

particular, this limitation would make it more difficult to attract the more capital intensive, higher value-added, industries that tend to provide higher wage employment. Industries of this type are critical to raising Washington incomes and stimulating spin-off employment and growth in new industries.

Therefore, with the exception of that portion of Section 9(4) which I have vetoed, Substitute House Bill No. 1754 is approved."

## CHAPTER 117

[Senate Bill No. 4490]

### CORPORATIONS

AN ACT Relating to corporations; amending RCW 23A.04.010, 23A.08.070, 23A.08-.080, 23A.08.110, 23A.08.120, 23A.08.150, 23A.08.250, 23A.08.260, 23A.08.270, 23A.08.305, 23A.08.380, 23A.08.390, 23A.08.400, 23A.08.450, 23A.16.020, 23A.16.075, 23A.32.050, 23A.32.090, 23A.32.100, 23A.32.130, 23A.32.160, 23A.32.170, and 23A.40.020; repealing RCW 23A.32.110 and 23A.32.120; adding new sections to chapter 23A.32 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 3, chapter 53, Laws of 1965 as last amended by section 1, chapter 75, Laws of 1984 and RCW 23A.04.010 are each amended to read as follows:

As used in this title, unless the context otherwise requires, the term:

(1) "Corporation" or "domestic corporation" means a corporation for profit subject to the provisions of this title, except a foreign corporation.

(2) "Foreign corporation" means a corporation for profit organized under laws other than the laws of this state for a purpose or purposes for which a corporation may be organized under this title.

(3) "Articles of incorporation" means the original or restated articles of incorporation or articles of consolidation and all amendments thereto including articles of merger.

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

(5) "Subscriber" means one who subscribes for one or more shares in a corporation, whether before or after incorporation.

(6) "Shareholder" means one who is a holder of record of one or more shares in a corporation. If the articles of incorporation or the bylaws so provide, the board of directors may adopt by resolution a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. The resolution shall set forth:

(a) The classification of shareholder who may certify;

(b) The purpose or purposes for which the certification may be made;

(c) The form of certification and information to be contained therein;

(d) If the certification is with respect to a record date or closing of the stock transfer books within which the certification must be received by the corporation; and

(e) Such other provisions with respect to the procedure as are deemed necessary or desirable.

Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

(7) "Authorized shares" means the shares of all classes which the corporation is authorized to issue.

(8) "Duplicate originals" means two copies, original or otherwise, each with original signatures, or one original with original signatures and one copy thereof.

(9) "Conforms to law" as used in this title in connection with duties of the secretary of state in reviewing documents for filing under this title means the secretary of state has determined the document complies as to form with the applicable requirements of this title.

(10) "Effective date" means, in connection with a filing made by the secretary of state, the date which is shown by affixing a "filed" stamp on the documents. When a document is received for filing by the secretary of state in a form which complies with the requirements of this title and which would entitle the document to be filed immediately upon receipt, but the secretary of state's approval action occurs subsequent to the date of receipt, the secretary of state's filing date shall relate back to the date on which the secretary of state first received the document in acceptable form. An applicant may request a specific effective date no more than thirty days later than the date of receipt which might otherwise be applied as the effective date.

(11) "Executed by an officer of the corporation," or words of similar import, means that any document signed by such person shall be and is signed by that person under penalties of perjury and in an official and authorized capacity on behalf of the corporation or person submitting the document with the secretary of state.

(12) "An officer of the corporation" means, in connection with the execution of documents submitted for filing with the secretary of state, the president, a vice president, the secretary or the treasurer of the corporation.

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

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

Sec. 2. Section 10, chapter 53, Laws of 1965 and RCW 23A.08.070 are each amended to read as follows:

Any corporation, organized and existing under the laws of any state or territory of the United States may register its corporate name under this title, provided its corporate name is not the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state, or the name of any foreign corporation authorized to transact business in this state, or any corporate name reserved or registered under this title.

