# HOUSE BILL REPORT HB 1361

#### As Reported by House Committee On:

Civil Rights & Judiciary

**Title:** An act relating to updating process service requirements in Washington state for business entities and motorists.

Brief Description: Updating process service requirements.

Sponsors: Representatives Hill, Taylor, Fosse and Ormsby; by request of Secretary of State.

#### **Brief History:**

#### **Committee Activity:**

Civil Rights & Judiciary: 1/28/25, 2/12/25 [DP].

#### **Brief Summary of Bill**

- Revises service of process requirements for claims against corporations and companies by modifying terms and allowing service on represented entities in accordance with the Washington Uniform Business Organizations Code.
- Repeals provisions governing service of process on corporations without an officer in Washington.
- Revises service of process requirements for claims against nonresident motorists by reformatting the governing section and modifying provisions that authorize substitute service on the Secretary of State.

# HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

**Majority Report:** Do pass. Signed by 13 members: Representatives Taylor, Chair; Farivar, Vice Chair; Walsh, Ranking Minority Member; Abell, Assistant Ranking Minority Member; Burnett, Entenman, Goodman, Graham, Jacobsen, Peterson, Salahuddin, Thai and Walen.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: John Burzynski (786-7133).

# **Background:**

# Service of Process in General.

Service of process is the legal procedure by which a person or entity is given notice that a legal action has been instituted against them. Service of process typically involves providing its subject with a copy of a court summons and legal complaint, but in some contexts the summons and complaint can be provided through substitute service to another individual, by publication in a newspaper, or through other means. Proper service of process is essential to commencing a legal action and obtaining court jurisdiction over a specific case and its parties.

#### Service of Process Upon Corporations and Companies.

Service of process is subject to two different sets of state law detailed in relevant part below.

# Sections of State Law Governing Service of Summons in General.

Service of process upon a corporation or company is subject to specific rules, with the individual who must be served varying based on the business entity. For example, in Washington, if a legal claim is brought against a company or corporation doing any express business, a summons must be served on any agent authorized by the company or corporation to receive and deliver express matters and collect pay for such matters within the state. Similarly, if a legal claim is brought against a foreign corporation or other specified foreign entity, a summons must be served on its agent, cashier, or secretary. Different rules apply for claims against counties, towns, school districts, railroad corporations, insurance companies, minors, foreign steamship companies, and others.

A catch-all provision governs when the company or corporation is not of a type subject to specific rules. If a legal claim is brought against such a company or corporation, a summons must be served on the president or other head of the company or corporation; the registered agent, secretary, cashier, or managing agent thereof; or to the secretary, stenographer, or office assistant of the president or other head of the company or corporation, registered agent, secretary, cashier, or managing agent.

Whenever a Washington corporation does not have an officer in this state upon whom legal process can be served, service may be made by depositing a copy of the summons, writ, or other process, in the Office of the Secretary of State, subject to certain notice requirements provided in state law.

If a legal claim is brought against a defendant foreign corporation, and the defendant cannot be found within the state, then upon a sufficient filing with the clerk of court, service of process may be made by publication of the summons in a newspaper of general circulation in the county where the action is brought, once per week for six consecutive weeks, subject to certain requirements provided in state law.

# Sections of State Law Governing Service of Process on Entities Subject to the Uniform Business Organizations Code.

A represented entity—meaning a domestic entity or registered foreign entity—may be served with any process, notice, or demand required or permitted by law by serving its registered agent. The term "registered agent" is defined as an agent of an entity which is authorized to receive service of any process, notice, or demand required or permitted by law to be served on the entity. The term includes a commercial registered agent and a noncommercial registered agent.

If a represented entity ceases to have a registered agent, or if its registered agent cannot with reasonable diligence be served, the entity may be served by registered or certified mail, return receipt requested, or by similar commercial delivery service, addressed to the entity at the entity's principal office. If process, notice, or demand cannot be served by mail, service may be made by handing a copy to the individual in charge of any regular place of business or activity of the entity if the individual served is not a plaintiff in the action. Finally, if process, notice, or demand cannot be served by hand, then the Secretary of State is deemed an agent of the entity for service of process.

#### Service of Process Upon Nonresident Motorists.

State law provides that nonresident motorists, by operating a vehicle on the public highways of Washington or by consenting to such operation, are deemed to have appointed the Secretary of State as their agent who may be served all lawful summons and processes for claims against such motorists arising from any accident, collision, or liability in which the motorists or their vehicles were involved in Washington, subject to certain requirements provided in state law. Service of process in this manner requires two copies of the summons or process be provided to the Secretary of State. The Secretary of State must forthwith mail one of these copies to the defendant if the defendant's address is known to the Secretary of State. Additionally, the plaintiff must send to the defendant at their last known address, by registered mail, notice of service on the Secretary of State, a copy of the summons or process, and an affidavit from the plaintiff's attorney stating the attorney has with due diligence attempted to serve personal process upon the defendant at all known addresses and further listing the addresses at which the attorney attempted to have process served.

#### **Summary of Bill:**

Service of Process Upon Corporations and Companies.

Service of process rules for express businesses, foreign corporations and entities, and the catch-all provisions governing nonspecified companies and corporations are struck and replaced. If a legal claim is brought against a represented entity—meaning a domestic entity or registered foreign entity—then any service of process, notice, or demand required

or permitted by law to be served on the entity, may be made according to standards in the Washington Uniform Business Organizations Code. The code allows for service on an entity's registered agents, and, in some contexts, by certified mail sent to the entity's principal office, delivery to a person in charge of a regular place of business or activity of the entity if such person is not a plaintiff in the action, or service on the Secretary of State.

State law governing service of process by publication for claims against foreign corporations is amended to replace the term "foreign corporation" with "nonregistered foreign entity," which is defined as a foreign entity that is not registered to do business in Washington pursuant to a statement of registration filed by the Secretary of State.

# Service of Process Upon Corporations Without an Officer in State.

The section of state law governing service of process upon corporations without an officer in Washington is repealed.

# Service of Process Upon Nonresident Motorists.

The section of state law governing service of process upon nonresident motorists is revised and reformatted. The requirement for two copies of summons or process to be provided to the Secretary of State is replaced with a requirement for one copy for record and one copy for each address to be served. The requirement for the Secretary of State to mail forthwith a copy to a defendant with a known address is modified to require mailing within eight business days. The requirement for the plaintiff's attorney to attach an affidavit is modified to: (1) allow the affidavit to come from either the plaintiff or the plaintiff's attorney; and (2) require a statement if there are no known addresses for the defendant.

# Appropriation: None.

Fiscal Note: Not requested.

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

# **Staff Summary of Public Testimony:**

(In support) This bill aligns different state laws governing service of process on business entities to ensure there is consistency across statutes. Inconsistency has led to confusion. Current law allows for service of process by publication in a newspaper, which has become outdated and impractical. Service on the Secretary of State is a last resort if no other traditional means of service are available.

The bill clarifies state law governing service of process upon nonresident motorists. Current law is a dense paragraph of text and difficult to understand. This bill breaks out procedures and enumerates them, and allows pro se litigants to effect service. (Opposed) None.

**Persons Testifying:** Representative Natasha Hill, prime sponsor; Scott Douglas, Office of Secretary of State; and Constance Parbon, Office of Secretary of State.

Persons Signed In To Testify But Not Testifying: None.