

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1592

61st Legislature
2009 Regular Session

Passed by the House April 24, 2009
Yeas 93 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 23, 2009
Yeas 43 Nays 3

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1592** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1592

AS AMENDED BY THE SENATE

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By House Judiciary (originally sponsored by Representatives Pedersen, Rodne, Kelley, and Kenney; by request of Secretary of State)

READ FIRST TIME 02/11/09.

1 AN ACT Relating to business entities and associations registered
2 with the secretary of state; amending RCW 25.15.270, 25.15.290,
3 25.05.500, and 25.05.560; adding a new section to chapter 25.15 RCW;
4 adding new sections to chapter 24.12 RCW; adding new sections to
5 chapter 25.05 RCW; and creating a new section.

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

7 **Sec. 1.** RCW 25.15.270 and 2006 c 48 s 4 are each amended to read
8 as follows:

9 A limited liability company is dissolved and its affairs shall be
10 wound up upon the first to occur of the following:

11 (1)(a) The dissolution date, if any, specified in the certificate
12 of formation. If a dissolution date is not specified in the
13 certificate of formation, the limited liability company's existence
14 will continue until the first to occur of the events described in
15 subsections (2) through (6) of this section. If a dissolution date is
16 specified in the certificate of formation, the certificate of formation
17 may be amended and the existence of the limited liability company may
18 be extended by vote of all the members((+)).

1 (b) This subsection does not apply to a limited liability company
2 formed under RCW 30.08.025 or 32.08.025(~~(-)~~);

3 (2) The happening of events specified in a limited liability
4 company agreement;

5 (3) The written consent of all members;

6 (4) Unless the limited liability company agreement provides
7 otherwise, ninety days following an event of dissociation of the last
8 remaining member, unless those having the rights of assignees in the
9 limited liability company under RCW 25.15.130(1) have, by the ninetieth
10 day, voted to admit one or more members, voting as though they were
11 members, and in the manner set forth in RCW 25.15.120(1);

12 (5) The entry of a decree of judicial dissolution under RCW
13 25.15.275; or

14 (6) The expiration of (~~(two)~~) five years after the effective date
15 of dissolution under RCW 25.15.285 without the reinstatement of the
16 limited liability company.

17 **Sec. 2.** RCW 25.15.290 and 1994 c 211 s 805 are each amended to
18 read as follows:

19 (1) A limited liability company administratively dissolved under
20 RCW 25.15.285 may apply to the secretary of state for reinstatement
21 within (~~(two)~~) five years after the effective date of dissolution. The
22 application must:

23 (a) Recite the name of the limited liability company and the
24 effective date of its administrative dissolution;

25 (b) State that the ground or grounds for dissolution either did not
26 exist or have been eliminated; and

27 (c) State that the limited liability company's name satisfies the
28 requirements of RCW 25.15.010.

29 (2) If the secretary of state determines that the application
30 contains the information required by subsection (1) of this section and
31 that the name is available, the secretary of state shall reinstate the
32 limited liability company and give the limited liability company
33 written notice, as provided in RCW 25.15.285(1), of the reinstatement
34 that recites the effective date of reinstatement. If the name is not
35 available, the limited liability company must file with its application
36 for reinstatement an amendment to its certificate of formation
37 reflecting a change of name.

1 (3) When the reinstatement is effective, it relates back to and
2 takes effect as of the effective date of the administrative dissolution
3 and the limited liability company may resume carrying on its business
4 as if the administrative dissolution had never occurred.

5 (4) If an application for reinstatement is not made within the
6 (~~two-year~~) five-year period set forth in subsection (1) of this
7 section, or if the application made within this period is not granted,
8 the (~~secretary of state shall cancel the~~) limited liability company's
9 certificate of formation is deemed canceled.

10 NEW SECTION. Sec. 3. A new section is added to chapter 25.15 RCW
11 under the subchapter heading "Article VIII. Dissolution" to read as
12 follows:

13 (1) A limited liability company voluntarily dissolved under RCW
14 25.15.270 may apply to the secretary of state for reinstatement within
15 one hundred twenty days after the effective date of dissolution. The
16 application must:

17 (a) Recite the name of the limited liability company and the
18 effective date of its voluntary dissolution;

19 (b) State that the ground or grounds for voluntary dissolution have
20 been eliminated; and

21 (c) State that the limited liability company's name satisfies the
22 requirements of RCW 25.15.010.