Such registration shall be made by:

(1) Filing with the secretary of state (a) an application for registration executed by the corporation by an officer thereof, setting forth the name of the corporation, the state or territory under the laws of which it is incorporated, the date of its incorporation, a statement that it is carrying on or doing business, and a brief statement of the business in which it is engaged, and (b) a certificate setting forth that such corporation is in good standing under the laws of the state or territory wherein it is organized, executed by the secretary of state of such state or territory or by such other official as may have custody of the records pertaining to corporations, and

(2) Paying to the secretary of state a registration fee in the amount of ~~((one))~~ twenty dollars ~~((for each month, or fraction thereof, between the date of filing such application and December thirty-first of the calendar year in which such application is filed.))~~

Such registration shall be effective until the close of the calendar year in which the application for registration is filed.

Sec. 3. Section 11, chapter 53, Laws of 1965 and RCW 23A.08.080 are each amended to read as follows:

A corporation which has in effect a registration of its corporate name, may renew such registration from year to year by annually filing an application for renewal setting forth the facts required to be set forth in an original application for registration and a certificate of good standing as required for the original registration and by paying a fee of ~~((ten))~~ twenty dollars. A renewal application may be filed between the first day of October and the thirty-first day of December in each year, and shall extend the registration for the following calendar year.

Sec. 4. Section 14, chapter 53, Laws of 1965 as last amended by section 8, chapter 35, Laws of 1982 and F.C.W 23A.08.110 are each amended to read as follows:

The registered agent so appointed by a corporation shall be an agent of such corporation upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served.

Whenever a corporation shall fail to appoint or maintain a registered agent in this state, or whenever its registered agent cannot with reasonable diligence be found at the registered office, then the secretary of state shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the secretary of state of any such process, notice, or demand shall be made by delivering to and leaving with the secretary of state, or with any duly authorized clerk of the corporation department of the secretary of state's office, duplicate copies of such process, notice or demand. In the event any such process, notice or demand is served on the secretary of state, the secretary of state shall immediately cause one of the copies thereof to be forwarded by certified mail, addressed to the secretary of the corporation ((at its registered office)) as shown on the records of the secretary of state. Any service so had on the secretary of state shall be returnable in not less than thirty days.

The secretary of state shall keep a record of all processes, notices and demands served upon the secretary of state under this section, and shall record therein the time of such service and the secretary of state's action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

Sec. 5. Section 15, chapter 53, Laws of 1965 as last amended by section 1, chapter 290, Laws of 1985 and RCW 23A.08.120 are each amended to read as follows:

Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes with such designations, preferences, limitations, and relative rights as shall be stated in the articles of incorporation. Any of the designations, preferences, limitations, or relative rights of any class or series may be made dependent upon facts ascertainable outside the articles of incorporation or of any amendment thereto, or outside the resolution or resolutions providing for the issue of shares adopted by the board of directors pursuant to authority expressly vested in it by its articles of incorporation, if the manner in which such facts shall operate on the designations, preferences, limitations, or relative rights of such class or series is clearly and expressly set forth in the articles of incorporation or in the resolution or resolutions providing for the issue of such shares adopted by the board of directors. The articles of incorporation may limit or deny the voting rights of or provide special voting rights for the shares of any class to the extent not inconsistent with the provisions of this title.

Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes:

(1) Subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof.

(2) Entitling the holders thereof to cumulative, noncumulative or partially cumulative dividends.

(3) Having preference over any other class or classes of shares as to the payment of dividends.

(4) Having preference in the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation.

(5) Convertible into shares of any other class or into shares of any series of the same or any other class, except a class having prior or superior rights and preferences as to dividends or distribution of assets upon liquidation.

Sec. 6. Section 18, chapter 53, Laws of 1965 as last amended by section 7, chapter 75, Laws of 1984 and RCW 23A.08.150 are each amended to read as follows:

Subject to any restrictions in the articles of incorporation(:

~~(1) Shares may be issued for such consideration as shall be authorized by the board of directors establishing a price (in money or other consideration) or a minimum price or general formula or method by which the price will be determined; and~~

~~(2) Upon authorization by the board of directors)),~~ the corporation, upon authorization by the board of directors, may issue its own shares in exchange for or in conversion of its outstanding shares, or distribute its own shares, pro rata to its shareholders or the shareholders of one or more classes or series, to effectuate stock dividends or splits, and any such transaction shall not require consideration. However, such issuance of shares of any class or series shall not be made to the holders of shares of any other class or series unless it is either expressly provided for in the articles of incorporation, or is authorized by an affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class or series in which the distribution is to be made.

