

# SENATE BILL REPORT

## SB 5107

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As Reported By Senate Committee On:  
Law & Justice, February 24, 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:** Senators Roach and Johnson.

**Brief History:**

**Committee Activity:** Law & Justice: 1/27/97, 2/24/97 [DPS].

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### 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 Substitute 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.

**Substitute Bill Compared to Original Bill:** The substitute requires the notice be given to all shareholders before a corporation can take action by less than unanimous consent.

**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.