

**HOUSE BILL NO. 106**

**INTRODUCED BY WINSLOW, KEYSER,  
SCHULTZ, IVERSON, VINGER**

**BY REQUEST OF THE SECRETARY OF STATE**

**IN THE HOUSE**

January 6, 1983	Introduced and referred to Committee on Business and Industry.
January 20, 1983	Committee recommend bill do pass. Report adopted.  Bill printed and placed on members' desks.
January 22, 1983	Second reading, do pass.
January 24, 1983	Considered correctly engrossed.
January 25, 1983	Third reading, passed. Transmitted to Senate.

**IN THE SENATE**

January 26, 1983	Introduced and referred to Committee on Business and Industry.
February 7, 1983	Committee recommend bill be concurred in. Report adopted.
February 10, 1983	Second reading, concurred in as amended.
February 12, 1983	Third reading, concurred in. Ayes, 44; Noes, 4.

# IN THE HOUSE

February 12, 1983

Returned to House with amendments.

February 15, 1983

On motion, consideration passed until 46th Legislative Day.

March 1, 1983

Second reading, amendments not concurred in.

On motion, Conference Committee requested.

March 3, 1983

Conference Committee appointed.

March 19, 1983

Conference Committee dissolved.

On motion, new Free Conference Committee requested.

March 21, 1983

Free Conference Committee appointed.

April 8, 1983

Free Conference Committee reported.

April 9, 1983

Second reading, report adopted.

April 11, 1983

Third reading, report adopted.

Free Conference Committee report adopted by Senate.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 106  
2 INTRODUCED BY Wm. H. Schults  
3 By Request of the Secretary of State  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO IMPOSE A PENALTY ON  
6 FOREIGN CORPORATIONS THAT TRANSACT BUSINESS IN THIS STATE  
7 WITHOUT A CERTIFICATE OF AUTHORITY; AMENDING SECTION  
8 35-1-1004, MCA."  
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 35-1-1004, MCA, is amended to read:

12 "35-1-1004. Transacting business without certificate  
13 -- disabilities and liabilities. (1) No foreign corporation  
14 transacting business in this state without a certificate of  
15 authority shall be permitted to maintain any action, suit,  
16 or proceeding in any court in this state until such  
17 corporation shall have obtained a certificate of authority.  
18 Nor shall any action, suit, or proceeding be maintained in  
19 any court of this state by any successor or assignee of such  
20 corporation on any right, claim, or demand arising out of  
21 the transaction of business by such corporation in this  
22 state until a certificate of authority shall have been  
23 obtained by such corporation or by a corporation which has  
24 acquired all or substantially all of its assets.

25 (2) The failure of a foreign corporation to obtain a

1 certificate of authority to transact business in this state  
2 shall not impair the validity of any contract or act of such  
3 corporation and shall not prevent such corporation from  
4 defending any action, suit, or proceeding in any court of  
5 this state.

6 (3) A foreign corporation which transacts business in  
7 this state without a certificate of authority shall be  
8 liable to this state, for the years or parts thereof during  
9 which it transacted business in this state without a  
10 certificate of authority, in an amount equal to all fees  
11 which would have been imposed by this chapter upon such  
12 corporation had it duly applied for and received a  
13 certificate of authority to transact business in this state  
14 as required by this chapter and thereafter filed all reports  
15 required by this chapter, plus ~~all penalties imposed by this~~  
16 ~~chapter for failure to pay such fees a penalty of \$5 for~~  
17 ~~each day it transacted business in this state without a~~  
18 ~~certificate of authority.~~ The attorney general shall bring  
19 proceedings to recover all amounts due this state under the  
20 provisions of this section."

-End-

-2- INTRODUCED BILL

HB106

Approved by Committee  
on Business and Industry

1 House BILL NO. 106  
2 INTRODUCED BY William H. Schultz  
3 BY REQUEST OF THE SECRETARY OF STATE

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17 ~~each day it transacted business in this state without a~~  
18 ~~certificate of authority.~~ The attorney general shall bring  
19 proceedings to recover all amounts due this state under the  
20 provisions of this section."