Sec. 7. Section 28, chapter 53, Laws of 1965 as amended by section 13, chapter 16, Laws of 1979 and RCW 23A.08.250 are each amended to read as follows:

Meetings of shareholders may be held at such place within or without this state as may be stated in or fixed in accordance with the bylaws. If no place is stated or so fixed, meetings shall be held at the principal place of business of the corporation.

An annual meeting of the shareholders shall be held at such time as may be stated in or fixed in accordance with the bylaws. If the annual meeting is not held within any thirteen-month period the superior court may, on the application of any shareholder for a writ of mandamus, summarily order a meeting to be held.

Special meetings of the shareholders may be called by the board of directors, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or such other persons as may be authorized in the articles of incorporation or the bylaws. The right of shareholders of a public company to call a special meeting of shareholders may be limited or denied to the extent provided in the articles of incorporation.

Sec. 8. Section 29, chapter 53, Laws of 1965 and RCW 23A.08.260 are each amended to read as follows:

Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than ~~((fifty))~~ sixty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Sec. 9. Section 30, chapter 53, Laws of 1965 and RCW 23A.08.270 are each amended to read as follows:

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, ~~((fifty))~~ sixty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the stock transfer books, the bylaws, or in the absence of an applicable bylaw, the board of directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than ~~((fifty))~~ sixty days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the

case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Sec. 10. Section 5, chapter 58, Laws of 1969 ex. sess. as amended by section 1, chapter 28, Laws of 1973 and RCW 23A.08.305 are each amended to read as follows:

Upon a showing to the superior court of the county in which the registered office of a corporation is situated that:

(1) The addresses of the shareholders of record are lost, destroyed, incomplete or inadequate, and

(2) Notice of a meeting of shareholders for a purpose requiring the affirmative vote of the holders of two-thirds of any class of shares has been given in the manner required by law as nearly as may be done and has been published in a legal newspaper in Thurston county and in the county in which the registered office of the corporation is situated not less than ten nor more than ~~((fifty))~~ sixty days before the date of the meeting, the court shall appoint a disinterested person to represent the missing shareholders of record at the meeting and to report his findings to the court which findings may include comments upon the showing made to the court as hereinabove provided. The court shall then approve any action taken at the meeting by the shareholders present in person or by proxy if the court is satisfied that it is in the best interests of the missing shareholders, and such approval shall have the same force and effect as an affirmative vote at the meeting by the missing shareholders. Said disinterested person shall receive reasonable compensation for his services from the corporation, to be fixed by the court.

(3) Published notice given under subsection (2) of this section shall state that:

(a) shareholders who have not received notice by mail will be treated as missing shareholders; and

(b) if the missing shareholders fail to appear at the shareholders' meeting, the court will appoint a person to vote their shares.

Sec. 11. Section 41, chapter 53, Laws of 1965 as amended by section 20, chapter 16, Laws of 1979 and RCW 23A.08.380 are each amended to read as follows:

At a meeting of shareholders called expressly for that purpose, directors may be removed in the manner provided in this section. Any director or the entire board of directors may be removed, with or without cause (unless the articles of incorporation provide that directors may be removed only for cause), by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

In the case of a corporation having cumulative voting, if less than the entire board is to be removed, no one of the directors may be removed if the

votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which he is a part.

Whenever the holders of the shares of any class are entitled to elect one or more directors by the provisions of the articles of incorporation, the provisions of this section shall apply, in respect to the removal of a director or directors so elected, to the vote of the holders of the outstanding shares of that class and not to the vote of the outstanding shares as a whole.

