

SENATE BILL REPORT

SSB 5107

As Passed Senate, March 10, 1997

Title: An act relating to consent provisions under the Washington business corporation act.

Brief Description: Modifying consent provisions under the Washington business corporation act.

Sponsors: Senate Committee on Law & Justice (originally sponsored by Senators Roach and Johnson).

Brief History:

Committee Activity: Law & Justice: 1/27/97, 2/24/97 [DPS].
Passed Senate, 3/10/97, 47-0.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5107 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Goings, Haugen, Kline, Long, McCaslin, Stevens and Zarelli.

Staff: Mal Murphy (786-7412)

Background: Current law does not allow for the non-unanimous written consent by a corporation's shareholders to any action where their consent is required.

Summary of Bill: Corporate action may be authorized or taken by the non-unanimous written consent of the shareholders of a nonpublic company, where provision is made for such consent in the articles of incorporation.

Provisions relating to target corporations engaging in significant business transactions are clarified.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill will allow flexibility so small corporations can take advantage of emerging business opportunities, and makes our law consistent with that of Delaware. Also cleans up ambiguity in anti-takeover provisions of corporation law.

Testimony Against: None.

Testified: Kent Carlson, WSBA, Corporate Act Revision Committee.