

HOUSE BILL REPORT

HB 1704

As Reported By House Committee On:
Revenue

Title: An act relating to fees paid to the secretary of state's office.

Brief Description: Authorizing the secretary of state to set fees by rule.

Sponsors: Representatives G. Fisher, Locke, Silver, Talcott and Flemming; by request of Secretary of State.

Brief History:

Reported by House Committee on:
Revenue, March 8, 1993, DPS.

HOUSE COMMITTEE ON REVENUE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Cothorn; Leonard; Morris; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven; and Wang.

Staff: Rick Peterson (786-7150).

Background: Corporations organized in the state of Washington must file their articles of incorporation with the Secretary of State's Office. A for-profit corporation's filing fee and first-year license fee is \$175. Each year, a for-profit corporation pays a \$50 license fee. Nonprofit corporations and mutual corporations pay an initial fee of \$30 and an annual fee of \$10. Corporations organized outside Washington that operate in Washington pay the same fees. Fraternal societies (\$20), building corporations of fraternal societies (\$20), credit unions (\$5), and savings and loan associations (\$10) also pay fees for filing articles of incorporation with the secretary of state. The secretary of state charges fees for a variety of services related to corporation filings, such as corrections, amendments, and copying. These fees are set in statute.

All charitable organizations, independent fund raisers and nonprofit fund raisers annually provide information on fund-

raising activities with the secretary of state. Charitable trusts must register with the attorney general. Information filed by charitable fund raisers and charitable trusts is available to the public.

Summary of Substitute Bill: The secretary of state is authorized to establish fees by administrative rule for corporation filings concerning: corrections, amendments, or restatement of articles of incorporation; articles of merger or share exchange; revocation or dissolution; application for amended certificate of authority, or reservation, registration or assignment of reserved name; and changes of registered agent. The fees may be adjusted only by administrative rule and only by an amount that does not exceed the cost of providing services.

The secretary of state may also set fees by administrative rule for furnishing copies of documents.

Annual license fees for inactive corporations is set at \$10 rather than \$50. Fees for filing articles of incorporation for credit unions and savings and loan associations are increased to \$20. The secretary of state may accept credit card payment for fees.

The secretary of state may establish fees for services related to charitable solicitations and charitable trusts. The fees for services related to charitable solicitations and charitable trusts are deposited in the secretary of state's revolving fund to pay costs associated with the Charitable Solicitations and Charitable Trusts Program.

Substitute Bill Compared to Original Bill: The original bill allowed the secretary of state to set all fee amounts for corporation filings by administrative rule. The substitute bill retains, in statute, the fee amounts for filing articles of incorporation and the annual fee. The substitute creates a lower annual fee for inactive corporations.

Fiscal Note: Available. New fiscal note requested March 8, 1993.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 1993.

Testimony For: Enactment of this bill would help to streamline the document request and provision process in the Secretary of State's Office.

Testimony Against: None.

Witnesses: Don Whiting and Rebecca Sisler, Secretary of State's Office (in favor of secretary of state's proposed substitute to the bill); Sharon Foster, Washington State YMCA's and Council of Youth Agencies (pro); and Tony Meinhardt, Independent Business Association (pro).