

# FINAL BILL REPORT

## SHB 1251

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Synopsis as Enacted

**Brief Description:** Clarifying naming conventions for corporations and units of government.

**Sponsors:** By House Committee on Government Administration (originally sponsored by Representatives Parlette, Costa, Sheahan, Sterk, Lantz, Kenney, Skinner, Lambert, Gardner, D. Schmidt and Wensman; by request of Secretary of State).

**House Committee on Government Administration**  
**Senate Committee on Government Operations**

**Background:** A number of different types of artificial entities may be created in the state, including for-profit corporations and nonprofit corporations. Papers to create or incorporate these artificial entities are filed with the Office of the Secretary of State. A foreign, or out-of-state, corporation transacting business in this state must file an application with the Office of the Secretary of State for a certificate of authority.

Each corporation doing business in the state must file the name and address of its registered agent with the Office of the Secretary of State.

Many statutes relating to different types of artificial entities that may be created in this state include provisions prohibiting the use of names for an artificial entity that are not distinguishable from the names of other artificial entities.

The secretary of state is authorized under the Washington Business Corporation Act to provide for the administrative dissolution of a corporation on a variety of grounds, including the failure to pay license fees, register its agent, or file an annual report.

**Summary:** Any unit of local government, the state, or any state agency or department may apply to the secretary of state to administratively dissolve or revoke the certificate of authority for any corporation using a name that is not distinguishable from the name of the applicant. If the name is not distinguishable, the secretary of state institutes proceedings to administratively dissolve the corporation or revoke its certificate of authority.

Factors are established to determine if names are not distinguishable. Examples are provided of similar names that are not distinguishable and similar names that are distinguishable.

If the corporation named in the application was incorporated or certified before the government entity was formed, these provisions only apply if the government entity provides a certified copy of a final court judgement determining that it has a property right to the name which is superior to that of the corporation.

These provisions are referenced in laws relating to non-profit corporations, mutual corporations, corporations sole, fraternal societies, agricultural processing and marketing associations, granges, and cooperative associations.

**Votes on Final Passage:**

House 95 0

Senate 46 0

**Effective:** July 27, 1997