

SENATE BILL REPORT

SB 5492

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 26, 1993

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

SPONSORS: Senators Spanel, Snyder, Nelson and M. Rasmussen; by request of Secretary of State

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5492 be substituted therefor, and the substitute bill do pass.

Signed by Senators A. Smith, Chairman; Quigley, Vice Chairman; McCaslin, Nelson, Niemi, Roach, and Spanel.

Staff: Jon Carlson (786-7459)

Hearing Dates: February 11, 1993; February 26, 1993

BACKGROUND:

The existing fees collected by the Secretary of State for the filing of various corporate documents are established by statute.

A recent study by the Efficiency Commission found that the corporation division of the office of the Secretary of State could improve its administrative capabilities if the secretary were allowed to set these and other fees by rule. Fee-based services, such as fulfillment of information and copy requests from customers, were found to be inadequately priced to cover the cost of providing the services.

Customer service and office efficiency could also be improved by allowing the use of credit cards for the payment of fees. This would make it possible for a business to order, pay for, and receive delivery of copies from the corporation division in one day.

SUMMARY:

The original bill was not considered.

EFFECT OF PROPOSED SUBSTITUTE:

The Secretary of State is required to establish by rule a variety of fees applicable to for-profit and nonprofit corporations.

All fees pertaining to articles of incorporation, application for a certificate of authority, application of a foreign corporation for a certificate of authority to conduct affairs

in this state, and annual license fees remain established by statute.

The Secretary of State must establish fees by rule for furnishing copies of documents to the public. The secretary is also authorized to establish rules for the use of credit or debit cards for the payment of fees.

Appropriation: none

Revenue: none

Fiscal Note: requested

Effective Date: July 1, 1993

TESTIMONY FOR:

Allowing the Secretary of State to set many of the corporation fees by rule would improve the administrative capabilities of the Corporations Division.

TESTIMONY AGAINST:

It is inappropriate and unwise to delegate most of the Legislature's authority in the area of setting corporate fees.

TESTIFIED: Ralph Munro, Secretary of State (pro); Rebecca Sisler, Corporations Division, Sec. of State (pro); Arlene Smith, Dept. of Labor & Industries (pro); Jack Caskey, Stuart Stout, CT Corporation (pro); Sharon Foster, YMCAs of WA and Council of Youth Agencies (con); Gary Smith, Independent Business Assn. (con)