

Date 1-28-79

Time 10:15 A.M.

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1979



ENROLLED

SENATE BILL NO. 57

(By Mr. Stephens)



PASSED January 24 1979

In Effect ninety days from Passage



No. 57

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
2 conduct affairs or do or transact business in this state
3 until it shall have procured a certificate of authority so
4 to do from the secretary of state. No foreign corporation
5 shall be entitled to procure a certificate of authority
6 under this article to conduct affairs or do or transact any
7 business in this state which would not be permitted to be
8 conducted, done or transacted by a corporation organized
9 under this article. A foreign corporation shall not be
10 denied a certificate of authority by reason of the fact that
11 the laws of the state or country under which such
12 corporation is organized governing its organization and

13 internal affairs differ from the laws of this state, and
14 nothing in this article contained shall be construed to
15 authorize this state to regulate the organization or the
16 internal affairs of such corporation.

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

24 (1) Maintaining or defending any legal action or
25 proceeding or any administrative or arbitration proceed-
26 ing, or effecting the settlement thereof or the settlement
27 of claims or disputes;

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

31 (3) Maintaining bank accounts;

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

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

36 (6) Conducting its affairs or doing or transacting busi-
37 ness in interstate commerce;

38 (7) Granting funds or other gifts;

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

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

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

50 (1) Maintaining offices or agencies for the transfer,
51 exchange and registration of its securities, or appointing

52 and maintaining trustees or depositaries with relation to
53 its securities;

54 (2) Effecting sales through independent contractors;
55 or

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

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

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

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

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

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

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

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

90 (7) The acquisition of title to property under fore-
91 closure sale or from the owner in lieu of foreclosure;

92 (8) The management, rental, maintenance and sale, or
93 the operating, maintaining, renting or otherwise dealing
94 with, selling or disposing of property acquired under
95 foreclosure sale or by agreement in lieu thereof;

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

99 (10) Any other transaction directly related to the
100 activities above described: *Provided*, That if property
101 acquired in or by reason of any of the activities defined in
102 the provisions of (6), (7) and (8) of this subsection shall
103 be held longer than a period of five years, the provisions
104 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

Lawrence M. Tomblin
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

J. P. Ducey
Clerk of the Senate

D. A. Blankenship
Clerk of the House of Delegates

W. B. Bickel
President of the Senate

Chde M. See Jr
Speaker House of Delegates

The within *is approved* this the *28*
day of *January*, 1979.

John D. Rupp
Governor



RECEIVED

JAN 25 11 50 AM '79

OFFICE OF THE GOVERNOR

RECEIVED

19 JAN 79 A10:24

OFFICE OF THE GOVERNOR
STATE