23 (2) If the secretary of state determines that the application
24 contains the information required by subsection (1) of this section and
25 that the name is available, the secretary of state shall reinstate the
26 limited liability company and give the limited liability company
27 written notice of the reinstatement that recites the effective date of
28 reinstatement. If the name is not available, the limited liability
29 company must file with its application for reinstatement an amendment
30 to its certificate of formation reflecting a change of name.

31 (3) When the reinstatement is effective, it relates back to and
32 takes effect as of the effective date of the voluntary dissolution and
33 the limited liability company may resume carrying on its business as if
34 the voluntary dissolution had never occurred.

35 (4) If an application for reinstatement is not made within the one
36 hundred twenty-day period set forth in subsection (1) of this section,

1 or if the application made within this period is not granted, the
2 secretary of state shall cancel the limited liability company's
3 certificate of formation.

4 **Sec. 4.** RCW 25.05.500 and 1998 c 103 s 1101 are each amended to
5 read as follows:

6 (1) A partnership which is not a limited liability partnership on
7 June 11, 1998, may become a limited liability partnership upon the
8 approval of the terms and conditions upon which it becomes a limited
9 liability partnership by the vote necessary to amend the partnership
10 agreement except, in the case of a partnership agreement that expressly
11 considers obligations to contribute to the partnership, the vote
12 necessary to amend those provisions, and by filing the applications
13 required by subsection (2) of this section. A partnership which is a
14 limited liability partnership on June 11, 1998, continues as a limited
15 liability partnership under this chapter.

16 (2)(a) To become and to continue as a limited liability
17 partnership, a partnership shall file with the secretary of state an
18 application stating the name of the partnership; the location of a
19 registered office, which need not be a place of its activity in this
20 state; the address of its principal office; if the partnership's
21 principal office is not located in this state, the address of a
22 registered office and the name and address of a registered agent for
23 service of process in this state which the partnership will be required
24 to continuously maintain; the number of partners; a brief statement of
25 the business in which the partnership engages; any other matters that
26 the partnership determines to include; and that the partnership thereby
27 applies for status as a limited liability partnership.

28 (b) A registered agent for service of process under (a) of this
29 subsection must be an individual who is a resident of this state or
30 other person authorized to do business in this state.

31 (3) The application shall be accompanied by a fee of one hundred
32 seventy-five dollars for each partnership.

33 (4) The secretary of state shall register as a limited liability
34 partnership any partnership that submits a completed application with
35 the required fee.

36 (5) A partnership registered under this section shall pay an annual
37 fee, in each year following the year in which its application is filed,

1 on a date and in an amount specified by the secretary of state. The
2 fee must be accompanied by a notice, on a form provided by the
3 secretary of state, of the number of partners currently in the
4 partnership and of any material changes in the information contained in
5 the partnership's application for registration.

6 (6) Registration is effective immediately after the date an
7 application is filed, and remains effective until:

8 (a) It is voluntarily withdrawn by filing with the secretary of
9 state a written withdrawal notice executed by a majority of the
10 partners or by one or more partners or other persons authorized to
11 execute a withdrawal notice; or

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

17 (7) The status of a partnership as a limited liability partnership,
18 and the liability of the partners thereof, shall not be affected by:

19 (a) Errors in the information stated in an application under subsection
20 (2) of this section or a notice under subsection (6) of this section;
21 or (b) changes after the filing of such an application or notice in the
22 information stated in the application or notice.

23 (8) The secretary of state may provide forms for the application
24 under subsection (2) of this section or a notice under subsection (6)
25 of this section.