Sec. 12. Section 42, chapter 53, Laws of 1965 as last amended by section 7, chapter 290, Laws of 1985 and RCW 23A.08.390 are each amended read as follows:

~~((1) Except as provided in subsection (2) of this section:~~

~~(a)) A majority of the number of directors fixed by or in the manner provided in the bylaws, or in the absence of a bylaw fixing or providing for the number of directors, then of the number fixed by or in the manner provided in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws.~~

~~((b)) The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.~~

~~((2) If a transaction with a corporation in which a director or an officer has a direct or indirect interest is authorized, approved, or ratified by the vote of a majority of directors with no direct or indirect interest in the transaction:~~

~~(a) A quorum for purposes of taking such action is present; and~~

~~(b) The act of such majority of disinterested directors is the act of the board of directors:))~~

Sec. 13. Section 43, chapter 53, Laws of 1965 as last amended by section 13, chapter 75, Laws of 1984 and RCW 23A.08.400 are each amended to read as follows:

If the articles of incorporation or the bylaws so provide, the board of directors, by resolution adopted by a majority of the full board of directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution or in the articles of incorporation or the bylaws of the corporation, shall have and may exercise all the authority of the board of directors, except that no such committee shall have the authority to: (1) Authorize distributions~~((except at a rate or in periodic amount determined by the board of directors))~~ or the issuance of shares, unless a resolution of the board of directors, or the bylaws, or articles of incorporation expressly so provide, (2) approve or recommend to shareholders actions or proposals required by this



title to be approved by shareholders, (3) fill vacancies on the board of directors or any committee thereof, (4) amend the bylaws, (5) fix compensation of any director for serving on the board of directors or on any committee, (6) approve a plan of merger, consolidation, or exchange of shares not requiring shareholder approval, ((or)) (7) appoint other committees of the board of directors or the members thereof, or (8) amend the articles of incorporation, except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares adopted by the board of directors as provided in RCW 23A.08.130, fix any of the relative rights and preferences of such shares.

Sec. 14. Section 48, chapter 53, Laws of 1965 as last amended by section 9, chapter 290, Laws of 1985 and RCW 23A.08.450 are each amended to read as follows:

In addition to any other liabilities, directors shall be liable in the following circumstances unless they comply with the standard provided in RCW 23A.08.343 for the performance of the duties of directors:

(1) Directors of a corporation who vote for or assent to any distribution contrary to the provisions of this title, or contrary to any restrictions contained in the articles of incorporation, shall be liable to the corporation, jointly and severally with all other directors so voting or assenting, for the amount of such distribution in excess of the amount of such distribution which could have been made without a violation of the provisions of this title or the restrictions in the articles of incorporation.

(2) The directors of a corporation who vote for or assent to the making of a loan to a director of the corporation(~~(, or the making of any loan secured by shares of the corporation;)~~) shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof, unless approved as provided in RCW 23A.08.445.

Any director against whom a claim shall be asserted under or pursuant to this section for the making of a distribution and who shall be held liable thereon, shall be entitled to contribution from the shareholders who accepted or received any such distribution, knowing such distribution to have been made in violation of this title, in proportion to the amounts received by them respectively.

Any director against whom a claim shall be asserted under or pursuant to this section shall be entitled to contribution from any other director who voted for or assented to the action upon which the claim is asserted and who did not comply with the standard provided in this title for the performance of the duties of directors.

Sec. 15. Section 61, chapter 53, Laws of 1965 as last amended by section 18, chapter 75, Laws of 1984 and RCW 23A.16.020 are each amended to read as follows:

Amendments to the articles of incorporation shall be made in the following manner:

(1) The board of directors shall adopt a resolution setting forth the proposed amendment and, if shares have been issued, directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. If no shares have been issued, the amendment shall be adopted by resolution of the board of directors and the provisions for adoption by shareholders shall not apply. If the corporation has only one class of shares outstanding, an amendment solely to provide, change, or eliminate any provision with respect to the par value of any class of shares, or solely to change the number of authorized shares to effectuate a split of, or stock dividend in, the corporation's own shares, or solely to do so and to change the number of authorized shares in proportion thereto, may be adopted by the board of directors; and the provisions for adoption by shareholders shall not apply, unless otherwise provided by the articles of incorporation. ~~((The resolution may incorporate the proposed amendment in restated articles of incorporation which contain a statement that except for the designated amendment the restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation as theretofore amended, and that the restated articles of incorporation together with the designated amendment supersede the original articles of incorporation and all amendments thereto.))~~

(2) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this title for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(3) At such meeting a vote of the shareholders entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the shares entitled to vote thereon, or, in the case of a public company, a majority of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon or, in the case of a public company, a majority of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon.

Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

Sec. 16. Section 33, chapter 16, Laws of 1979 as amended by section 20, chapter 35, Laws of 1982 and RCW 23A.16.075 are each amended to read as follows:

A domestic corporation may at any time restate its articles of incorporation as theretofore amended, by a resolution adopted by the board of directors.

Upon the adoption of the resolution, restated articles of incorporation shall be executed in duplicate by the corporation by one of its officers (~~(signing the articles and)~~). The restated articles shall set forth all of the operative provisions of the articles of incorporation as theretofore amended together with a statement that the restated articles of incorporation correctly set forth without change the (~~(corresponding)~~) provisions of the articles of incorporation as theretofore amended and that the restated articles of incorporation supersede the original articles of incorporation and all amendments thereto.

Duplicate originals of the restated articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds that the restated articles of incorporation conform to law, the secretary of state shall, when all fees required by this title have been paid:

- (1) Endorse on each duplicate original the word "Filed" and the (~~(effective)~~) date of the filing thereof;
- (2) File one duplicate original in the secretary of state's office; and
- (3) Issue a restated certificate of incorporation, to which the other duplicate original shall be affixed.

The restated certificate of incorporation, together with the duplicate original of the restated articles of incorporation affixed thereto by the secretary of state, shall be returned to the corporation or its representative.

Upon the filing of the restated articles of incorporation by the secretary of state, the restated articles of incorporation shall become effective and shall supersede the original articles of incorporation and all amendments thereto.

Sec. 17. Section 6, chapter 2, Laws of 1983 as last amended by section 16, chapter 290, Laws of 1985 and RCW 23A.32.050 are each amended to read as follows:

A foreign corporation, in order to procure a certificate of authority to transact business in this state, shall make application therefor to the secretary of state, which application shall set forth:

- (1) The name of the corporation and the state or country under the laws of which it is incorporated.
- (2) If the name of the corporation does not contain the word "corporation", "company", "incorporated", or "limited", or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state.
- (3) The date of incorporation and the period of duration of the corporation.
- (4) The address of the principal office of the corporation (~~(in the state or country under the laws of which it is incorporated)~~).

(5) The purpose or purposes of the corporation which it proposes to pursue in the transaction of business in this state.

(6) The names and respective addresses of the directors and officers of the corporation.

(7) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes and series, if any within a class.

(8) A statement that a registered agent has been appointed and the name and address of such agent, and that a registered office exists and the address of such registered office is identical to that of the registered agent.

(9) The date of the beginning of its current annual accounting period.

(10) Such additional information as may be necessary or appropriate in order to enable the secretary of state to determine whether such corporation is entitled to a certificate of authority to transact business in this state and to determine and assess the fees payable as in this title prescribed.

(11) For any foreign agricultural cooperative association, evidence that the association has complied with the provisions of RCW 24.32.210.

Such application shall be made in the form prescribed by the secretary of state and shall be executed in duplicate by the corporation by one of its officers.

Such application shall be accompanied by a certificate of good standing which has been issued no more than sixty days before the date of filing of the application for a certificate of authority to do business in this state and has been certified to by the proper officer of the state or country under the laws of which it is incorporated.

Sec. 18. Section 117, chapter 53, Laws of 1965 as last amended by section 48, chapter 35, Laws of 1982 and RCW 23A.32.090 are each amended to read as follows:

A foreign corporation authorized to transact business in this state may change its registered office or change its registered agent, or both, upon filing in the office of the secretary of state a statement setting forth:

(1) The name of the corporation.

(2) If the address of its registered office is to be changed, the address to which the registered office is to be changed.

(3) If its registered agent is to be changed, the name of its successor registered agent.

(4) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(5) That such change was authorized by resolution duly adopted by its board of directors.

