



Washington Streamlines Business Entity Administrative Requirements

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The Uniform Business Organizations Code (“Act”), which went into effect on January 1, 2016, makes a number of changes to the laws affecting business entities in Washington State. The Act, commonly known as the “Hub Bill,” consolidates common legal requirements for all entity types and is intended to simplify the administrative processes for forming, maintaining, and dissolving business entities.

Affected entity types include business corporations, nonprofit corporations, limited liability partnerships, limited partnerships, limited liability companies (LLCs), and general cooperative associations.

The Act should make it easier for individuals to create a business entity. Under the prior code, each entity type had entity-specific laws governing administrative filing and licensing requirements. Those requirements, although similar from entity to entity, were not identical. The Act removes common administrative provisions from the entity-specific statutes, and establishes uniform administrative requirements under one chapter (RCW 23.95) applicable to all entity types. Each business entity type will continue to be governed by separate statutes that contain entity-specific requirements.

These are some of the highlights of the Act by Article:

- Article 1 includes a definitions section and establishes standards for the permissible means of delivery of a record, including by hand, U.S. mail, private courier, and electric transmission.
- Article 2 contains requirements relating to the filing of entity documents with the Secretary of State (SOS), including required content and method of filing, effective date and time of filings, procedures for withdrawing or correcting filed records, the duties of the SOS to issue certificates, and annual report requirements. Article 2 provides flexibility for entities under two new procedures that: (1) allow an entity to withdraw a filed document before its effective date and (2) allow an entity to file a statement of correction for filed documents that are inaccurate instead of requiring an amendment.
- Article 3 addresses requirements for entity names and registration of foreign entity names.
- Article 4 requires entities to designate and maintain a registered agent and specifies how service of process is made. All business entities and registered foreign entities in Washington must have a registered agent with a physical Washington State address. It also provides for commercial registered agents, which must make certain filings with the SOS to be recognized as such. Article 4 also sets forth the procedures for registering, changing important information about, and terminating or converting the status of, a commercial registered agent. Those procedures are intended to reduce the number of filings that a commercial registered agent must make, and streamline the filing process. A commercial registered agent may agree to accept electronic service of process and other non-traditional forms of service, because the Act allows commercial registered agents to be served in any manner that the agent specifies in its registration document.
- Article 5 addresses requirements for a foreign entity to register to do business in Washington and defines what activities are not considered “doing business.”
- Article 6 addresses the grounds under which an entity may be administratively dissolved by the SOS, including if the entity does not pay money due to the SOS when due, fails to deliver an annual report within 120 days of the due date, does not have a registered agent for 30 consecutive days or if the period of duration of the entity has expired.

Although the Act is intended to simplify the statutory landscape applicable to business entities, business entities should be aware that the Act adds new requirements.. Entity organizers and agents should familiarize themselves with the Act's provisions to ensure that they understand the new requirements and take advantage of the flexibility the Act provides.

For further information on how the Act affects your business operations, please contact [Jenna Mandell-Rice](mailto:jrm@vnf.com) at jrm@vnf.com

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