26 NEW SECTION. **Sec. 5.** CHANGE OF REGISTERED OFFICE OR AGENT FOR
27 SERVICE OF PROCESS. (1) In order to change its registered office,
28 registered agent for service of process, or the address of its
29 registered agent for service of process, a limited liability
30 partnership must deliver to the secretary of state for filing a
31 statement of change containing:

32 (a) The name of the limited liability partnership;

33 (b) The street and mailing address of its current registered
34 office;

35 (c) If the current registered office is to be changed, the street
36 and mailing address of the new registered office;

1 (d) The name and street and mailing address of its current
2 registered agent for service of process; and

3 (e) If the current registered agent for service of process or an
4 address of the registered agent is to be changed, the new information.

5 (2) A statement of change is effective when filed by the secretary
6 of state.

7 NEW SECTION. **Sec. 6.** RESIGNATION OF REGISTERED AGENT FOR SERVICE
8 OF PROCESS. (1) In order to resign as a registered agent for service
9 of process of a limited liability partnership, the registered agent
10 must deliver to the secretary of state for filing a statement of
11 resignation containing the name of the limited liability partnership.

12 (2) After receiving a statement of resignation, the secretary of
13 state shall file it and mail a copy to the registered office of the
14 limited liability partnership and another copy to the principal office
15 if the address of the office appears in the records of the secretary of
16 state and is different from the address of the registered office.

17 (3) A registered agent for service of process is terminated on the
18 thirty-first day after the secretary of state files the statement of
19 resignation.

20 NEW SECTION. **Sec. 7.** SERVICE OF PROCESS. (1) A registered agent
21 for service of process appointed by a limited liability partnership is
22 a registered agent of the limited liability partnership for service of
23 any process, notice, or demand required or permitted by law to be
24 served upon the limited liability partnership.

25 (2) If a limited liability partnership does not appoint or maintain
26 a registered agent for service of process in this state or the
27 registered agent for service of process cannot with reasonable
28 diligence be found at the registered agent's address, the secretary of
29 state is an agent of the limited liability partnership upon whom
30 process, notice, or demand may be served.

31 (3) Service of any process, notice, or demand on the secretary of
32 state may be made by delivering to and leaving with the secretary of
33 state duplicate copies of the process, notice, or demand. If a
34 process, notice, or demand is served on the secretary of state, the
35 secretary of state shall forward one of the copies by registered or

1 certified mail, return receipt requested, to the limited liability
2 partnership at its registered office.

3 (4) Service is effected under subsection (3) of this section at the
4 earliest of:

5 (a) The date the limited liability partnership receives the
6 process, notice, or demand;

7 (b) The date shown on the return receipt, if signed on behalf of
8 the limited liability partnership; or

9 (c) Five days after the process, notice, or demand is deposited in
10 the mail, if mailed postpaid and correctly addressed.

11 (5) The secretary of state shall keep a record of each process,
12 notice, and demand served pursuant to this section and record the time
13 of, and the action taken regarding, the service.

14 (6) This section does not affect the right to serve process,
15 notice, or demand in any other manner provided by law.

16 NEW SECTION. **Sec. 8.** REGISTERED OFFICE AND AGENT FOR SERVICE OF
17 PROCESS. (1) A foreign limited liability partnership shall designate
18 and continuously maintain in this state:

19 (a) A registered office, which need not be a place of its activity
20 in this state; and

21 (b) A registered agent for service of process.

22 (2) A registered agent for service of process of a foreign limited
23 liability partnership must be an individual who is a resident of this
24 state or other person authorized to do business in this state.

25 NEW SECTION. **Sec. 9.** CHANGE OF REGISTERED OFFICE OR AGENT FOR
26 SERVICE OF PROCESS. (1) In order to change its registered office,
27 registered agent for service of process, or the address of its
28 registered agent for service of process, a foreign limited liability
29 partnership must deliver to the secretary of state for filing a
30 statement of change containing:

31 (a) The name of the foreign limited liability partnership;

32 (b) The street and mailing address of its current registered
33 office;

34 (c) If the current registered office is to be changed, the street
35 and mailing address of the new registered office;

1 (d) The name and street and mailing address of its current
2 registered agent for service of process; and

3 (e) If the current registered agent for service of process or an
4 address of the registered agent is to be changed, the new information.

5 (2) A statement of change is effective when filed by the secretary
6 of state.

