WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1979

ENROLLED
SENATE BILL NO. 57

(By Mr. Stiptoe)

PASSED January 24, 1979
In Effect ninety days from Passage
ENROLLED

Senate Bill No. 57
(By Mr. Steptoe)

[Passed January 24, 1979; in effect ninety days from passage.]

AN ACT amending and reenacting section forty-nine, article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to foreign corporations; relating to admission and qualification of foreign corporations to conduct affairs or do or transact business in this state; relating to activities of foreign corporations permitted to be done in this state without a certificate of authority; and correcting “county” to “country” and an erroneous reference to another section of the code.

Be it enacted by the Legislature of West Virginia:

That section forty-nine, article one, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 1. BUSINESS AND NONPROFIT CORPORATIONS.

§31-1-49. Admission of foreign corporation; acts permitted to be done without certificate of authority.

1 (a) No foreign corporation shall have the right to conduct affairs or do or transact business in this state until it shall have procured a certificate of authority so to do from the secretary of state. No foreign corporation shall be entitled to procure a certificate of authority under this article to conduct affairs or do or transact any business in this state which would not be permitted to be conducted, done or transacted by a corporation organized under this article. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the state or country under which such corporation is organized governing its organization and
internal affairs differ from the laws of this state, and nothing in this article contained shall be construed to authorize this state to regulate the organization or the internal affairs of such corporation.

(b) Without excluding other activities which may not constitute conducting affairs or doing or transacting business in this state, a foreign corporation shall not be considered to be conducting affairs or doing or transacting business in this state, for the purposes of this article, by reason of carrying on in this state any one or more of the following activities:

(1) Maintaining or defending any legal action or proceeding or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes;

(2) Holding meetings of its directors, shareholders or members or carrying on other activities concerning its internal affairs;

(3) Maintaining bank accounts;

(4) Creating evidences of debt, mortgages or liens on real or personal property;

(5) Securing or collecting debts or enforcing any rights in property securing the same;

(6) Conducting its affairs or doing or transacting business in interstate commerce;

(7) Granting funds or other gifts;

(8) Distributing information to its shareholders or members; or

(9) Conducting an isolated transaction completed within a period of thirty days and not in the course of a number of repeated transactions of like nature.

(c) In addition to those activities enumerated in subsection (b) of this section, a foreign corporation shall not be considered to be conducting affairs or doing or transacting business in this state, for the purposes of this article, by reason of carrying on in this state one or more of the following activities:

(1) Maintaining offices or agencies for the transfer, exchange and registration of its securities, or appointing
and maintaining trustees or depositaries with relation to 
its securities;

(2) Effecting sales through independent contractors;

or

(3) Soliciting or procuring orders, whether by mail or 
through employees or agents or otherwise, where such 
orders require acceptance without this state before be-
coming binding contracts.

(d) In addition to those activities enumerated in sub-
sections (b) and (c) of this section, a foreign corporation 
shall not be considered to be conducting affairs or doing 
or transacting business in this state, for the purposes of 
this article, by reason of carrying on in this state one 
or more of the following activities:

(1) The acquisition by purchase of loans secured by 
mortgages or deeds of trust, drawn and executed in 
compliance with section two, article one, chapter thirty-
eight of this code on real or personal property situated 
in West Virginia pursuant to commitment agreements 
or arrangements made prior to or following the origina-
tion or creation of said loans;

(2) The ownership, modification, renewal, extension, 
transfer or foreclosure of such loans, or the acceptance 
of substitute or additional obligors thereon;

(3) The maintaining or defending of any actions or 
suits relative to such loans, mortgages or deeds of trust;

(4) The maintenance of bank accounts in West Vir-
ginia banks in connection with the collection or servicing 
of such loans;

(5) The making, collection and servicing of such loans 
through a resident person, firm or corporation, or a for-
egn corporation qualified to do business in West Virginia, 
engaged in the business of servicing loans for investors;

(6) The taking of deeds to the mortgaged property 
either in lieu of foreclosure or for the purpose of trans-
ferring title either to the federal housing administration 
or to the veterans administration as the insurer or 
guarantor;

(7) The acquisition of title to property under fore-
closure sale or from the owner in lieu of foreclosure;
(8) The management, rental, maintenance and sale, or the operating, maintaining, renting or otherwise dealing with, selling or disposing of property acquired under foreclosure sale or by agreement in lieu thereof;

(9) Physical inspection and appraisal of property in West Virginia as security for deeds of trust or mortgages and negotiations for the purchase of such loans;

(10) Any other transaction directly related to the activities above described: Provided, That if property acquired in or by reason of any of the activities defined in the provisions of (6), (7) and (8) of this subsection shall be held longer than a period of five years, the provisions of this section shall thereafter be inapplicable.
The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the 28

day of January 1979.

Governor