

## CHAPTER 31

[House Bill No. 288]

## CORPORATIONS—VENUE

AN ACT Relating to corporations; and amending section 1, chapter 173, Laws of 1927 as amended by section 168, chapter 53, Laws of 1965 and RCW 4.12.025.

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

Sec. 1. Section 1, chapter 173, Laws of 1927 as amended by section 168, chapter 53, Laws of 1965 and RCW 4.12.025 are each amended to read as follows:

(1) An action may be brought in any county in which the defendant resides, or, if there be more than one defendant, where some one of the defendants resides at the time of the commencement of the action. For the purpose of this section, RCW ~~((4.12.025;))~~ 4.12.026, and 4.12.027, the residence of a corporation defendant shall be deemed to be in any county where the corporation: (a) Transacts business ~~((or));~~ (b) has an office for the transaction of business ~~((or));~~ (c) transacted business at the time the cause of action arose; or (d) where any person resides upon whom process may be served upon the corporation ~~((, unless hereinafter otherwise provided))~~.

(2) The venue of any action brought against a corporation, at the option of the plaintiff, shall be ~~((+))~~; (a) In the county where the tort was committed; ~~((2))~~ (b) in the county where the work was performed for said corporation; ~~((3))~~ (c) in the county where the agreement entered into with the corporation was made; or ~~((4))~~ (d) in the county where the corporation has its ~~((principal place of business))~~ residence.

Passed the House March 14, 1983.

Passed the Senate April 8, 1983.

Approved by the Governor April 18, 1983.

Filed in Office of Secretary of State April 18, 1983.

## CHAPTER 32

[Engrossed House Bill No. 348]

## CORPORATIONS—ADMINISTRATIVE DISSOLUTION

AN ACT Relating to corporations; amending section 10, chapter 99, Laws of 1980 as amended by section 39, chapter 35, Laws of 1982 and RCW 23A.28.125; amending section 108, chapter 53, Laws of 1965 as last amended by section 41, chapter 35, Laws of 1982 and RCW 23A.28.250; amending section 113, chapter 53, Laws of 1965 as last amended by section 42, chapter 35, Laws of 1982 and by section 3, chapter 45, Laws of 1982 and RCW 23A.32.050; amending section 124, chapter 53, Laws of 1965 as last amended by section 52, chapter 35, Laws of 1982 and RCW 23A.32.160; amending section 125, chapter 53, Laws of 1965 as amended by section 53, chapter 35, Laws of 1982 and RCW 23A.32.170; amending section 157, chapter 53, Laws of 1965 and RCW 23A.44.100;

adding new sections to chapter 23A.28 RCW; creating a new section; and declaring an emergency.

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

Sec. 1. Section 10, chapter 99, Laws of 1980 as amended by section 39, chapter 35, Laws of 1982 and RCW 23A.28.125 are each amended to read as follows:

(1) A domestic corporation shall be administratively dissolved by the secretary of state upon the conditions prescribed in this section when:

(a) The corporation has failed to file ~~((or complete))~~ the annual report required by this title or to pay the annual license fee required by this title, and a period of ~~((nine months))~~ sixty days has expired since the last day permitted for timely filing or payment, without the corporation having filed or made payment of all required fees and penalties;

(b) The corporation has failed for a period of ~~((thirty))~~ sixty days to appoint and maintain a registered agent in this state;

(c) The corporation has failed for ~~((thirty))~~ 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; or

(d) 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 expired, since the last day permitted for timely filing, without the corporation ~~((s))~~ having filed and made payment of all required taxes and penalties.

(2) Prior to dissolving a corporation under subsection (1)~~((a))~~ of this section, the secretary of state shall give the corporation written notice of the corporation's delinquency or omission ~~((no later than the end of the sixth month of delinquency;))~~ by first class mail, postage prepaid, addressed to the corporation's registered ~~((office, or, if there is no registered office, to the))~~ agent. If, according to the records of the secretary of state, the corporation has no registered agent then such notice may be given by such 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 with correct postage affixed. The notice ~~((shall identify the delinquency or omission and))~~ shall inform the corporation that the corporation shall be ~~((involuntarily))~~ administratively dissolved at the expiration of ~~((the ninth month of the delinquency or omission))~~ sixty days following the date the notice is deemed to be given, unless the corporation corrects the delinquency or omission ~~((If the ninth month expires and no correction of the delinquency or omission has been made, the secretary of state shall issue a certificate of involuntary dissolution))~~ within the sixty-day period.

