

WASHINGTON STATE
B A R A S S O C I A T I O N

Board of Governors Meeting
Meeting Materials

November 13-14, 2020
Webcast and Teleconference



**Board of Governors Meeting
Held Virtually due to Public Health Crisis
November 13-14, 2020**

WSBA Mission: To serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice.

PLEASE NOTE: ALL TIMES ARE APPROXIMATE AND SUBJECT TO CHANGE

ALL ITEMS ON THIS AGENDA ARE POTENTIAL ACTION ITEMS

To participate remotely: Call 1.888.788.0099
Friday Nov. 13th – Meeting ID: 912 2849 3475
Saturday Nov. 14th – Meeting ID: 971 0865 6238

FRIDAY, NOVEMBER 13, 2020

9:00 AM – CALL TO ORDER

BOARD TRAINING

- ANTI-HARASSMENT TRAINING**, Julie Lucht, Perkins Coie LLP..... LM
- OPEN PUBLIC MEETINGS ACT TRAINING**, Morgan Damerow & Heather Carter, Washington State Office of the Attorney General LM

CONSENT CALENDAR & STANDING REPORTS

- WELCOME**
- PRESIDENT’S REPORT; PRESIDENT’S MESSAGE OF GRATITUDE** 8
- COMMITMENT TO LEARNING AND ACTION IN RESPONSE TO LETTERS AND COMMENTS FROM WASHINGTON MINORITY BAR ASSOCIATIONS**..... LM
- CONSENT CALENDAR**
A governor may request that an item be removed from the consent calendar without providing a reason and it will be discussed immediately after the consent calendar. The remaining items will be voted on *en bloc*.
 - Review & Approval of September 17-18, 2020 BOG Meeting Minutes 10
 - Review & Approval of October 20, 2020 Special BOG Meeting Minutes..... 19
 - Review & Approval of Revised 2021 WSBA Meeting Resolution for Publication in Compliance with the Open Public Meetings Act 21

12:00PM – RECESS FOR LUNCH

- EXECUTIVE DIRECTOR’S REPORT** 31
- MEMBER AND PUBLIC COMMENTS** (30 minutes reserved)
Overall public comment is limited to 30 minutes and each speaker is limited to 3 minutes. The President will provide an opportunity for public comment for those in the room and participating

remotely. Public comment will also be permitted at the beginning of each agenda item at the President’s discretion

REPORTS OF STANDING OR ONGOING BOG COMMITTEES

Committees may “pass” if they have nothing to report. Related agenda items will be taken up later on the agenda. Each committee is allocated, on average, 3-4 minutes.

- Executive Committee, Pres. Kyle Sciuchetti, Chair
- APEX Awards Committee, Gov. Russell Knight, Chair
- Personnel Committee, Gov. Jean Kang, Chair
- Legislative Committee, Gov. PJ Grabicki, Chair
- Nominations Review Committee, Gov. Jean Kang & Pres-elect Brian Tollefson, Co-Chairs
- Diversity Committee, Gov. Sunitha Anjilvel, Co-Chair
- Long-Range Planning Committee, Pres. Kyle Sciuchetti, Chair
- Member Engagement Workgroup, Govs. Dan Clark and Bryn Peterson, Co-Chairs
- Budget & Audit Committee, Treas. Dan Clark, Chair LM

SPECIAL REPORTS

- EQUITY & JUSTICE TASK FORCE REPORT**, Chair, Alec Stephens..... LM
- GOVERNOR LIAISON REPORTS**

AGENDA ITEMS & UNFINISHED BUSINESS

- WASHINGTON STATE BAR FOUNDATION ANNUAL & FINANCIAL REPORT**, WSBF Pres. Kristina Larry and Foundation Development Officer Laura Sanford 60
- APPROVE RULE CHANGES PROPOSED BY THE COURT RULES & PROCEDURES COMMITTEE**
 - **CRLJ 17, CRLJ 56, and CRLJ 60**, CRLJ Subcommittee Chair Claire Carden 62
 - **ER 413**, Court Rules Committee Chair Isham Reavis
- APPROVE AMENDMENT TO RPC 1.11 PROPOSED BY THE COMMITTEE ON PROFESSIONAL ETHICS** 75
- APPROVE PROPOSED AMENDMENTS TO ADMINISTRATIVE LAW SECTION BYLAWS**, Chair Eileen Keiffer and Member Services & Engagement Manager Julianne Unite 78
- 2021 LEGISLATIVE PRIORITIES**, Gov. PJ Grabicki and Legislative Affairs Manager Sanjay Walvekar 97
- 2021 LEGISLATIVE REVIEW COMMITTEE RECOMMENDATIONS**, Chair Brian Considine and Legislative Affairs Manager Sanjay Walvekar 98
- APPROVE PROPOSED AMENDMENTS TO CHARTER OF THE TASK FORCE TEAM ADMINISTERING XENIAL INVOLVEMENT WITH COURT APPOINTED BOARDS TO CHANGE THE MAKE-UP**, Pres. Kyle Sciuchetti..... 353

5:00PM – RECESS

SATURDAY, NOVEMBER 14, 2020

9:00 AM – RESUME MEETING

BOARD WORKING SESSION

- SETTING THE TABLE: PREPARING TO LEARN AND ENGAGE IN EQUITY WORK** LM
- ANNOUNCE BASIS FOR EXECUTIVE SESSION PURSUANT TO RCW 42.30.110(1)(c) and (i) (if needed)**

EXECUTIVE SESSION (if needed)

RETURN TO PUBLIC SESSION

AGENDA ITEMS & UNFINISHED BUSINESS

- BUDGET & AUDIT COMMITTEE ITEMS** LM
 - **WSBA Lease Discussion**, Adam Chapman and Clay Nielsen, Jones Lang Lassalle
 - **FY 2020 Year-End Update**
 - **2022 & 2023 License Fee Discussion Continued**, Treas. Dan Clark, Chair and Chief Financial Officer Jorge Perez

12:00 PM – LUNCH

- APPROVE CREATION OF AND CHARTER FOR AD-HOC COMMITTEE TO REVIEW THE CHARACTER & FITNESS PROCESS**, Gov. Brent Williams-Ruth LM
- REGULATORY MATTERS**, Chief Regulatory Counsel Renata Garcia
 - **First Read: Conforming Amendments to WSBA Bylaws, Articles III, IX, and XI Re Pro Bono Licensure Status** 358
 - **Approve Proposed Amendments to WSBA Admissions Policy**..... 371
- FIRST READ: WSBA BYLAW AMENDMENTS, ARTICLE VI. RE GOVERNOR ELECTIONS**, Volunteer Engagement Advisor Paris Eriksen..... 390
- APPROVE EXECUTIVE DIRECTOR EMPLOYMENT CONTRACT**, Pres. Kyle Sciuchetti
- CONFIRM PRESIDENTIAL APPOINTMENTS**, Pres. Kyle Sciuchetti LM
- GOVERNOR ROUNDTABLE** (Governors’ issues of interest)

4:00 PM - Adjourn

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- **General Information** 403
- **Financial Statements**..... LM

2020-2021 Board of Governors Meeting Issues

JANUARY (Seattle)

Standing Agenda Items:

- ABA Midyear Meeting Sneak Preview
- Client Protection Fund (CPF) Annual Report
- Access to Justice Board Annual Report
- Legislative Session Report
- FY2020 Audited Financial Statements
- WSBA Sections Annual Reports (Information)
- Financials (Information)

MARCH (Olympia)

Standing Agenda Items:

- ABA Mid-Year Meeting Report
- Legislative Report
- Financials (Information)
- Supreme Court Meeting

APRIL (Spokane)

Standing Agenda Items:

- Financials (Information)
- Office of Disciplinary Counsel Report (ED Report)

MAY (Seattle)

Standing Agenda Items:

- Legislative Report/Wrap-up
- Interview/Selection of WSBA At-Large Governor
- Interview/Selection of the WSBA President-elect
- WSBA APEX Awards Committee Recommendations
- Financials (Information)
- Office of Disciplinary Counsel Report (ED Report)

JULY (Portland, OR)

Standing Agenda Items:

- Draft WSBA FY2022 Budget
- Court Rules and Procedures Committee Report and Recommendations
- WSBA Committee and Board Chair Appointments
- BOG Retreat
- Financials (Information)
- Office of Disciplinary Counsel Report (ED Report)

AUGUST (Bosie, ID)

Standing Agenda Items:

- WSBA Treasurer Election
- Financials (Information)
- Office of Disciplinary Counsel Report (ED Report)

SEPTEMBER (Seattle)

Standing Agenda Items:

The WSBA is committed to full access and participation by persons with disabilities to Board of Governors meetings. If you require accommodation for these meetings, please contact Shelly Bynum at shellyb@wsba.org 206.239.2125.

- Final FY2022 Budget
- 2021 Keller Deduction Schedule
- WSBF Annual Meeting and Trustee Election
- ABA Annual Meeting Report
- Legal Foundation of Washington Annual Report
- Washington Law School Deans
- Chief Hearing Officer Annual Report
- Professionalism Annual Report
- Report on Executive Director Evaluation
- Financials (Information)
- WSBA Annual Awards Dinner

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October 28, 2020

A Message of Gratitude:

People throughout our communities, state, nation, and world have been significantly and irretrievably impacted by the Coronavirus pandemic. We have had to adjust and readjust all aspects of life to prioritize health and safety, and our day to day lives might never look the same again. As legal practitioners, we have faced uncertainty, changes in processes and procedures, and deep anxiety on how to safely and efficiently keep the wheels of justice turning, during a time when many people—especially our vulnerable populations—need access to justice more than ever.

As one of my first acts as WSBA President, I want to officially recognize a group that has not only stood up bravely in the face of so much uncertainty but has reached deeper and risen higher in their humanity to give even more of themselves. This is a group of colleagues and community members who volunteer countless hours of their time and expertise to uphold and uplift the integrity of the legal profession. I am speaking, of course, about our WSBA volunteers.

We have more than 1,000 volunteers who are the backbone of the regulatory and professional services provided by the state bar. They are the boots on the ground, tackling problems and providing resources through entities like the Disciplinary Board, Legislative Review Committee, Client Protection Board, Pro Bono and Public Service Committee, the 29 Sections and, so, so many more. When I first began volunteering with WSBA, I was surprised at how robust this volunteer network is and how proud I was to be a part of an organization filled with people volunteering their time and energy to improve our society, judicial system and the law. As I embark on my term as President, that feeling has evolved into immense gratitude as I have witnessed the enormous difference our volunteers make each and every day.

And I will say again: This is an unprecedented year, and our WSBA volunteers have responded in unprecedented ways. They have transitioned their work and relationships to virtual processes while stepping up to do even more to serve their fellow legal professionals and community members, who have desperately needed new legal resources

and problem-solving during the pandemic. It has been a big lift, but, I am inspired and hopeful for the future because of the work I have seen our volunteers do in furtherance of the WSBA's mission to champion justice.

On behalf of myself and the WSBA Board of Governors, to each and every one of our WSBA volunteers: I want to express our sincere gratitude and recognition of your outstanding and extraordinary commitment to this profession and the people we serve. Thank you. Thank you for adapting to this unprecedented time with grace and a steadfast focus on the work to be done for the betterment of the legal profession. Thank you for your time, which was and is now more so than ever, a precious resource. Thank you for your participation, for showing up with ideas and energy, for joining together, and for engaging in such meaningful pursuits when the need to prioritize elsewhere can be so great.

Thank you.

I am committed to recognizing your contribution to this organization and the public despite any restrictions the Coronavirus pandemic might place upon us. That includes transmitting this letter of thanks through as many channels as possible. This message will be read aloud at the November 2020 Board of Governors meeting, included in the board meeting materials, posted online, and sent to our volunteer community.

With immeasurable gratitude,

A handwritten signature in blue ink, consisting of a stylized 'K' followed by a horizontal line.

Kyle D. Sciuchetti, President of Washington State Bar Association and on behalf of the Board of Governors

WASHINGTON STATE BAR ASSOCIATION

BOARD OF GOVERNORS SPECIAL MEETING

Minutes

Held Virtually

September 17-18, 2020

The meeting of the Board of Governors of the Washington State Bar Association (WSBA) was called to order by President Rajeev D. Majumdar on Thursday, September 17, 2020 at 9:02 AM. Governors in attendance were:

Hunter Abell
Sunitha Anjilvel
Daniel D. Clark
Peter J. Grabicki
Carla Higginson
Jean Kang
Russell Knight
Tom McBride
Bryn Peterson
Kyle D. Sciuchetti
Alec Stephens
Paul Swegle
Judge Brian Tollefson (ret.)
Brent Williams-Ruth

Also in attendance were Immediate Past President William D. Pickett, Gov-Elect Lauren Boyd, Gov-Elect Brett Purtzer, Gov-Elect Mathew Dresden, Interim Executive Director Terra Nevitt, General Counsel Julie Shankland, Chief Disciplinary Counsel Doug Ende, Chief Financial Officer Jorge Perez, Chief Communications Officer Sara Niegowski, Interim Director Advancement Kevin Plachy, Executive Administrator Shelly Bynum, Betsylew Miale-Gix (WSAJ), Nancy Hawkins (Family Law Section), and James E. Macpherson (Washington Defense Trial Lawyers).

Appointment of Gov. Brent Williams-Ruth ([link](#), [link](#))

Gov. Stephens moved to elect Brent Williams-Ruth to fill the open seat representing congressional district 8. Motion passed unanimously. Govs. Kang and Tollefson were not present. Gov. Williams-Ruth was sworn in immediately by Chief Justice Debra Stephens.

Strategic Goals ([link](#), [link](#))

Pres-Elect Sciuchetti addressed the purpose of developing a long-term strategy for the organization. He introduced WSBA Strategy & Operations Manager Ana LaNasa-Selvidge to facilitate the discussion. Pres. Majumdar read a public comment from Nancy Hawkins liaison from the WSBA Family Law Section Executive Committee. Jim MacPherson also provided public comment. Discussion followed including a review of other bar association goals; a discussion of the overall process for developing goals, including gathering broader input and the development of strategies; potential tension between serving the public and serving the members; and specific suggestions for goals relating to access to justice, race equity, diversity and inclusion, access to court records, WSBA facilities, and professionalism.

Gov. Clark suggested the following goals: (1) The Washington State Bar Association should provide excellent resources to help all of its members achieve professional excellence and success in the practice of law, in service to their clients and public and to champion justice. (2) To uphold and elevate the standard of honor, integrity, and public confidence in the legal profession. (3) To manage the business of the State Bar Association in a prudent, efficient and cost-efficient manner. (4) To promote diversity, equity and inclusion in the legal system of Washington and to promote access to justice and improved public confidence, trust and respect of members of the public in our legal system and bar association.

Gov. Grabicki suggested an overall aspirational goal addressing access to justice, race equity, and diversity and inclusion as well as two practical goals: 1) court records access and 2) WSBA facilities. He also suggested reestablishing the Professionalism Committee.

Gov. Higginson moved for adoption of Gov. Clark's proposed strategic goals for discussion purposes. Gov. Grabicki moved to table to the end of the discussion. Motion to table passed 7-4. Govs. Kang, Swegle, and Tollefson were not present for the vote.

Discussion continued about the process for developing goals and specific goal suggestions, including fostering professional connections among the membership, and assisting the membership and courts to move electronically.

The Board recessed from 10:41AM to 10:54AM.

Pres-elect Sciuchetti read a public comment from Dan Bridges. Manager LaNasa-Selvidge shared her summary of the discussion so far. Discussion followed about specific goals including exploring better investment of our cash reserves, attracting and retaining employees and strengthening the workplace culture, separating diversity and inclusion from the access to justice work, restoring a robust member services program, measuring member satisfaction, and the challenges facing the organization. Pres-Elect Sciuchetti sought concerns about the list developed during the meeting. No concerns were raised. The Board discussed next steps, including additional work by the Strategic Planning Committee, additional Board discussion, and opportunity for member input. Gov. Higginson withdrew her motion with the consent of the second. Pres-Elect Sciuchetti indicated that the working paper would be sent to the Long Range Strategic Planning Committee for additional development.

The Board recessed from 11:56AM to 1:02PM.

Approve Proposal to Annotate Minutes with Video Links ([link](#))

Pres. Majumdar presented the consensus recommendation of the Executive Committee to bookmark the meeting minutes with video links to allow members to observe the full discussions of the Board. Discussion followed including the reason the issue was before the Board and the challenges inherent in summarizing discussion. Gov. Grabicki moved for approval of the proposal. Motion passed 10-1. Gov. Tollefson abstained from the vote. Govs. Kang and Peterson were not present.

Consent Calendar ([link](#))

Pres. Majumdar asked if anyone wished to remove an item from the consent calendar. No requests were made. The consent calendar was approved unanimously. Govs. Higginson, Kang, and Tollefson were not present for the vote.

President-Elect's Report on Board Retreat ([link](#))

Pres-Elect Sciuchetti summarized the retreat that morning, which resulted in some work on draft goals, which will be further developed by the Long Range Strategic Planning Committee and circulated for comment.

President's Report ([link](#))

Pres. Majumdar noted it was his last meeting and expressed his appreciation.

Executive Director's Report ([link](#))

Executive Director Nevitt reported on the opportunities presented by a virtual workplace, equity training to be conducted next year, the bar exam, and practice management guides. She also introduced new Chief Regulatory Counsel Renata Garcia. Director Nevitt deferred to Chief Communications Officer Sara Niegowski to present on plans to remotely celebrate the APEX Award winners and the quarterly member sentiment survey. Discussion followed about contingency planning for the February bar exam.

Member & Public Comment

There were no public comments.

Presentation on WSBA's Diversity, Equity & Inclusion Programming ([link](#))

Equity & Justice Manager Diana Singleton and Equity & Justice Lead Paige Hardy presented on the makeup, history, approach, and work of the WSBA's Equity & Justice Team, as well as the WSBA's history of commitments to diversity, equity, and inclusion through the Diversity and Inclusion Plan adopted in May 2013 and participation in the Alliance for Equal Justice and the Race Equity and Justice Initiative. Discussion followed including a request that the slides be sent to the Board, proposed next steps, member feedback about the work, consistency with GR 12.2, the use of a public advisory board, the access to justice conference, and the focus of WSBA's equity work.

The Board recessed from 2:51PM to 3:02PM.

Reports of Standing or Ongoing BOG Committees ([link](#))

Executive Committee. Pres. Majumdar reported on the most recent Executive Committee meeting. He noted that his intent is for each entity to meet with the Executive Committee annually and the Board on a three-year rotation. He also reported on the meeting-minutes proposal, which the Board had adopted earlier in the meeting. Finally, he reported on the Committee's discussion of a request to sign on to or draft an amicus brief in a matter regarding pro se representation by parents and the committee's decision to wait and see if the Supreme Court accepts cert in the case.

APEX Awards Committee. No update.

Personnel Committee. Gov. Stephens reported that the Committee approved a list of investigators pursuant to the Board's anti-harassment policy. He noted there will be no further actions this year and thanked the committee members. Pres. Majumdar noted that the ED contract should be taken up by Personnel but that he and Pres-Elect Sciuchetti had not yet finished their work. The Board heard a public comment from former Human Resources Director Felix Neals. Discussion followed about the Executive Director job description.

Legislative Committee. Gov. Sciuchetti noted that the Committee would be working closely with the Legislative Review Committee in the coming year.

Nominations Review Committee. Gov. Sciuchetti noted that the Committee will meet on September 28.

Diversity Committee. Gov. Anjilvel reported on committee transitions.

Long-Range Planning Committee. Gov. Swegle shared his enthusiasm for the work done at the retreat this morning and the idea of diversifying our WSBA footprint.

Member Engagement Workgroup. Treas. Clark reported that the Committee has not met recently but will meet next year with new co-chairs.

Budget & Audit Committee. Treas. Clark referred to his detailed report in the materials, noted the strong financial results this year, and thanked the outgoing committee members for their service.

Judicial Information Systems Committee Request for Support for Adoption of Revisions to JISCR 13 ([link](#))

Vicky Cullinane presented the JISC request for support for revisions to JISC Rule 13 in order to address data sharing across court systems. Discussion followed regarding the current landscape of data sharing. Gov. Grabicki moved to approve a comment supporting the change to the rule. Gov. Stephens sought clarification on what the next steps will be. It was clarified that Pres-elect

Sciuchetti would draft a letter of support using a template provided by Vicky Cullinane. Motion passed unanimously with one abstention. Govs. Kang and Knight were not present for the vote.

Equity & Disparity Work Group Update ([link](#))

Gov. Stephens, Chair of the workgroup reported that he anticipates the first meeting of the Work Group will be in October, the first substantive report will occur in November 2020, and the group will bring forth proposed rule changes no later than September 2022. He also reported on the Work Group's membership, and thanked staff liaison Paige Hardy for her work.

Governor Liaison Reports ([link](#))

Gov. Stephens reported on his work with the Civil Rights Law Section, which is hosting a virtual concert and award ceremony. Honorees are Neil Fox & Lyla Silverstein, Rev. Harriet Walden, Ron Ward, Mora Villapando, and Sandy Restreppo. Gov. Anjilvel reported on her participation on the Race and Criminal Justice Task Force chaired by Profession Chang. She noted that the meetings are open to all who are interested and that the group will meeting monthly. Gov. Williams-Ruth encouraged anyone that has time next Friday to attend a public reinstatement hearing of the Character & Fitness Board.

Budget & Audit Committee Matters

Approval of the 2021 Keller Deduction ([link](#)). Treas. Dan Clark referred to the materials and General Counsel Shankland provided an overview of the proposal to set the Keller Deduction at \$3.85. She also explained the applicable standards, including the distinction between the standard set forth in GR 12.2 and the *Keller* case standard. Treas. Clark moved to approve the recommendation. Motion passed unanimously. Govs. Abell, Kang and Knight were not present for the vote.

Approval of the Sections Administration Per-Member-Charge ([link](#)). Interim Director of Advancement Kevin Plachy presented the proposal to set the Sections Per-Member-Charge at \$18.18, including the history of the charge, and an overview of restructuring that has allowed WSBA to reduce the overall cost allocation to sections. He noted the need to keep an eye on section membership numbers, which could impact the charge. Gov. Peterson moved for approval. Discussion followed about section membership trends. Motion passed unanimously. Gov. Kang was not present for the vote.

Presentation and Approval of the WSBA FY21 Budget ([link](#)). Chief Financial Officer Jorge Perez presented the proposed FY 2021 Budget and the history of its development, including the implementation of new budgeting and forecasting software. He noted that the budget reflects, in error, the per-member-charge at \$18.23 rather than \$18.18 and the net change will be approximately \$9,000. Discussion followed including the impact of license fees, appreciation for Treas. Clark, the nature of the budget shortfall, and the impact of moving to virtual meetings. Gov. Stephens moved to adopt the budget. Motion passed 11-1 with one abstention. Gov. Kang was not present for the vote. Discussion followed about how the loss reflected in the budget relates to the reserves.

Approval of the 2022 and 2023 WSBA Member License Fee ([link](#)). CFO Perez presented the proposal to reduce the 2022 and 2023 license fees by \$10 and the accompanying analysis. Discussion followed about the fiscal impact, future dues increases, potential perceptions around the decrease, uncertainty around the lease and impact of COVID19. Gov. Higginson moved to reduce the attorney member dues from \$458 to \$448 per year for 2022 and 2023 and a pro rata deduction for new attorney dues. Gov. Higginson moved to call the question and then withdrew her motion to allow the next two governors in the queue to speak. Gov. Williams-Ruth moved to table and then withdrew his motion to allow Gov. Higginson to renew her motion to call the question. Motion to call the question failed to achieve a 2/3 majority, 8-5. Gov. Swegle was not present for the vote. Gov. Sciuchetti moved to table the motion to the November meeting. Discussion followed about the purpose of tabling. Motion passed 7-6. Gov. Swegle was not present for the vote. Gov. Sciuchetti moved to table discussion on other license fees. Motion passed 10-1 with one abstention. Govs. Peterson and Swegle were not present for the vote.

The Board recessed at 6:29PM and resumed at 9:00AM on Friday, September 18, 2020.

Annual Discussion with the Deans of Washington State Law School ([link](#))

Dean Rooksby presented on behalf of Gonzaga Law School, including information about the student body, noting that the current entering class is the most diverse ever. He also emphasized his interest in collaborating with WSBA in examining the bar exam. Dean Barnes presented on behalf of the University of Washington Law School. He shared his hope for the future and his view that the multiple crises we are dealing with are an opportunity; reported that the law school is more than 90% online; expressed appreciation for the opportunity to work collaboratively with the law schools, WSBA, and the Court related to the bar exam and flagged that there are still open questions about the February 2021 exam; reported that WLI activities had been curbed due to the pandemic; and spoke to the diversity of UW Law School classes. Dean Clark presented on behalf of Seattle University School of Law. She also expressed optimism and discussed the challenges current graduates will face due to the circumstances around them; she described the diversity of the incoming class; reported the law school is over 90% online and shared their planning for spring; she also spoke to the collaboration on diploma privilege and the bar exam; and race equity efforts at the law school. Discussion followed regarding enrollment trends, the reasons for increased diversity in law school classes, mentorship, lack of summer employment and learning opportunities, connecting law students and the bar, the influence law school have on students, change in pursuit of racial equity, diploma privilege, disparate impacts of the bar exam, and the cost of law school.

Approve Rule Changes Proposed by Civil Litigation Rules Revision Task Force ([link](#))

Task Force Chair Dan Bridges presented the history of the project and the proposed rule changes as provided in the materials. Discussion followed about removal of the cooperation requirement, how changes might impact law school education, impact of the proposals on the cost of litigation, and public input. The Board took public comment from Betsylew Miale-Gix, Jean Cotton, and Jim MacPherson. Gov. Tollefson moved for approval of the proposed rules. Motion passed unanimously. Govs. Abell and Kang were not present for the vote.

The Board recessed at 11:08AM and resumed at 11:13AM.

MCLE Board Request for Support ([link](#))

Chair Asia Wright presented the MCLE Board's proposal to amend APR 11 to require at least one ethics credit per three-year reporting cycle in the area of equity, inclusion, and the mitigation of implicit and explicit bias in the legal profession and the practice of law. Gov. Knight moved that the Board support the MCLE Board's rule proposal. Discussion followed regarding the merits of the proposal, ideas for program effectiveness, and providing the credits for free and existing WSBA CLE programming. The Board took public comment from Bob Wayne, Dan Bridges, and Betsylew Miale-Gix. Motion passed 11-2. Gov. Kang was not present for the vote. Gov. Higginson moved that the CLE be provided by WSBA for free. Pres. Majumdar directed that the Board take up the conversation later in the day and moved to the next agenda topic.

Approve Proposed RPC Amendment as Recommended by the Ad Hoc Committee to Investigate Alternatives to Mandatory Malpractice Insurance ([link](#), [link](#))

Gov. Sciuchetti, Chair of the Committee introduced Professor Hugh Spitzer to present the Committee's revised proposal to amend the Rules of Professional Conduct to require disclosure of insufficient or lack of insurance to prospective clients and clients. Committee member Michael Cherry reported that he reached out to several insurance companies and learned 80% of the policies are wasting policies. Discussion followed about policy limits and resolution of claims and the current proposal before the Court. The Board heard public comment from Bob Wayne. Gov. Grabicki moved for approval of the proposed amendment. Discussion continued on the motion. Gov. Knight moved to remove from the proposal paragraph (c)(3) and comment 10 relating to ongoing notice requirements and to change the coverage limits from \$250K/\$500K to \$100K/\$300K. Discussion followed on the motion to amend, including the issue of giving notice when commencing a new matter for a client.

The Board recessed at 12:31PM and resumed the meeting at 1:00PM

Gov. Grabicki noted that he accepted Gov. Knight's amendment as friendly. Motion passed unanimously. Govs. Kang and Swegle were not present for the vote.

MCLE Board Request for Support (Continued) ([link](#))

Gov. Higginson amended her motion to clarify that it was for WSBA to continue to offer the three free CLE credits approved last year. Discussion continued regarding the fiscal impact. Pres. Majumdar asked whether Gov. Higginson was amenable to tabling the agenda item to the November meeting, when we might also know more from the Court. She indicated she was not. Gov. Stephens moved to table to discussion to the November meeting. Gov. Stephens withdrew his motion. Motion passed unanimously. Govs. Abell and Kang were not present for the vote.

Revised WSBA Meeting Resolution for Publication in Compliance with the Open Public Meetings Act ([link](#))

Gov. Sciuchetti moved for approval. Motion was approved unanimously. Govs. Abell and Kang were not present for the vote.

Council on Public Defense Matters ([link](#))

Updated Performance Guidelines for Persistent Offender Cases. Professor Boruchowitz presented the proposal of the Council to update the Performance Guidelines to provide guidance on persistent offender cases, which were left out of the original guidelines. Gov. Williams-Ruth moved for approval. Motion passed unanimously. Govs. Abell and Kang were not present for the vote.

COVID Guidance for Public Defense Offices. Professor Boruchowitz presented the proposed advice on reopening courts, which is intended to help interpret existing guidance in light of the Covid pandemic. He noted that they sought input from the Criminal Law Section, which had no concerns. Gov. Grabicki moved for approval. Motion passed unanimously with one abstention. Govs. Abell and Kang were not present for the vote.

The Board recessed at 1:47PM and resumed at 2:00PM.

Approve Request to Increase Size of the Law Clerk Board ([link](#))

Chief Regulatory Counsel Renata Garcia presented the proposal to increase the size of the Law Clerk Board, including an overview of the regulatory framework for the Board and the Law Clerk Program, growth of the program, and the fiscal impact. Gov. Grabicki moved for approval. Discussion followed regarding the value of the program, the fiscal impact, the program Oregon is developing, and reciprocal admission. Motion passed unanimously. Govs. Abell and Kang were not present for the vote.

Washington State Bar Foundation Items ([link](#))

Approve FY21 Trustee Appointments. Pres. Kristina Larry presented the annual report of the Foundation as well as the FY21 trustee appointments. Gov. Anjilvel moved for approval of both requests. Gov. Stephens asked that we bifurcate the motion. Gov. Anjilvel did not object. Motion to approve the trustee appointments passed unanimously with one abstention. Govs. Abell, Kang, and Knight were not present for the vote.

Approve Proposed Change to Funding Structure for the Powerful Communities Project. Pres. Kristina Larry presented the proposed change the reasons for it. Motion to change the structure for funding the project passed unanimously. Govs. Abell, Kang, and Knight were not present for the vote.

The Board recessed from 2:30PM to 3:00PM.

President's Comments, Swearing in of New Governors and Officers, and Recognition of Outgoing Governors ([link](#), [link](#))

Pres. Majumdar presented the President's Award to former Governor James Doane, who was not present. The new governors and officers were sworn-in by Chief Justice Stephens. Outgoing governors and officers were recognized for their service.

ADJOURNMENT

There being no further business, Pres. Majumdar adjourned the meeting at 4:09 PM on Friday, September 18, 2020.

Respectfully submitted,

Terra Nevitt
WSBA Interim Executive Director & Secretary

DRAFT

WASHINGTON STATE BAR ASSOCIATION

BOARD OF GOVERNORS SPECIAL MEETING

Minutes

Held Virtually

October 20, 2020

[\(video recording link\)](#)

The meeting of the Board of Governors of the Washington State Bar Association (WSBA) was called to order by President Kyle Sciuchetti on Tuesday, October 20, 2020 at 12:00 PM. Governors in attendance were:

Hunter Abell
Sunitha Anjilvel
Lauren Boyd
Daniel D. Clark
Matthew Dresden
Peter J. Grabicki
Jean Kang
Russell Knight
Tom McBride
Bryn Peterson
Brett Purtzer

Also in attendance were President-Elect Brian Tollefson, Immediate Past President Rajeev Majumdar, Interim Executive Director Terra Nevitt, General Counsel Julie Shankland, Chief Disciplinary Counsel Doug Ende, Director of Advancement Kevin Plachy, Equity & Justice Manager Diana Singleton, Chief Financial Officer Jorge Perez, Chief Regulatory Counsel Renata Garcia, Executive Administrator Shelly Bynum, Chief Communications and Outreach Officer Sara Niegowski, and Nancy Hawkins (Family Law Section).

President Sciuchetti, Executive Director Nevitt, and Immediate Past President Rajeev Majumdar made opening remarks. Pres. Sciuchetti read remarks submitted by Gov. Higginson, who was not present for the meeting.

Listening Session with Leaders, Representatives of and Members of Minority Bar Associations

The Board heard remarks from Michelle Su, President of the Korean American Bar Association; Serin Ngai, President of the Asian Bar Association of Washington; James Johnson, President of

the Loren Miller Bar Association; Prof. Robert Chang, Director of the Korematsu Center at the Seattle University School of Law; Vanessa Arno Martinez, President of the Latina/o Bar Association of Washington; Nancy Pham, President of the Vietnamese American Bar Association of Washington; and Joshua Treybig, President of the QLaw Association.

Dialogue & Board of Governors Response

Pres. Sciuchetti referred to the letter that he, Immediate Past Pres. Majumdar, and Treas. Clark had sent in response to the open letter signed Washington Minority Bar Associations, expressed appreciation, and invited dialogue. Comments were made by Executive Director Nevitt, Gov. Sunitha Anjilvel, and Gov. Jean Kang. The Board heard comments from President-Elect of the South Asian Bar Association of Washington Rania Rampersad.

ADJOURNMENT

There being no further business, Pres. Sciuchetti adjourned the meeting at 1:00 PM on Tuesday, October 20, 2020.

Respectfully submitted,

Terra Nevitt
WSBA Interim Executive Director & Secretary

TO: WSBA President, President-Elect, Immediate Past President, and Board of Governors
FROM: Terra Nevitt, Interim Executive Director
DATE: November 14, 2020
RE: Resolution to Adopt Schedule of Public Meetings

ACTION: Approve Resolution adopting schedule of public meetings to file with Code Reviser in compliance with the Open Public Meetings Act.

The Open Public Meetings Act provides that the governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business of that body. [RCW 42.30.070] The schedule, including the time and place of the regular meetings, shall be filed with the code reviser on or before January or each year for publication in the Washington State Register. [RCW 42.30.075] This resolution contains the required information for filing with the code reviser. After the Board adopts this Resolution and it is filed with code reviser, the Board will be able to have regular, rather than special meetings.

MEMORANDUM

To: WSBA President, President-Elect, Immediate Past President, and Board of Governors
From: Terra Nevitt, Interim Executive Director
Date: November 14, 2020

ACTION: Approve Resolution adopting schedule of public meetings to file with Code Reviser in compliance with the Open Public Meetings Act.

The Open Public Meetings Act provides that the governing body of a public agency shall provide the time for holding regular meetings by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business of that body. [RCW 42.30.070] The schedule, including the time and place of the regular meetings, shall be filed with the code reviser on or before January or each year for publication in the Washington State Register. [RCW 42.30.075] This resolution contains the required information for filing with the code reviser. After the Board adopts this Resolution and it is filed with code reviser, the Board will be able to have regular, rather than special meetings.

**RESOLUTION ADOPTING SCHEDULE OF REGULAR MEETINGS OF THE
WASHINGTON STATE BAR ASSOCIATION BOARD OF GOVERNORS**

Whereas, RCW 2.48.050 authorizes the Board of Governors to adopt rules concerning annual and special meetings; and

Whereas, WSBA Bylaws Article VII.B.8 provides that each bar entity will set regular and special meetings as needed;

Whereas, due to Washington state and King County emergency orders in response to the COVID-19 public health emergency, all meetings will be conducted virtually, pursuant to the Governors Proclamation 20-28;

NOW, BE IT RESOLVED THAT on November 14, 2020, the Washington State Bar Association Board of Governors adopts this 2021 Meeting Schedule and directs the Executive Director to file this Resolution with the Code Reviser.

Day(s)	Date(s)	Start Time	Location	Description of Meeting
Tuesday	January 5, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Wednesday	January 6, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Wednesday	January 6, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Friday	January 8, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Saturday	January 9, 2021	10:00 AM	WSBA Seattle, WA	Washington Young Lawyers Committee
Monday	January 11, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee

Tuesday	January 12, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Thursday – Friday	January 14-15, 2021	9:00 AM	WSBA Seattle, WA	Board of Governors Meeting
Tuesday	January 19	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	January 20, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Monday	January 25, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Wednesday	January 27, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	January 27, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Tuesday	February 2, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Friday	February 5, 2021	10:00 AM	WSBA Seattle, WA	Law Clerk Board
Friday	February 5, 2021	10:00 AM	WSBA Seattle, WA	Committee on Professional Ethics
Tuesday	February 9, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Monday	February 15, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	February 16, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	February 17, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Friday	February 19, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Monday	February 22, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Saturday	February 27, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup

Saturday	February 27, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Monday	March 1, 2021	9:00 AM	WSBA Seattle, WA	BOG Executive Committee
Tuesday	March 2, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Friday	March 5, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Monday	March 8, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	March 9, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Saturday	March 13, 2021	10:00 AM	WSBA Seattle, WA	Washington Young Lawyers Committee
Monday	March 15, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Tuesday	March 16, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	March 17, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Thursday – Friday	March 18-19, 2021	9:00 AM	Hotel RL Olympia, WA	Board of Governors Meeting
Friday	March 19, 2021	9:00 AM	Temple of Justice Olympia, WA	Board of Governors Meeting with Supreme Court
Wednesday	March 24, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	March 24, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Monday	March 29, 2021	9:00 AM	WSBA Seattle, WA	BOG Executive Committee
Tuesday	April 6, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee

Friday	April 9, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Friday	April 9, 2021	10:00 AM	WSBA Seattle, WA	Committee on Professional Ethics
Monday	April 12, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	April 13, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Friday – Saturday	April 16-17, 2021	9:00 AM	Davenport Hotel Spokane, WA	Board of Governors Meeting
Monday	April 19, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Tuesday	April 20, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	April 21, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	April 21, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Wednesday	April 21, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Monday	May 3, 2021	9:00 AM	WSBA Seattle, WA	BOG Executive Committee
Tuesday	May 4, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Friday	May 7, 2021	11:00 AM	WSBA Seattle, WA	Law Clerk Board
Friday	May 7, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Saturday	May 8, 2021	10:00 AM	WSBA Seattle, WA	Washington Young Lawyers Committee
Monday	May 10, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee

Tuesday	May 11, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Monday	May 17, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Tuesday	May 18, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	May 19, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Thursday – Friday	May 20-21, 2021	9:00 AM	WSBA Seattle, WA	Board of Governors Meeting
Wednesday	May 26, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	May 26, 2021	1:00 PM	WSBA	Budget and Audit Committee
Tuesday	June 1, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Friday	June 4, 2021	10:00 AM	WSBA Seattle, WA	Committee on Professional Ethics
Tuesday	June 8, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Monday	June 14, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	June 15, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	June 16, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Friday	June 18, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Monday	June 21, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Wednesday	June 23, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	June 23, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee

Monday	June 28, 2021	9:00 AM	WSBA Seattle, WA	BOG Executive Committee
Tuesday	July 6, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Wednesday	July 7, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	July 7, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Friday	July 9, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Monday	July 12, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	July 13, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Thursday	July 15, 2021	9:00 AM	Hilton Portland Downtown Portland, OR	Board of Governors Retreat
Friday – Saturday	July 16-17, 2021	9:00 AM	Hilton Portland Downtown Portland, OR	Board of Governors Meeting
Saturday	July 17, 2021	10:00 AM	Hilton Portland Downtown Portland, OR	Washington Young Lawyers Committee
Monday	July 19, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Tuesday	July 20, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee

Wednesday	July 21, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Monday	August 2, 2021	9:00 AM	WSBA Seattle, WA	BOG Executive Committee
Tuesday	August 3, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Friday	August 6, 2021	12:00 PM	WSBA Seattle, WA	Law Clerk Board
Monday	August 9, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	August 10, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Wednesday	August 11, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Wednesday	August 11, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee
Friday	August 13, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Monday	August 16, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Tuesday	August 17, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Wednesday	August 18, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Friday – Saturday	August 20-21, 2021	9:00 AM	TBD Boise, ID	Board of Governors Meeting
Friday	August 27, 2021	10:00 AM	WSBA Seattle, WA	Committee on Professional Ethics
Tuesday	August 31, 2021	9:00 AM	WSBA Seattle, WA	BOG Executive Committee
Monday	September 6, 2021	9:00 AM	WSBA Seattle, WA	Member Engagement Workgroup
Monday	September 6, 2021	1:00 PM	WSBA Seattle, WA	Budget and Audit Committee

Tuesday	September 7, 2021	1:00 PM	WSBA Seattle, WA	Pro Bono and Public Service Committee
Saturday	September 11, 2021	10:00 AM	WSBA Seattle, WA	Washington Young Lawyers Committee
Monday	September 13, 2021	9:30 AM	WSBA Seattle, WA	Court Rules and Procedures Committee
Tuesday	September 14, 2021	12:00 PM	WSBA Seattle, WA	Diversity Committee
Wednesday	September 15, 2021	12:00 PM	WSBA Seattle, WA	Editorial Advisory Committee
Friday	September 17, 2021	10:00 AM	WSBA Seattle, WA	Council on Public Defense
Monday	September 20, 2021	12:00 PM	WSBA Seattle, WA	BOG Personnel Committee
Tuesday	September 21, 2021	12:00 PM	WSBA Seattle, WA	Board Nominations Committee
Thursday – Friday	September 23-24, 2021	9:00 AM	WSBA Seattle, WA	Board of Governors Meeting
Saturday	November 13, 2021	10:00 AM	WSBA Seattle, WA	Washington Young Lawyers Committee

Adopted by the Board of Governors on November 14, 2020.

Kyle Sciuchetti, President
Washington State Bar Association

TO: WSBA Board of Governors
FROM: Interim Executive Director Terra Nevitt
DATE: November 4, 2020
RE: Executive Director's Report

COVID19 Response

The WSBA Coronavirus Internal Task Force (“Internal Task Force”) has continued working to deliver resources and programs to support WSBA members and the public during these unprecedented times. Please review WSBA’s COVID19 Resource Page at <https://www.wsba.org/for-legal-professionals/member-support/covid-19> for complete information.

As we enter the ninth month of our pandemic response, the WSBA Coronavirus Response Task Force (“External Task Force”) has worked collaboratively with the Internal Task Force to create an online survey for WSBA members. The purpose of the survey is to better inform WSBA on the impact of the pandemic on the legal profession. The survey (link available at [wsba.org](https://www.wsba.org)) is open through November 25, and we are encouraging all members to participate. We will publish the results of the survey on the WSBA COVID Resource Page (link above) and analyze the responses to identify areas where WSBA might provide increased support to legal professionals as they seek to serve the public while continuing to navigate this global pandemic.

“Summer” Bar Exam Results & February Bar Exam Update

Congratulations to the 14 candidates who passed the September attorney bar exam with an overall pass rate of 37.8% (see attached). This exam is a significant outlier in terms of the small number of exam takers due to 571 registered bar exam applicants opting for diploma privilege as permitted by the Washington Supreme Court’s [order](#), dated June 12, 2020. The LPO and LLLT exams were not held in September. Note that WSBA publishes the names of applicants who pass licensure examinations as permitted under APR 4 and required by Board of Governors policy. Passing a licensure examination does not provide authorization to practice law. Likewise, opting for diploma privilege does not automatically provide authorization to practice law.

Our admissions team is currently working through approximately 320 February exam applications while processing 20-30 licensure applications per week for an average processing time of 2-3 weeks. This process is largely manual and the team has had to adapt to doing the entire process electronically. This year we are transitioning to a fully online application system, which should eliminate paper applications and expedite the application process. The admissions team is also exploring a remote option for the February exam in lieu of an in-person exam. I can’t say enough in appreciation for all that this team has done to adapt in this difficult time for all of us, including applicants.

2021 Licensing Update

Online licensing opened on November 2. We will mail 19,281 license renewal packets this week, and 21,940 licensed legal professionals are signed up for paperless renewal—totaling 41,221. Members experiencing financial challenges can opt for a payment plan over several months, and the [Hardship Exemption](#) may now be used up to two times. The [Armed Forces Exemption](#) is also available to those who qualify. Additionally, pro bono status members who

completed at least 30 hours of pro bono service with a qualified legal services provider in the prior year will have their license fee waived. Detailed information may be found on the [License Renewal page](#).

Draft Rules for Discipline and Incapacity (RDI) Submitted to Court

As reported to the Board periodically, since July 2017 an internal workgroup of WSBA employees from the Office of Disciplinary Counsel, Office of General Counsel, and Regulatory Services Department have been drafting a new set of disciplinary procedural rules for all license types. Following review of the draft by representatives of a variety of external stakeholders (including Governor Hunter Abell and Clerk of the Supreme Court Susan Carlson) and incorporation of suggested revisions, the draft rules were submitted to the Supreme Court on October 14. A copy of the submission and information about its status is available on our website at <https://www.wsba.org/news-events/latest-news/news-detail/RDI>.

Minority Bar Association Scholarship Grants Update

As I reported in my July report, the Diversity Committee approved returning \$16,500 of unspent FY20 funds gifted by the Washington State Bar Foundation that were not spent due to fewer events and related travel. The Foundation trustees unanimously agreed to fulfill the Committee's suggestion that the Foundation use the money to support MBA scholarships targeted to underrepresented law students and recent law graduates acknowledging that many MBAs were forced to cancel their annual fundraising events which raise support for these scholarships. The funds were ultimately distributed evenly among all of the MBAs who applied and met the criteria. The MBAs who received funds are the Asian Bar Association of Washington, the Korean Bar Association of Washington, the Latino/a Bar Association of Washington, the Loren Miller Bar Association, QLaw, the South Asian Bar Association of Washington, the Vietnamese-American Bar Association of WA, and the Washington Attorneys with Disabilities Association.

The MBAs shared with us that because of these funds, they will be able to support law students and recent graduates with very real needs. One MBA shared, "Previous recipients have been first generation immigrants, refugees, first generation law students, and people of color with very limited professional connections and often very challenging financial circumstances. Our experience has been that even a small award goes a long way to helping these students graduate, making them feel visible and appreciated, and encouraging them to participate and share their skills and their voices in the broader legal community."

Closing Out Pro Bono Month

October was Pro Bono Month. WSBA honored the month with a pro bono focus in the [October issue of Bar News](#) and a special email signature intended to raise awareness about pro bono and direct folks to pro bono opportunities around the state. Additionally, the Pro Bono and Public Service Committee worked with WSBA's CLE team to deliver a free CLE entitled, entitled "Serving Low-Income Clients at the Intersection of Family Law and Structural Poverty" as part of the Legal Lunchbox series. Finally, Pres. Sciuchetti and I were honored to join King County Councilmember Reagan Dunn and representatives from the Eastside Legal Assistance Program, the Washington State Pro Bono Council, the Unemployment Law Project, the Tenant Law Center, and the Equal Justice Coalition to present the Council's proclamation honoring pro bono. Although we celebrate in October, the need for pro bono is year-round. WSBA members can find opportunities to serve here: <https://www.wsba.org/connect-serve/volunteer-opportunities/psp>.

Update on Executive Leadership Team Positions

As you know from my email on October 13, after serving in the interim role for 18 months, Kevin Plachy has accepted the permanent position of Director of Advancement. Kevin has performed exceptionally during this interim period, most notably his leadership on the internal and external COVID Task Forces. Kevin has built strong relationships across the organization and externally that make him an effective organizational leader.

Additionally, having spent the last three months working with Jeff Turner and Praxis HR to evaluate our human resources function, we are now moving forward to recruit and hire a Director of Human Resources/Chief Culture Officer. The addition of “Chief Culture Officer” to the title is meant to attract a candidate that will be adept at managing the nuts and bolts of benefits administration, recruitment, and talent management as well as using all these levers too help us build and maintain a positive workplace culture. Chief Culture Officer is an increasingly recognized role in many organizations and communicates something important - that having a healthy workplace culture is a top priority. Praxis HR has also supported us to conduct a Staff Climate Survey, which will provide our new HR Director an excellent roadmap for the next few years.

Staff Climate Survey

As I reported in my email on August 24, we have engaged Praxis HR to conduct a staff climate survey. We expect to roll out the results to the Board and employees over the next few weeks. WSBA’s last climate survey was conducted in 2016. In the Board’s September brainstorming session, the Board identified improved workplace culture as a potential goal, and this survey should provide useful information about how to achieve that goal.

Updating our Social Media Guidelines

2009—2009! That was the approval date of our most recent guidelines for social media, and, as we all know, 11 human years is equivalent to 1 gazillion tech years. It was certainly time for an update, and we are pleased to present the new and modernized guidelines (attached) that reflect several months of research about national best practices for bar organizations and public agencies as well as a pilot of the new Social Media Editor Agreement (attached) with the Washington Young Lawyers Committee (WYLC). As part of the update, we looked at our own historical processes and discovered that the original 2009 guidelines were adopted by the Board of Governors; however, as we systematically go through our current board policies to catalogue and modernize them, we are transitioning any that are guidelines or procedures to a different, operational index—and that has been our process to modernize and rehouse the Social Media Guidelines. The most significant shift under the new guidelines is to allow authorized volunteers from WSBA entities to partner with WSBA’s social media coordinator to directly post content as co-editors of their entities’ social media accounts. We believe—and have experienced in practice—that the guidelines and editor agreement strike the right balance between accountability/oversight for WSBA’s official communication channels and collaborative partnership with leaders of WSBA entities who want to use modern tools to engage members.

Updating our Platform for Recorded Meetings to Improve Access and Save Resources

Prompted by an inquiry from a WSBA member, we have been exploring and are now ready to transition the hosting of Board meeting recordings to YouTube. We intend to purchase a premium account, which will allow us to share meeting recordings ad-free. Because we can maintain a vast library of recordings at no additional cost, we anticipate this move saving us a small amount of money over our current vendor, which charges us to host and view the recordings. In addition to saving costs, moving to YouTube will increase access by allowing us to keep a more robust library of recordings available for viewing. Currently we only maintain a library of one year’s worth of recordings. Additionally, YouTube has a built-in closed captioning feature and is a platform that many folks are familiar with and used to navigating. We intend to begin the transition later this month.

APEX Awards Ceremony

You all recently received an update and invitation to WSBA's live, online 2020 APEX Awards ceremony at 7 p.m. Friday, Dec. 4. Please tune in to be inspired!

September Bar Exam Results (attached)

Social Media Guidelines & Agreement (attached)

Litigation Update (attached)

Media Contacts Report (attached)

WSBA Demographics Report (attached)

Other Informational Items

14 Candidates Pass September 2020 Washington State Bar Exam

SEATTLE, WA [October 17, 2020] — The Washington State Bar Association (WSBA) announced that 14 candidates passed the Uniform Bar Exam administered in September 2020. Administered over a two-day period, the Exam is a substantive law exam for those interested in becoming licensed in Washington to practice law as a lawyer, and includes multiple choice, essay and performance questions. The other required component of the Washington Bar Exam is an exam on professional responsibility (the Multistate Professional Responsibility Exam or MPRE). Completion of a separate online educational component with accompanying online exam addressing specific areas of Washington law (the Washington Law Component) is also required to qualify for admission. The WSBA will recommend successful candidates who also have passed a character and fitness review and completed other pre-licensing requirements to the Washington Supreme Court for entry of an order admitting them to the practice of law in Washington as a lawyer.

See the full pass list on our website. Passage percentages are given below.

September 2020 Washington State Bar Exam Statistics:

Overall Pass Rates

Applicant Type	Pass	Fail	Total	Pass Rate
ABA-JD	8	1	9	88.9%
APR 6 Law Clerk	1	2	3	33.1%
U.S. Attorneys	0	0	0	0.0%
Foreign/LLM Graduate	5	20	25	20.0%
Foreign Common Law Attorney	0	0	0	0.0%
Non-ABA JD/ABA LLM	0	0	0	0.0%
Total	14	23	37	37.8%

First Time

Applicant Type	Pass	Fail	Total	Pass Rate
ABA-JD	8	1	9	88.9%
APR 6 Law Clerk	0	0	0	0.0%
U.S. Attorneys	0	0	0	0.0%
Foreign/LLM Graduate	3	7	10	30.0%
Foreign Common Law Attorney	0	0	0	00.0%
Non-ABA JD/ABA LLM	0	0	0	00.0%
Total	11	8	19	57.9%

Repeaters

Applicant Type	Pass	Fail	Total	Pass Rate
ABA-JD	0	0	0	0.0%
APR 6 Law Clerk	1	2	3	33.3%
U.S. Attorneys	0	0	0	00.0%
Foreign/LLM Graduate	2	13	15	13.3%
Foreign Common Law Attorney	0	0	0	0.0%
Non-ABA JD/ABA LLM	0	0	0	0.0%
Total	3	15	18	16.7%

The average UBE score total was 258. The required passing score was **266**.

About the Washington State Bar Association

The WSBA is authorized by the Washington Supreme Court to license over 40,000 lawyers and other legal professionals in Washington. In furtherance of its obligation to protect and serve the public, the WSBA both regulates lawyers and other licensed legal professionals under the authority of the Court and serves its members as a professional association — all without public funding. The WSBA’s mission is to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice.

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Contact: Jennifer Olegario, WSBA Communications Manager
206-727-8212; jennifero@wsba.org

COMM 502: WSBA Social Media Guidelines and Protocol

Adoption Date: 10/18/2020, Executive Leadership Team

The Washington State Bar Association includes social media in its overall communication strategies to promote awareness and use of its programs, to facilitate member-to-member engagement, and to provide an opportunity for the organization to listen to the trends and concerns raised by the membership, parties with special interests and concerns about the administration of justice and the practice of law, and members of the general public.

Purpose: To connect with and inform Washington State Bar Association members and other social media followers, as a primary source of news and information using a strategic mix of legal news and engaging content.

Goals:

- Drive awareness for the WSBA brand and its mission;
- Engage new and existing audiences in real time;
- Generate goodwill and credibility for WSBA's commitment to members and the public.

WSBA employees and authorized volunteers responsible for managing the Bar's social media platforms are expected to represent the organization and the legal profession well and to exercise good judgment at all times. (These guidelines do not extend to personal use of personal social media in a way that is not identified with the WSBA.) At a minimum, WSBA staff and authorized volunteers who act as editors and administrators of WSBA social media platforms are expected to:

- Be responsible. Editors and administrators of WSBA's social media platforms are personally responsible for material they post.
- Carefully consider content. What they publish will be widely accessible for some time and, in some cases, indefinitely. All statements must be true and not misleading. Editors and administrators must not post information about themselves or others that might reasonably be expected to be private in nature. They must keep posts relevant to the organization's mission and goals.
- Be known. Administrators and editors must use their real names and, if relevant, their role or interest in the topic being discussed. When appropriate, they should make it clear they are speaking for themselves and not on the organization's behalf.
- Be civil and respectful. While it is acceptable to disagree with others, comments should not include defamatory, libelous, or damaging innuendo. The use of abusive, threatening, offensive, obscene, explicit, or racist language is prohibited, as is the posting of illegal material.
- Be accurate. If an administrator or editor makes a mistake, they should admit it and quickly provide the correct information; and, if appropriate, modify an earlier post to make it clear they have corrected an error.
- Be relevant and add value to the conversation. Administrators and editors should write about what they know; information adds value to a conversation if it contributes to the legal community's knowledge or skills, improves the legal system or the public's understanding of the legal system, or builds a sense of community.
- Follow copyright and fair use laws. Administrators and editors must give proper credit for work done by others. They must ensure the right to use material with attribution before publishing. It is preferable to link to others' work rather than reproducing it. They should not use any material that may be proprietary in nature. They must recognize the



potential professional and legal consequences of any failure to follow applicable laws governing the use of others' materials.

- Protect proprietary and client information. Editors and administrators must not discuss or misuse proprietary or confidential information and follow all professional and ethical rules governing the disclosure of information shared with you by clients. When in doubt, leave it out.
- Not endorse political positions contrary to GR 12.1. The activities of WSBA are defined by Washington Supreme Court rules (GR 12.1), and those rules apply to social networking activity as well as a variety of other activities. Across social media platforms, WSBA and its entities (sections, boards, committees, etc.) need to avoid even the appearance that they directly or indirectly:
 - Take positions on issues concerning the politics or social positions of foreign nations;
 - Take positions on political or social issues which do not relate to or affect the practice of law or the administration of justice; or
 - Support or opposes, in an election, candidates for public office.
- Refrain from political activities. Political activities including but not limited to endorsements or advocacy are not appropriate on the WSBA's social media platforms.
- Comply with the WSBA Rules governing lawyer conduct. When posting content to any social media site, administrators and editors must comply with all requirements of the WSBA Rules of Professional Conduct.
- Do not violate antitrust laws. Antitrust laws prohibit postings that encourage or facilitate agreements between WSBA members of different firms concerning the following, as they pertain to legal services: prices, discounts, or terms or conditions of sale; salaries; profits, profit margins, or cost data; market shares, sales territories, or markets; allocation of customers or suppliers; or any other term or condition related to competition.
- Abide by all social networks' terms of use. By joining a particular social network, administrators and editors agree to abide by that network's terms of use. Review those terms carefully before agreeing to participate.

In accordance with the above expected behaviors and responsibility, all WSBA volunteers will sign a WSBA Social Media Editor agreement prior to being authorized to act in an official WSBA capacity. *The WSBA will actively monitor all of its social media sites and take appropriate action to enforce these guidelines.*

Code of Conduct: The WSBA welcomes comments, replies, and other interaction to its posts via social media channels and to share content directly related to the program. All content posted on WSBA social media platforms is expected to be relevant and respectful.

Inappropriate Comments: The WSBA has the right to delete any inappropriate content from its social media platforms, including but not limited to: irrelevant content, redundant content, hateful content, malicious content, uncivil or disrespectful content, attacks or complaints against an individual, financial solicitations, endorsements of a political candidate or party, opposition to a political candidate or party, and content that violates the social media platforms' terms of use, codes of conduct, or other policies. Content that violates a platform's policies may also be reported through the platform's oversight procedures. Repeated inappropriate comments will result in the user being blocked.

Disclaimer: Regarding content posted by outside social-media users (i.e., not WSBA staff or authorized volunteers serving as account editors and administrators), the WSBA accepts no liability or responsibility whatsoever for the contents of any target site linked from its social media accounts. The WSBA also accepts no responsibility or liability for any data, text, software, music, sound, photographs, images, video, messages, or any other materials or content whatsoever generated by users (i.e., not WSBA staff or authorized volunteers serving as account editors and administrators) and publicly posted via its social media accounts.

The WSBA reserves the right to modify, change or revoke this policy at any time.



SOCIAL MEDIA EDITORS AGREEMENT FOR WSBA ENTITIES
(companion to COMM 502 Guidelines)

As a condition of using a social media account as an editor or administrator to represent a WSBA entity, I understand and adhere to the following:

- I will use the social-media account(s) to communicate in a professional, courteous, and respectful manner. All communication will be related only to the WSBA entity's business. I will not include any of my personal viewpoints, but will communicate as the collective voice of the WSBA entity.
- I will aspire to be honest and open in all communications. I will communicate in ways that encourage others to engage. There will be no personality or character attacks. I will provide a dispassionate, neutral presentation of facts.
- I have reviewed and agree to WSBA's Social Media Guidelines. I have also reviewed and will adhere to all rules pertaining to [GR 12](#) and [GR12\(c\)](#), including the prohibition on political endorsements, ads, or speeches.
- In support of WSBA's Photo and Video Release Procedures (see attached), I will obtain written or verbal permission in advance from people in the images, videos, and livestreams I post. I will also be mindful of representing members in a professional capacity, such as avoiding images, videos, or livestream events that include alcohol.
- I will work closely with my WSBA liaison and WSBA's social media and communications staff, who have ultimate responsibility for compliance and who retain the right to edit or delete posts and comments at their discretion upon violation of this agreement or WSBA's Social Media Guidelines.

I have read and understand the terms above.

_____ (date)

PHOTO AND VIDEO RELEASE PROCEDURES

WSBA recognizes each individual's property right in the use of his or her photograph, voice, and likeness in many situations. Therefore, these procedures outline WSBA employees' responsibility to obtain written or oral and express or implied consent before publishing an individuals' likeness via photo or video on any of its media channels. To minimize risk, WSBA will err on the side of obtaining permission whenever possible.

PERMISSION STANDARDS FOR WSBA PUBLICATIONS

- For printed publications such as *NWLawyer* magazine, newsletters, and program/event/organizational promotional materials, WSBA will obtain written permission from individuals in photos and videos. The responsibility for ascertaining permission ultimately resides with the editor or designer of the publication; this will usually mean the editor/designer asks the WSBA colleague who provides the image/video or who has a relationship with the people in the photo/video to secure written permission if it has not been granted ahead of time. The editor/designer will keep a copy of the written permission—be it a copy of an email correspondence, permission form, or some other form—in the same working/archival folder for the publication as the picture file is stored.
- For electronic channels such as the WSBA website, blog, and social media, WSBA will obtain and document at least express oral permission for publishing a photo or video. Written permission is still best, but clear indication of express oral permission provided the overall context will suffice (for instance, a group shot to promote a program where the photographer has clearly stated the purpose for the photo, all people in the photo have their photos already published for the public in conjunction with the program, and the program manager has given written consent). The responsibility for ascertaining permission ultimately resides with the editor or person posting to the online channel; this will usually mean the editor/poster asks the WSBA colleague who provides the image/video to certify they obtained, at least, express oral permission. If WSBA receives a complaint or concern from a person regarding his/her image published on an electronic WSBA channel, we will remove the image as soon as possible while the matter is sorted out.

BEST PRACTICES

The best way to minimize risk when publishing photos and videos is to aim for “no surprises;” toward that end, anyone with final publishing control should try to send the final layout (including selected photo and verbiage) to the people included in the photo/video ahead of publication. This is true **even when permission has been cleared ahead of time** en masse for an event. This is especially important when the focus is on one or two individuals (rather than a large group) and/or some time has passed since the event. A good test is to ask oneself: Would I want to be notified and see the picture ahead of publication?

PROCEDURES FOR OBTAINING PRIOR PERMISSION

To minimize risk and facilitate publication, WSBA will strive to be proactive in obtaining photo and video permissions at its events. Therefore, when developing a program where there is advance knowledge of photography or video, WSBA employees should ensure the following opt-in language is used at the point of registration. The point of registration could be through the online store (i.e. Personify) or through a more manual process but should include an option for the attendee to opt in to being photographed.

The following opt in language should be used:

By selecting “Opt-In”, I authorize and consent to being photographed and/or videoed at this event, and to the display, reproduction, alteration or other use of any photographs or videos of me, or in which I may be included with others, in connection with publications of the WSBA in any type of media, whether print or electronic, including for purpose of promotion of WSBA events and programs, irrespective of topic or purpose. I hereby release the WSBA from all liability in connection with the publication and future use of my name and likeness and the photographs or videos identified above.

Any walk-in attendees should also be provided the option to opt in to being photographed. If an attendee chooses not to opt in to being photographed, they should be identified by placing a specified color marker on their name tag.

A standalone photo/video permission form, to be used at events, is accessible in the Communications folder in the Policies and Procedures folder accessible via OGC’s unrestricted folder on the shared drive.

The photographer for the event should be notified of the marker color on the name tag and avoid photographing the persons who have not opted in.

Additionally, signage containing the following language should be displayed near the registration table at the event:

“Photographs or video taken at this event may be later published in online or print materials reporting or promoting this or other WSBA events. If you do not wish your image in a photo or video to be reused in these ways, you may opt out at the event sign-in table.”

The permissions should be in writing and kept in the program folder or captured in Personify (if the event is using Personify for registration purposes).

All pictures and video obtained in this manner shall be considered clear for publication in any WSBA publication or medium.

WSBA EMPLOYEES TAKING PHOTOGRAPHS OR VIDEOS WHEN NO PRIOR PERMISSION IS AVAILABLE:

In many situations, advanced permission will not be available when a WSBA employee takes a photograph. When that occurs, the WSBA employee will take these steps when possible: Clearly identify his/herself and why s/he is taking the photo; ask anyone who is not comfortable being included in the picture for the stated publication purposes to step out of the photo.

In these situations, WSBA staff will obtain written permission for inclusion in a printed publication or material. WSBA staff will ascertain and document at least express oral consent for electronic publication.

RETENTION SCHEDULE

All documentation of photo permission will be retained according to WSBA's document retention schedule.

To: The President, President-elect, Immediate Past-President, and Board of Governors
 From: Julie Shankland, General Counsel
 Lisa Amatangel, Associate Director, OGC
 Date: October 28, 2020
 Re: Litigation Update

PENDING LITIGATION:

No.	Name	Brief Description	Status
1.	<i>Kaiser v. WSBA, et al</i> , No. 2:20-cv-01544-TLF (W.D. Wash.)	Plaintiff, a 2007 law school graduate, seeks an order from the Washington Supreme Court admitting him to the bar without taking the bar exam.	New matter; complaint filed 10/22/20.
2.	<i>Block v. Scott et al</i> , No. 20-2-07931-1 (Pierce Sup. Ct.)	Alleges civil rights and public records violations.	New matter; complaint filed 10/07/20.
3.	<i>Small v. WSBA</i> , No. 19-2-15762-3 (King Sup. Ct.)	Former employee alleges discrimination and failure to accommodate disability.	On 07/17/19, WSBA filed an answer. Discovery is complete. WSBA's motion for summary judgment and a related motion to strike will be heard on 10/30/20.
4.	<i>Beauregard v. WSBA</i> , No. 19-2-08028-1 (King Sup. Ct.)	Alleges violations of WSBA Bylaws (Section VII, B "Open Meetings Policy") and Open Public Meetings Act; challenges termination of former ED.	On 08/27/19, the Washington Supreme Court granted direct discretionary review. On 09/26/19, WSBA filed a Designation of Clerk's Papers with the Superior Court, and a Statement of Arrangements with the Supreme Court. WSBA filed a report of proceedings with the Supreme Court on 11/25/19. WSBA filed its opening brief on 02/10/20. Respondent filed his response on 02/28/20; WSBA filed its reply brief on 04/01/20. On 05/15/20, the Supreme Court appointed Judges Korsmo and Bjorgen as Justices Pro Tem in this matter. On 05/28/20, the Supreme Court denied Respondent's motion to supplement the record. Oral argument held 06/23/20.

5.	<i>Block v. WSBA et al.</i> , No. 18-cv-00907 (W.D. Wash.) (" <i>Block II</i> ")	See <i>Block I</i> (below).	On 03/21/19, the Ninth Circuit stayed <i>Block II</i> pending further action by the district court in <i>Block I</i> . On 12/17/19, Block filed a status report with the Ninth Circuit informing the Court of the Block I Court's reimposition of the vexatious litigant pre-filing order against Block. On 06/18/20, the Ninth Circuit lifted the stay order and ordered the appellees who have not yet filed their answering briefs to do so by 08/17/20 (WSBA filed its answer brief before the stay order was entered). Block's reply was due 10/09/20; she has requested a 30-day extension.
6.	<i>Eugster v. WSBA, et al.</i> , No. 18201561-2, (Spokane Sup. Ct.)	Challenges dismissal of <i>Spokane County 1</i> (case no. 15-2-04614-9).	Dismissal order signed 01/06/20. On 01/16/20, WSBA filed a supplemental brief on fees under CR 11 and RCW 4.84.185. Fee award of \$28,586 granted on 02/14/20; Eugster filed a notice of appeal on 03/02/20. WSBA's response brief is due 12/14/20.
7.	<i>Block v. WSBA, et al.</i> , No. 15-cv-02018-RSM (W.D. Wash.) (" <i>Block I</i> ")	Alleges conspiracy among WSBA and others to deprive plaintiff of law license and retaliate for exercising 1st Amendment rights.	<p>On 02/11/19, 9th Cir. affirmed dismissal of claims against WSBA and individual WSBA defendants; the Court also vacated the pre-filing order and remanded this issue to the District Court.</p> <p>On 12/09/19, the United States Supreme Court denied plaintiff's Petition of Writ of Certiorari.</p> <p>On 12/13/19, the District Court reimposed the vexatious litigant pre-filing order against Block; Block filed a notice of appeal regarding this order on 01/14/20. Block's opening brief is now due 11/05/20; WSBA's answering brief will be due 12/07/20.</p>

			<p>On 09/10/20, Block moved to vacate the vexatious litigant order; WSBA opposed the motion and it was denied.</p> <p>In response to the district court's denial of Block's motion to vacate, on 10/01/20, Block filed a motion for an indicative ruling on whether the district court would vacate the vexatious litigant order if the appellate court remanded the case for that purpose. WSBA opposed the motion. Block filed a reply on 10/16/20. This motion is pending.</p>
8.	<i>Eugster v. Littlewood, et al.</i> , No. 17204631-5 (Spokane Sup. Ct.)	Demand for member information in customized format.	Dismissed (GR 12.4 is exclusive remedy) and fees awarded; Eugster appealed. Merits and fee appeal briefing completed. Matter transferred to Division I and set for panel consideration on 09/25/20 without oral argument. Dismissal and fee award affirmed on 10/05/20. Eugster moved for reconsideration; this motion is pending.
9.	<i>Eugster v. WSBA, et al.</i> , No. 18200542-1 (Spokane Sup. Ct.)	Alleges defamation and related claims based on briefing in <i>Caruso v. Washington State Bar Association, et al.</i> , No. 2:17-cv-00003-RSM (W.D. Wash.)	Dismissed based on absolute immunity, collateral estoppel, failure to state a claim. Briefing complete on appeal and cross-appeal on fees. Case transferred to Division II. Oral argument heard on 10/22/19. On 01/07/20, the Court affirmed dismissal and reversed fee denial. Eugster filed a petition for review with the Washington Supreme Court; petition denied on 07/08/20. Case remanded to determine fee award; fee request renoted for 11/17/20.

CLOSED LITIGATION (final reporting):

No.	Name	Brief Description	Status
1.	<i>O'Hagan v. Johnson et al.</i> , No. 18-2-00314-25 (Pacific Sup. Ct.)	Allegations regarding plaintiff's experiences with legal system.	Motion to Dismiss granted on 08/05/19; on 08/28/19 plaintiff circulated a Notice of Intent to Appeal.

2.	<i>Pillon v. WSBA</i> , No. 20-2-10965-7 (King Sup. Ct)	Grievant filed complaint against WSBA regarding handling of grievance.	Complaint filed 07/09/20; WSBA's motion to dismiss granted with prejudice on 08/31/20.
3.	<i>Scannell v. WSBA et al.</i> , No. 18-cv-05654-BHS (W.D. Wash.)	Challenges bar membership, fees, and discipline system in the context of plaintiff's run for the Washington Supreme Court.	<p>On 01/18/19, the court granted WSBA and state defendants' motions to dismiss; plaintiff appealed. WSBA responded to plaintiff's opening brief on 09/30/19. On 04/09/20, Scannell filed a "Motion for Injunction" and supporting declaration with the Ninth Circuit seeking a court order permitting him to run for open positions on the Supreme Court. On 04/20/20, WSBA filed a response to the Motion for Injunction. On 04/30/20, the State Defendants/Appellees filed a request for a 60-day extension to respond to the Motion for Injunction; Scannell opposed the request.</p> <p>On 05/14/20 the Ninth Circuit issued a memorandum/judgment affirming the district court's dismissal of all of Scannell's claims on the basis of <i>res judicata</i> and the <i>Rooker-Feldman</i> doctrine and denying "[a]ll pending motions and requests".</p> <p>On 05/28/20 Scannell filed two motions: (1) a motion for rehearing and disqualification of one of the panel judges (Judge Miller), and (2) a motion for en banc review. These motions were denied on 08/31/20. The matter is now closed.</p>

MEMO

To: WSBA Board of Governors

From: Jennifer Olegario, Communication Strategies Manager

CC: Sara Niegowski, Chief Communications and Outreach Officer

Date: Oct. 27, 2020

RE: **Summary of Media Contacts**, Sept. 15-Oct. 27, 2020

Date	Journalist and Media Outlet	Inquiry
Oct. 5	Andy Binion, <i>Kitsap Sun</i>	Inquired about attorney discipline for Dominique Jinhong. (See article below.)
Oct. 21	Kamna Shastri, <i>Real Change</i>	Sought information about how judicial elections work and why they're important. Referred to Washington Secretary of State office and Administrative Office of the Courts.

News Releases, Media Outreach, and Media Coverage

Re: Kyle Sciuchetti, 2020-2021 WSBA President

[Kyle Sciuchetti Sworn-in As President of the Washington State Bar Association; First from Vancouver Since State Bar's Formation](#)

- *The Columbian*, "[Vancouver Man Named President of Washington State Bar Association](#)"
- *Portland Business Journal*
- *Vancouver Business Journal*, "[Movers & Shakers](#)"
- *Lewis & Clark Law School Advocate Magazine*
- *University of Washington Magazine*

Re: James K. Doane WSBA President Award

[James K. Doane Receives Washington State Bar Association 2020 President's Award](#)

- *Northwest Asian Weekly*, "James Doane Gets WSBA Award"

Re: Attorney Discipline

Kitsap Sun, "Attorney Accused of Fleecing Ailing Grandmother's Estate"

WSBA Member* Licensing Counts 11/2/20 9:03:13 AM GMT-08:00

Member Type	In WA State	All
Attorney - Active	26,757	33,653
Attorney - Emeritus	110	116
Attorney - Honorary	311	358
Attorney - Inactive	2,505	5,607
Judicial	610	642
LLLT - Active	46	46
LLLT - Inactive	4	4
LPO - Active	810	822
LPO - Inactive	140	159
	31,293	41,407

By District		
	All	Active
0	4,834	3,905
1	2,863	2,372
2	2,109	1,707
3	2,079	1,750
4	1,375	1,169
5	3,184	2,588
6	3,342	2,802
7N	5,048	4,317
7S	6,567	5,454
8	2,236	1,900
9	4,866	4,129
10	2,904	2,428
	41,407	34,521

By State and Province	
Alabama	28
Alaska	205
Alberta	11
Arizona	365
Arkansas	19
Armed Forces Americas	2
Armed Forces Europe, Middle East	27
Armed Forces Pacific	14
British Columbia	97
California	1,858
Colorado	258
Connecticut	50
Delaware	7
District of Columbia	340
Florida	265
Georgia	86
Guam	13
Hawaii	141
Idaho	467
Illinois	163
Indiana	38
Iowa	30
Kansas	29
Kentucky	26
Louisiana	50
Maine	17
Maryland	121
Massachusetts	88
Michigan	75
Minnesota	100
Mississippi	7
Missouri	64
Montana	162
Nebraska	18
Nevada	150
New Hampshire	14
New Jersey	65
New Mexico	74
New York	256
North Carolina	83
North Dakota	10
Northern Mariana Islands	5
Nova Scotia	1
Ohio	78
Oklahoma	27
Ontario	16
Oregon	2,746
Pennsylvania	80
Puerto Rico	6
Quebec	1
Rhode Island	12
South Carolina	27
South Dakota	9
Tennessee	58
Texas	383
Utah	178
Vermont	15
Virginia	260
Virgin Islands	2
Washington	31,293
Washington Limited License	1
West Virginia	6
Wisconsin	44
Wyoming	22

By WA County	
Adams	15
Asotin	27
Benton	418
Chelan	261
Clallam	161
Clark	953
Columbia	7
Cowlitz	155
Douglas	43
Ferry	11
Franklin	56
Garfield	3
Grant	136
Grays Harbor	115
Island	165
Jefferson	117
King	17,655
KING	1
Kitsap	838
Kititas	91
Klickitat	25
Lewis	125
Lincoln	12
Mason	102
Okanogan	93
Pacific	31
Pend Oreille	16
Pierce	2,454
San Juan	87
Skagit	289
Skamania	19
Snohomish	1,697
Spokane	2,047
Stevens	60
Thurston	1,708
Wahkiakum	12
Walla Walla	115
Whatcom	605
Whitman	80
Yakima	459

By Admit Yr	
1946	1
1947	2
1948	2
1949	2
1950	5
1951	15
1952	19
1953	16
1954	21
1955	11
1956	33
1957	23
1958	28
1959	28
1960	28
1961	25
1962	32
1963	31
1964	33
1965	48
1966	59
1967	58
1968	83
1969	91
1970	99
1971	99
1972	161
1973	246
1974	237
1975	301
1976	368
1977	368
1978	412
1979	440
1980	464
1981	492
1982	482
1983	513
1984	1,118
1985	572
1986	779
1987	745
1988	651
1989	704
1990	886
1991	852
1992	828
1993	930
1994	882
1995	833
1996	814
1997	916
1998	903
1999	910
2000	907
2001	918
2002	1,014
2003	1,066
2004	1,096
2005	1,124
2006	1,193
2007	1,276
2008	1,107
2009	985
2010	1,081
2011	1,070
2012	1,094
2013	1,242
2014	1,369
2015	1,615
2016	1,331
2017	1,410
2018	1,330
2019	1,386
2020	1,419

Misc Counts	
All License Types **	41,757
All WSBA Members	41,407
Members in Washington	31,293
Members in western Washington	27,289
Members in King County	17,656
Members in eastern Washington	3,975
Active Attorneys in western Washington	23,399
Active Attorneys in King County	15,555
Active Attorneys in eastern Washington	3,337
New/Young Lawyers	7,425
MCLE Reporting Group 1	11,140
MCLE Reporting Group 2	11,842
MCLE Reporting Group 3	11,126
Foreign Law Consultant	19
House Counsel	321
Indigent Representative	10

By Section ***	All	Previous Year
Administrative Law Section	230	234
Alternative Dispute Resolution Section	320	314
Animal Law Section	90	94
Antitrust, Consumer Protection and Unfair Business Practice	198	207
Business Law Section	1,237	1,256
Cannabis Law Section	108	102
Civil Rights Law Section	165	174
Construction Law Section	514	498
Corporate Counsel Section	1,092	1,115
Creditor Debtor Rights Section	454	464
Criminal Law Section	372	405
Elder Law Section	646	621
Environmental and Land Use Law Section	768	789
Family Law Section	969	1,031
Health Law Section	392	378
Indian Law Section	321	324
Intellectual Property Section	874	875
International Practice Section	245	225
Juvenile Law Section	137	165
Labor and Employment Law Section	987	995
Legal Assistance to Military Personnel Section	68	74
Lesbian, Gay, Bisexual, Transgender (LGBT) Law Section	116	102
Litigation Section	1,007	1,018
Low Bono Section	120	70
Real Property Probate and Trust Section	2,276	2,287
Senior Lawyers Section	242	238
Solo and Small Practice Section	897	906
Taxation Section	618	625
World Peace Through Law Section	131	108

* Per WSBA Bylaws 'Members' include active attorney, emeritus pro-bono, honorary, inactive attorney, judicial, limited license legal technician (LLLT), and limited practice officer (LPO) license types.

** All license types include active attorney, emeritus pro-bono, foreign law consultant, honorary, house counsel, inactive attorney, indigent representative, judicial, LPO, and LLLT.

*** The values in the All column are reset to zero at the beginning of the year (Jan 1). The Previous Year column is the total from the last day of the prior year (Dec 31). WSBA staff with complimentary membership are not included in the counts.

By Years Licensed	
Under 6	8,623
6 to 10	6,134
11 to 15	5,525
16 to 20	4,706
21 to 25	4,156
26 to 30	3,732
31 to 35	2,680
36 to 40	2,440
41 and Over	3,411
Total:	41,407

By Age	All	Active
21 to 30	1,959	1,897
31 to 40	9,293	8,382
41 to 50	10,020	8,365
51 to 60	8,889	7,049
61 to 70	7,728	5,848
71 to 80	2,963	1,960
Over 80	555	152
Total:	41,407	33,653

By Gender	
Female	12,279
Male	16,654
Non-Binary	14
Not Listed	20
Selected Mult Gender	17
Transgender	1
Two-spirit	3
Respondents	28,988
No Response	12,419
All Member Types	41,407

By Disability	
Yes	1,145
No	19,905
Respondents	21,050
No Response	20,357
All Member Types	41,407

By Sexual Orientation	
Asexual	20
Gay, Lesbian, Bisexual, Pansexual, or Queer	409
Heterosexual	4,022
Not Listed	79
Selected multiple orientations	17
Two-spirit	3
Respondents	4,550
No Response	36,857
All Member Types	41,407

By Ethnicity	
American Indian / Native American / Alaskan Native	238
Asian-Central Asian	23
Asian-East Asian	200
Asian-South Asian	48
Asian-Southeast Asian	58
Asian—unspecified	1,135
Black / African American / African Descent	641
Hispanic / Latinx	694
Middle Eastern Descent	14
Multi Racial / Bi Racial	966
Not Listed	201
Pacific Islander / Native Hawaiian	62
White / European Descent	23,429
Respondents	27,709
No Response	13,698
All Member Types	41,407

Members in Firm Type	
Bank	26
Escrow Company	57
Government/ Public Secto	5,076
House Counsel	3,048
Non-profit	327
Title Company	115
Solo	5,070
Solo In Shared Office Or	1,348
2-5 Members in Firm	4,218
6-10 Members in Firm	1,678
11-20 Members in Firm	1,281
21-35 Members in Firm	778
36-50 Members In Firm	550
51-100 Members in Firm	607
100+ Members in Firm	1,853
Not Actively Practicing	1,453
Respondents	27,485
No Response	13,922
All Member Types	41,407

By Practice Area	
Administrative-regulator	2,206
Agricultural	226
Animal Law	109
Antitrust	305
Appellate	1,612
Aviation	181
Banking	422
Bankruptcy	878
Business-commercial	5,165
Cannabis	100
Civil Litigation	698
Civil Rights	1,047
Collections	513
Communications	207
Constitutional	634
Construction	1,313
Consumer	741
Contracts	4,198
Corporate	3,522
Criminal	3,716
Debtor-creditor	903
Disability	600
Dispute Resolution	1,240
Education	478
Elder	853
Employment	2,785
Entertainment	304
Environmental	1,240
Estate Planning-probate	3,355
Family	2,621
Foreclosure	461
Forfeiture	100
General	2,564
Government	2,780
Guardianships	799
Health	925
Housing	304
Human Rights	300
Immigration-naturaliza	1,010
Indian	564
Insurance	1,636
Intellectual Property	2,247
International	883
Judicial Officer	408
Juvenile	788
Labor	1,113
Landlord-tenant	1,233
Land Use	842
Legal Ethics	271
Legal Research-writing	787
Legislation	425
Lgbtq	67
Litigation	4,608
Lobbying	166
Malpractice	727
Maritime	315
Military	384
Municipal	892
Non-profit-tax Exempt	609
Not Actively Practicing	2,009
Oil-gas-energy	227
Patent-trademark-copyr	1,295
Personal Injury	3,211
Privacy And Data Securit	266
Real Property	2,611
Real Property-land Use	2,108
Securities	768
Sports	167
Subrogation	121
Tax	1,275
Torts	2,032
Traffic Offenses	601
Workers Compensation	702

By Languages Spoken	
Afrikaans	5
Akan /twi	5
Albanian	2
American Sign Language	17
Amharic	20
Arabic	49
Armenian	7
Bengali	10
Bosnian	13
Bulgarian	11
Burmese	2
Cambodian	6
Cantonese	101
Cebuano	8
Chamorro	5
Chaozhou/chiu Chow	1
Chin	1
Croatian	20
Czech	6
Danish	18
Dari	3
Dutch	24
Egyptian	2
Farsi/persian	64
Finnish	7
French	686
French Creole	1
Fukienese	3
Ga/kwa	2
German	411
Greek	31
Gujarati	14
Haitian Creole	3
Hebrew	38
Hindi	95
Hmong	1
Hungarian	16
Ibo	4
Icelandic	2
Ilocano	8
Indonesian	11
Italian	162
Japanese	212
Javanese	1
Kannada/canases	4
Kapampangan	1
Khmer	2
Korean	233
Lao	5
Latvian	6
Lithuanian	3
Malay	4
Malayalam	8
Mandarin	370
Marathi	6
Mien	1
Mongolian	2
Navajo	1
Nepali	5
Norwegian	35
Not_listed	41
Oromo	4
Persian	18
Polish	32
Portuguese	120
Punjabi	60
Romanian	21
Russian	227
Samoan	7
Serbian	17
Serbo-croatian	13
Sign Language	20
Singhalese	2
Slovak	2
Soninke	1
Spanish	1,814
Spanish Creole	4
Swahili	6
Swedish	52
Tagalog	66
Taihanese	4
Taiwanese	21
Tamil	12
Telugu	3
Thai	10
Tigrinya	4
Tongan	1
Turkish	14
Ukrainian	43
Urdu	40
Vietnamese	89
Yoruba	10
Yugoslavian	4

* Includes active attorneys, emeritus pro-bono, honorary, inactive attorneys, judicial, limited license legal technician (LLLT), and limited practice officer (LPO).

MEMO

To: Terra Nevitt, WSBA Interim Executive Director

From: Douglas J. Ende, WSBA Chief Disciplinary Counsel & Director of the Office of Disciplinary Counsel

Date: October 28, 2020

Re: Quarterly Discipline Report, 3rd Quarter (July - September 2020)

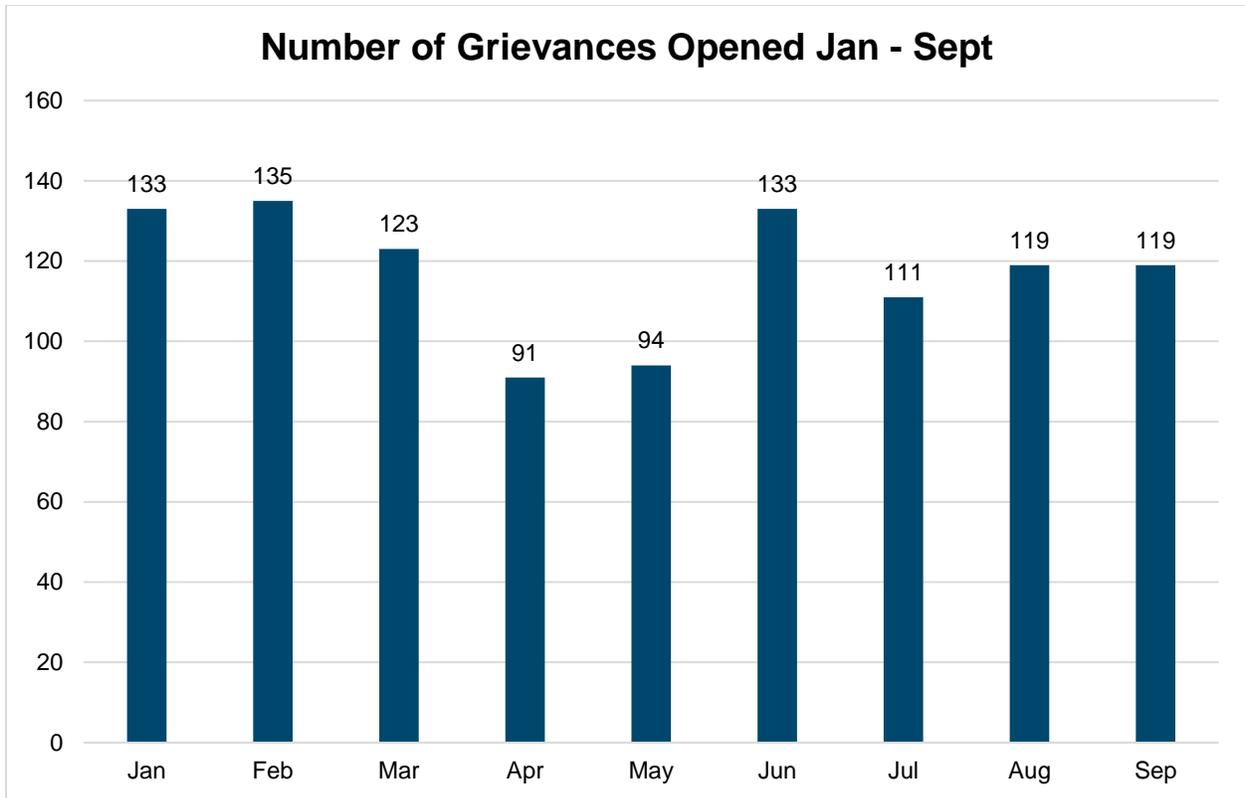
A. Introduction

The Washington Supreme Court's exclusive responsibility to administer the systems for discipline of licensed legal professionals (including disability systems) is delegated by court rule to WSBA. See GR 12.2(b)(6). The investigative and prosecutorial function is discharged by the employees in the Office of Disciplinary Counsel (ODC), which is responsible for investigating allegations and evidence of professional misconduct and disability and prosecuting violations of the Washington Supreme Court's Rules of Professional Conduct.

The Quarterly Discipline Report provides a periodic overview of the functioning of the Office of Disciplinary Counsel. The report graphically depicts key discipline-system indicators for 3rd Quarter 2020. Note that all numbers and statistics herein are considered tentative/approximate. Final figures will be issued in the 2020 Discipline System Annual Report.

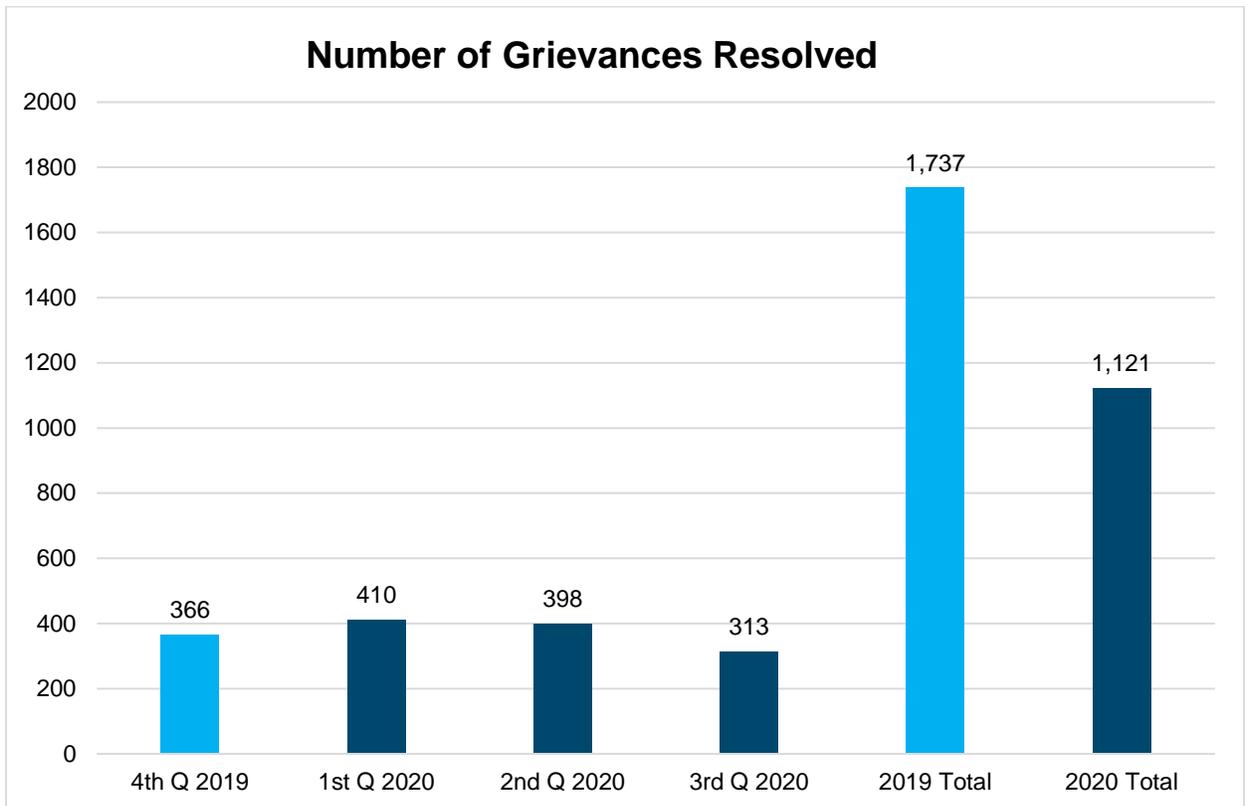
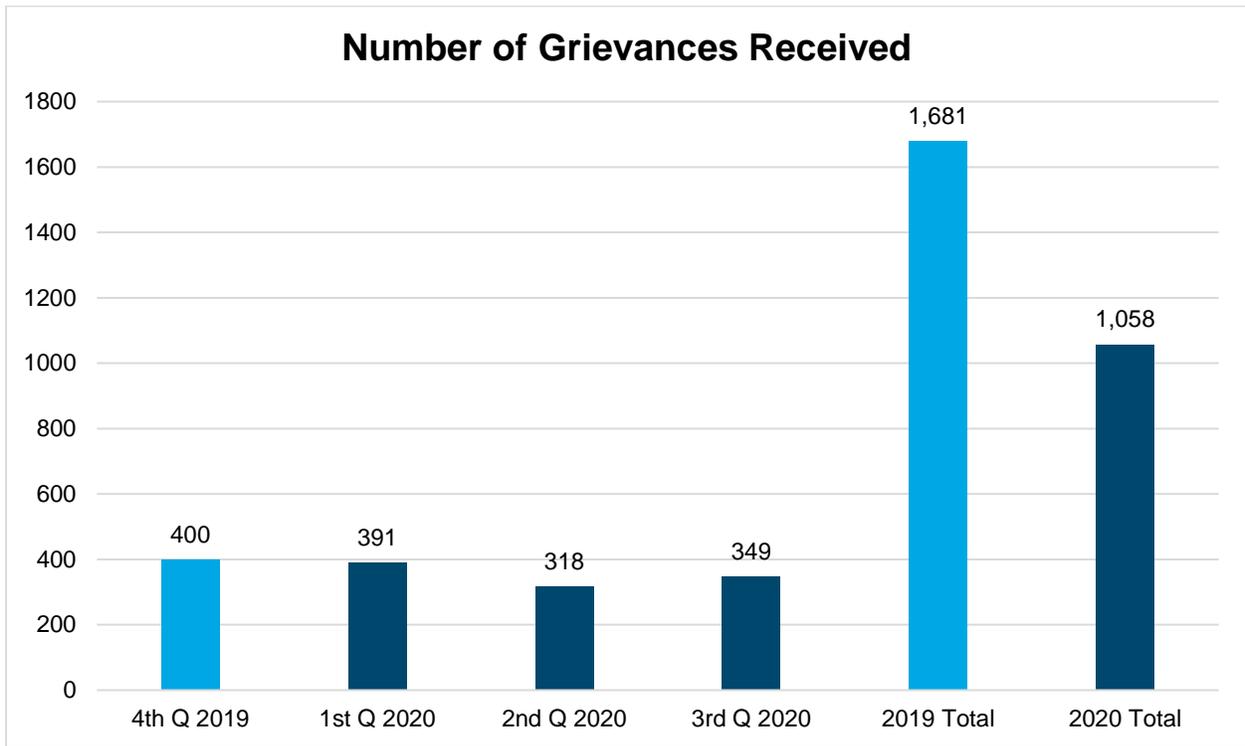
B. Recent Supreme Court Opinions & Other Information

- **COVID-19 Update.** Not surprisingly, the COVID-19 crisis has affected the number of grievances filed with ODC. Since April 2020, ODC has seen fluctuations in grievance filing numbers. The following chart details the variations month-by-month in the number of grievance files opened. Notably, in April and May, grievance numbers dropped significantly, but then rebounded in June.

