

1 HB BILL NO. 74  
2 INTRODUCED BY Jack Ramirez

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE THE PURCHASE  
5 OF OR PARTICIPATION IN LOANS SECURED BY MORTGAGES, TRUST  
6 INDENTURES, OR OTHER SECURITY INTERESTS IN REAL OR PERSONAL  
7 PROPERTY FROM THE DEFINITION OF TRANSACTING BUSINESS IN THE  
8 STATE BY A FOREIGN CORPORATION; AMENDING SECTIONS 7-130 AND  
9 15-2299, R.C.M. 1947."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
12 Section 1. Section 7-130, R.C.M. 1947, is amended to  
13 read as follows:

14 "7-130. Application to other persons, corporations,  
15 associations, etc. (1) The provisions of this act chapter  
16 shall apply to and be enforceable against all corporations,  
17 persons, firms, partnerships, associations, trustees, or  
18 combinations of persons whatsoever, whether foreign or  
19 domestic, and whether citizens of this state or otherwise,  
20 that transact, or attempt to transact, a building and loan  
21 business, or a business of like kind, or character, or  
22 where, by its or their charter, constitution, bylaws or by a  
23 declaration of trust, or other device, or by a contract or  
24 agreement, the members or customers are required to pay  
25 regular installments to a common fund or series, from which

1 ~~fund or series~~ loans are made to said members, customers, or  
2 to others for the purpose of building homes or buildings,  
3 purchasing building sites, paying off liens or debts against  
4 real estate, or for other purposes, within the boundaries of  
5 this state.

6 (2) The name association when used in this act chapter  
7 shall be deemed to include any of the above-named.

8 (3) ~~This chapter does not apply to foreign~~  
9 ~~associations purchasing or participating in loans secured by~~  
10 ~~mortgages, trust indentures, or other security interests in~~  
11 ~~real or personal property if there is no activity conducted~~  
12 ~~by the out-of-state lender in Montana with respect to the~~  
13 ~~loan except periodic inspection of the security."~~

14 Section 2. Section 15-2299, R.C.M. 1947, is amended to  
15 read as follows:

16 "15-2299. Admission of foreign corporation. (1) No  
17 foreign corporation ~~shall have the right to~~ may transact  
18 business in this state until it ~~shall have procured~~ procures  
19 a certificate of authority so to do so from the secretary of  
20 state. No foreign corporation shall be entitled to procure a  
21 certificate of authority under this act to transact in this  
22 state any business which a corporation organized under this  
23 act is not permitted to transact. A foreign corporation  
24 shall not be denied a certificate of authority by reason of  
25 the fact that the laws of the state or country under which

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1 such corporation is organized governing its organization and  
 2 internal affairs differ from the laws of this state, and  
 3 nothing in this act contained shall be construed to  
 4 authorize this state to regulate the organization or the  
 5 internal affairs of such corporation.

6 (2) Without excluding other activities which may not  
 7 constitute transacting business in this state, a foreign  
 8 corporation shall not be considered to be transacting  
 9 business in this state, for the purposes of this act, by  
 10 reason of carrying on in this state any one or more of the  
 11 following activities:

12 (a) ~~Maintaining~~ maintaining or defending any action or  
 13 suit or any administrative or arbitration proceeding, or  
 14 effecting the settlement thereof or the settlement of claims  
 15 or disputes.;

16 (b) ~~holding~~ holding meetings of its directors or  
 17 shareholders or carrying on other activities concerning its  
 18 internal affairs.;

19 (c) ~~Maintaining~~ maintaining bank accounts.;

20 (d) ~~Maintaining~~ maintaining offices or agencies for  
 21 the transfer, exchange, and registration of its securities,  
 22 or appointing and maintaining trustees or depositaries with  
 23 relation to its securities.;

24 (e) ~~Effecting~~ effecting sales through independent  
 25 contractors.;