7 NEW SECTION. **Sec. 10.** RESIGNATION OF REGISTERED AGENT FOR SERVICE
8 OF PROCESS. (1) In order to resign as a registered agent for service
9 of process of a foreign limited liability partnership, the registered
10 agent must deliver to the secretary of state for filing a statement of
11 resignation containing the name of the foreign limited liability
12 partnership.

13 (2) After receiving a statement of resignation, the secretary of
14 state shall file it and mail a copy to the registered office of the
15 foreign limited liability partnership and another copy to the principal
16 office if the address of the office appears in the records of the
17 secretary of state and is different from the address of the registered
18 office.

19 (3) A registered agent for service of process is terminated on the
20 thirty-first day after the secretary of state files the statement of
21 resignation.

22 NEW SECTION. **Sec. 11.** SERVICE OF PROCESS. (1) A registered agent
23 for service of process appointed by a foreign limited liability
24 partnership is a registered agent of the foreign limited liability
25 partnership for service of any process, notice, or demand required or
26 permitted by law to be served upon the foreign limited liability
27 partnership.

28 (2) If a foreign limited liability partnership does not appoint or
29 maintain a registered agent for service of process in this state or the
30 registered agent for service of process cannot with reasonable
31 diligence be found at the registered agent's address, the secretary of
32 state is an agent of the foreign limited liability partnership upon
33 whom process, notice, or demand may be served.

34 (3) Service of any process, notice, or demand on the secretary of
35 state may be made by delivering to and leaving with the secretary of
36 state duplicate copies of the process, notice, or demand. If a

1 process, notice, or demand is served on the secretary of state, the
2 secretary of state shall forward one of the copies by registered or
3 certified mail, return receipt requested, to the foreign limited
4 liability partnership at its registered office.

5 (4) Service is effected under subsection (3) of this section at the
6 earliest of:

7 (a) The date the foreign limited liability partnership receives the
8 process, notice, or demand;

9 (b) The date shown on the return receipt, if signed on behalf of
10 the foreign limited liability partnership; or

11 (c) Five days after the process, notice, or demand is deposited in
12 the mail, if mailed postpaid and correctly addressed.

13 (5) The secretary of state shall keep a record of each process,
14 notice, and demand served pursuant to this section and record the time
15 of, and the action taken regarding, the service.

16 (6) This section does not affect the right to serve process,
17 notice, or demand in any other manner provided by law.

18 **Sec. 12.** RCW 25.05.560 and 1998 c 103 s 1203 are each amended to
19 read as follows:

20 (1) A foreign limited liability partnership transacting business in
21 this state may not maintain an action or proceeding in this state
22 unless it has in effect a registration as a foreign limited liability
23 partnership.

24 (2) The failure of a foreign limited liability partnership to have
25 in effect a registration as a foreign limited liability partnership
26 does not impair the validity of a contract or act of the foreign
27 limited liability partnership or preclude it from defending an action
28 or proceeding in this state.

29 (3) A limitation on personal liability of a partner is not waived
30 solely by transacting business in this state without registration as a
31 foreign limited liability partnership.

32 (4) If a foreign limited liability partnership transacts business
33 in this state without a registration as a foreign limited liability
34 partnership, the secretary of state is its agent, as set forth under
35 section 11 of this act, for service of process with respect to a right
36 of action arising out of the transaction of business in this state.

1 NEW SECTION. **Sec. 13.** A new section is added to chapter 24.12 RCW
2 to read as follows:

3 (1) Each corporation sole registered in this state shall file, with
4 a ten dollar filing fee and within the time prescribed by this chapter,
5 an annual report in the form prescribed by the secretary of state. The
6 report shall set forth:

7 (a) The name of the corporation sole and the state or country under
8 the laws of which it is incorporated;

9 (b) The address of the principal place of business of the
10 corporation sole in this state including street and number;

11 (c) The name and respective address of the bishop, overseer, or
12 presiding elder of the corporation sole; and

13 (d) The corporation sole's unified business identifier number.

14 (2)(a) The information shall be given as of the date of the
15 execution of the report. It shall be executed by the corporation sole
16 by an officer of the corporation sole or, if the corporation sole is in
17 the hands of a receiver or trustee, it shall be executed on behalf of
18 the corporation sole by such receiver or trustee.