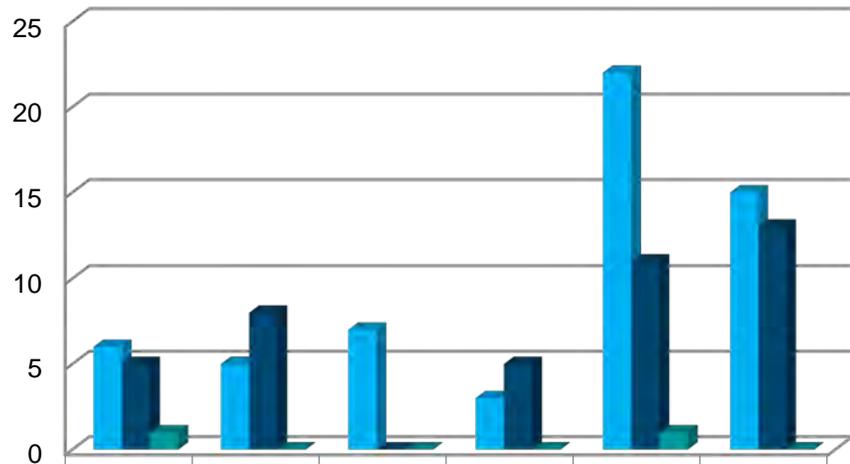


In other developments, the vast majority of the ODC staff continues to work 100% remotely, the random trust account examination program remains in abeyance. Since March, there have been two default disciplinary hearings, but otherwise no disciplinary hearings have been held. The first remote contested disciplinary hearing is scheduled for November 2020. Several respondents have objected to the scheduling of either in-person or remote hearings, and in some cases to the scheduling of depositions, during the public health emergency. While awaiting further adjudicative guidance and decision-making on this issue, there have been several remote depositions and settlement conferences, and a number of matters have been resolved by stipulation. Review and investigation of new and pending grievances continues apace.

C. Grievances and Dispositions

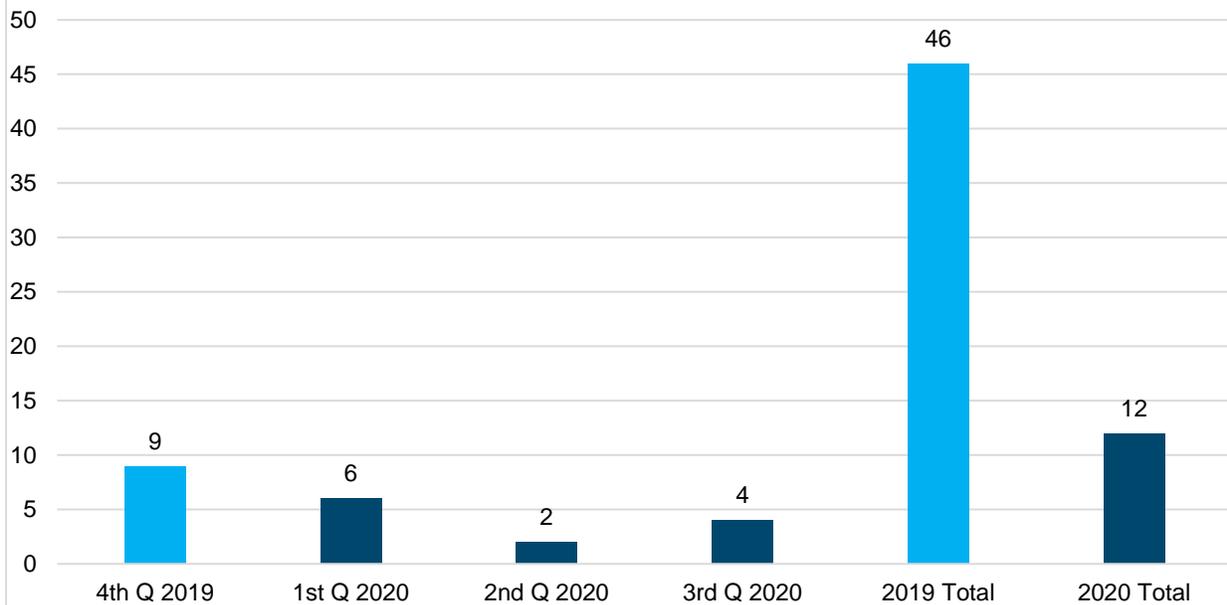


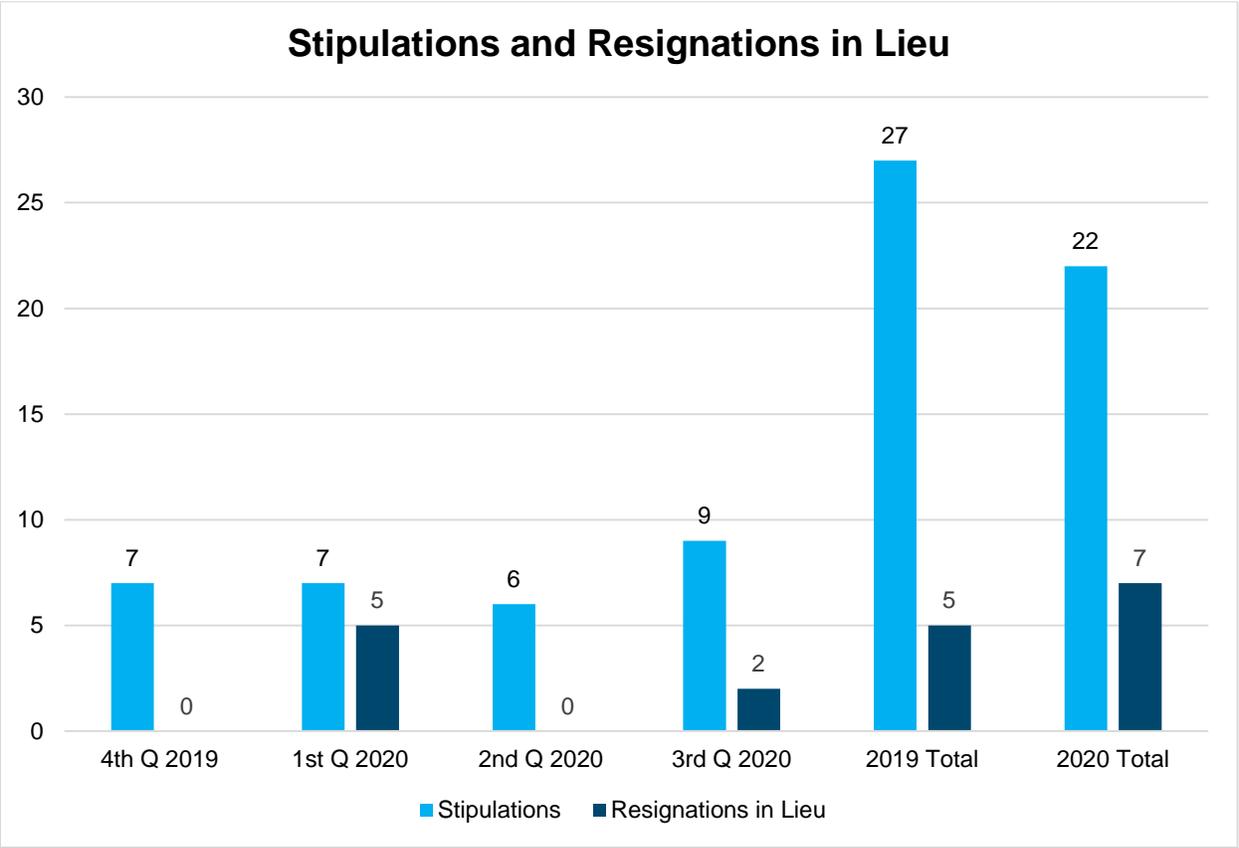
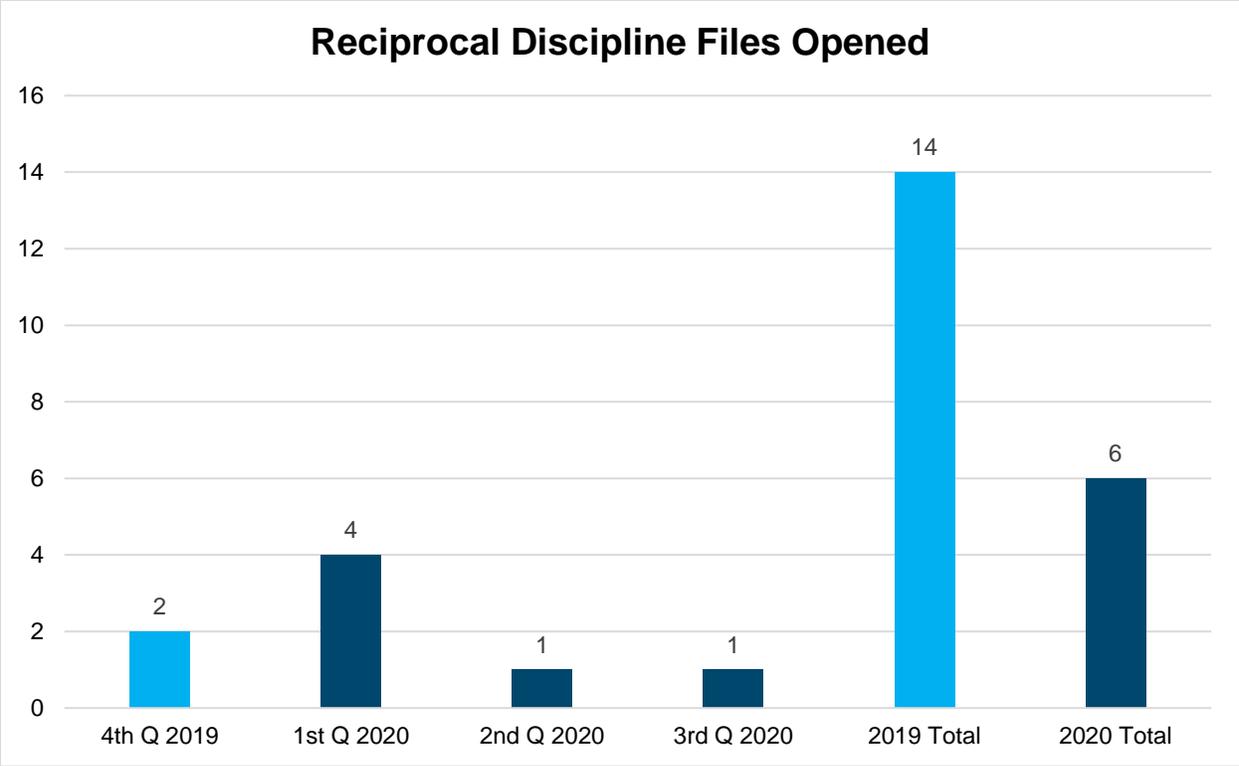
Diversion Statistics



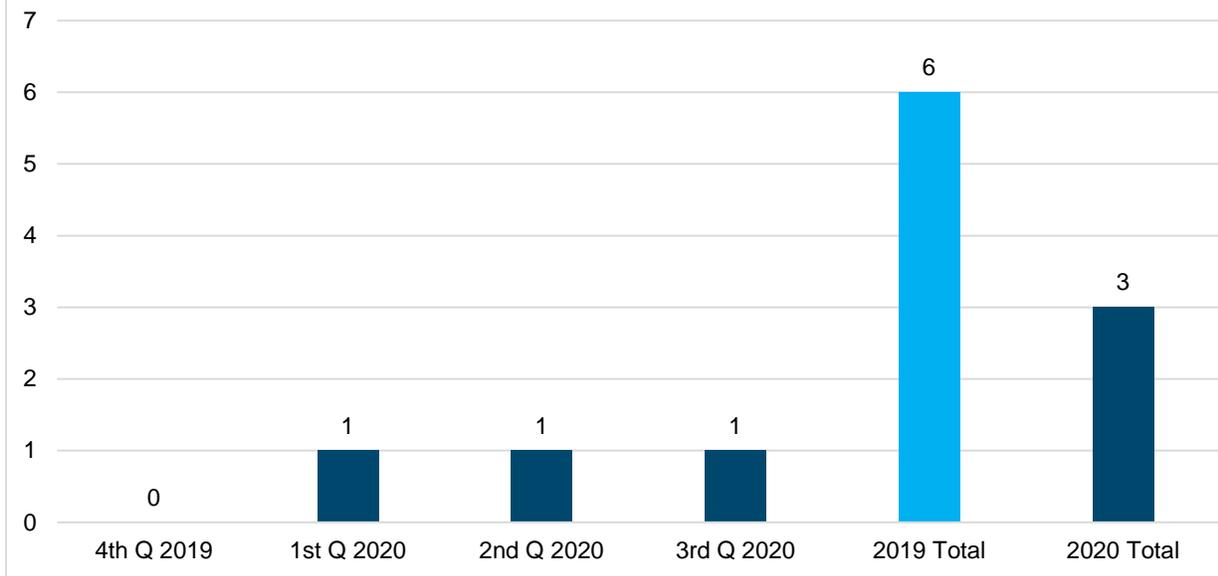
■ New Diversion Files	6	5	7	3	22	15
■ Completed Diversion Files	5	8	0	5	11	13
■ Terminated Diversion Files	1	0	0	0	1	0

Formal Complaints Filed

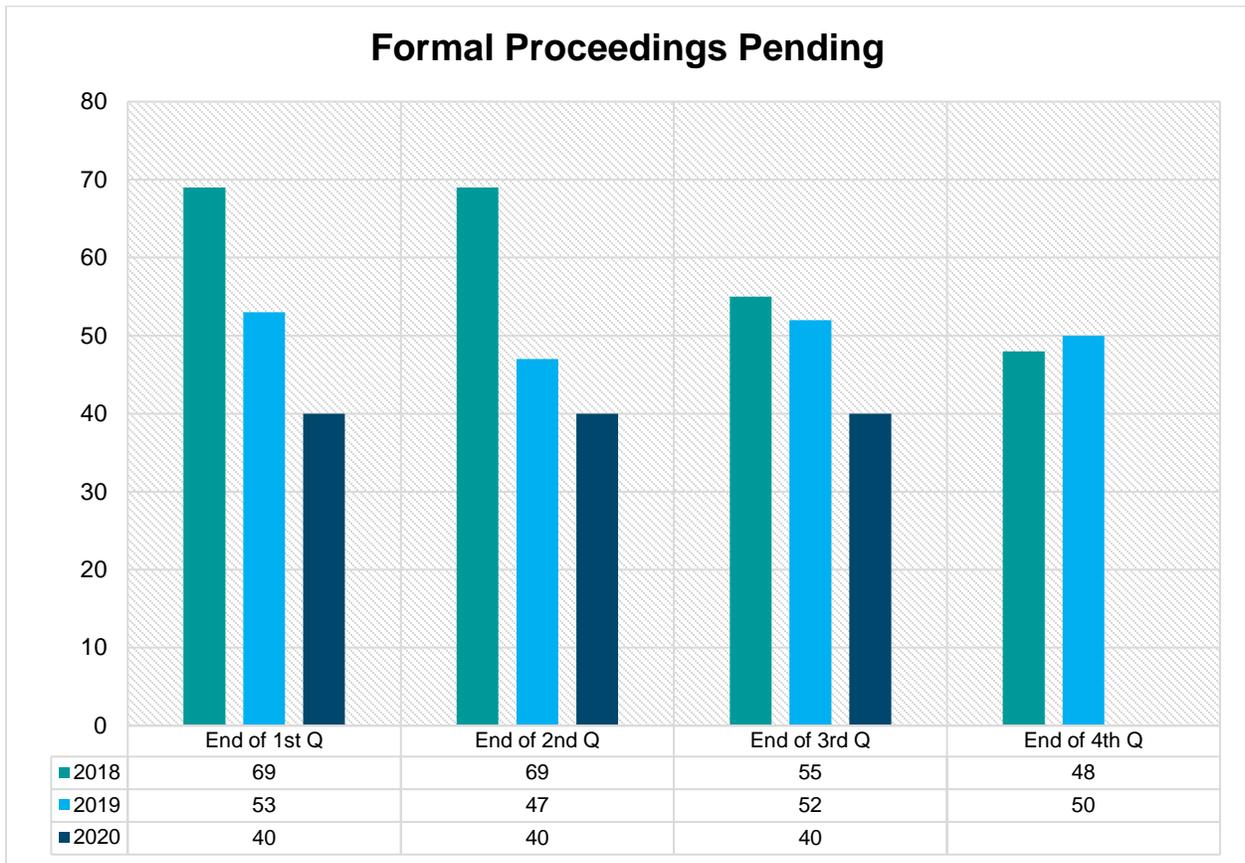




Hearings Held

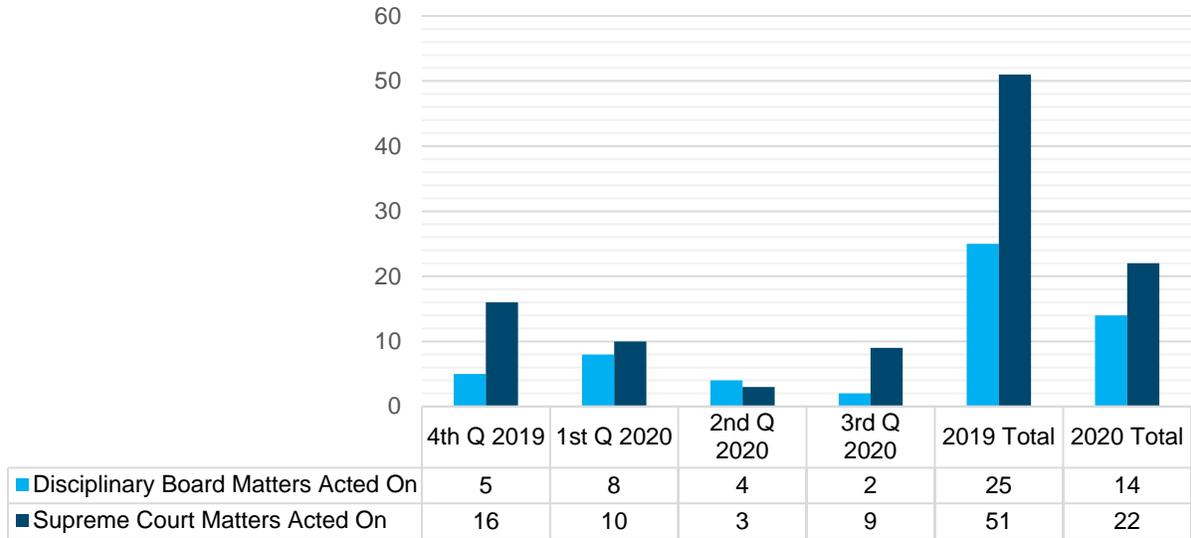


D. Pending Proceedings¹

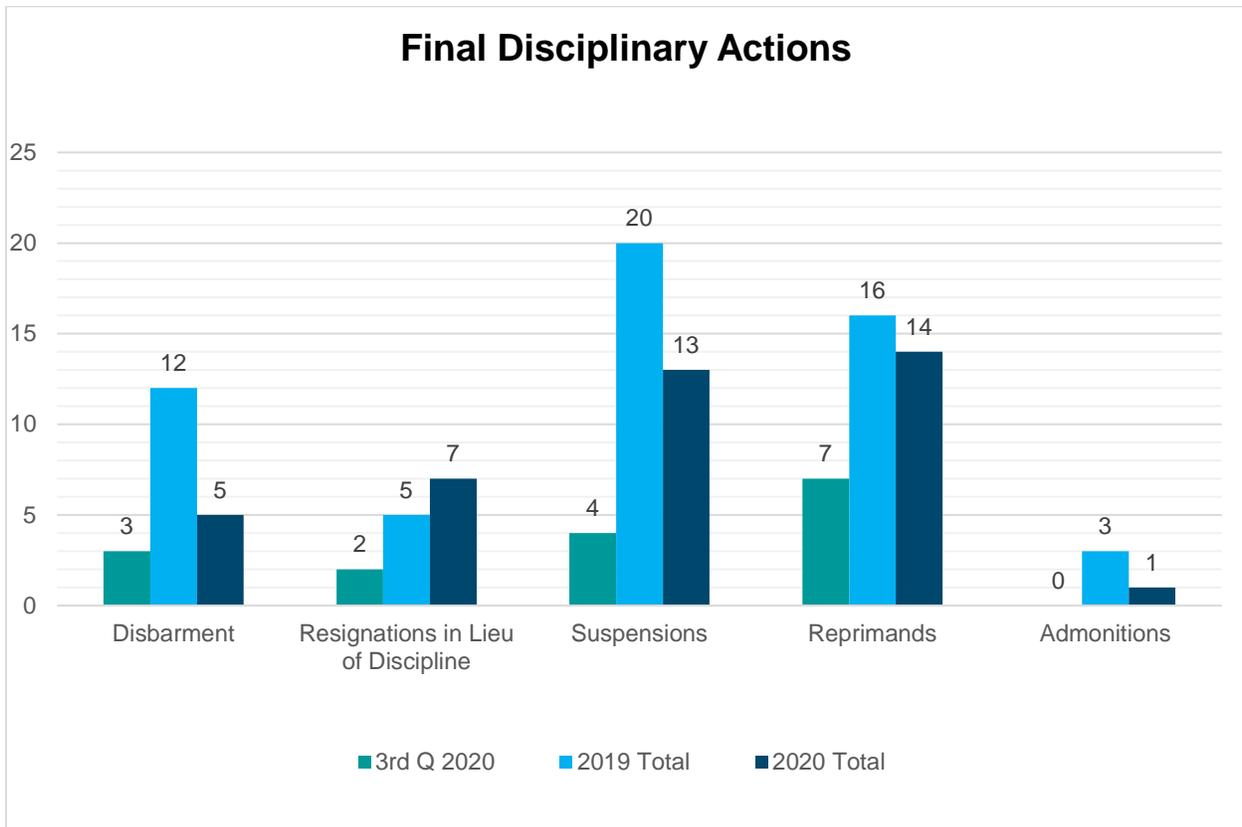


¹ In the second table in this section, the Disciplinary Board numbers reflect Board orders on stipulations and following review after an appeal of a hearing officer’s findings.

Matters Acted on by Reviewing Bodies



E. Final Disciplinary Actions



F. Disability Inactive Transfers

Disability Inactive Transfers	Quarter Total
4th Quarter 2019	0
1st Quarter 2020	4
2nd Quarter 2020	2
3rd Quarter 2020	0
2019 Total	5
2020 Total	6

G. Discipline Costs²

Quarterly Discipline Costs Collected	Total
4th Quarter 2019	\$35,338.92
1st Quarter 2020	\$23,989.09
2nd Quarter 2020	\$13,381.02
3rd Quarter 2020	\$27,096.20
2019 Total	\$93,491.21
2020 Total	\$64,466.31

² The cost figures may vary from amounts indicated in previous quarterly reports, statistical summaries, and annual reports, owing to discrepancies in the data available at the time of issuance of these quarterly reports and the final cost figures available after Accounting closes the monthly books.



To: WSBA Board of Governors
From: Kristina Larry, President
Date: October 29, 2020
Re: Foundation Annual Report of Activities for FY20

The Washington State Bar Foundation mission is to provide financial support for the programs of the Washington State Bar Association that promote diversity within the legal profession and enhance the public's access to, and understanding of, the justice system. The Foundation is separately incorporated as a Washington state nonprofit, and is recognized as a public charity under section 501(c)(3) of the Internal Revenue Service Code.

The Foundation is a membership organization comprised of the sitting members of the Board of Governors. The Foundation Bylaws require the Foundation President to present an annual report to the Members within ninety (90) days after the close of the fiscal year, which ends September 30th. This report is an opportunity for the members to learn about its activities, priorities and direction.

Foundation Highlights

- In FY20, the Foundation continued to develop relationships with donors and prospective donors through regular outreach and personalized gift acknowledgment. It also strengthened its understanding of and connection to the WSBA programs it supports through regular, in-depth updates from WSBA program staff at Foundation board meetings.
- The Foundation has been receiving follow-up reports from the law schools that received scholarship funds from the Presidents' & Governors' Diversity Scholarship Fund last year. (Washington's three law schools and the University of Idaho College of Law received \$7,500 each, to be awarded to students from diverse backgrounds who demonstrated academic success and financial need.)

Fundraising Highlights

- **4,822** Washington legal professionals (more than 12%) made a voluntary contribution to the Foundation on their license forms, indicating their support for WSBA's justice and diversity efforts. This represents a fourth consecutive year of increased support over the previous year.
- The Foundation launched an annual giving campaign in an effort to replace sponsorship dollars raised for the APEX Awards dinner in recent years. Donations to this campaign slightly exceeded the 2019 APEX sponsorship total, and included gifts from law firms that had never before supported the Foundation.

Program Highlights

The following program achievements were made possible in part with support from the Foundation. The Foundation has so far designated \$265,000 to WSBA for FY21 to support WSBA's public service and diversity & inclusion programs, with additional funds available for off-cycle requests.

- The **Powerful Communities Project** completed its second year, bringing the total amount awarded to \$60,000, and the number of grantees to 30. This critical program helps ensure people from underserved and underrepresented communities are able to get legal assistance. Beginning with the FY21 fiscal year, those grants will be paid directly by the Foundation.
- The **Moderate Means Program** continued to refer family, housing and consumer law cases, and added employment law as an area of focus, to help serve those most impacted by the COVID crisis.
- The Foundation administered scholarship funds and distribution for two WSBA sections:
 - **\$2,500** was awarded through the **WSBA Elder Law Section's Greenfield Internship Fund**, which placed Seattle University law student Margaret Cheong at the Northwest Justice Project for an internship to support advocacy on behalf of low-income seniors. Foundation staff also assisted this Section with a fundraising event.
 - A **\$5,000** scholarship was awarded by the **Taxation Section** to Helena Roksolana Koval, a LLM candidate at the University of Washington School of Law.

Conclusion and Look Ahead

The Foundation enters FY21 with an enthusiastic Board of Trustees representing a diverse cross-section of the profession. We are exploring new ways to connect with current and potential donors in light of challenges presented by the COVID crisis. WSBA members continue to be generous supporters of the Foundation, for which we are grateful. Connecting the achievements of WSBA programs with the importance of Foundation gifts will help us grow support for WSBA's equity and justice goals.

TO: WSBA Board of Governors

FROM: Isham Reavis, Chair, Court Rules and Procedures Committee
Nicole Gustine, Assistant General Counsel

DATE: November 4, 2020

RE: Suggested Amendments to CRLJ 17, CRLJ 56, CRLJ 60, and ER 413

<p>ACTION/DISCUSSION: Approve suggested amendments to CRLJ 17, CRLJ 56, CRLJ 60, and ER 413 for submission to the Washington Supreme Court.</p>
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As part of the Supreme Court’s rules review cycle, the WSBA Court Rules and Procedures Committee (Committee) reviewed the Civil Rules for the Courts of Limited Jurisdiction for the 2019–2020 year. The Committee recommends the following actions on the above-referenced rules.

For all the suggested amendments, the Committee reached out to a list of stakeholders, which includes (among others) specialty bar associations, minority bar associations, and county bar associations. We anticipate submitting these amendments to the Washington Supreme Court after the BOG has completed its consideration.

The attached materials include redline and clean versions of the suggested rule changes.

Civil Rules for the Courts of Limited Jurisdiction

The CRLJ Subcommittee reviewed the CRLJ’s with an eye towards correcting errors and bringing the rules into conformity with statutory terms and modern language usage. Based on its review, the CRLJ Subcommittee recommended the following suggested amendments, which were adopted by the full Committee:

1. CRLJ 17. The suggested amendment changes all references to “insane” and “incompetent” to “incapacitated.” This makes the rule consistent with the language of RCW 04.08.060 and also modernizes the language of the rule.
2. CRLJ 56. The suggested amendment changes all references to “he” to “the party.” This makes the rule consistent with Civil Rule (CR) 56 and allows for easier understanding.
3. CRLJ 60. The suggested amendment separates the last two sentences of CRLJ 60(b)(11) from (b)(11). Those two sentences apply to all of CR 60(b), not just (b)(11). They should be clearly separated.

Rules of Evidence

Subcommittee X takes up any out-of-cycle rule proposals and was tasked with reviewing Evidence Rule (ER) 413. ER 413 was adopted in September 2018 for the purpose of making evidence of immigration status inadmissible except for limited circumstance described in the rule.

1. ER 413. The suggested amendments are technical fixes to conform ER 413 to its stated purpose. During the stakeholder comment period, we received one inquiry in regards to ER 413. The individual asked “[i]s it the committee’s position that immigration status should not be admissible in a child custody case?” The Committee unanimously decided to respond to the inquiry by stating that the Committee has taken no position as to “whether immigration status should not be admissible in a child custody case” and that, pursuant to the GR9 coversheet regarding the rule change, the purpose was twofold, first to have the rule accurately reflect what it was intended to say and second, clarifying the procedures to use regarding seeking admission of immigration status.

Enclosures

GR 9 COVER SHEET

Suggested Amendment

CRLJ 17 – PARTIES PLAINTIFF AND DEFENDANT; CAPACITY

- A. Proponent: WSBA Court Rules and Procedures Committee
- B. Spokesperson: Jefferson Coulter Chair, WSBA Court Rules and Procedures Committee
- C. Purpose: Change all references to “insane” and “incompetent” to “incapacitated.”
This makes the rule consistent with the language of RCW 4.08.060. It also modernizes the language of the rule.
- D. Hearing: The proponent does not believe that a public hearing is necessary.
- E. Expedited Consideration: The proponent does not believe there is a need for expedited consideration.

SUGGESTED AMENDMENT

Rule 17. PARTIES PLAINTIFF AND DEFENDANT; CAPACITY

(-) Designation of Parties. The party commencing the action shall be known as the plaintiff, and the opposite party as the defendant.

(a) Real Party in Interest. Every action shall be prosecuted in the name of the real party in interest. An executor, administrator, guardian, bailee, trustee of an express trust, a party with whom or in whose name a contract has been made for the benefit of another, or a party authorized by statute may sue in his own name without joining with him the party for whose benefit the action is brought. No action shall be dismissed on the ground that it is not prosecuted in the name of the real party in interest until a reasonable time has been allowed after objection for ratification of commencement of the action by, or joinder or substitution of, the real party in interest; and such ratification, joinder, or substitution shall have the same effect as if the action had been commenced in the name of the real party in interest.

(b) Infants or ~~Incompetent~~ Incapacitated Persons.

(1) When an infant is a party he shall appear by guardian, or if he has no guardian, or in the opinion of the court the guardian is an improper person, the court shall appoint a guardian ad litem. The guardian shall be appointed:

(i) when the infant is plaintiff, upon the application of the infant, if he be of the age of 14 years, or if under the age, upon the application of a relative or friend of the infant;

(ii) when the infant is defendant, upon the application of the infant, if he be of the age of 14 years, and applies within the time he is to appear; if he be under the age of 14, or neglects to apply, then upon the application of any other party to the action, or of a relative or friend of the infant.

(2) When an ~~insane~~ **incapacitated** person is a party to an action he shall appear by guardian, or if he has no guardian, or in the opinion of the court the guardian is an improper person, the court shall appoint one to act as guardian ad litem. Said guardian shall be appointed:

(i) when the ~~insane~~ **incapacitated** person is plaintiff, upon the application of a relative or friend of the ~~insane~~ **incapacitated** person;

(ii) when the ~~insane~~ **incapacitated** person is defendant, upon the application of a relative or friend of such insane person, such application shall be made within the time he is to appear. If no such application be made within the time above limited, application may be made by any party to the action.

GR 9 COVER SHEET
Suggested Amendment
CRLJ 56 – SUMMARY JUDGMENT

- A. Proponent: WSBA Court Rules and Procedures Committee
- B. Spokesperson: Claire Carden, CRLJ Subcommittee Chair, WSBA Court Rules and Procedures Committee
- C. Purpose: To make the rule read consistently change “he” to “the party.” This makes the rule consistent with CR 56 and the remainder of CRLJ 56. It also allows easier understanding.
- D. Hearing: The proponent does not believe that a public hearing is necessary.
- E. Expedited Consideration: The proponent does not believe there is a need for expedited consideration.

SUGGESTED AMENDMENT
Rule 56. SUMMARY JUDGMENT

- (a) For Claimant. A party seeking to recover upon a claim, counterclaim, or cross claim, or to obtain a declaratory judgment may, at any time after the expiration of the period within which the defendant is required to appear, or after service of a motion for summary judgment by the adverse party, move with or without supporting affidavits for a summary judgment in his favor upon all or any part thereof.
- (b) For Defending Party. A party against whom a claim, counterclaim, or cross claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof.
- (c) Motion and Proceedings. The motion and any supporting affidavits, memoranda of law, or other documentation shall be filed and served not later than 15 days before the hearing. The adverse party may file and serve opposing affidavits, memoranda of law, and other documentation not later than three days before the hearing. The moving party may file and serve any rebuttal documents not later than the day prior to the hearing. Summary judgment motions shall be heard more than 14 days before the date set for trial unless leave of the court is granted to allow otherwise. The judgment sought shall be rendered forthwith if the pleadings, answers to interrogatories, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages.
- (d) Case Not Fully Adjudicated on Motion. If on motion under the rule judgment is not rendered upon the whole case or for all the relief asked and a trial is necessary, the court at the hearing of the motion, by examining the pleadings and the evidence before it and by interrogating counsel, shall if practicable ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, including the extent to which the amount of damages or other relief is not in controversy, and directing such further proceedings in the action as are just. Upon the trial of the action, the facts so specified shall be deemed established, and the trial shall be conducted accordingly.

(e) Form of Affidavits; Further Testimony; Defense Required. Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions, answers to interrogatories, or further affidavits. When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate, shall be entered against him.

(f) When Affidavits Are Unavailable. Should it appear from the affidavits of a party opposing the motion that ~~he~~ the party cannot, for reasons stated, present by affidavit facts essential to justify his opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

(g) Affidavits Made in Bad Faith. Should it appear to the satisfaction of the court at any time that any of the affidavits presented pursuant to this rule are presented in bad faith or solely for the purpose of delay, the court shall forthwith order the party employing them to pay to the other party the amount of the reasonable expenses which the filing of the affidavits caused him to incur, including reasonable attorney fees, and any offending party or attorney may be adjudged guilty of contempt.

(h) Rulings by Court. In granting or denying the motion for summary judgment, the court shall designate the documents and other evidence considered in its rulings.

[Adopted effective September 1, 1984; September 1, 2016.]

GR 9 COVER SHEET
Suggested Amendment
CRLJ 60 – RELIEF FROM JUDGMENT OR ORDER

- A. Proponent: WSBA Court Rules and Procedures Committee
- B. Spokesperson: Claire Carden, CRLJ Subcommittee Chair, WSBA Court Rules and Procedures Committee
- C. Purpose: Separate the last two sentences of CRLJ 60(b)(11) from (b)(11). Those two sentences apply to all of CR 60(b) not just (b)(11). They should be clearly separated.
- D. Hearing: The proponent does not believe that a public hearing is necessary.
- E. Expedited Consideration: The proponent does not believe there is a need for expedited consideration.

SUGGESTED AMENDMENT
Rule 60. RELIEF FROM JUDGMENT OR ORDER

(a) Clerical Mistakes. Clerical mistakes in judgments, orders, or other parts of the record and errors therein arising from oversight or omission may be corrected by the court at any time of its own initiative or on the motion of any party and after such notice, if any, as the court orders. Such mistakes may be so corrected before review is accepted by an appellate court, and thereafter may be corrected pursuant to RALJ 4.1(b).

(b) Mistakes; Inadvertence; Excusable Neglect; Newly Discovered Evidence; Fraud; etc. On motion and upon such terms as are just, the court may relieve a party or his legal representative from a final judgment, order, or proceeding for the following reasons:

- (1) Mistakes, inadvertence, surprise, excusable neglect or irregularity in obtaining a judgment or order;
- (2) For erroneous proceedings against a minor or person of unsound mind, when the condition of such defendant does not appear in the record, nor the error in the proceedings;
- (3) Newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under rule 59(b);
- (4) Fraud (whether heretofore denominated intrinsic or extrinsic), misrepresentation, or other misconduct of an adverse party;
- (5) The judgment is void;
- (6) The judgment has been satisfied, released, or discharged, or a prior judgment upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment should have prospective application;
- (7) If the defendant was served by publication, relief may be granted as prescribed in RCW 4.28.200;

- (8) Death of one of the parties before the judgment in the action;
- (9) Unavoidable casualty or misfortune preventing the party from prosecuting or defending;
- (10) Error in judgment shown by a minor, within 12 months after arriving at full age; or
- (11) Any other reason justifying relief from the operation of the judgment. ~~The motion shall be made within a reasonable time and for reasons (1), (2) or (3) not more than 1 year after the judgment, order, or proceeding was entered or taken. If the party entitled to relief is a minor or a person of unsound mind, the motion shall be made within 1 year after the disability ceases. A motion under section (b) does not affect the finality of the judgment or suspend its operation.~~

The motion shall be made within a reasonable time and for reasons (1), (2) or (3) not more than 1 year after the judgment, order, or proceeding was entered or taken. If the party entitled to relief is a minor or a person of unsound mind, the motion shall be made within 1 year after the disability ceases. A motion under section (b) does not affect the finality of the judgment or suspend its operation.

(c) Other Remedies. This rule does not limit the power of a court to entertain an independent action to relieve a party from a judgment, order, or proceeding.

(d) Writs Abolished—Procedure. Writs of coram nobis, coram vobis, audita querela, and bills of review and bills in the nature of a bill of review are abolished. The procedure for obtaining any relief from a judgment shall be by motion as prescribed in these rules or by an independent action.

(e) Procedure on Vacation of Judgment.

(1) Motion. Application shall be made by motion filed in the cause stating the grounds upon which relief is asked, and supported by the affidavit of the applicant or his attorney setting forth a concise statement of the facts or errors upon which the motion is based, and if the moving party be a defendant, the facts constituting a defense to the action or proceeding.

(2) Notice. Upon the filing of the motion and affidavit, the court shall enter an order fixing the time and place of the hearing thereof and directing all parties to the action or proceeding who may be affected thereby to appear and show cause why the relief asked for should not be granted.

(3) Service. The motion, affidavit, and the order to show cause shall be served upon all parties affected in the same manner as in the case of summons in a civil action at such time before the date fixed for the hearing as the order shall provide; but in case such service cannot be made, the order shall be published in the manner and for such time as may be ordered by the court, and in such case a copy of the motion, affidavit, and order shall be mailed to such parties at their last known post office address and a copy thereof served upon the attorneys of record of such parties in such action or proceeding such time prior to the hearing as the court may direct.

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GR 9 Cover Sheet

Proposal to Amend ER 413

Concerning Evidence of Immigration Status

**Submitted by the Washington State Bar Association
Committee on Court Rules and Procedures
Chair: Jefferson Coulter**

1. Purpose

ER 413 was adopted in September 2018 for the purpose of making evidence of immigration status inadmissible except for limited circumstances described in the rule. The rule was proposed in a joint submission of Columbia Legal Services, Northwest Immigrant Rights Project, Legal Voice, and the Washington Association of Prosecuting Attorneys. The proposed amendment would make corrections to the language of the current rule to conform it to the intent of the current rule's original proponents.

The proposed amendment makes two changes; one to subsection (a)(5), and one to subsection (b)(1).

Subsection (a)(5)

Subsection (a) applies to criminal cases. In the original GR 9 coversheet, the rule's proponents wrote (emphasis added to the description of the purpose of subsection (a)(5)):

Subsection (a) provides that immigration status is inadmissible unless (1) status is an essential fact to prove an element of a criminal offense or to defend against the alleged offense or (2) to show bias or prejudice of a witness for impeachment. The subsections of (a) set forth the procedures for using immigration status: (1) a written pretrial motion that includes an offer of proof (2) an affidavit supporting the offer of proof (3) a court hearing outside the presence of the jury if the offer of proof is sufficient (4) admissibility of immigration status to show bias or prejudice if the evidence is reliable and relevant and the probative value of the evidence outweighs the prejudice from immigration status. This procedure is similar to that adopted in RCW 9A.44.020 (3).

Subsection (a)(5) clarifies that subsection (a) shall not be construed to prohibit cross-examination regarding immigration status if doing so would violate a criminal defendant's constitutional rights. There is a similar provision in Fed. R. of Evid. 412(b)(1)(C).

As stated, subsection (a)(5) was thus intended to clarify that ER 413 does not exclude evidence in a criminal case if the *exclusion* of evidence would result in a constitutional violation. But the current language in subsection (a)(5) does not clearly effectuate this intent. Instead, it provides that ER 413 does not exclude "evidence that would result in a violation of a defendant's constitutional rights," which can be read as providing that ER 413 does not prohibit evidence when the *evidence itself* would lead to a constitutional violation, instead of its exclusion. The proposed amendment would revise subsection (a)(5) to confirm to the intent stated by the original rule's proponents.

1 *Subsection (b)(1)*

2 Subsection (b) applies to civil cases. The original GR 9 coversheet describes it as follows
(emphasis added to the description of the purpose of subsection (b)(1)):

3 Subsection (b) provides that in a civil proceeding, immigration status
4 evidence of a party or witness shall not be admissible except where
5 immigration status is an element of a party's cause of action or where
6 another exception to the general rule applies.

7 *Subsection (b)(1) sets forth two limited circumstances where evidence of*
8 *immigration status would be handled through a CR 59(h) motion. The*
9 *proposed rule balances the concerns of prejudice against immigrants*
10 *highlighted by the Supreme Court with the legitimate need of a defendant,*
11 *in limited cases, to raise status issues where reinstatement or future lost*
12 *wages are sought.*

13 As stated, the intent of subsection (b) was to make evidence of immigration status
14 generally inadmissible in civil cases, except for Rule 59(h) motions raising specified
15 circumstances having to do with wage loss or employment claims. But current subsection
16 (b)(1) is not cabined to Rule 59(h) motions. Instead, it applies to any posttrial motion
17 involving the described circumstance. This substantially expands the scope of the
18 "limited" exception. For example, "posttrial motions" include motions under Rule 60,
19 which may be filed a year or more after judgment. In contrast, Rule 59(h) motions must
20 be brought within ten days after entry of judgment. The proposed amendment would
21 restrict the admissibility of immigration status evidence to Rule 59(h) motions. The
22 proposed amendment would clarify the exception applies to motions brought under
23 CRLJ 59(h) as well as CR 59(h).

24 *2. Procedure*

25 Because the proposed amendments are technical fixes to conform ER 413 to its stated
26 purpose, the WSBA Court Rules and Procedure Committee does not believe a further
27 hearing is necessary. However, it will defer to the Supreme Court if a hearing would be
28 useful to clarify the proposal. The Committee does not believe expedited consideration of
29 this proposal is necessary.

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ER 413
IMMIGRATION STATUS

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(a) **Criminal Cases; Evidence Generally Inadmissible.** In any criminal matter, evidence of a party's or a witness's immigration status shall not be admissible unless immigration status is an essential fact to prove an element of, or a defense to, the criminal offense with which the defendant is charged, or to show bias or prejudice or a witness pursuant to ER 607. The following procedure shall apply prior to any such proposed uses of immigration status evidence to show bias or prejudice of a witness:

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(1) A written pretrial motion shall be made that includes an offer of proof of the relevancy of the proposed evidence.

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(2) The written motion shall be accompanied by an affidavit or affidavits in which the offer of proof shall be stated.

(3) If the court finds that the offer of proof is sufficient, the court shall order a hearing outside the presence of the jury.

(4) The court may admit evidence of immigration status to show bias or prejudice if it finds that the evidence is reliable and relevant, and that its probative value outweighs the prejudicial nature of evidence of immigration status.

(5) Nothing in this section shall be construed to exclude evidence if the exclusion of that evidence would violate a defendant's constitutional rights.

(b) **Civil Cases; Evidence Generally Inadmissible.** Except as provided in subsection (b)(1), evidence of a party's or a witness's immigration status shall not be admissible unless immigration status is an essential fact to prove an element of a party's cause of action.

(1) **Post trial Proceedings.** Evidence of immigration status may be submitted to the court through a post trial motion made under CR 59(h) or CRLJ 59(h);

(A) Where a party who is subject to a final order of removal in immigration proceedings was awarded damages for future lost earnings; or

(B) Where a party was awarded reinstatement to employment.

(2) **Procedure to review evidence.** Whenever a party seeks to use or introduce immigration status evidence, the court shall conduct an in camera review of such evidence.

1 The motion, related papers, and record of such review may be sealed pursuant to GR 15, and
2 shall remain under seal unless the court orders otherwise. If the court determines that the
3 evidence may be used, the court shall make findings of fact and conclusions of law regarding
4 the permitted use of that evidence.

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From: [Glenn Slate](#)
To: [WSBA CourtRules](#)
Subject: Comment on proposed rule changes to ER 413
Date: Monday, July 27, 2020 11:58:13 AM

Upon reviewing the proposed rule changes to ER 413, I come up with a question. Is it the committee's position that immigration status should not be admissible in a child custody case? It seems to me that citizenship status may effect some issues common in child custody cases.

Glenn Slate

Attorney | Heritage Family law
11105 NE 14th St., Suite 101 | Vancouver, WA 98684
E: glenn@heritagefamilylaw.com | **P:** 360-450-2372

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TO: WSBA Board of Governors
FROM: Pam Anderson, Chair, Committee on Professional Ethics
DATE: October 27, 2020
RE: Proposed amendment to RPC 1.11

ACTION/DISCUSSION : Consideration and approval of a proposed amendment to Comment [2] to RPC 1.11.

On January 30, 2020, the Washington State Supreme Court issued its decision in *State v. Nickels*, 195 Wn.2d. 132, 456 P.3d 795 (2020), an appeal from a criminal conviction arising out of the Grant County Superior Court. The Court held that the Grant County elected prosecutor's prior representation of the criminal defendant in an unrelated matter presumptively disqualified the entire Grant County prosecuting attorneys' office from prosecuting the case.

The Committee on Professional Ethics (CPE) considered the *Nickels* decision at its February 7, 2020, meeting, giving particular consideration to whether *Nickels* was consistent with RPC 1.11, Comment [2] which provides, in pertinent part, that former client conflicts of a current government officer or employee are not imputed to other associated government officers and employees. The CPE appointed a subcommittee to consider whether it would be advisable to amend RPC 1.11, Comment [2] in light of *Nickels*.

At its October 2, 2020, meeting the CPE approved a recommendation that RPC 1.11, Comment [2] be amended to provide a citation to *Nickels*, with a parenthetical explanation of the holding. No additional explanatory material was deemed necessary because *Nickels* is expected to apply to the narrowly circumscribed situation in which an elected prosecutor has formerly represented a person currently subject to criminal prosecution in the same jurisdiction.

The CPE requests that this recommendation be considered by the Board of Governors at a subsequent meeting. A redlined copy of the proposed amended Comment and a GR 9 cover sheet are attached for your review.

Please let me know if I can provide additional information.

CC: Brooks Holland, CPE member
Doug Ende, Chief Disciplinary Counsel
Jeanne Marie Clavere, Professional Responsibility Counsel
Darlene Neumann, Paralegal III

Attachments: RPC 1.11 (Redline)
GR 9 Cover Sheet

RPC 1.11 – SPECIAL CONFLICTS OF INTEREST FOR FORMER AND CURRENT GOVERNMENT OFFICERS AND EMPLOYEES

(a) – (e) Unchanged.

Comment

[1] Unchanged.

[2] **Washington revision** Paragraphs (a)(1), (a)(2) and (d)(1) restate the obligations of an individual lawyer who has served or is currently serving as an officer or employee of the government toward a former government or private client. Rule 1.10 is not applicable to the conflicts of interest addressed by this Rule. Rather, paragraph (b) sets forth a special imputation rule for former government lawyers that provides for screening and notice. Because of the special problems raised by imputation within a government agency, paragraph (d) does not impute the conflicts of a lawyer currently serving as an officer or employee of the government to other associated government officers or employees, although ordinarily it will be prudent to screen such lawyers. *Cf., State v. Nickels, 195 Wn.2d- 132, 456 P.3d 975 (2020) (holding that an elected county prosecutor’s former client conflict is imputed to all attorneys in the prosecuting attorneys’ office).*

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[3-10] Unchanged.

GR9 COVER SHEET

**Suggested Amendment to
THE RULES OF PROFESSIONAL CONDUCT (RPC)
Rule 1.11, Comment [2]**

Submitted by the Board of Governors of the Washington State Bar Association

A. Name of Proponent: Washington State Bar Association.

B. Spokespersons:

Kyle Sciuchetti, President, Washington State Bar Association, 1325 4th Avenue, Suite 600, Seattle, Washington 98101-2539

Jeanne Marie Clavere, Professional Responsibility Counsel, Washington State Bar Association, 1325 4th Avenue, Suite 600, Seattle, Washington 98101-2539

C. Purpose:

The purpose of the proposed amendment to RPC 1.11, Comment [2] is to alert lawyers to consult the holding of a recent decision of the Washington State Supreme Court, *State v. Nickels*, 195 Wn.2d. 132, 456 P.3d 795 (2020), holding that an elected county prosecutor's former client conflict is imputed to all attorneys in the prosecuting attorneys' office. The *Nickels* decision creates a fact specific exception to the general rule explained in Comment [2] that conflicts of a lawyer currently serving as an officer or employee of the government are not imputed to other associated government officers or employees.

D. Hearing: A hearing is not requested.

E. Expedited Consideration: Expedited consideration is not requested.

F. Supporting Material: Suggested Rule Amendment

TO: Board of Governors
FROM: Administrative Law Section
RE: Bylaw Amendments
DATE: October 19, 2020

ACTION: Approve proposed Administrative Law Section Bylaw Amendment

The proposed changes are intended to clarify confusing language regarding vacancy appointments.

This Bylaw Amendment was approved by the Executive Committee of the Administrative Law Section on September 21, 2020 with no dissenting votes. Please let me know if you have any questions or concerns, or need anything else from the Section.

Thank you for your consideration.

Richelle Little
Secretary, Administrative Law Section
206-234-9349
Richelle.little@gmail.com

WASHINGTON STATE BAR ASSOCIATION

ADMINISTRATIVE LAW SECTION

Bylaws

As last amended and approved by the
Washington State Bar Association Board of Governors on July 27, 2017.

ARTICLE 1. ESTABLISHMENT OF SECTION AND IDENTIFICATION

- 1.1 The name of this section is the Administrative Law Section (the “Section”).
- 1.2 The Section is established under the Bylaws of the Washington State Bar (the “Bar”).

ARTICLE 2. PURPOSE AND ORGANIZATION

- 2.1 The purpose of the Section is to seek participation of all interested members of the Bar to benefit Section members, their clients and the general public by:
 - a. Exchanging ideas and sharing knowledge in administrative law, including the Washington Administrative Procedure Act, Public Records Act and Open Public Meetings Act, through continuing legal education, publications, meetings, website, and other means of communication;
 - b. Initiating and implementing common projects;
 - c. Improving and facilitating the administration of justice in administrative law through the review of pending legislation and regulations, the development of proposed statutes, and the promotion of uniformity in legislation and administration; and
 - d. Providing other services that may benefit Section members, the legal profession and the public.
- 2.2 These bylaws are adopted subject to and are interpreted consistently with the Bylaws of the Bar.
- 2.3 The principal office of the Section is at the offices of the Bar.
- 2.4 The fiscal year of the Section is the same as that of the Bar.

ARTICLE 3. MEMBERSHIP

- 3.1 Any of the following people may become a voting member of the Section by paying annual Section dues. The executive committee determines the amount of Section dues, and the Bar Board of Governors approves it.

- (a) an Active member of the Bar,
- (b) a Judicial member of the Bar,
- (c) an Emeritus Pro Bono member of the Bar under APR 8(e),
- (d) a House Counsel member of the Bar under APR 8(f),
- (e) a professor at any Washington law school (whether licensed in Washington or not), or
- (f) a full-time military lawyer stationed in Washington, but licensed in another state, U.S. territory, or the District of Columbia.

- 3.2 After payment of annual Section dues, any person who has an interest in administrative law may become a non-voting Section member (“subscriber”) and non-voting Section committee member. In accordance with the Bylaws of the Bar, law students may be enrolled as subscribers of the Section. Subscribers may not hold a section office.
- 3.3 Members shall pay in advance annual Section dues. Any person who does not pay the annual Section dues is no longer a member of the Section. Membership status is determined as of the date dues are paid. The section membership dues for law students shall be set at a standard amount annually determined by the Board of Governors.

ARTICLE 4. MEETINGS OF THE MEMBERSHIP

- 4.1 The annual meeting of the Section may be at a time and location determined by the executive committee.
- 4.2 The voting members of the Section present at any section meeting constitute a quorum for the transaction of business.
- 4.3 Actions of the section are by majority vote of the voting members present, or by action of the voting members of the executive committee consistent with these bylaws.
- 4.4 Special meetings of the Section may be called by the Chair or a majority of the executive committee.
- 4.5 In accordance with Bar Bylaws, notice of membership meetings shall be sent to all members of the Section. No membership meeting shall be official without prior notice. The notice shall state the business to be transacted at the meeting.

ARTICLE 5. THE EXECUTIVE COMMITTEE

- 5.1 The executive committee has the powers and duties necessary to administer the business of the Section, including acting for the Section to accomplish the purposes in Article 2.1. The executive committee has the authority to approve the content and publishing of the Section newsletter, the adoption of the budget in consultation with the Bar, and expenditures in accordance with the budget. The executive committee may also perform duties assigned by the Board of Governors. The executive committee may establish and discontinue committees and subcommittees of the Section.
- 5.2 The executive committee members are:

- (a) The Chair;
- (b) The Chair-elect;
- (c) The Immediate Past Chair;
- (d) The Secretary and the Treasurer or the Secretary/Treasurer;
- (e) Nine At-Large members; and
- (f) Young Lawyer Liaison.

5.3 The terms of all positions on the executive committee begin on October 1, if elected or immediately on appointment if appointed to fill a vacancy.

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6.2 Any committee member, or chair of any committee may be removed by a majority vote of the executive committee or by the Chair. Any member of the executive committee may be removed by a two-thirds majority vote of the executive committee. Grounds for removal of executive committee members include, but are not limited to, regular absence from executive committee meetings and events, failure to perform duties, unprofessional or discourteous conduct or whenever, in the executive committee's judgment, the executive committee member is not acting in the best interest of the Section membership.

6.3 The Chair presides at all meetings of the Section and the executive committee. The Chair may present at the annual meeting of the Section a report of the work of the Section for the past year. The Chair shall perform other duties customary to the office of Chair or delegated by the executive committee.

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6.5 The Secretary or Secretary/Treasurer will take minutes at each meeting of the Section and executive committee, and provide approved minutes to the Bar for publication and record retention. The Secretary/Treasurer shall perform other duties assigned by the Chair or the executive committee.

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- 7.2 On expiration of the Chair's term, the Chair-elect automatically succeeds to the office of the Chair.
- 7.3 The Chair shall appoint a nominating committee each year of not less than three members of the Section, at least one of whom shall not be a current member of the executive committee. The nominating committee shall seek interested individuals to fill open positions on the executive committee, with a balance of nature of practice or employment, geography, and other bases of diversity. All applicants will apply through an electronic application process administered by the Bar. The nominating committee shall make nominations for Chair-elect, Secretary and Treasurer or Secretary/Treasurer, three At-Large executive committee members to succeed those with expiring terms, and At-Large executive committee members for any existing vacancies. The executive committee will approve a list of nominees for each open position.
- 7.4 All individuals who complete the electronic application process administered by the Bar who are not selected by the Nominating Committee will be given the opportunity to self-nominate to be included on the final list of approved nominees.
- 7.5 The Bar will administer the elections by electronic means and certify the results, unless the Section develops its own equivalent electronic election process. In the event of a tie, the winner will be determined by drawing cards from a standard deck of cards. The candidate with the highest value card in bridge will be the winner.
- 7.6 Nominations and elections for open executive committee positions will be held between March and May each year.
- 7.7 If there is a vacancy on the executive committee between elections, the voting members of the executive committee, by majority vote, shall appoint a section member to fill the vacancy until the next annual election, when an individual will be elected to serve the remainder of the vacated term.

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ARTICLE 10. AMENDMENTS

10.1 These bylaws may be amended by either of the following means: (1) at any annual meeting of the Section by a majority vote of the voting members of the Section present and voting; or (2) by a majority vote of the voting executive committee members at any meeting of the executive committee once a quorum is established. Amendments will become effective when approved by the Bar's Board of Governors.

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Amended September 1997.

Amended September 19, 2002.

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Administrative Law Section

of the Washington State Bar Association



Administrative Law Section Executive Committee Telephonic Meeting September 21, 2020

Executive Committee Members Present: Robert Krabill (Chair), Eileen Keiffer (Chair-Elect), Richelle Little (Secretary), Katy Hatfield (Treasurer), Michael Addams (Young Lawyer Liaison), Lea Anne Dickerson (2018-2021), Marjorie Gray (2019-2022), Alexis Hartwell-Gobeske (2019-2022), Bill Pardee (2019-2022), Susan Pierini (2018-2021), Robert Rhodes (2019-2020, 2020-2023).

Also Present: John Gray, Selina Kang, Eileen Trang.

Absent Executive Committee Members: Jonathon Bashford (Immediate Past Chair), Scott Boyce (2018-2021), Bob Murphy (2017-2020), Chad Standifer (2017-2020).

Meeting called to order at 12:04 p.m.

1. Approval of Minutes (all)

A motion was made (Robert) and seconded (Margie) to approve the minutes from the August 17, 2020, meeting; the motion passed unanimously.

2. Approval of Agenda (all)

The agenda was proposed, as distributed by Robert Krabill prior to the meeting. A motion was made and seconded to approve the agenda; the motion passed unanimously.

3. Financial update (Katy Hatfield)

Katy provided an update. We have received the most recent accounting (June) from WSBA. Publications revenue is reported quarterly, and was recently added to our account.

4. Retreat Update (Marjorie Gray)

Margie provided an update that Alderbrook is asking us to sign a contract, but she has not wanted to move forward because we don't know if it will be safe to meet in person in June. Eileen stated that WSBA will not sign a contract for any in-person events right now.

5. Committee updates

5.1 Legislative (Richard Potter)

Richard provided an update. Growth Management Hearings Board has a website regarding hearings decisions but has not updated its website with recent decisions because of lack of funding allocated to that purpose. Richard has reviewed 250 state agencies to determine

which agencies have the ability to do administrative hearings. He determined there are 130 agencies that do administrative hearings, but only 14 have promulgated rules regarding a significant decisions index meeting the requirements of the statute. Only 8 have an index posted online. Richard is considering sending a letter from himself personally to agencies, asking if they have the required significant decisions index. It is not within the authority of the Section, so he would send the letters in his personal capacity.

5.2 Publications and Practice Manual (Robert Krabill, Richelle Little, Selina Kang)

Robert Krabill as Section Chair has appointed Selina Kang (section member) and Richelle Little (Secretary) to the Publications and Practice Manual Committee.

A motion was made (Robert) and seconded (Margie) to approve the agreement with WSBA regarding the PRA Deskbook revenue sharing. The motion passed unanimously. Selina will contact the correct party at WSBA

Lexis Nexis has reached out regarding updates of two chapters that were due this month for the Administrative Law Practice Manual and the committee is working on providing something to Lexis Nexis.

5.3 CLE (Eileen Keiffer, Robert Krabill, Susan Pierini, Lea Dickerson)

We had approximately 50 attendees at the recent DFI mini-CLE in September. Some were non-paying employees of DFI, so we are not sure yet whether the event was profitable financially.

We will not have a CLE in October, and at this point do not have a CLE planned for November. Lea has been working on the Homan Award event combined with CLE for a tentative date in December.

5.4 Diversity and Outreach (Alexis Hartwell-Gobeske / Robert Rhodes)

Alexis provided an update. The committee is working with Gonzaga and other WSBA sections on a virtual event with law students in October.

5.5 Homan Award (Lea Anne Dickerson)

The award is being granted to Richard Potter this year. Lea is working with the CLE committee to present a CLE in conjunction with the presentation of the award.

5.6 Newsletter (Bill Pardee)

Bill is working with Ed on the handoff of the newsletter duties. He also let Ed know that there is an opportunity to be considered for appointment to an open at-large position, and we are waiting to hear back from Ed if he is interested.

5.7 Elections (Robert Krabill, Lea Dickerson)

The elections committee did not have an update. There are three open positions for At-Large Members on the Executive Committee, which are addressed in Paragraph 8, below.

6. Bylaw Amendment

A motion was made by Margie Gray Robert Krabill and seconded by Bill Pardee to approve the proposed amendment to bylaw section 7.7. The motion passed unanimously. The proposal is attached to these minutes. Richelle will submit the amendment to WSBA for approval by the BOG.

7. Superior Court Recovery Task Force - Appellate Committee (Eileen)

Eileen has attended one meeting of the task force. The task force is working on expanding APA certification to the appellate court, in order to relieve the backlog of administrative appeals in superior court. The APA amendment would allow certification to the appellate court if all parties agree, or if certain criteria are met. LUPA appeals would require all parties to consent.

8. Appointments to Vacant Positions

8.1 A motion was made (Robert) and seconded to appoint Sophie Geduchadze to one of the At-Large vacancies. The motion passed unanimously.

8.2 A motion was made (Robert) and seconded to appoint Selina Kang to one of the At-Large vacancies. The motion passed unanimously.

8.3 There is one remaining At-Large vacancy. Bill Pardee is checking with our incoming newsletter chair, Ed Pesik, to see if he would like to be considered.

9. Ratification of Business Decisions made without a quorum.

A motion was made (Robert) and seconded (Margie) to ratify the following decisions made by a majority vote of those present on August 17, 2020.

9.1 Approval of the July 20, 2020, minutes.

9.2 Approval of creation of a section committee regarding the Superior Court Recovery Task Force - Appellate Committee.

The motion passed unanimously.

10. Transfer of the Gavel

As of October 1, 2020, Eileen will take over as section Chair.

11. Good of the Order

11.1 Eileen reminded everyone that there is a Section Leaders Orientation coming up that we are encouraged to attend. At least one representative of each section needs to attend.

11.2 Michael Addams noted that this will be his last meeting as Young Lawyer Liaison. He may attend future meetings as a general section member, as his schedule allows.

12. Next Meeting

Next meeting is October 19, 2020 at 12:00 p.m.

The meeting adjourned at 1:01 p.m.

Attachments:

- Selina Kang letter of interest and resume
- Approved bylaw amendment (needs approval by BOG before effective)

Current

7.7 If there is a vacancy on the executive committee between elections, the voting members of the executive committee, by majority vote, shall appoint a successor to serve for the remainder of the unexpired term. When a member is appointed to fill a vacancy in an unexpired term, the member will do so until the next annual election when an individual will be elected to serve the remainder of the vacated term.

Redline

7.7 If there is a vacancy on the executive committee between elections, the voting members of the executive committee, by majority vote, shall appoint ~~a successor to serve for the remainder of the unexpired term. When a~~ section member is appointed to fill ~~the~~ a vacancy in an unexpired term, ~~the member will do so until the next annual election,~~ when an individual will be elected to serve the remainder of the vacated term.

Proposed

7.7 If there is a vacancy on the executive committee between elections, the voting members of the executive committee, by majority vote, shall appoint a section member to fill the vacancy until the next annual election, when an individual will be elected to serve the remainder of the vacated term.

Note: majority vote is defined as follows:

5.4 A majority of the voting members of the executive committee present in person, by telephone, or by videoconference constitutes a quorum. Action by the executive committee is determined by a majority vote of the executive committee members present once a quorum is established. Votes may be conducted by email in accordance with the Bar's Bylaws."

SELINA P. KANG

www.linkedin.com/in/selinakang

August 26, 2020

Administrative Law Section
Washington State Bar Association (WSBA)
Seattle, WA 98101

Dear Sir or Madam:

Re: Letter of Interest

Please accept this letter and the attached resume as my application for the At-Large position of the executive of the Administrative Law Section of the WSBA.

I became a member of the Washington State Bar in 2007. I have experience in a broad range of legal matters, notably in international information privacy and data protection, compliance, procurement, and contract negotiation and administration. I am a certified member of the International Association of Privacy Professionals (CIPP, CIPM) where I am pursuing a Fellowship in Information Privacy. I am fully trilingual (English, Punjabi, and Hindi).

Recently, I was appointed to the WSBA's Legislative Review Committee. I am also a current executive member of the WSBA Health Law section. I am a past executive member of the Women Lawyers Forum, the legislative review committee of the Privacy Law sections of the CBA and ABA, a past executive member of the International Practice Section, and a past executive member of the ABA Young Lawyers Division. I am a member of the WEB Alliance of Women's Business Network where I serve on the committee for the Economic Forum: Women as a Catalyst for Growth. Lastly, I am a new member of the CHIPs network, a nonprofit organization that advances and connects women in technology, law, and policy.

My credentials offer a unique combination of experience and training are well suited for the At-Large Position. I feel that my diverse background will help me bring a fresh perspective to the WSBA Administrative Law Section.

Thank you in advance for your consideration and I look forward to continuing to serve the legal community.

Sincerely,

Selina Kang

SELINA P. KANG

www.linkedin.com/in/selinakang

Experienced, dynamic privacy lawyer with nearly a decade of experience in both the private and public sectors. Specialized expertise in global data protection and privacy laws, compliance, and risk management. Provides pragmatic and coordinated advice across the business enterprise. A motivated individual with a strong work ethic, professional etiquette, and a proven track record of developing a rapport with clients and stakeholders in a fast paced environment. Effective democratic and coaching leadership style. Fully trilingual (English, Punjabi, and Hindi).

PROFESSIONAL EXPERIENCE

NLG, PLLC

Feb 2020 - Present

Attorney

- Contract lawyer at a Boutique Law Firm in the areas of civil litigation, employment law, business law, immigration law, data privacy law, and general business matters

PHSA

May 2016 - Jan 2020

Manager, Provincial Privacy Services and Privacy Law Advisor

- Provided strategic data privacy advice across all levels of the organization
- Breach management team to ensure timely containment, notification, and risk mitigation
- Privacy audit and investigations team for incident response. Achieved streamlining all privacy audits to our central department
- Led privacy team for the digital Health initiative for provincial rollout
- Negotiated data privacy and security provisions in master services agreements, supplier agreements, etc.
- Advised and conducted privacy reviews and privacy impact assessments on new or existing systems and proposals to comply with privacy legislation and best practices
- Developed and delivered education and training programs
- Advised on the development of internal and external facing privacy policies and procedures
- Led privacy awareness and compliance initiatives
- Managed direct reports (recruitment, on-boarding, training, etc.) for assignment of work, portfolio development, performance reviews, etc.

ALLC

Nov 2014 - Apr 2016

Lawyer

- Specialized in the areas of privacy, data protection, and access to information law, administrative law, employment law, business law, and cross border law
- Researched and drafted submissions, opinions, and memoranda
- Negotiated and drafted a broad range of legal agreements
- Analyzed legal issues to provide practical advice to clients and senior counsel
- Advocated for clients before administrative bodies and in other proceedings

DLLP

Sep 2012 - Nov 2014

Associate Lawyer

- General cross-border law practice at a National Law Firm in the areas of business immigration, information privacy and access to information law, employment and administrative law
- Analyzed legal issues and provided strategic, tactical advice directly to senior level executives for multinational organizations and commercial enterprises
- Successfully represented and drafted submissions for corporate clients on cross border employment matters
- Successfully represented clients in administrative hearings
- Reviewed, negotiated, and drafted a variety of agreements and contracts
- Created and developed precedents in cross-border law
- Supervised staff including assignment of work, coaching and mentoring, career development, etc.

ALLC

Feb 2010 - Aug 2012

Lawyer

- General law practice at a Boutique Law Firm in the areas of information privacy, data protection and access to information law, health law, employment law, cross-border law, administrative and regulatory law, and general business matters
- Analyzed legal issues to provide practical advice to clients and senior counsel
- Researched and drafted submissions, legal opinions, affidavits, and memoranda
- Advocated for clients before administrative bodies
- Oversaw files independently as well as on behalf of senior counsel

PROFESSIONAL DESIGNATIONS

International Association of Privacy Professionals, Portsmouth, NH Dec 2017
Certified Information Privacy Professional (CIPP) and Management Professional (CIPM)
Fellowship in Privacy (expected Summer 2020)

Washington State Bar Association, Seattle, WA Nov 2007

EDUCATION

FCSL

Juris Doctorate, Certificates in Advanced Legal Writing and International Law

Honors: Moot Court Honour Board, Executive Member; Bradley Memorial Scholarship for Moot Championship; Governor’s Scholar Scholarship; Phyllis Stansell Award (Convocation); Honour in Pro Bono Commitment (Convocation)

UBC

Bachelors of Arts, Political Sciences and International Relations

Honors: Passport to Education Scholarship

HIGHLIGHTS OF PROFESSIONAL ACTIVITIES

WSBA Legislative Review Committee 2020 - Present

WEB Alliance of Women’s Business Network, Economic Forum (2015 - 2018) 2014 - Present

Privacy Professionals Forum, Speaker on Privacy Case Law Updates 2012 - Present

Washington State Bar Association 2007 - Present

Executive Member, International Practice Section (2011 - 2013)

Executive Member, Health Law Section (2020-Present)

Executive Member, Administrative Law Section (2020-Present)

American Bar Association, International Practice Section 2007 - Present

Privacy Section, CBABC Past

Co-Chair - Working Group, Legislative Review Committee

- Researched privacy implications on legislation changes
- Key drafter of subsection’s submissions to the Federal Government Special Committee to Review

INTERESTS

Interests include traveling, triathlon, recreational sports, yoga, reading English Literature, and Seahawks

TO: WSBA Board of Governors
FROM: PJ Grabicki, BOG Legislative Committee Chair
Sanjay Walvekar, WSBA Outreach and Legislative Affairs Manager
DATE: November 3, 2020
RE: 2021 WSBA Legislative Priorities

ACTION: Approve the 2021 Legislative Priorities for the upcoming legislative session.

Overview:

The WSBA Legislative Affairs team is pleased to propose the 2021 WSBA Legislative Priorities for consideration and approval by the Board of Governors (BOG).

Background:

The WSBA and its entities are allowed to engage in the legislative process if issues are related to the practice of law and/or the administration of justice (GR 12.2). The 2021 WSBA Legislative Priorities seek to make improvements to the practice of law and administration of justice that ultimately benefit both members of the public as well as legal professionals across the state. This document is primarily used to inform legislators of the WSBA's focus areas during the legislative session. The genesis of these priorities is tied directly to the WSBA Guiding Principles and GR 12.2. These include supporting access to justice, increasing public understanding of Washington's justice system, and supporting a fair and impartial judiciary.

Recommended Action:

Approve the 2021 WSBA Legislative Priorities as recommended by the BOG Legislative Committee Chair and WSBA Legislative Affairs Manager.

2021 WSBA Legislative Priorities

- Support Bar-request legislative proposals initiated by WSBA Sections that are approved by the Board.
- Support non-Bar request legislative proposals approved by the Board under GR 12, that seek to:
 - Create and promote access to justice for all Washington residents;
 - Enhance statewide civics education;
 - Provide funding for the state's court system; and
 - Provide funding for civil legal aid services through general-fund state dollars.
- Monitor and take appropriate action on legislative proposals that would:
 - Increase existing court user fees;
 - Alter court rules and/or the structure of the state's judicial branch; and
 - Other items of significance to the practice of law and administration of justice.

MEMO

To: WSBA Board of Governors

From: Brian Considine, WSBA Legislative Review Committee Chair; Sanjay Walvekar, WSBA Outreach and Legislative Affairs Manager

Date: November 2, 2020

Re: 2021 WSBA Legislative Review Committee Recommendations

<p>ACTION: Sponsor two proposals for 2021 Bar-request legislation as recommended by the WSBA Legislative Review Committee.</p>

Background:

The WSBA Legislative Committee serves as the vetting ground for legislative proposals that are presented to the Board of Governors each November. The Committee is composed of 26 members of the WSBA which includes representation of members' practice areas, and diversity in, among other things, age, gender, race, and geography. The Committee represents the interests of the broader bar membership, not any one perspective or practice area within the bar. Appointments to the Committee are made in June. The WSBA Legislative Review Committee does not propose legislation of its own; rather, these proposals typically come from a WSBA entity, mainly Sections. The Committee's primary task is to determine that a proposal (1) meets the requirements of GR 12.2 and (2) has been appropriately vetted both internally and externally of the WSBA.

The Committee met on September 30 and October 29, 2020 to discuss legislative proposals. The Committee voted unanimously that proposed amendments to notice and householding provisions in Washington's Business Corporation Act (WBCA) presented by the Business Law Section's Corporate Act Revision Committee (CARC) met the requirements of GR 12.2. The Committee voted unanimously to recommend sponsorship of this proposal to the Board of Governors. The Committee voted unanimously that the proposed revisions to the Washington Nonprofit Corporation Act presented by the Business Law Section's Nonprofit Corporation Committee met the requirements of GR 12.2. By a vote of 17-0-3, the Committee determined that this proposal should be recommended to the Board of Governors for sponsorship.

Overview:

The WSBA Legislative Review Committee (Committee) recommends the Board of Governors (BOG) sponsor the following proposals for Bar-request legislation during the 2021 legislative session.

Returning and new legislation - Action Requested

- Proposed amendments to notice and householding provisions in the WBCA. (Committee approved unanimously)
- Proposed revisions to the Washington Nonprofit Corporation Act. (Committee approved by a 17-0-3 vote)

Miscellaneous - No Action Requested

- Proposed revisions to the Uniform Limited Partnership Act and Washington's Limited Liability Company Act. (Committee decided to table proposal until further stakeholder input on the proposal can be sought)
- Proposed legislation creating a loan repayment assistance program for public interest lawyers. (Committee decided to table proposal for further draft development and further stakeholder input)

Proposed amendments to notice and householding provisions in Washington's Business Corporation Act.

Section draft development:

The proposed amendments to the WBCA were drafted by CARC. CARC is a committee of the WSBA's Business Law Section with approximately 15 members consisting of corporate attorneys practicing at large and smaller local law firms in the state, in-house counsel at Washington corporations, professors of law at both local law schools, and representatives of the Washington Secretary of State's office. CARC was instrumental in the development of the WBCA adopted in 1989. CARC is primarily responsible for ensuring that the WBCA remains up to date, and continuously considers the need for changes to the WBCA in light of developments in corporate and securities laws and practices, judicial decisions and regulatory actions.

The changes were originally drafted by a member of CARC and presented to the committee for its consideration in early 2020. Draft development took into consideration recently adopted changes to the Delaware General Corporation Law and the latest version of the Model Business Corporation Act. After a months-long interruption in the committee's deliberations due to the COVID-19 pandemic, draft changes were further refined in the summer of 2020 and presented to CARC for final comment and approval, which was obtained in August 2020.

Background and Summary:

The proposed amendments affect Sections 23B.01.400, 01.410, 01.420, 07.040 and 08.210. In Section 23B.01.400, the proposed changes to two certain defined terms are technical in nature. The proposed changes to 23B.01.410 would permit notices and other communications under the Washington Business Corporation Act (or a corporation's articles of incorporation or bylaws) to be sent by email and other electronic transmissions to corporations, directors and shareholders without the need for consent to use such means of delivery. (That section currently requires consent, except that director consent is not needed if the corporation's articles or bylaws authorize or require notices to be delivered to directors by email or other electronic transmission). The ability to use email or other electronic transmissions to send notices and other communications is subject to important protections (including shareholders' right to opt out). The proposed amendments would also make certain technical changes to the subsection of 23B.01.410 designed to facilitate public companies' use of the SEC's e-proxy rules. The

proposed changes to Section 23B.01.420, which permits corporations to combine notices and other communications delivered to shareholders sharing a common address, are also technical in nature and primarily are intended to harmonize this section with the corresponding section of the latest version of the Model Business Corporation Act. The proposed changes to Section 23B.07.040 and 23B.08.210 are intended to provide additional clarity relating to shareholders' and directors' use of email to approve written consents in lieu of live meetings.

Stakeholder response

Association of Washington Business – Ongoing
Business Law Section LLC/Partnership Committee – Ongoing
Secretary of State's office – Ongoing
Business Law Section's Securities Law Committee – Neutral
WSBA Solo and Small Practice Section – Support
WSBA Corporate Counsel Section - Ongoing
WSBA Litigation Section – Ongoing

Proposed revisions to the Washington Nonprofit Corporation Act.

Section draft development:

The Business Law Section's Nonprofit Corporation Committee began work on these revisions in 2009 with the publication of the Third ABA Model Nonprofit Corporation Act. The proposed revisions incorporate many of the provisions of the model act that will improve the Act, preserves many of the provisions of the current act that work well and creates uniformity with the Washington Business Corporation Act where appropriate.

Background and Summary:

The current Nonprofit Corporation Act has long needed revisions to address omissions and dated provisions that leave nonprofit corporations and their governing body members confused and sometimes hindered in their mission by the Act. The proposed revisions will "modernize" the Nonprofit Corporation Act, create uniformity with the Washington Business Corporation Act, and add protections for charitable assets. The revisions propose an increase to the annual renewal fee for nonprofit corporations to fund a Charitable Assets Protection Account to fund education and enforcement efforts by the Attorney General.

Stakeholder response

Secretary of State's office – Ongoing
Washington Nonprofits – Ongoing
Washington Attorney General's Office – Ongoing

PURPOSE: Completion of the information in this cover sheet will help expedite the WSBA Legislative Review Committee’s review and approval process of potential Bar-request legislation. Of particular importance is information related to draft development and stakeholder work.

Short title of proposal: Proposed Amendments to Notice and Householding Provisions of Washington Business Corporation Act
Submitted by (Section¹): Corporate Act Revision Committee of Business Law Section (“CARC”)
Designated Section representative and contact information (phone and email): Eric DeJong (Co-Chair) - phone: 206-359-3793; email: edejong@perkinscoie.com Mike Hutchings (Co-Chair) - phone: 206-839-4824; email: michael.hutchings@dlapiper.com
Brief summary of bill and anticipated fiscal impact: The proposed amendments affect Sections 23B.01.400, 01.410, 01.420, 07.040 and 08.210. In Section 23B.01.400, the proposed changes to two certain defined terms are technical in nature. The proposed changes to 23B.01.410 would permit notices and other communications under the Washington Business Corporation Act (or a corporation’s articles of incorporation or bylaws) to be sent by email and other electronic transmissions to corporations, directors and shareholders without the need for consent to use such means of delivery. (That section currently requires consent, except that director consent is not needed if the corporation’s articles or bylaws authorize or require notices to be delivered to directors by email or other electronic transmission). The ability to use email or other electronic transmissions to send notices and other communications is subject to important protections (including shareholders’ right to opt out). The proposed amendments would also make certain technical changes to the subsection of 23B.01.410 designed to facilitate public companies’ use of the SEC’s e-proxy rules. The proposed changes to Section 23B.01.420, which permits corporations to combine notices and other communications delivered to shareholders sharing a common address, are also technical in nature and primarily are intended to harmonize this section with the corresponding section of the latest version of the Model Business Corporation Act. The proposed changes to Section 23B.07.040 and 23B.08.210 are intended to provide additional clarity relating to shareholders’ and directors’ use of email to approve written consents in lieu of live meetings. CARC believes there will be no fiscal impact resulting from the changes to 23B.01.400, 01.420, 07.040 or 08.210. CARC is unable to quantify the fiscal impact of the proposed changes to 23B.01.410 but believes it will be net positive to Washington corporations because, among other things, the changes will eliminate the cost and effort of documenting consent to use of email and other electronic transmissions and facilitate the use of such methods of communication in lieu of more expensive methods.
Brief statement of need: CARC believes that email and other electronic transmissions have become ubiquitous and that therefore the need to obtain consent to use of these methods of communications is unnecessarily burdensome and a potential trap for the unwary.
Description of draft development: (please provide detail) The changes were originally drafted by a member of CARC and presented to the committee for its consideration in early 2020. Draft development took into consideration recently adopted changes to the

¹ For purposes of this document, “Section” means any WSBA Section, Committee, Division, or Council.

Delaware General Corporation Law and the latest version of the Model Business Corporation Act. After a months-long interruption in the committee’s deliberations due to the COVID-19 pandemic, draft changes were further refined in the summer of 2020 and presented to CARC for final comment and approval, which was obtained in August 2020.

How does the proposal meet requirements under GR 12.2? (please explain)

CARC believes the proposal contributes to the WSBA’s objective of promoting an effective legal system and allows the bar to maintain a legislative presence to ensure that the Washington Business Corporation Act continues to effectively serve the needs of the state’s business community.

Submittal Status:

1. Has this proposal been submitted to the Committee before? Yes No

(If no, skip the remainder of this section, and move to the Stakeholder Work on the next page.)

2. If yes, when was this proposal initially submitted to the Committee?

3. Briefly, please provide the following:

(a) What concerns or questions were raised (including requests for additional information) by the Committee previously?

(b) How this proposal addresses those concerns, questions, or additional information requests made by the Committee?

(d) Is there additional information relevant to the status of the proposal?

Summary of Stakeholder Work

*Please describe completed and ongoing activity with internal and external partners

Referred to:	Feedback: Please include stakeholder positions on the proposal (e.g. support; oppose; concerns; neutral; or no response) and explain.
Stakeholder work is ongoing	
Association of Washington Businesses	No response
Business law section – LLC/Partnership Committee	No response
Business law section – Securities Law Committee	Neutral
Secretary of State’s office	
WSBA Litigation section	No response
WSBA Corporate Counsel section	No response
WSBA Solo and small practice section	No response

WSBA Legislative Review Committee Proposed Bar-Request Legislation Cover Sheet

Summary of Additional Stakeholder Input

*Please describe other anticipated stakeholder feedback regarding the proposal.

TO: WSBA Business Law Section Executive Committee

FROM: Corporate Act Revision Committee

DATE: August 13, 2020

RE: Proposed changes to Washington Business Corporation Act provisions relating to notice by electronic transmission and householding rules

The Corporate Act Revision Committee (“CARC”) of the WSBA Business Law Section is proposing certain amendments to the Washington Business Corporation Act (“WBCA”) provisions governing notices and other communications given by Washington corporations to their directors and shareholders (and by directors or shareholders to the corporation). In addition, CARC is proposing to amend a related “householding” provision that applies to notices and other communications a Washington corporation gives to shareholders sharing a common address.

I. Background

A. Notice by Electronic Transmission

RCW 23B.01.410 (“Section 01.410”) governs notices and other communications given by a Washington corporation to its directors and shareholders, and notices and other communications given by directors and shareholders to the corporation (such as director resignations and shareholder notices related to the exercise of dissenters’ rights). When originally adopted in 1989, Section 01.410 required that notices be given in writing (although it permitted oral notice of directors’ meetings if expressly authorized in the articles of incorporation or bylaws). The Official Legislative History for the WBCA as originally adopted noted that “written notice [means] notice which results in the recipient receiving a paper copy of the notice.” The methods of delivery permitted under Section 01.410 originally were mail, private carrier or personal delivery, telegraph or teletype, or telephone, wire or wireless equipment that transmits a facsimile of the notice.

In 2002, Section 01.410 was amended in part to permit notice by “electronic transmission.” The 2002 amendments were adopted in recognition of the growing use in commerce of email (and other forms of electronic communication that were then emerging) and in response to case law that suggested that email may constitute a “writing” (*Real Networks, Inc. Privacy Litigation*, 5 ILR (PNF 2049 (US Dist. Ct. ILL. 00C1366, 5-8-200)). The 2002 amendments were intended to revise Section 01.410 and corresponding sections of the WBCA to be consistent with the federal Electronic Signatures in Global and National Commerce Act (“ESIGN”), which became effective in 2000. Under the 2002 amendments, Section 01.410 was expanded to allow corporations, directors and shareholders to give notice and other communications by “electronic transmission.” However, notice by electronic transmission to a director or shareholder was a valid only if the director or shareholder consented to receive notices by such means. Until 2020, this consent was required to be in the form of a “record” (i.e., paper or other tangible medium or an electronic transmission), and the consent had to designate the email or other address, location or system to which notices could be electronically transmitted.¹

¹ This requirement has been a “trap for the unwary” for some corporations in an age where electronic mail has become such a ubiquitous form of communication, as it would not occur to many business

In 2020, Section 01.410 was overhauled in connection with the adoption of the Uniform Electronic Transactions Act (UETA) in Washington under Substitute Senate Bill 6028. UETA primarily governs electronic transactions and electronic signatures. Until 2020, Washington was one of only a handful of states that had not adopted some form of UETA. To avoid thorny preemption issues with respect to ESIGN, the adoption of UETA also required certain conforming amendments to provisions in the WBCA, including Section 01.410. These conforming amendments were largely based on the analogous provisions in the Model Business Corporation Act (“MBCA”), which had been revised in 2009 to accommodate UETA. However, the 2020 amendments to Section 01.410 generally preserved the requirement that a director or shareholder consent to receipt of notices from the corporation by electronic transmission (although a director’s consent is not required if the corporation’s articles of incorporation or bylaws provide otherwise).

Prior to 2019, Section 232 of the Delaware General Corporation Law (“DGCL”), which governs notices given by Delaware corporations to their stockholders, permitted a Delaware corporation to give notices by electronic transmission (including email) only to stockholders who had consented to receive notices in that manner.² In 2019, Section 232 of the DGCL was amended to eliminate the requirement that stockholders consent to receiving notices by email. This change was made in recognition of the ubiquity of email as a means of communicating in commerce and a concern that the consent requirement limited the utility of notice by email. The 2019 amendments to Section 232 included important protections for stockholders, however. First, notice by email is not permitted if a stockholder objects to receiving notice by email. And second, notice by email (or other electronic transmission) is not permitted if the corporation is unable to deliver two consecutive notices in that manner and the inability becomes known to the corporation (or its transfer agent).

B. Householding Rules

In 2003, RCW 23B.01.420 (“Section 01.420”) was added to the WBCA to conform requirements for the delivery of information to shareholders under the WBCA to the so-called “householding rules” that had been recently adopted by the Securities and Exchange Commission. Section 01.420 allows Washington corporations to eliminate duplicate mailings (or other deliveries) to shareholders who share a common address. Section 01.420 was based largely on a provision in the Minnesota Business Corporation Act adopted in 2002. Section 01.420 has remained the same since it was originally adopted in 2003.

II. Proposed Amendments

A. Notice by Electronic Transmission

CARC is proposing to amend Section 01.410 in much the same way that Delaware amended the notice provisions of the DGCL in 2019. As proposed by CARC, Section 01.410 would allow corporations to give notices and other communications to shareholders and directors by email and other forms of electronic transmission without needing to obtain their consent to receive notices or other communications in this

owners and managers that they need to get explicit consent to the use of electronic mail for some types of communications (i.e., notices) by email.

² The DGCL does not explicitly govern how notices to directors may be given, so a Delaware corporation has significant flexibility to authorize in its bylaws the means by which notices to directors are given, including electronic mail or other electronic transmission. There is no statutory requirement in the DGCL that directors consent to receiving notices by electronic transmission.

way.³ Importantly, a corporation would not be able to give valid notices or other communications to a shareholder by email or other electronic transmission if the shareholder objects to receiving notices and other communications in this manner. In addition, a corporation would not be able to give valid notices and other communication to a shareholder or director by email or other electronic transmission if the corporation is unable to deliver two consecutive notices or other communications in this manner and that inability becomes known to the corporation or its transfer agent. In addition to these changes, CARC is proposing minor changes to certain defined terms in RCW 23B.01.400 that are used in Section 01.410 and certain technical changes to subsection (11) of Section 01.410, which was added in 2008 to coordinate the shareholder notice requirements under Section 01.410 with the Securities and Exchange Commission’s “e-proxy rules” that apply to public companies.

In addition, CARC is proposing technical changes to RCW 23B.07.040 and .08.210 to clarify when a written consent under those sections is deemed executed by a shareholder or director by electronic transmission.

B. Householding Rules

In connection with the proposed changes to Section 01.410, certain conforming changes must be made to Section 01.420.

In addition, as part of its continual efforts to modernize and improve the WBCA, CARC frequently considers the latest version of the MBCA, which was last comprehensively amended in 2016 by the American Bar Association’s Committee on Corporate Laws. In connection with its consideration of the potential changes to Section 01.410 described in this memorandum, the committee compared Washington’s householding rule as embodied in Section 01.420 to the analogous provision (§1.44) in the current version of the MBCA. CARC is proposing certain amendments to Section 01.420 to conform that section in substance to MBCA §1.44. These proposed amendments are mostly technical in nature and do not represent any meaningful substantive change to Washington’s householding rules.

The proposed changes to RCW 23B.01.400, .01.410 and .01.420 are reflected in the redline mark-up of the existing versions of such statutes set forth as Annex A to this memorandum.

³ However, as Section 01.410 currently provides, a corporation may give notices by email or other electronic transmission to a director without obtaining that director’s consent to do so if the corporation’s articles of incorporation or bylaws authorize or require notices or other communications to be given in that manner. Modern bylaws are likely to authorize giving notices to directors by electronic transmission for a significant number of existing Washington corporations, so CARC believes the requirement to obtain a director’s consent for delivery of notices and other communications by email or other electronic transmission is largely mooted anyway.

Annex A

23B.01.400. Definitions.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this title.

- (1) "Articles of incorporation" include amended and restated articles of incorporation and articles of merger.
- (2) "Authorized shares" means the shares of all classes a domestic or foreign corporation is authorized to issue.
- (3) "Conspicuous" means so prepared that a reasonable person against whom the writing is to operate should have noticed it. For example, text in italics, boldface, contrasting color, capitals or underlined is conspicuous.
- (4) "Controlling interest" means ownership of an entity's outstanding shares or interests in such number as to entitle the holder at the time to elect a majority of the entity's directors or other governors without regard to voting power which may thereafter exist upon a default, failure, or other contingency.
- (5) "Corporate action" means any resolution, act, policy, contract, transaction, plan, adoption or amendment of articles of incorporation or bylaws, or other matter approved by or submitted for approval to a corporation's incorporators, board of directors or a committee thereof, or shareholders.
- (6) "Corporation" or "domestic corporation" means a corporation for profit, including a social purpose corporation, which is not a foreign corporation, incorporated under or subject to the provisions of this title.
- (7) "Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery and, if authorized in accordance with RCW 23B.01.410, by electronic transmission.
- (8) "Distribution" means a direct or indirect transfer of money or other property, except its own shares, or inurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect to any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a distribution in partial or complete liquidation, or upon voluntary or involuntary dissolution; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.
- (9) "Document" means (a) any tangible medium on which information is inscribed, and includes handwritten, typed, printed or similar instruments or copies of such instruments, and (b) an electronic record.
- (10) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- (11) "Electronic mail" means an electronic transmission directed to a unique electronic mail address, which electronic mail will be deemed to include any files attached thereto and any information hyperlinked to a website if the electronic mail includes the contact information of an officer or agent of the corporation who is available to assist with accessing such files and information.

(12) “Electronic mail address” means a destination, commonly expressed as a string of characters, consisting of a unique user name or mailbox, commonly referred to as the “local part” of the address, and a reference to an internet domain, commonly referred to as the “domain part” of the address, whether or not displayed, to which electronic mail can be sent or delivered.

(13) “Electronic record” means information that is stored in an electronic or other nontangible medium and [\(a\) is retrievable in paper form through an automated process used in conventional commercial practice, unless or \(b\) if not retrievable in paper form by the recipient through an automated process used in conventional commercial practice, is](#) otherwise authorized in accordance with RCW 23B.01.410(10).

(14) “Electronic transmission” or “electronically transmitted” means Internet transmission, telephonic transmission, electronic mail transmission, transmission of a telegram, cablegram, or datagram, the use of, or participation in, one or more electronic networks or databases including one or more distributed electronic networks or databases, or any other form or process of communication, not directly involving the physical transfer of paper or another tangible medium, which (a) is suitable for the retention, retrieval, and reproduction of information by the recipient, and (b) is retrievable in paper form by the recipient through an automated process used in conventional commercial practice, [unless, if not retrievable in paper form by the recipient through an automated process used in conventional commercial practice, is](#) otherwise authorized in accordance with RCW 23B.01.410(10).

(15) “Employee” includes an officer but not a director. A director may accept duties that make the director also an employee.

(16) “Entity” includes a corporation and foreign corporation, not-for-profit corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, two or more persons having a joint or common economic interest, the state, United States, and a foreign governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(17) “Execute,” “executes,” or “executed” means, with present intent to authenticate or adopt a document: (a) to sign or adopt a tangible symbol to the document, and includes any manual, facsimile, or conformed signature; (b) to attach or logically associate with an electronic transmission an electronic sound, symbol, or process, and includes an electronic signature; or (c) with respect to a document to be filed with the secretary of state, in compliance with the standards for filing with the office of the secretary of state as prescribed by the secretary of state.

(18) “Foreign corporation” means a corporation for profit incorporated under a law other than the law of this state.

(19) “Foreign limited partnership” means a partnership formed under laws other than of this state and having as partners one or more general partners and one or more limited partners.

(20) “General social purpose” means the general social purpose for which a social purpose corporation is organized as set forth in the articles of incorporation of the corporation in accordance with RCW 23B.25.040(1)(c).

(21) “Governmental subdivision” includes authority, county, district, and municipality.

(22) “Governor” has the meaning given that term in RCW 23.95.105.

(23) “Includes” denotes a partial definition.

(24) “Individual” includes the estate of an incompetent or deceased individual.

(25) “Limited partnership” or “domestic limited partnership” means a partnership formed by two or more persons under the laws of this state and having one or more general partners and one or more limited partners.

(26) “Means” denotes an exhaustive definition.

(27) “Notice” has the meaning provided in RCW 23B.01.410.

(28) “Person” means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(29) “Principal office” means the office, in or out of this state, so designated in the annual report where the principal executive offices of a domestic or foreign corporation are located.

(30) “Proceeding” includes civil suit and criminal, administrative, and investigatory action.

(31) “Public company” means a corporation that has a class of shares registered with the federal securities and exchange commission pursuant to section 12 or 15 of the securities exchange act of 1934, or section 8 of the investment company act of 1940, or any successor statute.

(32) “Qualified director” means (a) with respect to a director’s conflicting interest transaction as defined in RCW 23B.08.700, any director who does not have either (i) a conflicting interest respecting the transaction, or (ii) a familial, financial, professional, or employment relationship with a second director who does have a conflicting interest respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director’s judgment when voting on the transaction; (b) with respect to RCW 23B.08.735, a qualified director under (a) of this subsection if the business opportunity were a director’s conflicting interest transaction; and (c) with respect to RCW 23B.02.020(5)(k), a director who is not a director (i) to whom the limitation or elimination of the duty of an officer to offer potential business opportunities to the corporation would apply, or (ii) who has a familial, financial, professional, or employment relationship with another officer to whom the limitation or elimination would apply, which relationship would, in the circumstances, reasonably be expected to exert an influence on the director’s judgment when voting on the limitation or elimination.

(33) “Record date” means the date established under chapter 23B.07 RCW on which a corporation determines the identity of its shareholders and their shareholdings for purposes of this title. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

(34) “Registered office” means the address of the corporation’s registered agent.

(35) “Secretary” means the corporate officer to whom the board of directors has delegated responsibility under RCW 23B.08.400(3) for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

- (36) "Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.
- (37) "Shares" means the units into which the proprietary interests in a corporation are divided.
- (38) "Social purpose" includes any general social purpose and any specific social purpose.
- (39) "Social purpose corporation" means a corporation that has elected to be governed as a social purpose corporation under chapter 23B.25 RCW.
- (40) "Specific social purpose" means the specific social purpose or purposes for which a social purpose corporation is organized as set forth in the articles of incorporation of the corporation in accordance with RCW 23B.25.040(2)(a).
- (41) "State," when referring to a part of the United States, includes a state and commonwealth, and their agencies and governmental subdivisions, and a territory and insular possession, and their agencies and governmental subdivisions, of the United States.
- (42) "Subscriber" means a person who subscribes for shares in a corporation, whether before or after incorporation.
- (43) "Subsidiary" means an entity in which the corporation has, directly or indirectly, a controlling interest.
- (44) "United States" includes a district, authority, bureau, commission, department, and any other agency of the United States.
- (45) "Voting group" means all shares of one or more classes or series that under the articles of incorporation or this title are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or this title to vote generally on the matter are for that purpose a single voting group.
- (46) "Writing" or "written" means any information in the form of a document.

23B.01.410. Notices and other communications.

(1) A notice under this title must be in writing, except that oral notice of any meeting of the board of directors may be given if expressly authorized by the articles of incorporation or bylaws. A notice includes material that this title or the corporation's articles of incorporation or bylaws requires to accompany the notice. Unless otherwise agreed between the sender and the recipient, words in a notice or other communication under this title must be in English.