~~(3) ((A corporation shall not be dissolved under subsection (1)(b) through (d) of this section unless the secretary of state has given the corporation not less than forty-five days notice of its delinquency or omission, by first class mail, postage prepaid, addressed to its registered office, or if there is no registered office, to the last known address of the corporation or any officer or director thereof, as shown by the records of the secretary of state, and unless the corporation has failed to correct the omission or delinquency before dissolution.~~

~~(4))~~ When a corporation has given cause for ~~((involuntary))~~ administrative dissolution and has failed to correct the delinquency or omission within sixty days following the date the notice is deemed to have been given as provided in this section, the secretary of state shall dissolve the corporation by preparing and filing ~~((and issuing))~~ a certificate of ~~((involuntary))~~ administrative dissolution containing a statement that the corporation has been dissolved and the ~~((date and))~~ reason for which it was dissolved. The original certificate of ~~((involuntary))~~ administrative dissolution shall be filed in the records of the secretary of state, and a copy of the certificate shall be mailed to the corporation's ~~((at its))~~ registered ~~((office or, if there is no registered office, to the last known address of the corporation or any))~~ agent. If, according to the records of the secretary of state, the corporation has no registered agent, then the copy of the certificate shall be mailed to the corporation at its last known address or at the address of any officer ~~((;))~~ or director ~~((, or incorporator))~~ of the corporation, as shown by the records of the secretary of state. Upon the filing of the certificate of ~~((involuntary))~~ administrative dissolution, the existence of the corporation shall cease, except as otherwise provided in this chapter, and its name shall be available to and may be adopted by another person or corporation after the dissolution.

~~((5))~~ (4) 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 ~~((will))~~ may occur, and the action necessary to cure the delinquency or omission prior to dissolution.

~~((6))~~ (5) Prior to such dissolution the corporation's existence will not be affected nor will any of its rights, duties and obligations be impaired, except as otherwise provided in RCW 23A.44.120.

NEW SECTION. Sec. 2. There is added to chapter 23A.28 RCW a new section to read as follows:

(1) A corporation administratively dissolved under RCW 23A.28.125 may apply to the secretary of state for reinstatement within two years after the effective date of dissolution. 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 those persons authorized to so act by subsection (6) of this section.

(2) The application shall:

(a) Recite the name of the corporation at the time of dissolution, and the effective date of its administrative dissolution;

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

(c) State the name of the corporation (which may be reserved under RCW 23A.08.060);

(d) Appoint a registered agent and state the registered office address under RCW 23A.08.090; 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 administrative dissolution, 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 administrative dissolution. The corporate existence shall be deemed to have continued without interruption from that date.

(5) In the event the application for reinstatement states a corporate name which the secretary of state finds to be contrary to the requirements of RCW 23A.08.050, the application, amended application, or supplemental application shall be amended to adopt another corporate name which is in compliance with RCW 23A.08.050. In the event the reinstatement application so adopts a new corporate name, the articles of incorporation shall be deemed to have been amended to change the corporation's name to the name so adopted, effective as of the effective date of the certificate of reinstatement.

(6) The application shall be authorized by a majority of the persons who were directors at the time of administrative dissolution. If a sufficient number of the directors of any corporation desiring to apply for reinstatement are not available by reason of death or unknown address, the directors of the corporation or those remaining on the board, even if only one, may elect successors to such directors. In any case where there shall be no directors of the corporation available for the purposes aforesaid, the shareholders may elect a full board of directors, as provided by the bylaws of the corporation, and the board shall then elect such officers as are provided by law, by the articles of incorporation, or by the bylaws to carry on the business and affairs of the corporation. A special meeting of the shareholders for the purposes of electing directors may be called by any officer, director, or shareholder upon notice given under RCW 23A.08.260.

NEW SECTION. Sec. 3. There is added to chapter 23A.28 RCW a new section to read as follows:

(1) A corporation which has been dissolved by reason of the expiration of its period of duration may at any time during the period of two years following its dissolution amend its articles of incorporation so as to extend its period of duration.

