

1 HB359  
2 136223-4  
3 By Representative DeMarco  
4 RFD: Constitution, Campaigns and Elections  
5 First Read: 16-FEB-12

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ENROLLED, An Act,

Relating to the consequences of a foreign corporation transacting business without registering with the Secretary of State; to amend Section 10A-1-7.21, Code of Alabama 1975; and to repeal Sections 10A-2-15.01 and 10A-2-15.02, Code of Alabama 1975.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 10A-1-7.21, Code of Alabama 1975, is amended to read as follows:

"§10A-1-7.21.

"(a) A foreign entity transacting business in this state, except a corporation or other organization formed under federal law, may not maintain any action, suit, or proceeding in any court of this state until it has registered in this state.

~~"(b) Except as otherwise provided as to a specific entity in the chapter governing that form of entity, the~~ The failure of a foreign entity to register in this state does not impair the validity of any contract or act of the foreign entity or prevent ~~The~~ the foreign entity from defending any action, suit, or proceeding in any court of this state.

"(c) A foreign entity, by transacting business in this state without registration, shall be deemed to consent to service of process with respect to causes of action arising

1 out of business transacted in this state, or to service of any  
2 notice or demand required or permitted by law, by registered  
3 mail addressed to the foreign entity at the office required to  
4 be maintained in the state or other jurisdiction where it is  
5 organized, or, if not so required, at the principal office of  
6 the entity, or by serving the entity by any method permitted  
7 under Sections 10A-1-5.35 and 10A-1-5.36.

8 "(d) The liability of an owner or owners of a  
9 foreign entity is governed by the laws of the state or other  
10 jurisdictions where it is organized, and any limitations on  
11 that liability are not waived solely by reason of having  
12 transacted business in Alabama without registration.

13 "(e) This division applies to a foreign entity  
14 transacting business in this state without registering with  
15 the Secretary of State."

16 Section 2. Sections 10A-2-15.01 and 10A-2-15.02,  
17 Code of Alabama 1975, are repealed.

18 Section 3. ~~This act shall become effective~~  
19 ~~immediately following its passage and approval by the~~  
20 ~~Governor, or its otherwise becoming law. This act shall become~~  
21 effective on January 1, 2014, following its passage and  
22 approval by the Governor, or its otherwise becoming law, and  
23 following the ratification of the constitutional amendment  
24 proposed by HB357 of the 2012 Regular Session.

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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 15-MAR-12.

Greg Pappas  
Clerk

Senate	<hr/> 01-MAY-12 <hr/>	Amended and Passed
House	<hr/> 02-MAY-12 <hr/>	Concurred in Sen- ate Amendment