, pledge, deed of trust or other lien  
8 on its property, franchises, rights and privileges of every kind and  
9 nature or any part thereof or interest therein, without securing  
10 stockholder or member approval: PROVIDED, That no loan to the  
11 corporation shall be secured in any manner unless all outstanding loans  
12 to the corporation shall be secured equally and ratably in proportion  
13 to the unpaid balance of such loans and in the same manner.

14 (3) To make loans to any person, firm, corporation, joint-stock  
15 company, association or trust, and to establish and regulate the terms  
16 and conditions with respect to any such loans and the charges for  
17 interest and service connected therewith: PROVIDED, That the  
18 corporation shall not approve any application for a loan unless and  
19 until the person applying for said loan shall show that he has applied  
20 for the loan through ordinary banking channels and that the loan has  
21 been refused by at least one bank or other financial institution.

22 (4) To purchase, receive, hold, lease, or otherwise acquire, and to  
23 sell, convey, transfer, lease or otherwise dispose of real and personal  
24 property, together with such rights and privileges as may be incidental  
25 and appurtenant thereto and the use thereof, including, but not  
26 restricted to, any real or personal property acquired by the  
27 corporation from time to time in the satisfaction of debts or  
28 enforcement of obligations.

29 (5) To acquire the good will, business, rights, real and personal  
30 property, and other assets, or any part thereof, or interest therein,

1 of any persons, firms, corporations, joint-stock companies,  
2 associations or trusts, and to assume, undertake, or pay the  
3 obligations, debts and liabilities of any such person, firm,  
4 corporation, joint-stock company, association or trust; to acquire  
5 improved or unimproved real estate for the purpose of constructing  
6 industrial plants or other business establishments thereon or for the  
7 purpose of disposing of such real estate to others for the construction  
8 of industrial plants or other business establishments; and to acquire,  
9 construct or reconstruct, alter, repair, maintain, operate, sell,  
10 convey, transfer, lease, or otherwise dispose of industrial plants or  
11 business establishments.

12 (6) To acquire, subscribe for, own, hold, sell, assign, transfer,  
13 mortgage, pledge or otherwise dispose of the stock, shares, bonds,  
14 debentures, notes or other securities and evidences of interest in, or  
15 indebtedness of, any person, firm, corporation, joint-stock company,  
16 association or trust, and while the owner or holder thereof to exercise  
17 all the rights, powers and privileges of ownership, including the right  
18 to vote thereon.

19 (7) To mortgage, pledge, or otherwise encumber any property, right  
20 or things of value, acquired pursuant to the powers contained in  
21 subsections (4), (5), or (6) of this section, as security for the  
22 payment of any part of the purchase  
23 price thereof.

24 (8) To cooperate with and avail itself of the facilities of the  
25 United States department of commerce, the department of trade and  
26 economic development, and any other similar state or federal  
27 governmental agencies; and to cooperate with and assist, and otherwise  
28 encourage organizations in the various communities of the state in the  
29 promotion, assistance and development of the business prosperity and

1 economic welfare of such communities or of this state or of any part  
2 thereof.

3 (9) To do all acts and things necessary or convenient to carry out  
4 the powers expressly granted in this chapter.

5 **Sec. 50.** RCW 31.24.150 and 1983 c 3 s 52 are each amended to read  
6 as follows:

7 The corporation may upon the affirmative vote of two-thirds of the  
8 votes to which the stockholders shall be entitled and two-thirds of the  
9 votes to which the member shall be entitled dissolve said corporation  
10 as provided by Title ((23A)) 23B RCW, insofar as Title ((23A)) 23B RCW  
11 is not in conflict with the provisions of this chapter. Upon any  
12 dissolution of the corporation, none of the corporation's assets shall  
13 be distributed to the stockholders until all sums due the members of  
14 the corporation as creditors thereof have been paid in full.

15 **Sec. 51.** RCW 33.48.025 and 1982 c 3 s 91 are each amended to read  
16 as follows:

17 Except to the extent provided otherwise in this title, stock  
18 associations are subject to ~~((those provisions in chapter 23A.08 RCW,~~  
19 ~~as now or hereafter amended, relating to issuance, sale, and repurchase~~  
20 ~~of shares)) the provisions of chapter 23B.06 RCW.~~

21 **Sec. 52.** RCW 33.48.030 and 1982 c 3 s 92 are each amended to read  
22 as follows:

23 Stock associations shall have permanent stock which may be issued  
24 with or without par value but with a statement of value of nonpar stock  
25 in accordance with Title ((23A)) 23B RCW. The minimum amount of such  
26 stock shall be twenty-five thousand dollars in the case of associations  
27 outside of incorporated cities, or in cities of less than twenty-five