1 (f) ~~Soliciting~~ soliciting or procuring orders, whether  
 2 by mail or through employees or agents or otherwise, where  
 3 such orders require acceptance without this state before  
 4 becoming binding contracts.;

5 (g) ~~Creating~~ creating, as borrower or lender, or  
 6 acquiring evidences-of-debt, indebtedness, or mortgages or  
 7 liens--on other security interests in real or personal  
 8 property.;

9 (h) ~~Securing~~ securing or collecting debts or enforcing  
 10 any rights in property securing the same.;

11 (i) ~~Transacting~~ transacting any business in interstate  
 12 commerce.;

13 (j) ~~Conducting~~ conducting an isolated transaction  
 14 completed within a period of ~~thirty~~ (30) days and not in the  
 15 course of a number of repeated transactions of like nature."

-End-

Approved by Committee  
on Taxation

1 HB BILL NO. 74  
2 INTRODUCED BY Jah Ramirez  
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6 INDENTURES, OR OTHER SECURITY INTERESTS IN REAL OR PERSONAL  
7 PROPERTY FROM THE DEFINITION OF TRANSACTING BUSINESS IN THE  
8 STATE BY A FOREIGN CORPORATION; AMENDING SECTIONS 7-130 AND  
9 15-2299, R.C.M. 1947."  
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16 shall apply to and be enforceable against all corporations,  
17 persons, firms, partnerships, associations, trustees, or  
18 combinations of persons whatsoever, whether foreign or  
19 domestic, and whether citizens of this state or otherwise,  
20 that transact, or attempt to transact, a building and loan  
21 business, or a business of like kind, or character, or  
22 where, by its or their charter, constitution, bylaws or by a  
23 declaration of trust, or other device, or by a contract or  
24 agreement, the members or customers are required to pay  
25 regular installments to a common fund or series, from which

1 fund-or-series loans are made to said members, customers, or  
2 to others for the purpose of building homes or buildings,  
3 purchasing building sites, paying off liens or debts against  
4 real estate, or for other purposes, within the boundaries of  
5 this state.

6 (2) The name association when used in this act chapter  
7 shall be deemed to include any of the above-named.

8 (3) ~~This chapter does not apply to foreign~~  
9 ~~associations purchasing or participating in loans secured by~~  
10 ~~mortgages, trust indentures, or other security interests in~~  
11 ~~real or personal property if there is no activity conducted~~  
12 ~~by the out-of-state lender in Montana with respect to the~~  
13 ~~loan except periodic inspection of the security."~~

14 Section 2. Section 15-2299, R.C.M. 1947, is amended to  
15 read as follows:

16 "15-2299. Admission of foreign corporation. (1) No  
17 foreign corporation ~~shall have the right to~~ may transact  
18 business in this state until it ~~shall have procured~~ procures  
19 a certificate of authority ~~so to do~~ so from the secretary of  
20 state. No foreign corporation shall be entitled to procure a  
21 certificate of authority under this act to transact in this  
22 state any business which a corporation organized under this  
23 act is not permitted to transact. A foreign corporation  
24 shall not be denied a certificate of authority by reason of  
25 the fact that the laws of the state or country under which

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1 such corporation is organized governing its organization and  
 2 internal affairs differ from the laws of this state, and  
 3 nothing in this act ~~contained~~ shall be construed to  
 4 authorize this state to regulate the organization or the  
 5 internal affairs of such corporation.