Such statement shall be executed in a form prescribed by the secretary of state by the corporation by an officer of the corporation, and delivered to the secretary of state, together with a written consent of the registered agent to his or its appointment, if applicable. If the secretary of state finds

that such statement conforms to the provisions of this title, the secretary of state shall endorse thereon the word "Filed," and the month, day, and year of the filing thereof, and file the statement. The change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective upon filing unless a later date is specified.

Any registered agent of a foreign corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the secretary of state, who shall forthwith mail a copy thereof to the secretary of the corporation at its principal office ((in the state or country under the laws of which it is incorporated)) as shown on the records of the secretary of state. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the secretary of state.

If a registered agent changes his or its business address to another place within the state, he or it may change such address and the address of the registered office of any corporation of which he or it is a registered agent by filing a statement as required by this section, except that it need be signed only by the registered agent, it need not be responsive to subsections (3) or (5) of this section, and it must recite that a copy of the statement has been mailed to the secretary of the corporation.

Sec. 19. Section 118, chapter 53, Laws of 1965 as amended by section 49, chapter 35, Laws of 1982 and RCW 23A.32.100 are each amended to read as follows:

The registered agent so appointed by a foreign corporation authorized to transact business in this state shall be an agent of such corporation upon whom any process, notice or demand required or permitted by law to be served upon the corporation may be served.

Whenever a foreign corporation authorized to transact business in this state shall fail to appoint or maintain a registered agent in this state, or whenever any such registered agent cannot with reasonable diligence be found at the registered office, or whenever the certificate of authority of a foreign corporation shall be suspended or revoked, then the secretary of state shall be an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the secretary of state of any such process, notice, or demand shall be made by delivering to and leaving with the secretary of state, or with any duly authorized clerk of the corporation department of the secretary of state's office, duplicate copies of such process, notice or demand. In the event any such process, notice or demand is served on the secretary of state, the secretary of state shall immediately cause one of such copies thereof to be forwarded by certified mail, addressed to the secretary of the corporation at its principal office ((in the state or country under the laws of which it is incorporated)) as shown on the records of the secretary of state. Any service so had on the secretary of state shall be returnable in not less than thirty days.

The secretary of state shall keep a record of all processes, notices and demands served upon the secretary of state under this section, and shall record therein the time of such service and his action with reference thereto.

Nothing herein contained shall limit or affect the right to serve any process, notice or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

**NEW SECTION.** Sec. 20. A new section is added to chapter 23A.32 RCW to read as follows:

(1) A corporation revoked under RCW 23A.32.170 may apply to the secretary of state for reinstatement within two years after the effective date of revocation. An application filed within such two-year period may be amended or supplemented and any such amendment or supplement shall be effective as of the date of original filing. The application filed under this section shall be filed under and by authority of an officer of the corporation.

(2) The application shall:

(a) State the name of the corporation and, if applicable, the name the corporation had elected to use in this state at the time of revocation, and the effective date of its revocation;

(b) Provide an explanation to show that the grounds for revocation either did not exist or have been eliminated;

(c) State the name of the corporation at the time of reinstatement and, if applicable, the name the corporation elects to use in this state at the time of reinstatement, which may be reserved under RCW 23A.08.060;

(d) Appoint a registered agent and state the registered office address under RCW 23A.32.080; and

(e) Be accompanied by payment of applicable fees and penalties.

(3) If the secretary of state determines that the application conforms to law and that all applicable fees have been paid, the secretary of state shall cancel the certificate of revocation, prepare and file a certificate of reinstatement, and mail a copy of the certificate of reinstatement to the corporation.

(4) Reinstatement under this section relates back to and takes effect as of the date of revocation. The corporate authority shall be deemed to have continued without interruption from that date.

(5) In the event the application for reinstatement states a corporate name that the secretary of state finds to be contrary to the requirements of RCW 23A.32.030, the application, amended application, or supplemental application shall be amended to adopt another corporate name that is in compliance with RCW 23A.32.030. In the event the reinstatement application so adopts a new corporate name for use in Washington, the application for authority shall be deemed to have been amended to change the corporation's name to the name so adopted for use in Washington, effective as of the effective date of the certificate of reinstatement.