1 thousand population. Associations located in cities of greater  
2 population shall have as a minimum, fifty thousand dollars of such  
3 stock. The board of such association is authorized and directed to  
4 issue and maintain the stock in the following percentages: Three  
5 percent upon the first five million dollars; two percent upon the next  
6 three million dollars, and one percent upon all additional withdrawable  
7 savings: PROVIDED, That associations whose savings are insured by the  
8 Federal Savings and Loan Insurance Corporation shall not be required to  
9 maintain stock in excess of three hundred thousand dollars. A stock  
10 association may issue preferred or special classes of shares as  
11 provided in chapter ((23A.08)) 23B.06 RCW.

12 **Sec. 53.** RCW 43.07.120 and 1989 c 307 s 39 are each amended to  
13 read as follows:

14 (1) The secretary of state shall collect the fees herein prescribed  
15 for the secretary of state's official services:

16 (a) For a copy of any law, resolution, record, or other document or  
17 paper on file in the secretary's office for which no other fee is  
18 provided, fifty cents per page for the first ten pages and twenty-five  
19 cents per page for each additional page;

20 (b) For any certificate under seal, five dollars;

21 (c) For filing and recording trademark, fifty dollars;

22 (d) For each deed or patent of land issued by the governor, if for  
23 one hundred and sixty acres of land, or less, one dollar, and for each  
24 additional one hundred and sixty acres, or fraction thereof, one  
25 dollar;

26 (e) For recording miscellaneous records, papers, or other  
27 documents, five dollars for filing each case.

28 (2) The secretary of state may adopt rules under chapter 34.05 RCW  
29 establishing reasonable fees for the following services rendered under

1 Title ((23A)) 23B RCW, chapter 18.100, 23.86, 23.90, 24.03, 24.06,  
2 24.12, 24.20, 24.24, 24.28, 24.36, or 25.10 RCW:

3 (a) Any service rendered in-person at the secretary of state's  
4 office;

5 (b) Any expedited service;

6 (c) The electronic transmittal of documents;

7 (d) The providing of information by microfiche or other reduced-  
8 format compilation;

9 (e) The handling of checks or drafts for which sufficient funds are  
10 not on deposit;

11 (f) The resubmission of documents previously submitted to the  
12 secretary of state where the documents have been returned to the  
13 submitter to make such documents conform to the requirements of the  
14 applicable statute;

15 (g) The handling of telephone requests for information; and

16 (h) Special search charges.

17 (3) To facilitate the collection of fees, the secretary of state  
18 may establish accounts for deposits by persons who may frequently be  
19 assessed such fees to pay the fees as they are assessed. The secretary  
20 of state may make whatever arrangements with those persons as may be  
21 necessary to carry out this section.

22 (4) No member of the legislature, state officer, justice of the  
23 supreme court, judge of the court of appeals, or judge of the superior  
24 court shall be charged for any search relative to matters pertaining to  
25 the duties of his or her office; nor may such official be charged for  
26 a certified copy of any law or resolution passed by the legislature  
27 relative to his or her official duties, if such law has not been  
28 published as a state law.



1       **Sec. 54.** RCW 43.07.130 and 1989 c 307 s 40 are each amended to  
2 read as follows:

3       There is created within the state treasury a revolving fund, to be  
4 known as the "secretary of state's revolving fund," which shall be used  
5 by the office of the secretary of state to defray the costs of  
6 printing, reprinting, or distributing printed matter authorized by law  
7 to be issued by the office of the secretary of state, and any other  
8 cost of carrying out the functions of the secretary of state under  
9 Title ((23A)) 23B RCW, or chapters 18.100, 23.86, 23.90, 24.03, 24.06,  
10 24.12, 24.20, 24.24, 24.28, 24.36, or 25.10 RCW.

11       The secretary of state is hereby authorized to charge a fee for  
12 such publications in an amount which will compensate for the costs of  
13 printing, reprinting, and distributing such printed matter. Fees  
14 recovered by the secretary of state under RCW 43.07.120(2),  
15 ((23A.36.050, 23A.40.030)) 23B.01.220(1)(e), (3), and (4), 23B.18.050,  
16 24.03.410, 24.06.455, or 46.64.040, and such other moneys as are  
17 expressly designated for deposit in the secretary of state's revolving  
18 fund shall be placed in the secretary of state's revolving fund.