6 (2) Without excluding other activities which may not  
 7 constitute transacting business in this state, a foreign  
 8 corporation shall not be considered to be transacting  
 9 business in this state, for the purposes of this act, by  
 10 reason of carrying on in this state any one or more of the  
 11 following activities:

12 (a) ~~Maintaining~~ maintaining or defending any action or  
 13 suit or any administrative or arbitration proceeding, or  
 14 effecting the settlement thereof or the settlement of claims  
 15 or disputes; i

16 (b) ~~Holding~~ holding meetings of its directors or  
 17 shareholders or carrying on other activities concerning its  
 18 internal affairs; i

19 (c) ~~Maintaining~~ maintaining bank accounts; i

20 (d) ~~Maintaining~~ maintaining offices or agencies for  
 21 the transfer, exchange, and registration of its securities,  
 22 or appointing and ~~maintaining~~ trustees or depositaries with  
 23 relation to its securities; i

24 (e) ~~Effecting~~ effecting sales through independent  
 25 contractors; i

1 (f) ~~Soliciting~~ soliciting or procuring orders, whether  
 2 by mail or through employees or agents or otherwise, where  
 3 such orders require acceptance without this state before  
 4 becoming binding contracts; i

5 (g) ~~Creating~~ creating, as borrower or lender, or  
 6 acquiring evidences of debt, indebtedness, or mortgages or  
 7 liens--on other security interests in real or personal  
 8 property; i

9 (h) ~~Securing~~ securing or collecting debts or enforcing  
 10 any rights in property securing the same; i

11 (i) ~~Transacting~~ transacting any business in interstate  
 12 commerce; i

13 (j) ~~Conducting~~ conducting an isolated transaction  
 14 completed within a period of ~~thirty~~ {30} days and not in the  
 15 course of a number of repeated transactions of like nature."

-End-

*HB* BILL NO. *74*  
*Jack Ramsey*

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE THE PURCHASE OF OR PARTICIPATION IN LOANS SECURED BY MORTGAGES, TRUST INDENTURES, OR OTHER SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY FROM THE DEFINITION OF TRANSACTING BUSINESS IN THE STATE BY A FOREIGN CORPORATION; AMENDING SECTIONS 7-130 AND 15-2299, R.C.M. 1947."

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Section 1. Section 7-130, R.C.M. 1947, is amended to read as follows:

"7-130. Application to other persons, corporations, associations, etc. (1) The provisions of this act chapter shall apply to and be enforceable against all corporations, persons, firms, partnerships, associations, trustees, or combinations of persons whatsoever, whether foreign or domestic, and whether citizens of this state or otherwise, that transact, or attempt to transact, a building and loan business, or a business of like kind, or character, or where, by its or their charter, constitution, bylaws or by a declaration of trust, or other device, or by a contract or agreement, the members or customers are required to pay regular installments to a common fund or series, from which

fund-or-series loans are made to said members, customers, or to others for the purpose of building homes or buildings, purchasing building sites, paying off liens or debts against real estate, or for other purposes, within the boundaries of this state.

(2) The name association when used in this act chapter shall be deemed to include any of the above-named.

~~(3) This chapter does not apply to foreign associations purchasing or participating in loans secured by mortgages, trust indentures, or other security interests in real or personal property if there is no activity conducted by the out-of-state lender in Montana with respect to the loan except periodic inspection of the security."~~

Section 2. Section 15-2299, R.C.M. 1947, is amended to read as follows:

"15-2299. Admission of foreign corporation. (1) No foreign corporation shall have the right to ~~may~~ transact business in this state until it ~~shall have procured~~ procures a certificate of authority so to do ~~so~~ from the secretary of state. No foreign corporation shall be entitled to procure a certificate of authority under this act to transact in this state any business which a corporation organized under this act is not permitted to transact. 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

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 2 internal affairs differ from the laws of this state, and  
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6 (2) Without excluding other activities which may not  
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 9 business in this state, for the purposes of this act, by  
 10 reason of carrying on in this state any one or more of the  
 11 following activities:

12 (a) ~~Maintaining~~ maintaining or defending any action or  
 13 suit or any administrative or arbitration proceeding, or  
 14 effecting the settlement thereof or the settlement of claims  
 15 or disputes;

16 (b) ~~Holding~~ holding meetings of its directors or  
 17 shareholders or carrying on other activities concerning its  
 18 internal affairs;

19 (c) ~~Maintaining~~ maintaining bank accounts;