(2) To achieve the extension authorized by subsection (1) of this section, the corporation shall file an application for extension. The application may be amended or supplemented and any such amendment or supplement shall be effective as of the date of the original application filing. The application to be filed under this section shall be authorized in the manner set forth in subsection (6) of this section, and shall be presented to the shareholders for approval in the manner set forth in RCW 23A.16.020 and 23A.16.030. The application, when so approved, shall, in addition to the information required by RCW 23A.16.040:

(a) State the date of the expiration of the period of corporate duration;

(b) Identify the amended period of duration, which may be perpetual or for a stated period of years;

(c) State the name of the corporation (which may be reserved under RCW 23A.08.060);

(d) Appoint a registered agent and state the registered office address under RCW 23A.08.090; 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 file the application for extension, prepare and file a certificate of extension and amendment, and mail a copy of the certificate of extension and amendment to the corporation.

(4) Extension under this section relates back to and takes effect as of the date of expiration of the corporation's period of duration. The corporate existence shall be deemed to have continued without interruption from that date.

(5) In the event the application for extension states a corporate name which the secretary of state finds to be contrary to the requirements of RCW 23A.08.050, the application, amended application, or supplemental application shall be amended to adopt another corporate name which is in compliance with RCW 23A.08.050. In the event the extension application so adopts a new corporate name, the articles of incorporation shall be deemed to have been amended to change the corporation's name to the name so adopted, effective as of the effective date of the certificate of extension and amendment.

(6) The application shall be authorized by a majority of the persons who were directors at the time of expiration of the corporation's period of duration. If a sufficient number of the directors of any corporation desiring to apply for extension are not available by reason of death or unknown address, the directors of the corporation or those remaining on the board, even

if only one, may elect successors to such directors. In any case where there shall be no directors of the corporation available for the purposes aforesaid, the shareholders may elect a full board of directors, as provided by the by-laws of the corporation, and the board shall then elect such officers as are provided by law, by the articles of incorporation or by the bylaws to carry on the business and affairs of the corporation. A special meeting of the shareholders for the purposes of electing directors may be called by any officer, director, or shareholder upon notice given in accordance with RCW 23A.08.260.

Sec. 4. Section 108, chapter 53, Laws of 1965 as last amended by section 41, chapter 35, Laws of 1982 and RCW 23A.28.250 are each amended to read as follows:

The dissolution of a corporation either: (1) By the issuance of a certificate of ~~((voluntary or involuntary))~~ dissolution by the secretary of state, or (2) by a decree of court, or (3) by expiration of its period of duration~~((, or (4) by reason of its failure to pay its annual license fee and file its annual report as required by law,))~~ shall not take away or impair any remedy available to or against such corporation, its directors, officers, or shareholders, for any right or claim existing, or any liability incurred, prior to such dissolution if action or other proceeding thereon is commenced within two years after the date of such dissolution. The directors of any such corporation shall hold title to the property of the corporation as trustees for the benefit of its creditors and shareholders. Any such action or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors, and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right, or claim. ~~((If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of two years after expiration so as to extend its period of duration. If a corporation so amends its articles of incorporation to extend its period of duration and its name or a similar name has been taken or reserved, during the two years, by another person or corporation, the corporation extending its duration shall be required to adopt a name consistent with the requirements of this title and to amend its incorporation documents accordingly. The corporation shall also pay to the state all fees and penalties which would otherwise have been due had the corporate charter not expired:))~~

NEW SECTION. Sec. 5. There is added to chapter 23A.28 RCW a new section to read as follows:

(1) An application processing fee of fifty dollars shall be charged for an application for reinstatement or for extension under sections 2 and 3 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 or for extension.

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

(4) The penalties herein established shall be in lieu of any other penalties or interest which could have been assessed by the secretary of state under the corporation laws or which, under those laws, would have accrued during any period of delinquency, dissolution, or expiration of corporate duration.

Sec. 6. Section 113, chapter 53, Laws of 1965 as last amended by section 42, chapter 35, Laws of 1982 and by section 3, chapter 45, Laws of 1982 and RCW 23A.32.050 are each reenacted and 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, par value of shares, shares without par value, 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 number of shares of capital stock which the company is authorized to issue and the par value of each share, and if such shares have no par value, then the value of the assets represented by nonpar shares.

(10) The portion of the capital stock of the company which is represented or to be represented, employed or to be employed in its business transacted or to be transacted in the state of Washington.

(11) The value of the property in or to be brought into, and the amount of capital to be used by the company in the state of Washington and the value of the property and capital owned or used by the company outside of the state of Washington.

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

(13) 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.