-End-

SECOND READING

-2-

HB 106

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2 INTRODUCED BY Walter H. Schultz  
3 BY REQUEST OF THE SECRETARY OF STATE  
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15 required by this chapter, plus ~~all penalties imposed by this~~  
16 ~~chapter for failure to pay such fees~~ a penalty of \$5 for  
17 each day it transacted business in this state without a  
18 certificate of authority. The attorney general shall bring  
19 proceedings to recover all amounts due this state under the  
20 provisions of this section."

-End-

February 10, 1983

SENATE COMMITTEE OF THE WHOLE

Amendments to House Bill No. 106, third reading copy, as follows:

Page 2, line 18.

Following: "authority."

Insert: "The total penalty shall not exceed \$1000."

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17 ~~chapter-for-failure-to-pay-such-fees a penalty of \$5 for~~  
18 ~~each day it transacted business in this state without a~~  
19 ~~certificate of authority. THE TOTAL PENALTY SHALL NOT EXCEED~~  
20 ~~\$1,000.~~ The attorney general shall bring proceedings to  
21 recover all amounts due this state under the provisions of  
22 this section."

-End-

FREE CONFERENCE COMMITTEE  
HOUSE BILL 106  
(Report No. 1, 1:30 P.M.)

Mr. Speaker :

We, your Free Conference Committee on House Bill 106, met and considered:

House Bill 106, third reading copy (Blue); and  
Senate Committee of the Whole amendment of February 10, 1983.

We respectfully recommend as follows:

That the House accede to Senate Committee of the Whole amendment of February 10, 1983;

That House Bill 106 be further amended as specified in Clerical Instructions 1 and 2; and

That this Free Conference Committee report be adopted.

CLERICAL INSTRUCTIONS FOR REFERENCE COPY (SALMON)

1) Page 2, line 20

Strike: "attorney general shall"

Insert: "county attorney for any county in which a foreign corporation is transacting business without a certificate of authority may"

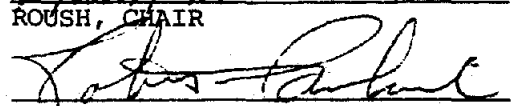
2) Page 2, line 22

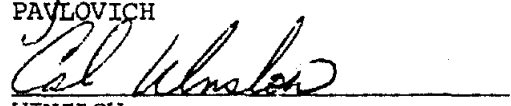
Following: "."

Insert: "Any money collected in such proceedings shall be paid to the state general fund."

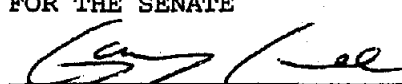
FOR THE HOUSE

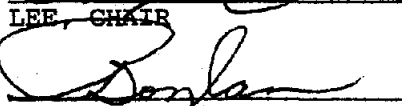
  
ROUSH, CHAIR

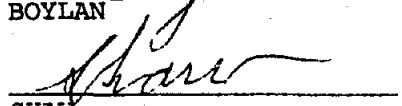
  
PAVLOVICH

  
WINSLOW

FOR THE SENATE

  
LEE, CHAIR

  
BOYLAN

  
SHAW



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~~each day it transacted business in this state without a~~  
~~certificate of authority. THE TOTAL PENALTY SHALL NOT EXCEED~~  
~~\$1,000. The attorney-general shall~~ COUNTY ATTORNEY FOR ANY  
COUNTY IN WHICH A FOREIGN CORPORATION IS TRANSACTING  
BUSINESS WITHOUT A CERTIFICATE OF AUTHORITY MAY bring  
proceedings to recover all amounts due this state under the  
provisions of this section. ~~ANY MONEY COLLECTED IN SUCH~~  
~~PROCEEDINGS SHALL BE PAID TO THE STATE GENERAL FUND."~~

-End-  
-2-

HB 106  
REFERENCE BILL: Includes Free Joint  
Conference Committee Report  
Dated 3-29-83