20 (d) ~~Maintaining~~ maintaining offices or agencies for  
 21 the transfer, exchange, and registration of its securities,  
 22 or appointing and maintaining trustees or depositaries with  
 23 relation to its securities;

24 (e) ~~Effecting~~ effecting sales through independent  
 25 contractors;

1 (f) ~~Soliciting~~ soliciting or procuring orders, whether  
 2 by mail or through employees or agents or otherwise, where  
 3 such orders require acceptance without this state before  
 4 becoming binding contracts;

5 (g) ~~Creating~~ creating, as borrower or lender, or  
 6 ~~acquiring evidences of debt, indebtedness or mortgages or~~  
 7 ~~titles on other security interests in~~ real or personal  
 8 property;

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 10 any rights in property securing the same;

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-End-

HOUSE BILL NO. 74

INTRODUCED BY KAMIREZ

A BILL FOR AN ACT ENTITLED: "AN ACT TO EXCLUDE THE PURCHASE OF OR PARTICIPATION IN LOANS SECURED BY MORTGAGES, TRUST INDENTURES, OR OTHER SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY FROM THE DEFINITION OF TRANSACTING BUSINESS IN THE STATE BY A FOREIGN CORPORATION; AMENDING SECTIONS 7-130 AND 15-2299, R.C.M. 1947."

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fund-or-series loans are made to said members, customers, or to others for the purpose of building homes or buildings, purchasing building sites, paying off liens or debts against real estate, or for other purposes within the boundaries of this state.

(2) The name association when used in this act chapter shall be deemed to include any of the above-named.

~~(3) This chapter does not apply to foreign associations purchasing or participating WITH RELATION TO THE PURCHASING OF OR PARTICIPATING in loans secured by mortgages, trust indentures, or other security interests in real or personal property if there is no activity conducted by the out-of-state lender in Montana with respect to the loan except periodic inspection of the security."~~

Section 2. Section 15-2299, R.C.M. 1947, is amended to read as follows:

"15-2299. Admission of foreign corporation. (1) No foreign corporation shall-have-the-right-to may transact business in this state until it shall-have-procured PROCURES a certificate of authority so to do so from the secretary of state. No foreign corporation shall be entitled to procure a certificate of authority under this act to transact in this state any business which a corporation organized under this act is not permitted to transact. A foreign corporation shall not be denied a certificate of authority by reason of

1 the fact that the laws of the state or country under which  
 2 such corporation is organized governing its organization and  
 3 internal affairs differ from the laws of this state, and  
 4 nothing in this act ~~contained~~ shall be construed to  
 5 authorize this state to regulate the organization or the  
 6 internal affairs of such corporation.

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13 (a) ~~Maintaining~~ maintaining or defending any action or  
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17 (b) ~~Holding~~ holding meetings of its directors or  
 18 shareholders or carrying on other activities concerning its  
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20 (c) ~~Maintaining~~ maintaining bank accounts.;

21 (d) ~~Maintaining~~ maintaining offices or agencies for  
 22 the transfer, exchange, and registration of its securities,  
 23 or appointing and maintaining trustees or depositaries with  
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25 (e) ~~Effecting~~ effecting sales through independent

1 contractors.;

2 (f) ~~Soliciting~~ soliciting or procuring orders, whether  
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 8 ~~liens--on~~ other security interests in real or personal  
 9 property IF THERE IS NO ACTIVITY CONDUCTED BY THE  
 10 OUT-OF-STATE BORROWER OR LENDER WITH RESPECT TO THE LOAN  
 11 EXCEPT PERIODIC INSPECTION OF THE SECURITY.;

12 (h) ~~Securing~~ securing or collecting debts or enforcing  
 13 any rights in property securing the same.;

14 (i) ~~Transacting~~ transacting any business in interstate  
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16 (j) ~~Conducting~~ conducting an isolated transaction  
 17 completed within a period of ~~thirty~~ {30} days and not in the  
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-End-