(2) A notice or other communication may be given by any method of delivery, except that electronic transmissions must be in accordance with this section. If the methods of delivery are impracticable, a notice or other communication may be given by means of a broad non-exclusionary distribution to the public, which may include a newspaper of general circulation in the area where published; radio, television, or other form of public broadcast communication; or other methods of distribution that the corporation has previously identified to its shareholders.

(3) A notice or other communication to a domestic or foreign corporation registered to do business in this state may be delivered to the corporation's registered agent or to the secretary at its principal office shown in its most recent annual report or, in the case of a foreign corporation that has not yet delivered an annual report, in its foreign registration statement.

(4) A notice or other communications may be ~~delivered by~~ given by electronic mail or other electronic transmission ~~if consented to by the recipient or if authorized by, subject to~~ subsection (10) of this section; ~~except that if the articles of incorporation or bylaws authorize or require delivery of notices of meetings of directors by electronic transmission, then no consent to delivery such notices by electronic transmission is required, if applicable.~~

(5) ~~Any consent under~~ Notwithstanding subsection (4) of this section, a notice may not be ~~revoked by the person who consented by written notice to the person to whom the consent was delivered. Any such consent is deemed revoked if (a)~~ given by electronic mail or other electronic transmission

(a) To a shareholder from and after the time that the shareholder notifies the corporation in writing of an objection to receiving notice by electronic mail or other electronic transmission; or

(b) To a shareholder or director from and after the time that the corporation is unable to deliver two consecutive notices by electronic mail or other electronic ~~transmissions given by the corporation in accordance with such consent, and (b)~~ transmission to the electronic mail address, network, or processing system for such shareholder or director, and such inability becomes known to the secretary or to the transfer agent, or other person responsible for the giving of notice or other communications. The inadvertent failure to ~~treat~~ discover such inability ~~as a revocation~~ will not invalidate any meeting or other corporate action.

(6) Unless otherwise agreed between the sender and the recipient, an electronic transmission is received when:

(a) If by electronic mail, it is directed to the recipient's electronic mail address, ~~(including, in the case of a shareholder, to the shareholder's electronic mail address as it appears in the corporation's records);~~

(b) If by posting on an electronic network, upon the later of:

(i) such posting, and

(ii) the delivery of separate notice to the recipient of such specific posting together with comprehensible instructions regarding how to obtain access to the posting on the electronic network; and

(c) If by any other electronic transmission, it enters an information processing system that the recipient has designated or uses for the purposes of receiving electronic transmissions or information of the type sent, and from which the recipient is able to retrieve the electronic transmission and it is in a form capable of being processed by that system.

(7) Receipt of an electronic acknowledgement from an information processing system described in subsection (6)(c) of this section establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

(8) An electronic transmission is received under this section even if no person is aware of its receipt.

(9) A notice or other communication, if in a comprehensible form or manner, is effective at the earliest of the following:

(a) If in a physical form, the earliest of when it is actually received, or when it is left at:

(i) A shareholder's address as it appears in the corporation's records;

(ii) A director's residence or usual place of business; or

(iii) The corporation's principal office;

(b) If mailed to a shareholder, upon deposit in the United States mail with first-class postage prepaid and correctly addressed to the shareholder's mailing address as it appears in the corporation's records;

(c) If mailed to a recipient other than a shareholder, the earliest of when it is actually received, or:

(i) If sent by registered or certified mail, return receipt requested, the date shown on the return receipt signed by or on behalf of the addressee; or

(ii) Five days after it is deposited in the United States mail with first-class postage prepaid and correctly addressed to the recipient;

(d) If sent by air courier, when dispatched and correctly addressed to a shareholder's mailing address as it appears in the corporation's records;

(e) If ~~as~~ sent by electronic mail or any other electronic transmission, when it is received as provided in subsection (6) of this section; and

(f) If oral, when communicated.

(10) A notice or other communication may be in the form of an electronic transmission that cannot be directly reproduced in paper form by the recipient through an automated process used in conventional commercial practice only if (a) the electronic transmission is otherwise retrievable in perceivable form,

and (b) the sender and the recipient have consented in writing to the use of such form of electronic transmission.

(11) Notwithstanding anything to the contrary in this section or any other section of this title, ~~if whenever~~ this title requires that a notice be given to shareholders ~~be accompanied by certain material, or of a public company, the~~ public company may, if permitted by applicable federal law, satisfy such a requirement, ~~whether or not a shareholder has consented to receive electronically transmitted notice, by (a) posting the material~~ by (a) posting the notice, and any material that this title or the corporation's articles of incorporation or bylaws requires to accompany the notice, on an electronic network (either separate from, or in combination with or as part of, any other materials the public company has posted on the electronic network in compliance with applicable federal law) at or prior to the time that the notice referred to in in clause (b) of this subsection (11) is delivered to the public company's shareholders entitled to receive the notice, and (b) delivering mailing to the public company's shareholders entitled to receive the notice a separate record notice of the posting ~~(which record may accompany, or be contained in, the notice)~~, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network. In such a case, the notice and any accompanying material posted on the electronic network is deemed to have been delivered to the public company's shareholders at the time the ~~notice to the shareholders~~ separate notice required under clause (b) of this subsection (11) is effective ~~under~~ as provided in subsection (9) of this section. A public company that elects pursuant to this ~~section~~ subsection (11) to post on an electronic network any notice or any material required by that this title or the corporation's articles of incorporation or bylaws requires to accompany a notice to shareholders is required, at its expense, to provide a copy of the notice and such material in a tangible medium (alone or in combination or as part of any other materials the public company has posted on the electronic network in compliance with federal law) to any shareholder entitled to such a notice who so requests.

(12) If this title prescribes requirements for notices or other communications in particular circumstances, those requirements govern. If articles of incorporation or bylaws prescribe requirements for notices or other communications, not inconsistent with this section or other provisions of this title, those requirements govern. The articles of incorporation or bylaws may ~~authorize or~~ require delivery of notices of meetings of directors by electronic mail or other electronic transmission.

(13) In the event that any provisions of this title are deemed to modify, limit, or supersede the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 *et seq.*, the provisions of this title will control to the maximum extent permitted by section 102(a)(2) of that federal act.

23B.01.420. Notice--Common address--Address defined--Shareholder consent.

(1) A corporation has delivered written notice or any other report or statement to all shareholders of record who share a common address if all of the following requirements are met:

(a) The corporation delivers one copy of the notice, report or statement to the common address;

(b) The corporation addresses the notice, report or statement to the shareholders who share that address either as a group or to each of the shareholders individually or in any other manner to which each of those shareholders has consented; and

(c) Each of those shareholders consents to delivery of a single copy of such notice, report or statement to the shareholders' common address, ~~and the corporation notifies each shareholder of the duration of that shareholder's consent, and explains the manner by which the shareholder can revoke the consent.~~

(2) For purposes of this section, "address" means a street address, a post office box number, a facsimile telephone number, an address, location, or system for electronic transmissions, an ~~email~~electronic mail address, or another similar destination to which ~~records~~documents are delivered.

(3) ~~If a shareholder delivers~~Any consent described in subsection (1) of this section is revocable by any of those shareholders who deliver written notice of revocation to the corporation. If such written notice of revocation ~~to consent to delivery of a single copy of any notice, report or statement to a common address, or delivers written notice to the corporation that the shareholder wishes to receive an individual copy of any notice, report or statement, the corporation shall begin sending individual copies to that~~is delivered, the corporation must begin providing individual notices, reports or statements to the ~~revoking~~ shareholder within thirty days after delivery of the written notice of revocation.

(4) ~~Prior to the delivery of notice by electronic transmission to a common address, each shareholder consenting to receive notice under this section must also have consented to the receipt of notices by electronic transmission as provided in RCW 23B.01.410.~~Any shareholder who fails to object by written notice to the corporation, within sixty days of written notice by the corporation of its intention to deliver single copies of notices, reports or statements to shareholders who share a common address as permitted by subsection (1) of this section, will be deemed to have consented to receiving such single copy at the common address, on condition that the notice of intention explains that consent may be revoked and the method for revoking.

23B.07.040. Corporate action without a meeting.

(1) (a) Corporate action required or permitted by this title to be approved by a shareholder vote at a meeting may be approved without a meeting or a vote if either:

(i) The corporate action is approved by all shareholders entitled to vote on the corporate action; or

(ii) The corporate action is approved by shareholders holding of record or otherwise entitled to vote in the aggregate not less than the minimum number of votes that would be necessary to approve such corporate action at a meeting at which all shares entitled to vote on the corporate action were present and voted, and at the time the corporate action is approved the corporation is authorized to approve such corporate action under this subsection(1)(a)(ii) by a general or limited authorization contained in its articles of incorporation, except that if a corporation's articles of incorporation authorize shareholders to cumulate their votes when electing directors pursuant to RCW 23B.07.280, shareholders may not elect directors by less than unanimous written consent.

(b) Corporate action may be approved by shareholders without a meeting or a vote if the approval is evidenced by one or more written consents:

(i) Executed by shareholders holding of record or otherwise entitled to vote in the aggregate not less than the minimum number of votes necessary under (a)(i) or (ii) of this subsection;

(ii) Indicating the date of execution, which date must be on or after the applicable record date determined in accordance with subsection (2) of this section;

(iii) Describing the corporate action being approved; and

(iv) Delivered to the corporation for filing by the corporation with the minutes or corporate records in accordance with subsection (4) of this section. When delivered to each shareholder for execution, the consent must include or be accompanied by the same material that would have been required by this title to be delivered to shareholders in or accompanying a notice of meeting at which the proposed corporate action would have been submitted for shareholder approval. A shareholder may withdraw an executed shareholder consent by delivering a written notice of withdrawal to the corporation prior to the time when shareholder consents sufficient to approve the corporate action have been delivered to the corporation.

(c) A written consent in the form of an electronic transmission ~~must contain or be~~will be deemed to have been executed by a shareholder if it indicates that shareholder's present intent to approve the corporate action and contains or is accompanied by information from which the corporation can determine that the electronic transmission was transmitted by the shareholder and the date on which the shareholder transmitted the electronic transmission.

(2) The record date for determining shareholders entitled to approve a corporate action without a meeting may be fixed under RCW 23B.07.030 or 23B.07.070, but if not so fixed shall be the date of execution indicated on the earliest dated shareholder consent executed under subsection (1) of this section, even though such shareholder consent may not have been delivered to the corporation on that date.

(3) (a) Notice that shareholder consents are being sought under subsection (1)(a) of this section must be given, by the corporation or by another person soliciting such consents, on or promptly after the record date, to all shareholders entitled to vote on the record date who have not yet executed the shareholder consent and, if this title would otherwise require that notice of a meeting of shareholders to consider the proposed corporate action be given to nonvoting shareholders, to all nonvoting shareholders as of the record date. Notice given under this subsection (3)(a) must include or be accompanied by the same information required to be included in or to accompany the shareholder consent under subsection (1)(b)(iii) and (iv) of this section.

(b) Notice that sufficient written consents have been execute to approve the proposed corporate action under either of subsection (1)(a)(i) or (ii) of this section must be given by the corporation, promptly after delivery to the corporation of written consents sufficient to approve the corporate action in accordance with subsection (4) of this section, to all shareholders entitled to vote on the record date and, if this title would otherwise require that notice of a meeting of shareholders to consider the proposed corporate action be given to nonvoting shareholders, to all nonvoting shareholders as of the record date.

(4) Unless the consent executed by shareholders specifies a later time as the time at which the approval of the corporate action is to be effective, shareholder approval obtained under this section is effective when:

(a) Executed shareholder consents sufficient to approve the proposed corporate action have been delivered to the corporation in any manner authorized by RCW 23B.01.410; and

(b) Any period of advance notice required by the corporation's articles of incorporation to be given to any nonconsenting shareholders has been satisfied. No written consent is effective to approve a proposed corporate action unless, within sixty days after the earliest date on which a consent delivered to the corporation as required by this section was executed, written consents executed by a sufficient number of shareholders to approve the corporate action are delivered to the corporation.

(5) Approval of corporate action by written consents under this section has the effect of a meeting vote and may be described as such in any document, except that, if the corporate action requires the filing of a certificate under any other section of this title, the certificate so filed shall state, in lieu of any statement required by that section concerning any vote of shareholders, that shareholder approval has been obtained in

accordance with this section and that notice to any nonconsenting shareholders has been given to the extent required by this section.

(6) The notice requirements in subsection (3)(a) and (b) of this section will not delay the effectiveness of approval of corporate action by written consents, and failure to comply with those notice requirements will not invalidate approval of corporate action by written consents; except that this subsection is not intended to limit judicial power to fashion any appropriate remedy in favor of a shareholder adversely affected by a failure to give such notice in accordance with those subsections.

23B.08.210. Corporate action without meeting.

(1) Unless the articles of incorporation or bylaws provide otherwise, corporate action required or permitted by this title to be approved at a board of directors' meeting may be approved without a meeting if the corporate action is approved by all members of the board. The approval of the corporate action must be evidenced by one or more written consents describing the corporate action being approved, executed by each director either before or after the corporate action becomes effective, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(2) A written consent in the form of an electronic transmission ~~must contain or be~~ will be deemed to have been executed by a director if it indicates the director's present intent to approve the corporate action and contains or is accompanied by information from which the corporation can determine that the electronic transmission was transmitted by the director and the date on which the director transmitted the electronic transmission.

(3) Corporate action is approved under this section when the last director executes the consent.

(4) A consent under this section has the effect of a meeting vote and may be described as such in any document.

PURPOSE: Completion of the information in this cover sheet will help expedite the WSBA Legislative Review Committee’s review and approval process of potential Bar-request legislation. Of particular importance is information related to draft development and stakeholder work.

Short title of proposal: Proposed revisions to Washington Nonprofit Corporation Act, Chapter 24.03 RCW
Submitted by (Section¹): Nonprofit Corporations Committee of the Business Law Section
Designated Section representative and contact information (phone and email): Judith Andrews, 206-915-2494, judy@judithandrewslaw.com
Brief summary of bill and anticipated fiscal impact: The proposed revisions will “modernize” the Nonprofit Corporation Act, create uniformity with the Washington Business Corporation Act, and add protections for charitable assets. The revisions propose an increase to the annual renewal fee for nonprofit corporations to fund a Charitable Assets Protection Account to fund education and enforcement efforts by the Attorney General.
Brief statement of need: The current Act has long needed revisions to address omissions and dated provisions that leave nonprofit corporations and their governing body members confused and sometimes hindered in their mission by the Act.
Description of draft development: (please provide detail) The Committee began work on these revisions in 2009 with the publication of the Third ABA Model Nonprofit Corporation Act. The proposed revisions incorporate many of the provisions of the model act that will improve the Act, preserves many of the provisions of the current act that work well and creates uniformity with the Washington Business Corporation Act where appropriate.
How does the proposal meet requirements under GR 12.2? (please explain)
Submittal Status: 1. Has this proposal been submitted to the Committee before? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>(If no, skip the remainder of this section, and move to the Stakeholder Work on the next page.)</i> 2. If yes, when was this proposal initially submitted to the Committee? 3. Briefly, please provide the following:

¹ For purposes of this document, “Section” means any WSBA Section, Committee, Division, or Council.

(a) What concerns or questions were raised (including requests for additional information) by the Committee previously?

(b) How this proposal addresses those concerns, questions, or additional information requests made by the Committee?

(d) Is there additional information relevant to the status of the proposal?

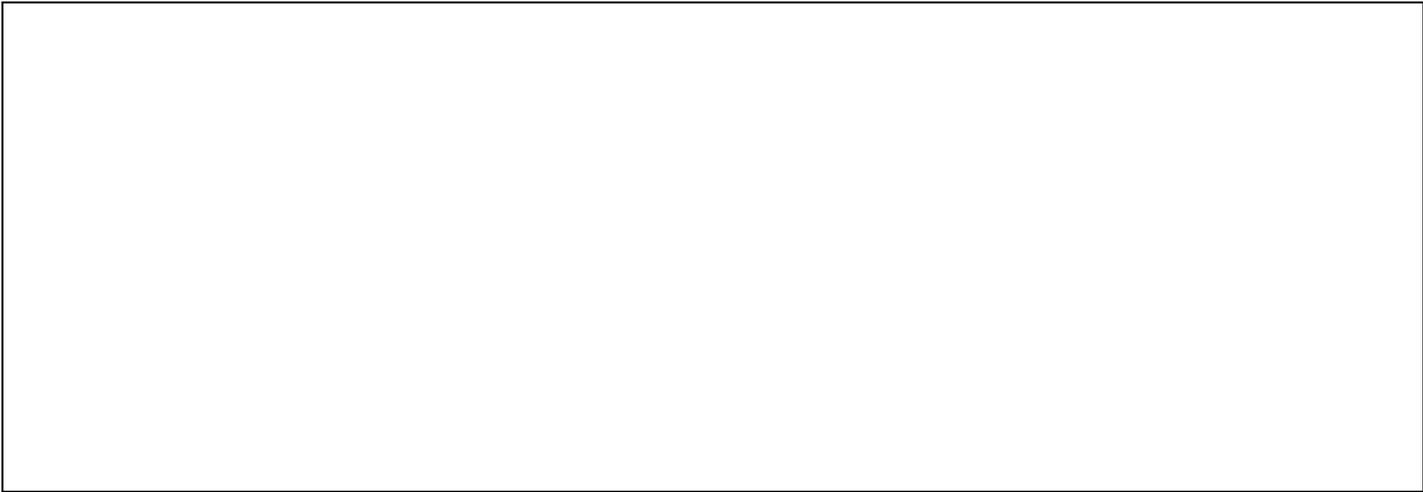
Summary of Stakeholder Work

*Please describe completed and ongoing activity with internal and external partners

Referred to:	Feedback: Please include stakeholder positions on the proposal (e.g. support; oppose; concerns; neutral; or no response) and explain.
Business Law Section	Approved by the Executive Committee

Summary of Additional Stakeholder Input

*Please describe other anticipated stakeholder feedback regarding the proposal.



Nonprofit Corporation Draft - Summary of Changes

Section 1102(66)(d), page 9: Changes the definition of "religious corporation".

- Deletes: "or the exchange is for tuition, room, board, or other related educational services provided in connection with a program of primary, secondary, or collegiate instruction comparable in scope to that of any public school or college operated by the state of WA, or any of its school districts."
- Adds: "Not an affiliated scholastic institution whose primary purpose is education."

Section 1102(72), page 10: Changes the definition of "Unincorporated entity".

- Adds: "cooperative association, limited cooperative association"

Section 1106, page 13: Changes effective dates.

- Changes from July 1, 2021 to 2022.

Section 1107, page 13: Changes effective dates.

- Changes from June 30, 2021 to 2022.

Section 1404, page 22: Modifies "catastrophic event".

- From "change and destruction" to "rapid change ~~and~~ or destruction"

Section 1405, page 23: Removes power to challenge a nonprofit in a derivative proceeding.

- Deletes language related to derivative proceedings.

Section 2409(5)(a)&(b), page 62: Corrects language to be consistent with guardianship laws.

- Rephrases and provides cross reference citations.

Section 2705(2), page 76: Remove cross reference to derivative proceedings.

- Deletes last sentence of section 2705(2).

Section 4301 - 4310, page 143: Removes derivative proceeding provisions.

- Deletes sections 4301 - 4310.

Section 5208(17), page 162: Corrects a cross reference.

- Adds correct citation to 23.100 RCW.

Section 6103, page 227: Changes implementation date.

- Except section 5204, this act takes effect ~~July 1, 2021~~ January 1, 2022.

Section 6104, page 227: Changes implementation date.

- Section 5204 takes effect July 1, 2022.

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-0087.2/21 2nd draft

ATTY/TYPIST: RB:akl

BRIEF DESCRIPTION: Concerning nonprofit corporations.

1 AN ACT Relating to nonprofit corporations; amending RCW
2 11.110.020, 23.95.255, 23.95.305, 7.60.025, 9.46.0209, 15.105.020,
3 18.100.050, 18.100.130, 18.100.134, 23.95.105, 24.50.010,
4 28A.710.010, 35.67.020, 35.67.190, 35.92.020, 36.89.080, 36.94.140,
5 39.34.030, 39.34.055, 41.04.382, 43.06.335, 43.07.120, 43.07.190,
6 43.15.030, 43.105.020, 43.210.020, 43.210.040, 43.330.135, 46.19.020,
7 48.30.135, 48.180.010, 64.34.300, 64.38.025, 64.90.400, 66.24.495,
8 66.24.680, 68.20.020, 70.45.070, 70.290.030, 79A.30.030, 79A.30.040,
9 79A.35.130, 79A.70.030, 82.04.4251, 82.04.4264, 82.04.431,
10 82.04.4328, 82.08.0203, 82.08.0293, 82.12.0293, 88.46.065, and
11 89.08.405; reenacting and amending RCW 19.142.010, 48.62.021, and
12 74.15.020; adding a new section to chapter 74.15 RCW; adding a new
13 chapter to Title 24 RCW; repealing RCW 24.03.005, 24.03.009,
14 24.03.010, 24.03.015, 24.03.017, 24.03.020, 24.03.025, 24.03.027,
15 24.03.030, 24.03.035, 24.03.040, 24.03.043, 24.03.045, 24.03.046,
16 24.03.047, 24.03.048, 24.03.050, 24.03.055, 24.03.060, 24.03.065,
17 24.03.070, 24.03.075, 24.03.080, 24.03.085, 24.03.090, 24.03.095,
18 24.03.100, 24.03.103, 24.03.1031, 24.03.105, 24.03.110, 24.03.113,
19 24.03.115, 24.03.120, 24.03.125, 24.03.127, 24.03.130, 24.03.135,
20 24.03.140, 24.03.145, 24.03.150, 24.03.155, 24.03.160, 24.03.165,
21 24.03.170, 24.03.175, 24.03.180, 24.03.183, 24.03.185, 24.03.190,
22 24.03.195, 24.03.200, 24.03.205, 24.03.207, 24.03.210, 24.03.215,
23 24.03.217, 24.03.220, 24.03.225, 24.03.230, 24.03.235, 24.03.240,

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1 24.03.245, 24.03.250, 24.03.255, 24.03.260, 24.03.266, 24.03.271,
2 24.03.276, 24.03.295, 24.03.300, 24.03.302, 24.03.305, 24.03.310,
3 24.03.315, 24.03.325, 24.03.332, 24.03.334, 24.03.335, 24.03.340,
4 24.03.345, 24.03.350, 24.03.360, 24.03.365, 24.03.370, 24.03.380,
5 24.03.390, 24.03.395, 24.03.405, 24.03.417, 24.03.420, 24.03.425,
6 24.03.430, 24.03.435, 24.03.440, 24.03.445, 24.03.455, 24.03.460,
7 24.03.465, 24.03.470, 24.03.480, 24.03.490, 24.03.500, 24.03.510,
8 24.03.520, 24.03.530, 24.03.540, 24.03.550, 24.03.900, 24.03.905,
9 24.03.915, 24.03.920, and 24.03.925; prescribing penalties; and
10 providing effective dates.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

12 **PART I**
13 **FORMATION AND GENERAL CONDITIONS**
14 **ARTICLE 1**
15 **GENERAL PROVISIONS**

16 NEW SECTION. **Sec. 1101.** SHORT TITLE. This chapter may be known
17 and cited as the Washington nonprofit corporation act.

18 NEW SECTION. **Sec. 1102.** DEFINITIONS. The definitions in this
19 section apply throughout this chapter unless the context clearly
20 requires otherwise.

21 (1) "Address," unless otherwise specified, means either a
22 physical mailing address or an electronic address.

23 (2) "Articles" or "articles of incorporation" means the original
24 articles of incorporation as modified by all amendments thereof, as
25 filed by the secretary of state. If any record filed under this
26 chapter restates the articles in their entirety, thenceforth the
27 articles shall not include any prior filings.

28 (3) "Board" or "board of directors" means the team or body of
29 individuals ultimately responsible for the management of the
30 activities and affairs of the nonprofit corporation, regardless of
31 the name used to refer to the team or body.

32 (4) "Bylaws" means the code or codes of rules, other than the
33 articles, adopted for the regulation and governance of the internal
34 affairs of the nonprofit corporation, regardless of the name or names
35 used to refer to those rules, excluding separate policies or
36 procedures adopted by the board.

1 (5) "Charitable corporation" means a domestic nonprofit
2 corporation that is operated primarily or exclusively for one or more
3 charitable purposes.

4 (6) "Charitable purpose" means a purpose that:

5 (a) Would make a corporation organized and operated exclusively
6 for that purpose eligible to be exempt from taxation under section
7 501(c)(3) of the Internal Revenue Code; or

8 (b) Is considered charitable under applicable law other than this
9 chapter or the Internal Revenue Code.

10 (7) "Contribution" means the payment, donation, or promise, for
11 consideration or otherwise, of any money or property of any kind or
12 value which contribution is wholly or partly induced by a
13 solicitation.

14 (8) "Corporation" means a domestic nonprofit corporation, unless
15 otherwise specified.

16 (9) "Delegate" means a person elected or appointed to vote in a
17 representative capacity for the election of directors or on other
18 matters.

19 (10) "Deliver" or "delivery" of a record means delivery by hand,
20 United States mail, private courier service, electronic transmission,
21 or other methods of delivery used in conventional commercial
22 practice, except that delivery to the secretary of state means actual
23 receipt by the secretary of state.

24 (11) "Director" means an individual designated, elected, or
25 appointed, by that or any other name or title, to act as a member of
26 the board of directors, while the individual is holding that
27 position.

28 (12) "Domestic," with respect to an entity, means governed as to
29 its internal affairs by the law of this state.

30 (13) "Domestic corporation" or "domestic nonprofit corporation"
31 means a domestic corporation incorporated under or subject to this
32 chapter.

33 (14) "Domestic unincorporated entity" means an unincorporated
34 entity whose internal affairs are governed by the laws of this state.

35 (15) "Electronic" means relating to technology having electrical,
36 digital, magnetic, wireless, optical, electromagnetic, or similar
37 capabilities.

38 (16) "Electronic transmission" means an electronic communication:

39 (a) Not directly involving the physical transfer of a record in a
40 tangible medium; and

1 (b) That may be retained, retrieved, and reviewed by the sender
2 and the recipient thereof, and that may be directly reproduced in a
3 tangible medium by such a sender and recipient.

4 (17) "Electronically transmitted" means that the sender of an
5 electronic transmission initiated the electronic transmission.

6 (18) "Eligible entity" means a domestic or foreign unincorporated
7 entity, a domestic nonprofit corporation incorporated under a
8 corporations statute other than this chapter or its predecessor
9 statutes, or a domestic or foreign for-profit corporation.

10 (19) "Employee" does not include an individual serving as an
11 officer or director who is not otherwise employed by the corporation.

12 (20) "Entitled to vote" means entitled to vote on the matter
13 under consideration pursuant to the articles or bylaws of the
14 nonprofit corporation or any applicable controlling provision of law.

15 (21) "Entity" means an organization or artificial legal person
16 that either has a separate legal existence or has the power to
17 acquire an estate in real property in its own name and includes, but
18 is not limited to:

- 19 (a) A domestic or foreign for-profit corporation;
- 20 (b) A domestic or foreign nonprofit corporation;
- 21 (c) A domestic or foreign general or limited partnership;
- 22 (d) A domestic or foreign limited liability partnership;
- 23 (e) A domestic or foreign limited liability company;
- 24 (f) Any other domestic or foreign unincorporated entity;
- 25 (g) A domestic or foreign estate or trust;
- 26 (h) The federal government;
- 27 (i) A tribal government; and
- 28 (j) A state or local government, foreign government, or
29 governmental subdivision.

30 (22) "Ex officio director" means an individual who becomes a
31 member of the board of directors not through the regular elections
32 process but by virtue of another position that he or she holds.
33 Unless the articles or bylaws specifically state that an ex officio
34 director does not have the right to vote, such a director has the
35 same right to vote as any other director.

36 (23) "Execute" or "executed" means:

- 37 (a) Signed, with respect to a written record;
- 38 (b) Electronically transmitted along with sufficient information
39 to determine the sender's identity and intent to execute; or

1 (c) With respect to a record to be filed by the secretary of
2 state, in compliance with the standards for filing as prescribed by
3 this chapter; chapter 23.95 RCW; or the secretary of state.

4 (24) "Federal government" includes a district, authority, bureau,
5 commission, department, and any other agency of the federal
6 government of the United States.

7 (25) "Filing entity" means an unincorporated entity that is
8 created by filing a public organic record.

9 (26) "For-profit corporation" or "domestic for-profit
10 corporation" means a domestic business corporation incorporated under
11 or subject to Title 23B RCW or any successor provisions.

12 (27) "Foreign," with respect to an entity, means governed as to
13 its internal affairs by the law of a jurisdiction other than this
14 state.

15 (28) "Foreign for-profit corporation" means a foreign corporation
16 that would be a for-profit corporation if incorporated under the law
17 of this state.

18 (29) "Foreign corporation" or "foreign nonprofit corporation"
19 means a foreign corporation that would be a nonprofit corporation if
20 incorporated under the law of this state.

21 (30) "Foreign unincorporated entity" means an unincorporated
22 entity whose internal affairs are governed by an organic law of a
23 jurisdiction other than this state.

24 (31) "Fundamental transaction" means an amendment of the articles
25 or bylaws, merger, sale of all or substantially all of the assets,
26 domestication, conversion, or dissolution of a nonprofit corporation.

27 (32) "Gift instrument" means a record or records under which
28 property is donated to, transferred to, granted to, or held by the
29 corporation. A solicitation constitutes a gift instrument with
30 respect to a donation, transfer, or grant of property made in
31 response to the solicitation only if:

32 (a) The solicitation was in the form of a record, including but
33 not limited to, invitations made by electronic transmission or in
34 electronic media, or was documented in the form of a record created
35 no later than ninety days after the solicitation was made; and

36 (b) The donation, transfer, or grant of property was made within
37 one year of the solicitation.

38 (33) "Governmental subdivision" includes an authority, county,
39 district, and municipality formed or authorized by any federal,
40 state, or local government.

- 1 (34) "Includes" denotes a partial definition.
- 2 (35) "Individual" means a natural person.
- 3 (36) "Interest" means either or both of the following rights
4 under the organic law of an unincorporated entity:
- 5 (a) The right to receive distributions from the entity either in
6 the ordinary course or upon liquidation; or
- 7 (b) The right to receive notice or vote on issues involving its
8 internal affairs, other than as an agent, assignee, proxy, or person
9 responsible for managing its business, activities, or affairs.
- 10 (37) "Interest holder" means a person who holds of record an
11 interest.
- 12 (38) "Interest holder liability" means personal liability for a
13 debt, obligation, or liability of a domestic or foreign for-profit or
14 nonprofit corporation or unincorporated entity that is imposed on a
15 person:
- 16 (a) Solely by reason of the person's status as a shareholder,
17 interest holder, or member; or
- 18 (b) By the articles, bylaws, or an organic record pursuant to a
19 provision of the organic law authorizing the articles, bylaws, or an
20 organic record to make one or more specified shareholders, interest
21 holders, or members liable in their capacity as shareholders,
22 interest holders, or members for all or specified debts, obligations,
23 or liabilities of the entity.
- 24 (39) "Internal Revenue Code" means Title 26 U.S.C., the federal
25 Internal Revenue Code of 1986, as amended, or any successor statute.
- 26 (40) "Jurisdiction," when used to refer to a political entity,
27 means the United States, a state, a foreign country, or a political
28 subdivision of a foreign country.
- 29 (41) "Jurisdiction of formation" means the jurisdiction whose law
30 includes the organic law of an entity.
- 31 (42) "Material interest" means an actual or potential benefit or
32 detriment, other than one that would devolve on the nonprofit
33 corporation or the members generally, that would reasonably be
34 expected to impair the objectivity of an individual's judgment when
35 participating in the action to be taken.
- 36 (43) "Material relationship" means a familial, financial,
37 professional, employment, or other relationship that would reasonably
38 be expected to impair the objectivity of an individual's judgment
39 when participating in the action to be taken.
- 40 (44) "Means" denotes an exhaustive definition.

1 (45) "Member" means:

2 (a) Where the articles state that the corporation has members, a
3 person who has a right set forth in the articles or bylaws, not as a
4 delegate, to select or vote for the election of directors or
5 delegates or to vote on at least one type of fundamental transaction.

6 (b) For a corporation formed before July 1, 2021, the articles of
7 which do not state that the corporation has members, a person who:

8 (i) Is defined as a member in the bylaws; and

9 (ii) Has a right provided in the bylaws, not as a delegate, to
10 select or vote for the election of directors or delegates or to vote
11 on at least one type of fundamental transaction.

12 (c) A delegate or group of delegates, to the extent:

13 (i) The powers, functions, or authority of the members have been
14 vested in, or are exercised by, such a delegate or group of
15 delegates; and

16 (ii) The provision of this chapter in which the term appears is
17 relevant to the discharge by the delegate or group of delegates of
18 its powers, functions, or authority.

19 (46) "Membership" means the rights and any obligations of a
20 member in a nonprofit corporation.

21 (47) "Membership corporation" means a nonprofit corporation whose
22 articles provide that it has members, or that has members as defined
23 in subsection (46) of this section.

24 (48) "Nonfiling entity" means an unincorporated entity that is
25 not created by filing a public organic record.

26 (49) "Nonmembership corporation" means a nonprofit corporation
27 whose articles do not provide that it has members and that does not
28 have members as defined in subsection (45)(b) of this section.

29 (50) "Nonprofit corporation" means a domestic nonprofit
30 corporation, unless otherwise specified.

31 (51) "Notice" has the same meaning as described in section 1103
32 of this act.

33 (52) "Notify" means to provide notice as defined in section 1103
34 of this act.

35 (53) "Officer" includes:

36 (a) A person who is an officer as defined in section 2601 of this
37 act; and

38 (b) If a nonprofit corporation is in the hands of a custodian,
39 receiver, trustee, or other court-appointed fiduciary, that fiduciary

1 or any person appointed by that fiduciary to act as an officer for
2 any purpose under this chapter.

3 (54) "Organic law" means the law of an entity's jurisdiction of
4 formation governing the internal affairs of the entity.

5 (55) "Organic record" means a public organic record or the
6 private organic rules.

7 (56) "Person" includes an individual or an entity.

8 (57) "Principal office" means the office designated in the annual
9 report required under RCW 23.95.255 as the location of the principal
10 executive office of a domestic or foreign nonprofit corporation,
11 whether or not in this state.

12 (58) "Private organic rules" means the rules, whether or not in a
13 record, that govern the internal affairs of an unincorporated entity,
14 are binding on all of its interest holders, and are not part of its
15 public organic record, if any.

16 (59) "Proceeding" means any civil suit or criminal,
17 administrative, or investigatory action.

18 (60) "Property" means all property, whether real, personal, or
19 mixed or tangible or intangible, including cash, securities, or real
20 property, or any right or interest therein.

21 (61) "Property held for charitable purposes" is as defined in
22 section 1408 of this act.

23 (62) "Public organic record" means the record, if any, that is
24 filed as a public record to create an unincorporated entity and any
25 amendment to or restatement of that record.

26 (63) "Record" means information inscribed on a tangible medium or
27 that is stored in an electronic or other medium and is retrievable in
28 perceivable form. An electronic transmission not directly involving
29 the physical transfer of a record in a tangible medium is a record
30 only if:

31 (a) It may be retained, retrieved, and reviewed by the sender and
32 the recipient thereof; and

33 (b) It may be directly reproduced in a tangible medium by the
34 sender and the recipient thereof.

35 (64) "Record date" means the date established under section 2307
36 of this act on which a nonprofit corporation determines the identity
37 of its members and the membership rights they hold for purposes of
38 this chapter. The determinations shall be made as of 12:01 a.m. on
39 the record date unless another time for doing so is specified when
40 the record date is fixed.

1 (65) "Registered foreign nonprofit corporation" means a foreign
2 nonprofit corporation registered to do business in this state.

3 (66) "Religious corporation" means a charitable corporation
4 including, but not limited to, a church, mosque, synagogue, temple,
5 nondenominational ministry, interdenominational or ecumenical
6 organization, or faith-based social service agency, that is:

7 (a) Organized primarily for religious purposes;

8 (b) Operated primarily, in good faith, to carry out religious
9 purposes;

10 (c) Held out to the public as carrying out religious purposes;

11 (d) Not engaged primarily or substantially in the exchange of
12 goods or services for consideration, unless the consideration does
13 not exceed nominal amounts;

14 (e) Not engaged in participation or intervention in political
15 campaigns for or against candidates for public office; and

16 (f) Not engaged in attempts to influence legislation beyond the
17 limits applicable to an organization described in section 501(c)(3)
18 of the Internal Revenue Code.

19 (67) "Shareholder" means the person in whose name shares are
20 registered in the records of a domestic or foreign for-profit
21 corporation or the beneficial owner of shares to the extent of the
22 rights granted by a nominee certificate on file with such a
23 corporation.

24 (68) "Shares" means the units into which the proprietary
25 interests in a domestic or foreign for-profit corporation, or a
26 nonprofit corporation incorporated under organic law other than this
27 chapter that permits proprietary interests in such a corporation, are
28 divided.

29 (69) "Solicitation" means any oral or written request for a
30 contribution, including an offer or attempt by the solicitor to sell
31 any property, rights, services, or other thing, in connection with
32 which:

33 (a) Any appeal is made for any charitable purpose;

34 (b) The name of any charitable corporation, or any foreign
35 nonprofit corporation that would be a charitable corporation if it
36 were incorporated under this chapter, is used as an inducement for
37 making the contribution or consummating the sale; or

38 (c) Any statement is made that implies that the whole or any part
39 of the contribution or the proceeds from the sale will be applied

1 toward any charitable purpose or donated to any entity organized or
2 operated for charitable purposes.

3 (70) "State" means a state of the United States, the District of
4 Columbia, Puerto Rico, the United States Virgin Islands, or any
5 territory or insular possession subject to the jurisdiction of the
6 United States, and any agency or governmental subdivision of any of
7 the foregoing.

8 (71) "Tangible medium" means a writing, copy of a writing,
9 facsimile, or a physical reproduction, each on paper or on other
10 tangible material.

11 (72) "Unincorporated entity" means an entity that is not any of
12 the following: A domestic or foreign for-profit or nonprofit
13 corporation, an estate, a trust, a governmental subdivision, the
14 federal government, a tribal government, a state or local government,
15 a municipal corporation, a foreign government, or a governmental
16 subdivision. The term includes a general partnership, limited
17 liability company, limited partnership, cooperative association,
18 limited cooperative association, business or statutory trust, joint
19 stock association, and unincorporated nonprofit association.

20 (73) "Vote," "voting," or "casting a vote" includes voting
21 occurring at a meeting; voting of members by ballot or proxy; and the
22 giving of consent in the form of a record without a meeting by a
23 person entitled to vote. Whether or not the person entitled to vote
24 characterizes such conduct as voting or casting a vote, the term does
25 not include either recording the fact of abstention or failing to
26 vote for:

27 (a) A candidate; or

28 (b) Approval or disapproval of a matter.

29 (74) "Voting group" means one or more classes of members that
30 under the articles, bylaws, or this chapter are entitled to vote and
31 be counted together collectively on a matter at a meeting of members.
32 All members entitled by the articles, bylaws, or this chapter to vote
33 generally on that matter are for that purpose a single voting group.

34 (75) "Voting power" means the current power to vote in the
35 election of directors or delegates, or to vote on approval of any
36 type of fundamental transaction.

37 NEW SECTION. **Sec. 1103.** NOTICE. (1) Notice under this chapter
38 must be in the form of a record unless this chapter or the articles
39 or bylaws allow oral notice.

1 (2) Notice may be communicated in person or by delivery. If these
2 forms of communication are impracticable, notice may be communicated
3 by a newspaper of general circulation in the area where published, or
4 by radio, television, or other form of public broadcast
5 communication.

6 (3) Notice, other than notice described in subsection (4) of this
7 section, is effective at the earliest of the following:

8 (a) When received;

9 (b) When left at the recipient's residence or usual place of
10 business;

11 (c) Five days after its deposit in the United States mail or with
12 a commercial delivery service, if the postage or delivery charge is
13 paid and the notice is correctly addressed; or

14 (d) On the date shown on the return receipt, if sent by
15 registered or certified mail, return receipt requested, or by
16 commercial delivery service.

17 (4) Notice in the form of a record by a membership corporation to
18 a member is effective:

19 (a) Five days after its deposit in the United States mail or with
20 a commercial delivery service, if the postage or delivery charge is
21 paid and the notice is correctly addressed to the member's address
22 shown in the corporation's current record of members;

23 (b) When given, if the notice is delivered by electronic
24 transmission to the member's address shown in the corporation's
25 current record of members; or

26 (c) When given, if the notice is delivered in any other manner
27 that the member has authorized.

28 (5) Notice to a domestic or registered foreign nonprofit
29 corporation may be delivered to its registered agent or to the
30 corporation or its secretary at its principal office shown in its
31 most recent annual report or, in the case of a foreign corporation
32 that has not yet delivered an annual report, in its registration
33 statement.

34 (6) Where oral notice is permitted, it is effective when
35 communicated, if communicated in a comprehensible manner.

36 (7) If this chapter prescribes notice requirements for particular
37 circumstances, those requirements govern. If the articles or bylaws
38 prescribe notice requirements, not inconsistent with this section or
39 other provisions of this chapter, those requirements govern.

40 (8) With respect to electronic transmissions:

1 (a) Unless otherwise provided in the articles or bylaws, or
2 otherwise agreed between the sender and the recipient, an electronic
3 transmission is received when:

4 (i) It enters an electronic system that the recipient has
5 designated or currently uses for the purpose of receiving electronic
6 transmissions of the type sent; and

7 (ii) It is in a form capable of being processed by that system.

8 (b) An electronic transmission is received under (a)(i) of this
9 subsection even if no individual is aware of its receipt.

10 (c) Receipt of an electronic acknowledgment from an electronic
11 system described in (a)(i) of this subsection establishes that a
12 record was received but, by itself, does not establish that the
13 content sent corresponds to the content received, and is not
14 necessary for the record to be received.

15 (9) A member may revoke in the form of a record a corporation's
16 express or implied authorization to deliver notices or communications
17 by electronic transmission to the member. Such authorization is
18 deemed revoked with respect to a member if:

19 (a) The corporation cannot deliver two consecutive notices or
20 other communications to the member's address shown in the
21 corporation's current record of members; and

22 (b) The inability becomes known to the secretary or other person
23 responsible for giving the notice or other communication; but the
24 failure to treat the inability as a revocation does not invalidate
25 any meeting or other action.

26 NEW SECTION. **Sec. 1104.** SERVICE ON CORPORATIONS. (1) Service
27 upon a nonprofit corporation of any process, notice, or demand
28 required or permitted by law may be made by serving the nonprofit
29 corporation's registered agent.

30 (2) Service upon a nonprofit corporation made by serving the
31 nonprofit corporation's registered agent, or service on the nonprofit
32 corporation in the absence of a registered agent, is governed by
33 chapter 23.95 RCW.

34 NEW SECTION. **Sec. 1105.** VENUE FOR ACTIONS. Except as provided
35 under federal or state law or in specific provisions of this chapter,
36 every action arising under this chapter shall be tried in, and "the
37 court" throughout this chapter refers to, the superior court:

1 (1) In the county where the corporation's principal office in
2 this state is located;

3 (2) If the corporation has no principal office in this state, in
4 the county where the corporation's registered agent in this state is
5 located;

6 (3) Of King county; or

7 (4) Of Thurston county.

8 NEW SECTION. **Sec. 1106.** APPLICATION TO EXISTING NONPROFIT
9 CORPORATIONS. (1) This chapter applies to every domestic nonprofit
10 corporation in existence on July 1, 2022, that was incorporated under
11 chapter 24.03 RCW or filed a statement of election through which it
12 elected to have chapter 24.03 RCW apply to it.

13 (2) Any corporation or association organized under any other
14 chapter of Title 24 RCW may be reorganized under this chapter by
15 adopting and filing amendments to its articles in accordance with
16 this chapter. The articles as amended shall conform to this chapter,
17 and shall state that the corporation accepts the benefits of and will
18 be bound by this chapter.

19 NEW SECTION. **Sec. 1107.** APPLICATION TO REGISTERED FOREIGN
20 CORPORATIONS. A foreign nonprofit corporation registered as of June
21 30, 2022, is subject to this chapter but is not required to obtain a
22 new statement of registration to transact business in this state.

23 NEW SECTION. **Sec. 1108.** RELATIONSHIP TO PRIOR STATUTES. (1)
24 Except as provided in subsection (2) of this section, the repeal of
25 chapter 24.03 RCW by this act does not affect:

26 (a) The operation of the repealed chapter or any action taken
27 under it before its repeal;

28 (b) Any ratification, right, remedy, privilege, obligation, or
29 liability acquired, accrued, or incurred under the repealed chapter
30 before its repeal;

31 (c) Any violation of the repealed chapter, or any penalty,
32 forfeiture, or punishment incurred because of the violation, before
33 its repeal; or

34 (d) Any proceeding, reorganization, or dissolution commenced
35 under the repealed chapter before its repeal, and the proceeding,
36 reorganization, or dissolution may be completed in accordance with
37 the repealed chapter as if it had not been repealed.

1 (2) If a penalty or punishment imposed for violation of chapter
2 24.03 RCW repealed by this act is reduced by this chapter, then the
3 penalty or punishment if not already imposed shall be imposed in
4 accordance with this chapter.

5 NEW SECTION. **Sec. 1109.** RELATIONSHIP TO OTHER LAWS. (1) Unless
6 displaced by particular provisions of this chapter, the principles of
7 law and equity supplement this chapter.

8 (2) This chapter does not authorize an act prohibited by, and
9 does not affect the application or requirements of, law other than
10 this chapter.

11 (3) This chapter modifies, limits, or supersedes the federal
12 electronic signatures in global and national commerce act, Title 15
13 U.S.C. Sec. 7001 et seq., but this chapter does not modify, limit, or
14 supersede section 101(c) of that act or authorize delivery by
15 electronic transmission of any of the notices described in section
16 103(b) of that act.

17 NEW SECTION. **Sec. 1110.** SUBORDINATION TO CANON LAW. To the
18 extent religious doctrine or canon law governing the internal affairs
19 of a nonprofit corporation is inconsistent with this chapter, the
20 religious doctrine or canon law controls to the extent required by
21 the United States Constitution, the state Constitution, or both.

22 **ARTICLE 2**

23 **FILING DOCUMENTS—SECRETARY OF STATE**

24

25 NEW SECTION. **Sec. 1201.** APPLICABILITY OF UNIFORM BUSINESS
26 ORGANIZATIONS CODE. Filing of documents under this chapter by the
27 secretary of state is governed by this chapter and chapter 23.95 RCW.

28 NEW SECTION. **Sec. 1202.** FILING REQUIREMENTS. (1) To be entitled
29 to filing by the secretary of state, a record delivered for filing
30 under this chapter must:

31 (a) Satisfy the requirements set forth in RCW 23.95.200;

32 (b) Contain all information required under this chapter and
33 chapter 23.95 RCW;

34 (c) Be executed on behalf of the domestic or foreign entity as
35 follows:

1 (i) If the entity is a domestic or foreign nonprofit corporation,
2 by an officer;

3 (ii) If the entity is not a domestic or foreign nonprofit
4 corporation, by a person with authority to sign for the entity; or

5 (iii) If the entity is in the hands of a custodian, receiver,
6 trustee, or other court-appointed fiduciary, by that fiduciary; and

7 (d) Satisfy the requirements of any other provision of this
8 chapter or chapter 23.95 RCW that adds to or varies any of the
9 requirements in this section.

10 (2) A filed record may include additional information not in
11 conflict with the requirements of subsection (1) of this section.

12 (3)(a) Whenever a provision of this chapter permits any of the
13 terms of a plan or a filed record to be dependent on facts
14 objectively ascertainable outside the plan or filed record, the
15 following provisions apply:

16 (i) The plan or filed record shall set forth the manner in which
17 the facts will operate upon the terms of the plan or filed record.

18 (ii) The facts may include:

19 (A) Any of the following that is available in a nationally
20 recognized news or information medium either in print or
21 electronically: Statistical or market indices, market prices of any
22 security or group of securities, interest rates, currency exchange
23 rates, or similar economic or financial data;

24 (B) A determination or action by any person or body, including
25 the nonprofit corporation or any other party to a plan or filed
26 record; or

27 (C) The terms of, or actions taken under, an agreement to which
28 the corporation is a party, or any other agreement or record.

29 (d) As used in this subsection:

30 (i) "Filed record" means a record filed by the secretary of state
31 under any provision of the Uniform Business Organizations Code or any
32 provision of this chapter except sections 1801 through 1811 of this
33 act, except an annual report filed pursuant to section 1204 of this
34 act; and

35 (ii) "Plan" means a plan of domestication, business conversion,
36 entity conversion, distribution, or merger.

37 NEW SECTION. **Sec. 1203.** ELECTRONIC FILINGS. Any rules
38 governing electronic filing adopted by the secretary of state under
39 RCW 23.95.115(2) apply to all filings required or permitted under

1 this chapter unless such rules, this chapter, or chapter 23.95 RCW
2 specify otherwise.

3 NEW SECTION. **Sec. 1204.** ANNUAL REPORT. Each domestic nonprofit
4 corporation, and each registered foreign nonprofit corporation, shall
5 deliver to the secretary of state for filing an annual report as
6 required under RCW 23.95.255(2).

7 NEW SECTION. **Sec. 1205.** MAJOR CHANGES BY CHARITABLE
8 CORPORATIONS. (1) A charitable corporation shall report any action
9 described in subsection (2) of this section on the next annual report
10 that the charitable corporation delivers to the secretary of state
11 for filing under section 1204 of this act, except as provided in
12 subsection (3) of this section.

13 (2) The actions that create a reporting requirement under this
14 section are:

15 (a) Amendment of the charitable corporation's articles to include
16 one or more purposes of the corporation substantially different from
17 any purpose stated in the charitable corporation's articles in effect
18 before the amendment; or

19 (b) Operation of a significant program or activity that is
20 substantially different from both:

21 (i) Programs or activities the charitable corporation has
22 previously operated; and

23 (ii) Programs or activities described in the most recent
24 application for recognition of exemption from federal income tax that
25 the charitable corporation has filed with the internal revenue
26 service and in response to which the internal revenue service has
27 issued a determination letter of tax-exempt status to the charitable
28 corporation.

29 (3) A charitable corporation is not required to report actions
30 described in subsection (2) of this section:

31 (a) If the charitable corporation was a religious corporation
32 both before and after it took the action;

33 (b) Within the charitable corporation's first three years of
34 existence, if all programs or activities the charitable corporation
35 operates are consistent with the purposes set forth in the charitable
36 corporation's articles; or

37 (c) When the charitable corporation operates a program or
38 activity described in subsection (2)(b) of this section, if all funds

1 expended to conduct such a program or activity are derived only from
2 one or more of the following sources:

3 (i) Contributions or sales in response to one or more
4 solicitations in which:

5 (A) The program or activity was clearly described; and

6 (B) A statement was made that implies that the corporation will
7 apply any contribution, or proceeds from any sale, in connection with
8 those solicitations toward the program or activity;

9 (ii) Admissions, performance of services, or furnishing of
10 facilities;

11 (iii) Sales of goods not in connection with any solicitation;

12 (iv) Income from investments of the charitable corporation that
13 is not subject to any gift restriction; or

14 (v) Revenue from any source that is recognized after the program
15 or activity has been in continuous operation and disclosed to the
16 general public for a period of at least three years.

17 (4) The secretary of state shall deliver to the attorney general
18 a copy of every annual report filed by the secretary of state that
19 includes a report described in this section.

20 NEW SECTION. **Sec. 1206.** POWERS OF SECRETARY OF STATE. The
21 secretary of state has the powers reasonably necessary to perform the
22 duties required by this chapter, including adoption, amendment, or
23 repeal of rules under chapter 34.05 RCW for the efficient
24 administration of this chapter.

25 NEW SECTION. **Sec. 1207.** FEES. The secretary of state may adopt
26 rules in accordance with chapter 34.05 RCW setting fees for any
27 services provided by the secretary of state under this chapter.

28 **ARTICLE 3**
29 **INCORPORATION**

30 NEW SECTION. **Sec. 1301.** INCORPORATORS. One or more individuals
31 may act as the incorporators of a nonprofit corporation by delivering
32 articles of incorporation to the secretary of state for filing.
33 Individuals acting as incorporators must be at least eighteen years
34 old.

1 NEW SECTION. **Sec. 1302.** CORPORATE NAME. The name or any
2 reserved name of a nonprofit corporation is governed by chapter 23.95
3 RCW.

4 NEW SECTION. **Sec. 1303.** ARTICLES OF INCORPORATION. (1) The
5 articles of incorporation shall set forth:

6 (a) A name for the nonprofit corporation that satisfies the
7 requirements of section 1302 of this act;

8 (b) The name and address of the corporation's initial registered
9 agent;

10 (c) That the corporation is incorporated under this chapter;

11 (d) The purpose or purposes for which the corporation is
12 organized;

13 (e) The number of directors constituting the initial board of
14 directors, and the names and mailing addresses of the persons who are
15 to serve as the initial directors;

16 (f) If the corporation will have members as defined in section
17 1102 of this act, a statement that the corporation will have members;

18 (g) The distribution of assets upon dissolution;

19 (h) The name and mailing address of each incorporator; and

20 (i) The signature of each incorporator.

21 (2) The articles of incorporation may set forth:

22 (a) A statement that the corporation has no members as defined in
23 this chapter (whether or not the corporation uses the term "member"
24 to define one or more classes of persons who are not members as
25 defined in this chapter);

26 (b) The names of the initial members, if any;

27 (c) Provisions not inconsistent with law regarding:

28 (i) Managing the business and regulating the affairs of the
29 corporation;

30 (ii) Defining, limiting, and regulating the powers of the
31 corporation, its board of directors, and the members, if any;

32 (iii) The characteristics, qualifications, rights, limitations,
33 and obligations attaching to each or any class of members;

34 (d) A provision permitting or making obligatory indemnification
35 of any individual made a party to a proceeding because the individual
36 is or was a director against liability incurred in the proceeding,
37 subject to the limitations set forth in section 2706 of this act;

38 (e) Provisions required if the corporation is to be exempt from
39 taxation under federal, state, or local law; or

1 (f) Any other provision that this chapter specifically permits to
2 be set forth in the articles or bylaws.

3 (3) The articles of incorporation need not set forth any of the
4 corporate powers enumerated in this chapter.

5 (4) Provisions of the articles may be made dependent upon facts
6 objectively ascertainable outside the articles in accordance with
7 section 1202(3) of this act.

8 NEW SECTION. **Sec. 1304.** EFFECTIVENESS OF INCORPORATION. (1)

9 Unless a delayed effective date is specified, the corporate existence
10 begins on the date the articles are filed by the secretary of state.

11 (2) The filing of the articles by the secretary of state is
12 conclusive proof that the incorporators satisfied all conditions
13 precedent to incorporation except in a proceeding by this state to
14 cancel or revoke the incorporation or involuntarily dissolve the
15 nonprofit corporation.

16 NEW SECTION. **Sec. 1305.** REQUIREMENT OF REGISTERED AGENT. (1)

17 Each nonprofit corporation shall designate and maintain a registered
18 agent in this state.

19 (2) The designation and maintenance of a nonprofit corporation's
20 registered agent are governed by chapter 23.95 RCW.

21 NEW SECTION. **Sec. 1306.** LIABILITY FOR PREINCORPORATION
22 TRANSACTIONS. All persons purporting to act as or on behalf of a
23 nonprofit corporation, knowing there was no incorporation under this
24 chapter, are jointly and severally liable for all liabilities created
25 while so acting.

26 NEW SECTION. **Sec. 1307.** ORGANIZATION OF CORPORATIONS. (1) After
27 incorporation:

28 (a) The initial directors shall hold an organizational meeting at
29 the call of a majority of the initial directors to complete the
30 organization of the nonprofit corporation by appointing officers,
31 adopting bylaws, and carrying on any other business brought before
32 the meeting; and

33 (b) If the initial directors resign or refuse to meet, then the
34 incorporator or incorporators shall hold a meeting at the call of a
35 majority of the incorporators to elect a board of directors who shall
36 complete the organization of the corporation.

1 (2) An organizational meeting may be held in or out of this
2 state.

3 (3) The directors or incorporators may take organizational action
4 without a meeting if the action taken is evidenced by one or more
5 consents in the form of a record describing the action taken and
6 executed by each director or incorporator.

7 NEW SECTION. **Sec. 1308.** BYLAWS. (1) The board shall adopt
8 initial bylaws for the corporation.

9 (2) The bylaws may contain any provision for managing the
10 activities and regulating the affairs of the corporation that is not
11 inconsistent with law or the articles. Whenever a provision of the
12 bylaws is inconsistent with a provision of the articles, the
13 provision of the articles controls.

14 **ARTICLE 4**

15 **PURPOSES, POWERS, AND LIMITATIONS**

16 NEW SECTION. **Sec. 1401.** PURPOSES. (1) Nonprofit corporations
17 may be organized under this chapter for the purpose of engaging in
18 any lawful activity. A nonprofit corporation may set forth a more
19 limited purpose or purposes in its articles.

20 (2) A charitable corporation formed after July 1, 2021, must be
21 organized under this chapter, unless incorporating under this chapter
22 is prohibited by another statute of this state.

23 (3) A corporation engaging in an activity that is subject to
24 regulation under another statute of this state may incorporate under
25 this chapter only if incorporating under this chapter is not
26 prohibited by the other statute. The corporation is subject to all
27 the limitations of the other statute. Organizations subject to any
28 provision of the banking or insurance laws of this state may not be
29 organized under this chapter, except that any nonprofit corporation
30 heretofore organized under any act hereby repealed and existing for
31 the purpose of providing health care services as defined in RCW
32 48.44.010 or 48.46.020, as now or hereafter amended, continues to be
33 organized under this chapter.

34 NEW SECTION. **Sec. 1402.** POWER TO MODIFY PURPOSES. (1) Unless
35 otherwise prohibited by its articles or bylaws, a nonprofit

1 corporation, including a charitable corporation, may modify its
2 purposes by:

3 (a) Amending its articles or bylaws in accordance with this
4 chapter and with those documents; and

5 (b) Making provision for any gift restrictions as defined in
6 section 1502 of this act, either by ensuring continued adherence to
7 those restrictions or by obtaining modification as provided in
8 section 1503 of this act.

9 (2) A decision to modify the corporation's purposes is subject to
10 judicial review only with respect to violations of this chapter or
11 other applicable law.

12 NEW SECTION. **Sec. 1403.** GENERAL POWERS. Unless its articles
13 provide otherwise, every nonprofit corporation has perpetual duration
14 and has the same powers as an individual to do all things necessary
15 or convenient to carry out its affairs including, without limitation,
16 power to:

17 (1) Sue and be sued, complain and defend in its corporate name;

18 (2) Have a corporate seal, which may be altered at will, and to
19 use it, or a facsimile of it, by impressing or affixing it or in any
20 other manner reproducing it;

21 (3) Make and amend bylaws and policies, not inconsistent with its
22 articles or with the laws of this state, for managing and regulating
23 the affairs of the corporation;

24 (4) Purchase, receive, lease, or otherwise acquire, and own,
25 hold, improve, use, and otherwise deal with, real or personal
26 property, or any legal or equitable interest in property, wherever
27 located;

28 (5) Sell, convey, mortgage, pledge, lease, exchange, and
29 otherwise dispose of all or any part of its property;

30 (6) Purchase, receive, subscribe for, or otherwise acquire, own,
31 hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose
32 of, and deal in and with shares or other interests in, or obligations
33 of, any other entity;

34 (7) Make contracts; make guarantees that may reasonably be
35 expected to benefit, directly or indirectly, the guarantor
36 corporation; incur liabilities; borrow money; issue notes; bonds, and
37 other obligations; and secure any of its obligations by mortgage or
38 pledge of any of its property or income;

1 (8) Lend money, invest and reinvest its funds, and receive and
2 hold real and personal property as security for repayment, except as
3 limited by section 2701 of this act;

4 (9) Be a promoter, partner, shareholder, member, trustee,
5 associate, or manager of any partnership, joint venture, trust, or
6 other entity;

7 (10) Conduct its activities, locate offices, and exercise the
8 powers granted by this chapter within or without this state;

9 (11) Elect directors and appoint officers, employees, and agents
10 of the corporation, define their duties, fix their compensation, and
11 lend them money and credit, except as limited by sections 2701 and
12 2702 of this act;

13 (12) Pay pensions and establish pension plans, pension trusts,
14 and benefit or incentive plans for any or all of its current or
15 former directors, officers, employees, and agents, except as limited
16 by section 2702 of this act;

17 (13) Make donations for charitable purposes;

18 (14) Impose dues, assessments, admission, and transfer fees on
19 its members;

20 (15) Establish conditions for admission or removal of members,
21 admit or remove members, and issue memberships;

22 (16) Carry on a business, and, subject to the requirements of
23 sections 1406 and 2702 of this act, make net profits and accumulate
24 reserves; and

25 (17) Make payments or donations, or do any other acts, not
26 inconsistent with law, that further the purposes, activities, and
27 affairs of the corporation.

28 NEW SECTION. **Sec. 1404.** EMERGENCY POWERS. (1) For purposes of
29 this section, an emergency exists if a quorum of the directors cannot
30 readily be assembled because of some catastrophic event. A
31 catastrophic event is a sudden, natural or man-made situation where
32 rapid change or destruction has occurred that has limited normal
33 functions in daily living including communications and travel.

34 (2) In anticipation of and for the duration of an emergency, the
35 board of a nonprofit corporation may:

36 (a) Modify lines of succession to accommodate the incapacity of
37 any director, officer, employee, or agent; and

38 (b) Take those actions necessary to preserve the corporation and
39 ensure that it acts in accordance with its purposes.

1 (3) During an emergency, unless the articles or bylaws provide
2 otherwise:

3 (a) Notice of a meeting of the board need be given only to those
4 directors it is practicable to reach and may be given in any
5 practicable manner;

6 (b) The quorum required under section 2504 of this act or the
7 articles or bylaws need not be established at such a meeting; and

8 (c) One or more officers of the nonprofit corporation present at
9 a meeting of the board may be deemed to be directors for purposes of
10 the meeting.

11 (4) In anticipation of and for the duration of an emergency, any
12 meeting of the membership or of the board of directors may be
13 conducted through one or more means of remote communication through
14 which members or directors not physically present may simultaneously
15 participate with each other during the meeting, notwithstanding any
16 provision of the articles or bylaws that provides otherwise. A member
17 or director participating in a meeting through such means in
18 anticipation of and for the duration of an emergency is considered
19 present in person at the meeting.

20 (5) Corporate action taken in good faith during an emergency to
21 further the purposes and the ordinary affairs of the nonprofit
22 corporation:

23 (a) Binds the corporation; and

24 (b) May not be used to impose liability on a director, officer,
25 employee, or agent.

26 NEW SECTION. **Sec. 1405.** ULTRA VIRES ACTION. (1) Except as
27 provided in subsection (2) of this section, the validity of corporate
28 action may not be challenged on the ground that the nonprofit
29 corporation lacks or lacked power to act.

30 (2) The power of a nonprofit corporation to act may be
31 challenged:

32 (a) In a proceeding by the corporation, directly or through a
33 receiver, trustee, or other legal representative, against an
34 incumbent or former director, officer, employee, or agent of the
35 corporation; or

36 (b) In a proceeding by the attorney general under section 3605 of
37 this act.

1 NEW SECTION. **Sec. 1406.** DISTRIBUTIONS PROHIBITED. (1) A
2 nonprofit corporation shall not distribute any property held for
3 charitable purposes to its members, directors, officers, or other
4 persons who are in a position to exercise substantial influence over
5 the affairs of the corporation, except:

6 (a) As permitted under section 1407 of this act;

7 (b) To another entity that is a charitable corporation or is
8 organized and operated exclusively for one or more charitable
9 purposes; or

10 (c) To the federal government, a tribal government, or a state or
11 local government for a public purpose.

12 (2) A nonprofit corporation shall not pay dividends or make
13 distributions of any part of its assets, income, or profits to its
14 members, directors, officers, or other persons who are in a position
15 to exercise substantial influence over the affairs of the
16 corporation, except as permitted under:

17 (a) Subsection (1)(b) or (c) of this section;

18 (b) Subsection (3) of this section;

19 (c) Section 1407 of this act; or

20 (d) Section 3502 of this act.

21 (3) A nonprofit corporation other than a charitable corporation
22 may confer benefits upon or make transfers to members or nonmembers
23 in conformity with its purposes, repurchase its memberships only to
24 the extent provided in section 2114 of this act, or repay capital
25 contributions, subject to the following conditions:

26 (a) Property held for charitable purposes may not be used to
27 confer benefits upon or make transfers to members or nonmembers,
28 repurchase memberships, or repay capital contributions;

29 (b) The nonprofit corporation may not be insolvent, and conferral
30 of benefits, making of transfers, repurchase of memberships, or
31 repayment of capital contributions shall not render the corporation
32 insolvent or unable to carry out its purposes; and

33 (c) The fair value of the corporation's assets remaining after
34 the conferring of benefits, making of transfers, repurchase, or
35 repayment must be sufficient to meet the corporation's liabilities.

36 NEW SECTION. **Sec. 1407.** REASONABLE COMPENSATION PERMITTED. A
37 nonprofit corporation, including a charitable corporation, may pay
38 reasonable compensation to members, directors, or officers for

1 services rendered, or reimburse reasonable expenses incurred by
2 members, directors, or officers in connection with services rendered.

3 NEW SECTION. **Sec. 1408.** PROPERTY HELD FOR CHARITABLE PURPOSES.

4 (1) Property owned by a nonprofit corporation is held for charitable
5 purposes if:

6 (a) The corporation is a charitable corporation;

7 (b) The property is subject to restrictions contained in a gift
8 instrument that limit its use only to one or more charitable
9 purposes; or

10 (c) The property is subject to restrictions contained in the
11 corporation's articles, bylaws, or any record adopted by the
12 corporation's board, or to other limitations in the form of a record,
13 that limit its use only to one or more charitable purposes.

14 (2) In no event may property held for charitable purposes be
15 distributed in a manner inconsistent with sections 1407, 3404, or
16 3502 of this act.

17 NEW SECTION. **Sec. 1409.** DEBT AND SECURITY INTERESTS. (1) A

18 nonprofit corporation shall not issue bonds or other evidences of
19 indebtedness except for cash or other property, tangible or
20 intangible, or labor or services actually received by or performed
21 for the corporation or for its benefit or in its formation or
22 reorganization, or a combination thereof.

23 (2) The board may authorize a mortgage or pledge of, or the
24 creation of a security interest in, all or any part of the property
25 of the nonprofit corporation, or any interest therein. Unless
26 otherwise provided in the articles or bylaws, the vote or consent of
27 the members is not required to make effective such an action by the
28 board.

29 NEW SECTION. **Sec. 1410.** PRIVATE FOUNDATIONS. (1) Except as

30 provided in subsection (2) of this section, a nonprofit corporation
31 that is a private foundation as defined in section 509(a) of the
32 Internal Revenue Code shall:

33 (a) Distribute sufficient amounts for each taxable year at a time
34 and in a manner so as not to subject the corporation to tax under
35 section 4942 of the Internal Revenue Code;

36 (b) Not engage in any act of self-dealing as defined in section
37 4941(d) of the Internal Revenue Code;

1 (c) Not retain any excess business holdings as defined in section
2 4943(c) of the Internal Revenue Code;

3 (d) Not make any investments in a manner that subjects the
4 corporation to tax under section 4944 of the Internal Revenue Code;
5 and

6 (e) Not make any taxable expenditures as defined in section
7 4945(d) of the Internal Revenue Code.

8 (2) Subsection (1) of this section does not apply to a nonprofit
9 corporation incorporated before January 1, 1970, that has been
10 properly relieved from the requirements of section 508(e)(1) of the
11 Internal Revenue Code by a timely judicial proceeding.

12 **ARTICLE 5**

13 **GIFT RESTRICTIONS**

14 NEW SECTION. **Sec. 1501.** UNRESTRICTED GIFTS. Giving a gift to a
15 nonprofit corporation, including a charitable corporation, without a
16 gift instrument transfers complete ownership of the gift to the
17 nonprofit corporation. A restricted gift to a nonprofit corporation
18 is created only by a gift instrument.

19 NEW SECTION. **Sec. 1502.** RESTRICTED GIFTS. (1) This section
20 distinguishes between:

21 (a) Enforceable trusts held by a nonprofit corporation, including
22 a charitable corporation, governed under chapter 11.110 RCW; and

23 (b) Gift restrictions whose terms may be enforced and are subject
24 to modification under this chapter or other applicable law.

25 (2) A gift to a nonprofit corporation, including a charitable
26 corporation, does not create a charitable trust unless:

27 (a) The donor expresses an intent to create a charitable trust;
28 and

29 (b) The trustee, which may be a charitable corporation, agrees in
30 the form of a record to act as trustee of that trust according to its
31 terms.

32 (3) Giving a gift to a nonprofit corporation, including a
33 charitable corporation, that is: (a) Accepted by the corporation; (b)
34 not in trust; and (c) subject to material restrictions or
35 requirements contained in a gift instrument transfers complete
36 ownership to the nonprofit corporation. The nonprofit corporation is

1 bound by the material restrictions or requirements contained in the
2 gift instrument.

3 (4) A nonprofit corporation complies with a term contained in a
4 gift instrument if the nonprofit corporation reasonably complies with
5 all material restrictions or requirements contained in the term, or,
6 when appropriate under the facts and circumstances, seeks
7 modification in accordance with section 1503 of this act.

8 (5) If the nonprofit corporation fails to comply with any
9 material restriction or requirement contained in a gift instrument
10 and fails to seek a modification in accordance with section 1503 of
11 this act, then the attorney general may bring a proceeding to enforce
12 the terms of the gift instrument.

13 NEW SECTION. **Sec. 1503.** MODIFICATION OR RELEASE OF GIFT
14 RESTRICTIONS. (1) A term of a gift instrument that binds a nonprofit
15 corporation may be modified or released, in whole or in part:

- 16 (a) If the donor consents in a record;
17 (b) As set forth in subsection (2) of this section, if the term
18 is unlawful, impracticable, impossible to achieve, or wasteful;
19 (c) For gift instruments limiting the use of property to one or
20 more charitable purposes, through a binding agreement executed by the
21 nonprofit corporation, the attorney general, and other interested
22 parties, and filed with or approved by the court in accordance with
23 section 1504 of this act;
24 (d) By approval of the court in accordance with section 1505 of
25 this act; or
26 (e) As provided by other applicable law including, but not
27 limited to, chapter 24.55 RCW.

28 (2) If a nonprofit corporation, including a charitable
29 corporation, determines that a restriction contained in a gift
30 instrument on the management, investment, or purpose of a gift is
31 unlawful, impracticable, impossible to achieve, or wasteful, then the
32 nonprofit corporation, sixty days after notification to the attorney
33 general, may modify the restriction, in whole or part, if:

- 34 (a) The gift subject to the restriction has a total value
35 consistent with RCW 24.55.045(4) (a) or any successor provision;
36 (b) More than twenty years have elapsed since the gift was given;
37 and

1 (c) The nonprofit corporation uses the gift in a manner
2 consistent with any charitable purposes expressed in the gift
3 instrument.

4 (3) Application of sections 1501 through 1506 of this act to
5 existing gifts:

6 (a) Before July 1, 2022, sections 1501 through 1506 of this act
7 apply to gifts existing on June 30, 2021, only if the institution's
8 governing body elects to apply sections 1501 through 1506 of this act
9 to existing gifts before July 1, 2022.

10 (b) On or after July 1, 2022, sections 1501 through 1506 of this
11 act apply to all gifts.

12 (c) As applied to gifts existing on June 30, 2021, sections 1501
13 through 1506 of this act govern only decisions made or actions taken
14 on or after July 1, 2022, except that in the case of a nonprofit
15 corporation that makes the election under subsection (1) of this
16 section sections 1501 through 1506 of this act govern decisions made
17 or actions taken on or after the date the nonprofit corporation
18 elects to be covered by sections 1501 through 1506 of this act.

19 NEW SECTION. **Sec. 1504.** BINDING AGREEMENT TO MODIFY OR RELEASE
20 RESTRICTIONS. (1) If a gift instrument limits the use of the gift to
21 one or more charitable purposes, and the conditions set forth in
22 subsection (3) or (4) of this section are satisfied, then the gift
23 instrument may be modified by agreement of the nonprofit corporation,
24 the attorney general, and all other interested parties.

25 (2) For purposes of this section, an "interested party" does not
26 include:

27 (a) The donor; or

28 (b) Any member of any charitable class that the gift would
29 benefit, either before or after the modifications to be made by the
30 agreement.

31 (3) A restriction related to a gift's management or investment
32 may be modified by an agreement described in subsection (1) of this
33 section if:

34 (a) Because of circumstances not anticipated by the donor,
35 modification will further the charitable purpose of the gift;

36 (b) Enforcement of the restriction has become impracticable or
37 wasteful; or

38 (c) Enforcement of the restriction impairs the management or
39 investment of the gift.

1 (4) A restriction on the use of a gift relating to the gift's
2 charitable purpose, rather than its management or investment, may be
3 modified by an agreement described in subsection (1) of this section
4 if the purpose becomes unlawful, impracticable, impossible to
5 achieve, or wasteful.

6 (5) An agreement described in subsection (1) of this section
7 must:

8 (a) Be in writing and executed by all of the parties;

9 (b) Be binding and conclusive on the nonprofit corporation and
10 all other parties with a beneficial interest in the gift;

11 (c) Identify the gift instrument and the term or terms of the
12 gift instrument that it modifies;

13 (d) Describe completely the modifications that it would make;

14 (e) Set forth the reasons why the modifications would comply with
15 subsection (3) or (4) of this section; and

16 (f) State changes to the charitable purposes to which the use of
17 the gift is limited, if any, resulting from the modifications.

18 (6) The nonprofit corporation or its legal representative may
19 file the executed agreement with the court within thirty days of the
20 agreement's execution by all parties. Upon filing of the executed
21 agreement with the court:

22 (a) The agreement becomes effective and equivalent to a final
23 court order binding on the nonprofit corporation and all other
24 parties with a beneficial interest in the use of the gift, and

25 (b) The modifications are deemed approved by the court, and have
26 the same effect as if the court ordered them pursuant to section 1505
27 of this act.

28 (7) The nonprofit corporation or its legal representative may, as
29 an alternative to the procedure described in subsection (6) of this
30 section, petition the court for a hearing for presentation of an
31 agreement entered under this section to the court within twenty-one
32 days of the agreement's execution by all parties. The nonprofit
33 corporation shall (a) provide notice of the time and date of the
34 hearing to each party to the agreement unless that party has waived
35 notice in the form of a record, and (b) file proof of mailing or
36 delivery of the notice or waiver with the court. At the hearing, the
37 court shall review the agreement on behalf of all the parties. The
38 court shall determine whether the agreement adequately represents and
39 protects the interests of the parties and the public interest, and
40 enter an order declaring its determination. If the court determines

1 that the agreement does not adequately represent and protect those
2 interests, then the agreement is void.

3 NEW SECTION. **Sec. 1505.** JUDICIAL MODIFICATION OR RELEASE OF
4 RESTRICTIONS. (1) The court may modify a restriction related to a
5 gift's management or investment, rather than to its charitable
6 purpose, if:

7 (a) Because of circumstances not anticipated by the donor,
8 modification will further the charitable purpose of the gift;

9 (b) Enforcement of the restriction has become impracticable or
10 wasteful; or

11 (c) Enforcement of the restriction impairs the management or
12 investment of the gift.

13 (2) The court may modify a restriction on the use of a gift
14 relating to the charitable purpose of the gift, rather than its
15 management or investment, if the purpose becomes unlawful,
16 impracticable, impossible to achieve, or wasteful.

17 (3) If the gift instrument provides for a forfeiture or gift-over
18 to an alternative beneficiary, then the court may modify one or more
19 restrictions under the procedure set out in subsection (1) of this
20 section if a management or investment provision fails. The court may
21 not, however, modify any restriction under the procedure set out in
22 subsection (2) of this section to defeat the interest of an alternate
23 beneficiary unless the beneficiary would also be subject to, and
24 unable to perform, the term requiring modification. The alternative
25 beneficiary is entitled to notice and may participate in the
26 determination of whether to grant modification.

27 (4) Any modification made by the court must, to the extent
28 possible, be made in a manner consistent with the charitable purposes
29 as expressed in the gift instrument.

30 (5) A nonprofit corporation shall notify the attorney general
31 whenever it seeks to modify a charitable gift restriction under this
32 section and the court shall offer the attorney general an opportunity
33 to be heard.

34 NEW SECTION. **Sec. 1506.** CHARITABLE PURPOSE SURVIVES.
35 Modification or release of a gift restriction shall not allow a gift
36 to be used for a purpose other than a charitable purpose.

1 **BOOKS AND RECORDS**

2 NEW SECTION. **Sec. 1601.** CORPORATE RECORDS. (1) A nonprofit
3 corporation shall keep permanently a copy of the following records:

4 (a) Minutes of all meetings of its members and of its board of
5 directors;

6 (b) A record of all actions taken by the members and board of
7 directors by unanimous written consent; and

8 (c) A record of all actions taken on behalf of the corporation by
9 a committee of the board.

10 (2) A nonprofit corporation shall keep a current copy of the
11 following records:

12 (a) Its articles of incorporation or restated articles of
13 incorporation and all amendments to them currently in effect;

14 (b) Its bylaws or restated bylaws and all amendments to them
15 currently in effect;

16 (c) All communications in the form of a record to members
17 generally within the past six years, including the financial
18 statements furnished for the past six years under section 1604 of
19 this act;

20 (d) A list of the names and business addresses of its current
21 directors and officers; and

22 (e) Its most recent annual report delivered to the secretary of
23 state under section 1204 of this act.

24 (3) A nonprofit corporation shall maintain appropriate accounting
25 records.

26 (4) A membership corporation or its agent shall maintain a record
27 of its members, in a form that permits preparation of a list of the
28 names and addresses of all members, in alphabetical order by class,
29 showing the number of votes each member is entitled to cast.

30 (5) A nonprofit corporation shall maintain its records in written
31 form or in any other form of a record.

32 (6) All records required to be maintained by a nonprofit
33 corporation may be maintained at any location within or without this
34 state.

35 NEW SECTION. **Sec. 1602.** INSPECTION BY MEMBERS. (1) A member of
36 a nonprofit corporation may inspect and copy, during regular business
37 hours at a reasonable location specified by the corporation, any of
38 the records the corporation is required to maintain under section 155

1 1601 of this act, if the member delivers to the corporation an
2 executed notice in the form of a record at least five business days
3 before the date on which the member wishes to inspect and copy the
4 records.

5 (2) Subject to the limitations set forth in (c) and (d) of this
6 subsection, a member of a nonprofit corporation may inspect and copy,
7 during regular business hours at a reasonable location specified by
8 the corporation, any of the following records of the corporation, if
9 the member delivers to the corporation an executed notice in the form
10 of a record at least five business days before the date on which the
11 member wishes to inspect and copy the records:

12 (a) Excerpts from those minutes and records required to be
13 maintained under section 1601(1) of this act;

14 (b) Accounting records of the corporation described in section
15 1601(3) of this act; and

16 (c) Subject to subsection (3) of this section and section 1607 of
17 this act, the membership list described in section 1601(4) of this
18 act.

19 (3) A nonprofit corporation may withhold from inspection under
20 this section:

21 (a) Those portions of records that contain information protected
22 by the attorney-client privilege or related work product;

23 (b) The address of any member who is known to the corporation to
24 be a participant in the address confidentiality program described in
25 chapter 40.24 RCW or any similar program established by law;

26 (c) Those portions of records, which, if disclosed, would be
27 reasonably likely to result in harm to the corporation or a third
28 party, such as disciplinary actions involving nondirector members,
29 identities of job applicants, discussions of strategic acquisitions,
30 records that are required to be kept confidential under obligations
31 to a third party, etc.; or

32 (d) Any information that a nonprofit corporation is required to
33 keep confidential under any other law.

34 (4) A member may inspect and copy the records described in
35 subsection (2) of this section only if the:

36 (a) Member's demand is made in good faith and for a proper
37 purpose;

38 (b) Member describes with reasonable particularity the purpose
39 and the records the member desires to inspect;

1 (c) Member agrees in the form of a record to reasonable
2 restrictions required by the board on the use or distribution of the
3 records; and

4 (d) Records are directly connected with this purpose.

5 (5) The right of inspection granted by this section may not be
6 abolished or limited by a nonprofit corporation's articles or bylaws.

7 (6) This section does not affect the:

8 (a) Right of a member to inspect records as part of discovery in
9 connection with litigation; or

10 (b) Power of any court of competent jurisdiction, independently
11 of this chapter, to compel the production of corporate records for
12 examination.

13 NEW SECTION. **Sec. 1603.** SCOPE OF MEMBER'S INSPECTION RIGHT. (1)
14 A member's agent or attorney has the same inspection and copying
15 rights as the member represented.

16 (2) The right to copy records under section 1602 of this act
17 includes, if reasonable, the right to receive copies. Copies may be
18 provided through electronic transmission unless the member requests
19 otherwise in the form of a record.

20 (3) The nonprofit corporation may comply with a member's demand
21 to inspect and copy the list of members under section 1602(2)(c) of
22 this act by providing the member for a reasonable charge as described
23 in subsection (4) of this section with a list of members that was
24 compiled no earlier than the date of the member's demand.

25 (4) The nonprofit corporation shall provide a copy of its
26 articles and bylaws at no cost to a member on request. The nonprofit
27 corporation may impose a reasonable charge, covering the costs of
28 labor and material, for copies of any other documents provided to the
29 member. The charge may not exceed the estimated cost of production,
30 reproduction, or transmission of the records.

31 NEW SECTION. **Sec. 1604.** FINANCIAL STATEMENTS FOR MEMBERS. (1)
32 Except as provided in the articles or bylaws of a nonprofit
33 corporation engaged in religious activity, upon a demand in the form
34 of a record from a member, a corporation shall furnish that member
35 with its latest annual financial statements, which may be
36 consolidated or combined statements of the corporation and one or
37 more of its subsidiaries, as appropriate, that include a balance
38 sheet as of the end of the fiscal year and a statement of operations.

1 for the year. If financial statements are prepared for the
2 corporation on the basis of generally accepted accounting principles,
3 then the annual financial statements must also be prepared on that
4 basis.

5 (2) If the annual financial statements are reported upon by a
6 certified public accountant, then the accountant's report shall
7 accompany them. If not, then the statements must be accompanied by a
8 statement of the president or the person responsible for the
9 nonprofit corporation's accounting records:

10 (a) Stating the reasonable belief of the president or other
11 person as to whether the statements were prepared on the basis of
12 generally accepted accounting principles and, if not, describing the
13 basis of preparation; and

14 (b) Describing any respects in which the statements were not
15 prepared on a basis of accounting consistent with the statements
16 prepared for the preceding year.

17 NEW SECTION. **Sec. 1605.** COURT-ORDERED INSPECTION. (1) If a
18 nonprofit corporation does not allow a member who complies with
19 section 1602(1) of this act to inspect and copy any records required
20 by that subsection to be available for inspection, then the court may
21 summarily order inspection and copying of the records demanded at the
22 corporation's expense upon application of the member.

23 (2) If a nonprofit corporation does not within a reasonable time
24 allow a member to inspect and copy any other record to which the
25 member is entitled under section 1602(2) of this act, then the member
26 who complies with section 1602 (3) and (4) of this act may apply to
27 the court for an order to permit inspection and copying of the
28 records demanded. The court shall dispose of an application under
29 this subsection on an expedited basis. The court may inspect the
30 records in question *in camera* and determine the extent of required
31 disclosure, if any, in light of section 1602 of this act. In making
32 that determination, the court shall consider the probability and
33 extent of potential harm to the corporation or any third party that
34 may result from inspection, and the probability and extent of benefit
35 to the corporation or the member.

36 (3) If the court orders inspection and copying of the records
37 demanded, then it shall also order the nonprofit corporation to pay
38 the member's costs, including reasonable attorneys' fees, incurred to
39 obtain the order, unless the corporation proves that it refused

1 inspection in good faith because it had a reasonable basis for doubt
2 about the right of the member to inspect the records demanded. If the
3 court denies the majority of the request for inspection and copying,
4 it may order the member to pay part or all of the nonprofit
5 corporation's costs, including reasonable attorneys' fees.

6 (4) If the court orders inspection and copying of the records
7 demanded, then it may impose reasonable restrictions on the use or
8 distribution of the records by the demanding member.

9 NEW SECTION. **Sec. 1606.** INSPECTION BY DIRECTORS. (1) A director
10 of a nonprofit corporation may inspect and copy the books, records,
11 and documents of the corporation at any reasonable time to the extent
12 reasonably related to the performance of the director's duties as a
13 director, including duties as a member of a committee, but not for
14 any other purpose or in any manner that would violate any duty to the
15 corporation or law other than this chapter.

16 (2) The court may order inspection and copying of the books,
17 records, and documents at the corporation's expense, upon application
18 of a director who has been refused the inspection rights set out in
19 subsection (1) of this section, unless the corporation establishes
20 that the director is not entitled to those inspection rights. The
21 court shall dispose of an application under this subsection on an
22 expedited basis.

23 (3) If an order is issued, then the court may include provisions
24 protecting the nonprofit corporation from undue burden or expense,
25 and prohibiting the director from using information obtained upon
26 exercise of the inspection rights in a manner that would violate a
27 duty to the corporation, and may also order the corporation to
28 reimburse the director for the director's costs, including reasonable
29 attorneys' fees, incurred in connection with the application.

30 NEW SECTION. **Sec. 1607.** USE OF MEMBERSHIP LIST. (1) Without the
31 consent of the board, a membership list or any part thereof may not
32 be obtained or used by any person for any purpose unrelated to a
33 member's interest as a member. Without limiting the generality of the
34 foregoing, without the consent of the board, a membership list or any
35 part thereof may not be:

36 (a) Used to solicit cash or other property unless the cash or
37 other property will be used solely to solicit the votes of the
38 members in an election to be held by the nonprofit corporation;

1 (b) Used for any commercial purpose; or

2 (c) Sold to or purchased by any person.

3 (2) Instead of making a membership list available for inspection
4 and copying under sections 1601 through 1607 of this act, a nonprofit
5 corporation may elect to proceed under the procedures set forth in
6 section 2304(6) of this act.

7 **ARTICLE 7**

8 **PUBLIC BENEFIT CORPORATIONS**

9 NEW SECTION. **Sec. 1701.** PUBLIC BENEFIT DESIGNATION. (1) There
10 is hereby established the special designation of "public benefit
11 nonprofit corporation." A corporation may be designated as a public
12 benefit nonprofit corporation if it meets the following requirements:

13 (a) The corporation complies with this chapter; and

14 (b) The corporation is currently recognized by the internal
15 revenue service as an organization described in section 501(c)(3) of
16 the Internal Revenue Code or is exempt from applying for that
17 recognition under section 508(c) of the Internal Revenue Code.

18 (2) A temporary designation as a public benefit nonprofit
19 corporation may be provided to a corporation that has applied to the
20 internal revenue service for recognition of its status as an
21 organization described in section 501(c)(3) of the Internal Revenue
22 Code. The temporary designation is valid for up to one year and may
23 be renewed at the discretion of the secretary of state.

24 (3) Designation of a corporation as a public benefit nonprofit
25 corporation does not alter the applicability to the corporation of
26 any other provision of this chapter.

27 NEW SECTION. **Sec. 1702.** APPLICATION AND RENEWAL. (1) The
28 secretary of state shall develop an application process for new and
29 existing corporations to apply for public benefit nonprofit
30 corporation status.

31 (2) Public benefit nonprofit corporation status must be renewed
32 annually. The secretary of state may schedule renewals in conjunction
33 with the corporation's annual report.

34 NEW SECTION. **Sec. 1703.** REMOVAL OF STATUS. The secretary of
35 state may remove a corporation's public benefit nonprofit corporation
36 designation if the corporation does not comply with this chapter or

1 the internal revenue service revokes recognition of the corporation's
2 status as an organization described in section 501(c)(3) of the
3 Internal Revenue Code.

4 **ARTICLE 8**
5 **FOREIGN CORPORATIONS**

6 NEW SECTION. **Sec. 1801.** REGISTRATION TO DO BUSINESS. A foreign
7 nonprofit corporation may not do business in this state until it
8 registers with the secretary of state pursuant to chapter 23.95 RCW.

9 NEW SECTION. **Sec. 1802.** EFFECT OF REGISTRATION. (1) A foreign
10 nonprofit corporation with a valid foreign registration statement has
11 the same but no greater rights and has the same but no greater
12 privileges as, and except as provided by this chapter is subject to
13 the same duties, restrictions, penalties, and liabilities now or
14 later imposed on, a domestic nonprofit corporation of like character.

15 (2) This chapter does not authorize this state to regulate the
16 organization or internal affairs of a registered foreign nonprofit
17 corporation.

18 (3) For those corporations that have a certificate of authority,
19 are applying for, or intend to apply for a certificate of authority
20 from the insurance commissioner as an insurance company under chapter
21 48.05 RCW, whenever under this chapter corporate records are required
22 to be delivered to the secretary of state for filing, the records
23 must be delivered to the insurance commissioner rather than the
24 secretary of state.

25 NEW SECTION. **Sec. 1803.** NAME OF FOREIGN CORPORATION. (1) The
26 name of a registered foreign nonprofit corporation, any name reserved
27 by a registered foreign nonprofit corporation, or any alternate name
28 adopted under RCW 23.95.525 is governed by chapter 23.95 RCW.

29 (2) A foreign nonprofit corporation not registered to do business
30 in this state may register its name, or an alternate name adopted
31 pursuant to RCW 23.95.525, under RCW 23.95.315.

32 NEW SECTION. **Sec. 1804.** REGISTERED AGENT OF FOREIGN
33 CORPORATION. (1) Each registered foreign nonprofit corporation in
34 this state shall designate and maintain a registered agent in this
35 state.

1 (2) The designation and maintenance of a foreign nonprofit
2 corporation's registered agent are governed by chapter 23.95 RCW.

3 NEW SECTION. **Sec. 1805.** SERVICE ON FOREIGN CORPORATION. (1) A
4 registered foreign nonprofit corporation may be served with any
5 process, notice, or demand required or permitted by law by serving
6 its registered agent.

7 (2) Service upon a registered foreign nonprofit corporation made
8 by serving its registered agent, or service on the registered foreign
9 nonprofit corporation in the absence of a registered agent, is
10 governed by chapter 23.95 RCW.

11 NEW SECTION. **Sec. 1806.** WITHDRAWAL OF REGISTRATION. A
12 registered foreign nonprofit corporation may withdraw its
13 registration by delivering a statement of withdrawal to the secretary
14 of state for filing under RCW 23.95.530.

15 NEW SECTION. **Sec. 1807.** WITHDRAWAL UPON CONVERSION OR
16 DISSOLUTION. (1) A registered foreign nonprofit corporation that
17 converts to any type of domestic entity automatically is deemed to
18 have withdrawn its registration on the effective date of the
19 conversion.

20 (2) A registered foreign nonprofit corporation that has dissolved
21 and completed winding up or has converted to a domestic or foreign
22 entity not required to register under chapter 23.95 RCW or other law
23 of this state shall deliver a statement of withdrawal to the
24 secretary of state for filing under RCW 23.95.540.

25 (3) After the withdrawal of a foreign nonprofit corporation under
26 this section is effective, service of process in any action or
27 proceeding based on a cause of action arising during the time the
28 foreign nonprofit corporation was registered to do business in this
29 state may be made pursuant to RCW 23.95.450.

30 NEW SECTION. **Sec. 1808.** AMENDMENT TO REGISTRATION UPON
31 CONVERSION. A registered foreign nonprofit corporation that converts
32 to a foreign for-profit corporation or to any form of foreign
33 unincorporated entity that is required to register with the secretary
34 of state to do business in this state shall deliver to the secretary
35 of state for filing an amendment to its foreign registration
36 statement under RCW 23.95.515.

1 **ARTICLE 1**

2 **MEMBERS AND MEMBERSHIPS**

3 NEW SECTION. **Sec. 2101.** MEMBERS. (1) A nonprofit corporation
4 may have one or more classes of members or may have no members.

5 (2) For corporations formed on or after July 1, 2021,
6 notwithstanding anything to the contrary in the bylaws, where the
7 articles of a nonprofit corporation do not provide that it has
8 members, the nonprofit corporation does not have members.

9 (3) For organizations formed before July 1, 2021, where the
10 articles of a nonprofit corporation do not provide that it has
11 members, the corporation has members only if the bylaws:

12 (a) Provide that the corporation has members; and

13 (b) Provide that members of at least one class have the right to
14 select or vote for the election of directors or delegates or to vote
15 on at least one type of fundamental transaction.

16 (4) Where a nonprofit corporation does not have members under
17 this section, or where a corporation has no members entitled to vote
18 on a given matter, any provision of this chapter or any other
19 provision of law requiring notice to, the presence of, or the vote,
20 consent, or other action by members in connection with that matter is
21 satisfied by notice to, the presence of, or the vote, consent, or
22 other action by the board.

23 NEW SECTION. **Sec. 2102.** SCOPE OF MEMBERSHIP. A person is not a
24 member of a nonprofit corporation for purposes of any provision of
25 this chapter unless the person meets the definition of "member" in
26 section 1102 of this act, regardless of whether the corporation
27 refers to or designates the person as a member.

28 NEW SECTION. **Sec. 2103.** ADMISSION OF MEMBERS. (1) The articles
29 or bylaws of a membership corporation may establish criteria or
30 procedures for admission of members.

31 (2) A person may not be admitted as a member without the person's
32 consent. Consent may be express or implied and need not be in the
33 form of a record.

34 (3) If a membership corporation provides certificates of
35 membership to the members, then the certificates shall not be
36 registered or transferable except as provided in the articles or
37 bylaws or by resolution of the board.

1 NEW SECTION. **Sec. 2104.** CONSIDERATION FOR ADMISSION. Except as
2 provided in its articles or bylaws, a membership corporation may
3 admit members for no consideration or for consideration determined by
4 the board, which may take any form, including promissory notes,
5 intangible property, or past or future services. Payment of the
6 consideration may be made at those times and upon those terms as are
7 set forth in or authorized by the articles, bylaws, or a resolution
8 of the board.

9 NEW SECTION. **Sec. 2105.** CAPITAL CONTRIBUTIONS. (1) A membership
10 corporation that is not a charitable corporation may provide in its
11 articles or bylaws that members, upon or after admission, shall make
12 capital contributions. Except as provided in the articles or bylaws,
13 the board shall fix the amount. The requirement of a capital
14 contribution may apply to all members, or to the members of a single
15 class, or to members of different classes in different amounts or
16 proportions.

17 (2) The adoption or amendment of a capital contribution
18 requirement, whether or not approved by the members, shall not apply
19 to, or be an obligation of, a member who did not vote in favor of the
20 adoption or amendment until thirty days after the member has been
21 given notice of the adoption or amendment.

22 NEW SECTION. **Sec. 2106.** RIGHTS AND OBLIGATIONS. (1) The members
23 of a membership corporation have only those rights, privileges,
24 powers, or obligations specifically given or assigned to members in
25 the articles, the bylaws, or section 2313 of this act.

26 (2) A member shall not have the right to vote on any matter
27 unless the articles, the bylaws, or section 2313(1) of this act
28 provides expressly that the class of members to which that member
29 belongs has the right to vote on that particular matter.

30 NEW SECTION. **Sec. 2107.** DIFFERENCES IN RIGHTS AND OBLIGATIONS.
31 (1) Except as provided in the articles or bylaws, each member of a
32 membership corporation has the same rights and obligations as every
33 other member with respect to voting, dissolution, membership
34 transfer, and other matters.

35 (2) If the corporation has one or more classes of members, then
36 the designation of the class or classes, the articles, or the bylaws

1 shall set forth the manner of election or appointment and the
2 qualifications and rights of the members of each class.

3 NEW SECTION. **Sec. 2108.** TRANSFERS OF MEMBERSHIP. (1) Except as
4 provided in the articles or bylaws or by resolution of the board, a
5 member of a membership corporation may not transfer a membership or
6 any right arising therefrom.

7 (2) Where the right to transfer a membership has been provided, a
8 restriction on that right shall not be binding with respect to a
9 member holding a membership issued before the adoption of the
10 restriction unless the affected member consents to the restriction in
11 the form of a record.

12 NEW SECTION. **Sec. 2109.** MEMBER'S LIABILITY FOR CORPORATE
13 OBLIGATIONS. A member of a membership corporation is not personally
14 liable for the acts, debts, liabilities, or obligations of the
15 corporation.

16 NEW SECTION. **Sec. 2110.** MEMBER'S LIABILITY FOR DUES, FEES, AND
17 ASSESSMENTS. (1) A membership corporation may levy dues, assessments,
18 and fees on its members to the extent authorized in the articles or
19 bylaws. Particular dues, assessments, and fees may be imposed in the
20 articles or bylaws or by resolution of the board, subject to any
21 membership approval required under section 3112(1) of this act, on
22 members of the same class either alike or in different amounts or
23 proportions, and may be imposed on a different basis on different
24 classes of members. Members of a class may be made exempt from dues,
25 assessments, and fees to the extent provided in the articles or
26 bylaws or by resolution of the board.

27 (2) The amount and method of collection of dues, assessments, and
28 fees may be fixed in the articles or bylaws, or the articles or
29 bylaws may authorize the board or members to fix the amount and
30 method of collection, with or without approval of the class or
31 classes of members affected.

32 (3) The articles or bylaws may provide reasonable means, such as
33 termination and reinstatement of membership, to enforce the
34 collection of dues, assessments, and fees.

35 NEW SECTION. **Sec. 2111.** CREDITOR'S ACTION AGAINST MEMBER. (1) A
36 proceeding may not be brought by a creditor of a membership 166

1 corporation to reach the liability, if any, of a member to the
2 corporation unless final judgment has been rendered in favor of the
3 creditor against the corporation and execution has been returned
4 unsatisfied in whole or in part.

5 (2) All creditors of a membership corporation, with or without
6 reducing their claims to judgment, may intervene in any creditor's
7 proceeding brought under subsection (1) of this section to reach and
8 apply unpaid amounts due the corporation. Any or all members who owe
9 amounts to the corporation may be joined in the proceeding.

10 NEW SECTION. **Sec. 2112.** RESIGNATION OF MEMBER. (1) A member of
11 a membership corporation may resign at any time.

12 (2) The resignation of a member does not relieve the member from
13 any obligations incurred or commitments made before resignation.

14 NEW SECTION. **Sec. 2113.** TERMINATION AND SUSPENSION OF MEMBER.

15 (1) A membership in a membership corporation may be terminated or
16 suspended for the reasons and in the manner provided in the articles
17 or bylaws.

18 (2) A membership in a membership corporation may also be
19 terminated, regardless of the procedure set forth in the articles or
20 bylaws, if:

21 (a) The corporation has had no contact from the member for at
22 least three years; and

23 (b) Either:

24 (i) The member fails to respond within ninety days to a request
25 from the corporation to update the member's contact information that
26 includes a statement that failure to respond could result in
27 termination of membership, delivered to that member by means
28 reasonably likely to reach that member; or

29 (ii) A request from the corporation to update the member's
30 contact information that includes a statement that failure to respond
31 could result in termination of membership, sent to that member by
32 first-class forwardable mail, with postage prepaid, is returned as
33 undeliverable; or

34 (iii) If members, or a class of members, are not identified
35 individually on the records of the corporation, a request from the
36 corporation for members to provide contact information that includes
37 a statement that failure to respond could result in termination of
38 membership is published once a week for six consecutive weeks in a

1 newspaper of general circulation in the county in which the
2 corporation's principal office is located.

3 (3) Unless otherwise provided in the articles or bylaws, if the
4 articles or bylaws allow the board or any other body to admit
5 members, the affirmative vote of two-thirds of that body may
6 terminate a member.

7 (4) Irrespective of anything to the contrary in the articles or
8 bylaws, the court may order termination of a member in the best
9 interests of the corporation.

10 (5) A proceeding challenging a termination or suspension for any
11 reason must be commenced within one year after the effective date of
12 the termination or suspension.

13 (6) The termination or suspension of a member does not relieve
14 the member from any obligations incurred or commitments made before
15 the termination or suspension.

16 NEW SECTION. **Sec. 2114.** REPURCHASE OF MEMBERSHIPS. A membership
17 corporation that is not a charitable corporation may repurchase any
18 of its memberships or any right arising therefrom only if it is so
19 provided in the articles or bylaws. A membership corporation that is
20 a charitable corporation may not repurchase any of its memberships or
21 any right arising therefrom.

22 **ARTICLE 2**

23 **DELEGATES**

24 NEW SECTION. **Sec. 2201.** DELEGATES. (1) A membership corporation
25 may provide in its articles or bylaws for delegates.

26 (2) The articles or bylaws may set forth provisions relating to:

27 (a) The characteristics, qualifications, rights, limitations, and
28 obligations of delegates including their selection and removal;

29 (b) Calling, noticing, holding, and conducting meetings of
30 delegates; and

31 (c) Carrying on activities during and between meetings of
32 delegates.

33 (3) If the articles or bylaws provide for delegates, then, unless
34 otherwise provided in the articles or bylaws:

35 (a) The power to appoint, remove, or modify any provision of the
36 articles or bylaws governing the appointment or removal of delegates
37 is reserved to the members.

1 (b) All other powers of members including, but not limited to,
2 the right to vote on other amendments to articles or bylaws, may be
3 exercised by delegates.

4 **ARTICLE 3**

5 **MEMBERSHIP MEETINGS AND VOTING**

6 NEW SECTION. **Sec. 2301.** ANNUAL AND REGULAR MEETINGS. (1) A
7 membership corporation shall hold an annual meeting of members once
8 during each fiscal year at a time stated in or fixed in accordance
9 with the articles or bylaws.

10 (2) A membership corporation may hold regular meetings on a
11 regional or other basis at times stated in or fixed in accordance
12 with the articles or bylaws.

13 (3) Except as provided in subsection (5) of this section, annual
14 and regular meetings of the members may be held in or out of this
15 state at the place stated in or fixed in accordance with the articles
16 or bylaws. If no place is stated in or fixed in accordance with the
17 articles or bylaws, then annual and regular meetings shall be held at
18 the membership corporation's principal office.

19 (4) The failure to hold an annual or regular meeting at the time
20 stated in or fixed in accordance with the articles or bylaws does not
21 affect the validity of any corporate action.

22 (5) The articles or bylaws may provide that an annual or regular
23 meeting of members may be held in a specified location and, if so
24 provided under the articles or bylaws, through one or more means of
25 remote communication through which members not physically present may
26 participate in the meeting substantially concurrently, vote on
27 matters submitted to the members, pose questions, and make comments.
28 For any meeting at which one or more members may participate by means
29 of remote communication, the corporation shall deliver notice of the
30 meeting to each member by a means which the member has authorized and
31 provide complete instructions for participating in the meeting by
32 remote communication.

33 NEW SECTION. **Sec. 2302.** SPECIAL MEETINGS. (1) A membership
34 corporation shall hold a special meeting of members:

35 (a) At the call of its board of directors, the president, or the
36 persons authorized to do so by the articles or bylaws; or

37 (b) If the holders of either:

1 (i) The number or proportion of members entitled under the
2 articles or bylaws to call a meeting on the subject matter proposed
3 to be considered at the proposed special meeting, which shall not
4 represent more than twenty-five percent of all the votes entitled to
5 be cast on that subject matter; or

6 (ii) In the absence of a provision fixing the number or
7 proportion of members entitled to call a meeting, the number or
8 proportion of members representing five percent of all the votes
9 entitled to be cast on the subject matter proposed to be considered
10 at the proposed special meeting;

11 execute, date, and deliver to the corporation one or more demands in
12 the form of a record for the meeting describing the purpose for which
13 it is to be held.

14 (2) Unless otherwise provided in the articles or bylaws, a demand
15 for a special meeting may be revoked by notice to that effect
16 received by the membership corporation from the members calling the
17 meeting before the receipt by the corporation of demands sufficient
18 in number to require the holding of a special meeting.

19 (3) If not otherwise fixed under section 2303 or 2307 of this
20 act, the record date for determining members entitled to demand a
21 special meeting is the date the first member executes a demand.

22 (4) Only business within the purpose or purposes described in the
23 meeting notice required by section 2305(3) of this act may be
24 conducted at a special meeting of the members.

25 (5) Except as provided in subsection (6) of this section, special
26 meetings of the members may be held in or out of this state at the
27 place stated in or fixed in accordance with the articles or bylaws.
28 If no place is stated or fixed in accordance with the articles or
29 bylaws, then special meetings shall be held at the corporation's
30 principal office.

31 (6) The articles or bylaws may provide that a special meeting of
32 members be held at a specified location and, unless otherwise
33 provided under the articles or bylaws, through means of remote
34 communication through which members not physically present may
35 participate in the meeting substantially concurrently, vote on
36 matters submitted to the members, pose questions, and make comments.
37 Notice of meetings at which one or more members may participate by
38 means of remote communication must be delivered by a means which the
39 member has authorized and provide complete instructions for
40 participating in the meeting from a remote location.

1 NEW SECTION. **Sec. 2303.** COURT-ORDERED MEETING. (1) The court
2 may summarily order a meeting to be held:

3 (a) On application of any member entitled to participate in an
4 annual or regular meeting if an annual meeting was not held within
5 eighteen months after the last annual meeting; or

6 (b) On application of a member who executed a demand for a
7 special meeting under section 2302 of this act that was executed by a
8 sufficient number of members to call a meeting, if:

9 (i) Notice of the special meeting was not given within thirty
10 days after the date the demand was delivered to the corporation's
11 secretary; or

12 (ii) The special meeting was not held in accordance with the
13 notice.

14 (2) The court may fix the time and place of a court-ordered
15 meeting, determine the members entitled to participate in the
16 meeting, specify a record date for determining members entitled to
17 notice of and to vote at the meeting, prescribe the form and content
18 of the meeting notice, fix the quorum required for specific matters
19 to be considered at the meeting or direct that the votes represented
20 at the meeting constitute a quorum for action on those matters, and
21 enter other orders necessary to accomplish the purpose or purposes of
22 the court-ordered meeting.

23 NEW SECTION. **Sec. 2304.** LIST OF MEMBERS FOR MEETING. (1) After
24 fixing a record date for a meeting, a membership corporation shall
25 prepare an alphabetical list of the names of all its members who are
26 entitled to notice of that meeting of the members. The list of
27 members shall show the address of and number of votes each member is
28 entitled to cast at the meeting, except that the address of any
29 member who is known to the corporation to be a participant in the
30 address confidentiality program described in chapter 40.24 RCW or any
31 similar law may be omitted.

32 (2) The list of members must be available for inspection by any
33 member, beginning two business days after notice of the meeting is
34 given for which the list was prepared and continuing through the
35 meeting, at the membership corporation's principal office or at a
36 place identified in the meeting notice in the city where the meeting
37 will be held. A member or the member's agent, on demand in the form
38 of a record, may inspect and, subject to the requirements of section
39 1602(4) of this act, copy the list, during regular business hours and

1 at the member's expense, during the period it is available for
2 inspection.

3 (3) The membership corporation shall make the list of members
4 available at the meeting, and a member or the member's agent may
5 inspect the list at any time during the meeting or any adjournment.

6 (4) If a membership corporation refuses to allow a member or the
7 member's agent to inspect the list of members before or at the
8 meeting or copy the list as permitted by subsection (2) of this
9 section, then the court, on application of the member, may:

10 (a) Summarily order the inspection or copying at the
11 corporation's expense;

12 (b) Postpone the meeting for which the list was prepared until
13 the inspection or copying is complete;

14 (c) Order the corporation to pay the member's costs including
15 reasonable attorneys' fees incurred to obtain the order; and

16 (d) Order other appropriate relief.

17 (5) Refusal or failure to prepare or make available the list of
18 members does not affect the validity of action taken at the meeting.

19 (6) Instead of making the list of members available as provided
20 in subsection (2) of this section, a membership corporation may state
21 in a notice of meeting that the corporation has elected to proceed
22 under this subsection. A member of a corporation that has elected to
23 proceed under this subsection shall state in the member's demand for
24 inspection a proper purpose for inspection. Within ten business days
25 after receiving a demand under this subsection, the corporation shall
26 deliver to the member making the demand an offer of a reasonable
27 alternative method of achieving the purpose identified in the demand
28 without providing access to or a copy of the list of members. An
29 alternative method that reasonably and in a timely manner
30 accomplishes the proper purpose set forth in the demand relieves the
31 corporation from making the list of members available under
32 subsection (4)(b) of this section, unless within a reasonable time
33 after acceptance of the offer the corporation fails to do the things
34 it offered to do. Any rejection of the corporation's offer must be in
35 the form of a record and indicate the reasons the alternative
36 proposed by the corporation does not meet the proper purpose of the
37 demand.

38 NEW SECTION. **Sec. 2305.** NOTICE OF MEMBERSHIP MEETING. (1) A
39 membership corporation shall give notice to the members of the date, 172

1 time, and place of each annual, regular, or special meeting of the
2 members. Except as provided under subsection (6) of this section, the
3 notice must be given in the form of a record no fewer than ten nor
4 more than sixty days before the meeting date. Except as provided in
5 this chapter, the articles, or the bylaws, the corporation is only
6 required to give notice to members entitled to vote at the meeting.

7 (2) Unless this chapter, the articles, or the bylaws require
8 otherwise, notice of an annual or regular meeting need not include a
9 description of the purpose for which the meeting is called.

10 (3) Notice of a special meeting shall include a description of
11 the purpose for which the meeting is called.

12 (4) If not otherwise fixed under section 2303 or 2307 of this
13 act, the record date for determining members entitled to notice of
14 and to vote at an annual or special meeting of the members is the day
15 before the first notice is given to members.

16 (5) Unless the articles or bylaws require otherwise, if an
17 annual, regular, or special meeting of the members is adjourned to a
18 different date, time, or place, notice need not be given of the new
19 date, time, or place if the new date, time, or place is announced at
20 the meeting before adjournment. If a new record date for the
21 adjourned meeting is or is required to be fixed under section 2307 of
22 this act, then the corporation shall give notice of the adjourned
23 meeting to the members entitled to vote on the new record date.

24 (6) Notice of regular meetings other than the annual meeting may
25 be made by providing each member with the adopted schedule of regular
26 meetings for the ensuing year in the form of a record at any time
27 after the annual meeting and ten days before the next succeeding
28 regular meeting and at any time requested by a member or by any other
29 notice prescribed by the bylaws.

30 (7) Whenever notice would otherwise be required to be given under
31 any provision of this chapter to a member, the notice need not be
32 given if notice of two consecutive annual meetings, and all notices
33 of meetings during the period between those two consecutive annual
34 meetings, have been returned undeliverable or could not be delivered.
35 If a member delivers to the nonprofit corporation a notice setting
36 forth the member's then current address, then the requirement that
37 notice be given to that member is reinstated.

38 NEW SECTION. **Sec. 2306.** WAIVER OF NOTICE. (1) A member may
39 waive any notice required by this chapter, the articles, or the ¹⁷³
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1 bylaws no more than sixty days before or sixty days after the date
2 and time stated in the notice or of the meeting or action. The waiver
3 must be in the form of a record, be executed by the member entitled
4 to the notice, and be delivered to the membership corporation for
5 inclusion in the minutes or filing with the corporate records.

6 (2) The attendance of a member at a meeting:

7 (a) Waives objection to lack of notice or defective notice of the
8 meeting, unless the member at the beginning of the meeting or
9 immediately upon arrival at the meeting objects to holding the
10 meeting or transacting business at the meeting; and

11 (b) Waives objection to consideration of a particular matter at
12 the meeting that is not within the purpose described in the meeting
13 notice, unless the member objects at the meeting to considering the
14 matter.

15 NEW SECTION. **Sec. 2307.** RECORD DATE. (1) The articles or bylaws
16 may fix or provide the manner of fixing the record date to determine
17 the members entitled to notice of a meeting of the members, to demand
18 a special meeting, to vote, or to take any other action. If the
19 articles or bylaws do not fix or provide for fixing a record date,
20 then the board of the membership corporation may fix a future date as
21 the record date.

22 (2) A record date fixed under this section may not be more than
23 seventy days before the meeting or action requiring a determination
24 of members.

25 (3) A determination of members entitled to notice of or to vote
26 at a meeting of the members is effective for any adjournment of the
27 meeting unless the board fixes a new record date, which it shall do
28 if the meeting is adjourned to a date more than one hundred twenty
29 days after the date fixed for the original meeting.

30 (4) If the court orders a meeting adjourned to a date more than
31 one hundred twenty days after the date fixed for the original
32 meeting, then it may provide that the original record date continues
33 in effect or it may fix a new record date.

34 NEW SECTION. **Sec. 2308.** CONDUCT OF MEETING. (1) At each meeting
35 of members, an individual shall preside as chair. The chair is
36 appointed and may be removed:

37 (a) As provided in the articles or bylaws;

1 (b) In the absence of a provision in the articles or bylaws, by
2 the board; or

3 (c) In the absence of both a provision in the articles or bylaws
4 and an appointment by the board, by the members at the meeting.

5 (2) Except as provided in the articles or bylaws or by resolution
6 of the board, the chair determines the order of business and has the
7 authority to establish rules for the order and conduct of the
8 meeting.

9 (3) Any rules established for the order and conduct of the
10 meeting pursuant to subsection (2) of this section must be fair to
11 the members.

12 (4) Except as provided in the articles or bylaws or by resolution
13 of the board:

14 (a) The chair of the meeting shall announce at the meeting when
15 the polls close for each matter voted upon.

16 (b) If no announcement is made, then the polls are deemed to have
17 closed upon the final adjournment of the meeting.

18 (c) After the polls close, no ballots, proxies, or votes, nor any
19 otherwise permissible revocations or changes thereto may be accepted.

20 NEW SECTION. **Sec. 2309.** PROXIES. (1) Except as provided in the
21 articles or bylaws, a member may not vote by proxy.

22 (2) If the articles or bylaws allow members to vote by proxy,
23 then the following procedure applies unless the articles or bylaws
24 provide otherwise:

25 (a) A member or the member's agent or attorney-in-fact may
26 appoint a proxy to vote or otherwise act for the member by executing
27 an appointment form in the form of a record. An appointment form must
28 contain or be accompanied by information from which it can be
29 determined that the member or the member's agent or attorney-in-fact
30 authorized the appointment of the proxy.

31 (b) An appointment of a proxy is effective when an executed
32 appointment in the form of a record is received by the inspectors of
33 election, the officer or agent of the membership corporation
34 authorized to tabulate votes, or the secretary. An appointment is
35 valid for eleven months unless a shorter or longer period is
36 expressly provided in the appointment form.

37 (c) The death or incapacity of the member appointing a proxy does
38 not affect the right of the membership corporation to accept the
39 proxy's authority unless notice of the death or incapacity is

1 received by the inspectors of election, the officer or agent
2 authorized to tabulate votes, or the secretary before the proxy
3 exercises his or her authority under the appointment.

4 (d) A membership corporation may accept the proxy's vote or other
5 action as that of the member making the appointment, subject to
6 section 2314 of this act and to any express limitation on the proxy's
7 authority stated in the appointment form.

8 (e) A proxy may be revoked by a member by delivering notice in
9 the form of a record to the corporation before the corporation has
10 relied upon the proxy.

11 NEW SECTION. **Sec. 2310.** VOTING ENTITLEMENT OF MEMBERS. Except
12 as provided in the articles or bylaws, each member is entitled to one
13 vote on each matter on which the articles or bylaws entitle the
14 members of the class of members to which the member belongs to vote.

15 NEW SECTION. **Sec. 2311.** MEMBERSHIP QUORUM AND VOTING
16 REQUIREMENTS. (1) Members may take action at a meeting on matters
17 with respect to which all of the members are entitled to vote only if
18 a quorum of the members is present. Except as provided in the
19 articles or the bylaws, ten percent of the votes entitled to be cast
20 at a meeting of the members constitutes a quorum with respect to
21 those matters.

22 (2) Members entitled to vote as a separate voting group may take
23 action on a matter at a meeting only if a quorum of those members is
24 present with respect to that matter. Except as provided in the
25 articles or bylaws, ten percent of the votes entitled to be cast on
26 the matter by the voting group constitutes a quorum of that voting
27 group for action on that matter.

28 (3) Once a member is represented for any purpose at a meeting,
29 the member is deemed present for quorum purposes for the remainder of
30 the meeting and for any adjournment of that meeting unless a new
31 record date is or is required to be set for that adjourned meeting.

32 (4) If a quorum is present, then action on a matter other than
33 the election of directors by a voting group is approved if the votes
34 cast within the voting group favoring the action exceed the votes
35 cast opposing the action, unless the articles, bylaws, or applicable
36 law require a greater number of affirmative votes.

37 (5) An amendment of the articles or bylaws adding, changing, or
38 deleting a quorum or voting requirement for a voting group greater

1 than specified in subsection (2) or (4) of this section is governed
2 by section 2311 of this act.

3 (6) If a meeting cannot be organized because a quorum of members
4 entitled to vote is not present, then those members present may
5 adjourn the meeting to such a time and place as they may determine.
6 When a meeting that has been adjourned for lack of a quorum is
7 reconvened, those members present, although less than a quorum as
8 fixed in this section, the articles, or the bylaws, nonetheless
9 constitute a quorum, if notice of the time and place of the
10 reconvened meeting is provided by electronic transmission or in
11 person to the members entitled to vote at least twenty-four hours
12 before the reconvened meeting, or by other methods pursuant to the
13 requirements and procedures set forth in section 2305 of this act.
14 The articles or the bylaws may, however, permit the reconvening of a
15 meeting without notice, by means of a provision that makes explicit
16 reference to elimination of the notice requirement that would
17 otherwise apply under this section.

18 (7) The election of directors is governed by section 2313 of this
19 act.

20 NEW SECTION. **Sec. 2312.** DIFFERING QUORUM AND VOTING
21 REQUIREMENTS. (1) The articles or bylaws may provide for a higher or
22 lower quorum or higher voting requirement for members or voting
23 groups of members than is provided for by this chapter, either
24 generally or with respect to specific matters.

25 (2) An amendment to the articles or bylaws that adds, changes, or
26 deletes a greater quorum or voting requirement must meet the same
27 quorum requirement and be adopted by the same vote and voting groups
28 required to take action under the quorum and voting requirements then
29 in effect.

30 NEW SECTION. **Sec. 2313.** VOTING FOR DIRECTORS. (1) Except as
31 provided in the articles or bylaws, directors of a membership
32 corporation are elected by a plurality of the votes cast by the
33 members entitled to vote in the election at a meeting at which a
34 quorum is present.

35 (2) Except as provided in the articles or bylaws, or under
36 subsection (3) of this section, members do not have a right to
37 cumulate their votes for directors.

1 (3) Members of a nonprofit corporation who were entitled to
2 cumulate their votes for the election of directors on the effective
3 date of this chapter continue to be entitled to cumulate their votes
4 for the election of directors until otherwise provided in the
5 articles or bylaws of the corporation.

6 NEW SECTION. **Sec. 2314.** ACCEPTANCE OF BALLOTS, CONSENTS,
7 WAIVERS, OR PROXIES. (1) If the name signed on a ballot, consent,
8 waiver, or proxy appointment corresponds to the name of a member,
9 then the membership corporation if acting in good faith may accept
10 the ballot, consent, waiver, or proxy appointment and give it effect
11 as the act of the member.

12 (2) If the name signed on a ballot, consent, waiver, or proxy
13 appointment does not correspond to the name of its member, then the
14 membership corporation if acting in good faith is nevertheless
15 entitled to accept the ballot, consent, waiver, or proxy appointment
16 and give it effect as the act of the member if:

17 (a) The member is an entity and the name signed purports to be
18 that of an officer or agent of the entity;

19 (b) The name signed purports to be that of an administrator,
20 executor, guardian, or conservator representing the member and, if
21 the corporation requests, evidence of fiduciary status acceptable to
22 the corporation has been presented with respect to the ballot,
23 consent, waiver, or proxy appointment;

24 (c) The name signed purports to be that of a receiver or trustee
25 in bankruptcy of the member and, if the corporation requests,
26 evidence of this status acceptable to the corporation has been
27 presented with respect to the ballot, consent, waiver, or proxy
28 appointment;

29 (d) The name signed purports to be that of a beneficial owner or
30 attorney-in-fact of the member and, if the corporation requests,
31 evidence acceptable to the corporation of the signatory's authority
32 to sign for the member has been presented with respect to the ballot,
33 consent, waiver, or proxy appointment; and

34 (e) Two or more persons are the member as cotenants or
35 fiduciaries and the name signed purports to be the name of at least
36 one of the co-owners and the person signing appears to be acting on
37 behalf of all the co-owners.

38 (3) The membership corporation may reject a ballot, consent,
39 waiver, or proxy appointment if the secretary or other officer or

1 agent authorized to tabulate votes, acting in good faith, has
2 reasonable basis for doubt about the validity of the signature on it
3 or about the signatory's authority to sign for the member.

4 (4) The membership corporation and its officer or agent who
5 accepts or rejects a ballot, consent, waiver, or proxy appointment in
6 good faith and in accordance with the standards of this section or
7 section 2309(2) of this act are not liable in damages to the member
8 for the consequences of the acceptance or rejection.

9 (5) Corporate action based on the acceptance or rejection of a
10 ballot, consent, waiver, or proxy appointment under this section is
11 valid unless the court determines otherwise.

12 NEW SECTION. **Sec. 2315.** INSPECTORS OF ELECTION. (1) A
13 membership corporation may appoint one or more inspectors to act at a
14 meeting of members and make a report in the form of a record of the
15 inspectors' determinations. Each inspector shall execute the duties
16 of inspector impartially and according to the best of the inspector's
17 ability.

- 18 (2) The inspectors must:
- 19 (a) Ascertain the number of members and delegates, and their
20 voting power;
 - 21 (b) Determine the members and delegates present at a meeting;
 - 22 (c) Determine the validity of proxies and ballots;
 - 23 (d) Count all votes; and
 - 24 (e) Determine the result.

25 (3) An inspector may, but need not, be a director, member,
26 officer, or employee of the membership corporation. A person who is a
27 candidate for office to be filled at the meeting may not be an
28 inspector.

29 NEW SECTION. **Sec. 2316.** ACTION BY VOTING GROUPS. (1) If this
30 chapter, the articles, or the bylaws provide for voting by a single
31 voting group on a matter, then action on that matter is taken when
32 voted upon by that voting group as provided in section 2311 or 2318
33 of this act.

34 (2) If this chapter, the articles, or the bylaws provide for
35 voting by two or more voting groups on a matter, then action on that
36 matter is taken only when voted upon by each of those voting groups
37 counted separately as provided in section 2311 or 2318 of this act.

1 NEW SECTION. **Sec. 2317.** VOTING AGREEMENTS. (1) If the articles
2 or bylaws allow voting agreements, then two or more members may
3 provide for the manner in which they will vote by executing an
4 agreement in the form of a record for that purpose, to the extent
5 allowed under the articles or bylaws.

6 (2) A voting agreement is specifically enforceable if:

7 (a) The voting agreement is allowed under the articles or bylaws;
8 or

9 (b) The effective date of the voting agreement is before the
10 effective date of this section.

11 (3) Notwithstanding subsection (2) of this section, no voting
12 agreement is enforceable to the extent that enforcement of the
13 agreement would violate the purposes of the membership corporation.

14 NEW SECTION. **Sec. 2318.** ACTION WITHOUT MEETING BY UNANIMOUS
15 WRITTEN CONSENT. (1) Except as provided in the articles or bylaws,
16 action required or permitted by this chapter to be taken at a meeting
17 of the members may be taken without a meeting if the action is taken
18 by all the members entitled to vote on the action. The action must be
19 evidenced by one or more consents in the form of a record bearing the
20 date of execution and describing the action taken, executed by all
21 the members entitled to vote on the action, and delivered to the
22 membership corporation for inclusion in the minutes or filing with
23 the corporate records.

24 (2) If not otherwise fixed under section 2303 or 2307 of this
25 act, the record date for determining members entitled to take action
26 without a meeting is the date the first member executes the consent
27 under subsection (1) of this section. A consent shall not be
28 effective to take the corporate action referred to therein unless,
29 within sixty days after the earliest date appearing on a consent
30 delivered to the membership corporation in the manner required by
31 this section, consents executed by all members entitled to vote on
32 the action are received by the corporation. A consent may be revoked
33 by an executed notice in the form of a record to that effect received
34 by the corporation before receipt by the corporation of unrevoked
35 consents sufficient in number to take corporate action.

36 (3) A consent executed under this section has the same force and
37 effect as a unanimous vote at a meeting duly called and held, and may
38 be described as such.

1 (4) If this chapter, the articles, or the bylaws require that
2 prior notice of any proposed action be given to members not entitled
3 to vote on the action and the action is to be taken by consent of the
4 members entitled to vote, then the membership corporation shall
5 deliver to the members not entitled to vote notice of the proposed
6 action at least ten days before taking the action by consent. The
7 notice must contain or be accompanied by the same material that would
8 have been required to be delivered to members not entitled to vote in
9 a notice of meeting at which the proposed action would have been
10 submitted to the members for action.

11 NEW SECTION. **Sec. 2319.** ACTION WITHOUT MEETING BY BALLOT. (1)
12 Except as otherwise restricted by the articles or bylaws, any action
13 that may be taken at any annual, regular, or special meeting of
14 members may be taken without a meeting if the membership corporation
15 delivers a ballot to every member entitled to vote on the matter.

16 (2) A ballot must:

17 (a) Be in the form of a record;

18 (b) Set forth each proposed action;

19 (c) Provide an opportunity to vote, or withhold a vote,
20 separately for each candidate for a director position; and

21 (d) Provide an opportunity to vote for or against each other
22 proposed action.

23 (3) Approval by ballot pursuant to this section of action other
24 than election of directors is valid only when the number of ballots
25 returned equals or exceeds the quorum required to be present at a
26 meeting authorizing the action, and the number of approvals equals or
27 exceeds the number of votes that would be required to approve the
28 matter at a meeting at which the total number of votes cast was the
29 same as the number of votes cast by ballot.

30 (4) All requests for votes by ballot must:

31 (a) Indicate the number of responses needed to meet the quorum
32 requirements;

33 (b) State the percentage of approvals necessary to approve each
34 matter other than election of directors; and

35 (c) Specify the time by which a ballot must be received by the
36 membership corporation to be counted, which shall not be less than
37 ten days after the ballot is delivered to the member.

38 (5) Except as provided in the articles or bylaws, a ballot may
39 not be revoked.

1 (b) Legal counsel, public accountants, or other persons retained
2 by the corporation as to matters involving skills or expertise the
3 director reasonably believes are matters:

4 (i) Within the particular person's professional or expert
5 competence; or

6 (ii) As to which the particular person merits confidence; or

7 (c) A committee of the board of which the director is not a
8 member, designated in accordance with provisions of the articles or
9 bylaws, as to matters within its designated authority, if the
10 director reasonably believes the committee merits confidence.

11 (4) A director is not a trustee with respect to the nonprofit
12 corporation or with respect to any property held or administered by
13 the corporation, including property that may be subject to
14 restrictions imposed by the donor or transferor of the property.

15 NEW SECTION. **Sec. 2403.** QUALIFICATION OF DIRECTORS. A director
16 of a nonprofit corporation must be an individual. The articles or
17 bylaws may prescribe other qualifications for directors. A director
18 need not be a resident of this state or a member of the corporation
19 unless the articles or bylaws so prescribe.

20 NEW SECTION. **Sec. 2404.** NUMBER OF DIRECTORS. (1) A board of
21 directors shall consist of one or more directors, with the number
22 specified in or fixed in accordance with the articles or bylaws.

23 (2) The board of directors of any corporation shall consist of
24 three or more directors if:

25 (a) The internal revenue service has determined the corporation
26 to be a public charity described in section 509(a)(1) through (4) of
27 the Internal Revenue Code;

28 (b) The corporation has applied to the internal revenue service
29 for a determination of exempt status through an application
30 representing that the corporation is described in section 509(a)(1)
31 through (4) of the Internal Revenue Code; or

32 (c) The corporation has applied to the internal revenue service
33 for classification as an organization described in section 509(a)(1)
34 through (4) of the Internal Revenue Code.

35 (3) A corporation described in subsection (2) of this section may
36 have fewer than three directors if the death, incapacity,
37 resignation, or removal of a director causes the corporation to have
38 fewer than three directors, provided that the entity, body, or person

1 with the power to elect or appoint directors makes reasonable and
2 prompt efforts to elect or appoint additional directors.

3 (4) The number of directors may be increased or decreased but to
4 no fewer than one from time to time by amendment to, or in the manner
5 provided in, the articles or bylaws.

6 (5) A decrease in the number of directors may not shorten an
7 incumbent director's term.

8 NEW SECTION. **Sec. 2405.** SELECTION OF DIRECTORS. (1) The members
9 of a membership corporation shall elect the directors, other than the
10 initial directors named in the articles, at the annual meetings of
11 members, unless the articles or bylaws provide some other time or
12 method of election, or provide that some other person or persons
13 shall appoint some or all of the directors, or designate some other
14 manner of appointment, for example, ex officio directors.

15 (2) The directors of a nonmembership corporation shall elect the
16 directors, other than the initial directors named in the articles, at
17 the annual meeting of directors, unless the articles or bylaws
18 provide some other time or method of election, or provide that some
19 other person or persons shall appoint some or all of the directors,
20 or designate some other manner of appointment, for example, ex
21 officio directors.

22 NEW SECTION. **Sec. 2406.** TERMS OF DIRECTORS, GENERALLY. (1) The
23 articles or bylaws may specify the terms of directors. If a term is
24 not specified in the articles or bylaws, then the term of a director
25 is one year. Each term of a director elected by the members or
26 directors, or by some other method provided in the articles or
27 bylaws, may not exceed five years except as provided in subsection
28 (2) of this section. Terms of directors appointed by some other
29 person or persons, or designated in some other manner, may be of any
30 length.

31 (2) For a corporation formed before the effective date of this
32 section, if the articles or bylaws current as of the effective date
33 of this section provided for terms of elected directors longer than
34 five years, then the terms for elected directors provided in those
35 articles or bylaws may continue in effect until and unless the
36 articles or bylaws are amended to shorten those terms.

1 (3) The initial directors named in the articles hold office until
2 the first annual election of directors or for any other period
3 specified in the articles.

4 (4) A reduction in directors' terms of office does not shorten an
5 incumbent director's term.

6 (5) Except as provided in the articles or bylaws, the term of a
7 director elected to fill a vacancy expires at the end of the
8 unexpired term that the director is filling.

9 (6) Despite the expiration of a director's term, the director
10 continues to serve until the director's successor is elected,
11 appointed, or designated and until the director's successor takes
12 office, unless otherwise provided in the articles or bylaws.

13 NEW SECTION. **Sec. 2407.** STAGGERED TERMS FOR DIRECTORS. The
14 articles or bylaws may provide for staggering the terms of directors
15 by dividing the total number of directors into groups of one or more
16 directors. The terms of office and number of directors in each group
17 do not need to be uniform.

18 NEW SECTION. **Sec. 2408.** RESIGNATION OF DIRECTOR. (1) A director
19 may resign at any time by delivering an executed notice in the form
20 of a record to the president, the secretary of the corporation, or
21 another officer designated for that purpose in the articles or
22 bylaws. A director may also resign by giving oral notice to the board
23 at a meeting of the board.

24 (2) A resignation is effective when the notice is delivered
25 unless the notice specifies a later effective time.

26 (3) If the resignation of a director of a charitable corporation
27 results in the charitable corporation having no directors in office,
28 then the resigning director shall notify the attorney general that
29 the charitable corporation has no directors in office. Such notice
30 must be in the form of a record delivered to the attorney general
31 within ten calendar days after the effective date of the director's
32 resignation.

33 NEW SECTION. **Sec. 2409.** REMOVAL OF DIRECTORS. (1) Removal of
34 directors of a membership corporation is subject to the following
35 provisions:

36 (a) The members may remove, with or without cause, one or more
37 directors who have been elected by the members, unless the articles

1 or bylaws provide that directors may be removed only for cause. The
2 articles or bylaws may specify what constitutes cause for removal.

3 (b) The board of a membership corporation may not remove a
4 director who has been elected by the members except as provided in
5 subsection (5) of this section or in the articles or bylaws.

6 (c) The directors may remove, with or without cause, one or more
7 directors who have been elected by the directors, unless the articles
8 or bylaws provide that directors may be removed only for cause. The
9 articles or bylaws may specify what constitutes cause for removal.

10 (d) Except as provided in the articles or bylaws, if a director
11 is elected by a voting group of members, or by a chapter or other
12 organizational unit, or by a region or other geographic grouping,
13 then only the members of that voting group or chapter, unit, region,
14 or grouping may participate in the vote to remove the director.

15 (e) The notice of a meeting of members at which removal of a
16 director is to be considered shall state that the purpose, or one of
17 the purposes, of the meeting is removal of the director.

18 (2) The board may remove a director of a nonmembership
19 corporation who was elected by the directors:

20 (a) With or without cause, unless the articles or bylaws provide
21 that directors may be removed only for cause. The articles or bylaws
22 may specify what constitutes cause for removal.

23 (b) A nonprofit corporation shall give notice of any meeting of
24 directors at which removal of a director is to be considered in
25 accordance with the articles or bylaws governing notice for special
26 meetings, but in no event less than forty-eight hours before the
27 meeting. Such notice shall state that the purpose, or one of the
28 purposes, of the meeting is removal of a director.

29 (c) As provided in subsection (5) of this section.

30 (3) A director who is designated by name in the articles or
31 bylaws may be removed by an amendment to the articles or bylaws
32 deleting or changing the designation.

33 (4) Except as provided in the articles or bylaws, a director who
34 is appointed by persons other than the members or the directors may
35 be removed with or without cause only by those persons.

36 (5) Notwithstanding anything else to the contrary in this section
37 or the articles or bylaws, the board of a membership corporation or
38 nonmembership corporation may remove a director:

39 (a) Who has been appointed a guardian under RCW 11.130.185 or
40 11.130.265;

- 1 (b) Who has been appointed a conservator under RCW 11.130.360;
- 2 (c) Who is subject to a written certification by his or her
3 attending physician that in the physician's opinion the director is
4 substantially unable to manage his or her financial resources or
5 resist fraud or undue influence;
- 6 (d) Who has been convicted of a felony;
- 7 (e) Who has been found by a final order of any court of competent
8 jurisdiction to have breached a duty as a director under section 2402
9 of this act;
- 10 (f) Who has missed the number of board meetings specified in the
11 articles or bylaws, if the articles or bylaws at the beginning of the
12 director's current term provided that a director may be removed for
13 missing the specified number of board meetings; or
- 14 (g) Who does not satisfy any of the qualifications for directors
15 set forth in the articles or bylaws at the beginning of the
16 director's current term, if the decision that the director fails to
17 satisfy a qualification is made by the vote of a majority of the
18 directors who meet all of the required qualifications.
- 19 (6) Notwithstanding anything else to the contrary in this section
20 or the articles or bylaws, the board of a charitable corporation that
21 is a membership corporation or a nonmembership corporation may remove
22 a director if the director's continued service would cause the
23 charitable corporation to be prohibited from soliciting charitable
24 funds under RCW 19.09.100(13).

25 NEW SECTION. **Sec. 2410.** VACANCY ON BOARD OF DIRECTORS. (1)
26 Except as provided in subsection (2) of this section, the articles,
27 or the bylaws, if a vacancy occurs on the board, including a vacancy
28 resulting from an increase in the number of directors, then the
29 vacancy may be filled by a majority of the directors remaining in
30 office even if they constitute less than a quorum. For purposes of
31 section 2409 of this act, any director so elected is deemed to have
32 been elected by the members, voting group, or persons who would elect
33 that director at a regular election.

34 (2) Except as provided in the articles or bylaws, a vacancy in
35 the position of a director who is:

36 (a) Appointed by persons other than the members, may be filled
37 only by those persons; or

38 (b) Designated by name in the articles or bylaws, may not be
39 filled by action of the board.

1 (3) A vacancy that will occur at a specific later time, by reason
2 of a resignation effective at a later time under section 2408(2) of
3 this act, or otherwise, may be filled before the vacancy occurs but
4 the new director may not take office until the vacancy occurs.

5 (4) If no directors remain in office, and there are no members
6 with the right to elect directors, then the attorney general has the
7 power to appoint one or more directors selected for their interest
8 and ability to carry out the purposes of the corporation, unless the
9 articles or bylaws provide a different method for electing,
10 appointing, or designating at least one director.

11 NEW SECTION. **Sec. 2411.** LIABILITY OF DIRECTORS. (1) A director
12 of a nonprofit corporation is not liable to the nonprofit corporation
13 for any action taken, or any failure to take any action, as a
14 director, except as provided in subsection (2) or (3) of this section
15 or in the articles or bylaws.

16 (2) Notwithstanding any provision to the contrary in the articles
17 or bylaws, a director is liable to the corporation for:

18 (a) The value of any benefit in cash, other property, or services
19 received by the director to which the director is not legally
20 entitled; or

21 (b) Intentional misconduct or a knowing violation of law,
22 including but not limited to criminal law or this chapter, by the
23 director.

24 (3) A director is liable to the corporation for a violation of
25 any additional standard of conduct specified in the nonprofit
26 corporation's articles as an exception to the limitation on
27 director's liability.

28 (4) A director of a nonprofit corporation is not liable to any
29 member of the nonprofit corporation for any action taken, or any
30 failure to take action, as a director, except as provided in
31 subsection (5) of this section.

32 (5) A director is liable to a member of the corporation only for:

33 (a) A knowing infliction of harm upon the member; or

34 (b) An intentional violation of criminal law or this chapter that
35 results in harm or loss to the member.

36 (6) The party seeking to establish the director's liability to
37 the corporation or any member of the corporation:

38 (a) For money damages, also has the burden of establishing that:

1 (i) Harm to the nonprofit corporation or its members has been
2 suffered; and

3 (ii) The harm suffered was proximately caused by the director's
4 challenged conduct; or

5 (b) For other money payment under a legal remedy, such as
6 compensation for the unauthorized use of corporate assets, also has
7 whatever burden of persuasion may be called for to establish that the
8 payment sought is appropriate in the circumstances; or

9 (c) For other money payment under an equitable remedy, such as
10 profit recovery by or disgorgement to the corporation, also has
11 whatever burden of persuasion may be called for to establish that the
12 equitable remedy sought is appropriate in the circumstances.

13 (7) Nothing contained in this section:

14 (a) In any instance where fairness is at issue, such as
15 consideration of the fairness of a transaction to the nonprofit
16 corporation under section 2703(1)(c) of this act, alters the burden
17 of proving the fact or lack of fairness otherwise applicable;

18 (b) Alters the fact or lack of liability of a director to the
19 nonprofit corporation under another section of this chapter, such as
20 the provisions governing the consequences of an unlawful distribution
21 under section 2702 of this act, a conflicting interest transaction
22 under section 2703 of this act, or taking advantage of a business
23 opportunity under section 2704 of this act;

24 (c) Affects any rights to which the corporation or a director or
25 member may be entitled under another statute of this state or the
26 United States; or

27 (d) Affects the authority of the attorney general to take any
28 action against a director under this chapter or other applicable
29 Washington state law.

30 NEW SECTION. **Sec. 2412.** COMPENSATION OF DIRECTORS. Unless the
31 articles or bylaws provide otherwise, the board may fix the
32 compensation of directors.

33 **ARTICLE 5**

34 **MEETINGS AND ACTION OF THE BOARD**

35 NEW SECTION. **Sec. 2501.** MEETINGS OF THE BOARD. (1) The board
36 may hold regular or special meetings in or out of this state.

1 (2) Unless the articles or bylaws provide otherwise, the board
2 may permit any or all directors to participate in a regular or
3 special meeting by, or conduct the meeting through the use of, one or
4 more means of remote communication through which all of the directors
5 may simultaneously participate with each other during the meeting. A
6 director participating in a meeting by this means is considered
7 present in person at the meeting. For any meeting at which one or
8 more directors may participate by means of remote communication,
9 notice of the meeting must be delivered to each director by a means
10 which the director has authorized and provide complete instructions
11 for participating in the meeting by remote communication.

12 NEW SECTION. **Sec. 2502.** NOTICE OF BOARD MEETINGS. (1) Regular
13 meetings of the board may be held with or without notice as
14 prescribed in the articles or bylaws, unless notice is required by
15 section 2409(2) of this act or other provisions of this chapter.

16 (2) Unless the articles or bylaws provide for a longer or shorter
17 period, special meetings of the board must be preceded by at least
18 forty-eight hours' notice of the date, time, and place of the
19 meeting. The notice need not describe the purpose of the special
20 meeting, except as required by section 2409(2) of this act, other
21 provisions of this chapter, or the articles or bylaws.

22 (3) Unless the articles or bylaws provide otherwise, the
23 president, the secretary, or twenty percent of the directors then in
24 office may call and give, or cause to be given, notice of a meeting
25 of the board.

26 (4) Oral notice of meetings of the board may be given, unless
27 oral notice is not permitted by a corporation's articles or bylaws.

28 NEW SECTION. **Sec. 2503.** WAIVER OF NOTICE. (1) A director may
29 waive any notice required by this chapter, the articles, or the
30 bylaws before or after the date and time stated in the notice. Except
31 as provided by subsection (2) of this section, the waiver must be in
32 the form of a record, executed by the director entitled to the
33 notice, and filed with the minutes or corporate records.

34 (2) A director's attendance at or participation in a meeting
35 waives any required notice to the director of the meeting, unless the
36 director at the beginning of the meeting or promptly upon arrival
37 objects to holding the meeting or transacting business at the meeting

1 and does not thereafter vote for or assent to action taken at the
2 meeting.

3 NEW SECTION. **Sec. 2504.** BOARD QUORUM AND VOTING REQUIREMENTS.

4 (1) Except as provided in subsection (2) of this section, the
5 articles, or the bylaws, a quorum of the board consists of a majority
6 of the directors in office before a meeting begins.

7 (2) The articles or bylaws may authorize a quorum of the board to
8 consist of no fewer than one-third of the number of directors in
9 office.

10 (3) If a quorum is present when a vote is taken, then the
11 affirmative vote of a majority of directors present is the act of the
12 board unless a greater vote is required by the articles or bylaws or
13 this chapter.

14 (4) No proxy for a director, however appointed, may:

15 (a) Participate in any vote of the board or of any board
16 committee;

17 (b) Be counted for the purpose of determining whether a quorum is
18 present at a meeting; or

19 (c) Execute any written consent on behalf of the director.

20 (5) A director who is present at a meeting of the board when
21 corporate action is taken is considered to have assented to the
22 action taken unless:

23 (a) The director objects at the beginning of the meeting or
24 promptly upon arrival to holding it or transacting business at the
25 meeting;

26 (b) The director dissents or abstains from the action; or

27 (c) The director delivers notice in the form of a record of the
28 director's dissent or abstention to the president or secretary of the
29 corporation or another officer of the corporation designated in the
30 bylaws before or during the meeting or before the approval of the
31 minutes of the meeting.

32 (6) The right of dissent or abstention is not available to a
33 director who votes in favor of the action taken.

34 NEW SECTION. **Sec. 2505.** ACTION WITHOUT MEETING BY UNANIMOUS

35 WRITTEN CONSENT. (1) Unless the articles or bylaws prohibit action
36 without a meeting, action required or permitted by this chapter to be
37 taken by the board may be taken without a meeting if each director
38 entitled to vote with respect to the subject matter thereof executes

1 a consent in the form of a record describing the action to be taken
2 and delivers it to the nonprofit corporation.

3 (2) For purposes of this section only, "each director entitled to
4 vote" does not include an "interested director" who abstains in
5 writing from providing consent, where:

6 (a) The board has determined that:

7 (i) The corporation is entering into the transaction for its own
8 benefit; and

9 (ii) The transaction is fair and reasonable to the corporation
10 when it enters into the transaction or the noninterested directors
11 determine in good faith after reasonable investigation that the
12 corporation cannot obtain a more advantageous arrangement with
13 reasonable effort under the circumstances, at or before execution of
14 the written consent;

15 (b) That determination of the board is included in the written
16 consent executed by the noninterested directors or in other records
17 of the corporation; and

18 (c) All of the noninterested directors approve the action.

19 (3) Action taken under this section is the act of the board when
20 one or more consents executed by all the directors entitled to vote
21 are delivered to the nonprofit corporation. In no event may the
22 period between the date of the first signature by a director on such
23 a consent and the date on which all directors have executed the
24 consent be more than sixty days. The consent may specify the time at
25 which the action taken in the consent is to be effective. A
26 director's consent may be withdrawn by a revocation in the form of a
27 record executed by the director and delivered to the president,
28 secretary, or other officer of the corporation specified by the board
29 for that purpose before delivery to the corporation of unrevoked
30 consents executed by all the directors.

31 (4) A written consent executed under this section has the effect
32 of action taken at a meeting of the board and may be described as
33 such in any document.

34 NEW SECTION. **Sec. 2506.** BOARD AND ADVISORY COMMITTEES. (1)
35 Unless this chapter, the articles, or the bylaws provide otherwise, a
36 board may create one or more committees of the board that consist of
37 two or more directors. A committee of the board shall not include as
38 voting members persons who are not directors, except:

1 (a) As provided in Title 48 RCW or the regulations promulgated
2 thereunder;

3 (b) If the only powers delegated to the committee are those
4 necessary for the committee to serve in any fiduciary capacity with
5 respect to one or more employee benefit plans established under the
6 federal employee retirement income security act of 1974, or any
7 successor statute; or

8 (c) Unless without the inclusion of persons who are not directors
9 it is impossible or impracticable for the corporation to comply with
10 applicable law other than this chapter.

11 (2) Unless this chapter otherwise provides, the creation of a
12 committee of the board and appointment of directors to it shall be
13 approved by the greater of:

14 (a) A majority of all the directors in office when the action is
15 taken; or

16 (b) The number of directors required by the articles or bylaws to
17 take action under section 2504 of this act.

18 (3) Sections 2501 through 2505 of this act apply to both
19 committees of the board and their members to the greatest practicable
20 extent.

21 (4) To the extent specified by the board or in the articles or
22 bylaws, each committee of the board may exercise the powers of the
23 board granted through section 2401(2) of this act, except as limited
24 by subsection (5) of this section.

25 (5) A committee of the board may not:

26 (a) Authorize distributions;

27 (b) Adopt, amend, alter, or repeal bylaws;

28 (c) In the case of a membership corporation, approve or propose
29 to members action that must be approved by members under the articles
30 or bylaws;

31 (d) Elect, appoint or remove any member of any committee of the
32 board or any director or officer of the corporation;

33 (e) Amend the articles;

34 (f) Adopt a plan of merger with another corporation;

35 (g) Adopt a plan of domestication, for-profit conversion, or
36 entity conversion;

37 (h) Authorize the sale, lease, or exchange of all or
38 substantially all of the property and assets of the corporation not
39 in the ordinary course of business;

1 (i) Authorize the voluntary dissolution of the corporation or
2 revoke proceedings therefor;

3 (j) Adopt a plan for the distribution of the assets of the
4 corporation; or

5 (k) Amend, alter, or repeal any resolution of the board, unless
6 the resolution provides by its terms that it may be amended, altered,
7 or repealed by a committee.

8 (6) The creation of, delegation of authority to, or action by a
9 committee of the board does not alone constitute compliance by a
10 director with the standards of conduct described in section 2402 of
11 this act.

12 (7) A nonprofit corporation may create or authorize the creation
13 of one or more advisory committees whose members need not be
14 directors or meet the qualification requirements for directors. The
15 board shall not delegate any of its authority to an advisory
16 committee. An advisory committee:

17 (a) Is not a committee of the board; and

18 (b) May not exercise any of the powers of the board.

19 NEW SECTION. **Sec. 2507.** PROCEDURE FOR REMOTE MEETINGS. Unless
20 otherwise provided in the articles or bylaws, meetings of the board
21 or any committee held by remote communication must follow the
22 provisions of sections 2501 through 2506 of this act to the greatest
23 practicable extent.

24 **ARTICLE 6**

25 **OFFICERS**

26 NEW SECTION. **Sec. 2601.** OFFICERS—DUTIES. (1) The officers of a
27 nonprofit corporation consist of a president, secretary, and
28 treasurer, and other officers as may be authorized by the articles,
29 the bylaws, or the board.

30 (2) Unless the articles or bylaws provide otherwise, the board
31 shall elect or appoint all officers annually, and officers shall
32 serve until their respective successors have been elected or
33 appointed or until their earlier removal or resignation.

34 (3) The same individual may simultaneously hold more than one
35 office in a nonprofit corporation, except that the same individual
36 may not hold the offices of president and secretary.

1 (4) Each officer has the authority and shall perform the duties
2 set forth in the articles or bylaws or, to the extent consistent with
3 the articles and bylaws, the duties prescribed by the board or by
4 direction of an officer authorized by the board to prescribe the
5 duties of other officers.

6 NEW SECTION. **Sec. 2602.** STANDARDS OF CONDUCT FOR OFFICERS. (1)
7 An officer with discretionary authority shall discharge his or her
8 duties under that authority:

9 (a) In good faith;

10 (b) With the care an ordinarily prudent person in a like position
11 would exercise under similar circumstances; and

12 (c) In a manner the officer reasonably believes to be in the best
13 interests of the corporation.

14 (2) The duty of an officer includes the obligation to convey to
15 his or her superior officer, the board, a board committee, or another
16 appropriate person within the nonprofit corporation:

17 (a) Information about the affairs of the nonprofit corporation
18 within the scope of the officer's functions, and known to the officer
19 to be material to the superior officer, board, or committee thereof;
20 and

21 (b) Information regarding any actual or probable material
22 violation of law involving the corporation or material breach of duty
23 to the corporation by an officer, director, employee, agent, or
24 vendor of the corporation, that the officer believes has occurred or
25 is likely to occur.

26 (3) In discharging his or her duties, an officer who does not
27 have knowledge that makes reliance unwarranted may rely on
28 information, opinions, reports, or statements, including financial
29 statements and other financial data, if prepared or presented by:

30 (a) One or more officers or employees of the nonprofit
31 corporation whom the officer reasonably believes to be reliable and
32 competent in the functions performed or the information, opinions,
33 reports, or statements provided;

34 (b) Legal counsel, public accountants, or other persons retained
35 by the corporation as to matters involving skills or expertise the
36 officer reasonably believes are matters:

37 (i) Within the particular person's professional or expert
38 competence; or

39 (ii) As to which the particular person merits confidence.

1 (4) An officer is not a trustee with respect to the nonprofit
2 corporation or with respect to any property held or administered by
3 the corporation, including property that may be subject to
4 restrictions imposed by the donor or transferor of the property.

5 NEW SECTION. **Sec. 2603.** RESIGNATION AND REMOVAL OF OFFICERS.

6 (1) An officer may resign at any time by delivering notice to the
7 nonprofit corporation. A resignation is effective when the notice is
8 delivered unless the notice specifies a later effective time. If a
9 resignation is made effective at a later time and the board or the
10 appointing officer accepts the future effective time, then the board
11 or the appointing officer may designate a successor before the
12 effective time if the board or the appointing officer provides that
13 the successor does not take office until the effective time.

14 (2) Except as provided in the articles or bylaws, an officer may
15 be removed at any time with or without cause by:

16 (a) The board;

17 (b) The officer who appointed the officer being removed, unless
18 the board provides otherwise; or

19 (c) Any other officer authorized by the articles, the bylaws, or
20 the board to remove the officer being removed.

21 (3) In this section, "appointing officer" means the officer,
22 including any successor to that officer who appointed the officer
23 resigning or being removed.

24 NEW SECTION. **Sec. 2604.** CONTRACT RIGHTS OF OFFICERS. (1) The
25 appointment or election of an officer does not itself create contract
26 rights.

27 (2) An officer's removal does not affect the officer's contract
28 rights, if any, with the nonprofit corporation. An officer's
29 resignation does not affect the corporation's contract rights, if
30 any, with the officer.

31 **ARTICLE 7**

32 **PROVISIONS COMMON TO DIRECTORS AND OFFICERS**

33 NEW SECTION. **Sec. 2701.** LOANS OR GUARANTEES. (1) A nonprofit
34 corporation may not lend money to, advance credit to, or guarantee
35 the obligation of a director or officer of the corporation.

36 (2) Subsection (1) of this section does not apply to:

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1 (a) An advance to pay reimbursable expenses reasonably expected
2 to be incurred within a time period that is reasonable under the
3 circumstances by a director or officer;

4 (b) Advances pursuant to section 2706 of this act;

5 (c) Loans or advances pursuant to employee benefit plans; or

6 (d) A loan to pay reasonable relocation expenses of an officer.

7 (3) The fact that a loan or guarantee is made in violation of
8 this section does not affect the borrower's liability on the loan.

9 (4) The directors who vote for or assent to any loan, advance, or
10 guarantee in violation of subsection (1) of this section, and any
11 officer materially participating in the making of such a loan,
12 advance, or guarantee, are personally liable on a joint and several
13 basis to the nonprofit corporation on the loan, advance, or
14 guarantee. Liability under this subsection terminates upon the
15 repayment of any funds advanced by the nonprofit corporation in
16 violation of subsection (1) of this section or, if no funds have been
17 advanced under a guarantee, upon the termination of the guarantee.

18 (5) A director or officer held liable under subsection (4) of
19 this section for any unlawful loan or guarantee is entitled to
20 contribution from every other director or officer who could be held
21 liable under subsection (4) of this section for the unlawful loan or
22 guarantee.

23 (6) A proceeding to enforce contribution or recoupment under
24 subsection (5) of this section is barred unless it is commenced
25 within one year after the liability of the claimant has been finally
26 adjudicated under subsection (4) of this section.

27 NEW SECTION. **Sec. 2702.** LIABILITY FOR UNLAWFUL DISTRIBUTIONS.

28 (1) A director or officer is personally liable to the nonprofit
29 corporation for the amount of any distribution that exceeds the
30 amount the corporation could have distributed without violating
31 section 1406 of this act if:

32 (a) The nature or amount of the distribution was material to the
33 interests of the corporation for any reason under all of the facts
34 and circumstances including, but not limited to, federal excise tax
35 liability or federal tax penalties imposed on the corporation as a
36 result of the distribution;

37 (b) The director or officer voted for or assented to that
38 distribution as a director, or participated beyond the level of a
39 ministerial function in making that distribution as an officer; and 197

1 (c) The party asserting liability establishes that, when taking
2 the action, the director or officer violated the standard of conduct
3 set forth in subsection (2) of this section.

4 (2) A director or officer may be held liable under this section:

5 (a) For a distribution by a charitable corporation, or a
6 distribution of assets held for charitable purposes, if the director
7 did not comply with section 2402 of this act or the officer did not
8 comply with section 2602 of this act; or

9 (b) If the conduct of the director or officer with respect to the
10 distribution constitutes gross negligence.

11 (3) A director or officer held liable under this section for an
12 unlawful distribution is entitled to:

13 (a) Contribution from every other director or officer who could
14 be held liable under this section for the unlawful distribution; and

15 (b) Recoupment from each person of the pro rata portion of the
16 amount of the unlawful distribution the person received:

17 (i) Whether or not the person knew the distribution was made in
18 violation of this chapter, for a distribution by a charitable
19 corporation or of property held for charitable purposes; or

20 (ii) Knowing the distribution was made in violation of this
21 chapter, for a distribution of property not held for charitable
22 purposes.

23 (4) A proceeding to enforce:

24 (a) The liability of a director or officer under this section is
25 barred, unless it is commenced within three years after the date on
26 which the distribution was made; or

27 (b) Contribution or recoupment under subsection (3) of this
28 section is barred, unless it is commenced within one year after the
29 liability of the claimant under this section has been finally
30 adjudicated.

31 NEW SECTION. **Sec. 2703.** CONFLICTING INTEREST TRANSACTIONS—
32 VOIDABILITY. (1) A contract or transaction between a nonprofit
33 corporation and one or more of its members, directors, or officers;
34 or between a nonprofit corporation and any other entity in which one
35 or more of its directors or officers are directors or officers, hold
36 a similar position, or have a financial interest is not void or
37 voidable solely for that reason, or solely because the member,
38 director, or officer is present at or participates in the meeting of

1 the board that authorizes the contract or transaction or solely
2 because his or her or their votes are counted for that purpose, if:

3 (a) The material facts as to the relationship or interest and as
4 to the contract or transaction are disclosed or are known to the
5 board and the board in good faith authorizes the contract or
6 transaction by the affirmative vote of a majority of the
7 disinterested directors even though the disinterested directors are
8 less than a quorum;

9 (b) The material facts as to the relationship or interest of the
10 member, director, or officer and as to the contract or transaction
11 are disclosed or are known to the members entitled to vote thereon,
12 if any, and the contract or transaction is specifically approved in
13 good faith by vote of those members; or

14 (c) The contract or transaction is fair as to the corporation as
15 of the time the board or the members authorize, approve, or ratify
16 the transaction.

17 (2) Interested directors or directors holding a similar position
18 in the other entity involved in a contract or transaction specified
19 in subsection (1) of this section may be counted in determining the
20 presence of a quorum at a meeting of the board that authorizes the
21 contract or transaction.

22 (3) This section is applicable except as provided in the articles
23 or bylaws.

24 NEW SECTION. **Sec. 2704.** BUSINESS OPPORTUNITIES. (1) The taking
25 advantage, directly or indirectly, by a director or officer of a
26 business opportunity may not be the subject of equitable relief, or
27 give rise to an award of damages or other sanctions against the
28 director or officer, in a proceeding by or in the right of the
29 nonprofit corporation on the ground that the opportunity should have
30 first been offered to the corporation, if before becoming legally
31 obligated or entitled respecting the opportunity the director or
32 officer brings it to the attention of the corporation and action by
33 the members or the directors disclaiming the corporation's interest
34 in the opportunity is taken in compliance with the procedures set
35 forth in section 2703 of this act, as if the decision being made
36 concerned a conflicting interest transaction.

37 (2) In any proceeding seeking equitable relief or other remedies,
38 based upon an alleged improper taking advantage of a business
39 opportunity by a director or officer, the fact that the director or

1 officer did not employ the procedure described in subsection (1) of
2 this section before taking advantage of the opportunity does not
3 support an inference that the opportunity should have been first
4 presented to the nonprofit corporation or alter the burden of proof
5 otherwise applicable to establish that the director or officer
6 breached a duty to the corporation in the circumstances.

7 NEW SECTION. **Sec. 2705.** REMOVAL BY JUDICIAL PROCEEDING. (1) The
8 court may remove a director or officer from office in a proceeding
9 commenced by or in the right of the corporation if the court finds
10 that:

11 (a) The director or officer engaged in fraudulent conduct with
12 respect to the corporation or its members, knowingly inflicted harm
13 on the corporation, or engaged in acts or omissions constituting
14 gross negligence with respect to the director's or officer's duties;
15 and

16 (b) Considering the course of conduct of the director or officer
17 and the inadequacy of other available remedies, removal would be in
18 the best interest of the corporation.

19 (2) An action under this section may be commenced by a member,
20 individual director, or delegate. The attorney general may also
21 commence an action under this section if the corporation holds
22 property for charitable purposes.

23 (3) The court, in addition to removing the director or officer,
24 may bar the director or officer from being reelected, redesignated,
25 or reappointed as a director, an officer, or both for a period
26 prescribed by the court.

27 (4) Nothing in this section limits the equitable powers of the
28 court to order other relief.

29 (5) If a proceeding is commenced under this section to remove a
30 director or officer of a charitable corporation, then the plaintiff
31 shall give the attorney general notice in the form of a record of the
32 commencement of the proceeding.

33 NEW SECTION. **Sec. 2706.** INDEMNIFICATION AND ADVANCE FOR
34 EXPENSES. The provisions of RCW 23B.08.500 through 23B.08.603, or
35 their successors, apply to any corporation to which this chapter
36 applies. For purposes of this chapter:

1 (1) All references in those provisions to shares of a corporation
2 are deemed to refer to membership interests in the nonprofit
3 corporation.

4 (2) All references in those provisions to shareholders are deemed
5 to refer to members of the nonprofit corporation.

6 (3) All references in those provisions to a shareholders meeting
7 are deemed to refer to a meeting of the members of the nonprofit
8 corporation.

9 (4) All references in those provisions to transactions from which
10 directors or officers will personally receive a benefit to which they
11 are not entitled are deemed to include transactions approved or
12 implemented by a director or officer knowing them to be in violation
13 of section 1406 of this act.

14 (5) This section does not limit a nonprofit corporation's power
15 to indemnify, advance expenses to, or provide or maintain insurance
16 on behalf of an employee, agent, or volunteer.

17 **PART III**

18 **FUNDAMENTAL TRANSACTIONS**

19 **ARTICLE 1**

20 **AMENDMENT OF ARTICLES OR BYLAWS**

21 NEW SECTION. **Sec. 3101.** AUTHORITY TO AMEND. (1) A nonprofit
22 corporation may amend its articles of incorporation, from time to
23 time, so long as its articles as amended contain only provisions that
24 are lawful under this chapter.

25 (2) Amendments to the articles of a charitable corporation to
26 include one or more purposes of the corporation substantially
27 different from the corporation's purposes before the amendment are
28 subject to the reporting requirement set out in section 1205 of this
29 act.

30 NEW SECTION. **Sec. 3102.** AMENDMENT OF ARTICLES BY NONMEMBERSHIP
31 CORPORATION. (1) Except as provided in the articles, the board of a
32 nonmembership corporation may adopt amendments to the corporation's
33 articles by the vote of a majority of the directors in office.

34 (2) Except as provided in subsection (3) of this section, an
35 amendment adopted by the board under this subsection must also be
36 approved, if the amendment changes or deletes a provision regarding

1 the appointment of a director by persons other than the board, by
2 those persons as if they constituted a voting group.

3 (3) Unless the articles provide otherwise, the board of a
4 nonmembership corporation may adopt amendments to the corporation's
5 articles without approval of any of the other persons identified in
6 subsection (2) of this section to:

7 (a) Extend the duration of the corporation if it was incorporated
8 at a time when limited duration was required by law;

9 (b) Delete the names and addresses of the initial directors;

10 (c) Notwithstanding section 1303(1) of this act, delete the name
11 of each incorporator and the name and address of the initial
12 registered agent or registered office, if a statement of change is on
13 file with the secretary of state; and

14 (d) Restate without change all of the then operative provisions
15 of the articles.

16 NEW SECTION. **Sec. 3103.** AMENDMENT BEFORE ADMISSION OF MEMBERS.

17 If a membership corporation has not yet admitted members, then its
18 board may adopt one or more amendments to the articles.

19 NEW SECTION. **Sec. 3104.** AMENDMENT AFTER ADMISSION OF MEMBERS.

20 (1) An amendment to the articles of a membership corporation must be
21 adopted in the following manner:

22 (a) Except as provided in (e) of this subsection, a proposed
23 amendment must be adopted by the board.

24 (b) Except as provided in sections 3107 and 3108 of this act, a
25 proposed amendment must be submitted to the members entitled to vote
26 on the amendment, if any, for their approval.

27 (c) The board shall deliver to all members a recommendation that
28 the members approve an amendment, unless the board makes a
29 determination that because of conflicts of interest or other special
30 circumstances it should not make such a recommendation, in which case
31 the board shall deliver to the members the basis for that
32 determination.

33 (d) The board may condition its submission of an amendment to the
34 members on any basis. Such a condition is in addition to any approval
35 requirements set forth in the corporation's articles or bylaws or in
36 this chapter.

37 (e) If the articles or bylaws so permit, an amendment may be
38 proposed by ten percent or more of the members entitled to vote on ²⁰²

1 the amendment, or by a greater number of members if the articles or
2 bylaws so specify. (a), (c), and (d) of this subsection do not apply
3 to an amendment proposed by the members under this subsection.

4 (f) If an amendment is required to be approved by the members,
5 including under (e) of this subsection, and the approval is to be
6 given at a meeting, then the corporation shall give notice to each
7 member, whether or not entitled to vote on the amendment, of the
8 meeting of members at which the amendment is to be submitted for
9 approval. The notice shall state that the purpose, or one of the
10 purposes, of the meeting is to consider the amendment and must
11 contain or be accompanied by a copy or summary of the amendment. If a
12 summary is provided in lieu of a copy of the amendment, then a copy
13 must be available to members upon request and the notice shall state
14 that fact.

15 (g) At a meeting described in (f) of this subsection, those
16 members entitled to vote on the amendment may:

17 (i) Approve or reject the amendment exactly as provided or
18 summarized in the notice of the meeting; or

19 (ii) Approve revisions to the amendment at the meeting, if the
20 subject matter of the revisions is within the scope of the subject
21 matter of the amendment as provided or summarized in the notice of
22 the meeting.

23 (h) The board shall determine whether the subject matter of any
24 revisions approved by members remains within the scope of the subject
25 matter of the amendment as provided or summarized in the notice of
26 the meeting. If the board determines that the revisions approved by
27 the members are not within that scope, then the amendment is deemed
28 rejected by the membership. If the board determines that the
29 revisions by members are within scope, then the board may:

30 (i) Accept the amendment incorporating the revisions approved by
31 the members; or

32 (ii) Propose a further revised amendment to the members for
33 approval.

34 This process may continue until an amendment acceptable to the
35 board has been approved by the members. If successive votes take
36 place at the same meeting of members, then no further notices or
37 meetings are required.

38 (i) Unless the articles or bylaws, or the board acting pursuant
39 to (d) of this subsection, requires a greater vote or a greater
40 number of votes to be present, the approval of an amendment by the

1 members entitled to vote thereon requires the approval of those
2 members at a meeting at which a quorum is present, and, if any class
3 of members is entitled to vote as a separate group on the amendment,
4 the approval of each separate voting group entitled to vote at a
5 meeting at which a quorum of the voting group is present.

6 (j) Except as provided in subsection (2) of this section, an
7 amendment adopted by the board under this subsection must also be
8 approved, if the amendment changes or deletes a provision regarding
9 the appointment of a director by persons other than the board, by
10 those persons as if they constituted a voting group.

11 (k) If a membership corporation has no members entitled to vote
12 on the amendment, then the corporation shall deliver notice of the
13 approval of the amendment by the board to all members of the
14 corporation at least five days before filing articles of amendment or
15 restated articles of incorporation with the secretary of state.

16 (2) Unless the articles provide otherwise, the board of a
17 membership corporation may adopt amendments to the corporation's
18 articles without approval of the members to:

19 (a) Delete the names and addresses of the initial directors;

20 (b) Notwithstanding section 1303(2) of this act, delete the name
21 of each incorporator and the name and address of the initial
22 registered agent or registered office, if a statement of change is on
23 file with the secretary of state; or

24 (c) Restate without change all of the then operative provisions
25 of the articles.

26 NEW SECTION. **Sec. 3105.** VOTING ON AMENDMENTS BY VOTING GROUPS.

27 (1) If a nonprofit corporation has more than one class of members
28 entitled to vote on an amendment to the articles, then the articles
29 or bylaws may provide that the members of each class entitled to vote
30 on the amendment are entitled to vote as a separate voting group if
31 the amendment would change the rights, powers, preferences, or
32 limitations of the class.

33 (2) If a class of members will be divided into two or more
34 classes by an amendment to the articles, then the amendment must be
35 approved by a majority of the members of each class that will be
36 created.

37 NEW SECTION. **Sec. 3106.** ARTICLES OF AMENDMENT. After an
38 amendment to the articles has been adopted and approved in the manner

1 required by sections 3101 through 3114 of this act and by the
2 articles, the nonprofit corporation shall deliver to the secretary of
3 state for filing articles of amendment, which must be executed by an
4 officer or other authorized representative and set forth:

- 5 (1) The name of the corporation;
- 6 (2) The text of the amendment adopted;
- 7 (3) The date of the amendment's adoption; and
- 8 (4) If the amendment:

9 (a) Was adopted by the board without member approval, a statement
10 that the amendment was adopted by the board of directors, and that
11 member approval was not required; or

12 (b) Required approval by the members, a statement that the
13 amendment was approved by the members in the manner required by this
14 chapter and by the articles and bylaws.

15 NEW SECTION. **Sec. 3107.** RESTATED ARTICLES OF INCORPORATION. (1)

16 The board of a nonprofit corporation may restate its articles of
17 incorporation at any time, without approval by the members or any
18 other person, to consolidate all amendments into a single document
19 without substantive change.

20 (2) A restatement of the articles may include one or more
21 amendments to the articles. If restated articles of incorporation of
22 a nonmembership corporation include one or more new amendments, then
23 these amendments must have been adopted and approved as provided in
24 section 3102 of this act. If restated articles of incorporation of a
25 membership corporation include one or more new amendments that
26 require member approval, then the amendments must have been adopted
27 and approved as provided in section 3103 or 3104 of this act, as
28 appropriate.

29 (3) A nonprofit corporation that restates its articles of
30 incorporation shall deliver to the secretary of state for filing
31 articles of restatement setting forth the name of the nonprofit
32 corporation and the text of the restated articles of incorporation
33 together with a certificate setting forth:

34 (a) If the restatement does not include any amendments to the
35 articles, a statement of that fact;

36 (b) If the restatement contains one or more amendments to the
37 articles, the information required by section 3106 (1) through (4) of
38 this act.

1 (4) The articles of restatement and the certificate must be
2 executed by an officer or other authorized representative.

3 (5) Duly adopted restated articles of incorporation supersede the
4 original articles and all amendments thereto.

5 (6) The secretary of state shall certify restated articles of
6 incorporation as the articles currently in effect.

7 NEW SECTION. **Sec. 3108.** AMENDMENT OF ARTICLES PURSUANT TO
8 REORGANIZATION. (1) A nonprofit corporation's articles of
9 incorporation may be amended without action by the board or the
10 members to carry out a plan of reorganization ordered or decreed by
11 any court of competent jurisdiction.

12 (2) An individual designated by the court shall deliver to the
13 secretary of state for filing articles of amendment setting forth:

14 (a) The name of the corporation;

15 (b) The text of each amendment approved by the court;

16 (c) The date of the court's order or decree approving the
17 articles of amendment;

18 (d) The title of the reorganization proceeding in which the order
19 or decree was entered; and

20 (e) A statement that the court had jurisdiction of the
21 proceeding.

22 (3) This section does not apply after entry of a final decree in
23 the reorganization proceeding even though the court retains
24 jurisdiction of the proceeding for limited purposes unrelated to
25 consummation of the reorganization plan.

26 NEW SECTION. **Sec. 3109.** EFFECTIVE DATE. Unless a delayed
27 effective date is specified, articles of amendment or restated
28 articles of incorporation become effective on the date the articles
29 of amendment or restated articles of incorporation are filed by the
30 secretary of state.

31 NEW SECTION. **Sec. 3110.** EFFECT OF ARTICLES OF AMENDMENT. (1)
32 Except as provided in subsection (2) of this section, an amendment to
33 the articles does not affect a cause of action existing against or in
34 favor of the nonprofit corporation, a proceeding to which the
35 corporation is a party, or the existing rights of persons other than
36 members of the corporation or persons referred to in the articles. An

1 amendment changing a corporation's name does not abate a proceeding
2 brought by or against the corporation in its former name.

3 (2) No amendment to the articles shall modify any restriction
4 imposed through any means upon property held for charitable purposes
5 unless, before the delivery of the amendment to the secretary of
6 state for filing, the restriction is modified:

7 (a) In the case of a restriction imposed pursuant to a trust
8 instrument governed by chapter 11.110 RCW in which the nonprofit
9 corporation is a trustee or a beneficiary, through an appropriate
10 order of the court or the agreement of all interested parties,
11 including the attorney general, under chapter 11.96A RCW; or

12 (b) In the case of any other restriction, pursuant to section
13 1503 of this act.

14 (3) A person who is a member or otherwise affiliated with a
15 charitable corporation may not receive a direct or indirect financial
16 benefit in connection with an amendment of the articles unless the
17 person is itself a charitable corporation, the federal government, a
18 state, a governmental subdivision, or an unincorporated entity that
19 has charitable purposes. This subsection does not apply to the
20 receipt of reasonable compensation for services rendered.

21 NEW SECTION. **Sec. 3111.** POWER TO AMEND BYLAWS. The power to
22 alter, amend, or repeal the bylaws or adopt new bylaws is vested in
23 the board unless otherwise provided in the articles, the bylaws, or
24 this chapter.

25 NEW SECTION. **Sec. 3112.** BYLAW AMENDMENTS REQUIRING MEMBER
26 APPROVAL. (1) Except as provided in the articles or bylaws, the board
27 of a membership corporation that has one or more members may not,
28 without approval of the class or classes of members affected, adopt
29 or amend a provision of the bylaws:

30 (a) That would eliminate any existing right, power, or privilege
31 of membership contained in the bylaws;

32 (b) Under section 2107 of this act, providing that some of the
33 members have different rights or obligations than other members with
34 respect to voting, dissolution, transfer of memberships or other
35 matters;

36 (c) Under section 2110 of this act, levying dues, assessments, or
37 fees on some or all of the members;

1 (d) Under section 2113 of this act, relating to the termination
2 or suspension of members; or

3 (e) Under section 2114 of this act, authorizing the purchase of
4 memberships.

5 (2) The board of a membership corporation that has members may
6 not amend the articles or bylaws without approval of every class or
7 classes of members affected to vary the application of subsection (1)
8 of this section to the corporation.

9 (3) If a nonprofit corporation has more than one class of
10 members, then the members of a class are entitled to vote as a
11 separate voting group on an amendment to the bylaws that:

12 (a) Is described in subsection (1) of this section, if the
13 amendment would affect the members of that class differently than the
14 members of another class; or

15 (b) Has any of the effects described in section 3104(1)(j) of
16 this act.

17 (4) If a class of members will be divided into two or more
18 classes by an amendment to the bylaws, then the amendment must be
19 approved by a majority of the members of each class that will be
20 created.

21 NEW SECTION. **Sec. 3113.** EFFECT OF BYLAW AMENDMENT. (1) No
22 amendment to the bylaws shall modify any restriction imposed through
23 any means upon property held for charitable purposes unless, before
24 or simultaneously with the adoption of the bylaws amendment, the
25 restriction is modified:

26 (a) In the case of a restriction imposed pursuant to a trust
27 instrument governed by chapter 11.110 RCW in which the nonprofit
28 corporation is a trustee or a beneficiary, through an appropriate
29 order of the court or the agreement of all interested parties,
30 including the attorney general, under chapter 11.96A RCW; or

31 (b) In the case of any other restriction, pursuant to section
32 1503 of this act.

33 (2) A person who is a member or otherwise affiliated with a
34 charitable corporation may not receive a direct or indirect financial
35 benefit in connection with an amendment of the bylaws unless the
36 person is itself a charitable corporation, the federal government, a
37 state, a governmental subdivision, or an unincorporated entity that
38 has charitable purposes. This subsection does not apply to the
39 receipt of reasonable compensation for services rendered.

1 NEW SECTION. **Sec. 3202.** PROPERTY HELD FOR CHARITABLE PURPOSES.

2 (1) In a merger under sections 3201 through 3209 of this act,
3 property held for charitable purposes by a nonprofit corporation may
4 not be diverted from charitable purposes.

5 (2) The survivor of any merger under sections 3201 through 3209
6 of this act remains bound by any restriction imposed through any
7 means upon property held for charitable purposes by any party to the
8 merger including, but not limited to, any restriction that affects
9 existing rights of persons other than members, shareholders, or
10 interest holders of the other party, unless the restriction is
11 modified:

12 (a) In the case of a restriction imposed pursuant to a trust
13 instrument governed by chapter 11.110 RCW in which the nonprofit
14 corporation is a trustee or a beneficiary, through an appropriate
15 order of the court or the agreement of all interested parties,
16 including the attorney general, under chapter 11.96A RCW; or

17 (b) In the case of any other restriction, pursuant to section
18 1503 of this act.

19 (3) Property held by a nonprofit corporation for charitable
20 purposes upon condition requiring return, transfer, or conveyance,
21 which condition occurs by reason of the merger, must be returned,
22 transferred, or conveyed in accordance with that condition.

23 (4) A corporation that is not a charitable corporation but holds
24 property for charitable purposes shall deliver to the attorney
25 general notice of its intent to consummate a merger, unless the
26 survivor of the merger is a charitable corporation. The notice must
27 be delivered to the attorney general in the form of a record at least
28 twenty days before the meeting at which the proposed transaction is
29 to be approved. Such a merger may not be implemented without the
30 approval of the attorney general, or the approval of the court in a
31 proceeding to which the attorney general is made a party. In the
32 event that the attorney general does not deliver a notice of
33 objection in the form of a record to the corporation within twenty
34 days after the delivery to the attorney general of notice of the
35 transaction, approval of the transaction is deemed to have been
36 given.

37 (5) The notice described in subsection (4) of this section shall
38 include:

39 (a) A statement specifying how the merger will comply with
40 subsections (1) through (3) of this section; and

- 1 (b) A brief description of:
- 2 (i) Real property held by the corporation for charitable
- 3 purposes, and its nature and location;
- 4 (ii) Cash, bank deposits, brokerage accounts, or other financial
- 5 assets held by the corporation for charitable purposes, and their
- 6 approximate total fair market value;
- 7 (iii) Other personal property held by the corporation for
- 8 charitable purposes, and its nature and approximate total fair market
- 9 value; and
- 10 (iv) All gift restrictions applicable to any property described
- 11 in (b) (i) through (iii) of this subsection, and the nature of those
- 12 restrictions.

13 NEW SECTION. **Sec. 3203.** PROHIBITION OF FINANCIAL BENEFIT. A

14 person who is a member, director, officer, interest holder, or

15 otherwise affiliated with a charitable corporation or any other

16 eligible entity with a charitable purpose may not receive a direct or

17 indirect financial benefit in connection with a transaction under

18 this chapter to which the charitable corporation or unincorporated

19 entity is a party unless the person is itself a charitable

20 corporation, the federal government, a tribal government, a state or

21 local government, a governmental subdivision, or an eligible entity

22 that is organized exclusively for charitable purposes. This section

23 does not apply to the receipt of reasonable compensation for services

24 rendered.

25 NEW SECTION. **Sec. 3204.** LIMITATIONS ON CHARITABLE CORPORATIONS.

26 (1) A charitable corporation may merge only with:

27 (a) Another charitable corporation;

28 (b) A foreign corporation that, if it were a domestic

29 corporation, would qualify under this chapter as a charitable

30 corporation; or

31 (c) A foreign or domestic for-profit or nonprofit corporation, or

32 unincorporated entity, only if the charitable corporation is the

33 surviving corporation and continues to qualify as a charitable

34 corporation after the merger.

35 (2) No member of a charitable corporation may receive or keep

36 anything as a result of a merger other than a membership in the

37 surviving charitable corporation, unless:

1 (a) The attorney general, or the court in a proceeding in which
2 the attorney general has been given notice, has provided prior
3 written consent; or

4 (b) The member is a charitable corporation, another entity that
5 is organized and operated exclusively for one or more charitable
6 purposes, the federal government, or a tribal, state, or local
7 government.

8 NEW SECTION. **Sec. 3205.** MERGER. (1) Subject to the
9 restrictions in sections 3202 through 3204 of this act, one or more
10 domestic nonprofit corporations may merge with one or more domestic
11 or foreign nonprofit corporations or eligible entities pursuant to a
12 plan of merger or two or more foreign nonprofit corporations or
13 domestic or foreign eligible entities may merge into a new domestic
14 nonprofit corporation to be created in the merger in the manner
15 provided in sections 3201 through 3209 of this act.

16 (2) A foreign nonprofit corporation, or a foreign eligible
17 entity, may be a party to a merger with a domestic nonprofit
18 corporation, or may be created by the terms of the plan of merger,
19 only if the merger is permitted by the organic law of the corporation
20 or eligible entity.

21 (3) If the law of this state, other than this chapter, permits
22 the merger of a domestic eligible entity with a nonprofit corporation
23 but does not provide procedures for the approval of such a merger,
24 then a plan of merger may be adopted and approved, and the merger may
25 be effectuated, in accordance with the procedures in sections 3201
26 through 3209 of this act. For the purposes of applying sections 3201
27 through 3209 of this act, as the context may require:

28 (a) The eligible entity is treated as a domestic nonprofit
29 corporation, its interest holders are treated as members, eligible
30 interests are treated as memberships, and organic records are treated
31 as articles and bylaws; and

32 (b) If there is no board of directors and the business and
33 affairs of the eligible entity are managed by a team or body of
34 persons that is not identical to the interest holders, that team or
35 body is deemed to be the board of directors.

36 (4) The plan of merger must be in the form of a record and
37 include:

38 (a) The name of each domestic or foreign nonprofit corporation or
39 eligible entity that will merge and the name of the domestic or

1 foreign nonprofit corporation or eligible entity that will be the
2 survivor of the merger;

3 (b) The terms and conditions of the merger;

4 (c) The manner and basis of converting the memberships of each
5 merging domestic or foreign nonprofit membership corporation and the
6 eligible interests of each merging domestic or foreign eligible
7 entity into memberships, eligible interests, securities, or
8 obligations; rights to acquire memberships, eligible interests,
9 securities, or obligations; cash; other property or other
10 consideration; or any combination of the foregoing;

11 (d) The articles and bylaws of any corporation, or the organic
12 records of any eligible entity, to be created by the merger; or if a
13 new corporation or eligible entity is not to be created by the
14 merger, any changes to the survivor's articles or bylaws or organic
15 records;

16 (e) Whether the corporation is a charitable corporation or is
17 holding assets for charitable purposes;

18 (f) If the corporation is a charitable corporation or is holding
19 assets for charitable purposes, a plan setting forth how the merging
20 entities will comply with sections 3202 and 3204 of this act; and

21 (g) Any other provisions relating to the merger that the parties
22 desire be included in the plan of merger.

23 (5) The plan of merger may also include a provision that the plan
24 may be amended before filing articles of merger, but if the members
25 of a domestic corporation that is a party to the merger are required
26 or entitled to vote on the plan, then the plan shall provide that
27 after approval of the plan by those members the plan may not be
28 amended to change:

29 (a) The amount or kind of memberships, eligible interests,
30 securities, or obligations; rights to acquire memberships, eligible
31 interests, securities, or obligations; cash; or other property or
32 other consideration to be received by the members of or owners of
33 eligible interests in any party to the merger;

34 (b) The articles or bylaws of any corporation, or the organic
35 records of any unincorporated entity, that will survive or be created
36 as a result of the merger, except for changes permitted by section
37 3104(2) of this act or by comparable provisions of the organic law of
38 a foreign nonprofit or for-profit corporation or domestic or foreign
39 unincorporated entity; or

1 (c) Any of the other terms or conditions of the plan, if the
2 change would adversely affect those members in any material respect.

3 (6) Terms of a plan of merger may be made dependent on facts
4 objectively ascertainable outside the plan in accordance with section
5 1202(3) of this act.

6 NEW SECTION. **Sec. 3206.** ADOPTION OF PLAN OF MERGER. In the case
7 of a nonprofit corporation that is a party to a merger:

8 (1) The plan of merger must be adopted by the board.

9 (2) Except as provided in subsection (9) of this section, section
10 3205 of this act, or the articles or bylaws, after adopting the plan
11 of merger, the board shall submit the plan to those members entitled
12 to vote on the plan for their approval. The board shall also deliver
13 to the members a recommendation that the members approve the plan,
14 unless the board makes a determination that because of conflicts of
15 interest or other special circumstances it should not make such a
16 recommendation, in which case the board shall deliver to the members
17 the basis for that determination.

18 (3) The board may condition its submission of the plan of merger
19 to the members on any basis.

20 (4) If the plan of merger is required to be approved by the
21 members, and if the approval is to be given at a meeting, then the
22 nonprofit corporation shall give notice to each member, whether or
23 not entitled to vote on the merger, of the meeting of members at
24 which the plan is to be submitted for approval. The notice shall
25 state that the purpose, or one of the purposes, of the meeting is to
26 consider the plan and must contain or be accompanied by a copy or
27 summary of the plan. If the corporation is to be merged into an
28 existing corporation or eligible entity, then the notice shall also
29 include a copy or summary of the articles and bylaws or organic
30 records of that corporation or eligible entity. If the corporation is
31 to be merged into a corporation or eligible entity that is to be
32 created pursuant to the merger, then the notice shall include a copy
33 or a summary of the articles and bylaws or organic records of the new
34 corporation or eligible entity. If a summary is provided in lieu of a
35 copy of the plan or of the articles and bylaws, then a copy of the
36 plan and articles and bylaws, as applicable, must be available to
37 members upon request and this fact must be stated in the notice. Such
38 copy of the plan and articles and bylaws, as applicable, may be made
39 available in electronic format.

1 (5) Unless the articles or bylaws, or the board acting pursuant
2 to subsection (3) of this section, requires a greater vote or a
3 greater number of votes to be present, the approval of the plan of
4 merger by the members entitled to vote thereon requires the approval
5 of those members at a meeting at which a quorum is present, and, if
6 any class of memberships is entitled to vote as a separate group on
7 the plan of merger, the approval of each voting group entitled to
8 vote at a meeting at which a quorum of the voting group is present.

9 (6) Separate voting on a plan of merger is required:

10 (a) By each class of members:

11 (i) Whose memberships are to be converted into eligible
12 interests, securities, or obligations; rights to acquire eligible
13 interests, securities, or obligations; cash; other property or other
14 consideration; or any combination of the foregoing;

15 (ii) Which is to experience a change in the rights, powers,
16 preferences, or limitations of the class as a result of the merger;
17 or

18 (iii) That would be entitled to vote as a separate group on a
19 provision in the plan that, if contained in a proposed amendment to
20 articles of incorporation, would require action by separate voting
21 groups under the articles or bylaws.

22 (b) By a voting group, if the voting group is entitled under the
23 articles or bylaws to vote as a voting group to approve a plan of
24 merger.

25 (7) If a plan of merger would affect in the same or a
26 substantially similar way two or more classes of members entitled to
27 vote separately on the plan of merger under subsection (6)(a) of this
28 section, then, instead of voting separately, all similarly affected
29 classes of members shall vote together as a single voting group on
30 the plan of merger, unless otherwise provided in the articles or as a
31 condition imposed by the board under subsection (3) of this section.

32 (8) If as a result of a merger one or more members of a domestic
33 nonprofit corporation would become subject to owner liability for the
34 debts, obligations or liabilities of any other person or entity, then
35 approval of the plan of merger requires the execution, by each member
36 who would become subject to owner liability, of a separate record
37 consenting to become subject to owner liability.

38 (9) If a domestic nonprofit corporation that is a party to a
39 merger does not have any members entitled to vote on the merger, then
40 a plan of merger is deemed adopted by the corporation when it has

1 been adopted by the board pursuant to subsection (1) of this section.
2 If a membership corporation has no members entitled to vote on the
3 merger, then the corporation shall deliver notice of the proposed
4 merger to all members of the corporation at least five days before
5 the meeting at which the board is to adopt the plan of merger.

6 (10) In addition to the adoption and approval of the plan of
7 merger by the board and members as required by this section, the plan
8 of merger must also be approved in the form of a record by any person
9 or group of persons whose approval is required under section 3114 of
10 this act to amend the articles or bylaws.

11 (11) Adoption and approval of a plan of merger by all required
12 persons under the procedures set forth in this section constitutes
13 adoption and approval of all changes to the approving party's
14 articles, bylaws, or other organic documents contained within the
15 plan of merger.

16 NEW SECTION. **Sec. 3207.** ARTICLES OF MERGER. (1) After a plan of
17 merger has been adopted and approved as required by sections 3201
18 through 3209 of this act, articles of merger must be executed on
19 behalf of each party to the merger by an officer or other authorized
20 representative of the party. The articles of merger shall set forth:

21 (a) The names of the parties to the merger;

22 (b) If the articles of the surviving domestic nonprofit
23 corporation are being changed, or if a new domestic nonprofit
24 corporation is created as a result of a merger, the changes to the
25 articles of the surviving corporation or the articles of the new
26 corporation;

27 (c) If the plan of merger required approval by the members of a
28 domestic nonprofit corporation that was a party to the merger, a
29 statement that the plan was approved by the members and, if voting by
30 any separate voting group was required, by each separate voting group
31 entitled to vote, in the manner required by this chapter and the
32 articles or bylaws;

33 (d) If the plan of merger did not require approval by the members
34 of a domestic nonprofit corporation that was a party to the merger, a
35 statement to that effect;

36 (e) If a party to the merger is a noncharitable corporation
37 holding property for charitable purposes, and the survivor is not a
38 charitable corporation, a statement that the attorney general has

1 approved, or is deemed to have approved, the merger pursuant to
2 section 3202 of this act; and

3 (f) As to each foreign nonprofit corporation or eligible entity
4 that was a party to the merger, a statement that the participation of
5 the foreign corporation or eligible entity was authorized as required
6 by the organic law of the corporation or eligible entity.

7 (2) Terms of articles of merger may be made dependent on facts
8 objectively ascertainable outside the articles in accordance with
9 section 1203 of this act.

10 (3) Articles of merger must be delivered to the secretary of
11 state for filing by the surviving entity of the merger and shall take
12 effect at the effective time provided in RCW 23.95.210. Articles of
13 merger filed under this section may be combined with any filing
14 required under the organic law of any domestic eligible entity
15 involved in the transaction if the combined filing satisfies the
16 requirements of both this section and the other organic law.

17 NEW SECTION. **Sec. 3208.** EFFECT OF MERGER. (1) Subject to
18 sections 3202 and 3203 of this act, if the surviving entity is a
19 domestic nonprofit corporation when a merger becomes effective:

20 (a) The domestic nonprofit corporation that is designated in the
21 plan of merger as the surviving corporation continues or comes into
22 existence, as the case may be;

23 (b) The separate existence of every domestic or foreign nonprofit
24 corporation or eligible entity that is merged into the survivor
25 ceases;

26 (c) All property owned by, and every contract and other right
27 possessed by, each domestic or foreign nonprofit corporation or
28 eligible entity that merges into the surviving corporation is vested
29 in the surviving corporation without reversion or impairment;

30 (d) All liabilities of each domestic or foreign nonprofit
31 corporation or eligible entity that is merged into the survivor are
32 vested in the surviving corporation;

33 (e) The name of the surviving corporation may, but need not be,
34 substituted in any pending proceeding for the name of any party to
35 the merger whose separate existence ceased in the merger;

36 (f) The articles and bylaws or organic records of the surviving
37 corporation are amended to the extent of the changes provided in the
38 plan of merger;

1 (g) The articles and bylaws of a surviving corporation that is
2 created by the merger become effective; and

3 (h) The memberships of each corporation that is a party to the
4 merger, and the eligible interests in an eligible entity that is a
5 party to a merger, that are to be converted under the plan of merger
6 into memberships, eligible interests, securities, or obligations;
7 rights to acquire memberships, eligible interests, securities, or
8 obligations; cash; other property or other consideration; or any
9 combination of the foregoing; are converted.

10 (2) A person who becomes subject to owner liability for some or
11 all of the debts, obligations, or liabilities of any entity as a
12 result of a merger has owner liability only to the extent provided in
13 the organic law of the entity and only for those debts, obligations,
14 and liabilities that arise after the effective time of the articles
15 of merger, except to the extent that the person consented to become
16 subject to liability under section 3206(8) of this act.

17 (3) The effect of a merger on the owner liability of a person who
18 had owner liability for some or all of the debts, obligations, or
19 liabilities of a party to the merger is as follows:

20 (a) The merger does not discharge any owner liability under the
21 organic law of the entity in which the person was a member,
22 shareholder, or interest holder to the extent that owner liability
23 arose before the effective time of the articles of merger.

24 (b) The person does not have owner liability under the organic
25 law of the entity in which the person was a member, shareholder, or
26 interest holder before the merger for any debt, obligation, or
27 liability that arises after the effective time of the articles of
28 merger.

29 (c) The provisions of the organic law of any entity for which the
30 person had owner liability before the merger continue to apply to the
31 collection or discharge of any owner liability preserved by
32 subsection (1) of this section, as if the merger had not occurred.

33 (d) The person has whatever rights of contribution from other
34 persons are provided by the organic law of the entity for which the
35 person had owner liability with respect to any owner liability
36 preserved by (a) of this subsection, as if the merger had not
37 occurred.

38 (4) A devise, bequest, gift, grant, or promise contained in a
39 will or other instrument, in trust or otherwise, made before or after
40 a merger, to or for any of the parties to the merger, inures to the

1 survivor, subject to the express terms of the will or other
2 instrument.

3 NEW SECTION. **Sec. 3209.** ABANDONMENT OF MERGER. (1) Unless
4 otherwise provided in a plan of merger or in the organic law of a
5 foreign nonprofit corporation or a domestic or foreign eligible
6 entity that is a party to a merger, after the plan has been adopted
7 and approved as required by this chapter, and at any time before the
8 merger has become effective, it may be abandoned by a domestic
9 nonprofit corporation that is a party thereto without action by its
10 members, in accordance with any procedures set forth in the plan of
11 merger or, if no procedures are set forth in the plan, in the manner
12 determined by the board, subject to any contractual rights of other
13 parties to the merger.

14 (2) If a merger is abandoned under subsection (1) of this section
15 after articles of merger have been filed by the secretary of state
16 but before the merger has become effective, then a statement that the
17 merger has been abandoned in accordance with this section, executed
18 on behalf of a party to the merger by an officer or other authorized
19 representative, must be delivered to the secretary of state for
20 filing before the effective date of the merger. Upon filing by the
21 secretary of state, the statement takes effect and the merger is
22 deemed abandoned and shall not become effective.

23 **ARTICLE 3**

24 **DOMESTICATION AND CONVERSION**

25 NEW SECTION. **Sec. 3301.** DEFINITIONS. The definitions in this
26 section apply throughout this section and sections 3302 through 3326
27 of this act unless the context clearly requires otherwise.

28 (1) "Conversion" means a transaction authorized by section 3312,
29 3317, or 3321 of this act.

30 (2) "Converting corporation" means the domestic or foreign
31 nonprofit or for-profit corporation that approves a conversion
32 pursuant to sections 3301 through 3326 of this act or its organic
33 law.

34 (3) "Converting entity" means the domestic or foreign entity that
35 approves a conversion pursuant to section 3321 of this act or its
36 organic law.

1 (4) "Domesticated corporation" means the domesticating
2 corporation as it continues in existence after a domestication.

3 (5) "Domesticating corporation" means the domestic nonprofit
4 corporation that adopts a plan of domestication pursuant to section
5 3308 of this act or the foreign nonprofit corporation that approves a
6 domestication pursuant to its organic law.

7 (6) "Domestication" means a transaction authorized by section
8 3307 of this act.

9 (7) "Surviving corporation" means the corporation as it continues
10 in existence immediately after consummation of a for-profit
11 conversion pursuant to section 3312 of this act, a foreign for-profit
12 conversion and domestication pursuant to section 3317 of this act, or
13 an entity conversion pursuant to section 3321 of this act.

14 (8) "Surviving entity" means the unincorporated entity as it
15 continues in existence immediately after consummation of an entity
16 conversion pursuant to section 3321 of this act.

17 NEW SECTION. **Sec. 3302.** EXCLUDED TRANSACTIONS. Sections 3301
18 through 3326 of this act may not be used to effect a transaction
19 that:

20 (1) Converts a nonprofit or mutual insurance company to a for-
21 profit stock corporation; or

22 (2) Is governed by chapter 70.45 RCW.

23 NEW SECTION. **Sec. 3303.** REQUIRED APPROVALS. If a domestic or
24 foreign nonprofit corporation or eligible entity may not be a party
25 to a merger or sale of its assets without the approval of a federal
26 or state agency other than the secretary of state, then the
27 corporation or eligible entity shall not be a party to a transaction
28 under sections 3301 through 3326 of this act without the prior
29 approval of that agency.

30 NEW SECTION. **Sec. 3304.** PROPERTY HELD FOR CHARITABLE PURPOSES.
31 (1) In any transaction under sections 3301 through 3326 of this act,
32 property held for charitable purposes by a nonprofit corporation may
33 not be diverted from charitable purposes.

34 (2) No transaction under this chapter shall modify any
35 restriction imposed through any means upon property held for
36 charitable purposes by any entity involved in the transaction,
37 including but not limited to a restriction that affects existing

1 rights of persons other than members, shareholders, or interest
2 holders of the entity, unless the restriction is modified:

3 (a) In the case of a restriction imposed pursuant to a trust
4 instrument governed by chapter 11.110 RCW in which the nonprofit
5 corporation is a trustee or a beneficiary, through an appropriate
6 order of the court or the agreement of all interested parties,
7 including the attorney general, under chapter 11.96A RCW; or

8 (b) In the case of any other restriction, pursuant to section
9 1503 of this act.

10 (3) Property held by a nonprofit corporation for charitable
11 purposes upon condition requiring return, transfer or conveyance,
12 which condition occurs by reason of a transaction under this chapter,
13 must be returned, transferred, or conveyed in accordance with that
14 condition.

15 (4) A corporation holding property for charitable purposes shall
16 deliver to the attorney general notice of its intent to consummate
17 any transaction under this chapter. The notice must be delivered to
18 the attorney general in the form of a record at least forty-five days
19 before the meeting at which the proposed transaction is to be
20 approved. Such a transaction may not be implemented without the
21 approval of the attorney general, or the approval of the court in a
22 proceeding to which the attorney general is made a party. In the
23 event that the attorney general does not deliver a notice of
24 objection in the form of a record to the corporation within twenty
25 days after the delivery to the attorney general of notice of the
26 transaction, approval of the transaction is deemed to have been
27 given.

28 (5) The notice described in subsection (4) of this section shall
29 include:

30 (a) A statement specifying how the transaction will comply with
31 subsections (1) through (3) of this section, as applicable; and

32 (b) A brief description of:

33 (i) Real property held for charitable purposes by the
34 corporation, and its nature and location;

35 (ii) Cash, bank deposits, brokerage accounts, or other financial
36 assets held for charitable purposes by the corporation, and their
37 approximate total fair market value;

38 (iii) Other personal property held for charitable purposes by the
39 corporation, and its nature and approximate total fair market value;
40 and

1 (iv) Any gift restrictions applicable to any property described
2 in (b)(i) through (iii) of this subsection, and the nature of those
3 restrictions.

4 (6) An event of domestication or conversion does not affect the
5 applicability of chapter 11.110, 19.09, or 24.55 RCW to any entity.

6 NEW SECTION. **Sec. 3305.** PROHIBITION ON FINANCIAL BENEFIT. A
7 person who is a member, interest holder, or otherwise affiliated with
8 a charitable corporation or an unincorporated entity with charitable
9 purposes may not receive a direct or indirect financial benefit in
10 connection with a transaction under this chapter to which the
11 charitable corporation or unincorporated entity is a party unless the
12 person is itself a charitable corporation, the federal government, a
13 tribal, state, or local government, a governmental subdivision, or an
14 unincorporated entity that has charitable purposes. This section does
15 not apply to the receipt of reasonable compensation for services
16 rendered.

17 NEW SECTION. **Sec. 3306.** VOTING RIGHTS IN EXISTING CORPORATIONS.
18 For any corporation formed before July 1, 2021, any member or other
19 person who is entitled under the articles or bylaws to vote on or
20 approve a merger transaction involving the corporation is deemed
21 entitled, to the same extent, to vote on or approve any transaction
22 under this chapter involving the corporation.

23 NEW SECTION. **Sec. 3307.** DOMESTICATION. (1) A foreign nonprofit
24 corporation may become a domestic nonprofit corporation only if the
25 law of the foreign jurisdiction allows the domestication.

26 (2) A domestic nonprofit corporation may become a foreign
27 nonprofit corporation if the law of the foreign jurisdiction allows
28 the domestication.

29 (3) Regardless of whether the laws of the foreign jurisdiction
30 require the adoption of a plan of domestication, the domestication
31 must be approved by the corporation's adoption of a plan of
32 domestication in the manner provided in sections 3301 through 3326 of
33 this act.

34 (4) The plan of domestication shall include:

35 (a) A statement of the jurisdiction in which the corporation is
36 to be domesticated;

37 (b) The terms and conditions of the domestication;

1 (c) The manner and basis of canceling or reclassifying the
2 memberships of the corporation following its domestication into
3 memberships, obligations, rights to acquire memberships, cash, other
4 property, or any combination of the foregoing;

5 (d) If the corporation is a charitable corporation or is holding
6 assets for charitable purposes, a plan setting forth how the
7 corporation will comply with section 3304 (2) and (3) of this act;
8 and

9 (e) Any desired changes to the articles or bylaws of the
10 corporation in connection with its domestication.

11 (5) The plan of domestication may also include a provision that
12 the plan may be amended before filing the document required by the
13 laws of this state or the other jurisdiction to consummate the
14 domestication; except that, after approval of the plan by the
15 members, the plan may not be amended without the approval of the
16 members entitled to vote thereon to change:

17 (a) The amount or kind of memberships, obligations, rights to
18 acquire memberships, cash, or other property to be received by the
19 members under the plan;

20 (b) The articles as they will be in effect immediately following
21 the domestication, except for changes permitted by section 3104 of
22 this act or by comparable provisions of the laws of the other
23 jurisdiction; or

24 (c) Any of the other terms or conditions of the plan if the
25 change would adversely affect any of the members in any material
26 respect.

27 (6) Terms of a plan of domestication may be made dependent upon
28 facts objectively ascertainable outside the plan in accordance with
29 section 1202(3) of this act.

30 (7) If any debt security, note, or similar evidence of
31 indebtedness for money borrowed, whether secured or unsecured, or a
32 contract of any kind, issued, incurred or executed by a domestic
33 nonprofit corporation before July 1, 2021, contains a provision
34 applying to a merger of the corporation and the document does not
35 refer to a domestication of the corporation, then the provision is
36 deemed to apply to a domestication of the corporation until the
37 provision is amended after that date.

1 NEW SECTION. **Sec. 3308.** ACTION ON A PLAN OF DOMESTICATION. In
2 the case of a domestication of a domestic nonprofit corporation in a
3 foreign jurisdiction:

4 (1) The plan of domestication must be adopted by the board.

5 (2) If there are no members entitled to vote on the plan, then
6 the plan must be adopted by a vote of the majority of directors then
7 in office. If a membership corporation has no members entitled to
8 vote on the plan, then the corporation shall deliver notice of the
9 proposed domestication to all members of the corporation at least ten
10 days before the meeting at which the board is to adopt the plan.

11 (3) After adopting the plan of domestication, the board shall
12 submit the plan to the members for their approval, if there are
13 members entitled to vote on the plan. The board shall also transmit
14 to the members a recommendation that the members approve the plan,
15 unless the board determines that, because of conflicts of interest or
16 other special circumstances, it should not make such a
17 recommendation, in which case the board shall transmit to the members
18 the basis for that determination.

19 (4) The board may condition its submission of the plan of
20 domestication to the members on any basis.

21 (5) If the approval of the members is to be given at a meeting,
22 then the corporation shall notify each member, whether or not
23 entitled to vote, of the meeting of members at which the plan of
24 domestication is to be submitted for approval. The notice shall state
25 that the purpose, or one of the purposes, of the meeting is to
26 consider the plan and must contain or be accompanied by a copy or
27 summary of the plan. The notice shall include a copy of the articles
28 and bylaws as they will be in effect immediately after the
29 domestication. If a summary is provided in lieu of a copy of the
30 plan, then a copy of the plan must be available to members upon
31 request and this fact must be stated in the notice.

32 (6) Unless the articles or bylaws, or the board acting pursuant
33 to subsection (4) of this section, requires a greater vote or a
34 greater number of votes to be present, the approval of the plan of
35 domestication by the members entitled to vote thereon requires the
36 approval of a majority of those members at a meeting at which a
37 quorum is present, and, if any class of members is entitled to vote
38 as a separate group on the plan, the approval of a majority of the
39 members of each separate voting group entitled to vote at a meeting
40 at which a quorum of the voting group is present.

1 (7) A separate voting by voting groups is required by each class
2 of members that:

3 (a) Is to be reclassified under the plan of domestication into a
4 different class of memberships, or into obligations, rights to
5 acquire memberships, cash, other property, or any combination of the
6 foregoing;

7 (b) Would be entitled to vote as a separate group on a provision
8 of the plan that, if contained in a proposed amendment to articles of
9 incorporation, would require action by separate voting groups under
10 section 3105 of this act; or

11 (c) Is entitled under the articles or bylaws to vote as a voting
12 group to approve an amendment of the articles.

13 (8) If any provision of the articles, bylaws, or an agreement to
14 which any of the directors or members are parties, adopted or entered
15 into before July 1, 2021, applies to a merger of the corporation and
16 that document does not refer to a domestication of the corporation,
17 then the provision is deemed to apply to a domestication of the
18 corporation until the provision is later amended.

19 NEW SECTION. **Sec. 3309.** ARTICLES OF DOMESTICATION. (1) Articles
20 of domestication must be executed on behalf of the domesticating
21 corporation by an officer or other authorized representative. The
22 articles shall set forth:

23 (a) The name and jurisdiction of incorporation of the
24 domesticating corporation;

25 (b) The name and jurisdiction of incorporation of the
26 domesticated entity; and

27 (c) If the domesticating corporation is a domestic nonprofit
28 corporation, a statement that the plan of domestication was approved
29 in accordance with sections 3301 through 3326 of this act or, if the
30 domesticating corporation is a foreign nonprofit corporation, a
31 statement that the domestication was approved in accordance with the
32 law of its jurisdiction of incorporation.

33 (2) The articles of domestication must be delivered to the
34 secretary of state for filing, and take effect at the effective time
35 provided in RCW 23.95.210.

36 (3) If the domesticating corporation is a foreign corporation,
37 then the domesticating corporation must, simultaneously with the
38 delivery of the articles of domestication, deliver articles of
39 incorporation that comply with this title to the secretary of state.

1 for filing and the secretary of state shall file the articles.
2 Provisions that would not be required to be included in restated
3 articles of incorporation may be omitted, except that the name and
4 address of the initial registered agent of the corporation must be
5 included and the name of the corporation must satisfy the
6 requirements of section 1302 of this act.

7 (4) If the domesticating corporation is a registered foreign
8 corporation, then its registration is terminated automatically on the
9 effective date of its domestication, and the secretary of state shall
10 record the termination of the registration.

11 NEW SECTION. **Sec. 3310.** EFFECT OF DOMESTICATION. (1) Except as
12 provided in section 3304 of this act, when a domestication becomes
13 effective:

14 (a) The title to all real and personal property, both tangible
15 and intangible, of the domesticating corporation remains in the
16 domesticated corporation without reversion or impairment;

17 (b) The liabilities of the domesticating corporation remain the
18 liabilities of the domesticated corporation;

19 (c) An action or proceeding pending against the domesticating
20 corporation continues against the domesticated corporation as if the
21 domestication had not occurred;

22 (d) The articles of incorporation filed pursuant to section
23 3309(3) of this act constitute the articles of a foreign corporation
24 domesticating in Washington state;

25 (e) The memberships in the domesticating corporation are
26 reclassified into memberships, obligations, rights to acquire
27 memberships, or cash or other property in accordance with the terms
28 of the domestication, and the members are entitled only to the rights
29 provided by those terms;

30 (f) Gift restrictions binding the domestic corporation remain in
31 place as if the domestication had not occurred, unless modified in
32 accordance with section 1503 of this act;

33 (g) A devise, bequest, gift, grant, or promise contained in a
34 will or other instrument, in trust or otherwise, made to or for the
35 domesticating corporation before or after the domestication, inures
36 to the domesticated corporation, subject to the express terms of the
37 will or other instrument; and

38 (h) The domesticating corporation is deemed to be:

1 (i) Incorporated under and subject to the organic law of the
2 domesticated corporation for all purposes; and

3 (ii) The same corporation without interruption as the
4 domesticating corporation.

5 (2) The interest holder liability of a member in a foreign
6 nonprofit corporation that is domesticated in the state of Washington
7 is as follows:

8 (a) The domestication does not discharge any interest holder
9 liability under the laws of the foreign jurisdiction to the extent
10 the interest holder liability arose before the effective time of the
11 articles of domestication.

12 (b) The member does not have interest holder liability under the
13 laws of the foreign jurisdiction for any debt, obligation, or
14 liability of the corporation that arises after the effective time of
15 the articles of domestication.

16 (c) The provisions of the laws of the foreign jurisdiction
17 continue to apply to the collection or discharge of any interest
18 holder liability preserved by (a) of this subsection, as if the
19 domestication had not occurred.

20 (d) The domestication has no effect on any member's rights of
21 contribution from other members provided by the laws of the foreign
22 jurisdiction with respect to any interest holder liability preserved
23 by (a) of this subsection.

24 NEW SECTION. **Sec. 3311.** ABANDONMENT OF DOMESTICATION. (1)

25 Unless otherwise provided in a plan of domestication of a domestic
26 nonprofit corporation, after the plan has been adopted and approved
27 as required by sections 3301 through 3326 of this act, and at any
28 time before the domestication has become effective, it may be
29 abandoned by the members if there are members entitled to vote on the
30 plan of domestication, or by the board without action by members.

31 (2) If a domestication is abandoned under subsection (1) of this
32 section after articles of domestication have been filed by the
33 secretary of state but before the domestication has become effective,
34 then a statement that the domestication has been abandoned in
35 accordance with this section, executed by an officer or other
36 authorized representative, must be delivered to the secretary of
37 state for filing before the effective date of the domestication. The
38 statement takes effect upon filing and the domestication is abandoned
39 and does not become effective.

1 (3) If the domestication of a foreign nonprofit corporation in
2 Washington state is abandoned in accordance with the laws of the
3 foreign jurisdiction after articles of domestication have been filed
4 by the secretary of state, then a statement that the domestication
5 has been abandoned, executed by an officer or other authorized
6 representative, must be delivered to the secretary of state for
7 filing. The statement takes effect upon filing and the domestication
8 is abandoned and does not become effective.

9 NEW SECTION. **Sec. 3312.** FOR-PROFIT CONVERSION OF NONCHARITABLE
10 CORPORATIONS. (1) A domestic nonprofit corporation, other than a
11 charitable corporation, may become a domestic for-profit corporation
12 pursuant to a plan of for-profit conversion if the for-profit
13 conversion is permitted under Title 23B RCW.

14 (2) A domestic nonprofit corporation, other than a charitable
15 corporation, may become a foreign for-profit corporation if the for-
16 profit conversion is permitted by the laws of the foreign
17 jurisdiction. Regardless of whether the laws of the foreign
18 jurisdiction require the adoption of a plan of for-profit conversion,
19 the foreign for-profit conversion must be approved by the adoption by
20 the domestic nonprofit corporation of a plan of for-profit conversion
21 in the manner provided in sections 3301 through 3326 of this act.

22 (3) The plan of for-profit conversion shall include:

23 (a) The terms and conditions of the conversion;

24 (b) The manner and basis of:

25 (i) Issuing at least one share in the corporation following its
26 conversion; and

27 (ii) Otherwise reclassifying the memberships in the corporation,
28 if any, following its conversion into shares and other securities,
29 obligations, rights to acquire shares or other securities, cash,
30 other property, or any combination of the foregoing;

31 (c) If the corporation is holding assets for charitable purposes,
32 a plan setting forth how the corporation will comply with section
33 3304(2), (3), and (5) of this act;

34 (d) Any desired changes to the articles or bylaws of the
35 corporation following its conversion; and

36 (e) If the domestic nonprofit corporation is to be converted to a
37 foreign for-profit corporation, a statement of the jurisdiction in
38 which the corporation will be incorporated after the conversion.

1 (4) The plan of for-profit conversion may also include a
2 provision that the plan may be amended before filing articles of for-
3 profit conversion, except that after approval of the plan by the
4 members the plan may not be amended without the approval of the
5 members to change:

6 (a) The amount or kind of shares and other securities,
7 obligations, rights to acquire shares or other securities, cash, or
8 other property to be received by the members under the plan;

9 (b) The articles of incorporation as they will be in effect
10 immediately following the conversion, except for changes permitted by
11 section 3104 of this act; or

12 (c) Any of the other terms or conditions of the plan if the
13 change would adversely affect any of the members in any material
14 respect.

15 (5) Terms of a plan of for-profit conversion may be made
16 dependent upon facts objectively ascertainable outside the plan in
17 accordance with section 1202(3) of this act.

18 (6) If any debt security, note, or similar evidence of
19 indebtedness for money borrowed, whether secured or unsecured, or a
20 contract of any kind, issued, incurred, or executed by a domestic
21 nonprofit corporation before July 1, 2021, contains a provision
22 applying to a merger of the corporation and the document does not
23 refer to a for-profit conversion of the corporation, then the
24 provision is deemed to apply to a for-profit conversion of the
25 corporation until the provision is later amended.

26 NEW SECTION. **Sec. 3313.** ACTION ON A PLAN OF FOR-PROFIT
27 CONVERSION. In the case of a conversion of a domestic nonprofit
28 corporation to a domestic or foreign for-profit corporation:

29 (1) The plan of for-profit conversion must be adopted by the
30 board.

31 (2) If there are no members entitled to vote on the plan, then
32 the plan must be adopted by a vote of the majority of directors then
33 in office. If a membership corporation has no members entitled to
34 vote on the plan, then the corporation shall deliver notice of the
35 proposed for-profit conversion to all members of the corporation at
36 least ten days before the meeting at which the board is to adopt the
37 plan.

38 (3) After adopting the plan of for-profit conversion, the board
39 shall submit the plan to the members for their approval if there are ²²⁹

1 members entitled to vote on the plan. The board shall also deliver to
2 the members a recommendation that the members approve the plan,
3 unless the board determines that because of conflicts of interest or
4 other special circumstances, it should not make such a
5 recommendation, in which case the board shall deliver to the members
6 the basis for that determination.

7 (4) The board may condition its submission of the plan of for-
8 profit conversion to the members on any basis.

9 (5) If the approval of the members is to be given at a meeting,
10 then the corporation shall notify each member of the meeting of
11 members at which the plan of for-profit conversion is to be submitted
12 for approval. The notice shall state that the purpose, or one of the
13 purposes, of the meeting is to consider the plan and must contain or
14 be accompanied by a copy or summary of the plan. The notice shall
15 include a copy of the articles as they will be in effect immediately
16 after the for-profit conversion. If a summary is provided in lieu of
17 a copy of the plan, then a copy of the plan must be available to
18 members upon request and this fact must be stated in the notice.

19 (6) Unless the articles or bylaws, or the board acting pursuant
20 to subsection (4) of this section, require a greater vote or a
21 greater number of votes to be present, the approval of the plan of
22 for-profit conversion by the members entitled to vote thereon
23 requires approval of a majority of those members at a meeting at
24 which a quorum is present, and, if any class of members is entitled
25 to vote as a separate group on the plan of for-profit conversion, the
26 approval of each separate voting group entitled to vote at a meeting
27 at which a quorum of the voting group is present.

28 (7) If any provision of the articles, bylaws, or an agreement to
29 which any of the directors or members are parties, adopted or entered
30 into before July 1, 2021, applies to a merger of the corporation and
31 the document does not refer to a for-profit conversion of the
32 corporation, then the provision is deemed to apply to a for-profit
33 conversion of the corporation until the provision is later amended.

34 NEW SECTION. **Sec. 3314.** ARTICLES OF FOR-PROFIT CONVERSION. (1)
35 Articles of for-profit conversion must be executed on behalf of the
36 converting corporation by an officer of the corporation. The articles
37 shall set forth:

38 (a) If the surviving corporation is a domestic business
39 corporation, the name of the corporation immediately before the

1 filing of the articles of for-profit conversion and if that name does
2 not satisfy the requirements of RCW 23B.04.010, or the corporation
3 desires to change its name in connection with the conversion, a name
4 that satisfies the requirements of RCW 23B.04.010;

5 (b) Whether the corporation is holding assets for charitable
6 purposes;

7 (c) If the corporation is holding assets for charitable purposes,
8 that the attorney general has approved, or is deemed to have
9 approved, the for-profit conversion pursuant to section 3304(4) of
10 this act;

11 (d) If the surviving corporation is a foreign for-profit
12 corporation, its name after the conversion and its jurisdiction of
13 incorporation;

14 (e) If the nonprofit corporation has members with voting rights
15 with respect to the for-profit conversion, a statement that the plan
16 of for-profit conversion was approved by the members in the manner
17 required by this chapter and the articles or bylaws; and

18 (f) Where there are no members or no members having voting rights
19 with respect to the for-profit conversion, a statement to that
20 effect, the date of the meeting of the board at which the amendment
21 was adopted, and a statement that the amendment received the vote of
22 a majority of directors in office.

23 (2) If the surviving corporation is a domestic for-profit
24 corporation, then the articles of for-profit conversion shall either
25 contain all of the provisions that RCW 23B.02.020 requires to be set
26 forth in articles of incorporation of a domestic for-profit
27 corporation and any other desired provisions permitted under Title
28 23B RCW, or have attached articles of incorporation that satisfy the
29 requirements of RCW 23B.02.020. In either case, provisions that would
30 not be required to be included in restated articles of incorporation
31 of a domestic for-profit corporation may be omitted, except that the
32 name and address of the initial registered agent of the for-profit
33 corporation must be included.

34 (3) The articles of for-profit conversion and articles of
35 incorporation, if a separate document, must be delivered to the
36 secretary of state for filing, and take effect at the effective time
37 provided in RCW 23.95.210.

38 NEW SECTION. **Sec. 3315.** EFFECT OF FOR-PROFIT CONVERSION. (1)
39 Except as provided in section 3304 of this act, when a conversion of

1 a domestic nonprofit corporation to a domestic or foreign for-profit
2 corporation becomes effective:

3 (a) The title to all real and personal property, both tangible
4 and intangible, of the corporation remains in the corporation without
5 reversion or impairment;

6 (b) The liabilities of the corporation remain the liabilities of
7 the corporation;

8 (c) An action or proceeding pending against the corporation
9 continues against the corporation as if the conversion had not
10 occurred;

11 (d) The articles of the domestic or foreign for-profit
12 corporation become effective;

13 (e) The memberships of the corporation are reclassified into
14 shares or other securities, obligations, rights to acquire shares or
15 other securities, or into cash or other property in accordance with
16 the plan of conversion, and the members are entitled only to the
17 rights provided in the plan of for-profit conversion;

18 (f) A devise, bequest, gift, grant, or promise contained in a
19 will or other instrument, in trust or otherwise, made to or for the
20 corporation before or after the for-profit conversion, continues to
21 inure to the corporation, subject to the express terms of the will or
22 other instrument; and

23 (g) The corporation is deemed to:

24 (i) Be a domestic or foreign for-profit corporation for all
25 purposes; and

26 (ii) Be the same corporation without interruption as the
27 nonprofit corporation.

28 (2) The interest holder liability of a member in a domestic
29 nonprofit corporation that converts to a domestic for-profit
30 corporation is as follows:

31 (a) The conversion does not discharge any interest holder
32 liability of the member as a member of the nonprofit corporation to
33 the extent the interest holder liability arose before the effective
34 time of the articles of for-profit conversion.

35 (b) The member does not have interest holder liability for any
36 debt, obligation, or liability of the for-profit corporation that
37 arises after the effective time of the articles of for-profit
38 conversion.

1 (c) The laws of this state continue to apply to the collection or
2 discharge of any interest holder liability preserved by (a) of this
3 subsection, as if the conversion had not occurred.

4 (d) The member has whatever rights of contribution from other
5 members are provided by the laws of this state with respect to any
6 interest holder liability preserved by (a) of this subsection, as if
7 the conversion had not occurred.

8 (3) A member who becomes subject to interest holder liability for
9 some or all of the debts, obligations, or liabilities of the for-
10 profit corporation has interest holder liability only for those
11 debts, obligations, or liabilities of the for-profit corporation that
12 arise after the effective time of the articles of for-profit
13 conversion.

14 NEW SECTION. **Sec. 3316.** ABANDONMENT OF FOR-PROFIT CONVERSION.

15 (1) Unless otherwise provided in a plan of for-profit conversion of a
16 domestic nonprofit corporation, after the plan has been adopted and
17 approved as required by sections 3301 through 3326 of this act, and
18 at any time before the for-profit conversion has become effective, it
19 may be abandoned by the members if there are members entitled to vote
20 on the for-profit conversion, or by the board without action by
21 members.

22 (2) If a for-profit conversion is abandoned under subsection (1)
23 of this section after articles of for-profit conversion have been
24 filed by the secretary of state but before the for-profit conversion
25 has become effective, then a statement that the for-profit conversion
26 has been abandoned in accordance with this section, executed by an
27 officer of the corporation, must be delivered to the secretary of
28 state for filing before the effective date of the for-profit
29 conversion. The statement takes effect upon filing and the for-profit
30 conversion is abandoned and does not become effective.

31 NEW SECTION. **Sec. 3317.** FOR-PROFIT DOMESTICATION AND
32 CONVERSION. A foreign for-profit corporation may become a domestic
33 nonprofit corporation if the domestication and conversion is
34 permitted by the law of the foreign jurisdiction.

35 NEW SECTION. **Sec. 3318.** ARTICLES OF DOMESTICATION AND
36 CONVERSION. (1) Articles of domestication and conversion must be
37 executed on behalf of the domesticating and converting corporation by ²³³

1 an officer or other authorized representative. The articles shall set
2 forth:

3 (a) The name of the corporation immediately before the filing of
4 the articles of domestication and conversion and, if that name is
5 unavailable for use in Washington state or the corporation desires to
6 change its name in connection with the domestication and conversion,
7 a name that satisfies the requirements of section 1302 of this act;

8 (b) The jurisdiction of incorporation of the corporation
9 immediately before the filing of the articles of domestication and
10 conversion and the date the corporation was incorporated in that
11 jurisdiction; and

12 (c) A statement that the domestication and conversion of the
13 corporation in this state was authorized as required by the laws of
14 the jurisdiction in which the corporation was incorporated
15 immediately before its domestication and conversion in Washington
16 state.

17 (2) The articles of domestication and conversion shall either
18 contain all of the provisions that section 1303(1) of this act
19 requires to be set forth in articles of incorporation and any other
20 desired provisions that section 1303(1)(b) and (c) of this act permit
21 to be included in articles of incorporation, or have attached
22 articles of incorporation that comply with this chapter. In either
23 case, provisions that would not be required to be included in
24 restated articles of incorporation may be omitted, except that the
25 name and address of the initial registered agent of the domestic
26 nonprofit corporation must be included.

27 (3) If the domesticating corporation is a foreign corporation,
28 then the domesticating corporation must, simultaneously with the
29 delivery of the articles of domestication and conversion, deliver
30 articles of incorporation that comply with this chapter to the
31 secretary of state for filing and the secretary of state shall file
32 the articles. Provisions that would not be required to be included in
33 restated articles of incorporation may be omitted, except that the
34 name and address of the initial registered agent of the corporation
35 must be included and the name of the corporation must satisfy the
36 requirements of section 1302 of this act.

37 (4) If the foreign for-profit corporation is authorized to
38 transact business in Washington state under chapter 23B.01 RCW, then
39 its registration shall be terminated automatically on the effective

1 date of its domestication and conversion and the secretary of state
2 shall record the termination of registration.

3 NEW SECTION. **Sec. 3319.** EFFECT OF FOR-PROFIT DOMESTICATION AND
4 CONVERSION. (1) When a domestication and conversion of a foreign for-
5 profit corporation to a domestic nonprofit corporation becomes
6 effective:

7 (a) The title to all real and personal property, both tangible
8 and intangible, of the corporation remains in the corporation without
9 reversion or impairment;

10 (b) The liabilities of the corporation remain the liabilities of
11 the corporation;

12 (c) An action or proceeding pending against the corporation
13 continues against the corporation as if the domestication and
14 conversion had not occurred;

15 (d) The articles of domestication and conversion, or the articles
16 attached to the articles of domestication and conversion, constitute
17 the articles of incorporation of the corporation;

18 (e) Memberships, securities, obligations, rights to acquire
19 memberships or securities of the corporation, or cash or other
20 property must be issued or paid as provided pursuant to the laws of
21 the foreign jurisdiction;

22 (f) A devise, bequest, gift, grant, or promise contained in a
23 will or other instrument, in trust or otherwise, made to or for the
24 foreign for-profit corporation before or after the domestication and
25 conversion, inures to the domestic nonprofit corporation, subject to
26 the express terms of the will or other instrument and to applicable
27 law of the foreign jurisdiction; and

28 (g) The corporation is deemed to be:

29 (i) A domestic corporation for all purposes; and

30 (ii) The same corporation without interruption as the foreign
31 for-profit corporation.

32 (2) The interest holder liability of a shareholder of the foreign
33 for-profit corporation who becomes a member of the domestic nonprofit
34 corporation in the domestication and conversion is as follows:

35 (a) The domestication and conversion does not discharge any
36 interest holder liability under the laws of the foreign jurisdiction
37 to the extent the interest holder liability arose before the
38 effective time of the articles of domestication and conversion.

1 (b) The member does not have interest holder liability under the
2 laws of the foreign jurisdiction for any debt, obligation, or
3 liability of the corporation that arises after the effective time of
4 the articles of domestication and conversion.

5 (c) The provisions of the laws of the foreign jurisdiction
6 continue to apply to the collection or discharge of any interest
7 holder liability preserved by (a) of this subsection, as if the
8 domestication and conversion had not occurred.

9 (d) The member has whatever rights of contribution from other
10 members are provided by the laws of the foreign jurisdiction with
11 respect to any interest holder liability preserved by (a) of this
12 subsection, as if the domestication and conversion had not occurred.

13 (3) A shareholder of a foreign for-profit corporation who becomes
14 subject to interest holder liability for some or all of the debts,
15 obligations, or liabilities of the corporation as a result of its
16 domestication and conversion in this state has interest holder
17 liability only for those debts, obligations, or liabilities of the
18 corporation that arise after the effective time of the articles of
19 domestication and conversion.

20 NEW SECTION. **Sec. 3320.** ABANDONMENT OF FOR-PROFIT DOMESTICATION
21 AND CONVERSION. If the domestication and conversion of a foreign
22 for-profit corporation to a domestic nonprofit corporation is
23 abandoned in accordance with the laws of the foreign jurisdiction
24 after articles of domestication and conversion have been filed by the
25 secretary of state, then a statement that the domestication and
26 conversion has been abandoned, executed by an officer or other
27 authorized representative, must be delivered to the secretary of
28 state for filing. The statement takes effect upon filing and the
29 domestication and conversion is abandoned and does not become
30 effective.

31 NEW SECTION. **Sec. 3321.** ENTITY CONVERSION FOR NONCHARITABLE
32 CORPORATIONS. (1) A domestic nonprofit corporation, other than a
33 charitable corporation, may become a domestic unincorporated entity
34 pursuant to a plan of entity conversion only if the entity conversion
35 is permitted under the organic law governing the entity that would
36 survive the entity conversion.

1 (2) A domestic nonprofit corporation, other than a charitable
2 corporation, may become a foreign unincorporated entity if the entity
3 conversion is permitted by the laws of the foreign jurisdiction.

4 (3) A domestic unincorporated entity may be converted into a
5 domestic nonprofit corporation only if applicable Washington state
6 law provides procedures for the approval of an entity conversion into
7 a domestic nonprofit corporation.

8 (4) A foreign unincorporated entity may become a domestic
9 nonprofit corporation if the law of the foreign jurisdiction
10 authorizes it to become a nonprofit corporation in another
11 jurisdiction.

12 (5) If any provision of a debt security, note, or similar
13 evidence of indebtedness for money borrowed, whether secured or
14 unsecured, or a contract of any kind, issued, incurred, or executed
15 by a domestic nonprofit corporation before July 1, 2021, applies to a
16 merger of the corporation and the document does not refer to an
17 entity conversion of the corporation, then the provision is deemed to
18 apply to an entity conversion of the corporation until the provision
19 is later amended.

20 NEW SECTION. **Sec. 3322.** PLAN OF ENTITY CONVERSION. (1) A plan
21 of entity conversion shall include:

22 (a) A statement of the type of unincorporated entity the
23 surviving entity will be and, if it will be a foreign unincorporated
24 entity, its jurisdiction of organization;

25 (b) The terms and conditions of the conversion;

26 (c) The manner and basis of converting the memberships in the
27 domestic nonprofit corporation following its conversion into
28 interests or other securities, obligations, rights to acquire
29 interests or other securities, cash, other property, or any
30 combination of the foregoing;

31 (d) If the corporation is holding assets for charitable purposes,
32 a plan setting forth how the corporation will comply with section
33 3303 of this act; and

34 (e) The full text, as they will be in effect immediately
35 following the conversion, of the organic documents of the surviving
36 entity.

37 (2) The plan of entity conversion may also include a provision
38 that the plan may be amended before filing articles of entity

1 conversion, except that after approval of the plan by the members the
2 plan may not be amended to change:

3 (a) The amount or kind of memberships or other securities,
4 interests, obligations, rights to acquire memberships, securities, or
5 interests, cash, or other property to be received under the plan by
6 the members;

7 (b) The organic documents that will be in effect immediately
8 following the conversion, except for changes permitted by a provision
9 of the organic law of the surviving entity comparable to section
10 3104(2) of this act; or

11 (c) Any of the other terms or conditions of the plan if the
12 change would adversely affect any of the members in any material
13 respect.

14 (3) Terms of a plan of entity conversion may be made dependent
15 upon facts objectively ascertainable outside the plan in accordance
16 with section 1202(3) of this act.

17 NEW SECTION. **Sec. 3323.** ACTION ON A PLAN OF ENTITY CONVERSION.

18 In the case of an entity conversion of a domestic nonprofit
19 corporation to a domestic or foreign unincorporated entity:

20 (1) The plan of entity conversion must be adopted by a vote of
21 the majority of the directors in office.

22 (2) If there are no members entitled to vote on the plan, then
23 the plan must be adopted by a vote of the majority of directors then
24 in office. If a membership corporation has no members entitled to
25 vote on the plan, then the corporation shall deliver notice of the
26 proposed entity conversion to all members of the corporation at least
27 ten days before the meeting at which the board is to adopt the plan.

28 (3) After adopting the plan of entity conversion, the board shall
29 submit the plan to the members for their approval if there are
30 members entitled to vote on the plan. The board shall also deliver to
31 the members a recommendation that the members approve the plan,
32 unless the board determines that because of conflicts of interest or
33 other special circumstances it should not make such a recommendation,
34 in which case the board shall deliver to the members the basis for
35 that determination.

36 (4) The board may condition its submission of the plan of entity
37 conversion to the members on any basis.

38 (5) If the approval of the members is to be given at a meeting,
39 then the corporation shall notify each member, whether or not

1 entitled to vote, of the meeting of members at which the plan of
2 entity conversion is to be submitted for approval. The notice shall
3 state that the purpose, or one of the purposes, of the meeting is to
4 consider the plan and must contain or be accompanied by a copy or
5 summary of the plan. The notice shall include a copy of the organic
6 documents as they will be in effect immediately after the entity
7 conversion. The notice may additionally be accompanied by a summary
8 of the required materials. If a summary is provided in lieu of a copy
9 of the plan, then a copy of the plan must be available to members
10 upon request and this fact must be stated in the notice. Such copy of
11 the plan may be made available to members electronically.

12 (6) Unless the articles, or the board acting pursuant to
13 subsection (3) of this section, requires a greater vote or a greater
14 number of votes to be present, the approval of the plan of entity
15 conversion by the members entitled to vote thereon requires the
16 approval of a majority of those members at a meeting at which a
17 quorum is present, and, if any class of members is entitled to vote
18 as a separate group on the plan of entity conversion, the approval of
19 each separate voting group entitled to vote at a meeting at which a
20 quorum of the voting group is present.

21 (7) If any provision of the articles, bylaws, or an agreement to
22 which any of the directors or members are parties, adopted or entered
23 into before July 1, 2021, applies to a merger of the corporation and
24 the document does not refer to an entity conversion of the
25 corporation, then the provision is deemed to apply to an entity
26 conversion of the corporation until the provision is later amended.

27 (8) If, as a result of the conversion, one or more members of the
28 corporation would become subject to interest holder liability for the
29 debts, obligations, or liabilities of any other person or entity,
30 then approval of the plan of conversion requires the execution, by
31 each affected member, of a separate written consent to become subject
32 to interest holder liability.

33 NEW SECTION. **Sec. 3324.** ARTICLES OF ENTITY CONVERSION. (1)
34 After the conversion of a domestic nonprofit corporation to a
35 domestic or foreign unincorporated entity has been adopted and
36 approved as required by this chapter, articles of entity conversion
37 must be executed on behalf of the converting corporation by an
38 officer of the corporation. The articles must:

1 (a) Set forth the name of the corporation immediately before the
2 filing of the articles of entity conversion and the name to which the
3 name of the corporation is to be changed, which must be a name that
4 satisfies the organic law of the surviving entity if the surviving
5 entity is a domestic entity;

6 (b) State whether the corporation is holding assets for
7 charitable purposes;

8 (c) If the corporation is holding assets for charitable purposes,
9 state that the attorney general has approved, or is deemed to have
10 approved, the entity conversion pursuant to section 3304(4) of this
11 act;

12 (d) State the type of unincorporated entity that the surviving
13 entity will be and its jurisdiction of organization;

14 (e) State that the plan of entity conversion was approved in the
15 manner required by this chapter; and

16 (f) If the surviving entity is a domestic filing entity, either
17 contain all of the provisions required to be set forth in its public
18 organic record and any other desired provisions that are permitted,
19 or have attached a public organic record.

20 (2) After the conversion of a domestic unincorporated entity to a
21 domestic nonprofit corporation has been adopted and approved as
22 required by the organic law of the unincorporated entity, articles of
23 entity conversion must be executed on behalf of the unincorporated
24 entity by an officer or other authorized representative. The articles
25 must:

26 (a) Set forth the name of the unincorporated entity immediately
27 before the filing of the articles of entity conversion and the name
28 to which the name of the unincorporated entity is to be changed,
29 which must be a name that satisfies the requirements of section 1302
30 of this act;

31 (b) Set forth a statement that the plan of entity conversion was
32 approved in accordance with the organic law of the unincorporated
33 entity; and

34 (c) Either contain all of the provisions that section 1303(1) of
35 this act requires to be set forth in articles of incorporation and
36 any other desired provisions that section 1303 (2) and (3) of this
37 act permit to be included in articles of incorporation, or have
38 attached articles of incorporation that comply with this act.

39 (3) After the conversion of a foreign unincorporated entity to a
40 domestic nonprofit corporation has been authorized as required by the

1 laws of the foreign jurisdiction, articles of entity conversion must
2 be executed on behalf of the foreign unincorporated entity by an
3 officer or other authorized representative. The articles must:

4 (a) Set forth the name of the unincorporated entity immediately
5 before the filing of the articles of entity conversion and the name
6 to which the name of the unincorporated entity is to be changed,
7 which must be a name that satisfies the requirements of section 1302
8 of this act;

9 (b) Set forth the jurisdiction under the laws of which the
10 unincorporated entity was organized immediately before the filing of
11 the articles of entity conversion and the date on which the
12 unincorporated entity was organized in that jurisdiction;

13 (c) Set forth a statement that the conversion of the
14 unincorporated entity was approved in the manner required by the law
15 of the foreign jurisdiction; and

16 (d) Either contain all of the provisions that section 1303(1) of
17 this act requires to be set forth in articles of incorporation and
18 any other desired provisions that section 1303 (2) and (3) of this
19 act permit to be included in articles of incorporation, or have
20 attached articles of incorporation that comply with this act; except
21 that, in either case, provisions that would not be required to be
22 included in restated articles of incorporation of a domestic
23 nonprofit corporation may be omitted.

24 (4) The articles of entity conversion and articles of
25 incorporation must be simultaneously delivered to the secretary of
26 state for filing. The articles of entity conversion and articles of
27 incorporation take effect at the effective time provided in RCW
28 23.95.210. Articles of entity conversion filed under subsection (1)
29 or (2) of this section may be combined with any required conversion
30 filing under the organic law of the domestic unincorporated entity if
31 the combined filing satisfies the requirements of both this section
32 and the other organic law.

33 (5) If the converting entity is a foreign unincorporated entity
34 that is registered to do business in this state under chapter 23.95
35 RCW, then its registration statement is canceled automatically on the
36 effective date of its conversion.

37 NEW SECTION. **Sec. 3325.** EFFECT OF ENTITY CONVERSION. (1) Except
38 as provided in section 3303 of this act, when a conversion under
39 sections 3301 through 3326 of this act becomes effective:

1 (a) The title to all real and personal property, both tangible
2 and intangible, of the converting entity remains in the surviving
3 entity without reversion or impairment;

4 (b) The liabilities of the converting entity remain the
5 liabilities of the surviving entity;

6 (c) An action or proceeding pending against the converting entity
7 continues against the surviving entity as if the conversion had not
8 occurred;

9 (d) In the case of a surviving entity that is a filing entity,
10 its articles or public organic record and its private organic rules
11 become effective;

12 (e) In the case of a surviving entity that is a nonfiling entity,
13 its private organic rules become effective;

14 (f) The memberships or interests of the converting entity are
15 reclassified into memberships, interests, other securities,
16 obligations, rights to acquire memberships, interests, or securities,
17 or into cash or other property in accordance with the plan of
18 conversion; and the members or interest holders of the converting
19 entity are entitled only to the rights provided to them under the
20 terms of the conversion and to any appraisal rights they may have
21 under the organic law of the converting entity;

22 (g) A devise, bequest, gift, grant, or promise contained in a
23 will or other instrument, in trust or otherwise, made to or for the
24 converting entity before or after a transaction under this chapter,
25 inures to the surviving entity, subject to the express terms of the
26 will or other instrument; and

27 (h) The surviving entity is deemed to be:

28 (i) Incorporated or organized under and subject to the organic
29 law of the converting entity for all purposes; and

30 (ii) The same nonprofit corporation or unincorporated entity
31 without interruption as the converting entity.

32 (2) A member who becomes subject to interest holder liability for
33 some or all of the debts, obligations, or liabilities of the
34 surviving entity has interest holder liability only for those debts,
35 obligations, or liabilities of the surviving entity that arise after
36 the effective time of the articles of entity conversion.

37 (3) The interest holder liability of an interest holder in an
38 unincorporated entity that converts to a domestic nonprofit
39 corporation is as follows:

1 (a) The conversion does not discharge any interest holder
2 liability under the organic law of the unincorporated entity to the
3 extent the interest holder liability arose before the effective time
4 of the articles of entity conversion.

5 (b) The interest holder does not have interest holder liability
6 under the organic law of the unincorporated entity for any debt,
7 obligation, or liability of the corporation that arises after the
8 effective time of the articles of entity conversion.

9 (c) The provisions of the organic law of the unincorporated
10 entity continue to apply to the collection or discharge of any
11 interest holder liability preserved by (a) of this subsection, as if
12 the conversion had not occurred.

13 (d) The interest holder has whatever rights of contribution from
14 other interest holders are provided by the organic law of the
15 unincorporated entity with respect to any interest holder liability
16 preserved by (a) of this subsection, as if the conversion had not
17 occurred.

18 NEW SECTION. **Sec. 3326.** ABANDONMENT OF ENTITY CONVERSION. (1)
19 Unless otherwise provided in a plan of entity conversion of a
20 domestic nonprofit corporation, after the plan has been adopted and
21 approved as required by sections 3301 through 3326 of this act, and
22 at any time before the entity conversion has become effective, it may
23 be abandoned by the members if there are members entitled to vote, or
24 by the board without action by the members.

25 (2) If an entity conversion is abandoned after articles of entity
26 conversion have been filed by the secretary of state but before the
27 entity conversion has become effective, then a statement that the
28 entity conversion has been abandoned in accordance with this section,
29 executed by an officer of the corporation, must be delivered to the
30 secretary of state for filing before the effective date of the entity
31 conversion. Upon filing, the statement takes effect and the entity
32 conversion is abandoned and does not become effective.

33 **ARTICLE 4**
34 **DISPOSITION OF ASSETS**

35 NEW SECTION. **Sec. 3401.** DISPOSITIONS NOT REQUIRING MEMBER
36 APPROVAL. Unless the articles or bylaws otherwise provide, approval
37 of the members of a nonprofit corporation is not required:

1 (1) To sell, lease, exchange, or otherwise dispose of any or all
2 of the corporation's assets:

3 (a) In the usual and regular course of its activities; or

4 (b) If the assets disposed of represent less than fifty percent
5 of the total assets of the corporation and its consolidated
6 subsidiaries, determined as of the end of the most recently completed
7 fiscal year;

8 (2) To mortgage, pledge, dedicate to the repayment of
9 indebtedness whether with or without recourse, or otherwise encumber
10 any or all of the corporation's assets, whether or not in the usual
11 and regular course of business its activities; or

12 (3) To transfer any or all of the corporation's assets to one or
13 more corporations or other entities all of the memberships or
14 interests of which are owned by the corporation.

15 NEW SECTION. **Sec. 3402.** DISPOSITIONS REQUIRING MEMBER APPROVAL.

16 (1) A sale, lease, exchange, or other disposition of assets, other
17 than a disposition described in section 3401 of this act, requires
18 approval of the corporation's members that are entitled to vote on
19 the disposition, unless the articles or bylaws otherwise provide.

20 (2) A disposition that requires approval of the members must be
21 initiated by a resolution by the board authorizing the disposition.
22 After adoption of the resolution, the board shall submit the proposed
23 disposition to the members for their approval. The board shall also
24 deliver to the members a recommendation that the members approve the
25 proposed disposition, unless the board makes a determination that
26 because of conflicts of interest or other special circumstances it
27 should not make a recommendation, in which case the board shall
28 deliver to the members the basis for that determination.

29 (3) The board may condition its submission of a disposition to
30 the members under subsection (2) of this section on any basis.

31 (4) If a disposition is required to be approved by the members,
32 and if the approval is to be given at a meeting, then the nonprofit
33 corporation shall give notice to each member, whether or not entitled
34 to vote, of the meeting of members at which the disposition is to be
35 submitted for approval. The notice shall state that the purpose, or
36 one of the purposes, of the meeting is to consider the disposition
37 and must contain a description of the disposition, including the
38 terms and conditions thereof and the consideration to be received by
39 the corporation.

1 (5) Unless the articles, bylaws, or the board acting pursuant to
2 subsection (3) of this section requires a greater vote, or a greater
3 number of votes to be present, the approval of a disposition by the
4 members entitled to vote thereon requires the approval of those
5 members at a meeting at which a quorum is present, and, if any class
6 of members is entitled to vote as a separate group on the
7 disposition, the approval of each separate voting group entitled to
8 vote at a meeting at which a quorum of the voting group is present.

9 (6) If a membership corporation has no members entitled to vote
10 on a disposition, then the corporation shall deliver notice of a
11 proposed disposition to all members of the corporation at least ten
12 days before the meeting at which the board is to act upon the
13 disposition.

14 (7) After a disposition has been approved by the members under
15 subsection (5) of this section, and at any time before the
16 disposition has been consummated, it may be abandoned by the
17 nonprofit corporation without action by the members, subject to any
18 contractual rights of other parties to the disposition.

19 (8) In addition to the approval of a disposition of assets by the
20 board and members as required by this section, the disposition must
21 also be approved in the form of a record by any person or group of
22 persons whose approval is required under section 3114 of this act to
23 amend the articles or bylaws.

24 (9) The assets of a direct or indirect consolidated subsidiary
25 are deemed the assets of the parent nonprofit corporation for the
26 purposes of this section.

27 (10) A disposition of assets in the course of a dissolution
28 governed by sections 3501 through 3512 of this act is not governed by
29 this chapter.

30 NEW SECTION. **Sec. 3403.** EFFECT OF DISPOSITIONS. Unless a
31 domestic entity that is a party to a transaction under this chapter
32 obtains an appropriate order of the court or approval from the
33 attorney general under the law of this state, a disposition of assets
34 under sections 3401 through 3405 of this act may not affect:

35 (1) Any restriction imposed upon the entity by its organic
36 documents or other governing authority that may not be amended by its
37 directors, members, or interest holders; or

38 (2) The existing rights of persons other than members,
39 shareholders, or interest holders of the entity.

1 NEW SECTION. **Sec. 3404.** PROPERTY HELD FOR CHARITABLE PURPOSES.

2 (1) In a transaction under this chapter, property held for charitable
3 purposes by a nonprofit corporation may not be diverted from
4 charitable purposes.

5 (2) Property held by a nonprofit corporation and restricted to
6 charitable purposes by a gift instrument may not be diverted from the
7 restricted charitable purpose by a transaction under this chapter
8 unless modified in accordance with section 1503 of this act.

9 (3) Property held for charitable purposes pursuant to a trust
10 instrument governed by chapter 11.110 RCW in which the nonprofit
11 corporation is a trustee or a beneficiary may not be diverted from
12 the charitable purposes specified in the trust instrument unless
13 those purposes are modified by the court or pursuant to an agreement
14 between all interested parties, including the attorney general, under
15 chapter 11.96A RCW.

16 (4) Property held by a nonprofit corporation for charitable
17 purposes upon condition requiring return, transfer, or conveyance,
18 which condition occurs by reason of a transaction under this chapter,
19 must be returned, transferred, or conveyed in accordance with that
20 condition.

21 (5) A charitable corporation or a corporation holding property
22 for charitable purposes shall deliver to the attorney general of its
23 intent to consummate a disposition, other than a disposition
24 described in section 3401 of this act. The notice must be delivered
25 to the attorney general in the form of a record at least twenty days
26 before the meeting at which the proposed disposition is to be
27 approved. Such a disposition may not be implemented without the
28 approval of the attorney general, or the approval of the court in a
29 proceeding to which the attorney general is made a party. In the
30 event that the attorney general does not deliver a notice of
31 objection in the form of a record to the corporation within twenty
32 days after the delivery to the attorney general of notice of the
33 disposition, approval of the disposition is deemed to have been
34 given.

35 (6) The notice described in subsection (5) of this section shall
36 include:

37 (a) A statement specifying how the disposition will comply with
38 subsections (1) through (4) of this section; and

39 (b) A brief description of:

1 (i) Real property held for charitable purposes that will be
2 included in the disposition, and its nature and location;

3 (ii) Cash, bank deposits, brokerage accounts, or other financial
4 assets held for charitable purposes that will be included in the
5 disposition in full or in part, and their approximate total fair
6 market value;

7 (iii) Other personal property held for charitable purposes that
8 will be included in the disposition, and its nature and approximate
9 total fair market value; and

10 (iv) Any gift restrictions applicable to any property described
11 in (b)(i) through (iii) of this subsection, and the nature of those
12 restrictions.

13 NEW SECTION. **Sec. 3405.** PROHIBITION OF FINANCIAL BENEFIT. A
14 person who is a member or otherwise affiliated with a charitable
15 corporation may not receive a direct or indirect financial benefit in
16 connection with a disposition of assets governed by sections 3401
17 through 3405 of this act unless the person is a charitable
18 corporation, the federal government, a tribal government, a state or
19 local government, a governmental subdivision, or an unincorporated
20 entity that has charitable purposes. This section does not apply to
21 the receipt of reasonable compensation for services rendered.

22 **ARTICLE 5**
23 **VOLUNTARY DISSOLUTION**

24 NEW SECTION. **Sec. 3501.** AUTHORIZATION OF VOLUNTARY DISSOLUTION.

25 (1) Unless the articles or bylaws require a greater vote, a majority
26 of the directors in office of a nonprofit corporation may authorize
27 the dissolution of any nonprofit corporation that is not a membership
28 corporation or is a membership corporation but has no members
29 entitled to vote on its dissolution.

30 (2) If a membership corporation has no members entitled to vote
31 on dissolution, then the corporation shall deliver notice of the
32 proposed dissolution to all members of the corporation at least ten
33 days before the meeting at which the board is to authorize the
34 dissolution.

35 (3) For a membership corporation that has members that are
36 entitled to vote on its dissolution:

1 (a) The board may propose dissolution for submission to the
2 members entitled to vote, and for such a proposal to dissolve to be
3 authorized:

4 (i) The board shall recommend dissolution to the members entitled
5 to vote on the dissolution, unless the board determines that because
6 of conflict of interest or other special circumstances it should make
7 no recommendation and communicates the basis for its determination to
8 the members entitled to vote on the dissolution;

9 (ii) The board may condition its submission of the proposal for
10 dissolution on any basis, including approval of the proposed plan of
11 distribution if required under section 3502 of this act;

12 (iii) The nonprofit corporation shall give notice to each member,
13 whether or not entitled to vote, of the proposed meeting of members
14 that includes the following statements:

15 (A) That the purpose, or one of the purposes, of the meeting is
16 to consider dissolving the corporation; and

17 (B) How the assets of the corporation will be distributed after
18 all creditors have been paid or how the distribution of assets will
19 be determined; and

20 (iv) The members entitled to vote on the dissolution shall
21 approve the proposal to dissolve as provided in (b) of this
22 subsection.

23 (b) Unless the articles, the bylaws, or the board acting pursuant
24 to (a)(ii) of this subsection requires a greater vote or a greater
25 number of members to be present, the adoption of the proposal to
26 dissolve by the members entitled to vote thereon requires the
27 approval of at least a majority of those members at a meeting at
28 which a quorum is present, and, if any class of members is entitled
29 to vote as a separate group on the proposal, the approval by a
30 majority of the members in each separate voting group entitled to
31 vote at a meeting at which a quorum of the voting group is present.

32 NEW SECTION. **Sec. 3502.** DISTRIBUTION OF ASSETS ON DISSOLUTION.

33 The assets of a corporation in the process of dissolution shall be
34 applied and distributed in the following order:

35 (1) All known liabilities and obligations of the corporation must
36 be paid, satisfied, and discharged, or adequate provision must be
37 made to pay, satisfy, and discharge those liabilities.

38 (2) All property held for charitable purposes by the corporation,
39 including all assets of a charitable corporation remaining after

1 satisfaction of subsection (1) of this section, must be applied and
2 distributed consistently with the corporation's articles, such that
3 property is not diverted from charitable purposes, and as follows:

4 (a) Property held for charitable purposes pursuant to a trust
5 instrument in which the nonprofit corporation is a trustee or a
6 beneficiary must be governed by and distributed in accordance with
7 the trust instrument and chapter 11.110 RCW, and any modification of
8 restrictions imposed through the trust instrument accomplished
9 through an appropriate order of the court or the agreement of all
10 interested parties, including the attorney general, pursuant to
11 chapter 11.96A RCW.

12 (b) Property owned outright and held for charitable purposes, but
13 not held upon a condition requiring return, transfer, or conveyance
14 by reason of the dissolution and not subject to any gift restriction,
15 must be transferred or conveyed:

16 (i) To one or more entities operated exclusively for one or more
17 charitable purposes;

18 (ii) To the federal government, a tribal government, or a state
19 or local government for a public purpose; or

20 (iii) Subject to one or more gift restrictions requiring the
21 property to be used exclusively for the same charitable purposes for
22 which the dissolving corporation holds the property.

23 (c) Property that is subject to charitable purpose or management
24 or investment restrictions that do not require modification at the
25 time of dissolution and is not held upon a condition requiring
26 return, transfer, or conveyance by reason of the dissolution must be
27 transferred or conveyed subject to all restrictions applicable to the
28 property, except to the extent restrictions are modified pursuant to
29 section 1503 of this act before distribution, pursuant to a plan of
30 distribution adopted by the board and as provided by sections 3501
31 through 3512 of this act.

32 (d) Property subject to charitable purpose or management or
33 investment restrictions that require modification at the time of
34 dissolution and are not held upon a condition requiring return,
35 transfer, or conveyance by reason of dissolution, must be modified
36 pursuant to section 1503 of this act before the gifts can be
37 distributed, pursuant to a plan of distribution adopted by the board
38 and as provided by this chapter.

39 (e) Property held for charitable purposes by the nonprofit
40 corporation upon condition requiring return, transfer, or conveyance²⁴⁹

1 which condition occurs by reason of the dissolution, must be
2 returned, transferred, or conveyed in accordance with those
3 requirements.

4 (3) Property held by a corporation upon condition requiring
5 return, transfer, or conveyance, which condition occurs by reason of
6 the dissolution, must be returned, transferred, or conveyed in
7 accordance with the requirements of the condition.

8 (4) Other assets of a corporation other than a charitable
9 corporation, if any, must be distributed:

10 (a) To members or other persons in accordance with the articles
11 or bylaws, to the extent that the articles or bylaws determine the
12 rights of members to distributions upon dissolution, or provide for
13 distribution to other persons or classes of persons; and

14 (b) To the extent that the articles or bylaws do not govern
15 distribution of assets on dissolution, to any persons the board may
16 select.

17 NEW SECTION. **Sec. 3503.** CORPORATIONS HOLDING PROPERTY FOR
18 CHARITABLE PURPOSES. (1) A nonprofit corporation holding property for
19 charitable purposes, including any charitable corporation, may not
20 deliver articles of dissolution to the secretary of state for filing
21 pursuant to section 3504 of this act until it has complied with all
22 of the requirements of this section.

23 (2) A nonprofit corporation described in subsection (1) of this
24 section shall adopt a plan for the distribution of assets for the
25 purpose of authorizing any transfer or conveyance of property held
26 for charitable purposes, which shall:

27 (a) Be consistent with sections 3502 and 3506 of this act; and

28 (b) Include a brief description of the following:

29 (i) Real property held for charitable purposes, and its nature
30 and location;

31 (ii) Cash, bank deposits, brokerage accounts, or other financial
32 assets held for charitable purposes, and their approximate total fair
33 market value;

34 (iii) Other personal property held for charitable purposes, and
35 its nature and approximate total fair market value; and

36 (iv) Any gift restrictions applicable to any property described
37 in (b)(i) through (iii) of this subsection, and the nature of those
38 restrictions.

1 (3) A plan of distribution shall be adopted in the following
2 manner:

3 (a) Where there are no members, or no members having voting
4 rights, a plan of distribution is adopted at a meeting of the board
5 upon receiving a vote of a majority of the directors in office.

6 (b) Where there are members having voting rights, the board shall
7 adopt a resolution recommending a plan of distribution and directing
8 the submission thereof to a vote at a meeting of members having
9 voting rights. Such vote may take place at the same meeting during
10 which members having voting rights vote upon dissolution of the
11 nonprofit corporation. Notice in the form of a record setting forth
12 the proposed plan of distribution or a summary thereof must be given
13 to each member, whether or not entitled to vote at the meeting,
14 within the time and in the manner provided in this chapter for the
15 giving of notice of meetings of members. Such plan of distribution is
16 adopted upon receiving votes from a majority of the members entitled
17 to vote at a meeting at which a quorum is present, and, if any class
18 of members is entitled to vote as a separate group on the plan, the
19 approval by a majority of the members in each separate voting group
20 entitled to vote at a meeting at which a quorum of the voting group
21 is present. If the members entitled to vote on the dissolution
22 approve the proposal to dissolve but do not approve the proposed plan
23 of distribution in all material respects, then the board may either
24 accept the plan of distribution, as approved by the members, or
25 propose a new plan of distribution to the members for approval. This
26 process shall continue until a plan of distribution acceptable to the
27 board has been approved by the members. If successive votes take
28 place at the same meeting of members, then no further notices or
29 meetings are required.

30 (4) A nonprofit corporation described in subsection (1) of this
31 section shall give the attorney general notice that it intends to
32 dissolve. The notice shall include:

33 (a) A copy of the plan of distribution proposed to be adopted in
34 accordance with subsection (3) of this section; and

35 (b) The names and phone numbers of individuals available to
36 answer questions regarding the dissolution and proposed plan of
37 distribution.

38 (5) Notice required under subsection (4) of this section must be
39 delivered to the attorney general in the form of a record at least
40 twenty days before the meeting at which the proposed plan is to be

1 adopted. No plan of distribution for a corporation described in
2 subsection (1) of this section may be implemented without the
3 approval of the attorney general, or the approval of the court in a
4 proceeding to which the attorney general is made a party. In the
5 event that the attorney general does not deliver a notice of
6 objection in the form of a record to the corporation within twenty
7 days after the delivery to the attorney general of notice of the
8 plan, approval of the plan is deemed to have been given.

9 NEW SECTION. **Sec. 3504.** ARTICLES OF DISSOLUTION. (1) At any
10 time after dissolution is authorized, the nonprofit corporation may
11 dissolve by filing with the secretary of state articles of
12 dissolution, accompanied by a revenue clearance certificate issued
13 pursuant to RCW 82.32.260. The articles of dissolution shall set
14 forth:

15 (a) The name of the corporation;

16 (b) The date of its incorporation;

17 (c) The effective date of the dissolution, which may be the date
18 on which the articles of dissolution are filed or any date and time
19 up to thirty days thereafter;

20 (d) Whether it is a membership corporation and, if it is a
21 membership corporation, whether it has members that have a right to
22 vote on its dissolution;

23 (e) If the corporation is not a membership corporation or has no
24 members that have a right to vote on its dissolution, that the
25 dissolution was authorized by the requisite number of directors;

26 (f) If the corporation is a membership corporation that has
27 members that have a right to vote on its dissolution, that the
28 requisite number of members has approved the proposal to dissolve;

29 (g) Whether the corporation is a charitable corporation or is
30 holding property for charitable purposes;

31 (h) If the corporation is a charitable corporation or is holding
32 property for charitable purposes, that the attorney general has
33 approved, or is deemed to have approved, the corporation's plan of
34 distribution pursuant to section 3503(3) of this act; and

35 (i) That the net assets of the corporation remaining after
36 winding up have been, or will be, distributed in accordance with the
37 corporation's articles and bylaws and the corporation's adopted plan
38 of distribution.

1 (2) A nonprofit corporation is dissolved upon the effective date
2 of its articles of dissolution.

3 (3) For purposes of sections 3501 through 3512 of this act,
4 "dissolved corporation" means a nonprofit corporation whose articles
5 of dissolution have become effective and includes a liquidating
6 trust, if any, or other acquirer entity to which the remaining assets
7 of the corporation are transferred subject to its liabilities for
8 purposes of liquidation.

9 NEW SECTION. **Sec. 3505.** REVOCATION OF DISSOLUTION. (1) A
10 nonprofit corporation may revoke its dissolution within one hundred
11 twenty days of the effective date of the dissolution.

12 (2) Revocation of dissolution must be authorized in the same
13 manner as the dissolution was authorized unless that authorization
14 permitted revocation by action of the board alone, in which event the
15 board may revoke the dissolution without action by the members.

16 (3) Except as provided in subsection (4) of this section, after
17 the revocation of dissolution is authorized, the nonprofit
18 corporation may revoke the dissolution by delivering to the secretary
19 of state for filing articles of revocation of dissolution, together
20 with a copy of its articles of dissolution, that set forth:

21 (a) The name of the corporation;

22 (b) The effective date of the dissolution that was revoked;

23 (c) The date that the revocation of dissolution was authorized;

24 and

25 (d) That the revocation of dissolution was approved in the manner
26 required by this chapter and by the articles and bylaws.

27 (4) A charitable corporation or a nonprofit corporation holding
28 property restricted to charitable purposes shall not deliver articles
29 of revocation of dissolution to the secretary of state for filing
30 without the approval of the attorney general. Such a corporation
31 shall give the attorney general notice in the form of a record that
32 it intends to revoke its dissolution, to which notice a copy of the
33 articles of revocation of dissolution adopted in accordance with
34 subsection (2) of this section must be attached. In the event that
35 the attorney general does not deliver a notice of objection in the
36 form of a record to the corporation within twenty days after the
37 delivery to the attorney general of notice of the revocation of
38 dissolution, approval of the revocation of dissolution is deemed to
39 have been given.

1 (5) Revocation of dissolution is effective upon the effective
2 date of the articles of revocation of dissolution.

3 (6) When the revocation of dissolution is effective, it relates
4 back to and takes effect as of the effective date of the dissolution
5 and the nonprofit corporation resumes carrying on its activities as
6 if dissolution had never occurred.

7 NEW SECTION. **Sec. 3506.** EFFECT OF DISSOLUTION. (1) A nonprofit
8 corporation, the dissolution of which has been authorized, continues
9 its corporate existence but may not carry on any activities except
10 those appropriate to wind up and liquidate its affairs, including:

11 (a) Collecting its assets;

12 (b) Disposing of its properties that will not be distributed in
13 kind;

14 (c) Discharging or making provision for discharging its
15 liabilities;

16 (d) Distributing its remaining property as required by the plan
17 of distribution; and

18 (e) Doing every other act necessary to wind up and liquidate its
19 activities and affairs.

20 (2) Dissolution of or authorization to dissolve a nonprofit
21 corporation does not:

22 (a) Transfer title to the corporation's property;

23 (b) Subject its directors or officers to standards of conduct
24 different from those prescribed in sections 2402 and 2602 of this
25 act;

26 (c) Change quorum or voting requirements for its board or
27 members; change provisions for selection, resignation, or removal of
28 its directors or officers or both; or change provisions for amending
29 its bylaws;

30 (d) Prevent commencement of a proceeding by or against the
31 corporation in its corporate name;

32 (e) Abate or suspend a proceeding pending by or against the
33 corporation on the effective date of dissolution;

34 (f) Terminate the authority of the registered agent of the
35 corporation; or

36 (g) Modify any gift restriction, unless the restriction is
37 modified in accordance with section 1503 of this act.

1 NEW SECTION. **Sec. 3507.** PROHIBITION OF FINANCIAL BENEFIT. No
2 person may receive a direct or indirect financial benefit in
3 connection with the dissolution of a charitable corporation unless
4 the person is an entity operated exclusively for one or more
5 charitable purposes, the federal government, a tribal government, a
6 state or local government, or an unincorporated entity that has
7 charitable purposes. This section does not apply to the receipt of
8 reasonable compensation for services rendered.

9 NEW SECTION. **Sec. 3508.** KNOWN CLAIMS AGAINST DISSOLVED
10 CORPORATION. (1) A dissolved nonprofit corporation shall deliver
11 notice of the dissolution in the form of a record to all of the
12 corporation's known claimants within thirty days of the date when the
13 corporation delivered articles of dissolution to the secretary of
14 state for filing.

15 (2) A dissolved nonprofit corporation may dispose of the known
16 claims against it by delivering a notice in the form of a record that
17 meets the requirements listed in subsection (3) of this section to
18 its known claimants at any time after the date when the corporation
19 delivered articles of dissolution to the secretary of state for
20 filing. Delivery of a notice under this subsection shall satisfy the
21 requirement of subsection (1) of this section if the notice is
22 delivered to all known claimants within thirty days of the date when
23 the corporation delivered articles of dissolution to the secretary of
24 state for filing.

25 (3) A notice to claimants under subsection (2) of this section
26 must:

- 27 (a) Describe information that must be included in a claim;
28 (b) Provide a mailing address where a claim may be sent;
29 (c) State the deadline, which may not be fewer than one hundred
30 twenty days from the effective date of the notice, by which the
31 dissolved nonprofit corporation must receive the claim; and
32 (d) State that the claim will be barred if not received by the
33 deadline.

34 (4) A claim against the dissolved nonprofit corporation is
35 barred:

- 36 (a) If a claimant who was given notice under subsection (2) of
37 this section does not deliver the claim to the dissolved corporation
38 by the deadline; or

1 (b) If a claimant whose claim was rejected by the dissolved
2 corporation does not commence a proceeding to enforce the claim
3 within ninety days from the effective date of the rejection notice.

4 (5) For purposes of this section, "claim" does not include a
5 contingent liability or a claim based on an event occurring after the
6 effective date of dissolution.

7 NEW SECTION. **Sec. 3509.** OTHER CLAIMS AGAINST DISSOLVED
8 CORPORATION. (1) A dissolved nonprofit corporation may publish notice
9 of its dissolution and request that persons with claims against the
10 dissolved corporation present them in accordance with the notice.

11 (2) The notice must:

12 (a) Be published three times during three successive weeks in a
13 newspaper of general circulation in the county where the principal
14 office of the dissolved nonprofit corporation or, if none in this
15 state, its registered office is or was last located;

16 (b) Describe the information that must be included in a claim and
17 provide a mailing address where the claim shall be sent; and

18 (c) State that a claim against the dissolved corporation will be
19 barred unless a proceeding to enforce the claim is commenced within
20 three years after the last publication of the notice.

21 (3) If the dissolved nonprofit corporation publishes a newspaper
22 notice in accordance with subsection (2) of this section, then the
23 claim of each of the following claimants is barred unless the
24 claimant commences a proceeding to enforce the claim against the
25 dissolved corporation within three years after the last publication
26 date of the newspaper notice:

27 (a) A claimant who was not given notice under section 3508 of
28 this act;

29 (b) A claimant whose claim was timely sent to the dissolved
30 corporation but not acted on; or

31 (c) A claimant whose claim is contingent or based on an event
32 occurring after the effective date of dissolution.

33 NEW SECTION. **Sec. 3510.** ENFORCEMENT OF CLAIMS. A claim that is
34 not barred by section 3508(4) or 3509(3) of this act may be enforced:

35 (1) Against the dissolved nonprofit corporation, to the extent of
36 its undistributed assets; or

37 (2) Except as provided in section 3511(4) of this act, if the
38 assets have been distributed in liquidation, against any person²⁵⁶

1 other than a creditor of the dissolved corporation, to whom the
2 corporation distributed its property, subject to the following
3 restrictions:

4 (a) Recovery is limited to the amount of the distributee's pro
5 rata share of the claim or the corporate assets distributed to the
6 distributee in liquidation, whichever is less;

7 (b) A distributee's total liability for all claims under this
8 section may not exceed the total amount of assets distributed to the
9 distributee; and

10 (c) A distributee is only liable to the extent permitted by
11 existing common law or statutory remedies, and nothing in this
12 section creates a separate cause of action against a distributee.

13 NEW SECTION. **Sec. 3511.** COURT PROCEEDINGS. (1) A dissolved
14 nonprofit corporation that has published a notice under section 3508
15 of this act may file an application with the court for a
16 determination of the amount and form of security to be provided for
17 payment of claims that are contingent or have not been made known to
18 the dissolved corporation or that are based on an event occurring
19 after the effective date of dissolution but that, based on the facts
20 known to the dissolved corporation, are reasonably estimated to be
21 presented after the effective date of dissolution. Provision need not
22 be made for any claim that is or is reasonably anticipated to be
23 barred under section 3508(3) of this act.

24 (2) Within ten days after the filing of the application, the
25 dissolved corporation shall give notice of the proceeding to each
26 claimant holding a contingent claim whose contingent claim is shown
27 on the records of the dissolved corporation.

28 (3) The court may appoint a guardian ad litem to represent all
29 claimants whose identities are unknown in any proceeding brought
30 under this section. The dissolved corporation shall pay reasonable
31 fees and expenses of the guardian, including all reasonable expert
32 witness fees.

33 (4) Provision by the dissolved nonprofit corporation for security
34 in the amount and the form ordered by the court under section 3510(1)
35 of this act satisfies the dissolved corporation's obligations with
36 respect to claims that are contingent, have not been made known to
37 the dissolved corporation, or are based on an event occurring after
38 the effective date of dissolution. Such claims may not be enforced
39 against a person who received assets in liquidation.

1 (a) Adopted a plan of distribution satisfying the requirements of
2 section 3503(2) of this act and following the procedure set out in
3 section 3503(3) of this act; and

4 (b) Obtained the approval or deemed approval of the attorney
5 general of the plan of distribution, following the procedure set out
6 in section 3503(4) of this act.

7 (2) A corporation that has been administratively dissolved is not
8 required to apply for reinstatement if its only activities will
9 consist of adopting a plan of distribution, obtaining the approval or
10 deemed approval of the attorney general of the plan of distribution,
11 and distributing assets in accordance with the plan of distribution.

12 NEW SECTION. **Sec. 3604.** REINSTATEMENT OF ADMINISTRATIVELY
13 DISSOLVED CORPORATION. A nonprofit corporation administratively
14 dissolved under RCW 23.95.610 may apply to the secretary of state for
15 reinstatement by following the procedure and meeting the requirements
16 set forth in RCW 23.95.615. A nonprofit corporation denied
17 reinstatement may obtain judicial review of the denial within the
18 time specified in RCW 23.95.620.

19 NEW SECTION. **Sec. 3605.** JUDICIAL DISSOLUTION. The court may
20 dissolve a nonprofit corporation:

21 (1) in a proceeding by the attorney general, if it is established
22 that:

23 (a) The corporation obtained its articles through fraud; or

24 (b) The corporation has exceeded or abused, and is continuing to
25 exceed or abuse, the authority conferred upon it by law; or

26 (c) the directors are deadlocked in the management of the
27 corporate affairs; the members, if any, are unable to break the
28 deadlock; and irreparable injury to the corporation or its purposes
29 is threatened or being suffered because of the deadlock; or

30 (d) The corporation is misapplying or wasting property held for
31 charitable purposes;

32 (2) Except as provided in the articles or bylaws, in a proceeding
33 by fifty members or members holding at least five percent of the
34 voting power, whichever is less, or by a director, if it is
35 established that:

36 (a) The directors are deadlocked in the management of the
37 corporate affairs; the members, if any, are unable to break the

1 deadlock; and irreparable injury to the corporation or its mission is
2 threatened or being suffered because of the deadlock;

3 (b) The directors or those in control of the corporation have
4 acted, are acting, or have expressed intent to act in a manner that
5 is illegal, oppressive, or fraudulent;

6 (c) The members are deadlocked in voting power and have failed,
7 for a period that includes at least two consecutive annual meeting
8 dates, to elect successors to directors whose terms have, or
9 otherwise would have, expired;

10 (d) The corporate assets are being misapplied or wasted; or

11 (e) The corporation has insufficient assets to continue its
12 activities and it is no longer able to assemble a quorum of directors
13 or members;

14 (3) In a proceeding by a creditor, if it is established that:

15 (a) The creditor's claim has been reduced to judgment, the
16 execution on the judgment returned unsatisfied, and the corporation
17 is insolvent; or

18 (b) The corporation has admitted in a record that the creditor's
19 claim is due and owing and the corporation is insolvent; or

20 (4) In a proceeding by the corporation to have its voluntary
21 dissolution continued under court supervision.

22 NEW SECTION. **Sec. 3606.** PROCEDURE FOR JUDICIAL DISSOLUTION. (1)

23 It is not necessary to make directors or members parties to a
24 proceeding to dissolve a nonprofit corporation unless relief is
25 sought against them individually.

26 (2) A person commencing a proceeding to dissolve a nonprofit
27 corporation shall notify the attorney general of the proceeding in
28 the form of a record if:

29 (a) The corporation is recognized by the internal revenue service
30 as an organization described in section 501(c)(3) of the Internal
31 Revenue Code; or

32 (b) The person bringing the proceeding knows that the nonprofit
33 corporation is a charitable corporation or has property held for
34 charitable purposes.

35 (3) The court in a proceeding brought to dissolve a nonprofit
36 corporation may issue injunctions, take other action required to
37 preserve the corporate assets wherever located, and carry on the
38 activities of the corporation until a full hearing can be held.

1 must identify that it is being given pursuant to this subsection. The
2 attorney general may waive this notice at any time.

3 (4) Notice to the attorney general is effective:

4 (a) Five days after its deposit in the United States mail, only
5 if the postage is paid and the notice is correctly addressed; or

6 (b) When given, if the notice is delivered in any other manner
7 that the attorney general has authorized.

8 NEW SECTION. **Sec. 4102.** ACTIONS TO SECURE PROPERTY HELD FOR
9 CHARITABLE PURPOSES. The attorney general may commence in the court
10 described in section 1105 of this act any action or proceeding to:

11 (1) Ensure compliance by a nonprofit corporation, or its members,
12 directors, officers, employees, or agents, with any provision of this
13 chapter that governs the distribution, disposition, management, or
14 expenditure of, or reporting obligations relating to, any property
15 held for charitable purposes;

16 (2) Secure the proper administration of a charitable corporation,
17 or of property held for charitable purposes by a nonprofit
18 corporation, when reasonably necessary to protect property held for
19 charitable purposes; and

20 (3) Restrain and prevent any act that violates any provision of
21 this chapter that governs the distribution, disposition, management,
22 or expenditure of, or reporting obligations relating to, any property
23 held for charitable purposes.

24 NEW SECTION. **Sec. 4103.** ATTORNEY GENERAL'S RIGHT TO INTERVENE.
25 The attorney general, as of right, may intervene in any proceeding
26 that has been commenced by a person other than the attorney general
27 if the attorney general is otherwise authorized to bring such a
28 proceeding under this chapter.

29 NEW SECTION. **Sec. 4104.** ATTORNEY GENERAL'S INVESTIGATIVE POWER.
30 Upon reasonable suspicion that there has been a violation of any
31 provision of this chapter that governs the distribution, disposition,
32 management, or expenditure of, or reporting obligations relating to,
33 any property held for charitable purposes, or that a charitable
34 corporation or property held for charitable purposes by a nonprofit
35 corporation has been improperly administered, the attorney general
36 may institute an investigation for the purpose of determining whether
37 there has been such a violation or improper administration.

1 NEW SECTION. **Sec. 4105.** CIVIL INVESTIGATIVE DEMANDS. (1) The
2 attorney general may, before the institution of a civil proceeding
3 arising from an investigation instituted under section 4104 of this
4 act, execute in writing and cause to be served upon a person a civil
5 investigative demand requiring the person to produce documentary
6 material and permit inspection and copying, to answer in writing
7 written interrogatories, to give oral testimony, or any combination
8 of those demands, whenever the attorney general believes that the
9 person:

10 (a) May be in possession, custody, or control of any original or
11 copy of any record, report, memorandum, paper, communication,
12 tabulation, map, chart, photograph, mechanical transcription, or
13 other document or recording, wherever situated, which the attorney
14 general reasonably believes to be relevant to the subject matter of
15 any investigation instituted under section 4104 of this act; or

16 (b) May have knowledge of any information which the attorney
17 general reasonably believes to be relevant to the subject matter of
18 any such investigation.

19 (2) The provisions of RCW 19.86.110 (2) through (9) except for
20 RCW 19.86.110(7) (b) and (c), shall apply to every civil
21 investigative demand issued under this section.

22 (3) With respect to a civil investigative demand issued under
23 this section, the venue for filing a petition to extend a return date
24 under RCW 19.86.110(8) or a petition for an order of enforcement
25 under RCW 19.86.110(9) shall include any court described in section
26 1105 of this act.

27 (4) The attorney general may provide copies of documentary
28 material, answers to written interrogatories, or transcripts of oral
29 testimony provided under this section to an official of this state,
30 another state, or the federal government who is charged with the
31 enforcement of state or federal laws related to the protection or
32 regulation of property held for charitable purposes, provided that
33 before the disclosure the receiving official agrees in the form of a
34 record that the information may not be disclosed to anyone other than
35 that official or the official's authorized employees or agents.
36 Material provided under this subsection is subject to the limitations
37 on disclosure contained in RCW 19.86.110(7)(a), and, where
38 applicable, Title 5 U.S.C. Sec. 552, and may not be introduced as
39 evidence in a criminal prosecution.

1 (5) The attorney general may use such copies of documentary
2 material, answers to written interrogatories, or transcripts of oral
3 testimony as the attorney general determines necessary in the
4 enforcement of any provision of this chapter that governs the
5 distribution, disposition, management, or expenditure of, or
6 reporting obligations relating to, any property held for charitable
7 purposes, including presentation before any court, provided, however,
8 that any such material, answers to written interrogatories, or
9 transcripts of oral testimony which contain trade secrets shall not
10 be presented except with the approval of the court in which the
11 action is pending after adequate notice to the person furnishing such
12 material, answers to written interrogatories, or oral testimony.

13 NEW SECTION. **Sec. 4106.** RELIGIOUS CORPORATIONS. The attorney
14 general shall not commence any action under section 4102 of this act
15 against a religious corporation; intervene in any action under
16 section 4103 of this act involving a religious corporation; institute
17 any investigation under section 4104 of this act, the subject of
18 which is a religious corporation; or serve any civil investigative
19 demand under section 4105 of this act on a religious corporation,
20 unless:

21 (1) The basis for the action, investigation, or civil
22 investigative demand is the attorney general's reasonable belief that
23 property held by the religious corporation for charitable purposes
24 has been, is threatened to be, or is about to be distributed in
25 violation of section 1406 of this act;

26 (2) The board of directors of the religious corporation has
27 adopted a resolution in the form of a record requesting the attorney
28 general's involvement in the action or investigation; or

29 (3) The attorney general reasonably believes that the religious
30 corporation has no directors in office, in which case the attorney
31 general may investigate the issue of whether the religious
32 corporation has directors in office, and, if necessary, appoint one
33 or more directors of the religious corporation following the
34 procedure set out in section 2410(4) of this act.

35 NEW SECTION. **Sec. 4107.** ASSURANCES OF DISCONTINUANCE. In the
36 enforcement of the provisions of this chapter that govern the
37 distribution, disposition, or expenditure of, or reporting
38 obligations relating to, property held for charitable purposes, the

1 attorney general may accept an assurance of discontinuance of any act
2 or practice deemed in violation of such provision, from any person
3 engaging in, or who has engaged in, such act or practice. Any such
4 assurance must be in writing and be filed with and subject to the
5 approval of the court. Such assurance of discontinuance is not an
6 admission of a violation for any purpose, but proof of failure to
7 comply with the assurance of discontinuance is prima facie evidence
8 of a violation of this chapter.

9 NEW SECTION. **Sec. 4108.** CIVIL PENALTIES, COSTS, AND FEES. (1)
10 Pursuant to an action by the attorney general, a person shall forfeit
11 and pay a civil penalty of not more than five thousand dollars for
12 each violation if such person:

13 (a) Engages in conduct that violates any provision of this
14 chapter governing the distribution, disposition, management, or
15 expenditure of, or reporting obligations relating to, property held
16 for charitable purposes, intending or knowing that such conduct was
17 in violation of this chapter;

18 (b) As a director or officer of a corporation, votes for or
19 assents to a distribution of property held for charitable purposes
20 that would give rise to liability under section 2702 of this act; or

21 (c) Receives any portion of a distribution described in (b) of
22 this subsection knowing that the distribution was made in violation
23 of this chapter.

24 (2) Any person who shall violate the terms of any injunction
25 issued pursuant to an action by the attorney general under section
26 4102 of this act shall forfeit and pay a civil penalty of not more
27 than twenty-five thousand dollars for each violation.

28 (3) At the discretion of the court, the attorney general is
29 entitled to recovery of its costs and fees incurred in securing
30 compliance with the provisions of this chapter governing the
31 distribution, disposition, management, or expenditure of, or
32 reporting obligations relating to, property held for charitable
33 purposes.

34 NEW SECTION. **Sec. 4109.** CHARITABLE ASSET PROTECTION ACCOUNT.
35 (1) The Washington state attorney general charitable asset protection
36 account is created in the custody of the state treasurer. Only the
37 attorney general or the attorney general's designee may authorize

1 expenditures from the account. Moneys in the account shall be used
2 exclusively for:

3 (a) The costs associated with the attorney general's enforcement
4 of the provisions of this chapter governing the distribution,
5 disposition, management, or expenditure of, or reporting obligations
6 relating to, property held for charitable purposes, or the proper
7 administration of a charitable corporation or property held for
8 charitable purposes;

9 (b) The costs associated with the attorney general's review and
10 handling of notices and requests submitted to the attorney general
11 under the provisions of this chapter including, but not limited to,
12 binding agreements described in section 1504 of this act, major
13 changes in purposes or programs reported under section 1205 of this
14 act, and notices of proposed transactions under sections 3101 through
15 3608 of this act;

16 (c) The costs associated with the attorney general's review and
17 handling of notices and requests submitted to the attorney general in
18 connection with the release or modification under RCW 24.55.045 of
19 restrictions applicable to institutional funds;

20 (d) The costs associated with the attorney general's supervision
21 of charitable trusts under the authority granted in chapter 11.110
22 RCW, including review and handling of binding agreements under
23 chapter 11.96A RCW, involving assets held in charitable trust; and

24 (e) The charitable solicitation education program.

25 An appropriation is not required for expenditures, but the
26 account is subject to allotment procedures under chapter 43.88 RCW.

27 (2) The secretary of state shall collect and place into the
28 Washington state attorney general charitable asset protection account
29 a charitable asset protection fee, in addition to fees that the
30 secretary of state may set under section 1207 of this act, for
31 filing:

32 (a) Annual reports under section 1204 of this act;

33 (b) Articles of incorporation of newly formed corporations under
34 section 1303 of this act;

35 (c) Articles of domestication under section 3309 of this act; and

36 (d) Articles of domestication and conversion under section 3318
37 of this act.

38 (3) The charitable asset protection fee is fifty dollars per
39 year, reduced to ten dollars if the corporation certifies that its

1 total gross revenue in the most recent fiscal year was less than five
2 hundred thousand dollars.

3 **ARTICLE 2**

4 **CONTESTED CORPORATE ACTION**

5 NEW SECTION. **Sec. 4201.** DEFINITIONS. This section and sections
6 4202 and 4203 of this act apply to, and the term "corporate action"
7 in this section and sections 4202 and 4203 of this act means, any of
8 the following actions:

9 (1) The election, appointment, designation, or other selection
10 and the suspension, removal, or expulsion of members, delegates,
11 directors, or officers of a nonprofit corporation;

12 (2) The taking of any action on any matter that:

13 (a) Is required under this chapter or any other provision of law
14 to be submitted for approval of or adoption by the members,
15 delegates, directors, or officers of a nonprofit corporation;

16 (b) Under the articles or bylaws may be submitted for approval of
17 or adoption by the members, delegates, directors, or officers of a
18 nonprofit corporation; or

19 (c) Is in fact approved or adopted by the members, delegates,
20 directors, or officers of a nonprofit corporation.

21 NEW SECTION. **Sec. 4202.** PROCEEDINGS PRIOR TO CORPORATE ACTION.

22 (1) Where under applicable law or the articles or bylaws of a
23 nonprofit corporation there has been a failure to hold a meeting to
24 take corporate action and the failure has continued for thirty days
25 after the date designated or appropriate therefor, the court may
26 summarily order a meeting to be held upon the application of any
27 person entitled, either alone or in conjunction with other persons
28 similarly seeking relief under this section, to call a meeting to
29 consider the corporate action in issue, and, in the case of a
30 charitable corporation, upon the application of the attorney general.

31 (2) The court may determine the right to vote at the meeting of
32 persons claiming that right, may appoint an individual to hold the
33 meeting under such orders and powers as the court may deem proper,
34 and may take such action as may be required to give due notice of the
35 meeting and convene and conduct the meeting in the interests of
36 justice.

1 NEW SECTION. **Sec. 4203.** REVIEW OF CONTESTED CORPORATE ACTION.

2 (1) Except as provided in subsection (3) of this section, upon
3 petition of a person whose status as, or whose rights or duties as, a
4 member, delegate, director, or officer of a corporation are or may be
5 affected by any corporate action, or, in the case of a charitable
6 corporation, the attorney general, the court may hear and determine
7 the validity of the corporate action.

8 (2) The court may make such orders in any such case as may be
9 just and proper, with power to enforce the production of any books,
10 papers, and records of the corporation and other evidence that may
11 relate to the issue. The court shall provide for notice of the
12 pendency of the proceedings under this section to every person
13 affected thereby. If it is determined that no valid corporate action
14 has been taken, the court may order a meeting to be held in
15 accordance with section 4202 of this act.

16 (3) If a nonprofit corporation has provided in its articles or
17 bylaws for a means of resolving a challenge to a corporate action,
18 then subsection (1) of this section shall not apply, except in the
19 case of actions brought by the attorney general with respect to
20 corporate actions of charitable corporations. The court may enforce
21 provisions of the articles or bylaws if appropriate.

22 **PART V**

23 **REVISIONS TO EXISTING STATUTES**

24 **ARTICLE 1**

25 **SUBSTANTIVE AMENDMENTS**

26 **Sec. 5101.** RCW 11.110.020 and 1985 c 30 s 114 are each amended
27 to read as follows:

28 ~~((When used in))~~ The definitions in this section apply throughout
29 this chapter~~((,))~~ unless the context clearly requires otherwise
30 ~~((requires)).~~

31 (1) "Person" means an individual, organization, group,
32 association, partnership, corporation, or any combination of them.

33 (2)(a) "Trustee" means ~~((1))~~:

34 (i) Any person holding property in trust for a public charitable
35 purpose; except the United States, its states, territories, and
36 possessions, the District of Columbia, Puerto Rico, and their
37 agencies and subdivisions; ~~((and (2))~~

1 (ii) A corporation formed for the administration of a charitable
2 trust (~~(or)~~); and

3 (iii) Any person holding assets subject to limitations permitting
4 their use only for charitable, religious, eleemosynary, benevolent,
5 educational, or similar purposes (~~(: PROVIDED, That)~~).

6 (b) Unless they are described in (a)(i) or (ii) of this
7 subsection, the term "trustee" does not apply to (~~(a)~~):

8 (i) Washington nonprofit corporations incorporated under chapter
9 24.-- RCW (the new chapter created in section 6101 of this act) or to
10 which chapter 24.-- RCW (the new chapter created in section 6101 of
11 this act) applies through operation of section 1107 of this act;

12 (ii) Religious corporations duly organized and operated in good
13 faith as religious organizations, which have received a declaration
14 of current tax exempt status from the government of the United
15 States; their duly organized branches or chapters; and charities,
16 agencies, and organizations affiliated with and forming an integral
17 part of said organization, or operated, supervised, or controlled
18 directly by such religious corporations nor any officer of any such
19 religious organization who holds property for religious purposes (~~(: PROVIDED, That)~~). However, if such organization has not received from
20 the United States government a declaration of current tax exempt
21 status prior to the time it receives property under the terms of a
22 charitable trust, this exemption shall be applicable for two years
23 only from the time of receiving such property, or until such tax
24 exempt status is finally declared, whichever is sooner; or (~~(b)~~)

25 (iii) An educational institution which is nonprofit and
26 charitable, having a program of primary, secondary, or collegiate
27 instruction comparable in scope to that of any public school or
28 college operated by the state of Washington or any of its school
29 districts.

31 **Sec. 5102.** RCW 23.95.255 and 2017 c 31 s 2 are each amended to
32 read as follows:

33 (1) A domestic entity other than a limited liability partnership
34 or nonprofit corporation shall, within one hundred twenty days of the
35 date on which its public organic record became effective, deliver to
36 the secretary of state for filing an initial report that states the
37 information required under subsection (2) of this section.

38 (2) A domestic entity or registered foreign entity shall deliver
39 to the secretary of state for filing an annual report that states:

- 1 (a) The name of the entity and its jurisdiction of formation;
- 2 (b) The name and street and mailing addresses of the entity's
3 registered agent in this state;
- 4 (c) The street and mailing addresses of the entity's principal
5 office;
- 6 (d) In the case of a registered foreign entity, the street and
7 mailing address of the entity's principal office in the state or
8 country under the laws of which it is incorporated;
- 9 (e) The names of the entity's governors;
- 10 (f) A brief description of the nature of the entity's business;
- 11 (~~and~~)
- 12 (g) The entity's unified business identifier number;
- 13 (h) In the case of a nonprofit corporation, the corporation's
14 federal employer identification number; and
- 15 (i) In the case of a nonprofit corporation, any information
16 required under section 1205 of this act.

17 (3) Information in an initial or annual report must be current as
18 of the date the report is executed by the entity.

19 (4) Annual reports must be delivered to the secretary of state on
20 a date determined by the secretary of state and at such additional
21 times as the entity elects.

22 (5) If an initial or annual report does not contain the
23 information required by this section, the secretary of state promptly
24 shall notify the reporting entity in a record and return the report
25 for correction.

26 (6) If an initial or annual report contains the name or address
27 of a registered agent that differs from the information shown in the
28 records of the secretary of state immediately before the annual
29 report becomes effective, the differing information in the initial or
30 annual report is considered a statement of change under RCW
31 23.95.430.

32 (7) The secretary of state shall send to each domestic entity and
33 registered foreign entity, not less than thirty or more than ninety
34 days prior to the expiration date of the entity's annual renewal, a
35 notice that the entity's annual report must be filed as required by
36 this chapter and that any applicable annual renewal fee must be paid,
37 and stating that if the entity fails to file its annual report or pay
38 the annual renewal fee it will be administratively dissolved. The
39 notice may be sent by postal or email as elected by the entity,
40 addressed to its registered agent within the state, or to an

1 electronic address designated by the entity in a record retained by
2 the secretary of state. Failure of the secretary of state to provide
3 any such notice does not relieve a domestic entity or registered
4 foreign entity from its obligations to file the annual report
5 required by this chapter or to pay any applicable annual renewal fee.
6 The option to receive the notice provided under this section by email
7 may be selected only when the secretary of state makes the option
8 available.

9 **Sec. 5103.** RCW 23.95.305 and 2019 c 37 s 1402 are each amended
10 to read as follows:

11 (1) (a) The name of a business corporation:

12 (i) (A) Except in the case of a social purpose corporation, must
13 contain the word "corporation," "incorporated," "company," or
14 "limited," or the abbreviation "Corp.," "Inc.," "Co.," or "Ltd.," or
15 words or abbreviations of similar import in another language; or

16 (B) In the case of a social purpose corporation, must contain the
17 words "social purpose corporation" or the abbreviation "SPC" or
18 "S.P.C."; and

19 (ii) Must not contain any of the following words or phrases:
20 "Bank," "banking," "banker," "trust," "cooperative," or any
21 combination of the words "industrial" and "loan," or any combination
22 of any two or more of the words "building," "savings," "loan,"
23 "home," "association," and "society," or any other words or phrases
24 prohibited by any statute of this state.

25 (b) The name of a professional service corporation must contain
26 either the words "professional service" or "professional corporation"
27 or the abbreviation "P.S." or "P.C." The name may also contain either
28 the words "corporation," "incorporated," "company," or "limited," or
29 the abbreviation "Corp.," "Inc.," "Co.," or "Ltd." The name of a
30 professional service corporation organized to render dental services
31 must contain the full names or surnames of all shareholders and no
32 other word than "chartered" or the words "professional services" or
33 the abbreviation "P.S." or "P.C."

34 (2) The name of a nonprofit corporation:

35 (a) May include "club," "league," "association," "services,"
36 "committee," "fund," "society," "foundation," "guild," ". ,
37 a nonprofit corporation," ". , a nonprofit mutual
38 corporation," or any name of like import;

1 (b) Except for nonprofit corporations formed prior to January 1,
2 1969, must not include or end with "incorporated," "company,"
3 "corporation," "partnership," "limited partnership," or "Ltd.," or
4 any abbreviation thereof; (~~and~~)

5 (c) May not be deceptively similar to the name of an existing
6 domestic entity which is not then administratively dissolved; and

7 (d) May only include the term "public benefit" or names of like
8 import if the nonprofit corporation has been designated as a public
9 benefit nonprofit corporation by the secretary of state in accordance
10 with chapter (~~(24.03 RCW)~~) 24.-- RCW (the new chapter created in
11 section 6101 of this act).

12 (3) The name of a limited partnership may contain the name of any
13 partner. The name of a partnership that is not a limited liability
14 limited partnership must contain the words "limited partnership" or
15 the abbreviation "LP" or "L.P." and may not contain the words
16 "limited liability limited partnership" or the abbreviation "LLLP" or
17 "L.L.L.P." If the limited partnership is a limited liability limited
18 partnership, the name must contain the words "limited liability
19 limited partnership" or the abbreviation "LLLP" or "L.L.L.P." and may
20 not contain the abbreviation "LP" or "L.P."

21 (4) The name of a limited liability partnership must contain the
22 words "limited liability partnership" or the abbreviation "LLP" or
23 "L.L.P." If the name of a foreign limited liability partnership
24 contains the words "registered limited liability partnership" or the
25 abbreviation "R.L.L.P." or "RLLP," it may include those words or
26 abbreviations in its foreign registration statement.

27 (5) (a) The name of a limited liability company:

28 (i) Must contain the words "limited liability company," the words
29 "limited liability" and abbreviation "Co.," or the abbreviation
30 "L.L.C." or "LLC"; and

31 (ii) May not contain any of the following words or phrases:
32 "Cooperative," "partnership," "corporation," "incorporated," or the
33 abbreviations "Corp.," "Ltd.," or "Inc.," or "LP," "L.P.," "LLP,"
34 "L.L.P.," "LLLP," "L.L.L.P.," or any words or phrases prohibited by
35 any statute of this state.

36 (b) The name of a professional limited liability company must
37 contain either the words "professional limited liability company," or
38 the words "professional limited liability" and the abbreviation
39 "Co.," or the abbreviation "P.L.L.C." or "PLLC," provided that the
40 name of a professional limited liability company organized to render

1 dental services must contain the full names or surnames of all
2 members and no other word than "chartered" or the words "professional
3 services" or the abbreviation "P.L.L.C." or "PLLC."

4 (6) The name of a cooperative association organized under chapter
5 23.86 RCW may contain the words "corporation," "incorporated," or
6 "limited," or the abbreviation "Corp.," "Inc.," or "Ltd."

7 (7) The name of a limited cooperative association must contain
8 the phrase "limited cooperative association" or "limited cooperative"
9 or the abbreviation "L.C.A." or "LCA." "Limited" may be abbreviated
10 as "Ltd." "Cooperative" may be abbreviated as "Co-op." or "Coop."
11 "Association" may be abbreviated as "Assoc." or "Assn."

12 NEW SECTION. **Sec. 5104.** A new section is added to chapter 74.15
13 RCW to read as follows:

14 (1) A host home program must register with the secretary of
15 state's office. This registration may occur when the secretary of
16 state files articles of incorporation of the host home program under
17 chapter 24.-- RCW (the new chapter created in section 6101 of this
18 act).

19 (2) The host home program registration must include a notarized
20 statement by the host home program that it meets all of the
21 requirements set out in RCW 74.15.020(2)(o).

22 (3) The secretary of state has no duty to confirm that a host
23 home program is meeting its statutory requirements. A filing under
24 this section does not imply an endorsement by the secretary of state.

25 (4) The secretary of state may adopt rules necessary to carry out
26 its duties under this section.

27 **ARTICLE 2**

28 **AMENDMENTS TO UPDATE REFERENCES**

29 **Sec. 5201.** RCW 7.60.025 and 2019 c 389 s 1 are each amended to
30 read as follows:

31 (1) A receiver may be appointed by the superior court of this
32 state in the following instances, but except in any case in which a
33 receiver's appointment is expressly required by statute, or any case
34 in which a receiver's appointment is sought by a state agent whose
35 authority to seek the appointment of a receiver is expressly
36 conferred by statute, or any case in which a receiver's appointment
37 with respect to real property is sought under (b)(ii) of this

1 subsection, a receiver shall be appointed only if the court
2 additionally determines that the appointment of a receiver is
3 reasonably necessary and that other available remedies either are not
4 available or are inadequate:

5 (a) On application of any party, when the party is determined to
6 have a probable right to or interest in property that is a subject of
7 the action and in the possession of an adverse party, or when the
8 property or its revenue-producing potential is in danger of being
9 lost or materially injured or impaired. A receiver may be appointed
10 under this subsection (1)(a) whether or not the application for
11 appointment of a receiver is combined with, or is ancillary to, an
12 action seeking a money judgment or other relief;

13 (b) Provisionally, after commencement of any judicial action or
14 nonjudicial proceeding to foreclose upon any lien against or for
15 forfeiture of any interest in real or personal property, on
16 application of any person, when the interest in the property that is
17 the subject of such an action or proceeding of the person seeking the
18 receiver's appointment is determined to be probable and either:

19 (i) The property or its revenue-producing potential is in danger
20 of being lost or materially injured or impaired; or

21 (ii) The appointment of a receiver with respect to the real or
22 personal property that is the subject of the action or proceeding is
23 provided for by agreement or is reasonably necessary to effectuate or
24 enforce an assignment of rents or other revenues from the property.
25 For purposes of this subsection (1)(b), a judicial action is
26 commenced as provided in superior court civil rule 3(a), a
27 nonjudicial proceeding is commenced under chapter 61.24 RCW upon the
28 service of notice of default described in RCW 61.24.030(8), and a
29 proceeding for forfeiture is commenced under chapter 61.30 RCW upon
30 the recording of the notice of intent to forfeit described in RCW
31 61.30.060;

32 (c) After judgment, in order to give effect to the judgment;

33 (d) To dispose of property according to provisions of a judgment
34 dealing with its disposition;

35 (e) To the extent that property is not exempt from execution, at
36 the instance of a judgment creditor either before or after the
37 issuance of any execution, to preserve or protect it, or prevent its
38 transfer;

39 (f) If and to the extent that property is subject to execution to
40 satisfy a judgment, to preserve the property during the pendency of

1 an appeal, or when an execution has been returned unsatisfied, or
2 when an order requiring a judgment debtor to appear for proceedings
3 supplemental to judgment has been issued and the judgment debtor
4 fails to submit to examination as ordered;

5 (g) Upon an attachment of real or personal property when the
6 property attached is of a perishable nature or is otherwise in danger
7 of waste, impairment, or destruction, or where the abandoned
8 property's owner has absconded with, secreted, or abandoned the
9 property, and it is necessary to collect, conserve, manage, control,
10 or protect it, or to dispose of it promptly, or when the court
11 determines that the nature of the property or the exigency of the
12 case otherwise provides cause for the appointment of a receiver;

13 (h) In an action by a transferor of real or personal property to
14 avoid or rescind the transfer on the basis of fraud, or in an action
15 to subject property or a fund to the payment of a debt;

16 (i) In an action against any person who is not an individual if
17 the object of the action is the dissolution of that person, or if
18 that person has been dissolved, or if that person is insolvent or is
19 not generally paying the person's debts as those debts become due
20 unless they are the subject of bona fide dispute, or if that person
21 is in imminent danger of insolvency;

22 (j) In accordance with RCW 7.08.030 (4) and (6), in cases in
23 which a general assignment for the benefit of creditors has been
24 made;

25 (k) In quo warranto proceedings under chapter 7.56 RCW;

26 (l) As provided under RCW 11.64.022;

27 (m) In an action by the department of licensing under RCW
28 18.35.220(3) with respect to persons engaged in the business of
29 dispensing of hearing aids, RCW 18.85.430 in the case of persons
30 engaged in the business of a real estate broker, associate real
31 estate broker, or real estate salesperson, or RCW 19.105.470 with
32 respect to persons engaged in the business of camping resorts;

33 (n) In an action under RCW 18.44.470 or 18.44.490 in the case of
34 persons engaged in the business of escrow agents;

35 (o) Upon a petition with respect to a nursing home in accordance
36 with and subject to receivership provisions under chapter 18.51 RCW;

37 (p) In connection with a proceeding for relief with respect to a
38 voidable transfer as to a present or future creditor under RCW
39 19.40.041 or a present creditor under RCW 19.40.051;

1 (q) Under RCW 19.100.210(1), in an action by the attorney general
2 or director of financial institutions to restrain any actual or
3 threatened violation of the franchise investment protection act;

4 (r) In an action by the attorney general or by a prosecuting
5 attorney under RCW 19.110.160 with respect to a seller of business
6 opportunities;

7 (s) In an action by the director of financial institutions under
8 RCW 21.20.390 in cases involving actual or threatened violations of
9 the securities act of Washington or under RCW 21.30.120 in cases
10 involving actual or threatened violations of chapter 21.30 RCW with
11 respect to certain businesses and transactions involving commodities;

12 (t) In an action for or relating to dissolution of a business
13 corporation under RCW 23B.14.065, 23B.14.300, 23B.14.310, or
14 23B.14.320, for dissolution of a nonprofit corporation under ((RCW
15 ~~24.03.271~~)) section 3605 of this act, for dissolution of a mutual
16 corporation under RCW 24.06.305, or in any other action for the
17 dissolution or winding up of any other entity provided for by Title
18 23, 23B, 24, or 25 RCW;

19 (u) In any action in which the dissolution of any public or
20 private entity is sought, in any action involving any dispute with
21 respect to the ownership or governance of such an entity, or upon the
22 application of a person having an interest in such an entity when the
23 appointment is reasonably necessary to protect the property of the
24 entity or its business or other interests;

25 (v) Under RCW 25.05.215, in aid of a charging order with respect
26 to a partner's interest in a partnership;

27 (w) Under and subject to RCW 30A.44.100, 30A.44.270, and
28 30A.56.030, in the case of a state commercial bank, RCW 30B.44B.100,
29 in the case of a state trust company, RCW 32.24.070, 32.24.073,
30 32.24.080, and 32.24.090, in the case of a state savings bank;

31 (x) Under and subject to RCW 31.12.637 and 31.12.671 through
32 31.12.724, in the case of credit unions;

33 (y) Upon the application of the director of financial
34 institutions under RCW 31.35.090 in actions to enforce chapter 31.35
35 RCW applicable to agricultural lenders, under RCW 31.40.120 in
36 actions to enforce chapter 31.40 RCW applicable to entities engaged
37 in federally guaranteed small business loans, under RCW 31.45.160 in
38 actions to enforce chapter 31.45 RCW applicable to persons licensed
39 as check cashers or check sellers, or under RCW 19.230.230 in actions

1 to enforce chapter 19.230 RCW applicable to persons licensed under
2 the uniform money services act;

3 (z) Under RCW 35.82.090 or 35.82.180, with respect to a housing
4 project;

5 (aa) Under RCW 39.84.160 or 43.180.360, in proceedings to enforce
6 rights under any revenue bonds issued for the purpose of financing
7 industrial development facilities or bonds of the Washington state
8 housing finance commission, or any financing document securing any
9 such bonds;

10 (bb) Under and subject to RCW 43.70.195, in an action by the
11 secretary of health or by a local health officer with respect to a
12 public water system;

13 (cc) As contemplated by RCW 61.24.030, with respect to real
14 property that is the subject of nonjudicial foreclosure proceedings
15 under chapter 61.24 RCW;

16 (dd) As contemplated by RCW 61.30.030(3), with respect to real
17 property that is the subject of judicial or nonjudicial forfeiture
18 proceedings under chapter 61.30 RCW;

19 (ee) Under RCW 64.32.200(2), in an action or proceeding commenced
20 under chapter 61.12 or 61.24 RCW to foreclose upon a lien for common
21 expenses against a dwelling unit subject to the horizontal property
22 regimes act, chapter 64.32 RCW. For purposes of this subsection
23 (1)(ee), a judicial action is commenced as provided in superior court
24 civil rule 3(a) and a nonjudicial proceeding is commenced under
25 chapter 61.24 RCW upon the service of notice of default described in
26 RCW 61.24.030(8);

27 (ff) Under RCW 64.34.364(10), in an action or proceeding
28 commenced under chapter 61.12 or 61.24 RCW by a unit owners'
29 association to foreclose a lien for nonpayment of delinquent
30 assessments against condominium units. For purposes of this
31 subsection (1)(ff), a judicial action is commenced as provided in
32 superior court civil rule (3)(a) and a nonjudicial proceeding is
33 commenced under chapter 61.24 RCW upon the service of notice of
34 default described in RCW 61.24.030(8);

35 (gg) Upon application of the attorney general under RCW
36 64.36.220(3), in aid of any writ or order restraining or enjoining
37 violations of chapter 64.36 RCW applicable to timeshares;

38 (hh) Under RCW (~~70.95A.050~~) 70A.210.070(3), in aid of the
39 enforcement of payment or performance of municipal bonds issued with
40 respect to facilities used to abate, control, or prevent pollution; 277

1 (ii) Upon the application of the department of social and health
2 services under RCW 74.42.580, in cases involving nursing homes;

3 (jj) Upon the application of the utilities and transportation
4 commission under RCW 80.28.040, with respect to a water company or
5 wastewater company that has failed to comply with an order of such
6 commission within the time deadline specified therein;

7 (kk) Under RCW 87.56.065, in connection with the dissolution of
8 an irrigation district;

9 (ll) Upon application of the attorney general or the department
10 of licensing, in any proceeding that either of them are authorized by
11 statute to bring to enforce Title 18 or 19 RCW; the securities act of
12 Washington, chapter 21.20 RCW; the Washington commodities act,
13 chapter 21.30 RCW; the land development act, chapter 58.19 RCW; or
14 under chapter 64.36 RCW relating to the regulation of timeshares;

15 (mm) Upon application of the director of financial institutions
16 in any proceeding that the director of financial institutions is
17 authorized to bring to enforce chapters 31.35, 31.40, and 31.45 RCW;
18 or

19 (nn) In such other cases as may be provided for by law, or when,
20 in the discretion of the court, it may be necessary to secure ample
21 justice to the parties.

22 (2) The superior courts of this state shall appoint as receiver
23 of property located in this state a person who has been appointed by
24 a federal or state court located elsewhere as receiver with respect
25 to the property specifically or with respect to the owner's property
26 generally, upon the application of the person or of any party to that
27 foreign proceeding, and following the appointment shall give effect
28 to orders, judgments, and decrees of the foreign court affecting the
29 property in this state held by the receiver, unless the court
30 determines that to do so would be manifestly unjust or inequitable.
31 The venue of such a proceeding may be any county in which the person
32 resides or maintains any office, or any county in which any property
33 over which the receiver is to be appointed is located at the time the
34 proceeding is commenced.

35 (3) At least seven days' notice of any application for the
36 appointment of a receiver must be given to the owner of property to
37 be subject thereto and to all other parties in the action, and to
38 other parties in interest as the court may require. If any execution
39 by a judgment creditor under Title 6 RCW or any application by a
40 judgment creditor for the appointment of a receiver, with respect to

1 property over which the receiver's appointment is sought, is pending
2 in any other action at the time the application is made, then notice
3 of the application for the receiver's appointment also must be given
4 to the judgment creditor in the other action. The court may shorten
5 or expand the period for notice of an application for the appointment
6 of a receiver upon good cause shown.

7 (4) The order appointing a receiver in all cases must reasonably
8 describe the property over which the receiver is to take charge, by
9 category, individual items, or both if the receiver is to take charge
10 of less than all of the owner's property. If the order appointing a
11 receiver does not expressly limit the receiver's authority to
12 designated property or categories of property of the owner, the
13 receiver is a general receiver with the authority to take charge over
14 all of the owner's property, wherever located.

15 (5) The court may condition the appointment of a receiver upon
16 the giving of security by the person seeking the receiver's
17 appointment, in such amount as the court may specify, for the payment
18 of costs and damages incurred or suffered by any person should it
19 later be determined that the appointment of the receiver was
20 wrongfully obtained.

21 **Sec. 5202.** RCW 9.46.0209 and 2020 c 150 s 1 are each amended to
22 read as follows:

23 (1)(a) "Bona fide charitable or nonprofit organization," as used
24 in this chapter, means:

25 (i) Any organization duly existing under the provisions of
26 chapter 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized
27 under the provisions of chapter(~~s~~) 15.76 or 36.37 RCW, or any
28 nonprofit corporation duly existing under the provisions of chapter
29 19.09 or (~~(24.03 RCW)~~) 24.-- RCW (the new chapter created in section
30 6101 of this act) for charitable, benevolent, eleemosynary,
31 educational, civic, patriotic, political, religious, scientific,
32 social, fraternal, athletic, or agricultural purposes only, or any
33 nonprofit organization, whether incorporated or otherwise, when found
34 by the commission to be organized and operating for one or more of
35 the aforesaid purposes only, all of which in the opinion of the
36 commission have been organized and are operated primarily for
37 purposes other than the operation of gambling activities authorized
38 under this chapter; or

1 (ii) Any corporation which has been incorporated under Title 36
2 U.S.C. and whose principal purposes are to furnish volunteer aid to
3 members of the armed forces of the United States and also to carry on
4 a system of national and international relief and to apply the same
5 in mitigating the sufferings caused by pestilence, famine, fire,
6 floods, and other national calamities and to devise and carry on
7 measures for preventing the same.

8 (b) An organization defined under (a) of this subsection must:

9 (i) Have been organized and continuously operating for at least
10 twelve calendar months immediately preceding making application for
11 any license to operate a gambling activity, or the operation of any
12 gambling activity authorized by this chapter for which no license is
13 required; and

14 (ii) Demonstrate to the commission that it has made significant
15 progress toward the accomplishment of the purposes of the
16 organization during the twelve consecutive month period preceding the
17 date of application for a license or license renewal. The fact that
18 contributions to an organization do not qualify for charitable
19 contribution deduction purposes or that the organization is not
20 otherwise exempt from payment of federal income taxes pursuant to the
21 internal revenue code of 1954, as amended, shall constitute prima
22 facie evidence that the organization is not a bona fide charitable or
23 nonprofit organization for the purposes of this section.

24 (c) Any person, association or organization which pays its
25 employees, including members, compensation other than is reasonable
26 therefor under the local prevailing wage scale shall be deemed paying
27 compensation based in part or whole upon receipts relating to
28 gambling activities authorized under this chapter and shall not be a
29 bona fide charitable or nonprofit organization for the purposes of
30 this chapter.

31 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
32 nonprofit organization can be licensed by the commission and
33 includes:

34 (a) A credit union organized and operating under state or federal
35 law. All revenue less prizes and expenses received from raffles
36 conducted by credit unions must be devoted to purposes authorized
37 under this section for charitable and nonprofit organizations; and

38 (b) A group of executive branch state employees that:

1 (i) Has requested and received revocable approval from the
2 agency's chief executive official, or such official's designee, to
3 conduct one or more raffles in compliance with this section;

4 (ii) Conducts a raffle solely to raise funds for either the state
5 combined fund drive, created under RCW 41.04.033; an entity approved
6 to receive funds from the state combined fund drive; or a charitable
7 or benevolent entity, including but not limited to a person or family
8 in need, as determined by a majority vote of the approved group of
9 employees. No person or other entity may receive compensation in any
10 form from the group for services rendered in support of this purpose;

11 (iii) Promptly provides such information about the group's
12 receipts, expenditures, and other activities as the agency's chief
13 executive official or designee may periodically require, and
14 otherwise complies with this section and RCW 9.46.0315; and

15 (iv) Limits the participation in the raffle such that raffle
16 tickets are sold only to, and winners are determined only from, the
17 employees of the agency.

18 (3) For the purposes of RCW 9.46.0277, a bona fide nonprofit
19 organization also includes a county, city, or town, provided that all
20 revenue less prizes and expenses from raffles conducted by the
21 county, city, or town must be used for community activities or
22 tourism promotion activities.

23 **Sec. 5203.** RCW 15.105.020 and 2004 c 26 s 3 are each amended to
24 read as follows:

25 (1) The department may cooperate with other agencies, boards,
26 commissions, and associations in the state of Washington to establish
27 a private, nonprofit corporation for the purpose of carrying out the
28 program. The nonprofit corporation must be organized under chapter
29 (~~(24.03 RCW)~~) 24.-- RCW (the new chapter created in section 6101 of
30 this act) and has the powers granted under that chapter. However,
31 this chapter does not prohibit the department or other agencies,
32 boards, commissions, and associations from separately continuing to
33 promote Washington products under their existing authorities.

34 (2) The department may contract with the successor organization
35 to carry out the program. The contract must require the successor
36 organization to aggressively seek to fund its continued operation
37 from nonstate funding sources.

1 (3) The successor organization must report to the department each
2 January 1st on the amounts it has secured from both nonstate and
3 state funding sources, its operations, and its programs.

4 (4) Debts and other liabilities of the successor organization are
5 successor organization debts and liabilities only and may be
6 satisfied only from the resources of the successor organization. The
7 state of Washington is not liable for the debts or liabilities of the
8 successor organization.

9 **Sec. 5204.** RCW 18.100.050 and 2020 c 80 s 21 are each amended to
10 read as follows:

11 (1) An individual or group of individuals duly licensed or
12 otherwise legally authorized to render the same professional services
13 within this state may organize and become a shareholder or
14 shareholders of a professional corporation for pecuniary profit under
15 the provisions of Title 23B RCW for the purpose of rendering
16 professional service. One or more of the legally authorized
17 individuals shall be the incorporators of the professional
18 corporation.

19 (2) Notwithstanding any other provision of this chapter,
20 registered architects and registered engineers may own stock in and
21 render their individual professional services through one
22 professional service corporation.

23 (3) Licensed health care professionals, providing services to
24 enrolled participants either directly or through arrangements with a
25 health maintenance organization registered under chapter 48.46 RCW or
26 federally qualified health maintenance organization, may own stock in
27 and render their individual professional services through one
28 professional service corporation.

29 (4) Professionals may organize a nonprofit nonstock corporation
30 under this chapter and chapter (~~(24.03 RCW)~~) 24.-- RCW (the new
31 chapter created in section 6101 of this act) to provide professional
32 services, and the provisions of this chapter relating to stock and
33 referring to Title 23B RCW shall not apply to any such corporation.

34 (5)(a) Notwithstanding any other provision of this chapter,
35 health care professionals who are licensed or certified pursuant to
36 chapters 18.06, 18.225, 18.22, 18.25, 18.29, 18.34, 18.35, 18.36A,
37 18.50, 18.53, 18.55, 18.57, 18.64, 18.71, 18.71A, 18.79, 18.83,
38 18.89, 18.108, and 18.138 RCW may own stock in and render their
39 individual professional services through one professional service

1 corporation and are to be considered, for the purpose of forming a
2 professional service corporation, as rendering the "same specific
3 professional services" or "same professional services" or similar
4 terms.

5 (b) Notwithstanding any other provision of this chapter, health
6 care professionals who are regulated under chapters 18.59 and 18.74
7 RCW may own stock in and render their individual professional
8 services through one professional service corporation formed for the
9 sole purpose of providing professional services within their
10 respective scope of practice.

11 (c) Formation of a professional service corporation under this
12 subsection does not restrict the application of the uniform
13 disciplinary act under chapter 18.130 RCW, or applicable health care
14 professional statutes under Title 18 RCW, including but not limited
15 to restrictions on persons practicing a health profession without
16 being appropriately credentialed and persons practicing beyond the
17 scope of their credential.

18 **Sec. 5205.** RCW 18.100.130 and 1991 c 72 s 5 are each amended to
19 read as follows:

20 (1) For a professional service corporation organized for
21 pecuniary profit under this chapter, the provisions of Title 23B RCW
22 shall be applicable except to the extent that any of the provisions
23 of this chapter are interpreted to be in conflict with the provisions
24 thereof, and in such event the provisions and sections of this
25 chapter shall take precedence with respect to a corporation organized
26 pursuant to the provisions of this chapter.

27 (2) For a professional service corporation organized under this
28 chapter and chapter ((24.03 RCW)) 24.-- RCW (the new chapter created
29 in section 6101 of this act) as a nonprofit ((nonstock)) corporation,
30 the provisions of chapter ((24.03 RCW)) 24.-- RCW (the new chapter
31 created in section 6101 of this act) shall be applicable except to
32 the extent that any of the provisions of this chapter are interpreted
33 to be in conflict with the provisions thereof, and in such event the
34 provisions and sections of this chapter shall take precedence with
35 respect to a corporation organized under the provisions of this
36 chapter.

37 **Sec. 5206.** RCW 18.100.134 and 1991 c 72 s 7 are each amended to
38 read as follows:

1 A professional corporation may amend its articles of
2 incorporation to delete from its stated purposes the rendering of
3 professional services and to conform to the requirements of Title 23B
4 RCW, or to the requirements of chapter (~~(24.03 RCW)~~) 24.-- RCW (the
5 new chapter created in section 6101 of this act) if organized
6 pursuant to RCW 18.100.050 as a nonprofit (~~(nonstock)~~) corporation.
7 Upon the effective date of such amendment, the corporation shall no
8 longer be subject to the provisions of this chapter and shall
9 continue in existence as a corporation under Title 23B RCW or chapter
10 (~~(24.03 RCW)~~) 24.-- RCW (the new chapter created in section 6101 of
11 this act).

12 **Sec. 5207.** RCW 19.142.010 and 1990 c 55 s 1 and 1990 c 33 s 556
13 are each reenacted and amended to read as follows:

14 Unless the context clearly requires otherwise, the definitions in
15 this section apply throughout this chapter:

16 (1) "Business day" means any day except a Sunday or a legal
17 holiday.

18 (2) "Buyer" or "member" means a person who purchases health
19 studio services.

20 (3) "Health studio" includes any person or entity engaged in the
21 sale of instruction, training, assistance or use of facilities which
22 purport to assist patrons to improve their physical condition or
23 appearance through physical exercise, body building, weight loss,
24 figure development, the martial arts, or any other similar activity.
25 For the purposes of this chapter, "health studio" does not include:

26 (a) Public common schools, private schools approved under RCW
27 28A.195.010, and public or private institutions of higher education;

28 (b) persons providing professional services within the scope of a
29 person's license under Title 18 RCW; (c) bona fide nonprofit
30 organizations which have been granted tax-exempt status by the
31 Internal Revenue Service, the functions of which as health studios
32 are only incidental to their overall functions and purposes; (d) a
33 person or entity which offers physical exercise, body building,
34 figure development or similar activities as incidental features of a
35 plan of instruction or assistance relating to diet or control of
36 eating habits; (e) bona fide nonprofit corporations organized under
37 chapter (~~(24.03 RCW)~~) 24.-- RCW (the new chapter created in section
38 6101 of this act) which have members and whose members have
39 meaningful voting rights to elect and remove a board of directors.

1 which is responsible for the operation of the health club and
2 corporation; and (f) a preexisting facility primarily offering
3 aerobic classes, where the initiation fee is less than fifty dollars
4 and no memberships are sold which exceed one year in duration. For
5 purposes of this subsection, "preexisting facility" means an existing
6 building used for health studio services covered by the fees
7 collected.

8 (4) "Health studio services" means instruction, services,
9 privileges, or rights offered for sale by a health studio. "Health
10 studio services" do not include: (a) Instruction or assistance
11 relating to diet or control of eating habits not involving
12 substantial on-site physical exercise, body building, figure
13 development, or any other similar activity; or (b) recreational or
14 social programs which either involve no physical exercise or exercise
15 only incidental to the program.

16 (5) "Initiation or membership fee" means a fee paid either in a
17 lump sum or in installments within twelve months of execution of the
18 health studio services contract on a one-time basis when a person
19 first joins a health studio for the privilege of belonging to the
20 health studio.

21 (6) "Special offer or discount" means any offer of health studio
22 services at a reduced price or without charge to a prospective
23 member.

24 (7) "Use fees or dues" means fees paid on a regular periodic
25 basis for use of a health studio. This does not preclude prepayment
26 of use fees at the buyer's option.

27 **Sec. 5208.** RCW 23.95.105 and 2020 c 57 s 29 are each amended to
28 read as follows:

29 The definitions in this section apply throughout this chapter
30 unless the context clearly requires otherwise or as set forth in RCW
31 23.95.400 or 23.95.600.

32 (1) "Annual report" means the report required by RCW 23.95.255.

33 (2) "Business corporation" means a domestic business corporation
34 incorporated under or subject to Title 23B RCW or a foreign business
35 corporation.

36 (3) "Commercial registered agent" means a person listed under RCW
37 23.95.420.

38 (4) "Domestic," with respect to an entity, means governed as to
39 its internal affairs by the law of this state.

- 1 (5) "Electronic transmission" means an electronic communication:
2 (a) Not directly involving the physical transfer of a record in a
3 tangible medium; and
4 (b) That may be retained, retrieved, and reviewed by the sender
5 and the recipient thereof, and that may be directly reproduced in a
6 tangible medium by such a sender and recipient.
- 7 (6) "Entity" means:
8 (a) A business corporation;
9 (b) A nonprofit corporation;
10 (c) A limited liability partnership;
11 (d) A limited partnership;
12 (e) A limited liability company;
13 (f) A general cooperative association; or
14 (g) A limited cooperative association.
- 15 (7) "Entity filing" means a record delivered to the secretary of
16 state for filing pursuant to this chapter.
- 17 (8) "Execute," "executes," or "executed" means with present
18 intent to authenticate or adopt a record:
19 (a) To sign or adopt a tangible symbol;
20 (b) To attach to or logically associate with the record an
21 electronic symbol, sound, or process; or
22 (c) With respect to a record to be filed with the secretary of
23 state, in compliance with the standards for filing with the office of
24 the secretary of state as prescribed by the secretary of state.
- 25 (9) "Filed record" means a record filed by the secretary of state
26 pursuant to this chapter.
- 27 (10) "Foreign," with respect to an entity, means governed as to
28 its internal affairs by the law of a jurisdiction other than this
29 state.
- 30 (11) "General cooperative association" means a domestic general
31 cooperative association formed under or subject to chapter 23.86 RCW.
- 32 (12) "Governor" means:
33 (a) A director of a business corporation;
34 (b) A director of a nonprofit corporation;
35 (c) A partner of a limited liability partnership;
36 (d) A general partner of a limited partnership;
37 (e) A manager of a manager-managed limited liability company;
38 (f) A member of a member-managed limited liability company;
39 (g) A director of a general cooperative association;
40 (h) A director of a limited cooperative association; or

1 (i) Any other person under whose authority the powers of an
2 entity are exercised and under whose direction the activities and
3 affairs of the entity are managed pursuant to the organic law and
4 organic rules of the entity.

5 (13) "Interest" means:

6 (a) A share in a business corporation;

7 (b) A membership in a nonprofit corporation;

8 (c) A share in a nonprofit corporation formed under chapter 24.06
9 RCW;

10 (d) A partnership interest in a limited liability partnership;

11 (e) A partnership interest in a limited partnership;

12 (f) A limited liability company interest;

13 (g) A share or membership in a general cooperative association;

14 or

15 (h) A member's interest in a limited cooperative association.

16 (14) "Interest holder" means:

17 (a) A shareholder of a business corporation;

18 (b) A member of a nonprofit corporation;

19 (c) A shareholder of a nonprofit corporation formed under chapter
20 24.06 RCW;

21 (d) A partner of a limited liability partnership;

22 (e) A general partner of a limited partnership;

23 (f) A limited partner of a limited partnership;

24 (g) A member of a limited liability company;

25 (h) A shareholder or member of a general cooperative association;

26 or

27 (i) A member of a limited cooperative association.

28 (15) "Jurisdiction," when used to refer to a political entity,
29 means the United States, a state, a foreign country, or a political
30 subdivision of a foreign country.

31 (16) "Jurisdiction of formation" means the jurisdiction whose law
32 includes the organic law of an entity.

33 (17) "Limited cooperative association" means a domestic limited
34 cooperative association formed under or subject to chapter 23.100 RCW
35 or a foreign limited cooperative association.

36 (18) "Limited liability company" means a domestic limited
37 liability company formed under or subject to chapter 25.15 RCW or a
38 foreign limited liability company.

1 (19) "Limited liability limited partnership" means a domestic
2 limited liability limited partnership formed under or subject to
3 chapter 25.10 RCW or a foreign limited liability limited partnership.

4 (20) "Limited liability partnership" means a domestic limited
5 liability partnership registered under or subject to chapter 25.05
6 RCW or a foreign limited liability partnership.

7 (21) "Limited partnership" means a domestic limited partnership
8 formed under or subject to chapter 25.10 RCW or a foreign limited
9 partnership. "Limited partnership" includes a limited liability
10 limited partnership.

11 (22) "Noncommercial registered agent" means a person that is not
12 a commercial registered agent and is:

13 (a) An individual or domestic or foreign entity that serves in
14 this state as the registered agent of an entity;

15 (b) An individual who holds the office or other position in an
16 entity which is designated as the registered agent pursuant to RCW
17 23.95.415(1)(b)(ii); or

18 (c) A government, governmental subdivision, agency, or
19 instrumentality, or a separate legal entity comprised of two or more
20 of these entities, that serves as the registered agent of an entity.

21 (23) "Nonprofit corporation" means a domestic nonprofit
22 corporation incorporated under or subject to chapter ~~((24.03))~~ 24.--
23 (the new chapter created in section 6101 of this act) or 24.06 RCW or
24 a foreign nonprofit corporation.

25 (24) "Nonregistered foreign entity" means a foreign entity that
26 is not registered to do business in this state pursuant to a
27 statement of registration filed by the secretary of state.

28 (25) "Organic law" means the law of an entity's jurisdiction of
29 formation governing the internal affairs of the entity.

30 (26) "Organic rules" means the public organic record and private
31 organic rules of an entity.

32 (27) "Person" means an individual, business corporation,
33 nonprofit corporation, partnership, limited partnership, limited
34 liability company, general cooperative association, limited
35 cooperative association, unincorporated nonprofit association,
36 statutory trust, business trust, common-law business trust, estate,
37 trust, association, joint venture, public corporation, government or
38 governmental subdivision, agency, or instrumentality, or any other
39 legal or commercial entity.

1 (28) "Principal office" means the principal executive office of
2 an entity, whether or not the office is located in this state.

3 (29) "Private organic rules" means the rules, whether or not in a
4 record, that govern the internal affairs of an entity, are binding on
5 all its interest holders, and are not part of its public organic
6 record, if any. "Private organic rules" includes:

7 (a) The bylaws of a business corporation and any agreement among
8 shareholders pursuant to RCW 23B.07.320;

9 (b) The bylaws of a nonprofit corporation;

10 (c) The partnership agreement of a limited liability partnership;

11 (d) The partnership agreement of a limited partnership;

12 (e) The limited liability company agreement;

13 (f) The bylaws of a general cooperative association; and

14 (g) The bylaws of a limited cooperative association.

15 (30) "Proceeding" means civil suit and criminal, administrative,
16 and investigatory action.

17 (31) "Property" means all property, whether real, personal, or
18 mixed or tangible or intangible, or any right or interest therein.

19 (32) "Public organic record" means the record the filing of which
20 by the secretary of state is required to form an entity and any
21 amendment to or restatement of that record. The term includes:

22 (a) The articles of incorporation of a business corporation;

23 (b) The articles of incorporation of a nonprofit corporation;

24 (c) The certificate of limited partnership of a limited
25 partnership;

26 (d) The certificate of formation of a limited liability company;

27 (e) The articles of incorporation of a general cooperative
28 association;

29 (f) The articles of organization of a limited cooperative
30 association; and

31 (g) The document under the laws of another jurisdiction that is
32 equivalent to a document listed in this subsection.

33 (33) "Receipt," as used in this chapter, means actual receipt.
34 "Receive" has a corresponding meaning.

35 (34) "Record" means information that is inscribed on a tangible
36 medium or that is stored in an electronic or other medium and is
37 retrievable in perceivable form.

38 (35) "Registered agent" means an agent of an entity which is
39 authorized to receive service of any process, notice, or demand
40 required or permitted by law to be served on the entity. The term

1 includes a commercial registered agent and a noncommercial registered
2 agent.

3 (36) "Registered foreign entity" means a foreign entity that is
4 registered to do business in this state pursuant to a certificate of
5 registration filed by the secretary of state.

6 (37) "State" means a state of the United States, the District of
7 Columbia, Puerto Rico, the United States Virgin Islands, or any
8 territory or insular possession subject to the jurisdiction of the
9 United States.

10 (38) "Tangible medium" means a writing, copy of a writing,
11 facsimile, or a physical reproduction, each on paper or on other
12 tangible material.

13 (39) "Transfer" includes:

14 (a) An assignment;

15 (b) A conveyance;

16 (c) A sale;

17 (d) A lease;

18 (e) An encumbrance, including a mortgage or security interest;

19 (f) A change of record owner of interest;

20 (g) A gift; and

21 (h) A transfer by operation of law.

22 (40) "Type of entity" means a generic form of entity:

23 (a) Recognized at common law; or

24 (b) Formed under an organic law, whether or not some entities
25 formed under that law are subject to provisions of that law that
26 create different categories of the form of entity.

27 **Sec. 5209.** RCW 24.50.010 and 2011 c 310 s 1 are each amended to
28 read as follows:

29 (1) Washington manufacturing services is organized as a private,
30 nonprofit corporation in accordance with chapter ((~~24.03~~ RCW)) 24.--
31 RCW (the new chapter created in section 6101 of this act) and this
32 section. The mission of the corporation is to operate a modernization
33 extension system, coordinate a network of public and private
34 modernization resources, and stimulate the competitiveness of small
35 and midsize manufacturers in Washington.

36 (2) The corporation must be governed by a board of directors. A
37 majority of the board of directors shall be representatives of small
38 and medium-sized manufacturing firms and industry associations,
39 networks, or consortia. The board must also include at least one

1 member representing labor unions or labor councils and, as ex officio
2 members, the director of the department of commerce, the executive
3 director of the state board for community and technical colleges, and
4 the director of the workforce training and education coordinating
5 board, or their respective designees.

6 (3) The corporation may be known as impact Washington and may:

7 (a) Charge fees for services, make and execute contracts with any
8 individual, corporation, association, public agency, or any other
9 entity, and employ all other legal instruments necessary or
10 convenient for the performance of its duties and the exercise of its
11 powers and functions under this chapter; and

12 (b) Receive funds from federal, state, or local governments,
13 private businesses, foundations, or any other source for purposes
14 consistent with this chapter.

15 (4) The corporation must:

16 (a) Develop policies, plans, and programs to assist in the
17 modernization of businesses in targeted sectors of Washington's
18 economy and coordinate the delivery of modernization services;

19 (b) Provide information about the advantages of modernization and
20 the modernization services available in the state to federal, state,
21 and local economic development officials, state colleges and
22 universities, and private providers;

23 (c) Collaborate with the Washington quality initiative in the
24 development of manufacturing quality standards and quality
25 certification programs;

26 (d) Collaborate with industry sector and cluster associations to
27 inform import-impacted manufacturers about federal trade adjustment
28 assistance funding;

29 (e) Serve as an information clearinghouse and provide access for
30 users to the federal manufacturing extension partnership national
31 research and information system; and

32 (f) Provide, either directly or through contracts, assistance to
33 industry or cluster associations, networks, or consortia, that would
34 be of value to their member firms in:

35 (i) Adopting advanced business management practices such as
36 strategic planning and total quality management;

37 (ii) Developing mechanisms for interfirm collaboration and
38 cooperation;

1 (iii) Appraising, purchasing, installing, and effectively using
2 equipment, technologies, and processes that improve the quality of
3 goods and services and the productivity of the firm;

4 (iv) Improving human resource systems and workforce training in a
5 manner that moves firms toward flexible, high-performance work
6 organizations;

7 (v) Developing new products;

8 (vi) Conducting market research, analysis, and development of new
9 sales channels and export markets;

10 (vii) Improving processes to enhance environmental, health, and
11 safety compliance; and

12 (viii) Improving credit, capital management, and business finance
13 skills.

14 (5) Between thirty-five and sixty-five percent of the funds
15 received by the corporation from the state must be used by the
16 corporation for carrying out the duties under subsection (4)(f) of
17 this section, consistent with the intent of RCW 24.50.005(2).

18 **Sec. 5210.** RCW 28A.710.010 and 2016 c 241 s 101 are each amended
19 to read as follows:

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) "Applicant" means a nonprofit corporation that has submitted
23 an application to an authorizer. The nonprofit corporation must be
24 either a public benefit nonprofit corporation as defined in (~~RCW~~
25 ~~24.03.490~~) section 1701 of this act, or a nonprofit corporation (~~as~~
26 ~~defined in RCW 24.03.005~~) organized under chapter 24.-- RCW (the new
27 chapter created in section 6101 of this act) that has applied for tax
28 exempt status under section 501(c)(3) of the internal revenue code of
29 1986 (26 U.S.C. Sec. 501(c)(3)). The nonprofit corporation may not be
30 a sectarian or religious organization and must meet all of the
31 requirements for a public benefit nonprofit corporation before
32 receiving any funding under RCW 28A.710.220.

33 (2) "At-risk student" means a student who has an academic or
34 economic disadvantage that requires assistance or special services to
35 succeed in educational programs. The term includes, but is not
36 limited to, students who do not meet minimum standards of academic
37 proficiency, students who are at risk of dropping out of high school,
38 students in chronically low-performing schools, students with higher
39 than average disciplinary sanctions, students with lower

1 participation rates in advanced or gifted programs, students who are
2 limited in English proficiency, students who are members of
3 economically disadvantaged families, and students who are identified
4 as having special educational needs.

5 (3) "Authorizer" means the commission established in RCW
6 28A.710.070 or a school district approved under RCW 28A.710.090 to
7 review, approve, or reject charter school applications; enter into,
8 renew, or revoke charter contracts with applicants; and oversee the
9 charter schools the entity has authorized.

10 (4) "Charter contract" means a fixed term, renewable contract
11 between a charter school and an authorizer that outlines the roles,
12 powers, responsibilities, and performance expectations for each party
13 to the contract.

14 (5) "Charter school" or "charter public school" means a public
15 school that is established in accordance with this chapter, governed
16 by a charter school board, and operated according to the terms of a
17 charter contract executed under this chapter.

18 (6) "Charter school board" means the board of directors appointed
19 or selected under the terms of a charter application to manage and
20 operate the charter school.

21 (7) "Commission" means the Washington state charter school
22 commission established in RCW 28A.710.070.

23 (8) "Parent" means a parent, guardian, or other person or entity
24 having legal custody of a child.

25 (9) "Student" means a child eligible to attend a public school in
26 the state.

27 **Sec. 5211.** RCW 35.67.020 and 2003 c 394 s 1 are each amended to
28 read as follows:

29 (1) Every city and town may construct, condemn and purchase,
30 acquire, add to, maintain, conduct, and operate systems of sewerage
31 and systems and plants for refuse collection and disposal together
32 with additions, extensions, and betterments thereto, within and
33 without its limits. Every city and town has full jurisdiction and
34 authority to manage, regulate, and control them and, except as
35 provided in subsection (3) of this section, to fix, alter, regulate,
36 and control the rates and charges for their use.

37 (2) Subject to subsection (3) of this section, the rates charged
38 under this section must be uniform for the same class of customers or
39 service and facilities furnished. In classifying customers served or

1 service and facilities furnished by such system of sewerage, the city
2 or town legislative body may in its discretion consider any or all of
3 the following factors:

4 (a) The difference in cost of service and facilities to the
5 various customers;

6 (b) The location of the various customers within and without the
7 city or town;

8 (c) The difference in cost of maintenance, operation, repair, and
9 replacement of the various parts of the system;

10 (d) The different character of the service and facilities
11 furnished various customers;

12 (e) The quantity and quality of the sewage delivered and the time
13 of its delivery;

14 (f) The achievement of water conservation goals and the
15 discouragement of wasteful water use practices;

16 (g) Capital contributions made to the system, including but not
17 limited to, assessments;

18 (h) The ~~((nonprofit))~~ public benefit nonprofit corporation
19 status, as defined in ~~((RCW 24.03.490))~~ section 1701 of this act, of
20 the land user; and

21 (i) Any other matters which present a reasonable difference as a
22 ground for distinction.

23 (3) The rate a city or town may charge under this section for
24 storm or surface water sewer systems or the portion of the rate
25 allocable to the storm or surface water sewer system of combined
26 sanitary sewage and storm or surface water sewer systems shall be
27 reduced by a minimum of ten percent for any new or remodeled
28 commercial building that utilizes a permissive rainwater harvesting
29 system. Rainwater harvesting systems shall be properly sized to
30 utilize the available roof surface of the building. The jurisdiction
31 shall consider rate reductions in excess of ten percent dependent
32 upon the amount of rainwater harvested.

33 (4) Rates or charges for on-site inspection and maintenance
34 services may not be imposed under this chapter on the development,
35 construction, or reconstruction of property.

36 (5) A city or town may provide assistance to aid low-income
37 persons in connection with services provided under this chapter.

38 (6) Under this chapter, after July 1, 1998, any requirements for
39 pumping the septic tank of an on-site sewage system should be based,
40 among other things, on actual measurement of accumulation of sludge.

1 and scum by a trained inspector, trained owner's agent, or trained
2 owner. Training must occur in a program approved by the state board
3 of health or by a local health officer.

4 (7) Before adopting on-site inspection and maintenance utility
5 services, or incorporating residences into an on-site inspection and
6 maintenance or sewer utility under this chapter, notification must be
7 provided, prior to the applicable public hearing, to all residences
8 within the proposed service area that have on-site systems permitted
9 by the local health officer. The notice must clearly state that the
10 residence is within the proposed service area and must provide
11 information on estimated rates or charges that may be imposed for the
12 service.

13 (8) A city or town shall not provide on-site sewage system
14 inspection, pumping services, or other maintenance or repair services
15 under this section using city or town employees unless the on-site
16 system is connected by a publicly owned collection system to the city
17 or town's sewerage system, and the on-site system represents the
18 first step in the sewage disposal process. Nothing in this section
19 shall affect the authority of state or local health officers to carry
20 out their responsibilities under any other applicable law.

21 **Sec. 5212.** RCW 35.67.190 and 1995 c 124 s 4 are each amended to
22 read as follows:

23 (1) The legislative body of such city or town may provide by
24 ordinance for revenues by fixing rates and charges for the furnishing
25 of service to those served by its system of sewerage or system for
26 refuse collection and disposal, which rates and charges shall be
27 uniform for the same class of customer or service. In classifying
28 customers served or service furnished by such system of sewerage, the
29 city or town legislative body may in its discretion consider any or
30 all of the following factors: ~~((1))~~ (a) The difference in cost of
31 service to the various customers; ~~((2))~~ (b) the location of the
32 various customers within and without the city or town; ~~((3))~~ (c)
33 the difference in cost of maintenance, operation, repair, and
34 replacement of the various parts of the system; ~~((4))~~ (d) the
35 different character of the service furnished various customers;
36 ~~((5))~~ (e) the quantity and quality of the sewage delivered and the
37 time of its delivery; ~~((6))~~ (f) capital contributions made to the
38 system, including but not limited to, assessments; ~~((7))~~ (g) the
39 ~~((nonprofit))~~ public benefit nonprofit corporation status, as defined

1 in (~~RCW 24.03.490~~) section 1701 of this act, of the land user; and
2 (~~(8)~~) (h) any other matters which present a reasonable difference
3 as a ground for distinction.

4 (2) If special indebtedness bonds or warrants are issued against
5 the revenues, the legislative body shall by ordinance fix charges at
6 rates which will be sufficient to take care of the costs of
7 maintenance and operation, bond and warrant principal and interest,
8 sinking fund requirements, and all other expenses necessary for
9 efficient and proper operation of the system.

10 (3) All property owners within the area served by such sewerage
11 system shall be compelled to connect their private drains and sewers
12 with such city or town system, under such penalty as the legislative
13 body of such city or town may by ordinance direct. Such penalty may
14 in the discretion of such legislative body be an amount equal to the
15 charge that would be made for sewer service if the property was
16 connected to such system. All penalties collected shall be considered
17 revenue of the system.

18 **Sec. 5213.** RCW 35.92.020 and 2020 c 20 s 1014 are each amended
19 to read as follows:

20 (1) A city or town may construct, condemn and purchase, purchase,
21 acquire, add to, alter, maintain, and operate systems, plants, sites,
22 or other facilities of sewerage as defined in RCW 35.67.010, or solid
23 waste handling as defined by RCW 70A.205.015. A city or town shall
24 have full authority to manage, regulate, operate, control, and,
25 except as provided in subsection (3) of this section, to fix the
26 price of service and facilities of those systems, plants, sites, or
27 other facilities within and without the limits of the city or town.

28 (2) Subject to subsection (3) of this section, the rates charged
29 shall be uniform for the same class of customers or service and
30 facilities. In classifying customers served or service and facilities
31 furnished by a system or systems of sewerage, the legislative
32 authority of the city or town may in its discretion consider any or
33 all of the following factors:

34 (a) The difference in cost of service and facilities to
35 customers;

36 (b) The location of customers within and without the city or
37 town;

38 (c) The difference in cost of maintenance, operation, repair, and
39 replacement of the parts of the system;

1 (d) The different character of the service and facilities
2 furnished to customers;

3 (e) The quantity and quality of the sewage delivered and the time
4 of its delivery;

5 (f) Capital contributions made to the systems, plants, sites, or
6 other facilities, including but not limited to, assessments;

7 (g) The (~~nonprofit~~) public benefit nonprofit corporation
8 status, as defined in (~~RCW 24.03.490~~) section 1701 of this act, of
9 the land user; and

10 (h) Any other factors that present a reasonable difference as a
11 ground for distinction.

12 (3) The rate a city or town may charge under this section for
13 storm or surface water sewer systems or the portion of the rate
14 allocable to the storm or surface water sewer system of combined
15 sanitary sewage and storm or surface water sewer systems shall be
16 reduced by a minimum of ten percent for any new or remodeled
17 commercial building that utilizes a permissive rainwater harvesting
18 system. Rainwater harvesting systems shall be properly sized to
19 utilize the available roof surface of the building. The jurisdiction
20 shall consider rate reductions in excess of ten percent dependent
21 upon the amount of rainwater harvested.

22 (4) Rates or charges for on-site inspection and maintenance
23 services may not be imposed under this chapter on the development,
24 construction, or reconstruction of property.

25 (5) A city or town may provide assistance to aid low-income
26 persons in connection with services provided under this chapter.

27 (6) Under this chapter, after July 1, 1998, any requirements for
28 pumping the septic tank of an on-site sewage system should be based,
29 among other things, on actual measurement of accumulation of sludge
30 and scum by a trained inspector, trained owner's agent, or trained
31 owner. Training must occur in a program approved by the state board
32 of health or by a local health officer.

33 (7) Before adopting on-site inspection and maintenance utility
34 services, or incorporating residences into an on-site inspection and
35 maintenance or sewer utility under this chapter, notification must be
36 provided, prior to the applicable public hearing, to all residences
37 within the proposed service area that have on-site systems permitted
38 by the local health officer. The notice must clearly state that the
39 residence is within the proposed service area and must provide

1 information on estimated rates or charges that may be imposed for the
2 service.

3 (8) A city or town shall not provide on-site sewage system
4 inspection, pumping services, or other maintenance or repair services
5 under this section using city or town employees unless the on-site
6 system is connected by a publicly owned collection system to the city
7 or town's sewerage system, and the on-site system represents the
8 first step in the sewage disposal process. Nothing in this section
9 shall affect the authority of state or local health officers to carry
10 out their responsibilities under any other applicable law.

11 **Sec. 5214.** RCW 36.89.080 and 2003 c 394 s 3 are each amended to
12 read as follows:

13 (1) Subject to subsections (2) and (3) of this section, any
14 county legislative authority may provide by resolution for revenues
15 by fixing rates and charges for the furnishing of service to those
16 served or receiving benefits or to be served or to receive benefits
17 from any stormwater control facility or contributing to an increase
18 of surface water runoff. In fixing rates and charges, the county
19 legislative authority may in its discretion consider:

20 (a) Services furnished or to be furnished;

21 (b) Benefits received or to be received;

22 (c) The character and use of land or its water runoff
23 characteristics;

24 (d) The ((~~nonprofit~~)) public benefit nonprofit corporation
25 status, as defined in ((~~RCW 24.03.490~~)) section 1701 of this act, of
26 the land user;

27 (e) Income level of persons served or provided benefits under
28 this chapter, including senior citizens and ((~~disabled persons~~))
29 individuals with disabilities; or

30 (f) Any other matters which present a reasonable difference as a
31 ground for distinction.

32 (2) The rate a county may charge under this section for
33 stormwater control facilities shall be reduced by a minimum of ten
34 percent for any new or remodeled commercial building that utilizes a
35 permissive rainwater harvesting system. Rainwater harvesting systems
36 shall be properly sized to utilize the available roof surface of the
37 building. The jurisdiction shall consider rate reductions in excess
38 of ten percent dependent upon the amount of rainwater harvested.

1 (3) Rates and charges authorized under this section may not be
2 imposed on lands taxed as forestland under chapter 84.33 RCW or as
3 timberland under chapter 84.34 RCW.

4 (4) The service charges and rates collected shall be deposited in
5 a special fund or funds in the county treasury to be used only for
6 the purpose of paying all or any part of the cost and expense of
7 maintaining and operating stormwater control facilities, all or any
8 part of the cost and expense of planning, designing, establishing,
9 acquiring, developing, constructing and improving any of such
10 facilities, or to pay or secure the payment of all or any portion of
11 any issue of general obligation or revenue bonds issued for such
12 purpose.

13 **Sec. 5215.** RCW 36.94.140 and 2005 c 324 s 2 are each amended to
14 read as follows:

15 (1) Every county, in the operation of a system of sewerage and/or
16 water, shall have full jurisdiction and authority to manage,
17 regulate, and control it. Except as provided in subsection (3) of
18 this section, every county shall have full jurisdiction and authority
19 to fix, alter, regulate, and control the rates and charges for the
20 service and facilities to those to whom such service and facilities
21 are available, and to levy charges for connection to the system.

22 (2) The rates for availability of service and facilities, and
23 connection charges so charged must be uniform for the same class of
24 customers or service and facility. In classifying customers served,
25 service furnished or made available by such system of sewerage and/or
26 water, or the connection charges, the county legislative authority
27 may consider any or all of the following factors:

28 (a) The difference in cost of service to the various customers
29 within or without the area;

30 (b) The difference in cost of maintenance, operation, repair and
31 replacement of the various parts of the systems;

32 (c) The different character of the service and facilities
33 furnished various customers;

34 (d) The quantity and quality of the sewage and/or water delivered
35 and the time of its delivery;

36 (e) Capital contributions made to the system or systems,
37 including, but not limited to, assessments;

1 (f) The cost of acquiring the system or portions of the system in
2 making system improvements necessary for the public health and
3 safety;

4 (g) The ~~((nonprofit))~~ public benefit nonprofit corporation
5 status, as defined in ~~((RCW 24.03.490))~~ section 1701 of this act, of
6 the land user; and

7 (h) Any other matters which present a reasonable difference as a
8 ground for distinction.

9 (3) The rate a county may charge under this section for storm or
10 surface water sewer systems or the portion of the rate allocable to
11 the storm or surface water sewer system of combined sanitary sewage
12 and storm or surface water sewer systems shall be reduced by a
13 minimum of ten percent for any new or remodeled commercial building
14 that utilizes a permissive rainwater harvesting system. Rainwater
15 harvesting systems shall be properly sized to utilize the available
16 roof surface of the building. The jurisdiction shall consider rate
17 reductions in excess of ten percent dependent upon the amount of
18 rainwater harvested.

19 (4) A county may provide assistance to aid low-income persons in
20 connection with services provided under this chapter.

21 (5) The service charges and rates shall produce revenues
22 sufficient to take care of the costs of maintenance and operation,
23 revenue bond and warrant interest and principal amortization
24 requirements, and all other charges necessary for the efficient and
25 proper operation of the system.

26 (6) A connection charge under this section for service to a
27 manufactured housing community, as defined in RCW 59.20.030, applies
28 to an individual lot within that community only if the system of
29 water or sewerage provides and maintains the connection.

30 **Sec. 5216.** RCW 39.34.030 and 2019 c 91 s 1 are each amended to
31 read as follows:

32 (1) Any power or powers, privileges or authority exercised or
33 capable of exercise by a public agency of this state may be exercised
34 and enjoyed jointly with any other public agency of this state having
35 the power or powers, privilege or authority, and jointly with any
36 public agency of any other state or of the United States to the
37 extent that laws of such other state or of the United States permit
38 such joint exercise or enjoyment. Any agency of the state government
39 when acting jointly with any public agency may exercise and enjoy all

1 of the powers, privileges and authority conferred by this chapter
2 upon a public agency.

3 (2) Any two or more public agencies may enter into agreements
4 with one another for joint or cooperative action pursuant to the
5 provisions of this chapter, except that any such joint or cooperative
6 action by public agencies which are educational service districts
7 and/or school districts shall comply with the provisions of RCW
8 28A.320.080. Appropriate action by ordinance, resolution or otherwise
9 pursuant to law of the governing bodies of the participating public
10 agencies shall be necessary before any such agreement may enter into
11 force.

12 (3) Any such agreement shall specify the following:

13 (a) Its duration;

14 (b) The precise organization, composition and nature of any
15 separate legal or administrative entity created thereby together with
16 the powers delegated thereto, provided such entity may be legally
17 created. Such entity may include a nonprofit corporation organized
18 pursuant to chapter ~~((24.03))~~ 24.-- (the new chapter created in
19 section 6101 of this act) or 24.06 RCW whose membership is limited
20 solely to the participating public agencies or a partnership
21 organized pursuant to chapter 25.04 or 25.05 RCW whose partners are
22 limited solely to participating public agencies, or a limited
23 liability company organized under chapter 25.15 RCW whose membership
24 is limited solely to participating public agencies, and the funds of
25 any such corporation, partnership, or limited liability company shall
26 be subject to audit in the manner provided by law for the auditing of
27 public funds;

28 (c) Its purpose or purposes;

29 (d) The manner of financing the joint or cooperative undertaking
30 and of establishing and maintaining a budget therefor;

31 (e) The permissible method or methods to be employed in
32 accomplishing the partial or complete termination of the agreement
33 and for disposing of property upon such partial or complete
34 termination; and

35 (f) Any other necessary and proper matters.

36 (4) In the event that the agreement does not establish a separate
37 legal entity to conduct the joint or cooperative undertaking, the
38 agreement shall contain, in addition to provisions specified in
39 subsection (3)(a), (c), (d), (e), and (f) of this section, the
40 following:

1 (a) Provision for an administrator or a joint board responsible
2 for administering the joint or cooperative undertaking. In the case
3 of a joint board, public agencies that are party to the agreement
4 shall be represented; and

5 (b) The manner of acquiring, holding and disposing of real and
6 personal property used in the joint or cooperative undertaking. Any
7 joint board is authorized to establish a special fund with a state,
8 county, city, or district treasurer servicing an involved public
9 agency designated "Operating fund of joint board."

10 (5) No agreement made pursuant to this chapter relieves any
11 public agency of any obligation or responsibility imposed upon it by
12 law except that:

13 (a) To the extent of actual and timely performance thereof by a
14 joint board or other legal or administrative entity created by an
15 agreement made pursuant to this chapter, the performance may be
16 offered in satisfaction of the obligation or responsibility; and

17 (b) With respect to one or more public agencies purchasing or
18 otherwise contracting through a bid, proposal, or contract awarded by
19 another public agency or by a group of public agencies, any
20 obligation with respect to competitive bids or proposals that applies
21 to the public agencies involved is satisfied if the public agency or
22 group of public agencies that awarded the bid, proposal, or contract
23 complied with its own statutory requirements and either (i) posted
24 the bid or solicitation notice on a web site established and
25 maintained by a public agency, purchasing cooperative, or similar
26 service provider, for purposes of posting public notice of bid or
27 proposal solicitations, or (ii) provided an access link on the
28 state's web portal to the notice.

29 (6) (a) Any two or more public agencies may enter into a contract
30 providing for the joint utilization of architectural or engineering
31 services if:

32 (i) The agency contracting with the architectural or engineering
33 firm complies with the requirements for contracting for such services
34 under chapter 39.80 RCW; and

35 (ii) The services to be provided to the other agency or agencies
36 are related to, and within the general scope of, the services the
37 architectural or engineering firm was selected to perform.

38 (b) Any agreement providing for the joint utilization of
39 architectural or engineering services under this subsection must be
40 executed for a scope of work specifically detailed in the agreement.

1 and must be entered into prior to commencement of procurement of such
2 services under chapter 39.80 RCW.

3 (7) Financing of joint projects by agreement shall be as provided
4 by law.

5 **Sec. 5217.** RCW 39.34.055 and 2011 1st sp.s. c 43 s 246 are each
6 amended to read as follows:

7 The department of enterprise services may enter into an agreement
8 with a public benefit nonprofit corporation to allow the public
9 benefit nonprofit corporation to participate in state contracts for
10 purchases administered by the department. Such agreement must comply
11 with the requirements of RCW 39.34.030 through 39.34.050. For the
12 purposes of this section "public benefit nonprofit corporation" means
13 a public benefit nonprofit corporation as defined in ((RCW
14 ~~24.03.005~~) section 1701 of this act that is receiving local, state,
15 or federal funds either directly or through a public agency other
16 than an Indian tribe or a political subdivision of another state.

17 **Sec. 5218.** RCW 41.04.382 and 1993 c 194 s 4 are each amended to
18 read as follows:

19 In order to qualify for services under RCW 41.04.380, state
20 employee child care organizations shall be organized as nonprofit
21 under chapter ((~~24.03~~ RCW)) 24.-- RCW (the new chapter created in
22 section 6101 of this act).

23 **Sec. 5219.** RCW 43.06.335 and 2004 c 245 s 1 are each amended to
24 read as follows:

25 (1) The Washington quality award council shall be organized as a
26 private, nonprofit corporation, in accordance with chapter ((~~24.03~~
27 ~~RCW~~) 24.-- RCW (the new chapter created in section 6101 of this act)
28 and this section.

29 (2) The council shall oversee the governor's Washington state
30 quality award program. The purpose of the program is to improve the
31 overall competitiveness of the state's economy by stimulating
32 Washington state industries, business, and organizations to bring
33 about measurable success through setting standards of organizational
34 excellence, encouraging organizational self-assessment, identifying
35 successful organizations as role models, and providing a valuable
36 mechanism for promoting and strengthening a commitment to continuous
37 quality improvement in all sectors of the state's economy. The

1 governor shall annually present the award to organizations that
2 improve the quality of their products and services and are noteworthy
3 examples of high-performing work organizations, as determined by the
4 council in consultation with the governor or appointed
5 representative.

6 (3) The governor shall appoint a representative to serve on the
7 board of directors of the council.

8 (4) The council shall establish a board of examiners, a
9 recognition committee, and such other committees or subgroups as it
10 deems appropriate to carry out its responsibilities.

11 (5) The council may conduct such public information, research,
12 education, and assistance programs as it deems appropriate to further
13 quality improvement in organizations operating in the state of
14 Washington.

15 (6) The council shall:

16 (a) Approve and announce award recipients;

17 (b) Approve guidelines to examine applicant organizations;

18 (c) Approve appointment of board of examiners; and

19 (d) Arrange appropriate annual awards and recognition for
20 recipients.

21 **Sec. 5220.** RCW 43.07.120 and 2019 c 132 s 3 are each amended to
22 read as follows:

23 (1) The secretary of state must establish by rule and collect the
24 fees in this subsection:

25 (a) For a copy of any law, resolution, record, or other document
26 or paper on file in the secretary's office;

27 (b) For any certificate under seal;

28 (c) For filing and recording trademark;

29 (d) For each deed or patent of land issued by the governor;

30 (e) For recording miscellaneous records, papers, or other
31 documents.

32 (2) The secretary of state may adopt rules under chapter 34.05
33 RCW establishing reasonable fees for the following services rendered
34 under chapter 23.95 RCW, Title 23B RCW, chapter 18.100, 19.09, 19.77,
35 23.86, 23.90, (~~24.03~~) 24.-- (the new chapter created in section
36 6101 of this act), 24.06, 24.12, 24.20, 24.24, 24.28, 24.36, 25.04,
37 25.15, 25.10, 25.05, or 26.60 RCW:

38 (a) Any service rendered in-person at the secretary of state's
39 office;

1 (b) Any expedited service;

2 (c) The electronic or facsimile transmittal of information from
3 corporation records or copies of documents;

4 (d) The providing of information by micrographic or other
5 reduced-format compilation;

6 (e) The handling of checks, drafts, or credit or debit cards upon
7 adoption of rules authorizing their use for which sufficient funds
8 are not on deposit; and

9 (f) Special search charges.

10 (3) To facilitate the collection of fees, the secretary of state
11 may establish accounts for deposits by persons who may frequently be
12 assessed such fees to pay the fees as they are assessed. The
13 secretary of state may make whatever arrangements with those persons
14 as may be necessary to carry out this section.

15 (4) The secretary of state may adopt rules for the use of credit
16 or debit cards for payment of fees.

17 (5) No member of the legislature, state officer, justice of the
18 supreme court, judge of the court of appeals, or judge of the
19 superior court may be charged for any search relative to matters
20 pertaining to the duties of his or her office; nor may such official
21 be charged for a certified copy of any law or resolution passed by
22 the legislature relative to his or her official duties, if such law
23 has not been published as a state law.

24 **Sec. 5221.** RCW 43.07.190 and 2016 c 202 s 62 are each amended to
25 read as follows:

26 Where the secretary of state determines that a summary face sheet
27 or cover sheet would expedite review of any documents made under
28 Title 23B RCW, or chapter 18.100, 23.86, 23.90, ~~((24.03))~~ 24.-- (the
29 new chapter created in section 6101 of this act), 24.06, 24.12,
30 24.20, 24.24, 24.36, 25.10, or 25.15 RCW, the secretary of state may
31 require the use of a summary face sheet or cover sheet that
32 accurately reflects the contents of the attached document. The
33 secretary of state may, by rule adopted under chapter 34.05 RCW,
34 specify the required contents of any summary face sheet and the type
35 of document or documents in which the summary face sheet will be
36 required, in addition to any other filing requirements which may be
37 applicable.

1 **Sec. 5222.** RCW 43.15.030 and 2020 c 114 s 18 are each amended to
2 read as follows:

3 (1) The Washington state leadership board is organized as a
4 private, nonprofit, nonpartisan corporation in accordance with
5 chapter ((24.03 RCW)) 24.-- RCW (the new chapter created in section
6 6101 of this act) and this section.

7 (2) The purpose of the Washington state leadership board is to:

8 (a) Provide the state a means of extending formal recognition for
9 an individual's outstanding services to the state;

10 (b) Bring together those individuals to serve the state as
11 ambassadors of trade, tourism, and international goodwill; and

12 (c) Expand educational, sports, leadership, and/or employment
13 opportunities for youth, veterans, and people with disabilities in
14 Washington state.

15 (3) The Washington state leadership board may conduct activities
16 in support of their mission.

17 (4) The Washington state leadership board is governed by a board
18 of directors. The board of directors is composed of the governor, the
19 lieutenant governor, and the secretary of state, who serve as ex
20 officio, nonvoting members, and other officers and members as the
21 Washington state leadership board designates. In addition, four
22 legislators may be appointed to the board of directors as ex officio
23 members in the following manner: One legislator from each of the two
24 largest caucuses of the senate, appointed by the president of the
25 senate, and one legislator from each of the two largest caucuses of
26 the house of representatives, appointed by the speaker of the house
27 of representatives.

28 (5) The board of directors shall adopt bylaws and establish
29 governance and transparency policies.

30 (6) The lieutenant governor's office may provide technical and
31 financial assistance for the Washington state leadership board, where
32 the work of the board aligns with the mission of the office.
33 Assistance from the lieutenant governor's office may include, but is
34 not limited to:

35 (a) Collaboration with the Washington state leadership board on
36 the Washington world fellows program, a college readiness and study
37 abroad fellowship administered by the office of the lieutenant
38 governor;

39 (b) Beginning January 1, 2019, collaboration with the Washington
40 state leadership board to administer the sports mentoring program as

1 established under RCW 43.15.100, a mentoring program to encourage
2 underserved youth to join sports or otherwise participate in the area
3 of sports. If approved by the board, boundless Washington, an outdoor
4 leadership program for young people with disabilities, shall satisfy
5 the terms of the sports mentoring program; and

6 (c) The compilation of a yearly financial report, which shall be
7 made available to the legislature no later than January 15th of each
8 year, detailing all revenues and expenditures associated with the
9 Washington world fellows program and the sports mentoring program.
10 Any expenditures made by the Washington state leadership board in
11 support of the Washington world fellows program and the sports
12 mentoring program shall be made available to the office of the
13 lieutenant governor for the purpose of inclusion in the annual
14 financial report.

15 (7) The legislature may make appropriations in support of the
16 Washington state leadership board subject to the availability of
17 funds.

18 (8) The office of the lieutenant governor must post on its web
19 site detailed information on all funds received by the Washington
20 state leadership board and all expenditures by the Washington state
21 leadership board.

22 **Sec. 5223.** RCW 43.105.020 and 2017 c 92 s 2 are each amended to
23 read as follows:

24 The definitions in this section apply throughout this chapter
25 unless the context clearly requires otherwise.

26 (1) "Agency" means the consolidated technology services agency.

27 (2) "Board" means the technology services board.

28 (3) "Customer agencies" means all entities that purchase or use
29 information technology resources, telecommunications, or services
30 from the consolidated technology services agency.

31 (4) "Director" means the state chief information officer, who is
32 the director of the consolidated technology services agency.

33 (5) "Enterprise architecture" means an ongoing activity for
34 translating business vision and strategy into effective enterprise
35 change. It is a continuous activity. Enterprise architecture creates,
36 communicates, and improves the key principles and models that
37 describe the enterprise's future state and enable its evolution.

38 (6) "Equipment" means the machines, devices, and transmission
39 facilities used in information processing, including but not limited

1 to computers, terminals, telephones, wireless communications system
2 facilities, cables, and any physical facility necessary for the
3 operation of such equipment.

4 (7) "Information" includes, but is not limited to, data, text,
5 voice, and video.

6 (8) "Information security" means the protection of communication
7 and information resources from unauthorized access, use, disclosure,
8 disruption, modification, or destruction in order to:

9 (a) Prevent improper information modification or destruction;

10 (b) Preserve authorized restrictions on information access and
11 disclosure;

12 (c) Ensure timely and reliable access to and use of information;
13 and

14 (d) Maintain the confidentiality, integrity, and availability of
15 information.

16 (9) "Information technology" includes, but is not limited to, all
17 electronic technology systems and services, automated information
18 handling, system design and analysis, conversion of data, computer
19 programming, information storage and retrieval, telecommunications,
20 requisite system controls, simulation, electronic commerce, radio
21 technologies, and all related interactions between people and
22 machines.

23 (10) "Information technology portfolio" or "portfolio" means a
24 strategic management process documenting relationships between agency
25 missions and information technology and telecommunications
26 investments.

27 (11) "K-20 network" means the network established in RCW
28 43.41.391.

29 (12) "Local governments" includes all municipal and quasi-
30 municipal corporations and political subdivisions, and all agencies
31 of such corporations and subdivisions authorized to contract
32 separately.

33 (13) "Office" means the office of the state chief information
34 officer within the consolidated technology services agency.

35 (14) "Oversight" means a process of comprehensive risk analysis
36 and management designed to ensure optimum use of information
37 technology resources and telecommunications.

38 (15) "Proprietary software" means that software offered for sale
39 or license.

1 (16) "Public agency" means any agency of this state or another
2 state; any political subdivision or unit of local government of this
3 state or another state including, but not limited to, municipal
4 corporations, quasi-municipal corporations, special purpose
5 districts, and local service districts; any public benefit nonprofit
6 corporation; any agency of the United States; and any Indian tribe
7 recognized as such by the federal government.

8 (17) "Public benefit nonprofit corporation" means a public
9 benefit nonprofit corporation as defined in (~~RCW 24.03.005~~) section
10 1701 of this act that is receiving local, state, or federal funds
11 either directly or through a public agency other than an Indian tribe
12 or political subdivision of another state.

13 (18) "Public record" has the definitions in RCW 42.56.010 and
14 chapter 40.14 RCW and includes legislative records and court records
15 that are available for public inspection.

16 (19) "Public safety" refers to any entity or services that ensure
17 the welfare and protection of the public.

18 (20) "Security incident" means an accidental or deliberative
19 event that results in or constitutes an imminent threat of the
20 unauthorized access, loss, disclosure, modification, disruption, or
21 destruction of communication and information resources.

22 (21) "State agency" means every state office, department,
23 division, bureau, board, commission, or other state agency, including
24 offices headed by a statewide elected official.

25 (22) "Telecommunications" includes, but is not limited to,
26 wireless or wired systems for transport of voice, video, and data
27 communications, network systems, requisite facilities, equipment,
28 system controls, simulation, electronic commerce, and all related
29 interactions between people and machines.

30 (23) "Utility-based infrastructure services" includes personal
31 computer and portable device support, servers and server
32 administration, security administration, network administration,
33 telephony, email, and other information technology services commonly
34 used by state agencies.

35 **Sec. 5224.** RCW 43.210.020 and 1998 c 109 s 1 are each amended to
36 read as follows:

37 A nonprofit corporation, to be known as the small business export
38 finance assistance center, and branches subject to its authority, may
39 be formed under chapter (~~24.03 RCW~~) 24.-- RCW (the new chapter 309

1 created in section 6101 of this act) for the following public
2 purposes:

3 (1) To assist small and medium-sized businesses in both urban and
4 rural areas in the financing of export transactions.

5 (2) To provide, singly or in conjunction with other
6 organizations, information and assistance to these businesses about
7 export opportunities and financing alternatives.

8 **Sec. 5225.** RCW 43.210.040 and 2010 c 166 s 1 are each amended to
9 read as follows:

10 (1) The small business export finance assistance center formed
11 under RCW 43.210.020 and 43.210.030 has the powers granted under
12 chapter ((24.03 RCW)) 24.-- RCW (the new chapter created in section
13 6101 of this act). In exercising such powers, the center may:

14 (a) Solicit and accept grants, contributions, and any other
15 financial assistance from the federal government, federal agencies,
16 and any other sources to carry out its purposes;

17 (b) Make loans or provide loan guarantees on loans made by
18 financial institutions to Washington businesses with annual sales of
19 two hundred million dollars or less for the purpose of financing
20 exports of goods or services by those businesses to buyers in foreign
21 countries and for the purpose of financing business growth to
22 accommodate increased export sales. Loans or loan guarantees made
23 under the authority of this section may only be considered upon a
24 financial institution's assurance that such loan or loan guarantee is
25 otherwise not available;

26 (c) Provide assistance to businesses with annual sales of two
27 hundred million dollars or less in obtaining loans and guarantees of
28 loans made by financial institutions for the purpose of financing
29 export of goods or services from the state of Washington;

30 (d) Provide export finance and risk mitigation counseling to
31 Washington exporters with annual sales of two hundred million dollars
32 or less, provided that such counseling is not practicably available
33 from a Washington for-profit business. For such counseling, the
34 center may charge reasonable fees as it determines are necessary;

35 (e) Provide assistance in obtaining export credit insurance or
36 alternate forms of foreign risk mitigation to facilitate the export
37 of goods and services from the state of Washington;

38 (f) Be available as a teaching resource to both public and
39 private sponsors of workshops and programs relating to the financing

1 and risk mitigation aspects of exporting products and services from
2 the state of Washington;

3 (g) Develop a comprehensive inventory of export-financing
4 resources, both public and private, including information on resource
5 applicability to specific countries and payment terms;

6 (h) Contract with the federal government and its agencies to
7 become a program administrator for federally provided loan guarantee
8 and export credit insurance programs; and

9 (i) Take whatever action may be necessary to accomplish the
10 purposes set forth in this chapter.

11 (2) The center may not use any Washington state funds or funds
12 which come from the public treasury of the state of Washington to
13 make loans or to make any payment under a loan guarantee agreement.
14 Under no circumstances may the center use any funds received under
15 RCW 43.210.050 to make or assist in making any loan or to pay or
16 assist in paying any amount under a loan guarantee agreement. Debts
17 of the center shall be center debts only and may be satisfied only
18 from the resources of the center. The state of Washington shall not
19 in any way be liable for such debts.

20 (3) The small business export finance assistance center shall
21 make every effort to seek nonstate funds for its continued operation.

22 (4) The small business export finance assistance center may
23 receive such gifts, grants, and endowments from public or private
24 sources as may be made from time to time, in trust or otherwise, for
25 the use and benefit of the purposes of the small business export
26 finance assistance center and expend the same or any income therefrom
27 according to the terms of the gifts, grants, or endowments.

28 **Sec. 5226.** RCW 43.330.135 and 2009 c 565 s 8 are each amended to
29 read as follows:

30 (1) The department of commerce shall distribute such funds as are
31 appropriated for the statewide technical support, development, and
32 enhancement of court-appointed special advocate programs.

33 (2) In order to receive money under subsection (1) of this
34 section, an organization providing statewide technical support,
35 development, and enhancement of court-appointed special advocate
36 programs must meet all of the following requirements:

37 (a) The organization must provide statewide support, development,
38 and enhancement of court-appointed special advocate programs that

1 offer guardian ad litem services as provided in RCW 26.12.175,
2 26.44.053, and 13.34.100;

3 (b) All guardians ad litem working under court-appointed special
4 advocate programs supported, developed, or enhanced by the
5 organization must be volunteers and may not receive payment for
6 services rendered pursuant to the program. The organization may
7 include paid positions that are exclusively administrative in nature,
8 in keeping with the scope and purpose of this section; and

9 (c) The organization providing statewide technical support,
10 development, and enhancement of court-appointed special advocate
11 programs must be a public benefit nonprofit corporation as defined in
12 (~~RCW 24.03.490~~) section 1701 of this act.

13 (3) If more than one organization is eligible to receive money
14 under this section, the department shall develop criteria for
15 allocation of appropriated money among the eligible organizations.

16 **Sec. 5227.** RCW 46.19.020 and 2017 c 151 s 1 are each amended to
17 read as follows:

18 (1) The following organizations may apply for special parking
19 privileges:

- 20 (a) Public transportation authorities;
- 21 (b) Nursing homes licensed under chapter 18.51 RCW;
- 22 (c) Assisted living facilities licensed under chapter 18.20 RCW;
- 23 (d) Senior citizen centers;
- 24 (e) Accessible van rental companies registered with the
25 department;

26 (f) Private nonprofit corporations (~~, as defined in RCW~~
27 ~~24.03.005~~) organized under chapter 24.-- RCW (the new chapter
28 created in section 6101 of this act);

29 (g) Cabulance companies that regularly transport persons with
30 disabilities who have been determined eligible for special parking
31 privileges under this section and who are registered with the
32 department under chapter 46.72 RCW; and

33 (h) Companies that dispatch taxicab vehicles under chapter 81.72
34 RCW or vehicles for hire under chapter 46.72 RCW, for such vehicles
35 that are equipped with wheelchair accessible lifts or ramps for the
36 transport of persons with disabilities and that are regularly
37 dispatched and used in the transport of such persons. However,
38 qualifying vehicles under this subsection (1)(h) may utilize special
39 parking privileges only while in service. For the purposes of this

1 subsection (1)(h), "in service" means while in the process of picking
2 up, transporting, or discharging a passenger.

3 (2) An organization that qualifies for special parking privileges
4 may receive, upon application, special license plates or parking
5 placards, or both, for persons with disabilities as defined by the
6 department.

7 (3) An organization that qualifies for special parking privileges
8 under subsection (1) of this section and receives parking placards or
9 special license plates under subsection (2) of this section is
10 responsible for ensuring that the parking placards and special
11 license plates are not used improperly and is responsible for all
12 fines and penalties for improper use.

13 (4) The department shall adopt rules to determine organization
14 eligibility.

15 **Sec. 5228.** RCW 48.30.135 and 2015 c 272 s 4 are each amended to
16 read as follows:

17 (1) An insurance producer may sponsor events for, or make
18 contributions to a bona fide charitable or nonprofit organization, if
19 the sponsorship or contribution is not conditioned upon the
20 organization applying for or obtaining insurance through the
21 insurance producer.

22 (2) For purposes of this section, a bona fide charitable or
23 nonprofit organization is:

24 (a) Any nonprofit corporation duly existing under the provisions
25 of chapter (~~(24.03—RCW)~~) 24.-- RCW (the new chapter created in
26 section 6101 of this act) for charitable, benevolent, eleemosynary,
27 educational, civic, patriotic, political, social, fraternal,
28 cultural, athletic, scientific, agricultural, or horticultural
29 purposes;

30 (b) Any professional, commercial, industrial, or trade
31 association;

32 (c) Any organization duly existing under the provisions of
33 chapter 24.12, 24.20, or 24.28 RCW;

34 (d) Any agricultural fair authorized under the provisions of
35 chapter 15.76 or 36.37 RCW; or

36 (e) Any nonprofit organization, whether incorporated or
37 otherwise, when determined by the commissioner to be organized and
38 operated for one or more of the purposes described in (a) through (d)
39 of this subsection.

1 (3) RCW 48.30.140 and 48.30.150 do not apply to sponsorships or
2 charitable contributions that are provided or given in compliance
3 with subsection (1) of this section.

4 **Sec. 5229.** RCW 48.62.021 and 2015 c 109 s 2 are each reenacted
5 and amended to read as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Health and welfare benefits" means a plan or program
9 established by a local government entity or entities for the purpose
10 of providing its employees and their dependents, and in the case of
11 school districts, its district employees, students, directors, or any
12 of their dependents, with health care, accident, disability, death,
13 and salary protection benefits.

14 (2) "Local government entity" or "entity" means every unit of
15 local government, both general purpose and special purpose, and
16 includes, but is not limited to, counties, cities, towns, port
17 districts, public utility districts, water-sewer districts, school
18 districts, fire protection districts, irrigation districts,
19 metropolitan municipal corporations, conservation districts, and
20 other political subdivisions, governmental subdivisions, municipal
21 corporations, quasi-municipal corporations, nonprofit corporations
22 comprised of only units of local government, or a group comprised of
23 local governments joined by an interlocal agreement authorized by
24 chapter 39.34 RCW.

25 (3) "Nonprofit corporation" or "corporation" has the same meaning
26 as defined in ((~~RCW 24.03.005(3)~~)) section 1102 of this act or a
27 similar statute with similar intent within the entity's state of
28 domicile.

29 (4) "Property and liability risks" includes the risk of property
30 damage or loss sustained by a local government entity and the risk of
31 claims arising from the tortious or negligent conduct or any error or
32 omission of the local government entity, its officers, employees,
33 agents, or volunteers as a result of which a claim may be made
34 against the local government entity.

35 (5) "Risk assumption" means a decision to absorb the entity's
36 financial exposure to a risk of loss without the creation of a formal
37 program of advance funding of anticipated losses.

38 (6) "Self-insurance" means a formal program of advance funding
39 and management of entity financial exposure to a risk of loss that is

1 not transferred through the purchase of an insurance policy or
2 contract.

3 (7) "State risk manager" means the risk manager of the office of
4 risk management within the department of enterprise services.

5 **Sec. 5230.** RCW 48.180.010 and 2015 c 109 s 6 are each amended to
6 read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Nonprofit corporation" or "corporation" has the same meaning
10 as defined in (~~RCW 24.03.005~~) section 1102 of this act.

11 (2) "Property and liability risks" includes the risk of property
12 damage or loss sustained by a nonprofit corporation and the risk of
13 claims arising from the tortious or negligent conduct or any error or
14 omission of the entity, its officers, employees, agents, or
15 volunteers as a result of a claim that may be made against the
16 entity.

17 (3) "Self-insurance" means a formal program of advance funding
18 and management of entity financial exposure to a risk of loss that is
19 not transferred through the purchase of an insurance policy or
20 contract.

21 (4) "State risk manager" means the risk manager of the office of
22 risk management within the department of enterprise services.

23 **Sec. 5231.** RCW 64.34.300 and 1992 c 220 s 14 are each amended to
24 read as follows:

25 A unit owners' association shall be organized no later than the
26 date the first unit in the condominium is conveyed. The membership of
27 the association at all times shall consist exclusively of all the
28 unit owners. Following termination of the condominium, the membership
29 of the association shall consist of all of the unit owners at the
30 time of termination entitled to distributions of proceeds under RCW
31 64.34.268 or their heirs, successors, or assigns. The association
32 shall be organized as a profit or nonprofit corporation. In case of
33 any conflict between Title 23B RCW, the business corporation act,
34 chapter (~~24.03 RCW~~) 24.-- RCW (the new chapter created in section
35 6101 of this act), the nonprofit corporation act, or chapter 24.06
36 RCW, the nonprofit miscellaneous and mutual corporations act, and
37 this chapter, this chapter shall control.

1 **Sec. 5232.** RCW 64.38.025 and 2019 c 238 s 222 are each amended
2 to read as follows:

3 (1) Except as provided in the association's governing documents
4 or this chapter, the board of directors shall act in all instances on
5 behalf of the association. In the performance of their duties, the
6 officers and members of the board of directors shall exercise the
7 degree of care and loyalty required of an officer or director of a
8 corporation organized under chapter (~~(24.03-RCW)~~) 24.-- RCW (the new
9 chapter created in section 6101 of this act).

10 (2) The board of directors shall not act on behalf of the
11 association to amend the articles of incorporation, to take any
12 action that requires the vote or approval of the owners, to terminate
13 the association, to elect members of the board of directors, or to
14 determine the qualifications, powers, and duties, or terms of office
15 of members of the board of directors; but the board of directors may
16 fill vacancies in its membership of the unexpired portion of any
17 term.

18 (3) Except as provided in RCW 64.90.080, 64.90.405(1) (b) and
19 (c), and 64.90.525, within thirty days after adoption by the board of
20 directors of any proposed regular or special budget of the
21 association, the board shall set a date for a meeting of the owners
22 to consider ratification of the budget not less than fourteen nor
23 more than sixty days after mailing of the summary. Unless at that
24 meeting the owners of a majority of the votes in the association are
25 allocated or any larger percentage specified in the governing
26 documents reject the budget, in person or by proxy, the budget is
27 ratified, whether or not a quorum is present. In the event the
28 proposed budget is rejected or the required notice is not given, the
29 periodic budget last ratified by the owners shall be continued until
30 such time as the owners ratify a subsequent budget proposed by the
31 board of directors.

32 (4) As part of the summary of the budget provided to all owners,
33 the board of directors shall disclose to the owners:

34 (a) The current amount of regular assessments budgeted for
35 contribution to the reserve account, the recommended contribution
36 rate from the reserve study, and the funding plan upon which the
37 recommended contribution rate is based;

38 (b) If additional regular or special assessments are scheduled to
39 be imposed, the date the assessments are due, the amount of the

1 assessments per each owner per month or year, and the purpose of the
2 assessments;

3 (c) Based upon the most recent reserve study and other
4 information, whether currently projected reserve account balances
5 will be sufficient at the end of each year to meet the association's
6 obligation for major maintenance, repair, or replacement of reserve
7 components during the next thirty years;

8 (d) If reserve account balances are not projected to be
9 sufficient, what additional assessments may be necessary to ensure
10 that sufficient reserve account funds will be available each year
11 during the next thirty years, the approximate dates assessments may
12 be due, and the amount of the assessments per owner per month or
13 year;

14 (e) The estimated amount recommended in the reserve account at
15 the end of the current fiscal year based on the most recent reserve
16 study, the projected reserve account cash balance at the end of the
17 current fiscal year, and the percent funded at the date of the latest
18 reserve study;

19 (f) The estimated amount recommended in the reserve account based
20 upon the most recent reserve study at the end of each of the next
21 five budget years, the projected reserve account cash balance in each
22 of those years, and the projected percent funded for each of those
23 years; and

24 (g) If the funding plan approved by the association is
25 implemented, the projected reserve account cash balance in each of
26 the next five budget years and the percent funded for each of those
27 years.

28 (5) The owners by a majority vote of the voting power in the
29 association present, in person or by proxy, and entitled to vote at
30 any meeting of the owners at which a quorum is present, may remove
31 any member of the board of directors with or without cause.

32 **Sec. 5233.** RCW 64.90.400 and 2018 c 277 s 301 are each amended
33 to read as follows:

34 (1) A unit owners association must be organized no later than the
35 date the first unit in the common interest community is conveyed to a
36 purchaser.

37 (2) The membership of the association at all times consists
38 exclusively of all unit owners or, following termination of the
39 common interest community, of all former unit owners entitled to

1 distributions of proceeds under RCW 64.90.290 or their heirs,
2 successors, or assigns.

3 (3) The association must have a board and be organized as a for-
4 profit or nonprofit corporation or limited liability company.

5 (4) In case of any conflict between Title 23B RCW or chapter
6 23.86, (~~(24.03)~~) 24.-- (the new chapter created in section 6101 of
7 this act), 24.06, or 25.15 RCW and this chapter, this chapter
8 controls.

9 **Sec. 5234.** RCW 66.24.495 and 1997 c 321 s 33 are each amended to
10 read as follows:

11 (1) There shall be a license to be designated as a nonprofit arts
12 organization license. This shall be a special license to be issued to
13 any nonprofit arts organization which sponsors and presents
14 productions or performances of an artistic or cultural nature in a
15 specific theater or other appropriate designated indoor premises
16 approved by the board. The license shall permit the licensee to sell
17 liquor to patrons of productions or performances for consumption on
18 the premises at these events. The fee for the license shall be two
19 hundred fifty dollars per annum.

20 (2) For the purposes of this section, the term "nonprofit arts
21 organization" means an organization which is organized and operated
22 for the purpose of providing artistic or cultural exhibitions,
23 presentations, or performances or cultural or art education programs,
24 as defined in subsection (3) of this section, for viewing or
25 attendance by the general public. The organization must be a not-for-
26 profit corporation under chapter (~~(24.03-RCW)~~) 24.-- RCW (the new
27 chapter created in section 6101 of this act) and managed by a
28 governing board of not less than eight individuals none of whom is a
29 paid employee of the organization or by a corporation sole under
30 chapter 24.12 RCW. In addition, the corporation must satisfy the
31 following conditions:

32 (a) No part of its income may be paid directly or indirectly to
33 its members, stockholders, officers, directors, or trustees except in
34 the form of services rendered by the corporation in accordance with
35 its purposes and bylaws;

36 (b) Salary or compensation paid to its officers and executives
37 must be only for actual services rendered, and at levels comparable
38 to the salary or compensation of like positions within the state;

1 (c) Assets of the corporation must be irrevocably dedicated to
2 the activities for which the license is granted and, on the
3 liquidation, dissolution, or abandonment by the corporation, may not
4 inure directly or indirectly to the benefit of any member or
5 individual except a nonprofit organization, association, or
6 corporation;

7 (d) The corporation must be duly licensed or certified when
8 licensing or certification is required by law or regulation;

9 (e) The proceeds derived from sales of liquor, except for
10 reasonable operating costs, must be used in furtherance of the
11 purposes of the organization;

12 (f) Services must be available regardless of race, color,
13 national origin, or ancestry; and

14 (g) The liquor (~~control~~) and cannabis board shall have access
15 to its books in order to determine whether the corporation is
16 entitled to a license.

17 (3) The term "artistic or cultural exhibitions, presentations, or
18 performances or cultural or art education programs" includes and is
19 limited to:

20 (a) An exhibition or presentation of works of art or objects of
21 cultural or historical significance, such as those commonly displayed
22 in art or history museums;

23 (b) A musical or dramatic performance or series of performances;
24 or

25 (c) An educational seminar or program, or series of such
26 programs, offered by the organization to the general public on an
27 artistic, cultural, or historical subject.

28 **Sec. 5235.** RCW 66.24.680 and 2014 c 78 s 1 are each amended to
29 read as follows:

30 (1) There shall be a license to be designated as a senior center
31 license. This shall be a license issued to a nonprofit organization
32 whose primary service is providing recreational and social activities
33 for seniors on the licensed premises. This license shall permit the
34 licensee to sell spirits by the individual glass, including mixed
35 drinks and cocktails mixed on the premises only, beer and wine, at
36 retail for consumption on the premises.

37 (2) To qualify for this license, the applicant entity must:

38 (a) Be a nonprofit organization under chapter (~~24.03 RCW~~) 24.--
39 RCW (the new chapter created in section 6101 of this act);

1 (b) Be open at times and durations established by the board; and

2 (c) Provide limited food service as defined by the board.

3 (3) All alcohol servers must have a valid mandatory alcohol
4 server training permit.

5 (4) The board shall adopt rules to implement this section.

6 (5) The annual fee for this license shall be seven hundred twenty
7 dollars.

8 **Sec. 5236.** RCW 68.20.020 and 1983 c 3 s 167 are each amended to
9 read as follows:

10 Any private corporation authorized by its articles so to do, may
11 establish, maintain, manage, improve, or operate a cemetery, and
12 conduct any or all of the businesses of a cemetery, either for or
13 without profit to its members or stockholders. A nonprofit cemetery
14 corporation may be organized in the manner provided in chapter
15 ((24.03 RCW)) 24.-- RCW (the new chapter created in section 6101 of
16 this act). A profit corporation may be organized in the manner
17 provided in the general corporation laws of the state of Washington.

18 **Sec. 5237.** RCW 70.45.070 and 1997 c 332 s 7 are each amended to
19 read as follows:

20 The department shall only approve an application if the parties
21 to the acquisition have taken the proper steps to safeguard the value
22 of charitable assets and ensure that any proceeds from the
23 acquisition are used for appropriate charitable health purposes. To
24 this end, the department may not approve an application unless, at a
25 minimum, it determines that:

26 (1) The acquisition is permitted under chapter ((24.03 RCW))
27 24.-- RCW (the new chapter created in section 6101 of this act), the
28 Washington nonprofit corporation act, and other laws governing
29 nonprofit entities, trusts, or charities;

30 (2) The nonprofit corporation that owns the hospital being
31 acquired has exercised due diligence in authorizing the acquisition,
32 selecting the acquiring person, and negotiating the terms and
33 conditions of the acquisition;

34 (3) The procedures used by the nonprofit corporation's board of
35 trustees and officers in making its decision fulfilled their
36 fiduciary duties, that the board and officers were sufficiently
37 informed about the proposed acquisition and possible alternatives,
38 and that they used appropriate expert assistance;

1 (4) No conflict of interest exists related to the acquisition,
2 including, but not limited to, conflicts of interest related to board
3 members of, executives of, and experts retained by the nonprofit
4 corporation, acquiring person, or other parties to the acquisition;

5 (5) The nonprofit corporation will receive fair market value for
6 its assets. The attorney general or the department may employ, at the
7 expense of the acquiring person, reasonably necessary expert
8 assistance in making this determination. This expense must be in
9 addition to the fees charged under RCW 70.45.030;

10 (6) Charitable funds will not be placed at unreasonable risk, if
11 the acquisition is financed in part by the nonprofit corporation;

12 (7) Any management contract under the acquisition will be for
13 fair market value;

14 (8) The proceeds from the acquisition will be controlled as
15 charitable funds independently of the acquiring person or parties to
16 the acquisition, and will be used for charitable health purposes
17 consistent with the nonprofit corporation's original purpose,
18 including providing health care to the disadvantaged, the uninsured,
19 and the underinsured and providing benefits to promote improved
20 health in the affected community;

21 (9) Any charitable entity established to hold the proceeds of the
22 acquisition will be broadly based in and representative of the
23 community where the hospital to be acquired is located, taking into
24 consideration the structure and governance of such entity; and

25 (10) A right of first refusal to repurchase the assets by a
26 successor nonprofit corporation or foundation has been retained if
27 the hospital is subsequently sold to, acquired by, or merged with
28 another entity.

29 **Sec. 5238.** RCW 70.290.030 and 2013 c 144 s 48 are each amended
30 to read as follows:

31 (1) The association is comprised of all health carriers issuing
32 or renewing health benefit plans in Washington state and all third-
33 party administrators conducting business on behalf of residents of
34 Washington state or Washington health care providers and facilities.
35 Third-party administrators are subject to registration under RCW
36 70.290.075.

37 (2) The association is a nonprofit corporation under chapter
38 (~~(24.03 RCW)~~) 24.-- RCW (the new chapter created in section 6101 of
39 this act) and has the powers granted under that chapter.

1 (3) The board of directors includes the following voting members:

2 (a) Four members, selected from health carriers or third-party
3 administrators, excluding health maintenance organizations, that have
4 the most fully insured and self-funded covered lives in Washington
5 state. The count of total covered lives includes enrollment in all
6 companies included in their holding company system. Each health
7 carrier or third-party administrator is entitled to no more than a
8 single position on the board to represent all entities under common
9 ownership or control.

10 (b) One member selected from the health maintenance organization
11 having the most fully insured and self-insured covered lives in
12 Washington state. The count of total lives includes enrollment in all
13 companies included in its holding company system. Each health
14 maintenance organization is entitled to no more than a single
15 position on the board to represent all entities under common
16 ownership or control.

17 (c) One member, representing health carriers not otherwise
18 represented on the board under (a) or (b) of this subsection, who is
19 elected from among the health carrier members not designated under
20 (a) or (b) of this subsection.

21 (d) One member, representing Taft Hartley plans, appointed by the
22 secretary from a list of nominees submitted by the Northwest
23 administrators association.

24 (e) One member representing Washington state employers offering
25 self-funded health coverage, appointed by the secretary from a list
26 of nominees submitted by the Puget Sound health alliance.

27 (f) Two physician members appointed by the secretary, including
28 at least one board certified pediatrician.

29 (g) The secretary, or a designee of the secretary with expertise
30 in childhood immunization purchasing and distribution.

31 (4) The directors' terms and appointments must be specified in
32 the plan of operation adopted by the association.

33 (5) The board of directors of the association must:

34 (a) Prepare and adopt articles of association and bylaws;

35 (b) Prepare and adopt a plan of operation. The plan of operation
36 must include a dispute mechanism through which a carrier or third-
37 party administrator can challenge an assessment determination by the
38 board under RCW 70.290.040. The board must include a means to bring
39 unresolved disputes to an impartial decision maker as a component of
40 the dispute mechanism;

- 1 (c) Submit the plan of operation to the secretary for approval;
- 2 (d) Conduct all activities in accordance with the approved plan
3 of operation;
- 4 (e) Enter into contracts as necessary or proper to collect and
5 disburse the assessment;
- 6 (f) Enter into contracts as necessary or proper to administer the
7 plan of operation;
- 8 (g) Sue or be sued, including taking any legal action necessary
9 or proper for the recovery of any assessment for, on behalf of, or
10 against members of the association or other participating person;
- 11 (h) Appoint, from among its directors, committees as necessary to
12 provide technical assistance in the operation of the association,
13 including the hiring of independent consultants as necessary;
- 14 (i) Obtain such liability and other insurance coverage for the
15 benefit of the association, its directors, officers, employees, and
16 agents as may in the judgment of the board of directors be helpful or
17 necessary for the operation of the association;
- 18 (j) On an annual basis, beginning no later than November 1, 2010,
19 and by November 1st of each year thereafter, establish the estimated
20 amount of the assessment;
- 21 (k) Notify, in writing, each health carrier and third-party
22 administrator of the health carrier's or third-party administrator's
23 estimated total assessment by November 15th of each year;
- 24 (l) Submit a periodic report to the secretary listing those
25 health carriers or third-party administrators that failed to remit
26 their assessments and audit health carrier and third-party
27 administrator books and records for accuracy of assessment payment
28 submission;
- 29 (m) Allow each health carrier or third-party administrator no
30 more than ninety days after the notification required by (k) of this
31 subsection to remit any amounts in arrears or submit a payment plan,
32 subject to approval by the association and initial payment under an
33 approved payment plan;
- 34 (n) Deposit annual assessments collected by the association, less
35 the association's administrative costs, with the state treasurer to
36 the credit of the universal vaccine purchase account established in
37 RCW 43.70.720;
- 38 (o) Borrow and repay such working capital, reserve, or other
39 funds as, in the judgment of the board of directors, may be helpful
40 or necessary for the operation of the association; and

1 (p) Perform any other functions as may be necessary or proper to
2 carry out the plan of operation and to affect any or all of the
3 purposes for which the association is organized.

4 (6) The secretary must convene the initial meeting of the
5 association board of directors.

6 **Sec. 5239.** RCW 74.15.020 and 2020 c 331 s 10 and 2020 c 265 s 1
7 are each reenacted and amended to read as follows:

8 The definitions in this section apply throughout this chapter and
9 RCW 74.13.031 unless the context clearly requires otherwise.

10 (1) "Agency" means any person, firm, partnership, association,
11 corporation, or facility which receives children, expectant mothers,
12 or persons with developmental disabilities for control, care, or
13 maintenance outside their own homes, or which places, arranges the
14 placement of, or assists in the placement of children, expectant
15 mothers, or persons with developmental disabilities for foster care
16 or placement of children for adoption, and shall include the
17 following irrespective of whether there is compensation to the agency
18 or to the children, expectant mothers, or persons with developmental
19 disabilities for services rendered:

20 (a) "Child-placing agency" means an agency which places a child
21 or children for temporary care, continued care, or for adoption;

22 (b) "Community facility" means a group care facility operated for
23 the care of juveniles committed to the department under RCW
24 13.40.185. A county detention facility that houses juveniles
25 committed to the department under RCW 13.40.185 pursuant to a
26 contract with the department is not a community facility;

27 (c) "Crisis residential center" means an agency which is a
28 temporary protective residential facility operated to perform the
29 duties specified in chapter 13.32A RCW, in the manner provided in RCW
30 43.185C.295 through 43.185C.310;

31 (d) "Emergency respite center" is an agency that may be commonly
32 known as a crisis nursery, that provides emergency and crisis care
33 for up to seventy-two hours to children who have been admitted by
34 their parents or guardians to prevent abuse or neglect. Emergency
35 respite centers may operate for up to twenty-four hours a day, and
36 for up to seven days a week. Emergency respite centers may provide
37 care for children ages birth through seventeen, and for persons
38 eighteen through twenty with developmental disabilities who are
39 admitted with a sibling or siblings through age seventeen. Emergency

1 respite centers may not substitute for crisis residential centers or
2 HOPE centers, or any other services defined under this section, and
3 may not substitute for services which are required under chapter
4 13.32A or 13.34 RCW;

5 (e) "Foster family home" means an agency which regularly provides
6 care on a twenty-four hour basis to one or more children, expectant
7 mothers, or persons with developmental disabilities in the family
8 abode of the person or persons under whose direct care and
9 supervision the child, expectant mother, or person with a
10 developmental disability is placed;

11 (f) "Group-care facility" means an agency, other than a foster
12 family home, which is maintained and operated for the care of a group
13 of children on a twenty-four hour basis. "Group care facility"
14 includes but is not limited to:

15 (i) Qualified residential treatment programs as defined in RCW
16 13.34.030;

17 (ii) Facilities specializing in providing prenatal, postpartum,
18 or parenting supports for youth; and

19 (iii) Facilities providing high-quality residential care and
20 supportive services to children who are, or who are at risk of
21 becoming, victims of sex trafficking;

22 (g) "HOPE center" means an agency licensed by the secretary to
23 provide temporary residential placement and other services to street
24 youth. A street youth may remain in a HOPE center for thirty days
25 while services are arranged and permanent placement is coordinated.
26 No street youth may stay longer than thirty days unless approved by
27 the department and any additional days approved by the department
28 must be based on the unavailability of a long-term placement option.
29 A street youth whose parent wants him or her returned to home may
30 remain in a HOPE center until his or her parent arranges return of
31 the youth, not longer. All other street youth must have court
32 approval under chapter 13.34 or 13.32A RCW to remain in a HOPE center
33 up to thirty days;

34 (h) "Maternity service" means an agency which provides or
35 arranges for care or services to expectant mothers, before or during
36 confinement, or which provides care as needed to mothers and their
37 infants after confinement;

38 (i) "Resource and assessment center" means an agency that
39 provides short-term emergency and crisis care for a period up to
40 seventy-two hours, excluding Saturdays, Sundays, and holidays to

1 children who have been removed from their parent's or guardian's care
2 by child protective services or law enforcement;

3 (j) "Responsible living skills program" means an agency licensed
4 by the secretary that provides residential and transitional living
5 services to persons ages sixteen to eighteen who are dependent under
6 chapter 13.34 RCW and who have been unable to live in his or her
7 legally authorized residence and, as a result, the minor lived
8 outdoors or in another unsafe location not intended for occupancy by
9 the minor. Dependent minors ages fourteen and fifteen may be eligible
10 if no other placement alternative is available and the department
11 approves the placement;

12 (k) "Service provider" means the entity that operates a community
13 facility.

14 (2) "Agency" shall not include the following:

15 (a) Persons related to the child, expectant mother, or person
16 with developmental disability in the following ways:

17 (i) Any blood relative, including those of half-blood, and
18 including first cousins, second cousins, nephews or nieces, and
19 persons of preceding generations as denoted by prefixes of grand,
20 great, or great-great;

21 (ii) Stepfather, stepmother, stepbrother, and stepsister;

22 (iii) A person who legally adopts a child or the child's parent
23 as well as the natural and other legally adopted children of such
24 persons, and other relatives of the adoptive parents in accordance
25 with state law;

26 (iv) Spouses of any persons named in (a)(i), (ii), or (iii) of
27 this subsection (2), even after the marriage is terminated;

28 (v) Relatives, as named in (a)(i), (ii), (iii), or (iv) of this
29 subsection (2), of any half sibling of the child; or

30 (vi) Extended family members, as defined by the law or custom of
31 the Indian child's tribe or, in the absence of such law or custom, a
32 person who has reached the age of eighteen and who is the Indian
33 child's grandparent, aunt or uncle, brother or sister, brother-in-law
34 or sister-in-law, niece or nephew, first or second cousin, or
35 stepparent who provides care in the family abode on a twenty-four-
36 hour basis to an Indian child as defined in 25 U.S.C. Sec. 1903(4);

37 (b) Persons who are legal guardians of the child, expectant
38 mother, or persons with developmental disabilities;

39 (c) Persons who care for a neighbor's or friend's child or
40 children, with or without compensation, where the parent and person

1 providing care on a twenty-four-hour basis have agreed to the
2 placement in writing and the state is not providing any payment for
3 the care;

4 (d) A person, partnership, corporation, or other entity that
5 provides placement or similar services to exchange students or
6 international student exchange visitors or persons who have the care
7 of an exchange student in their home;

8 (e) A person, partnership, corporation, or other entity that
9 provides placement or similar services to international children who
10 have entered the country by obtaining visas that meet the criteria
11 for medical care as established by the United States citizenship and
12 immigration services, or persons who have the care of such an
13 international child in their home;

14 (f) Schools, including boarding schools, which are engaged
15 primarily in education, operate on a definite school year schedule,
16 follow a stated academic curriculum, accept only school-age children
17 and do not accept custody of children;

18 (g) Hospitals licensed pursuant to chapter 70.41 RCW when
19 performing functions defined in chapter 70.41 RCW, nursing homes
20 licensed under chapter 18.51 RCW and assisted living facilities
21 licensed under chapter 18.20 RCW;

22 (h) Licensed physicians or lawyers;

23 (i) Facilities approved and certified under chapter 71A.22 RCW;

24 (j) Any agency having been in operation in this state ten years
25 prior to June 8, 1967, and not seeking or accepting moneys or
26 assistance from any state or federal agency, and is supported in part
27 by an endowment or trust fund;

28 (k) Persons who have a child in their home for purposes of
29 adoption, if the child was placed in such home by a licensed child-
30 placing agency, an authorized public or tribal agency or court or if
31 a replacement report has been filed under chapter 26.33 RCW and the
32 placement has been approved by the court;

33 (l) An agency operated by any unit of local, state, or federal
34 government or an agency licensed by an Indian tribe pursuant to RCW
35 74.15.190;

36 (m) A maximum or medium security program for juvenile offenders
37 operated by or under contract with the department;

38 (n) An agency located on a federal military reservation, except
39 where the military authorities request that such agency be subject to
40 the licensing requirements of this chapter;

1 (o)(i) A host home program, and host home, operated by a tax
2 exempt organization for youth not in the care of or receiving
3 services from the department, if that program: (A) Recruits and
4 screens potential homes in the program, including performing
5 background checks on individuals over the age of eighteen residing in
6 the home through the Washington state patrol or equivalent law
7 enforcement agency and performing physical inspections of the home;
8 (B) screens and provides case management services to youth in the
9 program; (C) obtains a notarized permission slip or limited power of
10 attorney from the parent or legal guardian of the youth authorizing
11 the youth to participate in the program and the authorization is
12 updated every six months when a youth remains in a host home longer
13 than six months; (D) obtains insurance for the program through an
14 insurance provider authorized under Title 48 RCW; (E) provides
15 mandatory reporter and confidentiality training; and (F) registers
16 with the secretary of state (~~as provided in RCW 24.03.550~~) under
17 section 5104 of this act.

18 (ii) For purposes of this section, a "host home" is a private
19 home that volunteers to host youth in need of temporary placement
20 that is associated with a host home program.

21 (iii) For purposes of this section, a "host home program" is a
22 program that provides support to individual host homes and meets the
23 requirements of (o)(i) of this subsection.

24 (iv) Any host home program that receives local, state, or
25 government funding shall report the following information to the
26 office of homeless youth prevention and protection programs annually
27 by December 1st of each year: The number of children the program
28 served, why the child was placed with a host home, and where the
29 child went after leaving the host home, including but not limited to
30 returning to the parents, running away, reaching the age of majority,
31 or becoming a dependent of the state;

32 (p) Receiving centers as defined in RCW 7.68.380.

33 (3) "Department" means the department of children, youth, and
34 families.

35 (4) "Juvenile" means a person under the age of twenty-one who has
36 been sentenced to a term of confinement under the supervision of the
37 department under RCW 13.40.185.

38 (5) "Performance-based contracts" or "contracting" means the
39 structuring of all aspects of the procurement of services around the
40 purpose of the work to be performed and the desired results with the

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1 contract requirements set forth in clear, specific, and objective
2 terms with measurable outcomes. Contracts may also include provisions
3 that link the performance of the contractor to the level and timing
4 of the reimbursement.

5 (6) "Probationary license" means a license issued as a
6 disciplinary measure to an agency that has previously been issued a
7 full license but is out of compliance with licensing standards.

8 (7) "Requirement" means any rule, regulation, or standard of care
9 to be maintained by an agency.

10 (8) "Secretary" means the secretary of the department.

11 (9) "Street youth" means a person under the age of eighteen who
12 lives outdoors or in another unsafe location not intended for
13 occupancy by the minor and who is not residing with his or her parent
14 or at his or her legally authorized residence.

15 (10) "Transitional living services" means at a minimum, to the
16 extent funds are available, the following:

17 (a) Educational services, including basic literacy and
18 computational skills training, either in local alternative or public
19 high schools or in a high school equivalency program that leads to
20 obtaining a high school equivalency degree;

21 (b) Assistance and counseling related to obtaining vocational
22 training or higher education, job readiness, job search assistance,
23 and placement programs;

24 (c) Counseling and instruction in life skills such as money
25 management, home management, consumer skills, parenting, health care,
26 access to community resources, and transportation and housing
27 options;

28 (d) Individual and group counseling; and

29 (e) Establishing networks with federal agencies and state and
30 local organizations such as the United States department of labor,
31 employment and training administration programs including the
32 workforce innovation and opportunity act which administers private
33 industry councils and the job corps; vocational rehabilitation; and
34 volunteer programs.

35 **Sec. 5240.** RCW 79A.30.030 and 2013 c 31 s 2 are each amended to
36 read as follows:

37 (1) A nonprofit corporation may be formed under the nonprofit
38 corporation provisions of chapter (~~(24.03 RCW)~~) 24.-- RCW (the new
39 chapter created in section 6101 of this act) to carry out the

1 purposes of this chapter. Except as provided in RCW 79A.30.040, the
2 corporation shall have all the powers and be subject to the same
3 restrictions as are permitted or prescribed to nonprofit corporations
4 and shall exercise those powers only for carrying out the purposes of
5 this chapter and those purposes necessarily implied therefrom. The
6 nonprofit corporation shall be known as the Washington state horse
7 park authority. The articles of incorporation shall provide that it
8 is the responsibility of the authority to develop, promote, operate,
9 manage, and maintain the Washington state horse park. The articles of
10 incorporation shall provide for appointment of directors and other
11 conduct of business consistent with the requirements of this chapter.

12 (2) (a) The articles of incorporation shall provide for an
13 eleven-member board of directors for the authority, all appointed by
14 the commission. Board members shall serve three-year terms, except
15 that two of the original appointees shall serve one-year terms, and
16 two of the original appointees shall serve two-year terms. Of the
17 board members appointed pursuant to chapter 31, Laws of 2013, one
18 shall serve an initial one-year term, one shall serve an initial two-
19 year term, and two shall serve an initial term of three years. A
20 board member may serve consecutive terms.

21 (b) The articles of incorporation shall provide that the
22 commission appoint board members as follows:

23 (i) One board member shall represent the interests of the
24 commission;

25 (ii) One board member shall represent the interests of the county
26 in which the park is located. In making this appointment, the
27 commission shall solicit recommendations from the county legislative
28 authority; and

29 (iii) Nine board members shall represent the geographic and
30 sports discipline diversity of equestrian interests in the state, and
31 at least three of these members shall have business experience
32 relevant to the organization of horse shows or operation of a horse
33 show facility. In making these appointments, the commission shall
34 solicit recommendations from a variety of active horse-related
35 organizations in the state.

36 (3) The articles of incorporation shall include a policy that
37 provides for the preferential use of a specific area of the horse
38 park facilities at nominal cost for horse groups associated with
39 youth groups and individuals with disabilities.

1 (4) The commission shall make appointments to fill board
2 vacancies for positions authorized under subsection (2) of this
3 section, upon additional solicitation of recommendations from the
4 board of directors.

5 (5) The board of directors shall perform their duties in the best
6 interests of the authority, consistent with the standards applicable
7 to directors of nonprofit corporations under ((RCW 24.03.127))
8 section 2402 of this act.

9 **Sec. 5241.** RCW 79A.30.040 and 1995 c 200 s 5 are each amended to
10 read as follows:

11 To meet its responsibility for developing, promoting, operating,
12 managing, and maintaining the state horse park, the authority is
13 empowered to do the following:

14 (1) Exercise the general powers authorized for any nonprofit
15 corporation as specified in ((RCW 24.03.035)) section 1403 of this
16 act. All debts of the authority shall be in the name of the authority
17 and shall not be debts of the state of Washington for which the state
18 or any state agency shall have any obligation to pay; and the
19 authority may not issue bonds. Neither the full faith and credit of
20 the state nor the state's taxing power is pledged for any
21 indebtedness of the authority;

22 (2) Employ and discharge at its discretion employees, agents,
23 advisors, and other personnel;

24 (3) Apply for or solicit, accept, administer, and dispose of
25 grants, gifts, and bequests of money, services, securities, real
26 estate, or other property. However, if the authority accepts a
27 donation designated for a specific purpose, the authority shall use
28 the donation for the designated purpose;

29 (4) Establish, revise, collect, manage, and expend such fees and
30 charges at the state horse park as the authority deems necessary to
31 accomplish its responsibilities;

32 (5) Make such expenditures as are appropriate for paying the
33 administrative costs and expenses of the authority and the state
34 horse park;

35 (6) Authorize use of the state horse park facilities by the
36 general public and by and for compatible nonequestrian events as the
37 authority deems reasonable, so long as the primacy of the center for
38 horse-related purposes is not compromised;

39 (7) Insure its obligations and potential liability;

1 (8) Enter into cooperative agreements with and provide for
2 private nonprofit groups to use the state horse park facilities and
3 property to raise money to contribute gifts, grants, and support to
4 the authority for the purposes of this chapter;

5 (9) Grant concessions or leases at the state horse park upon such
6 terms and conditions as the authority deems appropriate, but in no
7 event shall the term of a concession or lease exceed twenty-five
8 years. Concessions and leases shall be consistent with the purposes
9 of this chapter and may be renegotiated at least every five years;
10 and

11 (10) Generally undertake any and all lawful acts necessary or
12 appropriate to carry out the purposes for which the authority and the
13 state horse park are created.

14 **Sec. 5242.** RCW 79A.35.130 and 2011 c 56 s 1 are each amended to
15 read as follows:

16 Participants in conservation corps programs offered by a
17 nonprofit organization affiliated with a national service
18 organization established under the authority of the national and
19 community service trust act of 1993, P.L. 103-82, are exempt from
20 provisions related to rates of compensation while performing
21 environmental and trail maintenance work provided:

22 (1) The nonprofit organization must be registered as a nonprofit
23 corporation pursuant to chapter ((24.03—RCW)) 24.-- RCW (the new
24 chapter created in section 6101 of this act);

25 (2) The nonprofit organization's management and administrative
26 headquarters must be located in Washington;

27 (3) Participants in the program spend at least fifteen percent of
28 their time in the program on education and training activities; and

29 (4) Participants in the program receive a stipend or living
30 allowance as authorized by federal or state law.

31 Participants are exempt from provisions related to rates of
32 compensation only for environmental and trail maintenance work
33 conducted pursuant to the conservation corps program.

34 **Sec. 5243.** RCW 79A.70.030 and 2014 c 86 s 8 are each amended to
35 read as follows:

36 (1) By September 1, 2000, the commission shall file articles of
37 incorporation in accordance with the Washington nonprofit corporation
38 act, chapter ((24.03—RCW)) 24.-- RCW (the new chapter created in
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1 section 6101 of this act), to establish the Washington state parks
2 foundation. The foundation shall not be an agency, instrumentality,
3 or political subdivision of the state and shall not disburse public
4 funds.

5 (2) The foundation shall have a board of directors consisting of
6 up to fifteen members, whose terms, method of appointment, and
7 authority must be in accordance with the Washington nonprofit
8 corporation act, chapter ((24.03-RCW)) 24.-- RCW (the new chapter
9 created in section 6101 of this act).

10 **Sec. 5244.** RCW 82.04.4251 and 2006 c 310 s 1 are each amended to
11 read as follows:

12 This chapter does not apply to amounts received by a nonprofit
13 corporation organized under chapter ((24.03-RCW)) 24.-- RCW (the new
14 chapter created in section 6101 of this act) as payments or
15 contributions from the state or any county, city, town, municipal
16 corporation, quasi-municipal corporation, federally recognized Indian
17 tribe, port district, or public corporation for the promotion of
18 conventions and tourism.

19 **Sec. 5245.** RCW 82.04.4264 and 2012 c 10 s 71 are each amended to
20 read as follows:

21 (1) This chapter does not apply to amounts received by a
22 nonprofit assisted living facility licensed under chapter 18.20 RCW
23 for providing room and domiciliary care to residents of the assisted
24 living facility.

25 (2) As used in this section:

26 (a) "Domiciliary care" has the meaning provided in RCW 18.20.020.

27 (b) "Nonprofit assisted living facility" means an assisted living
28 facility that is operated as a religious or charitable organization,
29 is exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3), is
30 incorporated under chapter ((24.03-RCW)) 24.-- RCW (the new chapter
31 created in section 6101 of this act), is operated as part of a
32 nonprofit hospital, or is operated as part of a public hospital
33 district.

34 **Sec. 5246.** RCW 82.04.431 and 2011 1st sp.s. c 19 s 3 are each
35 amended to read as follows:

36 (1) The term "health or social welfare organization" means an
37 organization, including any community action council, which renders

1 health or social welfare services as defined in subsection (2) of
2 this section, which is a domestic or foreign (~~(not-for-profit)~~)
3 nonprofit corporation under chapter (~~(24.03-RCW)~~) 24.-- RCW (the new
4 chapter created in section 6101 of this act) and which is managed by
5 a governing board of not less than eight individuals none of whom is
6 a paid employee of the organization or which is a corporation sole
7 under chapter 24.12 RCW. Health or social welfare organization does
8 not include a corporation providing professional services as
9 authorized in chapter 18.100 RCW. In addition a corporation in order
10 to be exempt under RCW 82.04.4297 must satisfy the following
11 conditions:

12 (a) No part of its income may be paid directly or indirectly to
13 its members, stockholders, officers, directors, or trustees except in
14 the form of services rendered by the corporation in accordance with
15 its purposes and bylaws;

16 (b) Salary or compensation paid to its officers and executives
17 must be only for actual services rendered, and at levels comparable
18 to the salary or compensation of like positions within the public
19 service of the state;

20 (c) Assets of the corporation must be irrevocably dedicated to
21 the activities for which the exemption is granted and, on the
22 liquidation, dissolution, or abandonment by the corporation, may not
23 inure directly or indirectly to the benefit of any member or
24 individual except a nonprofit organization, association, or
25 corporation which also would be entitled to the exemption;

26 (d) The corporation must be duly licensed or certified where
27 licensing or certification is required by law or regulation;

28 (e) The amounts received qualifying for exemption must be used
29 for the activities for which the exemption is granted;

30 (f) Services must be available regardless of race, color,
31 national origin, or ancestry; and

32 (g) The director of revenue must have access to its books in
33 order to determine whether the corporation is exempt from taxes
34 within the intent of RCW 82.04.4297 and this section.

35 (2) The term "health or social welfare services" includes and is
36 limited to:

37 (a) Mental health, drug, or alcoholism counseling or treatment;

38 (b) Family counseling;

39 (c) Health care services;

1 (d) Therapeutic, diagnostic, rehabilitative, or restorative
2 services for the care of the sick, aged, or physically,
3 developmentally, or emotionally-disabled individuals;

4 (e) Activities which are for the purpose of preventing or
5 ameliorating juvenile delinquency or child abuse, including
6 recreational activities for those purposes;

7 (f) Care of orphans or foster children;

8 (g) Day care of children;

9 (h) Employment development, training, and placement;

10 (i) Legal services to the indigent;

11 (j) Weatherization assistance or minor home repair for low-income
12 homeowners or renters;

13 (k) Assistance to low-income homeowners and renters to offset the
14 cost of home heating energy, through direct benefits to eligible
15 households or to fuel vendors on behalf of eligible households;

16 (l) Community services to low-income individuals, families, and
17 groups, which are designed to have a measurable and potentially major
18 impact on causes of poverty in communities of the state; and

19 (m) Temporary medical housing, as defined in RCW 82.08.997, if
20 the housing is provided only:

21 (i) While the patient is receiving medical treatment at a
22 hospital required to be licensed under RCW 70.41.090 or at an
23 outpatient clinic associated with such hospital, including any period
24 of recuperation or observation immediately following such medical
25 treatment; and

26 (ii) By a person that does not furnish lodging or related
27 services to the general public.

28 **Sec. 5247.** RCW 82.04.4328 and 2020 c 139 s 9 are each amended to
29 read as follows:

30 (1) For the purposes of RCW 82.04.4327, 82.08.031, and 82.12.031,
31 the term "artistic or cultural organization" means an organization
32 that is organized and operated exclusively for the purpose of
33 providing artistic or cultural exhibitions, presentations, or
34 performances or cultural or art education programs, as defined in
35 subsection (2) of this section, for viewing or attendance by the
36 general public. The organization must be a (~~not-for-profit~~)
37 nonprofit corporation under chapter (~~24.03-RCW~~) 24.-- RCW (the new
38 chapter created in section 6101 of this act) and managed by a
39 governing board of not less than eight individuals none of whom is a

1 paid employee of the organization or by a corporation sole under
2 chapter 24.12 RCW. In addition, to qualify for deduction or exemption
3 from taxation under RCW 82.04.4327, 82.08.031, and 82.12.031, the
4 corporation must satisfy the following conditions:

5 (a) No part of its income may be paid directly or indirectly to
6 its members, stockholders, officers, directors, or trustees except in
7 the form of services rendered by the corporation in accordance with
8 its purposes and bylaws;

9 (b) Salary or compensation paid to its officers and executives
10 must be only for actual services rendered, and at levels comparable
11 to the salary or compensation of like positions within the state;

12 (c) Assets of the corporation must be irrevocably dedicated to
13 the activities for which the exemption is granted and, on the
14 liquidation, dissolution, or abandonment by the corporation, may not
15 inure directly or indirectly to the benefit of any member or
16 individual except a nonprofit organization, association, or
17 corporation which also would be entitled to the exemption;

18 (d) The corporation must be duly licensed or certified when
19 licensing or certification is required by law or regulation;

20 (e) The amounts received that qualify for exemption must be used
21 for the activities for which the exemption is granted;

22 (f) Services must be available regardless of race, color,
23 national origin, or ancestry; and

24 (g) The director of revenue must have access to its books in
25 order to determine whether the corporation is exempt from taxes.

26 (2) The term "artistic or cultural exhibitions, presentations, or
27 performances or cultural or art education programs" includes and is
28 limited to:

29 (a) An exhibition or presentation of works of art or objects of
30 cultural or historical significance, such as those commonly displayed
31 in art or history museums;

32 (b) A musical or dramatic performance or series of performances;
33 or

34 (c) An educational seminar or program, or series of such
35 programs, offered by the organization to the general public on an
36 artistic, cultural, or historical subject.

37 **Sec. 5248.** RCW 82.08.0203 and 2008 c 260 s 1 are each amended to
38 read as follows:

1 The tax levied by RCW 82.08.020 does not apply to sales of trail
2 grooming services to the state of Washington or nonprofit
3 corporations organized under chapter (~~(24.03 RCW)~~) 24.-- RCW (the new
4 chapter created in section 6101 of this act). For the purposes of
5 this section, "trail grooming" means the activity of snow compacting,
6 snow redistribution, or snow removal on state-owned or privately
7 owned trails.

8 **Sec. 5249.** RCW 82.08.0293 and 2019 c 8 s 401 are each amended to
9 read as follows:

10 (1) The tax levied by RCW 82.08.020 does not apply to sales of
11 food and food ingredients. "Food and food ingredients" means
12 substances, whether in liquid, concentrated, solid, frozen, dried, or
13 dehydrated form, that are sold for ingestion or chewing by humans and
14 are consumed for their taste or nutritional value. "Food and food
15 ingredients" does not include:

16 (a) "Alcoholic beverages," which means beverages that are
17 suitable for human consumption and contain one-half of one percent or
18 more of alcohol by volume;

19 (b) "Tobacco," which means cigarettes, cigars, chewing or pipe
20 tobacco, or any other item that contains tobacco; and

21 (c) Marijuana, useable marijuana, or marijuana-infused products.

22 (2) The exemption of "food and food ingredients" provided for in
23 subsection (1) of this section does not apply to prepared food, soft
24 drinks, bottled water, or dietary supplements. The definitions in
25 this subsection apply throughout this section unless the context
26 clearly requires otherwise.

27 (a) "Bottled water" means water that is placed in a safety sealed
28 container or package for human consumption. Bottled water is calorie
29 free and does not contain sweeteners or other additives except that
30 it may contain: (i) Antimicrobial agents; (ii) fluoride; (iii)
31 carbonation; (iv) vitamins, minerals, and electrolytes; (v) oxygen;
32 (vi) preservatives; and (vii) only those flavors, extracts, or
33 essences derived from a spice or fruit. "Bottled water" includes
34 water that is delivered to the buyer in a reusable container that is
35 not sold with the water.

36 (b) "Dietary supplement" means any product, other than tobacco,
37 intended to supplement the diet that:

38 (i) Contains one or more of the following dietary ingredients:

39 (A) A vitamin;

1 (B) A mineral;
2 (C) An herb or other botanical;
3 (D) An amino acid;
4 (E) A dietary substance for use by humans to supplement the diet
5 by increasing the total dietary intake; or
6 (F) A concentrate, metabolite, constituent, extract, or
7 combination of any ingredient described in this subsection;
8 (ii) Is intended for ingestion in tablet, capsule, powder,
9 softgel, gelcap, or liquid form, or if not intended for ingestion in
10 such form, is not represented as conventional food and is not
11 represented for use as a sole item of a meal or of the diet; and
12 (iii) Is required to be labeled as a dietary supplement,
13 identifiable by the "supplement facts" box found on the label as
14 required pursuant to 21 C.F.R. Sec. 101.36, as amended or renumbered
15 as of January 1, 2003.
16 (c) (i) "Prepared food" means:
17 (A) Food sold in a heated state or heated by the seller;
18 (B) Food sold with eating utensils provided by the seller,
19 including plates, knives, forks, spoons, glasses, cups, napkins, or
20 straws. A plate does not include a container or packaging used to
21 transport the food; or
22 (C) Two or more food ingredients mixed or combined by the seller
23 for sale as a single item, except:
24 (I) Food that is only cut, repackaged, or pasteurized by the
25 seller; or
26 (II) Raw eggs, fish, meat, poultry, and foods containing these
27 raw animal foods requiring cooking by the consumer as recommended by
28 the federal food and drug administration in chapter 3, part 401.11 of
29 The Food Code, published by the food and drug administration, as
30 amended or renumbered as of January 1, 2003, so as to prevent
31 foodborne illness.
32 (ii) Food is "sold with eating utensils provided by the seller"
33 if:
34 (A) The seller's customary practice for that item is to
35 physically deliver or hand a utensil to the customer with the food or
36 food ingredient as part of the sales transaction. If the food or food
37 ingredient is prepackaged with a utensil, the seller is considered to
38 have physically delivered a utensil to the customer unless the food
39 and utensil are prepackaged together by a food manufacturer

1 classified under sector 311 of the North American industry
2 classification system (NAICS);

3 (B) A plate, glass, cup, or bowl is necessary to receive the food
4 or food ingredient, and the seller makes those utensils available to
5 its customers; or

6 (C)(I) The seller makes utensils available to its customers, and
7 the seller has more than seventy-five percent prepared food sales.
8 For purposes of this subsection (2)(c)(ii)(C), a seller has more than
9 seventy-five percent prepared food sales if the seller's gross retail
10 sales of prepared food under (c)(i)(A), (c)(i)(C), and (c)(ii)(B) of
11 this subsection equal more than seventy-five percent of the seller's
12 gross retail sales of all food and food ingredients, including
13 prepared food, soft drinks, and dietary supplements.

14 (II) However, even if a seller has more than seventy-five percent
15 prepared food sales, four servings or more of food or food
16 ingredients packaged for sale as a single item and sold for a single
17 price are not "sold with utensils provided by the seller" unless the
18 seller's customary practice for the package is to physically hand or
19 otherwise deliver a utensil to the customer as part of the sales
20 transaction. Whenever available, the number of servings included in a
21 package of food or food ingredients must be determined based on the
22 manufacturer's product label. If no label is available, the seller
23 must reasonably determine the number of servings.

24 (III) The seller must determine a single prepared food sales
25 percentage annually for all the seller's establishments in the state
26 based on the prior year of sales. The seller may elect to determine
27 its prepared food sales percentage based either on the prior calendar
28 year or on the prior fiscal year. A seller may not change its elected
29 method for determining its prepared food percentage without the
30 written consent of the department. The seller must determine its
31 annual prepared food sales percentage as soon as possible after
32 accounting records are available, but in no event later than ninety
33 days after the beginning of the seller's calendar or fiscal year. A
34 seller may make a good faith estimate of its first annual prepared
35 food sales percentage if the seller's records for the prior year are
36 not sufficient to allow the seller to calculate the prepared food
37 sales percentage. The seller must adjust its good faith estimate
38 prospectively if its relative sales of prepared foods in the first
39 ninety days of operation materially depart from the seller's
40 estimate.

1 (iii) "Prepared food" does not include the following items, if
2 sold without eating utensils provided by the seller:

3 (A) Food sold by a seller whose proper primary NAICS
4 classification is manufacturing in sector 311, except subsector 3118
5 (bakeries), as provided in the "North American industry
6 classification system—United States, 2002";

7 (B) Food sold in an unheated state by weight or volume as a
8 single item; or

9 (C) Bakery items. The term "bakery items" includes bread, rolls,
10 buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes,
11 tortes, pies, tarts, muffins, bars, cookies, or tortillas.

12 (d) "Soft drinks" means nonalcoholic beverages that contain
13 natural or artificial sweeteners. Soft drinks do not include
14 beverages that contain: Milk or milk products; soy, rice, or similar
15 milk substitutes; or greater than fifty percent of vegetable or fruit
16 juice by volume.

17 (3) Notwithstanding anything in this section to the contrary, the
18 exemption of "food and food ingredients" provided in this section
19 applies to food and food ingredients that are furnished, prepared, or
20 served as meals:

21 (a) Under a state administered nutrition program for the aged as
22 provided for in the older Americans act (P.L. 95-478 Title III) and
23 RCW 74.38.040(6);

24 (b) That are provided to senior citizens, individuals with
25 disabilities, or low-income persons by a (~~(not-for-profit)~~) nonprofit
26 organization organized under chapter (~~(24.03)~~) 24.-- (the new chapter
27 created in section 6101 of this act) or 24.12 RCW; or

28 (c) That are provided to residents, sixty-two years of age or
29 older, of a qualified low-income senior housing facility by the
30 lessor or operator of the facility. The sale of a meal that is billed
31 to both spouses of a marital community or both domestic partners of a
32 domestic partnership meets the age requirement in this subsection
33 (3)(c) if at least one of the spouses or domestic partners is at
34 least sixty-two years of age. For purposes of this subsection,
35 "qualified low-income senior housing facility" means a facility:

36 (i) That meets the definition of a qualified low-income housing
37 project under 26 U.S.C. Sec. 42 of the federal internal revenue code,
38 as existing on August 1, 2009;

39 (ii) That has been partially funded under 42 U.S.C. Sec. 1485;
40 and

1 (iii) For which the lessor or operator has at any time been
2 entitled to claim a federal income tax credit under 26 U.S.C. Sec. 42
3 of the federal internal revenue code.

4 (4) (a) Subsection (1) of this section notwithstanding, the retail
5 sale of food and food ingredients is subject to sales tax under RCW
6 82.08.020 if the food and food ingredients are sold through a vending
7 machine. Except as provided in (b) of this subsection, the selling
8 price of food and food ingredients sold through a vending machine for
9 purposes of RCW 82.08.020 is fifty-seven percent of the gross
10 receipts.

11 (b) For soft drinks, bottled water, and hot prepared food and
12 food ingredients, other than food and food ingredients which are
13 heated after they have been dispensed from the vending machine, the
14 selling price is the total gross receipts of such sales divided by
15 the sum of one plus the sales tax rate expressed as a decimal.

16 (c) For tax collected under this subsection (4), the requirements
17 that the tax be collected from the buyer and that the amount of tax
18 be stated as a separate item are waived.

19 **Sec. 5250.** RCW 82.12.0293 and 2017 3rd sp.s. c 28 s 102 are each
20 amended to read as follows:

21 (1) The provisions of this chapter do not apply in respect to the
22 use of food and food ingredients for human consumption. "Food and
23 food ingredients" has the same meaning as in RCW 82.08.0293.

24 (2) The exemption of "food and food ingredients" provided for in
25 subsection (1) of this section does not apply to prepared food, soft
26 drinks, bottled water, or dietary supplements. "Prepared food," "soft
27 drinks," "bottled water," and "dietary supplements" have the same
28 meanings as in RCW 82.08.0293.

29 (3) Notwithstanding anything in this section to the contrary, the
30 exemption of "food and food ingredients" provided in this section
31 applies to food and food ingredients which are furnished, prepared,
32 or served as meals:

33 (a) Under a state administered nutrition program for the aged as
34 provided for in the older Americans act (P.L. 95-478 Title III) and
35 RCW 74.38.040(6);

36 (b) Which are provided to senior citizens, individuals with
37 disabilities, or low-income persons by a (~~not-for-profit~~) nonprofit
38 organization organized under chapter (~~(24.03)~~) 24.-- (the new chapter
39 created in section 6101 of this act) or 24.12 RCW; or

1 (c) That are provided to residents, sixty-two years of age or
2 older, of a qualified low-income senior housing facility by the
3 lessor or operator of the facility. The sale of a meal that is billed
4 to both spouses of a marital community or both domestic partners of a
5 domestic partnership meets the age requirement in this subsection
6 (3)(c) if at least one of the spouses or domestic partners is at
7 least sixty-two years of age. For purposes of this subsection,
8 "qualified low-income senior housing facility" has the same meaning
9 as in RCW 82.08.0293.

10 **Sec. 5251.** RCW 88.46.065 and 1994 sp.s. c 9 s 853 are each
11 amended to read as follows:

12 A nonprofit corporation established for the sole purpose of
13 providing contingency plan coverage for any vessel in compliance with
14 RCW 88.46.060 is entitled to liability protection as provided in this
15 section. Obligations incurred by the corporation and any other
16 liabilities or claims against the corporation may be enforced only
17 against the assets of the corporation, and no liability for the debts
18 or actions of the corporation exists against a director, officer,
19 member, employee, incident commander, agent, contractor, or
20 subcontractor of the corporation in his or her individual or
21 representative capacity. Except as otherwise provided in this
22 chapter, neither the directors, officers, members, employees,
23 incident (~~commander[s]~~) commanders, or agents of the corporation,
24 nor the business entities by whom they are regularly employed may be
25 held individually responsible for discretionary decisions, errors in
26 judgment, mistakes, or other acts, either of commission or omission,
27 that are directly related to the operation or implementation of
28 contingency plans, other than for acts of gross negligence or willful
29 or wanton misconduct. The corporation may insure and defend and
30 indemnify the directors, officers, members, employees, incident
31 commanders, and agents to the extent permitted by chapters 23B.08 and
32 (~~24.03~~) 24.-- (the new chapter created in section 6101 of this act)
33 RCW. This section does not alter or limit the responsibility or
34 liability of any person for the operation of a motor vehicle.

35 **Sec. 5252.** RCW 89.08.405 and 2015 c 88 s 1 are each amended to
36 read as follows:

37 (1) Any county legislative authority may approve by resolution
38 revenues to a conservation district by fixing rates and charges. The 342

1 county legislative authority may provide for this system of rates and
2 charges as an alternative to, but not in addition to, a special
3 assessment provided by RCW 89.08.400. In fixing rates and charges,
4 the county legislative authority may in its discretion consider the
5 information proposed to the county legislative authority by a
6 conservation district consistent with this section.

7 (2) A conservation district, in proposing a system of rates and
8 charges, may consider:

9 (a) Services furnished, to be furnished, or available to the
10 landowner;

11 (b) Benefits received, to be received, or available to the
12 property;

13 (c) The character and use of land;

14 (d) The ~~((nonprofit))~~ public benefit nonprofit corporation
15 status, as defined in ~~((RCW 24.03.490))~~ section 1701 of this act, of
16 the land user;

17 (e) The income level of persons served or provided benefits under
18 this chapter, including senior citizens and disabled persons; or

19 (f) Any other matters that present a reasonable difference as a
20 ground for distinction, including the natural resource needs within
21 the district and the capacity of the district to provide either
22 services or improvements, or both.

23 (3) (a) The system of rates and charges may include an annual per
24 acre amount, an annual per parcel amount, or an annual per parcel
25 amount plus an annual per acre amount. If included in the system of
26 rates and charges, the maximum annual per acre rate or charge shall
27 not exceed ten cents per acre. The maximum annual per parcel rate
28 shall not exceed five dollars, except that for counties with a
29 population of over four hundred eighty thousand persons, the maximum
30 annual per parcel rate shall not exceed ten dollars, and for counties
31 with a population of over one million five hundred thousand persons,
32 the maximum annual per parcel rate shall not exceed fifteen dollars.

33 (b) Public land, including lands owned or held by the state,
34 shall be subject to rates and charges to the same extent as privately
35 owned lands. The procedures provided in chapter 79.44 RCW shall be
36 followed if lands owned or held by the state are subject to the rates
37 and charges of a conservation district.

38 (c) Forestlands used solely for the planting, growing, or
39 harvesting of trees may be subject to rates and charges if such lands
40 are served by the activities of the conservation district. However,³⁴³

1 if the system of rates and charges includes an annual per acre amount
2 or an annual per parcel amount plus an annual per acre amount, the
3 per acre rate or charge on such forestlands shall not exceed
4 one-tenth of the weighted average per acre rate or charge on all
5 other lands within the conservation district that are subject to
6 rates and charges. The calculation of the weighted average per acre
7 shall be a ratio calculated as follows: (i) The numerator shall be
8 the total amount of money estimated to be derived from the per acre
9 special rates and charges on the nonforestlands in the conservation
10 district; and (ii) the denominator shall be the total number of
11 nonforestland acres in the conservation district that are served by
12 the activities of the conservation district and that are subject to
13 the rates or charges of the conservation district. No more than ten
14 thousand acres of such forestlands that is both owned by the same
15 person or entity and is located in the same conservation district may
16 be subject to the rates and charges that are imposed for that
17 conservation district in any year. Per parcel charges shall not be
18 imposed on forestland parcels. However, in lieu of a per parcel
19 charge, a charge of up to three dollars per forestland owner may be
20 imposed on each owner of forestlands whose forestlands are subject to
21 a per acre rate or charge.

22 (4) The consideration, development, adoption, and implementation
23 of a system of rates and charges shall follow the same public notice
24 and hearing process and be subject to the same procedure and
25 authority of RCW 89.08.400(2).

26 (5)(a) Following the adoption of a system of rates and charges,
27 the conservation district board of supervisors shall establish by
28 resolution a process providing for landowner appeals of the
29 individual rates and charges as applicable to a parcel or parcels.

30 (b) Any appeal must be filed by the landowner with the
31 conservation district no later than twenty-one days after the date
32 property taxes are due. The decision of the board of supervisors
33 regarding any appeal shall be final and conclusive.

34 (c) Any appeal of the decision of the board shall be to the
35 superior court of the county in which the district is located, and
36 served and filed within twenty-one days of the date of the board's
37 written decision.

38 (6) A conservation district shall prepare a roll that implements
39 the system of rates and charges approved by the county legislative
40 authority. The rates and charges from the roll shall be spread by the

1 county assessor as a separate item on the tax rolls and shall be
2 collected and accounted for with property taxes by the county
3 treasurer. The amount of the rates and charges shall constitute a
4 lien against the land that shall be subject to the same conditions as
5 a tax lien, and collected by the treasurer in the same manner as
6 delinquent real property taxes, and subject to the same interest and
7 penalty as for delinquent property taxes. The county treasurer shall
8 deduct an amount from the collected rates and charges, as established
9 by the county legislative authority, to cover the costs incurred by
10 the county assessor and county treasurer in spreading and collecting
11 the rates and charges, but not to exceed the actual costs of such
12 work. All remaining funds collected under this section shall be
13 transferred to the conservation district and used by the conservation
14 district in accordance with this section.

15 (7) The rates and charges for a conservation district shall not
16 be spread on the tax rolls and shall not be allocated with property
17 tax collections in the following year if, after the system of rates
18 and charges has been approved by the county legislative authority but
19 before the fifteenth day of December in that year, a petition has
20 been filed with the county legislative authority objecting to the
21 imposition of such rates and charges, which petition has been signed
22 by at least twenty percent of the owners of land that would be
23 subject to the rate or charge to be imposed for a conservation
24 district.

25 **ARTICLE 3**
26 **REPEALER**

27 NEW SECTION. **Sec. 5301.** The following acts or parts of acts are
28 each repealed:

29 (1) RCW 24.03.005 (Definitions) and 2020 c 57 s 80, 2015 c 176 s
30 3101, 2004 c 265 s 1, 2002 c 74 s 4, 1989 c 291 s 3, 1986 c 240 s 1,
31 1982 c 35 s 72, & 1967 c 235 s 2;

32 (2) RCW 24.03.009 (Notice by electronic transmission—Consent
33 required—When effective) and 2004 c 265 s 4;

34 (3) RCW 24.03.010 (Applicability) and 1971 ex.s. c 53 s 1 & 1967
35 c 235 s 3;

36 (4) RCW 24.03.015 (Purposes) and 1986 c 240 s 2, 1983 c 106 s 22,
37 & 1967 c 235 s 4;

1 (5) RCW 24.03.017 (Corporation may elect to have chapter apply to
2 it—Procedure) and 2015 c 176 s 3102, 2004 c 265 s 5, 1982 c 35 s 73,
3 & 1971 ex.s. c 53 s 2;
4 (6) RCW 24.03.020 (Incorporators) and 2004 c 265 s 6, 1986 c 240
5 s 3, 1982 c 35 s 74, & 1967 c 235 s 5;
6 (7) RCW 24.03.025 (Articles of incorporation) and 1987 c 212 s
7 703, 1982 c 35 s 75, & 1967 c 235 s 6;
8 (8) RCW 24.03.027 (Filing false statements—Penalty);
9 (9) RCW 24.03.030 (Limitations) and 1986 c 240 s 4 & 1967 c 235 s
10 7;
11 (10) RCW 24.03.035 (General powers) and 1991 c 72 s 42, 1986 c
12 240 s 5, & 1967 c 235 s 8;
13 (11) RCW 24.03.040 (Defense of ultra vires) and 1967 c 235 s 9;
14 (12) RCW 24.03.043 (Indemnification of agents of any corporation
15 authorized);
16 (13) RCW 24.03.045 (Corporate name) and 2015 c 176 s 3103, 2004 c
17 265 s 7, 1998 c 102 s 3, 1994 c 211 s 1305, 1989 c 291 s 10, 1987 c
18 55 s 39, 1986 c 240 s 6, 1982 c 35 s 76, & 1967 c 235 s 10;
19 (14) RCW 24.03.046 (Reservation of exclusive right to use a
20 corporate name) and 2015 c 176 s 3104, 1993 c 356 s 1, & 1982 c 35 s
21 77;
22 (15) RCW 24.03.047 (Registration of corporate name) and 2015 c
23 176 s 3105, 1994 c 211 s 1306, 1993 c 356 s 2, 1987 c 55 s 40, 1986 c
24 240 s 7, & 1982 c 35 s 78;
25 (16) RCW 24.03.048 (Renewal of registration of corporate name)
26 and 2015 c 176 s 3106, 1986 c 240 s 8, & 1982 c 35 s 79;
27 (17) RCW 24.03.050 (Registered agent) and 2015 c 176 s 3107, 2009
28 c 202 s 1, 2004 c 265 s 8, 1986 c 240 s 9, 1982 c 35 s 80, 1969 ex.s.
29 c 163 s 1, & 1967 c 235 s 11;
30 (18) RCW 24.03.055 (Change of registered agent) and 2015 c 176 s
31 3108, 2004 c 265 s 9, 1993 c 356 s 3, 1986 c 240 s 10, 1982 c 35 s
32 81, & 1967 c 235 s 12;
33 (19) RCW 24.03.060 (Service of process on corporation) and 2015 c
34 176 s 3109, 1986 c 240 s 11, 1982 c 35 s 82, & 1967 c 235 s 13;
35 (20) RCW 24.03.065 (Members—Member committees) and 2004 c 98 s 1,
36 1986 c 240 s 12, & 1967 c 235 s 14;
37 (21) RCW 24.03.070 (Bylaws) and 1991 c 72 s 43, 1986 c 240 s 13,
38 & 1967 c 235 s 15;

1 (22) RCW 24.03.075 (Meetings of members and committees of
2 members) and 2004 c 98 s 2, 1986 c 240 s 14, & 1967 c 235 s 16;
3 (23) RCW 24.03.080 (Notice of members' meetings) and 2004 c 265 s
4 10, 1969 ex.s. c 115 s 1, & 1967 c 235 s 17;
5 (24) RCW 24.03.085 (Voting) and 2004 c 265 s 11, 1969 ex.s. c 115
6 s 2, & 1967 c 235 s 18;
7 (25) RCW 24.03.090 (Quorum) and 1967 c 235 s 19;
8 (26) RCW 24.03.095 (Board of directors) and 1967 c 235 s 20;
9 (27) RCW 24.03.100 (Number and election or appointment of
10 directors) and 1986 c 240 s 15 & 1967 c 235 s 21;
11 (28) RCW 24.03.103 (Removal of directors) and 1986 c 240 s 16;
12 (29) RCW 24.03.1031 (Judicial removal of directors) and 1999 c 32
13 s 1;
14 (30) RCW 24.03.105 (Vacancies) and 2011 c 336 s 655, 1986 c 240 s
15 17, & 1967 c 235 s 22;
16 (31) RCW 24.03.110 (Quorum of directors) and 1986 c 240 s 18 &
17 1967 c 235 s 23;
18 (32) RCW 24.03.113 (Assent presumed—Procedures for dissent or
19 abstention) and 2004 c 265 s 12 & 1986 c 240 s 19;
20 (33) RCW 24.03.115 (Committees) and 2011 c 336 s 656, 1986 c 240
21 s 20, & 1967 c 235 s 24;
22 (34) RCW 24.03.120 (Place and notice of directors' meetings) and
23 2004 c 265 s 13, 1986 c 240 s 21, & 1967 c 235 s 25;
24 (35) RCW 24.03.125 (Officers) and 1986 c 240 s 22 & 1967 c 235 s
25 26;
26 (36) RCW 24.03.127 (Duties of a director) and 1986 c 240 s 23;
27 (37) RCW 24.03.130 (Removal of officers) and 1967 c 235 s 27;
28 (38) RCW 24.03.135 (Required documents in the form of a record—
29 Inspection—Copying) and 2004 c 265 s 14, 1986 c 240 s 24, & 1967 c
30 235 s 28;
31 (39) RCW 24.03.140 (Loans to directors and officers prohibited)
32 and 1967 c 235 s 29;
33 (40) RCW 24.03.145 (Filing of articles of incorporation) and 2015
34 c 176 s 3110, 2002 c 74 s 7, 1982 c 35 s 83, & 1967 c 235 s 30;
35 (41) RCW 24.03.150 (Effect of filing the articles of
36 incorporation) and 1986 c 240 s 25, 1982 c 35 s 84, & 1967 c 235 s
37 31;
38 (42) RCW 24.03.155 (Organization meetings) and 2004 c 265 s 15,
39 1986 c 240 s 26, & 1967 c 235 s 32;

1 (43) RCW 24.03.160 (Right to amend articles of incorporation) and
2 1967 c 235 s 33;

3 (44) RCW 24.03.165 (Procedure to amend articles of incorporation)
4 and 2004 c 265 s 16, 1986 c 240 s 27, & 1967 c 235 s 34;

5 (45) RCW 24.03.170 (Articles of amendment) and 2004 c 265 s 17,
6 1982 c 35 s 85, & 1967 c 235 s 35;

7 (46) RCW 24.03.175 (Filing of articles of amendment) and 2015 c
8 176 s 3111, 2002 c 74 s 8, 1982 c 35 s 86, & 1967 c 235 s 36;

9 (47) RCW 24.03.180 (Effect of filing of articles of amendment)
10 and 2015 c 176 s 3112, 1986 c 240 s 28, 1982 c 35 s 87, & 1967 c 235
11 s 37;

12 (48) RCW 24.03.183 (Restated articles of incorporation) and 2015
13 c 176 s 3113, 2004 c 265 s 18, 2002 c 74 s 9, 1986 c 240 s 29, & 1982
14 c 35 s 88;

15 (49) RCW 24.03.185 (Procedure for merger) and 1986 c 240 s 30 &
16 1967 c 235 s 38;

17 (50) RCW 24.03.190 (Procedure for consolidation) and 1986 c 240 s
18 31 & 1967 c 235 s 39;

19 (51) RCW 24.03.195 (Approval of merger or consolidation) and 2004
20 c 265 s 19, 1986 c 240 s 32, & 1967 c 235 s 40;

21 (52) RCW 24.03.200 (Articles of merger or consolidation) and 2015
22 c 176 s 3114, 2004 c 265 s 20, 2002 c 74 s 10, 1986 c 240 s 33, 1982
23 c 35 s 89, & 1967 c 235 s 41;

24 (53) RCW 24.03.205 (Merger or consolidation—When effective) and
25 2015 c 176 s 3115, 1986 c 240 s 34, 1982 c 35 s 90, & 1967 c 235 s
26 42;

27 (54) RCW 24.03.207 (Merger or consolidation of domestic and
28 foreign corporation) and 2015 c 176 s 3116, 2004 c 265 s 21, 1986 c
29 240 s 35, & 1982 c 35 s 91;

30 (55) RCW 24.03.210 (Effect of merger or consolidation) and 1967 c
31 235 s 43;

32 (56) RCW 24.03.215 (Sale, lease, exchange, or other disposition
33 of assets not in the ordinary course of business) and 2004 c 265 s
34 22, 1986 c 240 s 36, & 1967 c 235 s 44;

35 (57) RCW 24.03.217 (Sale, lease, exchange, or disposition of
36 assets in course of business—Mortgage and pledge of assets) and 1986
37 c 240 s 37;

38 (58) RCW 24.03.220 (Voluntary dissolution) and 2004 c 265 s 23,
39 1986 c 240 s 38, 1982 c 35 s 92, & 1967 c 235 s 45;

40 (59) RCW 24.03.225 (Distribution of assets) and 1967 c 235 s 46; 348

1 (60) RCW 24.03.230 (Plan of distribution) and 2011 c 336 s 657,
2 2004 c 265 s 24, 1969 ex.s. c 115 s 3, & 1967 c 235 s 47;
3 (61) RCW 24.03.235 (Revocation of voluntary dissolution
4 proceedings) and 2004 c 265 s 25 & 1967 c 235 s 48;
5 (62) RCW 24.03.240 (Articles of dissolution) and 2004 c 265 s 26,
6 1993 c 356 s 4, 1982 c 35 s 93, & 1967 c 235 s 49;
7 (63) RCW 24.03.245 (Filing of articles of dissolution) and 2015 c
8 176 s 3117, 2002 c 74 s 11, 1982 c 35 s 94, & 1967 c 235 s 50;
9 (64) RCW 24.03.250 (Involuntary dissolution) and 1969 ex.s. c 163
10 s 2 & 1967 c 235 s 51;
11 (65) RCW 24.03.255 (Notification to attorney general) and 1982 c
12 35 s 95, 1969 ex.s. c 163 s 3, & 1967 c 235 s 52;
13 (66) RCW 24.03.260 (Venue and process) and 1967 c 235 s 53;
14 (67) RCW 24.03.266 (Dissolution of a nonprofit corporation—
15 Superior courts) and 2010 c 212 s 1;
16 (68) RCW 24.03.271 (Dissolution of a nonprofit corporation—Venue
17 —Proceedings—Court's authority—Distribution of assets) and 2010 c
18 212 s 2;
19 (69) RCW 24.03.276 (Dissolution of a nonprofit corporation—
20 Decree) and 2010 c 212 s 3;
21 (70) RCW 24.03.295 (Filing of decree of dissolution) and 1986 c
22 240 s 40 & 1967 c 235 s 60;
23 (71) RCW 24.03.300 (Survival of remedy after dissolution—
24 Extension of duration of corporation) and 2015 c 176 s 3118, 1986 c
25 240 s 41, 1982 c 35 s 96, & 1967 c 235 s 61;
26 (72) RCW 24.03.302 (Administrative dissolution—Reinstatement—
27 Survival of actions) and 2015 c 176 s 3119, 1994 c 287 s 8, 1993 c
28 356 s 5, 1987 c 117 s 3, 1986 c 240 s 42, 1982 c 35 s 97, 1971 ex.s.
29 c 128 s 1, & 1969 ex.s. c 163 s 9;
30 (73) RCW 24.03.305 (Registration of foreign corporation—Authority
31 to conduct affairs) and 2015 c 176 s 3120, 1993 c 181 s 12, 1986 c
32 240 s 43, & 1967 c 235 s 62;
33 (74) RCW 24.03.310 (Powers of foreign corporation—Effect of
34 registration—Governing law) and 2015 c 176 s 3121 & 1967 c 235 s 63;
35 (75) RCW 24.03.315 (Corporate name of foreign corporation—
36 Fictitious name) and 2015 c 176 s 3122, 1982 c 35 s 98, & 1967 c 235
37 s 64;
38 (76) RCW 24.03.325 (Foreign registration statement) and 2015 c
39 176 s 3123, 2002 c 74 s 12, 1986 c 240 s 45, & 1967 c 235 s 66;

1 (77) RCW 24.03.332 (Certificate of authority as insurance company
2 —Filing of records) and 2004 c 265 s 28 & 1998 c 23 s 12;
3 (78) RCW 24.03.334 (Certificate of authority as insurance company
4 —Registration or reservation of name) and 1998 c 23 s 13;
5 (79) RCW 24.03.335 (Effect of foreign registration statement—
6 Right of state to terminate registration) and 2015 c 176 s 3124, 1982
7 c 35 s 100, & 1967 c 235 s 68;
8 (80) RCW 24.03.340 (Registered agent of foreign corporation) and
9 2015 c 176 s 3125, 2004 c 265 s 29, 1982 c 35 s 101, & 1967 c 235 s
10 69;
11 (81) RCW 24.03.345 (Change of registered agent of foreign
12 corporation) and 2015 c 176 s 3126, 2004 c 265 s 30, 1993 c 356 s 6,
13 1986 c 240 s 47, 1982 c 35 s 102, & 1967 c 235 s 70;
14 (82) RCW 24.03.350 (Service on foreign corporation) and 2015 c
15 176 s 3127, 2011 c 336 s 658, 1986 c 240 s 48, 1982 c 35 s 103, &
16 1967 c 235 s 71;
17 (83) RCW 24.03.360 (Merger of foreign corporation authorized to
18 conduct affairs in this state) and 1986 c 240 s 49 & 1967 c 235 s 73;
19 (84) RCW 24.03.365 (Amended foreign registration statement) and
20 2015 c 176 s 3128, 2004 c 265 s 31, & 1967 c 235 s 74;
21 (85) RCW 24.03.370 (Withdrawal of foreign corporation) and 2015 c
22 176 s 3129, 1993 c 356 s 7, 1982 c 35 s 104, & 1967 c 235 s 75;
23 (86) RCW 24.03.380 (Termination of registration) and 2015 c 176 s
24 3130, 2004 c 265 s 32, 1986 c 240 s 50, 1982 c 35 s 106, & 1967 c 235
25 s 77;
26 (87) RCW 24.03.390 (Conducting affairs without registering) and
27 2015 c 176 s 3131, 1986 c 240 s 52, & 1967 c 235 s 79;
28 (88) RCW 24.03.395 (Annual report of domestic and foreign
29 corporations) and 2015 c 176 s 3132, 1993 c 356 s 10, 1989 c 291 s 2,
30 1987 c 117 s 4, 1986 c 240 s 53, 1982 c 35 s 108, & 1967 c 235 s 80;
31 (89) RCW 24.03.405 (Applicable fees, charges, and penalties) and
32 2015 c 176 s 3133, 2010 1st sp.s. c 29 s 3, 1993 c 269 s 5, 1991 c
33 223 s 1, 1987 c 117 s 5, 1986 c 240 s 55, 1982 c 35 s 110, 1981 c 230
34 s 5, 1969 ex.s. c 163 s 5, & 1967 c 235 s 82;
35 (90) RCW 24.03.417 (Fees for services by secretary of state);
36 (91) RCW 24.03.420 (Penalties imposed upon corporation) and 1969
37 ex.s. c 163 s 7 & 1967 c 235 s 85;
38 (92) RCW 24.03.425 (Penalties imposed upon directors and
39 officers) and 2015 c 176 s 3134, 2004 c 265 s 34, & 1967 c 235 s 86.

1 (93) RCW 24.03.430 (Interrogatories by secretary of state) and
2 2004 c 265 s 35, 1982 c 35 s 112, & 1967 c 235 s 87;
3 (94) RCW 24.03.435 (Confidential nature of information disclosed
4 by interrogatories) and 1982 c 35 s 113 & 1967 c 235 s 88;
5 (95) RCW 24.03.440 (Power and authority of secretary of state)
6 and 1982 c 35 s 114 & 1967 c 235 s 89;
7 (96) RCW 24.03.445 (Duty of secretary of state to file—Review of
8 refusal to file) and 2015 c 176 s 3135, 2004 c 265 s 36, 1986 c 240 s
9 56, 1982 c 35 s 115, & 1967 c 235 s 90;
10 (97) RCW 24.03.455 (Greater voting requirements) and 1967 c 235 s
11 92;
12 (98) RCW 24.03.460 (Waiver of notice) and 2004 c 265 s 38 & 1967
13 c 235 s 93;
14 (99) RCW 24.03.465 (Action by members or directors without a
15 meeting) and 2004 c 265 s 39 & 1967 c 235 s 94;
16 (100) RCW 24.03.470 (Unauthorized assumption of corporate powers)
17 and 1967 c 235 s 95;
18 (101) RCW 24.03.480 (Postsecondary education loans—Interest
19 rates) and 1989 c 166 s 1;
20 (102) RCW 24.03.490 (Public benefit nonprofit corporation
21 designation established) and 1989 c 291 s 4;
22 (103) RCW 24.03.500 (Public benefit nonprofit corporations—
23 Temporary designation) and 1989 c 291 s 5;
24 (104) RCW 24.03.510 (Public benefit nonprofit corporations—
25 Application) and 1989 c 291 s 6;
26 (105) RCW 24.03.520 (Public benefit nonprofit corporations—
27 Renewal) and 1989 c 291 s 7;
28 (106) RCW 24.03.530 (Public benefit nonprofit corporations—Fees)
29 and 1989 c 291 s 8;
30 (107) RCW 24.03.540 (Public benefit nonprofit corporations—
31 Removal of status) and 1989 c 291 s 9;
32 (108) RCW 24.03.550 (Host home programs—Registration) and 2016 c
33 166 s 3;
34 (109) RCW 24.03.900 (Short title) and 1967 c 235 s 1;
35 (110) RCW 24.03.905 (Savings—1967 c 235) and 1967 c 235 s 96;
36 (111) RCW 24.03.915 (Notice to existing corporations) and 1982 c
37 35 s 117, 1969 ex.s. c 163 s 8, & 1967 c 235 s 98;
38 (112) RCW 24.03.920 (Repealer—Exception) and 1967 c 235 s 100;
39 and

1 (113) RCW 24.03.925 (Effective date—1967 c 235) and 1967 c 235 s
2 99.

3 **PART VI**
4 **IMPLEMENTATION**

5 NEW SECTION. **Sec. 6101.** CODIFICATION. Sections 1101 through
6 4203 of this act constitute a new chapter in Title 24 RCW.

7 NEW SECTION. **Sec. 6102.** SEVERABILITY. If any provision of this
8 act or its application to any person or circumstance is held invalid,
9 the remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 6103.** EFFECTIVE DATE. Except for section 5204
12 of this act, this act takes effect January 1, 2022.

13 NEW SECTION. **Sec. 6104.** EFFECTIVE DATE. Section 5204 of this
14 act takes effect July 1, 2022.

--- END ---

TO: WSBA Board of Governors
FROM: Pres. Kyle Sciuchetti
DATE: October 28, 2020
RE: Proposed changes to the charter for the Task Force Team Administering Xenial Involvement with Court Appointed Boards to change the make-up

ACTION: Approve proposed amendments to charter of the Task Force Administering Xenial Involvement with Court Appointed Boards to change the composition of the task force.

The charter of the Task Force Administering Xenial Involvement with Court Appointed Boards was approved by the Board of Governors on April 17, 2020. Its purpose is to work with the Washington Supreme Court and WSBA's Court appointed entities to clarify the WSBA's role in administering these entities so as to minimize the conflicts that have sometimes arisen throughout WSBA's history.

The amendments accomplish two things:

1. Changing the membership of the Task Force to include the WSBA President-Elect, Immediate Past President, and President and
2. Expanding the membership to include representatives of the Supreme Court entities that are the subject of the Task Force.

Attached, please find a redlined and proposed clean version of the revised charter.

Charter

WSBA
Board of Governors

Purpose

TASK FORCE TEAM TO BEGIN COLLABORATIVE DISCUSSION WITH COURT REGARDING DELEGATED ADMINISTRATED ENTITIES ON ISSUES BOTH SUBSTANTIVE, FISCAL, AND ADMINISTRATIVE DUE TO THE CONTINUAL CONFLICTS RESULTING

Overall Role and Responsibility

The Washington State Bar Association (WSBA) Board of Governors recognizes the need for a task force to be able to work with the Washington Supreme Court to coordinate efforts to administer Court Boards and facilitate cooperation and the sharing of information between the Court and the WSBA on issues related to substantive, fiscal and administrative concerns.

The Task Force Team Administering Xenial Involvement with Court Appointed Boards will be comprised of the President, President-Elect, Immediate Past President and four sitting Governors from the WSBA; one representative of each of the Court Appointed Boards identified below in paragraph 1; and one WSBA staff liaison to advise and counsel the Task Force.

The Task Force responsibilities will include:

1. Assessing the WSBA's collaborative role in administering Court appointed Boards, to include current and future boards appointed or established by the Court. Currently, these Boards include the Access to Justice Board, Disciplinary Board, Limited License Legal Technician Board, Limited Practice Board, Mandatory Continuing Legal Education Board and the Practice of Law Board (Court Appointed Boards).
2. Working with the Court and the Court Appointed Boards to ensure that WSBA's administration of current Court Appointed Boards is consistent with the Court's intent and to share information that will enable the Court Appointed Boards to better serve their missions. This includes providing information regarding the fiscal impact of the Court Appointed Board and substantive measures that could be taken to improve and better facilitate the Boards.
3. Conveying to the court substantive information about the Boards and member concerns.

Action Taken by the Task Force

Action of the Task Force shall be made by majority/consensus decision of the Task Force.

Roster

Kyle Sciuchetti – Chair; President
Brian Tollefson – President-Elect
Rajeev Majumdar – Immediate Past President
Dan Clark – Treasurer, Governor District 4
P.J. Grabicki – Governor District 5
Jean Kang – Governor District 7 South
Sunitha Anjilvel – Governor District 1
TBD – Access to Justice Board
TBD – Disciplinary Board
TBD – Limited License Legal Technician Board
TBD – Limited Practice Officer Board
TBD – Mandatory Continuing Legal Education Board
TBD – Practice of Law Board

Charter

WSBA
Board of Governors

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~~Brian Tollefson – Governor District 8~~President-Elect

Rajeev Majumdar – Immediate Past President

Dan Clark – Treasurer, Governor District 4

P.J. Grabicki – Governor District 5

Jean Kang – Governor District 7 South

~~Brian Tollefson – Governor District 8~~

Sunitha Anjilvel – Governor District 1

TBD – Access to Justice Board

TBD – Disciplinary Board

TBD – Limited License Legal Technician Board

TBD – Limited Practice Officer Board

TBD – Mandatory Continuing Legal Education Board

TBD – Practice of Law Board

TO: WSBA Board of Governors
FROM: Renata de Carvalho Garcia, Chief Regulatory Counsel
DATE: October 21, 2020
RE: Proposed Amendments to WSBA Bylaws Articles III, IX, and XI Re: Pro Bono Status

FIRST READ : The Regulatory Services Department presents for first reading proposed technical amendments to the WSBA Bylaws related to the recently adopted amendments to APR 3(g), Pro Bono Admission.

By orders dated October 7, 2020, the Washington Supreme Court recently adopted amendments to APR 3(g), Pro Bono Admission, and approved related amendments to the WSBA Bylaws. Those amendments related to changing the name of emeritus pro bono status to simply pro bono status. Those amendments also modified some of the requirements for pro bono status. The amendments submitted to and approved by the Court did not capture all references to emeritus pro bono status in the WSBA Bylaws. Thus, these proposed amendments align all references to pro bono status with the newly amended APR 3(g). In addition, there is one proposed amendment correcting the name of the Pro Bono and Public Service Committee. There are no new substantive changes to the Bylaws due to these proposed amendments.

Attachments:

- Proposed Amendments to WSBA Bylaws – Redline

2. Inactive

Inactive members must not practice law in Washington, nor engage in employment or duties that constitute the practice of law. Inactive members are not eligible to vote in Bar matters or hold office therein, or serve on any committee or board.

- a. Inactive members may:
 - 1) Join Bar sections as non-voting members,
 - 2) Continue their affiliation with the Bar;
 - 3) Change their membership status to Active pursuant to these Bylaws and any applicable court rule;
 - 4) Request a free subscription to the Bar's official publication; and
 - 5) Receive member benefits available to Inactive members.
- b. Types of Inactive membership:
 - 1) Inactive Member: Inactive members must pay an annual license fee in an amount established by the BOG and approved by the Supreme Court. They are not required to earn or report MCLE credits while Inactive, but may choose to do so, and may be required to do so to return to Active membership.
 - 2) Disability: Disability inactive members are not required to pay a license fee, or earn or report MCLE credits while in this status, but they may choose to do so, and they may be required to earn and report MCLE credits to return to Active membership.
 - 3) Honorary: All members who have been Active or Judicial, or a combination of Active and Judicial, members for 50 years may elect to become Honorary members of the Bar. Honorary members are not required to pay a license fee. A member who otherwise qualifies for Honorary membership but wants to continue to practice law in any manner must be an Active member or, if applicable, a Pro Bono member.

3. Judicial

- a. A member may qualify to become a Judicial member if the member is one of the following:
 - 1) A current judge, commissioner, or magistrate judge of the courts of record in the State of Washington, or the courts of the United States, including Bankruptcy courts;
 - 2) A current judge, commissioner, or magistrate in the district or municipal courts in the State of Washington, provided that such position requires the person to be a lawyer;
 - 3) A current senior status or recall judge in the courts of the United States;
 - 4) An administrative law judge, which is defined as either:
 - (a) Current federal judges created under Article I and Article II of the United States Constitution, excluding Bankruptcy court judges, or created by the Code of Federal Regulations, who by virtue of their position are prohibited by the United States Code and/or the Code of Federal Regulations from practicing law; or
 - (b) Full-time Washington State administrative law judges in positions created by either the Revised Code of Washington or the Washington Administrative Code; or
 - 5) A current Tribal Court judge in the State of Washington.

- 5) A member of any type who has transferred to Inactive status during the pendency of a grievance or disciplinary proceedings may not be transferred to Active except as provided herein and may be subject to such discipline by reason of any grievance or complaint as may be imposed under the ELC, ELPOC, or ELLTC.

b. Transfer from Judicial to Active.

A Judicial member may request to transfer to any other status, including Active. Upon a Judicial member's resignation, retirement, or completion of such member's term of judicial office, such member must notify the Bar within 10 days, and any Judicial member desiring to continue his or her affiliation with the Bar must change to another membership status within the Bar.

- 1) A Judicial member who has complied with all requirements for maintaining eligibility to return to another membership status may transfer to Active by submitting an application for change to Active membership status and
 - (a) paying the then current Active license fee for the member's license type, including any mandatory assessments, less any license fee (not including late fees) and assessments paid as a Judicial member for the same licensing year; and
 - (b) complying with the MCLE requirements for members returning from Inactive to Active. Either judicial continuing education credits or lawyer continuing education credits may be applied to the credit requirement for Judicial members transferring to Active. If judicial continuing education credits are applied, the standards for determining accreditation for judicial continuing education courses will be accepted as establishing compliance.
- 2) A Judicial member wishing to transfer to Active upon leaving service as a judicial officer who has failed in any year to provide the annual member registry information or pay the annual license fee required of Judicial members to maintain eligibility to transfer to another membership status shall, prior to transfer to Active, be required to pay the Active license fee for the member's license type any years the registry information was not provided or the Judicial fee was not paid, in addition to complying with the requirements of (a) above.

c. Transfer from Pro Bono to Active

A Pro Bono member may transfer to Active by complying with the requirements for members returning from Inactive to Active. There is no limit on how long a member may be Pro Bono before returning to Active status.

d. Referral to Character and Fitness Board

All applications for readmission, reinstatement or transfer to Active status will be reviewed by Bar staff and handled consistent with the provisions of APR 20-24.3. In all cases reviewed by it, the Character and Fitness Board has broad authority to recommend withholding a transfer to Active status or imposing

conditions on readmission to Active status, which may include retaking and passing the licensing examination applicable to the member's license type. The member will be responsible for the costs of any investigation, examination, or proceeding before the Character and Fitness Board and the Washington Supreme Court.

E. CHANGE OF MEMBERSHIP STATUS TO INACTIVE

1. Any member who is an Active, Judicial, or Pro Bono member and who is not Suspended will become an Inactive member when the member files a request for Inactive membership with the Bar, in such form and manner as the Bar may require, and that request is approved.

Effective January 1, 2012, a Judicial member wishing to transfer to Inactive member status upon leaving service as a judicial officer, who has failed in any year to provide the annual member registry information or to pay the annual licensing fee required of Judicial members to maintain eligibility to transfer to another membership status shall, prior to transfer to Inactive, be required to pay the Active license fee for lawyer members for any years the registry information was not provided or the Judicial fee was not paid.

2. Members are transferred to Disability Inactive pursuant to Title 8 of the ELC, ELPOC, or ELLLTC. Any member seeking to transfer from Disability Inactive to Inactive member status must first establish that the member has complied with the requirements of Title 8 of the ELC, ELPOC, or ELLLTC, and then must submit a written request to make the change and comply with all applicable licensing requirements for Inactive members.
3. All members who have been Active or Judicial, or a combination of Active and Judicial, members for 50 years may qualify for Honorary status. A qualified member may request to change to Honorary status by submitting a written request and any required application.
4. An Active member may apply to change from Active to Inactive status while grievances or disciplinary proceedings are pending against such member. Such transfer, however, shall not terminate, stay or suspend any pending grievance or proceeding against the member.

F. CHANGE OF MEMBERSHIP STATUS TO JUDICIAL

An Active member may request to become a Judicial member of the Bar by submitting a written request on judicial letterhead and any required application, and complying with the provisions of these Bylaws.

G. CHANGE OF MEMBERSHIP STATUS TO PRO BONO

A member may become an a Pro Bono member by complying with the requirements of APR 3(g), including payment of any required license fee, and passing a character and fitness review.

Effective January 1, 2012, a Judicial member wishing to transfer to Pro Bono status upon leaving service as a judicial officer who has failed in any year to provide the annual member registry information or to pay the annual licensing fee required of Judicial members to maintain eligibility to transfer to another membership status shall, prior to transfer to Pro Bono, be required to pay

months of that calendar year and 25% of the full active license fee if admitted in Washington in the last six months of that calendar year.

- 6) All members in their first two full licensing years after admission or licensure to practice law in any jurisdiction will pay 50% of the applicable full Active license fee.
- 7) An Active member of the Bar who is activated from reserve duty status to full-time active duty in the Armed Forces of the United States for more than 60 days in any calendar year, or who is deployed or stationed outside the United States for any period of time for full-time active military duty in the Armed Forces of the United States will be exempt from the payment of license fees and assessments for the Client Protection Fund upon submitting to the Executive Director satisfactory proof that he or she is so activated, deployed or stationed. All requests for exemption must be postmarked or delivered to the Bar's offices on or before February 1st of the year for which the exemption is requested. Eligible members must apply every year they wish to claim the exemption. Each exemption applies for only the calendar year in which it is granted, and exemptions may be granted for a maximum total of five years for any member. Granting or denying an exemption under this provision is within the sole discretion of the Executive Director and is not appealable.

b. Inactive Members

- 1) The annual license fee for Inactive members will be as established by resolution of the BOG and as approved by the Washington Supreme Court. Except for the amount of the license fee itself, the annual license fee payment requirements, including deadlines and late payment fees, for Active members will apply to Inactive members.
- 2) Honorary and Disability Inactive status members will be exempt from license fees and assessments, unless otherwise provided by Supreme Court order.

c. Judicial Members [Effective January 1, 2012]

Judicial members who wish to preserve eligibility to transfer to another membership status upon leaving service as a judicial officer must pay the annual license fee established by the Bar and as approved by the Supreme Court. Except for the amount of the license fee itself, the annual license fee payment requirements, including deadlines and late payment fees, for Active members apply to Judicial members; however, Judicial members are not subject to administrative suspension for nonpayment of license or late payment fees.

d. Pro Bono Members

Pro Bono members must pay the annual license fee required of Inactive members with the same type of license unless the member qualifies for the license fee waiver as provided for in APR 3(g). Except for the amount of the license fee itself, the annual license fee payment requirements, including deadlines and late payment fees, for Active members apply to Pro Bono members.

IX. COMMITTEES, COUNCILS, AND OTHER BAR ENTITIES

A. GENERALLY

1. The work of the Bar shall be accomplished by the BOG, the officers, and the Bar staff. To facilitate the work of the Bar in accordance with its purposes as provided in Article I, the BOG may delegate such work to an appropriate Bar entity, such as sections, committees, councils, task forces, or other Bar entity, however that may be designated by the BOG.
2. The work of any Bar entity established by the BOG must:
 - a. have a defined scope that requires the active and continuing attention of the BOG;
 - b. further the Bar's Guiding Principles and/or the purposes of the Bar outlined in General Rules promulgated by the Supreme Court; and
 - c. enhance consideration of a topic that is beyond the time and expertise of the BOG and staff by incorporating expertise and additional viewpoints from the broader community.
3. A list of the current committees, councils, and task forces, and their functions, will be maintained by the Executive Director. The BOG may terminate any recurring committee whenever in its opinion such committee is no longer necessary. Any nonrecurring Bar entity shall automatically terminate pursuant to the terms of its charter or originating document.
4. Governors appointed to serve as BOG liaisons to any Bar entity are not voting members. However, if a Governor is appointed as a member of any Bar entity, then he or she may vote in accordance with the terms of the charter or originating document for that entity.

B. COMMITTEES AND OTHER BAR ENTITIES

1. Committees

Committees are created and authorized by the BOG to study matters relating to the general purposes and business of the Bar which are of a continuous and recurring character. The number, size, and functions of each committee will be determined from time to time by the BOG.

- a. Committee members, Chairs, and Vice Chairs must be Active members of the Bar. Exceptions: (a) up to two Pro Bono members are permitted to serve on the Pro Bono and Public Service Committee (PBPS) and may be appointed to serve as the Chair, Co-Chair, or Vice-Chair of that committee; and (b) faculty of Washington state law schools who are not Active members of the Bar are permitted to serve on the Committee on Professional Ethics (CPE).
- b. Committee members are appointed by the BOG. Appointments to committees are for a two-year term unless the BOG determines otherwise. A committee member's service on any committee is limited to two consecutive terms, after which the member cannot be reappointed to that committee for three years, subject to individual exceptions for cause as approved by the BOG. Appointments to the Legislative Committee will be made pursuant to the written BOG policy for that committee.

B. ESTABLISHING SECTIONS

1. The BOG will consider the establishment of a new section on a petition and report endorsed by at least 150 Active members of the Bar. Any such petition must be filed with the Executive Director at least one BOG meeting prior to the meeting at which action on the proposal is contemplated and must substantially set forth:
 - a. The contemplated purpose of the section, which will be within the purposes of the Bar and not in substantial conflict with the purpose of any existing section or committee, the continuance of which is contemplated after the section is established;
 - b. Proposed bylaws of the section, which must contain a definition of its purpose;
 - c. The names of any proposed committees of the section;
 - d. A proposed budget of the section for the first two years of its operation;
 - e. A list of members of the Bar who have signed statements that they intend to apply for membership in the section;
 - f. A statement of the need for the proposed section.
2. The BOG may create a new section by combining sections as set forth in these Bylaws.

C. MEMBERSHIP

1. Any Active member of the Bar may be a voting member of a section and eligible for election to office in the section upon paying the annual dues established by the section. Inactive members may not be voting members of sections.
2. If provided for in the section bylaws, any Pro Bono member pursuant to APR 3(g), Judicial member, House Counsel under APR 8(f), professor at a Washington law school (whether licensed in Washington or not), or any lawyer who is a full time lawyer in a branch of the military who is stationed in Washington but not licensed in Washington, may be a voting member of the section and eligible for election to office in the section.
3. Law students will be allowed to be nonvoting members of any section at a standard annual dues amount set by the BOG.
4. Sections may adopt bylaw provisions authorizing inactive members, and others not eligible for section membership as voting members, to be nonvoting members or “subscribers” of the section.

D. DUES

Dues will be paid annually in the amount determined by the section executive committee and approved by the BOG. Any person who fails to pay the annual dues will cease to be a member of the section.

E. BYLAWS AND POLICIES

Sections are subject to all Bar Bylaws, policies, and procedures. Each section must have bylaws consistent with the Bar Bylaws. Amendments to section bylaws may be made by a majority vote of the voting executive committee members or by a majority vote of section members present at a section meeting. Section bylaws or amendments thereof will become effective when approved by the BOG.

2. Inactive

Inactive members must not practice law in Washington, nor engage in employment or duties that constitute the practice of law. Inactive members are not eligible to vote in Bar matters or hold office therein, or serve on any committee or board.

- a. Inactive members may:
 - 1) Join Bar sections as non-voting members,
 - 2) Continue their affiliation with the Bar;
 - 3) Change their membership status to Active pursuant to these Bylaws and any applicable court rule;
 - 4) Request a free subscription to the Bar's official publication; and
 - 5) Receive member benefits available to Inactive members.
- b. Types of Inactive membership:
 - 1) Inactive Member: Inactive members must pay an annual license fee in an amount established by the BOG and approved by the Supreme Court. They are not required to earn or report MCLE credits while Inactive, but may choose to do so, and may be required to do so to return to Active membership.
 - 2) Disability: Disability inactive members are not required to pay a license fee, or earn or report MCLE credits while in this status, but they may choose to do so, and they may be required to earn and report MCLE credits to return to Active membership.
 - 3) Honorary: All members who have been Active or Judicial, or a combination of Active and Judicial, members for 50 years may elect to become Honorary members of the Bar. Honorary members are not required to pay a license fee. A member who otherwise qualifies for Honorary membership but wants to continue to practice law in any manner must be an Active member or, if applicable, ~~an Emeritus~~ Pro Bono member.

3. Judicial

- a. A member may qualify to become a Judicial member if the member is one of the following:
 - 1) A current judge, commissioner, or magistrate judge of the courts of record in the State of Washington, or the courts of the United States, including Bankruptcy courts;
 - 2) A current judge, commissioner, or magistrate in the district or municipal courts in the State of Washington, provided that such position requires the person to be a lawyer;
 - 3) A current senior status or recall judge in the courts of the United States;
 - 4) An administrative law judge, which is defined as either:
 - (a) Current federal judges created under Article I and Article II of the United States Constitution, excluding Bankruptcy court judges, or created by the Code of Federal Regulations, who by virtue of their position are prohibited by the United States Code and/or the Code of Federal Regulations from practicing law; or
 - (b) Full-time Washington State administrative law judges in positions created by either the Revised Code of Washington or the Washington Administrative Code; or
 - 5) A current Tribal Court judge in the State of Washington.

- 5) A member of any type who has transferred to Inactive status during the pendency of a grievance or disciplinary proceedings may not be transferred to Active except as provided herein and may be subject to such discipline by reason of any grievance or complaint as may be imposed under the ELC, ELPOC, or ELLTC.

b. Transfer from Judicial to Active.

A Judicial member may request to transfer to any other status, including Active. Upon a Judicial member's resignation, retirement, or completion of such member's term of judicial office, such member must notify the Bar within 10 days, and any Judicial member desiring to continue his or her affiliation with the Bar must change to another membership status within the Bar.

- 1) A Judicial member who has complied with all requirements for maintaining eligibility to return to another membership status may transfer to Active by submitting an application for change to Active membership status and
 - (a) paying the then current Active license fee for the member's license type, including any mandatory assessments, less any license fee (not including late fees) and assessments paid as a Judicial member for the same licensing year; and
 - (b) complying with the MCLE requirements for members returning from Inactive to Active. Either judicial continuing education credits or lawyer continuing education credits may be applied to the credit requirement for Judicial members transferring to Active. If judicial continuing education credits are applied, the standards for determining accreditation for judicial continuing education courses will be accepted as establishing compliance.
- 2) A Judicial member wishing to transfer to Active upon leaving service as a judicial officer who has failed in any year to provide the annual member registry information or pay the annual license fee required of Judicial members to maintain eligibility to transfer to another membership status shall, prior to transfer to Active, be required to pay the Active license fee for the member's license type any years the registry information was not provided or the Judicial fee was not paid, in addition to complying with the requirements of (a) above.

c. Transfer from ~~Emeritus~~ Pro Bono to Active

~~An Emeritus~~ Pro Bono member may transfer to Active by complying with the requirements for members returning from Inactive to Active. There is no limit on how long a member may be ~~Emeritus~~ Pro Bono before returning to Active status.

d. Referral to Character and Fitness Board

All applications for readmission, reinstatement or transfer to Active status will be reviewed by Bar staff and handled consistent with the provisions of APR 20-24.3. In all cases reviewed by it, the Character and Fitness Board has broad authority to recommend withholding a transfer to Active status or imposing

conditions on readmission to Active status, which may include retaking and passing the licensing examination applicable to the member's license type. The member will be responsible for the costs of any investigation, examination, or proceeding before the Character and Fitness Board and the Washington Supreme Court.

E. CHANGE OF MEMBERSHIP STATUS TO INACTIVE

1. Any member who is an Active, Judicial, or ~~Emeritus~~-Pro Bono member and who is not Suspended will become an Inactive member when the member files a request for Inactive membership with the Bar, in such form and manner as the Bar may require, and that request is approved.

Effective January 1, 2012, a Judicial member wishing to transfer to Inactive member status upon leaving service as a judicial officer, who has failed in any year to provide the annual member registry information or to pay the annual licensing fee required of Judicial members to maintain eligibility to transfer to another membership status shall, prior to transfer to Inactive, be required to pay the Active license fee for lawyer members for any years the registry information was not provided or the Judicial fee was not paid.

2. Members are transferred to Disability Inactive pursuant to Title 8 of the ELC, ELPOC, or ELLLTC. Any member seeking to transfer from Disability Inactive to Inactive member status must first establish that the member has complied with the requirements of Title 8 of the ELC, ELPOC, or ELLLTC, and then must submit a written request to make the change and comply with all applicable licensing requirements for Inactive members.
3. All members who have been Active or Judicial, or a combination of Active and Judicial, members for 50 years may qualify for Honorary status. A qualified member may request to change to Honorary status by submitting a written request and any required application.
4. An Active member may apply to change from Active to Inactive status while grievances or disciplinary proceedings are pending against such member. Such transfer, however, shall not terminate, stay or suspend any pending grievance or proceeding against the member.

F. CHANGE OF MEMBERSHIP STATUS TO JUDICIAL

An Active member may request to become a Judicial member of the Bar by submitting a written request on judicial letterhead and any required application, and complying with the provisions of these Bylaws.

G. CHANGE OF MEMBERSHIP STATUS TO ~~EMERITUS~~-PRO BONO

A member ~~who is otherwise retired from the practice of law~~ may become an ~~Emeritus~~-a Pro Bono member by complying with the requirements of APR 3(g), including payment of any required license fee, and passing a character and fitness review.

Effective January 1, 2012, a Judicial member wishing to transfer to ~~Emeritus~~-Pro Bono status upon leaving service as a judicial officer who has failed in any year to provide the annual member registry information or to pay the annual licensing fee required of Judicial members to maintain eligibility to transfer to another membership status shall, prior to transfer to ~~Emeritus~~-Pro Bono, be required to pay

months of that calendar year and 25% of the full active license fee if admitted in Washington in the last six months of that calendar year.

- 6) All members in their first two full licensing years after admission or licensure to practice law in any jurisdiction will pay 50% of the applicable full Active license fee.
- 7) An Active member of the Bar who is activated from reserve duty status to full-time active duty in the Armed Forces of the United States for more than 60 days in any calendar year, or who is deployed or stationed outside the United States for any period of time for full-time active military duty in the Armed Forces of the United States will be exempt from the payment of license fees and assessments for the Client Protection Fund upon submitting to the Executive Director satisfactory proof that he or she is so activated, deployed or stationed. All requests for exemption must be postmarked or delivered to the Bar's offices on or before February 1st of the year for which the exemption is requested. Eligible members must apply every year they wish to claim the exemption. Each exemption applies for only the calendar year in which it is granted, and exemptions may be granted for a maximum total of five years for any member. Granting or denying an exemption under this provision is within the sole discretion of the Executive Director and is not appealable.

b. Inactive Members

- 1) The annual license fee for Inactive members will be as established by resolution of the BOG and as approved by the Washington Supreme Court. Except for the amount of the license fee itself, the annual license fee payment requirements, including deadlines and late payment fees, for Active members will apply to Inactive members.
- 2) Honorary and Disability Inactive status members will be exempt from license fees and assessments, unless otherwise provided by Supreme Court order.

c. Judicial Members [Effective January 1, 2012]

Judicial members who wish to preserve eligibility to transfer to another membership status upon leaving service as a judicial officer must pay the annual license fee established by the Bar and as approved by the Supreme Court. Except for the amount of the license fee itself, the annual license fee payment requirements, including deadlines and late payment fees, for Active members apply to Judicial members; however, Judicial members are not subject to administrative suspension for nonpayment of license or late payment fees.

d. Emeritus Pro Bono Members

Emeritus Pro Bono members must pay the annual license fee required of Inactive members with the same type of license unless the member qualifies for the license fee waiver as provided for in APR 3(g). Except for the amount of the license fee itself, the annual license fee payment requirements, including deadlines and late payment fees, for Active members apply to **Emeritus** Pro Bono members.

IX. COMMITTEES, COUNCILS, AND OTHER BAR ENTITIES

A. GENERALLY

1. The work of the Bar shall be accomplished by the BOG, the officers, and the Bar staff. To facilitate the work of the Bar in accordance with its purposes as provided in Article I, the BOG may delegate such work to an appropriate Bar entity, such as sections, committees, councils, task forces, or other Bar entity, however that may be designated by the BOG.
2. The work of any Bar entity established by the BOG must:
 - a. have a defined scope that requires the active and continuing attention of the BOG;
 - b. further the Bar's Guiding Principles and/or the purposes of the Bar outlined in General Rules promulgated by the Supreme Court; and
 - c. enhance consideration of a topic that is beyond the time and expertise of the BOG and staff by incorporating expertise and additional viewpoints from the broader community.
3. A list of the current committees, councils, and task forces, and their functions, will be maintained by the Executive Director. The BOG may terminate any recurring committee whenever in its opinion such committee is no longer necessary. Any nonrecurring Bar entity shall automatically terminate pursuant to the terms of its charter or originating document.
4. Governors appointed to serve as BOG liaisons to any Bar entity are not voting members. However, if a Governor is appointed as a member of any Bar entity, then he or she may vote in accordance with the terms of the charter or originating document for that entity.

B. COMMITTEES AND OTHER BAR ENTITIES

1. Committees

Committees are created and authorized by the BOG to study matters relating to the general purposes and business of the Bar which are of a continuous and recurring character. The number, size, and functions of each committee will be determined from time to time by the BOG.

- a. Committee members, Chairs, and Vice Chairs must be Active members of the Bar. Exceptions: (a) up to two **Emeritus**-Pro Bono members are permitted to serve on the Pro Bono **Legal Aid and Public Service** Committee (**PBLACPBPSC**) and may be appointed to serve as the Chair, Co-Chair, or Vice-Chair of that committee; and (b) faculty of Washington state law schools who are not Active members of the Bar are permitted to serve on the Committee on Professional Ethics (CPE).
- b. Committee members are appointed by the BOG. Appointments to committees are for a two-year term unless the BOG determines otherwise. A committee member's service on any committee is limited to two consecutive terms, after which the member cannot be reappointed to that committee for three years, subject to individual exceptions for cause as approved by the BOG. Appointments to the Legislative Committee will be made pursuant to the written BOG policy for that committee.

B. ESTABLISHING SECTIONS

1. The BOG will consider the establishment of a new section on a petition and report endorsed by at least 150 Active members of the Bar. Any such petition must be filed with the Executive Director at least one BOG meeting prior to the meeting at which action on the proposal is contemplated and must substantially set forth:
 - a. The contemplated purpose of the section, which will be within the purposes of the Bar and not in substantial conflict with the purpose of any existing section or committee, the continuance of which is contemplated after the section is established;
 - b. Proposed bylaws of the section, which must contain a definition of its purpose;
 - c. The names of any proposed committees of the section;
 - d. A proposed budget of the section for the first two years of its operation;
 - e. A list of members of the Bar who have signed statements that they intend to apply for membership in the section;
 - f. A statement of the need for the proposed section.
2. The BOG may create a new section by combining sections as set forth in these Bylaws.

C. MEMBERSHIP

1. Any Active member of the Bar may be a voting member of a section and eligible for election to office in the section upon paying the annual dues established by the section. Inactive members may not be voting members of sections.
2. If provided for in the section bylaws, any ~~Emeritus~~ Pro Bono member pursuant to APR 8(e)3(g), Judicial member, House Counsel under APR 8(f), professor at a Washington law school (whether licensed in Washington or not), or any lawyer who is a full time lawyer in a branch of the military who is stationed in Washington but not licensed in Washington, may be a voting member of the section and eligible for election to office in the section.
3. Law students will be allowed to be nonvoting members of any section at a standard annual dues amount set by the BOG.
4. Sections may adopt bylaw provisions authorizing inactive members, and others not eligible for section membership as voting members, to be nonvoting members or “subscribers” of the section.

D. DUES

Dues will be paid annually in the amount determined by the section executive committee and approved by the BOG. Any person who fails to pay the annual dues will cease to be a member of the section.

E. BYLAWS AND POLICIES

Sections are subject to all Bar Bylaws, policies, and procedures. Each section must have bylaws consistent with the Bar Bylaws. Amendments to section bylaws may be made by a majority vote of the voting executive committee members or by a majority vote of section members present at a section meeting. Section bylaws or amendments thereof will become effective when approved by the BOG.

TO: WSBA Board of Governors
FROM: Renata de Carvalho Garcia, Chief Regulatory Counsel
DATE: October 21, 2020
RE: Proposed Amendments to Admissions Policies of the Washington State Bar Association

ACTION : The Regulatory Services Department asks the Board of Governors to approve proposed amendments to the Admissions Policies of the Washington State Bar Association with an effective date of February 1, 2021

BACKGROUND

The Admissions Policies adopted by the Board of Governors supplement the Washington Supreme Court's Admission and Practice Rules (APR). Many of the policies are adopted because the Court has directed through court rule that the WSBA establish policies for various details regarding applications for the admission to the practice of law in Washington. See, for example, APR 3(i) which directs the Bar to prescribe the form and manner of the application, pay a fee set by the Board of Governors, and establish policies for refunds and transfers of applications. Other policies are adopted to ensure consistent administration and handling of all applications for admission and to provide direction to the staff of the Regulatory Services Department.

The Admissions Policies are not amended frequently. Usually there is a significant change in procedures, technology or exam format that precipitates a review and the necessity to amend the policies. When a precipitating event occurs, all policies are reviewed and amended as necessary to be current with new or anticipated procedures. Currently, the Regulatory Services Department is working toward implementation of a new online admissions site that will allow applicants of all the various application types for a license or admission to practice law to be completed and submitted online. Thus, the need for the amendments to the Admissions Policies being proposed at this time.

EXPLANATION OF CHANGES

The primary reasons for proposing amendments at this time is to make sure that the policies align with the technical requirements for the new online admissions site, include all license types that will be submitting applications online with a fee, and incorporate new or anticipated procedures or processes brought about by changes in technology, efficiencies or to replace outdated procedures or processes.

The new online admissions site will allow for online filing of applications for all license types. Thus, these amendments add foreign law consultants and house counsel to the types of applicants that will adhere to the relevant admissions policies. In addition, under an anticipated change in procedure with the new online admissions site, there will not be a "foreign" applicant type. Instead, applicants who are lawyers or who have a law degree from outside the United States will be handled almost entirely the same as any other general or attorney applicant and have the same application filing deadlines.

Three pre-exam deadlines are modified under these amendments. First, the deadline to request accommodations under the Americans with Disabilities Act has been modified to be 45 days prior to the first day of the exam instead of 80 days. This will allow applicants with disabilities more time to complete medical appointments and gather necessary documentation. The second modification is to change the deadline for resolution of character and fitness issues to 18 days prior to the exam rather than 60 days prior. This is consistent with the deadlines for all other applicants to complete any missing application materials and allows more opportunity for more applicants with character and fitness issues to avoid a delay in sitting for the exam. Lastly, the deadline to withdraw from an exam with a partial refund has also been changed to 18 days prior to the first day of the exam instead of 60 days prior. This aligns with the deadline applicants have to complete and resolve all missing application materials, information and issues. We expect a negligible financial impact due to this amendment.

There is a new provision that permits the LLLT Board and Limited Practice Board to establish a different exam schedule and application deadlines. The primary reason for this provision is to permit the LLLT Board to have a final LLLT exam outside the regular schedule prior to the sun-setting of the LLLT program as decided by the Washington Supreme Court. We do not anticipate that either board will deviate from the regular exam schedule except for one instance in the Spring of 2022.

The amendments to the sections related to character and fitness, the NCBE report, and ADA accommodations clarify and expand on current procedures and processes.

ILG Exam360 is the company that is providing the new online admissions site. In addition, ILG is the provider for the testing software used by the examinees during the exams. These amendments make that change in provider and related policies of ILG relating to software for those using a laptop during the exam.

The amendments also remove an antiquated policy of posting the names of the successful exam applicants at the headquarters of the Bar. At one time, this may have served a purpose, however, in modern times posting on the website reaches a much larger audience and very few members, and even fewer members of the public, visit the Bar office.

Finally, there is a new provision relating to applicants who transfer a UBE score from another jurisdiction. This provision would allow a person to apply in Washington as a UBE score transfer applicant while at the same time applying elsewhere to actually take the UBE. It clarifies that one cannot be both an exam and score transfer applicant.

EFFECTIVE DATE

We ask that the amendments take effect on February 1, 2021. The reason for this date is because the first exams using the new online admissions site will be Summer 2021. The application period opens on February 1, 2021, for the summer exams. Applicants will begin preparing their applications earlier than that so the sooner the policies are approved, the better prepared applicants will be because they will have knowledge of the policies that will apply to their applications.

CONCLUSION

As described above, the proposed amendments seek to align policies with current, new or anticipated procedures related to changes in the times and in technology and are meant to provide guidance to and efficiency for the staff and consistency in application of the rules and policies for all applicants. An effective date of February 1, 2021, is necessary so that all applicants for the Summer 2021 exams are operating under the same policies.

Attachments:

- Proposed Amendments to Admissions Policies – Redline
- Proposed Amendment to Admissions Policies – Clean

ADMISSIONS POLICIES OF THE WASHINGTON STATE BAR ASSOCIATION

Under the authority of, and consistent with, the Washington Supreme Court's Admission and Practice Rules, the Board of Governors of the Washington State Bar Association (Bar) has adopted the following Admissions Policies in administering those rules. These policies apply to individuals seeking admission to the Bar as a lawyer, limited license legal technician (LLLT), limited practice officer (LPO), house counsel or foreign law consultant. These policies supplement APR 3-5, 8(f), 14 and 20-25. Any discrepancy or conflict between these policies and the Admission and Practice Rules (APR) is unintentional and will be resolved in favor of strict compliance with the APR.

Adopted July 1, 2012. Amended July 28, 2017, amendments effective September 1, 2017.
Amended ***, amendments effective February 1, 2021.

I. GENERAL PROVISIONS AND DEFINITIONS

A. Applications

Applications for admission to practice law in Washington must be completed and submitted online or as prescribed by the Bar's admissions staff. Permission to submit an application in a paper format may be requested and granted for good cause shown.

B. Definitions

"Approved Law School" means a law school approved by the Board of Governors. Only those law schools approved, or provisionally approved, by the American Bar Association at the time the J.D. was conferred are approved by the Board of Governors. A list of ABA approved law schools is available on the ABA website.

"Attorney Applicant" means a person applying for admission as a lawyer under APR 3 who, at the time of filing the application, has ever been admitted to practice law as a lawyer (or the equivalent for that jurisdiction) in any jurisdiction other than Washington.

"Foreign Law Consultant Applicant" means a person applying for licensure as a foreign law consultant under APR 14.

"General Applicant" means a person applying for admission as a lawyer under APR 3 who, at the time of filing the application, has never been admitted to practice law as a lawyer (or the equivalent for that jurisdiction) in any jurisdiction other than Washington.

"House Counsel Applicant" means a person applying for licensure as a house counsel under APR 8(f).

"LLLT Applicant" means a person applying for admission as a limited license legal technician.

"LPO Applicant" means a person applying for admission as a limited practice officer.

II. APPLICATION REQUIREMENTS

A. Application Submission Policy

All applicants must submit electronically, within the filing deadlines specified below, the following:

- a completed application in the form required by the Bar including any required supplemental documentation;
- two Certificates of Good Moral Character, dated within 6 months prior to the application date and completed by two lawyers admitted to practice law in any U.S. jurisdiction or the foreign jurisdiction in which the applicant is admitted to practice law. For LLLT Applicants and LPO Applicants the certificates may be completed by LLLTs or LPOs admitted to practice in Washington; and
- an Authorization and Release form. The form must be signed and notarized within 6 months prior to the application date.

In addition, Attorney Applicants must submit:

- a Certificate of Good Standing from each jurisdiction in which the applicant has ever been admitted (including federal courts and tribal courts). Certificates of Good Standing (or similar document) for Attorney Applicants admitted to practice law must be issued by the admitting authority (e.g., State Bar or highest state court) in each jurisdiction where the applicant has been admitted. If the applicant is no longer admitted in the jurisdiction, the applicant must submit a letter from the jurisdiction that includes the dates of admission and status history. The certificate or letter must be signed and dated within 6 months prior to the application date.

All documents must be in English or accompanied by a certified English translation.

B. Application Filing Deadlines

Only applications for an exam have a filing deadline. Applications for admission by exam are accepted beginning February 1 for the summer exam and September 1 for the winter exam. Filing deadlines for applications to take an examination are as follows:

Examination	Applications Accepted	First Deadline	Late Filing Deadline	Failed the Immediately Preceding Winter WA Exam Deadline With No Late Fee
Summer Exam	February 1	March 5	April 5	May 5
Winter Exam	September 1	October 5	November 5	N/A

The deadline will be the next business day when a deadline falls on a Saturday, Sunday or holiday.

Late filing requires payment of a late filing fee as provided in the fee schedule. No applications will be accepted after the late filing deadline except for applicants who failed the immediately preceding winter Washington exam and are applying for the following summer Washington exam; those applicants are not required to pay the late filing fee and the deadline will be May 5.

Applications, including payment, Authorization and Release form, and Certificates of Good Moral Character, must be submitted online by 11:59 P.M. (PST/PDT) the day of the deadline. Applications, authorization and release forms, or certificates of good moral character filed after the first deadline will incur a late filing fee. Applications with incomplete or missing payment, authorization and release forms or certificates of good moral character will not be processed and will be disqualified if not received by the final deadline.

The LLLT Board or Limited Practice Board may schedule exams at times other than the lawyer bar exams and set application deadlines for those exams. Any such exams and the corresponding application deadlines will be posted on the Bar’s website.

C. Other Deadlines

- Request ADA accommodations..... 45 days prior to first day of exam.
- File all requested and/or additional items..... 18 days prior to first day of exam.
- Character and fitness resolution..... 18 days prior to first day of exam.
- Exam360 (laptop) registration 18 days prior to first day of exam.

Change of exam method.....	18 days prior to first day of exam.
Change of exam location	18 days prior to first day of exam.
Special requests for exam room	18 days prior to first day of exam.
Withdraw from exam with partial refund.....	18 days prior to first day of exam.
UBE Score Transfer Applications.....	No deadline, may apply at any time.
Admission by Motion Applications	No deadline, may apply at any time.
House Counsel Applicants.....	No deadline, may apply at any time.
Foreign Law Consultant Applicants.....	No deadline, may apply at any time.
Withdraw a non-exam application with partial refund	One year from date of application.

III. FEES

A. Fee Schedule

(1) General Applicants.....	\$585
Late Filing Fee (exam applicants only).....	\$300
(2) Attorney Applicants	\$620
Late Filing Fee (exam applicants only).....	\$300
(3) LLLT Applicants.....	\$300
Practice Area Exam Only	\$250
Professional Responsibility Exam Only.....	\$80
Late Filing Fee.....	\$150
(4) LPO Applicants	\$200
Late Filing Fee.....	\$100
(5) House Counsel Applicants.....	\$620
(6) Foreign Law Consultant Applicants.....	\$620

All bank card transactions are subject to a separate non-refundable transaction fee of 2.5%. There is no transaction fee for payments by electronic funds transfer or check.

For exam applicants, payments by check must be received or postmarked by the application deadline. Payments received or postmarked after the first deadline will incur a late filing fee as outlined in section II (B). Applications will not be accepted if payment is received or postmarked after the final deadline.

B. NCBE Investigation Fee

Applications for General Applicants applying under APR 3(b)(4)(B), House Counsel Applicants, Foreign Law Consultant Applicants, and all Attorney Applicants, except for applicants eligible for military spouse admission by motion under APR 3(c)(2), are referred to the National Conference of Bar Examiners (NCBE) for verification and investigation of the information in the application. Applicants are required to pay a nonrefundable investigation fee to the NCBE. See section V of these policies for all NCBE requirements.

C. Withdrawals and Refunds

For all applicants, the application fee includes a non-refundable administrative processing fee as set forth below. An exam applicant must withdraw an application at least 18 days prior to the date of the examination for a partial refund. All other applicants must withdraw their applications no later than one year after filing the application to receive a partial refund. The Bar will issue a refund of the application fee less the administrative fee. Any late filing fees paid and any investigation costs are nonrefundable. No refunds will be issued for withdrawals or disqualifications made less than 18 days prior to the date of the exam. Exam applicants forfeit all fees if they do not show up for the exam.

The partial refund policy applies to applications that are disqualified.

Administrative Fee (nonrefundable portion of application fee):

General, Attorney, House Counsel and Foreign Law Consultant Applicants.....	\$300
LLLT Applicants.....	\$150
LPO Applicants	\$100

If there are extraordinary circumstances that prevent an applicant from taking the examination (e.g., a serious medical emergency, death in the immediate family, significant health problems, house fire), a written request must be delivered to the Bar within 18 days after the exam in order to receive a partial refund as set forth above. The Bar may require the applicant to submit supporting documentation for the request.

For good cause shown, Bar staff has discretion to change the application type upon request of the applicant and transfer any application fee already paid to the new application type.

IV. CHARACTER & FITNESS REVIEW

All applicants are subject to a character and fitness review prior to being admitted to practice law in Washington State. The responsibility for full disclosure rests entirely upon the applicant. Permission to sit for the examination or admission to practice law may be withheld pending a hearing before the Character and Fitness Board and a final determination by the Washington Supreme Court regarding whether the applicants have met their burden of proving that they are of good moral character, fit to practice law and have met the Essential Eligibility Requirements. See APR 20-24.3. Factors considered by Admissions staff and Bar Counsel when determining whether an applicant should be referred to the Character and Fitness Board are set forth in APR 21(a).

Washington requires resolution of all character and fitness issues at least 18 days prior to sitting for the exam. Exam applicants with unresolved character and fitness issues after this deadline will not be permitted to sit for the exam and will have their application transferred to the next exam. Applicants may choose to withdraw from the exam and receive a partial refund if the request is made at least 18 days prior to the first day of the exam in lieu of transferring to the next exam. Therefore, applicants who disclose any information that may raise an issue of character or fitness are advised to file their applications early in the registration period. Early filing or providing information prior to the 18 day deadline does not guarantee all issues will be resolved 18 days prior to the exam.

V. NCBE REPORT REQUIREMENT

Applications for General Applicants applying under APR 3(b)(4)(B), House Counsel Applicants, Foreign Law Consultant Applicants, and all Attorney Applicants, except for applicants eligible for military spouse admission by motion under APR 3(c)(2), are referred to the National Conference of Bar Examiners (NCBE) for verification and investigation of the information in the application. Applicants who have an application that is referred to the NCBE will be contacted by the NCBE and required to pay an investigation fee and submit authorization and release forms directly to the NCBE. The Bar cannot finish processing applications until the report is received from the NCBE.

Applicants applying for an exam will not be allowed to sit for the exam if the Bar does not receive a report back from the NCBE at least 18 days prior to the first day of the exam; in that case, the application will be transferred to the next exam.

Applicants may choose to withdraw from the exam and receive a partial refund if the request is made at least 18 days prior to the first day of the exam in lieu of transferring to the next exam.

NCBE reports are valid for one calendar year from the date the Bar receives the completed report from the NCBE, after which a supplemental or new NCBE report will be required. See the NCBE website for additional information: <http://www.ncbex.org/character-and-fitness/jurisdiction/wa>.

VI. REASONABLE ACCOMMODATIONS UNDER THE ADA

Any applicant with a disability for which reasonable accommodation is needed must request such accommodation through the online admissions site at least 45 days prior to the examination date. Applicants requesting reasonable accommodations because of disabilities must provide appropriate documentation of the disability and specify the extent to which the standard testing procedures need to be modified. The burden of proof is on the applicant to show the need for any reasonable accommodations. The Bar reserves the right to make final judgment concerning testing accommodations and may have documentation reviewed by a medical specialist, psychologist or learning disability specialist. See the online admissions site for additional information regarding accommodations requests and required documentation.

Any reasonable accommodation may not compromise the integrity or security of the examination or affect the standards set for the examination. The Bar and any applicant granted accommodations must agree to and accept the terms and conditions of the accommodations no less than 18 days prior to the first day of the examination.

VII. SPECIAL REQUESTS FOR THE EXAM ROOM

For good cause shown, applicants may be permitted to bring otherwise prohibited items into the exam room. Examples of items are: pillows/lumbar supports, ergonomic chairs, book stand, wrist rest, medication, external keyboard or mouse, and religious headgear. In addition, applicants may request a specific seating location in the exam room due to a medical condition.

The Bar will provide a room for nursing mothers upon request. Nursing mothers may use the nursing room before and after the exam, during breaks and during the exam. An applicant must be accompanied by a proctor if the nursing room is used during the exam session.

All special requests for an exam must be made on the online admissions site no less than 18 days prior to the first day of the exam. All requests must be supported (if applicable) by a doctor's note.

VIII. LAPTOP USE AND EXAM360 SOFTWARE

Applicants for an exam requesting to use a laptop computer for the written portions of the exam must register, pay for, and download software from ILG Exam360. Exam360 must be purchased and downloaded for each administration of the exam, even if used in the past. Fees paid to ILG Exam360 are nonrefundable and nontransferable. Laptop users must sign a waiver of liability on exam day. Applicants who do not purchase and download the software by 18 days prior to the exam will be required to handwrite the exam.

If an exam applicant's laptop fails prior to the exam, the applicant must contact ILG Exam360 to download Exam360 again.

IX. EXAMINATION PROVISIONS

A. Grading and Results for All Examinations

(1) All applicants for all exams are to abide by the Exam Security Policy as established by the Bar.

(2) Grading of examinations shall be anonymous. Graders shall be provided exam answers with only the applicant ID number to identify to whom the answer belongs. Names or other personal information that would identify an applicant is not provided to the graders. All information matching names and numbers of the applicants shall be kept in the custody of the Bar until all examinations have been graded and each examination has been given either a pass or fail grade by applicant number only.

(3) There is no review or appeal of final examination results. APR 4(b).

(4) The names of successful applicants will be posted on the Bar's website.

(5) Unsuccessful exam applicants may reapply and retake the exam in the same manner as any other applicant.

B. Lawyer Bar Examination

(1) All lawyer bar exam applicants must pass the Uniform Bar Exam prepared and coordinated by the National Conference of Bar Examiners. The UBE consists of Multistate Bar Exam (MBE), Multistate Essay Exam (MEE) and Multistate Performance Test (MPT) questions. The UBE is administered over two days in accordance with the procedures established by the NCBE.

(2) The Board of Bar Examiners is responsible for the grading of the MEE and MPT questions on the UBE. In order to assure fairness and uniformity in grading, the Board of Bar Examiners shall follow NCBE-prescribed standards for grading to be used by all graders. The Board of Bar Examiners shall, as soon as practicable and within any guidelines prepared by the NCBE, certify the scores on the MEE and MPT portions for all applicants who have taken the UBE.

(3) Upon completion of the grading and certification, the Bar shall cause each lawyer bar exam applicant to be notified of the result of the examination. All results shall be reported to the NCBE in accordance with procedures established by the NCBE. All scaled scores and the applicant's national percentile rank for the MBE will also be reported to the applicant's law school.

(4) All lawyer bar exam applicants will be provided with the scaled written (MEE+MPT) score, scaled MBE score, total scaled UBE score and their national percentile rank for the MBE. Unsuccessful lawyer bar exam applicants will receive copies of their written essay and performance test questions and answers and written raw scores. No other raw scores, results information or examination materials will be provided to the applicants.

C. Washington Law Component

All applicants qualifying for admission as a lawyer under APR 3 must pass the Washington Law Component (WLC). The WLC is comprised of online materials and an online multiple choice test based on areas or subjects of law that are specific to Washington State. The Board of Bar Examiners is responsible for the content of the WLC and shall publish the Washington state specific materials for applicants.

The WLC is self-administered by applicants and is available to applicants after submitting the application. There is no fee to take the WLC. The WLC is an open-book test. Applicants may take the WLC as many times as necessary to achieve the minimum pass score. There is a mandatory waiting period of 24 hours after failing to pass the WLC the first time. Subsequent fails of the WLC require a 72 hour waiting period before retaking the test. The WLC minimum pass score is 80% correct. If an applicant fails the UBE or withdraws from the UBE after taking the WLC, that applicant must retake the WLC after applying for the next UBE administration.

X. UBE SCORE TRANSFER APPLICANT PROVISIONS

UBE score transfer applicants must have a qualifying UBE score and must meet one of the qualifications for lawyer bar examination applicants as set forth in APR 3(b).

UBE score transfer applicants may apply in Washington as a UBE score transfer applicant while applying in a different UBE jurisdiction to take the UBE, with the intent of transferring a qualifying score from that jurisdiction to Washington. The applicant must notify the Bar of the jurisdiction where the applicant will take the UBE.

Applicants are not permitted to apply at the same time for admission in Washington as both an applicant to take the UBE in Washington and an applicant seeking to transfer a UBE score to Washington.

ADMISSIONS POLICIES OF THE WASHINGTON STATE BAR ASSOCIATION

Under the authority of, and consistent with, the Washington Supreme Court's Admission and Practice Rules, the Board of Governors of the Washington State Bar Association (Bar) has adopted the following Admissions Policies in administering those rules. These policies apply to individuals seeking admission to the Bar as a lawyer, limited license legal technician (LLLT), ~~or~~ limited practice officer (LPO), house counsel or foreign law consultant. ~~and~~ These policies supplement APR 3-5, 8(f), 14 and 20-25. Any discrepancy or conflict between these policies and the Admission and Practice Rules (APR) is unintentional and will be resolved in favor of strict compliance with the APR.

Adopted July 1, 2012. Amended July 28, 2017, amendments effective September 1, 2017.
Amended ***, amendments effective February 1, 2021.

I. GENERAL PROVISIONS AND DEFINITIONS

A. Applications

Applications for admission to practice law in Washington must be completed ~~online~~ and submitted ~~electronically~~ online or as prescribed by the Bar's admissions staff. ~~Where electronic submission is required, p~~Permission to submit an application in a paper format may be requested and granted for good cause shown.

B. Definitions

"Approved Law School" means a law school approved by the Board of Governors. Only those law schools approved, or provisionally approved, by the American Bar Association at the time the J.D. was conferred are approved by the Board of Governors. A list of ABA approved law schools is available on the ABA website.

"Attorney Applicant" means a person applying for admission as a lawyer under APR 3 who, at the time of filing the application, has ever been admitted to practice law as a lawyer (or the equivalent for that jurisdiction) in any ~~U.S.~~ jurisdiction other than Washington.

"Foreign Law Consultant Applicant" means a person applying for licensure as a foreign law consultant under APR 14.

"General Applicant" means a person applying for admission as a lawyer under APR 3 who, at the time of filing the application, has never been admitted to practice law as a lawyer (or the equivalent for that jurisdiction) in any jurisdiction ~~except other than Washington, and who does not meet the definition of a Foreign Applicant.~~

~~"Foreign Applicant" means a person applying for admission as a lawyer who 1) has ever been admitted to the practice of law as a lawyer (or the equivalent for that jurisdiction) in any foreign jurisdiction (designated herein as "Foreign Attorney Applicant" when relevant), or 2) has a law degree from a law school outside the U.S. that would qualify the applicant to practice law as a lawyer (or the equivalent for that jurisdiction) in that jurisdiction and that was received prior to a law degree received in the U.S.~~

"House Counsel Applicant" means a person applying for licensure as a house counsel under APR 8(f).

"LLLT Applicant" means a person applying for admission as a limited license legal technician.

"LPO Applicant" means a person applying for admission as a limited practice officer.

II. APPLICATION REQUIREMENTS

A. Application Submission Policy

All applicants must ~~complete and file with the Bar~~ submit electronically, within the filing deadlines specified below, the following:

- a completed application in the form required by the Bar including any required supplemental documentation;
- two Certificates of Good Moral Character, dated within 6 months ~~of~~ prior to the application date and completed by two lawyers admitted to practice law in any U.S. jurisdiction or the foreign jurisdiction in which the applicant is admitted to practice law. For LLLT Applicants and LPO Applicants the certificates ~~also~~ may be completed by LLLTs or LPOs admitted to practice in Washington; and
- an Authorization and Release form. The form must be signed and notarized within 6 months ~~of~~ prior to the application date.

In addition, Attorney Applicants, ~~including Foreign Attorney Applicants~~, must ~~file~~ submit:

- a Certificate of Good Standing from each jurisdiction in which the applicant is has ever been admitted (~~excluding Federal Courts including federal courts and tribal courts~~). Certificates of Good Standing (or similar document) for Attorney Applicants ~~and Foreign Applicants~~ admitted to practice law must be issued by the admitting authority (e.g., State Bar or highest state court) in each jurisdiction where the applicant has been admitted. If the applicant is no longer admitted in the jurisdiction, the applicant must submit a letter from the jurisdiction that includes the dates of admission and status history. The certificate or letter must be signed and dated within 6 months ~~of~~ prior to the application date.

All documents must be in English or accompanied by a certified English translation.

B. Application Filing Deadlines

Only applications for an exam have a filing deadline. Applications for admission by exam, ~~except those of Foreign Applicants~~, are accepted beginning February 1 for the summer exam and September 1 for the winter exam. ~~Applications for Foreign Applicants are accepted beginning September 1 for the summer exam and February 1 of the year prior to the exam for the winter exam.~~ Filing deadlines for applications to take an examination are as follows:

~~All Exam Applicants EXCEPT Foreign Applicants:~~

Examination	Applications Accepted	First Deadline	Late Filing Deadline	Failed Previous the Immediately Preceding Winter WA Exam Deadline With No Late Fee
Summer Exam	February 1	March 5	April 5	May 5
Winter Exam	September 1	October 5	November 5	October 5 N/A

~~Foreign Applicants:~~

Examination	Applications Accepted	First Deadline	Late Filing Deadline	Failed Previous WA Exam Deadline With No Late Fee
Summer Exam	September 1 (year prior)	October 5	November 5	October 5
Winter Exam	February 1 (year prior)	March 5	April 5	May 5

The deadline will be the next business day when a deadline falls on a Saturday, Sunday or holiday.

Late filing requires payment of a late filing fee as provided in the fee schedule. No applications will be accepted after the late filing deadline except for applicants who failed the ~~most recent past~~ immediately preceding winter Washington exam and are applying for the following summer Washington exam; those applicants are not required to pay the late filing fee and the deadline will be May 5.

~~Electronic a~~Applications, including payment, Authorization and Release form, and Certificates of Good Moral Character, must be ~~filed~~ submitted online by 11:59 P.M. (PST/PDT) the day of the ~~application~~ deadline. Applications, authorization and release forms, or certificates of good moral character filed after the first deadline will incur a late filing fee. Applications with incomplete or missing payment, authorization and release forms or certificates of good moral character will not be processed and will be disqualified if not received by the final deadline. Applications in other formats and any payments by check must be filed, received or postmarked by the application deadline.

~~Payments received or postmarked after the first deadline will incur a late filing fee. Applications will not be accepted if payment is received or postmarked after the final deadline.~~

The LLLT Board or Limited Practice Board may schedule exams at times other than the lawyer bar exams and set application deadlines for those exams. Any such exams and the corresponding application deadlines will be posted on the Bar’s website.

C. Other Deadlines

<u>Request ADA accommodations.....</u>	<u>45 days prior to first day of exam.</u>
<u>File all requested and/or additional items.....</u>	<u>18 days prior to first day of exam.</u>
<u>Character and fitness resolution.....</u>	<u>18 days prior to first day of exam.</u>
<u>ExamSoft Exam360 (laptop) registration</u>	<u>18 days prior to first day of exam.</u>
<u>Change of exam method.....</u>	<u>18 days prior to first day of exam.</u>
<u>Change of exam location</u>	<u>18 days prior to first day of exam.</u>
<u>Request special needs <u>Special requests for exam room.....</u></u>	<u>18 days prior to first day of exam.</u>
<u>Withdraw from exam with <u>partial</u> refund.....</u>	<u>60 18 days prior to first day of exam.</u>
<u>Request ADA accommodations.....</u>	<u>80 days prior to first day of exam.</u>
<u>UBE Score Transfer Applications.....</u>	<u>No deadline, may apply at any time.</u>
<u>Admission by Motion Applications</u>	<u>No deadline, may apply at any time.</u>
<u>House Counsel Applicants.....</u>	<u>No deadline, may apply at any time.</u>
<u>Foreign Law Consultant Applicants.....</u>	<u>No deadline, may apply at any time.</u>
<u>Withdraw a non-exam application with partial refund</u>	<u>One year from date of application.</u>

III. FEES

A. Fee Schedule

(1) <u>General Applicants, including Foreign Applicants not previously admitted to the practice of law in any jurisdiction</u>	<u>\$585</u>
<u>Late Filing Fee (exam applicants only).....</u>	<u>\$300</u>
(2) <u>Attorney Applicants, including Foreign Attorney Applicants.....</u>	<u>\$620</u>
<u>Late Filing Fee (exam applicants only).....</u>	<u>\$300</u>

(3) LLLT Applicants.....	\$300
Practice Area Exam Only	\$250
Professional Responsibility Exam Only.....	\$80
Late Filing Fee.....	\$150
(4) LPO Applicants	\$200
Late Filing Fee.....	\$100
(5) House Counsel Applicants.....	\$620
(6) Foreign Law Consultant Applicants.....	\$620

All bank card transactions are subject to a separate non-refundable transaction fee of 2.5%. There is no transaction fee for payments by electronic funds transfer or check.

For exam applicants, payments by check must be received or postmarked by the application deadline. Payments received or postmarked after the first deadline will incur a late filing fee as outlined in section II (B). Applications will not be accepted if payment is received or postmarked after the final deadline.

B. NCBE Investigation Fee

Applications for General Applicants applying under APR 3(b)(4)(B), House Counsel Applicants, Foreign Law Consultant Applicants, and all Attorney Applicants, except for applicants eligible for military spouse admission by motion under APR 3(c)(2), and Foreign Applicants are referred to the National Conference of Bar Examiners (NCBE) for verification and investigation of the information in the application. All eligible Attorney Applicants and Foreign Applicants are required to pay a nonrefundable investigation fee to the National Conference of Bar Examiners (NCBE). After review of the application by the WSBA office, the NCBE will contact the applicant and provide NCBE payment and authorization and release forms that will need to be executed by the applicant. See section V of these policies for all NCBE requirements.

<http://www.ncbex.org/character-and-fitness/jurisdiction/wa>

C. Withdrawals and Refunds

For all applicants, the application fee includes a non-refundable administrative processing fee as set forth below. An exam applicant must request to withdraw an application at least 60 18 days prior to the date of the examination for a partial refund. All other applicants must withdraw their applications no later than one year after filing the application to receive a partial refund. The Bar will issue a refund of the application fee less the administrative fee. Any late filing fees paid, and any investigation costs are nonrefundable. No refunds will be issued for withdrawals requested, or disqualifications made, less than 60 18 days prior to the date of the exam. Exam applicants forfeit all fees if they do not show up for the exam.

~~Applicants with an admission by motion or UBE score transfer application who withdraw their application will receive a refund less the administrative fee provided the application is withdrawn less than 12 months after filing it.~~

The partial refund policy applies to applications that are disqualified.

Administrative Fee (nonrefundable portion of application fee):

General, Attorney, <u>House Counsel</u> and Foreign <u>Law Consultant</u> Applicants.....	\$300
LLLT Applicants.....	\$150
LPO Applicants	\$100

If there are extraordinary circumstances that prevent an applicant from taking the examination (e.g., a serious medical emergency, death in the immediate family, significant health problems, house fire), a written request must be delivered to the WSBA Bar within 18 days after the exam in order to receive a partial refund as set forth above. The Bar may require the applicant to submit supporting documentation for the request.

For good cause shown, Bar staff has discretion to change the application type upon request of the applicant and transfer any application fee already paid to the new application type.

IV. CHARACTER & FITNESS REVIEW

All applicants are subject to a character and fitness review prior to being admitted to practice law in Washington State. The responsibility for full disclosure rests entirely upon the applicant. Permission to sit for the examination or admission to practice law may be withheld pending a hearing before the Character and Fitness Board and a final determination by the Washington Supreme Court regarding whether the applicants have met their burden of proving that they are of good moral character, fit to practice law and have met the Essential Eligibility Requirements. See APR 20-24.3. Factors considered by Admissions staff and Bar Counsel when determining whether an applicant should be referred to the Character and Fitness Board are set forth in APR 21(a).

Washington requires resolution of all character and fitness issues at least ~~60~~ 18 days prior to sitting for the exam. Exam applicants with unresolved character and fitness issues after this deadline will not be permitted to sit for the exam and will have their application transferred to the next exam. Applicants may choose to withdraw from the exam and receive a partial refund if the request is made at least 18 days prior to the first day of the exam in lieu of transferring to the next exam. Therefore, applicants who disclose any information that may raise an issue of character or fitness are advised to file their applications early in the registration period. Early filing or providing information prior to the 18 day deadline does not guarantee all issues will be resolved ~~60~~ 18 days prior to the exam.

~~The WSBA Character and Fitness Board will not consider applications from attorney applicants including foreign attorney applicants who are currently under disciplinary suspension from another jurisdiction in which they are admitted to practice law.~~

V. NCBE REPORT REQUIREMENT ~~FOR ATTORNEY AND FOREIGN APPLICANTS~~

Applications for General Applicants applying under APR 3(b)(4)(B), House Counsel Applicants, Foreign Law Consultant Applicants, and all Attorney Applicants, except for applicants eligible for military spouse admission by motion under APR 3(c)(2), are referred to the National Conference of Bar Examiners (NCBE) for verification and investigation of the information in the application. All attorney and foreign applicants will have their applications investigated and verified by the National Conference of Bar

~~Examiners (NCBE). Applicants who have an application that is referred to the NCBE will be contacted by the NCBE and required to pay an investigation fee and submit authorization and release forms directly to the NCBE. The Bar cannot finish processing applications until the report is received from the NCBE.~~

~~Attorney applicants Applicants applying for an exam will not be allowed to sit for the exam if the WSBA Bar does not receive a report back from the NCBE at least 18 days prior to the first day of the exam; in that case, the application will be transferred to the next exam. Foreign applicants must apply during the application period for the exam prior to the one they want to take (see Application Filing Deadlines in section II B).~~

~~All applicants will be given the option to transfer their registration fees and application to the next exam if the character and fitness review is not complete or the NCBE report is not received by the appropriate deadline. Applicants may also choose to withdraw from the exam and receive a partial refund if the request is made at least 60 18 days prior to the first day of the exam in lieu of transferring to the next exam.~~

~~NCBE reports are valid for one calendar year from the date the Bar receives the completed report from the NCBE, after which a supplemental or new NCBE report will be required. See the NCBE website for additional information: <http://www.ncbex.org/character-and-fitness/jurisdiction/wa>. Applications with a completed NCBE report may be used for two consecutive exam cycles after which a new investigation will be required.~~

VI. REASONABLE ACCOMMODATIONS UNDER THE ADA

Any applicant with a disability for which reasonable accommodation is needed must request such accommodation ~~in writing through the online admissions site at least 80 45~~ days prior to the examination date. Applicants requesting reasonable accommodations because of disabilities must provide appropriate documentation of the disability and specify the extent to which the standard testing procedures need to be modified. The burden of proof is on the applicant to show the need for any reasonable accommodations. The Bar reserves the right to make final judgment concerning testing accommodations and may have documentation reviewed by a medical specialist, psychologist or learning disability specialist. See the online admissions site for additional information regarding accommodations requests and required documentation.

Any reasonable accommodation may not compromise the integrity or security of the examination or affect the standards set for the examination. ~~WSBA The Bar~~ and any applicant granted accommodations must agree to and accept the terms and conditions of the accommodations no less than ~~60 18~~ days prior to the first day of the examination.

VII. SPECIAL REQUESTS FOR THE EXAM ROOM

For good cause shown, applicants may be permitted to bring otherwise prohibited items into the exam room. Examples of items are: pillows/lumbar supports, ergonomic chairs, book stand, wrist rest, medication, external keyboard or mouse, and religious headgear. In addition, applicants may request a specific seating location in the exam room due to a medical condition.

The ~~WSBA Bar~~ will provide a room for nursing mothers upon request. Nursing mothers may use the nursing room before and after the exam, during breaks and during the exam. An applicant must be accompanied by a proctor if the nursing room is used during the exam session.

All special requests for ~~the lawyer bar an~~ exam must be made on the online admissions site ~~using the special request tool~~ at least no less than 18 days prior to the first day of the exam. ~~All requests from LLLT and LPO applicants must be in writing.~~ All requests must be supported (if applicable) by a doctor's note.

VIII. LAPTOP USE AND ~~EXAMSOFT~~ EXAM360 SOFTWARE

Applicants for ~~the lawyer bar an~~ exam requesting to use a laptop computer for the ~~MEE and MPT written portions of the exam~~ must register, pay for, and download software from ~~ExamSoft ILG Exam360~~. ~~Lawyer bar exam applicants using a laptop are required to purchase and download the Examsoft software~~ Exam360 must be purchased and downloaded for each administration of the bar exam, even if they have used it in the past. Fees paid to ~~ExamSoft ILG Exam360~~ are nonrefundable and nontransferable. ~~Lawyer bar exam applicants who will be using a laptop to take the exam~~ Laptop users must sign a waiver of liability on exam day. ~~Lawyer bar exam a~~ Applicants who do not purchase and download the software by 18 days prior to the exam will be required to ~~handwrite~~ the exam.

If an exam applicant's laptop fails prior to the exam, the applicant must contact ILG Exam360 to download Exam360 again.

IX. EXAMINATION PROVISIONS

A. Grading and Results for All Examinations

(1) All applicants for all exams are to abide by the Exam Security Policy as established by the Bar.

(2) Grading of examinations shall be anonymous. Graders shall be provided exam answers with only the applicant ID number to identify to whom the answer belongs. Names or other personal information that would identify an applicant is not provided to the graders. All information matching names and numbers of the applicants shall be kept in the custody of the Bar until all examinations have been graded and each examination has been given either a pass or fail grade by applicant number only.

(3) There is no review or appeal of final examination results. APR 4(b).

(4) The names of successful applicants ~~shall~~ will be posted ~~at the headquarters of the Bar and~~ on the Bar's website.

(5) Unsuccessful exam applicants may reapply and retake the exam in the same manner as any other applicant.

B. Lawyer Bar Examination

(1) All lawyer bar exam applicants must pass the Uniform Bar Exam prepared and coordinated by the National Conference of Bar Examiners. The UBE consists of Multistate Bar Exam (MBE), Multistate Essay Exam (MEE) and Multistate Performance Test (MPT) questions. The UBE is administered over two days in accordance with the procedures established by the NCBE.

(2) The Board of Bar Examiners is responsible for the grading of the MEE and MPT questions on the UBE. In order to assure fairness and uniformity in grading, the Board of Bar Examiners shall follow NCBE-prescribed standards for grading to be used by all graders. The Board of Bar Examiners shall, as soon as practicable and within any guidelines prepared by the NCBE, certify the scores on the MEE and MPT portions for all applicants who have taken the UBE.

(3) Upon completion of the grading and certification, the Bar shall cause each lawyer bar exam applicant to be notified of the result of the examination. All results shall be reported to the NCBE in accordance with procedures established by the NCBE. All scaled scores and the applicant's national percentile rank for the MBE will also be reported to ~~a lawyer bar exam~~ the applicant's law school.

(4) All lawyer bar exam applicants will be provided with the scaled written (MEE+MPT) score, scaled MBE score, total scaled UBE score and their national percentile rank for the MBE. Unsuccessful lawyer bar exam applicants will receive copies of their written essay and performance test questions and answers and written raw scores. No other raw scores, results information or examination materials will be provided to the applicants.

C. Washington Law Component

All applicants qualifying for admission as a lawyer under APR 3 must pass the Washington Law Component (WLC). The WLC is comprised of online materials and an online multiple choice test based on areas or subjects of law that are specific to Washington State. The Board of Bar Examiners is responsible for the content of the WLC and shall publish the Washington state specific materials for applicants.

The WLC is self-administered by applicants and is available to applicants after ~~filing~~ submitting the application for the bar exam. There is no fee to take the WLC. The WLC is an open-book test. Applicants may take the WLC as many times as necessary to achieve the minimum pass score. There is a mandatory waiting period of 24 hours after failing to pass the WLC the first time. Subsequent fails of the WLC require a 72 hour waiting period before retaking the test. The WLC minimum pass score is 80% correct. If an applicant fails the UBE or withdraws from the UBE after taking the WLC, that applicant must retake the WLC after applying for the next UBE administration.

X. UBE SCORE TRANSFER APPLICANT PROVISIONS

UBE score transfer applicants must have a qualifying UBE score and must meet one of the qualifications for lawyer bar examination applicants as set forth in APR 3(b).

UBE score transfer applicants may apply in Washington as a UBE score transfer applicant while applying in a different UBE jurisdiction to take the UBE, with the intent of transferring a qualifying score from that jurisdiction to Washington. The applicant must notify the Bar of the jurisdiction where the applicant will take the UBE.

Applicants are not permitted to apply at the same time for admission in Washington as both an applicant to take the UBE in Washington and an applicant seeking to transfer a UBE score to Washington.

TO: WSBA Board of Governors
FROM: Paris A. Eriksen, Volunteer Engagement Advisor
DATE: October 29, 2020
RE: Proposed Amendments to WSBA Bylaws regarding election of the Governor At Large positions

FIRST READ: Approve proposed amendments to the WSBA Bylaws, Article VI. ELECTIONS

In April 2020, the Washington Supreme Court approved amendments to the WSBA Bylaws regarding Article IV. Governance and Article VI. Elections. The approved amendments included, 1) changes to the Governor At Large positions from appointed by the Board to elected by WSBA members and, 2) the candidates for two of the At Large positions to be identified by the Washington Diversity Committee.

However, remnants of the previous processes remain in Article VI. These remnants include, 1) an appointment process and requisite deadline for the At Large positions and, 2) a requisite timeline for the congressional district elections that does not include the At Large positions nor account for the aforementioned committee's obligations within the Bylaws. Therefore, the goal of the proposed amendments is to align processes and modify the overall timeline for Governor elections in advance of the next regular election in 2021. To summarize, the draft amendments:

- remove reference to appointment process for the At Large positions,
- expand the reference to an election to be inclusive of both Congressional and At Large positions, unless the distinction is necessary,
- modify timelines,
- clarify the mechanism for placing committee nominees on the ballot when no Board action is required and
- include copy edit changes throughout for consistency.

The proposed amendments include feedback from the staff liaisons for both the Diversity and Washington Young Lawyers Committees. The Washington Diversity Committee and Washington Young Lawyers Committee are aware of the need to update the Bylaws to clarify the election process. The Chair(s) of both committees have received these amendments and been invited to provide feedback. It is anticipated that both committees will discuss these amendments at their respective meetings in November and December. Additionally, given that the draft timeline may overlap with some section elections, feedback has been solicited from section leaders.

Note: a 'calendar look' of the shift in the overall Board elections timeline set forth in these amendments can be found on the next page.

	FEB	MAR	APR	MAY	JUNE
CURRENT Congressional District Elections	Feb. 15 Application Deadline	Voting March 15 – April 1			
CURRENT At Large Appointment			Apr. 20 Application Deadline	Appointed by BOG at May or June meeting	
PROPOSED Board Elections Congressional & At Large		Mar. 15 Application Deadline			Voting Jun. 1 - 15

Incl.,
 WSBA Bylaws Article VI. ELECTIONS draft amendments, redline
 WSBA Bylaws Article VI. ELECTIONS draft amendments, clean copy

VI. ELECTIONS

A. ELIGIBILITY FOR MEMBERSHIP ON BOARD OF GOVERNORS

1. Governors from Congressional Districts: Any Active member of the Bar, except a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply for election as Governor from the Congressional District, or geographic regions within the Seventh Congressional District, in which such person resides.

Members that have served as Governors for more than 48 consecutive months at time of filing an application, are not eligible to be nominated or apply for election or appointment as Governor from the Congressional District, At- Large Governor position, or geographic regions within the Seventh Congressional District, in which such person resides, for a period of 36 months after the conclusion of that term of service.

2. At Large Governors: There will be a total of three At Large Governor positions.
 - a. Two At Large (“Member At Large Governor”) Positions: Any Active member of the Bar, except a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply.
 - b. One Young Lawyer (“Young Lawyer At Large Governor”) Position: Any Active lawyer member of the Bar who qualifies as a Young Lawyer as set forth in these Bylaws, except for a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply.
3. Filing of nominations and applications must be in accordance with this Article.

B. NOMINATIONS AND APPLICATIONS

1. Applications for the Board of Governors must be filed in the office of the Bar not later than 5:00 p.m., on the 15th day of March of the year in which the election is to be held. If this day falls on a day in which the office of the Bar is closed, the deadline will be 5:00 p.m. of the following business day.
2. Applications for the position of President-elect must be filed by the deadline set forth in the notice published in the Bar’s official publication and posted on the Bar’s website; notice must be given not less than 30 days before the filing deadline.
3. In the event no application is made for a seat, the position will be treated, advertised, and filled by Board appointment until the next election cycle only, in which the position will be included in the election cycle for the remaining term.

C. ELECTION OF GOVERNORS

1. Election of one Governor from each Congressional District and for the At Large positions will be held every three years as follows:
 - a. Third, Sixth, Eighth Congressional Districts and the North region of the Seventh Congressional District and one At Large Member Governor – 2014 and every three years thereafter.
 - b. First, Fourth, Fifth Congressional Districts and the South region of the Seventh Congressional District and one At Large Young Lawyer Governor – 2015 and every three years thereafter.
 - c. Second, Ninth and Tenth Congressional Districts and one At Large Member Governor – 2013 and every three years thereafter.
2. Voting in the Election of Governors will be conducted in the following manner:
 - a. Eligibility to Vote. All Active members, as of May 1st of each year, are eligible to vote in the BOG election. For Congressional Districts, all Active members are eligible to vote in the BOG election for their district, subject to the election schedule shown above. Active members residing in the State of Washington may only vote in the district in which they reside. Active members residing outside the State of Washington may only vote in the district of the address of the agent they have designated within the State of Washington for the purpose of receiving service of process as required by APR 13, or, if specifically designated to the Executive Director, within the district of their primary Washington practice.
 - b. Ballots. On June 1st of each election year, the Executive Director will ensure delivery of ballots containing the names of all candidates for Governor for each District and At Large Governor seats in which an election is to be held to each Active member eligible to vote.. Elections will be conducted electronically using a secure process (“electronic voting”). Active members who are eligible to vote in an election may request a paper ballot to be used in place of the electronic ballot. Electronic ballots will be sent to active members eligible to vote in an election, and will include information about how to vote by electronic voting. Should any Active member eligible to vote fail to receive a ballot, or receive a defective ballot, the member may obtain a replacement ballot by furnishing proof of eligibility to the Executive Director, and upon returning the defective ballot if the member received a paper ballot.
 - c. Voting Procedure. Each Active member eligible to vote in the election may vote in one of the following ways. Each member has only one vote. Only one vote will be counted from any member who inadvertently votes both by paper ballot and by electronic means:
 - 1) By paper ballot. Paper ballots will be available upon request. The member must submit the request by June 1st and cause the envelope containing the ballot to be delivered to the office of the Bar by no later than 5:00 p.m. (PDT) on June 15th of that election year. Alteration of or addition to the ballot, other than the marking of the member's choice, invalidates the ballot.
 - 2) By electronic voting. Voters will be sent links to their ballots via email. Voting must be completed by no later than 5:00 p.m. (PDT) on June 15th of that election year.
 - d. Voting System. In any election for membership on the BOG, if there is only one qualified candidate nominated, then that candidate will be declared elected. If there are only two candidates for a position, then the candidate receiving the highest number of votes will be

declared elected. If there are more than two candidates, and if no candidate receives more than 50% of the total vote, the two candidates receiving the highest number of votes will participate in a run-off election. In the event of a tie for the second highest vote total, all candidates who are tied will participate in the run-off election along with the candidate who received the most votes.

If a run-off election is necessary, the Executive Director in consultation with the President will designate the date for delivering the ballots and the deadline for voting, which will be no later than 5:00 p.m. (PDT), June 30th. The candidate receiving the highest number of votes will be declared elected.

- e. **Checking and Custody of Ballots.** The Executive Director will maintain custody of all satisfactorily identified and signed paper ballot envelopes, segregated as to position. The paper ballot will remain in the custody of the Executive Director until counted. Any paper ballots not enclosed in an envelope, satisfactorily identified and signed, will not be counted.
- f. **Electronic votes** must be verified and securely stored by the online voting vendor.
- g. **Counting of Ballots.** Paper ballots will be counted by the Executive Director or their designee under the supervision of the Election Board, and electronic ballots will be counted by the online voting vendor. The ballot verification process will be supervised by an Election Board of not less than three Active members appointed by the President. At least two members of the Election Board must be present (in person or by video conference) at any count of paper ballots. Any Active member of the Bar may be present at such count of paper ballots.

The Executive Director will establish and follow a procedure that will ensure that no member's vote is counted more than once.

Promptly upon determination of the election results, the Election Board will forward the results to the Executive Director, who will notify each candidate as promptly as reasonably possible of the result of the election and publicly announce the election of the successful candidates. Official written notice of the election results also will be emailed to each candidate.

- h. **Retaining Ballots.** All paper ballots and identifying return envelopes must be retained in the custody of the Executive Director. The elections vendor must retain the electronic voting data, and maintain an auditable trail of the election, for no less than 90 days after the close of the election.
- i. If no challenge to the ballot count has been made after 90 days, the ballots and identifying return envelopes may be destroyed, and the Executive Director will notify the vendor to destroy the data and auditable trail for that election.

3. Eligibility Requirements: Election of At Large Governors

At-Large Governors shall be elected by the Members as follows:

- a. **Member At Large Governors:** After notice of the position has been adequately provided to all members, the Diversity Committee shall forward at least three candidates who have the

experience and knowledge of the needs of those members whose membership is or may be historically underrepresented in governance, or who represent some of the diverse elements of the public of the State of Washington, to the end that the BOG will be a more diverse and representative body than the results of the election of Governors based solely on Congressional Districts may allow. Underrepresentation and diversity may be based upon, but not be limited to age, race, gender, sexual orientation, disability, geography, areas and types of practice, and years of membership, provided that no single factor will be determinative. The Executive Director shall then place all candidates forwarded by the Diversity Committee on the ballot to be elected by all eligible voting members. If the Diversity Committee forwards less than three candidates, the Executive Director shall notify the BOG, which may, at its option, select additional qualifying candidates on its own or place only those candidates forwarded by the Diversity Committee on the ballot to be elected by all eligible voting members.

- b. Young Lawyer At Large Governor: The Washington Young Lawyers Committee shall forward at least three candidates to the BOG who qualify as Young Lawyers as defined by Article XII(B) of these Bylaws in the year of the election. The BOG shall then place all candidates forwarded by the Washington Young Lawyers Committee on the ballot to be elected by a vote of all Young Lawyer Members as defined in section XII(B) of these Bylaws. If the Washington Young Lawyers Committee forwards less than three candidates the BOG may, at its option, select additional qualifying candidates on its own or place only those candidates forwarded by the Washington Young Lawyers Committee on the ballot to be elected by a vote of all Young Lawyer Members as defined in section XII(B) of these Bylaws.

D. ELECTIONS BY BOARD OF GOVERNORS

1. Office of President-Elect.

The BOG will elect an Active lawyer member of the Washington State Bar Association to serve as President-elect. The election shall take place during a BOG meeting not later than the 38th week of each fiscal year, and will be by secret written ballot. The President-elect will take office upon the incumbent President-elect becoming President or upon vacancy of the office of President-elect.

If at the time of election, no President-elect in the preceding three years was an individual whose primary place of business was located in Eastern Washington, the President-elect must be an individual whose primary place of business is located in Eastern Washington. For purposes of these Bylaws, "Eastern Washington" is defined as that area east of the Cascade mountain range generally known as Eastern Washington. In any year where the President-elect must be an individual from Eastern Washington and no qualifying application is received within the timeframe allowed, the President will advise the BOG, and the BOG, at any regular meeting or special meeting called for that purpose, will establish procedures to re-open and extend the application period or otherwise address the issue. Such action by the BOG may include waiver of any geographic limitation for the year in question.

2. Treasurer

The Treasurer must be a current lawyer Governor and will be nominated and elected by the BOG at the second to the last regularly scheduled BOG meeting of the fiscal year. The Treasurer will be elected by simple majority of Governors voting. In the event there is more than one nomination, the vote will be by secret written ballot.

3. Election Procedures for President and President-elect

Elections of President and President-elect elections, and any other elections held by the BOG under these Bylaws, are conducted as follows:

- a. Notice of the position will be advertised in the Bar's official publication and on the Bar's website no less than 30 days before the filing deadline and must include the closing date and time for filing candidate applications.
- b. Following expiration of the closing date and time identified, all candidate names will be posted publicly.
- c. The BOG may appoint a committee to recommend candidates to the BOG from all who have submitted their applications for a position in a timely manner.
- d. All recommended candidates, or others as determined at the discretion of the BOG, will be interviewed in public session of the BOG's meeting. Candidates who are competing for the same position must not be present for each other's interviews.
- e. Discussion of the candidates will be in public session but candidates will be asked by the President not to be present.
- f. Election of candidates will be conducted by secret written ballot.
- g. If no candidate for a given position receives a majority of the votes cast, the two candidates receiving the highest number of votes will be voted on in a run-off election. In the event of a tie for the second highest vote total, all candidates who are tied will participate in the run-off election along with the candidate who received the most votes. The candidate with the most votes in the run-off will be deemed the winner.
- h. Ballots will be tallied by three persons designated by the President, one of whom will be the Executive Director.
- i. Proxy votes are not allowed; however, a Governor who participated in the interview and discussion process by electronic means may cast a vote telephonically via a confidential phone call with the Executive Director and the other persons designated by the President to count the ballots.
- j. The elected candidate will be announced publicly following the vote. However, the vote count will not be announced and all ballots will be immediately sealed to both the BOG and the public and remain in the custody of the Executive Director for 90 days, when they will be destroyed.

Sections E, F and G are unchanged.

VI. ELECTIONS

A. ELIGIBILITY FOR MEMBERSHIP ON BOARD OF GOVERNORS

1. Governors from Congressional Districts: Any Active member of the Bar, except a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply for election as Governor from the Congressional District, or geographic regions within the Seventh Congressional District, in which such person resides.

Members that have served as Governors for more than 48 consecutive months at time of filing ~~or an~~ application, are not eligible to be nominated or apply for election or appointment as Governor from the Congressional District, At-Large Governor position, or geographic regions within the Seventh Congressional District, in which such person resides, for a period of 36 months after the conclusion of that term of service.

2. At Large Governors: There will be a total of three At Large Governor positions.
 - a. Two At Large (“Member At Large Governor”) Positions: Any Active member of the Bar, except a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply.
 - b. One Young Lawyer (“Young Lawyer At Large Governor”) Position: Any Active lawyer member of the Bar who qualifies as a Young Lawyer as set forth in these Bylaws, except for a person who has previously served as a Governor for more than 48 consecutive months, may be nominated or apply ~~for election as an At Large Governor.~~

~~Members that have served as an At Large Governor for more than 48 consecutive months at time of filing or application, are not eligible to be nominated or apply for election or appointment as an At Large Governor from the Congressional District, At Large Governor position or geographic regions within the Seventh Congressional District, or in which such person resides, for a period of 36 months after the conclusion of that term of service.~~

3. Filing of nominations and applications must be in accordance with this Article.

B. NOMINATIONS AND APPLICATIONS

1. Applications for the Board of Governors ~~elected from Congressional Districts~~ must be filed in the office of the Bar not later than 5:00 p.m., on the 15th day of ~~February~~ March of the year in which the election is to be held. If this day falls on a day in which the office of the Bar is closed, the deadline will be 500 p.m. of the following business day.
2. ~~Applications and nominations for At Large Governor positions must be filed in the office of the Bar not later than 5:00 p.m. on the 20th day of April of the year in which the election or nomination is to be held.~~

~~3.2.~~ Applications for the position of President-elect must be filed by the deadline set forth in the notice published in the Bar's official publication and posted on the Bar's website; notice must be given not less than 30 days before the filing deadline.

~~4.3.~~ In the event no application is made for a ~~Congressional District~~ seat, the position will be treated, advertised, and filled by Board appointment as an at-large position for that until the next election cycle only, in which the position will be included in the election cycle for the remaining term.

C. ELECTION OF GOVERNORS

1. Election of one Governor from each Congressional District and for the ~~atAt-large-Large~~ positions will be held every three years as follows:
 - a. Third, Sixth, Eighth Congressional Districts and the North region of the Seventh Congressional District and one At Large Member Governor – 2014 and every three years thereafter.
 - b. First, Fourth, Fifth Congressional Districts and the South region of the Seventh Congressional District and one At Large Young Lawyer Governor – 2015 and every three years thereafter.
 - c. Second, Ninth and Tenth Congressional Districts and one At Large Member Governor – 2013 and every three years thereafter.
2. Voting in the Election of Governors will be conducted in the following manner: from ~~Congressional Districts~~
 - a. Eligibility to Vote. All Active members, as of ~~March-May~~ 1st of each year, are eligible to vote in the BOG election. For Congressional Districts, all Active members are eligible to vote in the BOG election for their district, subject to the election schedule shown above. Active members residing in the State of Washington may only vote in the district in which they reside. Active members residing outside the State of Washington may only vote in the district of the address of the agent they have designated within the State of Washington for the purpose of receiving service of process as required by APR 13, or, if specifically designated to the Executive Director, within the district of their primary Washington practice.
 - b. Ballots. On ~~March-June 1st5th~~ of each election year, the Executive Director will ensure delivery of ballots containing the names of all candidates for Governor for each District and At Large Governor seats in which an election is to be held to each Active member eligible to vote in that District. Elections will be conducted electronically using via a secure process website ("electronic voting"). Active members who are eligible to vote in an election may request a paper ballot to be used in place of the electronic ballot. Electronic ballots will be sent to active members eligible to vote in an election, and will include information about how to vote by electronic voting. Should any Active member eligible to vote fail to receive a ballot, or receive a defective ballot, the member may obtain a replacement ballot by furnishing proof of eligibility to the Executive Director, and upon returning the defective ballot if the member received a paper ballot.

- c. Voting Procedure. Each Active member eligible to vote in the election may vote in one of the following ways. Each member has only one vote. Only one vote will be counted from any member who inadvertently votes both by paper ballot and by electronic means:
- 1) By paper ballot. Paper ballots will be available upon request. The member must submit the request by June 1st and, after marking a ballot, place the ballot in the envelope marked "Ballot," place that envelope in the envelope directed to the Bar, print or type the member's name, sign the outside of the envelope, and cause the envelope containing the ballot to be delivered to the office of the Bar by no later than 5:00 p.m. (PDT) on April-June 15th of that election year. Alteration of or addition to the ballot, other than the marking of the member's choice, invalidates the ballot.
 - 2) By electronic voting. Voters will be sent links to their ballots via email. Voting must be completed by no later than 5:00 p.m. (PDT) on April 1st June 15th of that election year.
- d. Voting System. In any election for membership on the BOG, if there is only one qualified candidate nominated, then that candidate will be declared elected. If there are only two candidates for a position, then the candidate receiving the highest number of votes will be declared elected. If there are more than two candidates, and if no candidate receives more than 50% of the total vote, the two candidates receiving the highest number of votes will participate in a run-off election. In the event of a tie for the second highest vote total, all candidates who are tied will participate in the run-off election along with the candidate who received the most votes.

If a run-off election is necessary, the Executive Director in consultation with the President will designate the date for delivering the ballots and the deadline for voting, which will be no later than 5:00 p.m. (PDT), June 30th, 10 days after the date the ballots are delivered. The candidate receiving the highest number of votes will be declared elected.

- e. Checking and Custody of Ballots. The Executive Director will deposit-maintain custody of all satisfactorily identified and signed paper ballot envelopes, in receptacles-segregated as to Districts-position. The receptacles-paper ballot will remain in the custody of the Executive Director until the ballots are counted. Any paper ballots not enclosed in an envelope, satisfactorily identified and signed, will not be counted.
- f. Electronic votes must be verified and securely stored by the online voting vendor.
- g. Counting of Ballots. Paper ballots will be counted by the Executive Director or their designee under the supervision of the Election Board in the office of the Bar, and electronic ballots, if any, will be counted by the online voting vendor and certified. The election-ballot verification process will be supervised by an Election Board of not less than three Active members appointed by the President. At least two members of the Election Board must be present (in person or by video conference) at any count of paper ballots. Any Active member of the Bar may be present at such count of paper ballots.

The Executive Director will establish and follow a procedure that will ensure that no member's vote is counted more than once.

Promptly upon determination of the election results, the Election Board will forward the results to the Executive Director, who will notify each candidate as promptly as reasonably possible of the result of the election and publicly announce the election of the successful candidates. Official written notice of the election results also will be emailed to each candidate.

- h. Retaining Ballots. All paper ballots and identifying return envelopes must be retained in the custody of the Executive Director. The elections vendor must retain the electronic voting data, and maintain an auditable trail of the election, for no less than 90 days after the close of the election.
- i. If no challenge to the ballot count has been made after 90 days, the ballots and identifying return envelopes may be destroyed, and the Executive Director will notify the vendor to destroy the data and auditable trail for that election.

3. Eligibility Requirements: Election of At-Large Governors

At-Large Governors shall be elected by the Members as follows:

- a. Member At Large Governors: After notice of the position has been adequately provided to all members, the Diversity Committee shall forward at least three candidates who have the experience and knowledge of the needs of those members whose membership is or may be historically underrepresented in governance, or who represent some of the diverse elements of the public of the State of Washington, to the end that the BOG will be a more diverse and representative body than the results of the election of Governors based solely on Congressional Districts may allow. Underrepresentation and diversity may be based upon, but not be limited to age, race, gender, sexual orientation, disability, geography, areas and types of practice, and years of membership, provided that no single factor will be determinative. The ~~BOG-Executive Director~~ shall then place all candidates forwarded by the Diversity Committee on the ballot to be elected by all eligible voting members. If the Diversity Committee forwards less than three candidates, the Executive Director shall notify the BOG, which may, at its option, select additional qualifying candidates on its own or place only those candidates forwarded by the Diversity Committee on the ballot to be elected by all eligible voting members.
- b. Young Lawyer At Large Governor: The Washington Young Lawyers Committee shall forward at least three candidates to the BOG who qualify as Young Lawyers as defined by Article XII(B) of these Bylaws ~~as of December 31~~ in the year of the election. The BOG shall then place all candidates forwarded by the Washington Young Lawyers Committee on the ballot to be elected by a vote of all Young Lawyer Members as defined in section XII(B) of these ~~bylaws~~Bylaws. If the Washington Young Lawyers Committee forwards less than three candidates the BOG may, at its option, select additional qualifying candidates on its own or place only those candidates forwarded by the Washington Young Lawyers Committee on the ballot to be elected by a vote of all Young Lawyer Members as defined in section XII(B) of these ~~bylaws~~Bylaws.

D. ELECTIONS BY BOARD OF GOVERNORS

1. Office of President-Elect.

The BOG will elect an Active lawyer member of the Washington State Bar Association to serve as President-elect. The election shall take place during a BOG meeting not later than the 38th week of each fiscal year, and will be by secret written ballot. The President-elect will take office upon the incumbent President-elect becoming President or upon vacancy of the office of President-elect.

If at the time of election, no President-elect in the preceding three years was an individual whose primary place of business was located in Eastern Washington, the President-elect must be an individual whose primary place of business is located in Eastern Washington. For purposes of these Bylaws, "Eastern Washington" is defined as that area east of the Cascade mountain range generally known as Eastern Washington. In any year where the President-elect must be an individual from Eastern Washington and no qualifying application is received within the timeframe allowed, the President will advise the BOG, and the BOG, at any regular meeting or special meeting called for that purpose, will establish procedures to re-open and extend the application period or otherwise address the issue. Such action by the BOG may include waiver of any geographic limitation for the year in question.

2. Treasurer

The Treasurer must be a current lawyer Governor and will be nominated and elected by the BOG at the second to the last regularly scheduled BOG meeting of the fiscal year. The Treasurer will be elected by simple majority of Governors voting. In the event there is more than one nomination, the vote will be by secret written ballot.

3. Election Procedures **for President and President-elect**

Elections of ~~At Large Governors,~~ President and President-elect elections, and any other elections held by the BOG under these Bylaws, ~~except elections for the position of Treasurer,~~ are conducted as follows:

- a. Notice of the position will be advertised in the Bar's official publication and on the Bar's website no less than 30 days before the filing deadline and must include the closing date and time for filing candidate applications.
- b. Following expiration of the closing date and time identified, all candidate names will be posted publicly.
- c. The BOG may appoint a committee to recommend candidates to the BOG from all who have submitted their applications for a position in a timely manner.
- d. All recommended candidates, or others as determined at the discretion of the BOG, will be interviewed in public session of the BOG's meeting. Candidates who are competing for the same position must not be present for each other's interviews.
- e. Discussion of the candidates will be in public session but candidates will be asked by the President not to be present.
- f. Election of candidates will be conducted by secret written ballot.
- g. If no candidate for a given position receives a majority of the votes cast, the two candidates receiving the highest number of votes will be voted on in a run-off election. In the event of a tie for the second highest vote total, all candidates who are tied will participate in the run-off

election along with the candidate who received the most votes. The candidate with the most votes in the run-off will be deemed the winner.

- h. Ballots will be tallied by three persons designated by the President, one of whom will be the Executive Director.
- i. Proxy votes are not allowed; however, a Governor who participated in the interview and discussion process by electronic means may cast a vote telephonically via a confidential phone call with the Executive Director and the other persons designated by the President to count the ballots.
- j. The elected candidate will be announced publicly following the vote. However, the vote count will not be announced and all ballots will be immediately sealed to both the BOG and the public and remain in the custody of the Executive Director for 90 days, when they will be destroyed.

Sections E, F and G are unchanged.

WASHINGTON STATE BAR ASSOCIATION

WSBA MISSION

The Washington State Bar Association’s mission is to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice.

WSBA GUIDING PRINCIPLES

The WSBA will operate a well-managed association that supports its members and advances and promotes:

- **Access to the justice system.**
Focus: Provide training and leverage community partnerships in order to enhance a culture of service for legal professionals to give back to their communities, with a particular focus on services to underserved low and moderate income people.
- **Diversity, equality, and cultural understanding throughout the legal community.**
Focus: Work to understand the lay of the land of our legal community and provide tools to members and employers in order to enhance the retention of minority legal professionals in our community.
- **The public’s understanding of the rule of law and its confidence in the legal system.**
Focus: Educate youth and adult audiences about the importance of the three branches of government and how they work together.
- **A fair and impartial judiciary.**
- **The ethics, civility, professionalism, and competence of the Bar.**

MISSION FOCUS AREAS

Ensuring Competent and Qualified Legal Professionals

- Cradle to Grave
- Regulation and Assistance

Promoting the Role of Legal Professionals in Society

- Service
- Professionalism

PROGRAM CRITERIA

- Does the Program further either or both of WSBA’s mission-focus areas?
- Does WSBA have the competency to operate the Program?
- As the mandatory bar, how is WSBA uniquely positioned to successfully operate the Program?
- Is statewide leadership required in order to achieve the mission of the Program?
- Does the Program’s design optimize the expenditure of WSBA resources devoted to the Program, including the balance between volunteer and staff involvement, the number of people served, the cost per person, etc?

2016 – 2018 STRATEGIC GOALS

- **Equip members with skills for the changing profession**
- **Promote equitable conditions for members from historically marginalized or underrepresented backgrounds to enter, stay and thrive in the profession**
- **Explore and pursue regulatory innovation and advocate to enhance the public’s access to legal services**

GR 12
REGULATION OF THE PRACTICE OF LAW

The Washington Supreme Court has inherent and plenary authority to regulate the practice of law in Washington. The legal profession serves clients, courts, and the public, and has special responsibilities for the quality of justice administered in our legal system. The Court ensures the integrity of the legal profession and protects the public by adopting rules for the regulation of the practice of law and actively supervising persons and entities acting under the Supreme Court's authority.

[Adopted effective September 1, 2017.]

GR 12.1
REGULATORY OBJECTIVES

Legal services providers must be regulated in the public interest. In regulating the practice of law in Washington, the Washington Supreme Court's objectives include: protection of the public; advancement of the administration of justice and the rule of law; meaningful access to justice and information about the law, legal issues, and the civil and criminal justice systems;

- (a) transparency regarding the nature and scope of legal services To be provided, the credentials of those who provide them, and the availability of regulatory protections;
- (b) delivery of affordable and accessible legal services;
- (c) efficient, competent, and ethical delivery of legal services;
- (d) protection of privileged and confidential information;
- (e) independence of professional judgment;
- (f) Accessible civil remedies for negligence and breach of other duties owed, disciplinary sanctions for misconduct, and advancement of appropriate preventive or wellness programs;
- (g) Diversity and inclusion among legal services providers and freedom from discrimination for those receiving legal services and in the justice system.

[Adopted effective September 1, 2017.]

GR 12.2
**WASHINGTON STATE BAR ASSOCIATION: PURPOSES, AUTHORIZED
ACTIVITIES, AND PROHIBITED ACTIVITIES**

In the exercise of its inherent and plenary authority to regulate the practice of law in Washington, the Supreme Court authorizes and supervises the Washington State Bar Association's activities. The Washington State Bar Association carries out the administrative responsibilities and functions expressly delegated to it by this rule and other Supreme Court rules and orders enacted or adopted to regulate the practice of law, including the purposes and authorized activities set forth below.

- (a) Purposes: In General. In general, the Washington State Bar Association strives to:

- (1) Promote independence of the judiciary and the legal profession.
- (2) Promote an effective legal system, accessible to all.
- (3) Provide services to its members and the public.
- (4) Foster and maintain high standards of competence, professionalism, and ethics among its members.
- (5) Foster collegiality among its members and goodwill between the legal profession and the public.
- (6) Promote diversity and equality in the courts and the legal profession.
- (7) Administer admission, regulation, and discipline of its members in a manner that protects the public and respects the rights of the applicant or member.
- (8) Administer programs of legal education.
- (9) Promote understanding of and respect for our legal system and the law.
- (10) Operate a well-managed and financially sound association, with a positive work environment for its employees.
- (11) Serve as a statewide voice to the public and to the branches of government on matters relating to these purposes and the activities of the association and the legal profession.

(b) Specific Activities Authorized. In pursuit of these purposes, the Washington State Bar Association may:

- (1) Sponsor and maintain committees and sections, whose activities further these purposes;
- (2) Support the judiciary in maintaining the integrity and fiscal stability of an independent and effective judicial system;
- (3) Provide periodic reviews and recommendations concerning court rules and procedures;
- (4) Administer examinations and review applicants' character and fitness to practice law;
- (5) Inform and advise its members regarding their ethical obligations;
- (6) Administer an effective system of discipline of its members, including receiving and investigating complaints of misconduct by legal professionals, taking and recommending appropriate punitive and remedial measures, and diverting less serious misconduct to alternatives outside the formal discipline system;
- (7) Maintain a program, pursuant to court rule, requiring members to submit fee disputes to arbitration;
- (8) Maintain a program for mediation of disputes between members and others;
- (9) Maintain a program for legal professional practice assistance;
- (10) Sponsor, conduct, and assist in producing programs and products of continuing legal education;

- (11) Maintain a system for accrediting programs of continuing legal education;
- (12) Conduct examinations of legal professionals' trust accounts;
- (13) Maintain a fund for client protection in accordance with the Admission and Practice Rules;
- (14) Maintain a program for the aid and rehabilitation of impaired members;
- (15) Disseminate information about the organization's activities, interests, and positions;
- (16) Monitor, report on, and advise public officials about matters of interest to the organization and the legal profession;
- (17) Maintain a legislative presence to inform members of new and proposed laws and to inform public officials about the organization's positions and concerns;
- (18) Encourage public service by members and support programs providing legal services to those in need;
- (19) Maintain and foster programs of public information and education about the law and the legal system;
- (20) Provide, sponsor, and participate in services to its members;
- (21) Hire and retain employees to facilitate and support its mission, purposes, and activities, including in the organization's discretion, authorizing collective bargaining;
- (22) Establish the amount of all license, application, investigation, and other related fees, as well as charges for services provided by the Washington State Bar Association, and collect, allocate, invest, and disburse funds so that its mission, purposes, and activities may be effectively and efficiently discharged. The amount of any license fee is subject to review by the Supreme Court for reasonableness and may be modified by order of the Court if the Court determines that it is not reasonable;

(23) Administer Supreme-Court-created boards in accordance with General Rule 12.3.

(c) Activities Not Authorized. The Washington State Bar Association will not:

- (1) Take positions on issues concerning the politics or social positions of foreign nations;
- (2) Take positions on political or social issues which do not relate to or affect the practice of law or the administration of justice; or
- (3) Support or oppose, in an election, candidates for public office.

[Adopted effective July 17, 1987; amended effective December 10, 1993; September 1, 1997; September 1, 2007; September 1, 2013; September 1, 2017.]

GR 12.3
WASHINGTON STATE BAR ASSOCIATION ADMINISTRATION
OF SUPREME COURT-CREATED BOARDS AND COMMITTEES

The Supreme Court has delegated to the Washington State Bar Association the authority and responsibility to administer certain boards and committees established by court rule or order. This delegation of authority includes providing and managing staff, overseeing the boards and committees to monitor their compliance with the rules and orders that authorize and regulate them, paying expenses reasonably and necessarily incurred pursuant to a budget approved by the Board of Governors, performing other functions and taking other actions as provided in court rule or order or delegated by the Supreme Court, or taking other actions as are necessary and proper to enable the board or committee to carry out its duties or functions.

[Adopted effective September 1, 2007; amended effective September 1, 2017.]

GR 12.4
WASHINGTON STATE BAR ASSOCIATION ACCESS TO
RECORDS

(a) Policy and Purpose. It is the policy of the Washington State Bar Association to facilitate access to Bar records. A presumption of public access exists for Bar records, but public access to Bar records is not absolute and shall be consistent with reasonable expectations of personal privacy, restrictions in statutes, restrictions in court rules, or as provided in court orders or protective orders issued under court rules. Access shall not unduly burden the business of the Bar.

(b) Scope. This rule governs the right of public access to Bar records. This rule applies to the Washington State Bar Association and its subgroups operated by the Bar including the Board of Governors, committees, task forces, commissions, boards, offices, councils, divisions, sections, and departments. This rule also applies to boards and committees under GR 12.3 administered by the Bar. A person or entity entrusted by the Bar with the storage and maintenance of Bar records is not subject to this rule and may not respond to a request for access to Bar records, absent express written authority from the Bar or separate authority in rule or statute to grant access to the documents.

(c) Definitions.

(1) "Access" means the ability to view or obtain a copy of a Bar record.

(2) "Bar record" means any writing containing information relating to the conduct of any Bar function prepared, owned, used, or retained by the Bar regardless of physical form or characteristics. Bar records include only those records in the possession of the Bar and its staff or stored under Bar ownership and control in facilities or servers. Records solely in the possession of hearing officers, non-Bar staff members of boards, committees, task forces, commissions, sections, councils, or divisions that were prepared by the hearing officers or the members and in their sole possession, including private notes and working papers, are not Bar records and are not subject to public access under this rule. Nothing in this rule requires the Bar to create a record that is not currently in possession of the Bar at the time of the request.

(3) "Writing" means handwriting, typewriting, printing, photostating, photographing, and every other means of recording any form of communication or representation in paper, digital, or other format.

(d) Bar Records--Right of Access.

(1) The Bar shall make available for inspection and copying all Bar records, unless the record falls within the specific exemptions of this rule, or any other state statute (including the Public Records Act, chapter 42.56 RCW) or federal statute or rule as they would be applied to a public agency, or is made confidential by the Rules of Professional Conduct, the Rules for Enforcement of Lawyer Conduct, the Admission to Practice Rules and associated regulations, the Rules for Enforcement of Limited Practice Officer Conduct, General Rule 25, court orders or protective orders issued under those rules, or any other state or federal statute or rule. To the extent required to prevent an unreasonable invasion of personal privacy interests or threat to safety or by the above-referenced rules, statutes, or orders, the Bar shall delete identifying details in a manner consistent with those rules, statutes, or orders when it makes available or publishes any Bar record; however, in each case, the justification for the deletion shall be explained in writing.

(2) In addition to exemptions referenced above, the following categories of Bar records are exempt from public access except as may expressly be made public by court rule:

(A) Records of the personnel committee, and personal information in Bar records for employees, appointees, members, or volunteers of the Bar to the extent that disclosure would violate their right to privacy, including home contact information (unless such information is their address of record), Social Security numbers, driver's license numbers, identification or security photographs held in Bar records, and personal data including ethnicity, race, disability status, gender, and sexual orientation. Membership class and status, bar number, dates of admission or licensing, addresses of record, and business telephone numbers, facsimile numbers, and electronic mail addresses (unless there has been a request that electronic mail addresses not be made public) shall not be exempt, provided that any such information shall be exempt if the Executive Director approves the confidentiality of that information for reasons of personal security or other compelling reason, which approval must be reviewed annually.

(B) Specific information and records regarding

(i) internal policies, guidelines, procedures, or techniques, the disclosure of which would reasonably be expected to compromise the conduct of disciplinary or regulatory functions, investigations, or examinations;

(ii) application, investigation, and hearing or proceeding records relating to lawyer, Limited Practice Officer, or Limited License Legal Technician admissions, licensing, or discipline, or that relate to the work of ELC 2.5 hearing officers, the Board of Bar Examiners, the Character and Fitness Board, the Law Clerk Board, the Limited Practice Board, the MCLE Board, the Limited License Legal Technician Board, the Practice of Law Board, or the Disciplinary Board in conducting investigations, hearings or proceedings; and

(iii) the work of the Judicial Recommendation Committee and the Hearing Officer selection panel, unless such records are expressly categorized as public information by court rule.

(C) Valuable formulae, designs, drawings, computer source code or object code, and research data created or obtained by the Bar.

(D) Information regarding the infrastructure, integrity, and security of computer and telecommunication networks, databases, and systems.

(E) Applications for licensure by the Bar and annual licensing forms and related records, including applications for license fee hardship waivers and any decision or determinations on the hardship waiver applications.

(F) Requests by members for ethics opinions to the extent that they contain information identifying the member or a party to the inquiry.

Information covered by exemptions will be redacted from the specific records sought. Statistical information not descriptive of any readily identifiable person or persons may be disclosed.

(3) Persons Who Are Subjects of Records.

(A) Unless otherwise required or prohibited by law, the Bar has the option to give notice of any records request to any member or third party whose records would be included in the Bar's response.

(B) Any person who is named in a record, or to whom a record specifically pertains, may present information opposing the disclosure to the applicable decision maker.

(C) If the Bar decides to allow access to a requested record, a person who is named in that record, or to whom the records specifically pertains, has a right to initiate review or to participate as a party to any review initiated by a requester. The deadlines that apply to a requester apply as well to a person who is a subject of a record.

(e) Bar Records--Procedures for Access.

(1) General Procedures. The Bar Executive Director shall appoint a Bar staff member to serve as the public records officer to whom all records requests shall be submitted. Records requests must be in writing and delivered to the Bar public records officer, who shall respond to such requests within 30 days of receipt. The Washington State Bar Association must implement this rule and adopt and publish on its website the public records officer's work mailing address, telephone number, fax number, and e-mail address, and the procedures and fee schedules for accepting and responding to records requests by the effective date of this rule. The Bar shall acknowledge receipt of the request within 14 days of receipt, and shall communicate with the requester as necessary to clarify any ambiguities as to the records being requested. Records requests shall not be directed to other Bar staff or to volunteers serving on boards, committees, task forces, commissions, sections, councils, or divisions.

(2) Charging of Fees.

(A) A fee may not be charged to view Bar records.

(B) A fee may be charged for the photocopying or scanning of Bar records according to the fee schedule established by the Bar and published on its web site.

(C) A fee not to exceed \$30 per hour may be charged for research services required to fulfill a request taking longer than one hour. The fee shall be assessed from the second hour onward.

(f) Extraordinary Requests Limited by Resource Constraints. If a particular request is of a magnitude or burden on resources that the Bar cannot fully comply within 30 days due to constraints on time, resources, and personnel, the Bar shall communicate this information to the requester along with a good faith estimate of the time needed to complete the Bar's response. The Bar must attempt to reach

agreement with the requester as to narrowing the request to a more manageable scope and as to a timeframe for the Bar's response, which may include a schedule of installment responses. If the Bar and requester are unable to reach agreement, the Bar shall respond to the extent practicable, clarify how and why the response differs from the request, and inform the requester that it has completed its response.

(g) Denials. Denials must be in writing and shall identify the applicable exemptions or other bases for denial as well as a written summary of the procedures under which the requesting party may seek further review.

(h) Review of Records Decisions.

(1) Internal Review. A person who objects to a record decision or other action by the Bar's public records officer may request review by the Bar's Executive Director.

(A) A record requester's petition for internal review must be submitted within 90 days of the Bar's public records officer's decision, on such form as the Bar shall designate and make available.

(B) The review proceeding is informal, summary, and on the record.

(C) The review proceeding shall be held within five working days. If that is not reasonably possible, then within five working days the review shall be scheduled for the earliest practical date.

(2) External Review. A person who objects to a records review decision by the Bar's Executive Director may request review by the Records Request Appeals Officer (RRAO) for the Bar.

(A) The requesting party's request for review of the Executive Director's decision must be deposited in the mail and postmarked or delivered to the Bar not later than 30 days after the issuance of the decision, and must be on such form as the Bar shall designate and make available.

(B) The review will be informal and summary, but in the sole discretion of the RRAO may include the submission of briefs no more than 20 pages long and of oral arguments no more than 15 minutes long.

(C) Decisions of the RRAO are final unless, within 30 days of the issuance of the decision, a request for discretionary review of the decision is filed with the Supreme Court. If review is granted, review is conducted by the Chief Justice of the Washington Supreme Court or his or her designee in accordance with procedures established by the Supreme Court. A designee of the Chief Justice shall be a current or former elected judge. The review proceeding shall be on the record, without additional briefing or argument unless such is ordered by the Chief Justice or his or her designee.

(D) The RRAO shall be appointed by the Board of Governors. The Bar may reimburse the RRAO for all necessary and reasonable expenses incurred in the completion of these duties, and may provide compensation for the time necessary for these reviews at a level established by the Board of Governors.

(i) Monetary Awards Not Allowed. Attorney fees, costs, civil penalties, or fines may not be awarded under this rule.

(j) Effective Date of Rule.

(1) This rule goes into effect on July 1, 2014, and applies to records that are created on or after that date.

(2) Public access to records that are created before that date are to be analyzed according to other court rules, applicable statutes, and the common law balancing test; the Public Records Act, chapter 42.56 RCW, does not apply to such Bar records, but it may be used for nonbinding guidance.

[Adopted effective July 1, 2014; amended effective September 1, 2017.]

**GR 12.5
IMMUNITY**

All boards, committees, or other entities, and their members and personnel, and all personnel and employees of the Washington State Bar Association, acting on behalf of the Supreme Court under the Admission and Practice Rules, the Rules for Enforcement of Lawyer Conduct, or the disciplinary rules for limited practice officers and limited license legal technicians, shall enjoy quasi-judicial immunity if the Supreme Court would have immunity in performing the same functions.

[Adopted effective January 2, 2008; amended effective September 1, 2017.]

2020-2021
WSBA BOARD OF GOVERNORS MEETING SCHEDULE

MEETING DATE	LOCATION	POTENTIAL ISSUES / SOCIAL FUNCTION	AGENDA ITEMS DUE FOR EXEC COMMITTEE MTG	EXECUTIVE COMMITTEE MTG 9:00 am–12:00 pm	BOARD BOOK MATERIALS DEADLINE
November 13-14, 2020	Webcast & Teleconference	BOG Meeting	October 20, 2020	October 26, 2020	October 28, 2020
January 14-15, 2021	WSBA Conference Center Seattle, WA	BOG Meeting	December 8, 2020	December 14, 2020	December 30, 2020
March 18-19, 2021	Hotel RL, Olympia, WA	BOG Meeting	February 23, 2021	March 1, 2021	March 3, 2021
March 19, 2021	Temple of Justice	BOG Meeting with Supreme Court			
April 16-17, 2021	Davenport Hotel Spokane, WA	BOG Meeting	March 23, 2021	March 29, 2021	March 31, 2021
May 20-21, 2021	WSBA Conference Center Seattle, WA	BOG Meeting	April 27, 2021	May 3, 2021	May 5, 2021
July 15, 2021	Hilton Portland Downtown Portland, OR	BOG Retreat	June 22, 2021	June 28, 2021	June 30, 2021
July 16-17, 2021		BOG Meeting			
August 20-21, 2021	TBD Boise, ID	BOG Meeting	July 27, 2021	August 2, 2021	August 4, 2021
September 23-24, 2021	WSBA Conference Center Seattle, WA	BOG Meeting	August 24, 2021	August 30, 2021	September 8, 2021

Note – In-person meetings are dependent upon Covid-19 state guidance on in-person gatherings.

The Board Book Material Deadline is the final due date for submission of materials for the respective Board meeting. Please notify the Executive Director's office in advance of possible late materials. Refer to 1305 BOG Action Procedure on how to bring agenda items to the Board.

This information can be found online at: www.wsba.org/About-WSBA/Governance/Board-Meeting-Schedule-Materials



WSBA Board of Governors CONGRESSIONAL DISTRICT MAP



Kyle Sciuchetti
President



Brian Tollefson
President-Elect



Rajeev Majumdar
Immediate Past
President



Terra Nevitt
Executive Director
& Secretary

2020-2021



BASIC CHARACTERISTICS OF MOTIONS

*From: The Complete Idiot's Guide to Robert's Rules
The Guerilla Guide to Robert's Rules*

MOTION	PURPOSE	INTERRUPT SPEAKER?	SECOND NEEDED?	DEBATABLE?	AMENDABLE?	VOTE NEEDED
1. Fix the time to which to adjourn	Sets the time for a continued meeting	No	Yes	No ¹	Yes	Majority
2. Adjourn	Closes the meeting	No	Yes	No	No	Majority
3. Recess	Establishes a brief break	No	Yes	No ²	Yes	Majority
4. Raise a Question of Privilege	Asks urgent question regarding to rights	Yes	No	No	No	Rules by Chair
5. Call for orders of the day	Requires that the meeting follow the agenda	Yes	No	No	No	One member
6. Lay on the table	Puts the motion aside for later consideration	No	Yes	No	No	Majority
7. Previous question	Ends debate and moves directly to the vote	No	Yes	No	No	Two-thirds
8. Limit or extend limits of debate	Changes the debate limits	No	Yes	No	Yes	Two-thirds
9. Postpone to a certain time	Puts off the motion to a specific time	No	Yes	Yes	Yes	Majority ³
10. Commit or refer	Refers the motion to a committee	No	Yes	Yes	Yes	Majority
11. Amend an amendment (secondary amendment)	Proposes a change to an amendments	No	Yes	Yes ⁴	No	Majority
12. Amend a motion or resolution (primary amendment)	Proposes a change to a main motion	No	Yes	Yes ⁴	Yes	Majority
13. Postpone indefinitely	Kills the motion	No	Yes	Yes	No	Majority
14. Main motion	Brings business before the assembly	No	Yes	Yes	Yes	Majority

1 Is debatable when another meeting is scheduled for the same or next day, or if the motion is made while no question is pending

2 Unless no question is pending

3 Majority, unless it makes question a special order

4 If the motion it is being applied to is debatable



Discussion Protocols Board of Governors Meetings

Philosophical Statement:

“We take serious our representational responsibilities and will try to inform ourselves on the subject matter before us by contact with constituents, stakeholders, WSBA staff and committees when possible and appropriate. In all deliberations and actions we will be courageous and keep in mind the need to represent and lead our membership and safeguard the public. In our actions, we will be mindful of both the call to action and the constraints placed upon the WSBA by GR 12 and other standards.”

Governor’s Commitments:

1. Tackle the problems presented; don’t make up new ones.
2. Keep perspective on long-term goals.
3. Actively listen to understand the issues and perspective of others before making the final decision or lobbying for an absolute.
4. Respect the speaker, the input and the Board’s decision.
5. Collect your thoughts and speak to the point – sparingly!
6. Foster interpersonal relationships between Board members outside Board events.
7. Listen and be courteous to speakers.
8. Speak only if you can shed light on the subject, don’t be repetitive.
9. Consider, respect and trust committee work but exercise the Board’s obligation to establish policy and insure that the committee work is consistent with that policy and the Board’s responsibility to the WSBA’s mission.
10. Seek the best decision through quality discussion and ample time (listen, don’t make assumptions, avoid sidebars, speak frankly, allow time before and during meetings to discuss important matters).
11. Don’t repeat points already made.
12. Everyone should have a chance to weigh in on discussion topics before persons are given a second opportunity.
13. No governor should commit the board to actions, opinions, or projects without consultation with the whole Board.
14. Use caution with e-mail: it can be a useful tool for debating, but e-mail is not confidential and does not easily involve all interests.
15. Maintain the strict confidentiality of executive session discussions and matters.



BOARD OF GOVERNORS

WSBA VALUES

Through a collaborative process, the WSBA Board of Governors and Staff have identified these core values that shall be considered by the Board, Staff, and WSBA volunteers (collectively, the “WSBA Community”) in all that we do.

To serve the public and our members and to promote justice, the WSBA Community values the following:

- Trust and respect between and among Board, Staff, Volunteers, Members, and the public
- Open and effective communication
- Individual responsibility, initiative, and creativity
- Teamwork and cooperation
- Ethical and moral principles
- Quality customer-service, with member and public focus
- Confidentiality, where required
- Diversity and inclusion
- Organizational history, knowledge, and context
- Open exchanges of information



BOARD OF GOVERNORS

GUIDING COMMUNICATION PRINCIPLES

In each communication, I will assume the good intent of my fellow colleagues; earnestly and actively listen; encourage the expression of and seek to affirm the value of their differing perspectives, even where I may disagree; share my ideas and thoughts with compassion, clarity, and where appropriate confidentiality; and commit myself to the unwavering recognition, appreciation, and celebration of the humanity, skills, and talents that each of my fellow colleagues bring in the spirit and effort to work for the mission of the WSBA. Therefore, I commit myself to operating with the following norms:

- ◆ I will treat each person with courtesy and respect, valuing each individual.
- ◆ I will strive to be nonjudgmental, open-minded, and receptive to the ideas of others.
- ◆ I will assume the good intent of others.
- ◆ I will speak in ways that encourage others to speak.
- ◆ I will respect others' time, workload, and priorities.
- ◆ I will aspire to be honest and open in all communications.
- ◆ I will aim for clarity; be complete, yet concise.
- ◆ I will practice "active" listening and ask questions if I don't understand.
- ◆ I will use the appropriate communication method (face-to-face, email, phone, voicemail) for the message and situation.
- ◆ When dealing with material of a sensitive or confidential nature, I will seek and confirm that there is mutual agreement to the ground rules of confidentiality at the outset of the communication.
- ◆ I will avoid triangulation and go directly to the person with whom I need to communicate. (If there is a problem, I will go to the source for resolution rather than discussing it with or complaining to others.)
- ◆ I will focus on reaching understanding and finding solutions to problems.
- ◆ I will be mindful of information that affects, or might be of interest or value to, others, and pass it along; err on the side of over-communication.
- ◆ I will maintain a sense of perspective and respectful humor.



BOARD OF GOVERNORS

Anthony David Gipe
President

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November 2014

BEST PRACTICES AND EXPECTATIONS

❖ Attributes of the Board

- Competence
- Respect
- Trust
- Commitment
- Humor

❖ Accountability by Individual Governors

- Assume Good Intent
- Participation/Preparation
- Communication
- Relevancy and Reporting

❖ Team of Professionals

- Foster an atmosphere of teamwork
 - Between Board Members
 - The Board with the Officers
 - The Board and Officers with the Staff
 - The Board, Officers, and Staff with the Volunteers

- We all have common loyalty to the success of WSBA

❖ Work Hard and Have Fun Doing It