NEW SECTION. Sec. 21. A new section is added to chapter 23A.32 RCW to read as follows:

(1) An application processing fee of fifty dollars shall be charged for an application for reinstatement under section 20 of this act.

(2) An application processing fee of twenty-five dollars shall be charged for each amendment or supplement to an application for reinstatement.

(3) The corporation seeking reinstatement shall pay the full amount of all annual corporation license fees that would have been assessed for the license years of the period of administrative revocation had the corporation been in active status, plus a surcharge of twenty-five percent, and the license fee for the year of reinstatement.

(4) The charges in this section shall be in lieu of any other penalties or interest that could have been assessed by the secretary of state under the corporation laws or that, under those laws, would have accrued during any period of delinquency or revocation.

Sec. 22. Section 121, chapter 53, Laws of 1965 and RCW 23A.32.130 are each amended to read as follows:

A foreign corporation authorized to transact business in this state shall procure an amended certificate of authority in the event it changes (a) its corporate name, or ((desires to pursue in this state other or additional purposes than those set forth in its prior application for a certificate of authority)) (b) the period of its duration, or (c) the state or country of its incorporation, by making application therefor to the secretary of state within sixty days of such change.

The requirements in respect to the form and contents of such application, the manner of its execution, the filing of duplicate originals thereof with the secretary of state, the issuance of an amended certificate of authority and the effect thereof, shall be the same as in the case of an original application for a certificate of authority.

Sec. 23. Section 124, chapter 53, Laws of 1965 as last amended by section 7, chapter 32, Laws of 1983 and RCW 23A.32.160 are each amended to read as follows:

(1) The certificate of authority of a foreign corporation to transact business in this state shall be revoked by the secretary of state upon the conditions prescribed in this section when:

(a) The corporation has failed to pay any fees or penalties prescribed by this title when they have become due and payable; or

(b) The corporation has failed to file any annual report prescribed by this title, and such omission has extended for a period of sixty days since the last day for timely filing; or

(c) The corporation has failed for sixty days to appoint and maintain a registered agent in this state as required by this title; or

(d) The corporation has failed, for sixty days after change of its registered office or registered agent, to file in the office of the secretary of state a statement of such change as required by this title; or

(e) The corporation has failed to file in the office of the secretary of state any amendment to its (~~articles of incorporation or any articles of merger~~) certificate of authority within the time prescribed by this title; or

(f) A misrepresentation has been made of any material matter in any application, report, affidavit or other document submitted by such corporation pursuant to this title; or

(g) The department of revenue has certified to the secretary of state that the corporation has failed to file a tax return and that a period of one year has passed since the last day permitted for timely filing of the return, without the corporation's having filed the return and made payment of all applicable taxes and penalties.

(2) Prior to revoking a certificate of authority under subsection (1) of this section, the secretary of state shall give the corporation written notice of the corporation's delinquency or omission by first class mail, postage prepaid, addressed to the corporation's registered agent. If, according to the records of the secretary of state, the corporation does not have a registered agent, the notice may be given by mail addressed to the corporation at its last known address or at the address of any officer or director of the corporation, as shown by the records of the secretary of state. Notice is deemed to have been given five days after the date deposited in the United States mail, correctly addressed, and with correct postage affixed. The notice shall inform the corporation that its certificate of authority shall be revoked at the expiration of sixty days following the date the notice has been deemed to have been given, unless it corrects the delinquency or omission within the sixty-day period.

(3) Any notice provided by the secretary of state under this section shall be designed to clearly identify and warn the recipient of the contents thereof. A delinquency notice shall provide a succinct and readable description of the delinquency or omission, the earliest date on which (~~dissolution~~) revocation may occur, and the action necessary to cure the delinquency or omission prior to (~~dissolution~~) revocation.

(4) The attorney general may take such action regarding revocation of a certificate of authority as is provided by RCW 23A.28.130 through 23A.28.250, for the administrative dissolution of a domestic corporation. The procedures of RCW 23A.28.150 shall apply to any action under this section. The clerk of any superior court entering a decree of revocation of a certificate of authority shall file a certified copy, without cost or filing fee, with the office of the secretary of state.