19       **Sec. 55.** RCW 43.07.140 and 1982 c 35 s 189 are each amended to  
20 read as follows:

21       The secretary of state is hereby specifically authorized to print,  
22 reprint, and distribute the following materials:

- 23       (1) Lists of active corporations;
- 24       (2) The provisions of Title 23 RCW;
- 25       (3) The provisions of Title ((23A)) 23B RCW;
- 26       (4) The provisions of Title 24 RCW;
- 27       (5) The provisions of chapter 25.10 RCW;
- 28       (6) The provisions of Title 29 RCW;
- 29       (7) ((The provisions of Title 62A RCW;

1       ~~(8))~~) The provisions of chapter 18.100 RCW;  
2       ~~((9))~~) (8) The provisions of chapter 19.77 RCW;  
3       ~~((10))~~) (9) The provisions of chapter 43.07 RCW;  
4       ~~((11))~~) (10) The provisions of the Washington state Constitution;  
5       ~~((12) The provisions of chapter 42.17 RCW and rules adopted by the~~  
6 ~~public disclosure commission;~~  
7       ~~(13))~~) (11) The provisions of chapters 40.14, 40.16, and 40.20 RCW,  
8 and any statutes, rules, schedules, indexes, guides, descriptions, or  
9 other materials related to the public records of state or local  
10 government or to the state archives; and  
11       ~~((14))~~) (12) Rules and informational publications related to the  
12 statutory provisions set forth above.

13       **Sec. 56.** RCW 43.07.190 and 1989 c 307 s 41 are each amended to  
14 read as follows:

15       Where the secretary of state determines that a summary face sheet  
16 or cover sheet would expedite review of any documents made under Title  
17 ~~((23A))~~ 23B RCW, or chapter 18.100, 23.86, 23.90, 24.03, 24.06, 24.12,  
18 24.20, 24.24, 24.36, or 25.10 RCW, the secretary of state may require  
19 the use of a summary face sheet or cover sheet that accurately reflects  
20 the contents of the attached document. The secretary of state may, by  
21 rule adopted under chapter 34.05 RCW, specify the required contents of  
22 any summary face sheet and the type of document or documents in which  
23 the summary face sheet will be required, in addition to any other  
24 filing requirements which may be applicable.

25       **Sec. 57.** RCW 50.04.165 and 1986 c 110 s 1 are each amended to read  
26 as follows:

27       (1) Services performed by corporate officers as defined in ~~((RCW~~  
28 ~~23A.08.470))~~ subsection 2 of this section, covered by chapter 50.44

1 RCW, shall not be considered services in employment. However, a  
2 corporation may elect to cover not less than all of its corporate  
3 officers under RCW 50.24.160. If an employer does not elect to cover  
4 its corporate officers under RCW 50.24.160, the employer must notify  
5 its corporate officers in writing that they are ineligible for  
6 unemployment benefits. If the employer fails to notify any corporate  
7 officer, then that person shall not be considered to be a corporate  
8 officer for the purposes of this section.

9 (2) The officers of a corporation shall consist of a president, one  
10 or more vice presidents as may be prescribed by the bylaws, a  
11 secretary, and a treasurer.

12 **Sec. 58.** RCW 61.24.010 and 1987 c 352 s 1 are each amended to read  
13 as follows:

14 (1) The terms "record" and "recorded" as used in this chapter,  
15 shall include the appropriate registration proceedings, in the instance  
16 of registered land.

17 (2) The trustee of a deed of trust under this chapter shall be:

18 (a) Any domestic corporation incorporated under Title ((23A)) 23B,  
19 30, 31, 32, or 33 RCW; or

20 (b) Any title insurance company authorized to insure title to real  
21 property under the laws of this state, or its agents; or

22 (c) Any attorney who is an active member of the Washington state  
23 bar association at the time he is named trustee; or

24 (d) Any professional corporation incorporated under chapter 18.100  
25 RCW, all of whose shareholders are licensed attorneys; or

26 (e) Any agency or instrumentality of the United States government;  
27 or

28 (f) Any national bank, savings bank, or savings and loan  
29 association chartered under the laws of the United States.

1           (3) The trustee shall resign at the request of the beneficiary and  
2 may resign at its own election. Upon the resignation, incapacity,  
3 disability, or death of the trustee, the beneficiary shall nominate in  
4 writing a successor trustee. Upon recording in the mortgage records of  
5 the county or counties in which the trust deed is recorded, of the  
6 appointment of a successor trustee, the successor trustee shall be  
7 vested with all powers of the original trustee.

8           NEW SECTION.   **Sec. 59.**           RCW 23A.32.050 and 1989 c 307 s 42 are  
9 each repealed.

Passed the Senate February 25, 1991.  
Passed the House April 17, 1991.  
Approved by the Governor May 3, 1991.  
Filed in Office of Secretary of State May 3, 1991.