19 (b) The secretary of state may provide that correcting or updating
20 information appearing on previous annual or biennial filings is
21 sufficient to constitute the current filing.

22 (3) The secretary may administratively dissolve a corporation sole
23 that does not comply with this section. However, the secretary shall
24 reinstate a corporation sole administratively dissolved under this
25 subsection if the corporation sole complies with the requirements of
26 section 15 of this act within five years of the administrative
27 dissolution.

28 NEW SECTION. **Sec. 14.** A new section is added to chapter 24.12 RCW
29 to read as follows:

30 (1) Not less than thirty days prior to a corporation sole's renewal
31 date, the secretary of state shall mail to each corporation sole, by
32 first-class mail addressed to its registered office, a notice that its
33 annual report must be filed as required by this chapter, and stating
34 that if it fails to file its annual report it shall be dissolved or its
35 certificate of authority revoked, as the case may be. Failure of the
36 secretary of state to mail the notice does not relieve a corporation

1 sole from its obligation to file the annual reports required by this
2 chapter.

3 (2)(a) The report of a corporation sole shall be delivered to the
4 secretary of state on an annual renewal date as the secretary of state
5 may establish. The secretary of state may adopt rules to establish
6 biennial reporting dates and to stagger reporting dates.

7 (b) If the secretary of state finds that the report substantially
8 conforms to the requirements of this chapter, the secretary of state
9 shall file that report.

10 NEW SECTION. **Sec. 15.** A new section is added to chapter 24.12 RCW
11 to read as follows:

12 (1) The secretary of state shall, when exigent or mitigating
13 circumstances are presented, reinstate to full active status any
14 corporation sole previously in good standing that would otherwise be
15 penalized or lose its active status. Any corporation sole desiring to
16 seek relief under this section shall, within five years of the missed
17 filing or lapse, notify the secretary of state in writing. The
18 notification must include the name and mailing address of the
19 corporation sole, the corporate sole officer to whom correspondence
20 should be sent, and a statement under oath by a responsible corporate
21 sole officer, setting forth the nature of the missed filing or lapse,
22 the circumstances of the missed filing or lapse, that disproportionate
23 harm would occur to the corporation sole if relief were not granted,
24 and the relief sought.

25 (2) Upon receipt of the notice under subsection (1) of this
26 section, the secretary of state shall investigate the circumstances of
27 the missed filing or lapse.

28 (a) If the secretary of state is satisfied that sufficient exigent
29 or mitigating circumstances exist; that the corporation sole has
30 demonstrated good faith and a reasonable attempt to comply with the
31 applicable corporate sole license statutes of this state; that
32 disproportionate harm would occur to the corporation sole if relief
33 were not granted; and that relief would not be contrary to the public
34 interest expressed in this title, the secretary may issue an order
35 reinstating the corporation sole and specifying any terms and
36 conditions of the relief. Reinstatement may relate back to the date of
37 lapse or dissolution.

1 (b) If the secretary of state determines the request does not
2 comply with the requirements for relief, the secretary shall issue an
3 order denying the requested relief and stating the reasons for the
4 denial. Any denial of relief by the secretary of state is final and is
5 not appealable.

6 (c) The secretary of state shall keep records of all requests for
7 relief and the disposition of the requests. The secretary of state
8 shall annually report to the legislature the number of relief requests
9 received in the preceding year and a summary of the secretary's
10 disposition of the requests.

11 NEW SECTION. **Sec. 16.** A new section is added to chapter 24.12 RCW
12 to read as follows:

13 Effective August 1, 2009, a corporation sole may not be formed or
14 incorporated under this chapter.

15 NEW SECTION. **Sec. 17.** Sections 5 through 7 of this act are each
16 added to chapter 25.05 RCW under the subchapter heading "Article 11
17 Limited Liability Partnership."

18 NEW SECTION. **Sec. 18.** Sections 8 through 11 of this act are each
19 added to chapter 25.05 RCW under the subchapter heading "Article 12
20 Foreign Limited Liability Partnership."

21 NEW SECTION. **Sec. 19.** Captions used in this act are not any part
22 of the law.

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