Sec. 24. Section 125, chapter 53, Laws of 1965 as last amended by section 8, chapter 32, Laws of 1983 and RCW 23A.32.170 are each amended to read as follows:



When a corporation has given cause for revocation and has failed to correct the delinquency or omission within sixty days after notice has been deemed to have been given under RCW ((23A.32.125)) 23A.32.160, the secretary of state shall revoke the corporation's authority to conduct business in this state.

Upon revoking any such certificate of authority, the secretary of state shall:

(1) Issue a certificate of revocation in duplicate containing a statement that the corporation's authority to conduct business is revoked and the reasons for the revocation;

(2) File one of such certificates in the secretary of state's office;

(3) Mail the other duplicate certificate to such corporation at its registered office in this state or, if there is no registered office, to the corporation at the last known address of any officer or director of the corporation, as shown by the records of the secretary of state.

Upon the filing of such certificate of revocation, the authority of the corporation to transact business in this state shall cease.

Sec. 25. Section 135, chapter 53, Laws of 1965 as last amended by section 21, chapter 75, Laws of 1984 and RCW 23A.40.020 are each amended to read as follows:

The secretary of state shall charge and collect for:

(1) Filing articles of amendment or supplemental articles and issuing a certificate of amendment, twenty-five dollars;

(2) Filing restated articles of incorporation, twenty-five dollars;

(3) Filing articles of merger or consolidation and issuing a certificate of merger or consolidation, twenty-five dollars;

(4) Filing an application to reserve a corporate name, ten dollars;

(5) Filing a notice of transfer of a reserved corporate name, five dollars;

(6) Filing a statement of change of address of registered office, revocation, resignation, change of registered agent, affidavit of nonappointment, or any combination of these, five dollars. A separate fee for filing such statement shall not be charged if the statement appears in an amendment to the articles of incorporation or in conjunction with the filing of the annual report;

(7) Filing a statement of the establishment of a series of shares, ten dollars;

(8) Filing a statement of cancellation of shares, ten dollars;

(9) Filing a statement of intent to dissolve, no fee;

(10) Filing a statement of revocation of voluntary dissolution proceedings, no fee;

(11) Filing articles of dissolution, no fee;

(12) Filing an application of a foreign corporation for an amended certificate of authority to transact business in this state and issuing an amended certificate of authority, twenty-five dollars;

~~((13)) Filing a copy of an amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in this state, twenty-five dollars;~~

~~((14)) Filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in this state, twenty-five dollars;~~

~~((15)) Filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, no fee;~~

~~((16)) (14) Filing an annual report, five dollars, but a separate fee for filing such report shall not be charged for an annual report filed in conjunction with and part of the same forms or billing for the annual license renewal;~~

~~((17)) (15) Filing any other statement or report, ten dollars;~~

~~((18)) (16) Such other filings as are provided for by this title.~~

NEW SECTION. Sec. 26. The following acts or parts of acts are each repealed:

(1) Section 119, chapter 53, Laws of 1965 and RCW 23A.32.110; and

(2) Section 120, chapter 53, Laws of 1965 and RCW 23A.32.120.

NEW SECTION. Sec. 27. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 28. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 12, 1986.

Passed the House March 4, 1986.

Approved by the Governor March 22, 1986.

Filed in Office of Secretary of State March 22, 1986.

## CHAPTER 118

[Engrossed Substitute Senate Bill No. 4128]

### CORRECTIONS STANDARDS BOARD

AN ACT Relating to the corrections standards board; amending RCW 19.27.060, 70.48-.020, 70.48.050, 70.48.060, 70.48.070, 70.48.080, 70.48.090, 70.48.110, 70.48.120, 70.48.130, 70.48.160, 70.48.200, 70.48.260, 70.48.280, 70.48.330, 70.48A.020, and 70.48A.040; and repealing RCW 70.48.030, 70.48.040, and 70.48.150.

Be it enacted by the Legislature of the State of Washington: