

IN THE SUPREME COURT OF THE STATE OF WASHINGTON

BALLARD SQUARE CONDOMINIUM)	
OWNERS ASSOCIATION, a)	No. 76938-9
Washington nonprofit corporation,)
)	
Petitioners,)
)	
v.)
)	En Banc
)	
DYNASTY CONSTRUCTION)	
COMPANY, a Washington corporation;)	
SHIN LU MARK LIU and JANE DOE)	
LIU, and the marital community)	
composed thereof; YUNG PAI SHU LIU)	
and JOHN DOE LIU, and the marital)	
community composed thereof,)	
)	
Respondents.)	Filed November 9, 2006
_____)	

MADSEN, J.—Petitioner Ballard Square Condominium Owners Association (Association) sued Dynasty Construction Company (Dynasty), the developer and builder of a condominium purchased by members of the Association, claiming that Dynasty breached the homeowners’ purchase and sale

contracts. At the time the suit was brought, Dynasty was a dissolved corporation. The trial court granted summary judgment in favor of Dynasty, reasoning that suit was barred due to Dynasty's dissolution. The Court of Appeals affirmed. We conclude that under the plain language of former RCW 23B.14.050(2)(e) (1989) as it existed when the Association commenced this suit, postdissolution claims could be brought against a dissolved corporation, subject to the relevant statute of limitations for the type of claim asserted.

However, a 2006 amendment to former RCW 23B.14.340 (1995) applies retroactively and bars this suit.¹ Accordingly, although we disagree with the Court of Appeals' reasoning, we affirm its decision.

FACTS

Ballard Square is a 20-unit condominium in Seattle that was developed, built, and sold by Dynasty. The first condominium unit was sold in May 1992 and the project was completed in December 1992. The Association is a nonprofit corporation comprised of homeowners who own the condominium units and common elements at Ballard Square. The homeowners' individual purchase and sale agreements with Dynasty provided that Dynasty would build each homeowner's unit and the entire Ballard Square project would be "substantially

¹ Senate Bill 6596, enacted by the 2006 legislature, significantly alters the statutory scheme regarding suits by and against a dissolved corporation. Laws of 2006, ch. 52. In order to respond to the parties' arguments this opinion first addresses chapter 23B.14 RCW, concerning dissolution of corporations, as it existed prior to the 2006 amendments. Then we turn to the effect of the 2006 amendments to RCW 23B.14.340 on the Association's suit.

completed in accordance with [the] plans and specifications.” *See Clerk’s Papers (CP)* at 246. Soon after the last of these contracts was executed, Dynasty was administratively dissolved effective October 1995.

In November and December 1996, the Association asserts, homeowners began to notice leaks in the above-ground walls of the condominium. The Association says that although some homeowners had found leaks prior to this time in the subterranean garage and the roof, and noticed some window condensation, it is not suing for damage to these components of the condominium, which, the Association maintains, is unrelated to damage to the above-ground structure resulting from defects in the exterior walls and stucco system. Dynasty contends, on the other hand, that homeowners complained to the Association in mid-July 1993 about leaking walls and roof problems, that in December 1993 the Association presented Dynasty with a common element claim for leak repairs, and that in early 1995 the Association was still receiving complaints from the homeowners about leaking walls, roof problems, and cracked plasterboard.

In early 1997, the Association filed a claim with its property insurer. The insurer’s investigators found water leaking through the siding but under the applicable policy provisions paid only for repair of that part of the building in an imminent state of collapse. The investigation disclosed additional water damage, however, and the homeowners hired an architect to investigate. He concluded that severe water damage resulted from Dynasty’s failure to comply with applicable

building laws and its failure to follow sound construction standards and its own plans and specifications. Estimated costs of repair exceed \$1.4 million.

On October 8, 2002, the Association brought this breach of contract action.² In December 2003, Dynasty moved for summary judgment, alleging that suit was barred by (1) chapter 23B.14 RCW, the corporate dissolution statutes; (2) RCW 4.16.326(1)(g), providing an affirmative defense to suits on written construction contracts if not brought within six years of substantial completion; and (3) RCW 64.34.452(1), a statute of limitations in the Washington Condominium Act. Dynasty also urged that summary judgment should be granted because the Association itself did not have a contract with Dynasty.³ The trial court granted the motion for summary judgment on the grounds that suit was barred due to Dynasty's dissolution and the statute of limitations had expired.⁴ The Court of Appeals affirmed, reasoning that postdissolution suits against a corporation are not addressed by chapter 23B.14 RCW and therefore the common law applies. At common law all suits against a dissolved corporation are terminated once the corporation has wound up its affairs. *Ballard Square Condo. Owners Ass'n v.*

² The Association's complaint asserted additional claims, but the Association withdrew these claims in response to Dynasty's motion for summary judgment.

³ The Association states that it brought this suit on its own behalf and on behalf of the homeowners, as it is authorized to do although it has no contract itself with Dynasty. The Association adds that the unit owners have also assigned their claims to the Association. *See* CP at 201-22. These assignments were all made in December 2003.

⁴ Dynasty filed a third party complaint against its stucco subcontractor. The trial court entered CR 54(b) findings and a final judgment dismissing plaintiff's claims against Dynasty and staying Dynasty's claims against the subcontractor pending the Association's appeal.

Dynasty Constr. Co., 126 Wn. App. 285, 108 P.3d 818, *review granted*, 155 Wn.2d 1024, 126 P.3d 820 (2005).

ANALYSIS

Review of a grant of summary judgment is *de novo*. *Korlund v. DynCorp Tri-Cities Servs., Inc.*, 156 Wn.2d 168, 177, ¶ 12, 125 P.3d 119 (2005). Summary judgment is properly granted if there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. CR 56(c); *Korlund*, 156 Wn.2d at 177. Facts and reasonable inferences from the facts are construed most favorably to the nonmoving party. *Id.* Summary judgment is appropriate if reasonable minds could reach only one conclusion from the evidence presented. *Id.*

The Association maintains that statutes in chapter 23B.14 RCW supplant the common law rule that causes of action terminate upon the dissolution of a corporation and authorize a postdissolution suit against a dissolved corporation. Dynasty maintains that the Court of Appeals correctly held that a postdissolution suit against a dissolved corporation can be brought only during the period when the corporation is winding up and liquidating its business and affairs.

At common law, when a corporation dissolved it ceased to exist for all purposes and therefore could not sue or be sued. 16A William Meade Fletcher, *Fletcher Cyclopedia of the Law of Private Corporations* § 8144 (rev. vol. 2003); *see Bortle v. Osborne*, 155 Wash. 585, 597, 285 P. 425 (1930). The common law

rule has been modified by state legislatures, most of which have enacted statutes permitting corporations to sue and be sued as part of their winding up activities, and all of which have enacted statutes that, apart from the winding up process, permit suits by and against corporations for a limited time period. *Id.* The latter type of statute is generally known as a survival statute. *Id.*

The Washington legislature enacted a survival statute in 1965 as part of the Washington Business Corporation Act, former Title 23A RCW. Washington's survival statute was virtually identical to section 98 of the 1959 Model Business Corporation Act, ABA-ALI Model Bus. Corp. Act § 98 (1959). Former RCW 23A.28.250, Laws of 1965, ch. 53, § 108 (effective July 1, 1967). The survival statute, like section 98, provided that a corporation's dissolution did not "take away" or "impair" lawsuits based on claims that existed prior to dissolution, provided the plaintiff sued within two years. Former RCW 23A.28.250.

When former Title 23A RCW was replaced in 1989 by Title 23B RCW, the legislature included a new survival statute that in relevant part mirrors former RCW 23A.28.250. RCW 23B.14.340 then provided that dissolution of a corporation "shall not take away or impair any remedy available against such corporation, its directors, officers, or shareholders, for any right or claim existing, or any liability incurred, *prior to* such dissolution if . . . commenced within two years . . . of such dissolution." (Emphasis added.) Although Dynasty argued to the Court of Appeals that this version of the statute precludes the Association's

suit, that court correctly held the statute did not apply by its plain language because the Association's claim did not exist prior to dissolution. *Ballard Square*, 126 Wn. App. at 291, ¶ 9; accord *Smith v. Sea Ventures, Inc.*, 93 Wn. App. 613, 618-19, 969 P.2d 1090 (1999); D. Gilbert Friedlander & P. Anthony Lannie, *Post-Dissolution Liabilities of Shareholders and Directors for Claims Against Dissolved Corporations*, 31 Vand. L. Rev. 1363, 1370 (1978) (the model survival of remedies statute applies by its own terms to predissolution claims only). As the Court of Appeals observed, to hold that the statute applies to postdissolution claims would render the "prior to" language meaningless, in contravention of the principle that a court may not construe a statute in a way that renders statutory language meaningless or superfluous. *Ballard Square*, 126 Wn. App. at 291-92 n.22; see *Lakemont Ridge Homeowners Ass'n v. Lakemont Ridge Ltd. P'ship*, 156 Wn.2d 696, 698-99, ¶ 5, 131 P.3d 905 (2006); *State v. Tandecki*, 153 Wn.2d 842, 848, ¶ 13, 109 P.3d 398 (2005).

Dynasty has abandoned the argument that RCW 23B.14.340 bars the Association's suit. Now Dynasty argues that the statutes do not address postdissolution claims, and therefore the common law controls as the Court of Appeals held. However, the Association correctly maintains that the statutes in the Washington Business Corporation Act have replaced the common law rule in its entirety. The statutory scheme shows the legislature's intent that claims arising after dissolution are not absolutely barred, unlike the harsh common law rule.

The enactment of chapter 23B.14 RCW included RCW 23B.14.050(2)(e), which showed the legislature's intent to cut any remaining ties to the common law rule that all claims against a corporation died upon dissolution of the corporation. RCW 23B.14.050, as it existed when this action was commenced, stated in its entirety:

- (1) A dissolved corporation continues its corporate existence but may not carry on any business except that appropriate to wind up and liquidate its business and affairs, including:
 - (a) Collecting its assets;
 - (b) Disposing of its properties that will not be distributed in kind to its shareholders;
 - (c) Discharging or making provision for discharging its liabilities;
 - (d) Distributing its remaining property among its shareholders according to their interests; and
 - (e) Doing every other act necessary to wind up and liquidate its business and affairs.
- (2) Dissolution of a corporation does not:
 - (a) Transfer title to the corporation's property;
 - (b) Prevent transfer of its shares or securities, although the authorization to dissolve may provide for closing the corporation's share transfer records;
 - (c) Subject its directors or officers to standards of conduct different from those prescribed in chapter 23B.08 RCW;
 - (d) Change quorum or voting requirements for its board of directors or shareholders; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws;
 - (e) Prevent commencement of a proceeding by or against the corporation in its corporate name;
 - (f) Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution; or
 - (g) Terminate the authority of the registered agent of the corporation.

As the Association argues, RCW 23B.14.050(2)(e) on its face states that

dissolution of a corporation does not bar suits against the corporation, and makes no distinction between predissolution and postdissolution claims. Dynasty contends, however, that RCW 23B.14.050(2)(e) is limited by section (1) of the statute to matters related to winding up a corporation's affairs, and therefore RCW 23B.14.050(2)(e) permits suits only insofar as they are part of the winding up process. The Court of Appeals agreed that RCW 23B.14.050 concerns only winding up. *Ballard Square*, 126 Wn. App. at 295-96, ¶ 16.

We agree that the language of subsection (2)(e) is not to be read in isolation. An appellate court reviews questions of statutory construction de novo. *State v. Roggenkamp*, 153 Wn.2d 614, 621, ¶ 9, 106 P.3d 196 (2005). The examination begins with the language of the statute *and related statutes* to determine whether plain statutory language shows the intended meaning of the statute in question. *Rest. Dev., Inc. v. Cananwill, Inc.*, 150 Wn.2d 674, 682, 80 P.3d 598 (2003); *Dep't of Ecology v. Campbell & Gwinn, L.L.C.*, 146 Wn.2d 1, 11, 43 P.3d 4 (2002). If this examination leads to a plain meaning, that is the end of the inquiry. If, however, the statutory language is amenable to more than one reasonable interpretation, a court may then resort to legislative history, principles of statutory construction, and relevant case law to resolve the ambiguity and ascertain the meaning of the statute. *Rest. Dev.*, 150 Wn.2d at 682.

Section (1) of RCW 23B.14.050 begins by stating that “[a] dissolved corporation continues its corporate existence” but then expressly limits this

corporate existence to carrying on business that is “appropriate to wind up and liquidate [the corporation’s] business and affairs.” RCW 23B.14.050(1). The first section then lists actions appropriately falling within this limitation, such as disposing of property and discharging liabilities.

Section (2), however, does not mention winding up, nor does any part of the statute describe or refer collectively to events and actions listed in *both* sections (1) and (2) as winding up. Instead, section (2) began with the phrase “Dissolution of a corporation does not” This introductory phrase was then followed by an enumeration of events and actions that were not brought about and not barred by dissolution, one of which was that “Dissolution of a corporation does not . . . [p]revent commencement of a proceeding by or against the corporation in its corporate name.” RCW 23B.14.050(2)(e). In short, the statute describes in general the consequences of dissolution. The first section explains the limited business role of a corporation upon dissolution, i.e., the carrying on of limited business activities necessary to wind up and liquidate. The second section identifies things that dissolution did not alter or bring about.

The plain language of subsection (2)(e) permitted any suit to be brought by or against the corporation regardless of dissolution, and the plain language of both sections shows that the introductory language in section (1) limiting activities to winding up and liquidating does not limit subsection (2)(e).

As indicated, related statutes are relevant and may help show the plain

meaning of the provision at issue. Two other statutes in the chapter pertained to lawsuits against a dissolved corporation. The first of these is former RCW 23B.14.340, discussed above. As explained, this statute required that claims existing prior to dissolution be brought within two years. The second is RCW 23B.14.060, which sets out requirements that must be met for a corporation to dispose of certain known claims against it within a shortened time period.⁵ This statute also said, at the time this suit was commenced, that “[f]or purposes of this section, ‘claim’ does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.” Former RCW 23B.14.060(4) (1989). Both of these statutes limited suits within the purview of RCW 23B.14.050(2)(e), because they provided a two-year limitations period for claims

⁵ Former RCW 23B.14.060 (1989) provided at the time this suit was commenced:

- (1) A dissolved corporation may dispose of the known claims against it by following the procedure described in this section.
- (2) The dissolved corporation shall notify its known claimants in writing of the dissolution at any time after its effective date. The written notice must:
 - (a) Describe information that must be included in a claim;
 - (b) Provide a mailing address where a claim may be sent;
 - (c) State the deadline, which may not be fewer than one hundred twenty days from the effective date of the written notice, by which the dissolved corporation must receive the claim; and
 - (d) State that the claim will be barred if not received by the deadline.
- (3) A claim against the dissolved corporation is barred:
 - (a) If a claimant who was given written notice under subsection (2) of this section does not deliver the claim to the dissolved corporation by the deadline; or
 - (b) If a claimant whose claim was rejected by the dissolved corporation does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejection notice.
- (4) For purposes of this section, "claim" does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution.

existing prior to dissolution and an alternative scheme for disposing of certain known claims against the corporation, other than contingent liabilities and claims based on events occurring after the effective date of dissolution. However, neither RCW 23B.14.340 nor RCW 23B.14.060 concerned postdissolution suits like the breach of contract claim that the Association seeks to bring and neither limited the language of RCW 23B.14.050(2)(e) insofar as such claims are concerned.⁶

The language of RCW 23B.14.050(2)(e), read together with other statutes in chapter 23B.14 RCW relating to suits against a dissolved corporation, plainly allowed a postdissolution suit against a dissolved corporation. Section (2) on its face permitted such suits, and there was no limitation in RCW 23B.14.050 or in any other statute in the chapter that touched on suits against a dissolved corporation.⁷ Rather, the statute of limitations applicable to the particular cause of

⁶ The contract claim is not a claim that existed prior to Dynasty's dissolution, as noted, and it was not a "known claim" within the meaning of RCW 23B.14.060, as that statute existed when this suit was commenced.

⁷ If we were to conclude that ambiguity did exist as to the meaning of RCW 23B.13.050(2)(e), and therefore looked to legislative history, our reading of the statute would be confirmed. The Official Comments to chapter 23B.14 RCW at the time of enactment explain that RCW 23B.14.050(2) makes clear that

chapter 14 dissolution does not have any of the characteristics of common law dissolution, which treated corporate dissolution as analogous to the death of a natural person and abated lawsuits, vested equitable title to corporate property in the shareholders, imposed the fiduciary duty of the trustees on the directors, who had custody of corporate assets, and revoked the authority of the registered agent. [RCW 23B.14.050(2)] expressly reverses all of these common law attributes of dissolution and makes clear that the rights, powers, and duties of shareholders, the directors, and the registered agent are not affected at dissolution and *that suits by or against the corporation are not affected in any way.*

Senate Journal, 51st Leg., Reg. Sess., app. at 3095 (Wash. 1989) (emphasis added). Thus, with enactment of section (2) of RCW 23B.14.050, dissolution is governed entirely by statute, including suits by or against a dissolved corporation.

action applied. *See* 16A Fletcher, *supra*, § 8144. Thus, for example, in the case of a claim of breach of a written contract, as here, the plaintiff had, under RCW 4.16.040(1), six years following accrual of the cause of action in which to bring its claim.

In summary, under the statutes in chapter 23B.14 RCW applicable at the time this action was commenced, a postdissolution claim against a dissolved corporation was authorized under former RCW 23B.14.050(2)(e).

However, in 2006, the legislature amended chapter 23B.14 RCW, including RCW 23B.14.340.⁸ RCW 23B.14.340 as amended by Laws of 2006, ch. 52, § 17 provides:

The dissolution of a corporation either (1) by the filing with the secretary of state of its articles of dissolution, (2) by administrative dissolution by the secretary of state, (3) by a decree of court, or (4) by expiration of its period of duration shall not take away or impair any remedy available against such corporation, its directors, officers, or shareholders, for any right or claim existing, or any liability incurred, prior to such dissolution or arising thereafter, unless action or other proceeding thereon is not commenced within two years after the effective date of any dissolution that was effective prior to June 7, 2006 or within three years after the effective date of any dissolution that is effective on or after June 7, 2006. Any such action or proceeding against the corporation may be defended by the corporation in its corporate name.

On its face the amended statute requires that a postdissolution cause of action be commenced within two years of dissolution if dissolution occurred *prior to* the June 7, 2006, effective date of the amendments. Here, dissolution occurred in

⁸ The parties failed to bring these amendments to the court's attention. Therefore, we asked for additional briefing, which the parties have provided.

1995, long before the effective date of the amendments. The Association brought suit in 2002, well over two years after dissolution. By its plain language, RCW 23B.14.340 as amended bars the Association's suit.

The Association argues, however, that when applied to actions that accrued prior to enactment, a new limitations period runs from the effective date of the new statute. The Association also maintains that a statute of limitations cannot be applied retroactively to terminate an action that has already been commenced. Neither of these principles applies under the facts here, however.

The general rule, that as to preexisting actions a new limitations period runs from the date of its enactment, has an important qualifier. “[T]he limitation of the new statute, as applied to pre-existing causes of action, commences when the action is first subjected to the operation of the statute, *unless the legislature has otherwise provided.*” *Hanford v. King County*, 112 Wash. 659, 662, 192 P. 1013 (1920) (emphasis added); *accord, e.g., O’Donoghue v. State*, 66 Wn.2d 787, 791-92, 405 P.2d 258 (1965); *Earle v. Froedtert Grain & Malting Co.*, 197 Wash. 341, 344, 346, 85 P. 264 (1938).

Here, the statute as amended provides that with regard to actions against corporations that dissolved before the amendment's effective date, a two year limitations period applies. The statute thus clearly shows legislative intent that it applies to actions arising before its effective date.

Nor does it matter that this suit was commenced before enactment of the

amendments to RCW 23B.14.340. The Association relies upon *Shaurette v. Capitol Erecting Co.*, 23 Wis. 2d 538, 128 N.W.2d 34, 39 (1964), and similar cases, for the proposition that a new limitation period can never extinguish a lawsuit. However, again there is a qualifier.

In *1000 Virginia Limited Partnership v. Vertecs Corporation*, No. 77362-9 (Wash. Nov. 9, 2006) (consolidated with *Lombardi v. JTE Construction, Inc.*, No. 77846-9), we discussed the basic rules respecting prospectively and retroactivity of new enactments in general. We observed that an amendment to a statute may be retroactively applied if the legislature intends that it apply retroactively and retroactive application does not impair a constitutional right. *1000 Virginia*, No. 77362-9, slip op. at 19-20; *McGee Guest Home, Inc. v. Dep't of Soc. & Health Servs.*, 142 Wn.2d 316, 324, 12 P.3d 144 (2000). A statute will also apply retroactively if it is curative or remedial. *1000 Virginia*, No. 77362-9 slip op. at 19-20; *McGee*, 142 Wn.2d at 324. ““A statute is remedial when it relates to practice, procedure, or remedies and does not affect a substantive or vested right.”” *1000 Virginia*, No. 77362-9, slip op. at 23 (quoting *Miebach v. Colasurdo*, 102 Wn.2d 170, 181, 685 P.2d 1074 (1984)).

Thus, if the legislature intends that a statute apply retroactively, it will be applied retroactively unless it impairs a constitutional or vested right. A number of the cases that the Association cites, including *Shaurette*, involve tort or contract actions. As this court has recognized, an accrued cause of action is a vested right

when it ““springs from contract or from the principles of the common law.”” *Robinson v. McHugh*, 158 Wash. 157, 163, 291 P. 330 (1930) (emphasis omitted) (quoting *Pritchard v. Norton*, 106 U.S. (16 Otto) 124, 1 S. Ct. 102, 27 L. Ed. 104 (1882)). But, in contrast, a cause of action that exists only by virtue of a statute is not a vested right and it can be retroactively abolished by the legislature. *West v. Zeibell*, 87 Wn.2d 198, 202, 550 P.2d 522 (1976); *Haddenham v. State*, 87 Wn.2d 145, 149, 550 P.2d 9 (1976); *Sparkman & McLean Co. v. Govan Inv. Trust*, 78 Wn.2d 584, 586-87, 478 P.2d 232 (1970); *Hansen v. W. Coast Wholesale Drug Co.*, 47 Wn.2d 825, 826-27, 289 P.2d 718 (1955); *Robinson*, 158 Wash. at 163-64. Of particular importance here, the legislature may do so even if the lawsuit is pending. *E.g.*, *Sparkman*, 78 Wn.2d 586-87 (defendant’s right to a usury defense provided by statute was not a vested right and the legislature could extinguish the right to the defense by an enactment passed after trial had occurred and prior to a decision on appeal); *Hansen*, 47 Wn.2d at 826-27 (plaintiff’s right to bring a tort action created by statute was not a vested right prior to a final judgment and the legislature could abolish the cause of action and divest the plaintiff of the action by an enactment passed while the case was pending on appeal). Just as the legislature can divest a plaintiff of a statutory claim after suit is filed, it follows that it can shorten the time period for bringing a statutory claim and so terminate a plaintiff’s action without impairing any vested right.

In *1000 Virginia*, we held that RCW 4.16.326(1)(g) does not apply

retroactively.⁹ We found no basis for departing from the general rule that newly enacted statutes and amendments to statutes apply prospectively. Here, in contrast, there is no question that the amendments to RCW 23B.14.340 on their face show clear legislative intent that the statute apply retroactively. Further, and of critical significance here, the amendments do not affect any vested right. At common law, suits against a corporation terminated upon dissolution of the corporation, as mentioned. A postdissolution claim against a corporation therefore exists only as a matter of legislative enactment.

The Association maintains, however, that its breach of contract action “arose under the common law” and thus it falls within the rule that newly enacted limitations periods cannot defeat actions that have already been commenced. Court Requested Suppl. Br. of Pet’r at 9 n.17. We disagree. In *Haddenham*, the plaintiffs brought a tort action against the State. The court observed that prior to the legislative abolition of sovereign immunity, tort claimants had no right to sue the State, and that “[t]he plaintiffs’ right to sue the state for the state’s tortious conduct is therefore a matter of legislative grace.” *Haddenham*, 87 Wn.2d at 149. Accordingly, when the State withdrew its consent to be sued for the particular

⁹ Dynasty asks that we address this statute in the event we reverse the Court of Appeals on the issue whether a postdissolution suit is permitted under chapter 23B.14 RCW. In light of the amendment to RCW 23B.14.340, we do not reach the question whether RCW 4.16.326(1)(g) bars the Association’s suit. However, our holding in *1000 Virginia* that this statute does not apply retroactively nevertheless answers the question.

In light of our disposition of this case, we also do not reach other arguments advanced by Dynasty, i.e., that the four-year statute of limitations in RCW 64.34.452(1) bars this suit and that the Association lacks standing because it does not itself have a contract with Dynasty.

injury at issue, the “abolition by the legislature of an accrued cause of action [did] not violate any constitutional rights of [the] plaintiffs” because the cause of action allowed by statute was not vested until reduced to a final judgment. *Id.*

As explained, the right to sue a dissolved corporation did not exist at common law; instead, the right exists by virtue of statutes in chapter 23B.14 RCW, i.e., the right exists as a matter of “legislative grace.” Accordingly, and by analogy to *Haddenham*, the Association’s cause of action is not a vested right regardless of the fact that the Association alleges breach of contract.

We conclude that the Association’s postdissolution claim falls within the rule that “[a]bolition of a statutory cause of action does not impair any vested right.” *1000 Virginia*, No. 77362-9, slip op. at 23 (citing *West*, 87 Wn.2d at 202; *Haddenham*, 87 Wn.2d at 149). Accordingly, RCW 23B.14.340, as amended in 2006, bars the Association’s suit.

CONCLUSION

Under former chapter 23B.14 RCW, as it existed when the Association commenced this action, a postdissolution action could be maintained against a dissolved corporation provided it was commenced within the statute of limitations applicable to the particular cause of action asserted. However, in 2006 the legislature amended RCW 23B.14.340 to provide that a postdissolution action against a dissolved corporation that dissolved prior to the effective date of the amendments must be commenced within two years of dissolution. These

No. 76938-9

amendments apply retroactively and bar the Association's suit.

AUTHOR:

Justice Barbara A. Madsen

WE CONCUR:

Chief Justice Gerry L. Alexander

Justice Tom Chambers

Justice Charles W. Johnson

Justice Susan Owens

Justice Mary E. Fairhurst

Justice Bobbe J. Bridge