~~((+0))~~ (14) 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. 7. Section 124, chapter 53, Laws of 1965 as last amended by section 52, chapter 35, Laws of 1982 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(~~(, and such delinquency has extended for a period of nine months since the last day for timely payment of required fees)~~); or

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

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

(d) The corporation has failed, for ~~((thirty))~~ 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 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) (~~((a) or (b))~~) of this section, the secretary of state shall give the corporation written notice of the corporation's delinquency or omission ((no later than the end of the sixth month of delinquency,)) by first class mail, postage prepaid, addressed to the corporation's registered ((office, or, if there is no registered office, to the last known address of any officer or director of the corporation, as shown by the records of the secretary of state)) 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 ((identify the delinquency or omission, and shall)) inform the corporation that its certificate of authority shall be revoked at the expiration of ((the ninth month of the delinquency or omission)) sixty days following the date the notice has been deemed to have been given, unless it corrects the delinquency or omission((- If the ninth month expires and no correction of the delinquency or omission has been made, the secretary of state shall issue a certificate of revocation of the certificate of authority to do business in Washington.

(3) ~~No certificate of authority of a foreign corporation shall be revoked by the secretary of state under subsection (1) (c) through (g) of this section unless (a) the secretary of state shall have given the corporation not less than sixty days notice thereof by mail addressed to its registered office in this state or, if there is no registered office, to the last known address of any officer or director of the corporation, as shown by the records in the office of the secretary of state, and (b) the corporation shall fail prior to revocation to file the required statement of change of registered agent or registered office, or file such articles of amendment or articles of merger, or correct such misrepresentation, delinquency, or omission)) within the sixty-day period.~~

~~((4))~~ (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 ~~((with))~~ may occur, and the action necessary to cure the delinquency or omission prior to dissolution.

~~((5))~~ (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 ~~((involuntary))~~ 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. 8. Section 125, chapter 53, Laws of 1965 as amended by section 53, chapter 35, Laws of 1982 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, 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. 9. Section 157, chapter 53, Laws of 1965 and RCW 23A.44.100 are each amended to read as follows:

(1) All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

(2) Subsection (1) of this section does not apply to any persons assuming to act as a corporation during a period of administrative dissolution if the corporation is subsequently reinstated under the provisions of sections 2 and 3 of this 1983 act.

NEW SECTION. Sec. 10. (1) Sections 2 and 3 of this act shall be construed to apply to all corporations administratively dissolved on or after January 1, 1983, and to all corporations whose period of corporate existence expired on or after January 1, 1983.

(2) Any corporation involuntarily dissolved by the secretary of state, under the applicable statutory requirements in effect between January 1, 1981, and December 31, 1982, may file an application for reinstatement under section 2 of this act not later than December 31, 1984.

(3) Any corporation whose period of duration expired at any time between July 1, 1982, and December 31, 1982, may file an application for extension under section 2 of this act not later than December 31, 1984.

(4) It is the intention of the legislature that this act be applied, construed, and interpreted as a remedial measure to permit in appropriate cases reinstatement or extension which might otherwise have been foreclosed from January 1, 1981, to the effective date of this act.

NEW SECTION. Sec. 11. 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 House February 25, 1983.

Passed the Senate April 8, 1983.

Approved by the Governor April 18, 1983.

Filed in Office of Secretary of State April 18, 1983.

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## CHAPTER 33

[Engrossed House Bill No. 487]

### CHATEL LIENS—FILING PERIOD

AN ACT Relating to chattel liens; amending section 2, chapter 72, Laws of 1905 as amended by section 2, chapter 68, Laws of 1917 and RCW 60.08.020; and amending section 5, chapter 72, Laws of 1905 and RCW 60.08.060.

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

Sec. 1. Section 2, chapter 72, Laws of 1905 as amended by section 2, chapter 68, Laws of 1917 and RCW 60.08.020 are each amended to read as follows:

In order to make such lien effectual the lien claimant shall, within ((~~sixty~~)) ninety days from the date of delivery of such chattel to the owner, file in the office of the auditor of the county in which such chattel is kept, a lien notice, which notice shall state the name of the claimant, the name of the owner, a description of the chattel upon which the claimant has performed labor or furnished material, the amount for which a lien is claimed and the date upon which such expenditure of labor or material was completed, which notice shall be signed by the claimant or someone on his behalf, and may be in substantially the following form: