

House Bill 494

By: Representatives Glaize of the 67th, Naghise of the 68th, Gladney of the 130th, Alexander of the 66th, and Taylor of the 92nd

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 14 of the Official Code of Georgia Annotated, relating to corporations,
2 partnerships, and associations, so as to provide that ownership of real property in this state
3 by a foreign corporation constitutes doing business in this state; to provide that ownership
4 of real personal property in this state by a foreign limited liability company constitutes doing
5 business in this state; to provide for service of process by email; to provide for related
6 matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships,
10 and associations, is amended in Code Section 14-2-1501, relating to authority to transact
11 business required, by revising subsection (b) and adding a new subsection to read as follows:

12 "(b) The following activities, among others, do not constitute transacting business within
13 the meaning of subsection (a) of this Code section:

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

- 16 (2) Holding meetings of its directors or shareholders or carrying on other activities
17 concerning its internal affairs;
- 18 (3) Maintaining bank accounts, share accounts in savings and loan associations,
19 custodian or agency arrangements with a bank or trust company, or stock or bond
20 brokerage accounts;
- 21 (4) Maintaining offices or agencies for the transfer, exchange, and registration of its
22 securities or appointing and maintaining trustees or depositories with respect to its
23 securities;
- 24 (5) Effecting sales through independent contractors;
- 25 (6) Soliciting or procuring orders, whether by mail or through employees or agents or
26 otherwise, where the orders require acceptance outside this state before becoming binding
27 contracts and where the contracts do not involve any local performance other than
28 delivery and installation;
- 29 (7) Making loans or creating or acquiring evidences of debt, mortgages, or liens on real
30 or personal property, or recording same;
- 31 (8) Securing or collecting debts or enforcing any rights in property securing the same;
- 32 (9) Owning, without more, ~~real or~~ personal property;
- 33 (10) Conducting an isolated transaction not in the course of a number of repeated
34 transactions of a like nature;
- 35 (11) Effecting transactions in interstate or foreign commerce;
- 36 (12) Serving as trustee, executor, administrator, or guardian, or in like fiduciary capacity,
37 where permitted so to serve by the laws of this state;
- 38 (13) Owning (directly or indirectly) an interest in or controlling (directly or indirectly)
39 another entity organized under the laws of, or transacting business within, this state; or
40 (14) Serving as a manager of a limited liability company organized under the laws of,
41 or transacting business within, this state.

42 (b.1) Owning real property in this state does constitute transacting business within the
43 meaning of subsection (a) of this Code section."

44 **SECTION 2.**

45 Said title is further amended in Code Section 14-2-1510, relating to service on foreign
46 corporation, by revising subsection (c) and adding a new subsection to read as follows:

47 "(b.1) Service may be accomplished pursuant to this Code section by email.

48 (c) Service is perfected under ~~subsection~~ subsections (b) or (b.1) of this Code section at
49 the earliest of:

50 (1) The date the foreign corporation receives the mail or email;

51 (2) The date shown on the return receipt, if signed on behalf of the foreign corporation;

52 or

53 (3) Five days after its deposit in the United States mail, as evidenced by the postmark,
54 if mailed postpaid and correctly addressed."

55 **SECTION 3.**

56 Said title is further amended in Code Section 14-11-702, relating to requirement for
57 certificate of authority, application, and activities not considered transacting business in this
58 state, by revising subsection (b) and adding a new subsection to read as follows:

59 "(b) Without excluding other activities which may not constitute transacting business in
60 this state, a foreign limited liability company shall not be considered to be transacting
61 business in this state, for the purpose of qualification under this chapter, solely by reason
62 of carrying on in this state any one or more of the following activities:

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

65 (2) Holding meetings of its managers, members, or other owners or carrying on other
66 activities concerning its internal affairs;

- 67 (3) Maintaining bank accounts, share accounts in savings and loan associations, custodial
68 or agency arrangements with a bank or trust company, or stock or bond brokerage
69 accounts;
- 70 (4) Maintaining offices or agencies for the transfer, exchange, and registration of
71 membership or other ownership interests in it or appointing and maintaining trustees or
72 depositaries with relation to such interests;
- 73 (5) Effecting sales through independent contractors;
- 74 (6) Soliciting or procuring orders, whether by mail or through employees or agents or
75 otherwise, where such orders require acceptance outside this state before becoming
76 binding contracts and where such contracts do not involve any local performance other
77 than delivery and installation;
- 78 (7) Making loans or creating or acquiring evidences of debt, mortgages, or liens on real
79 or personal property or recording the same;
- 80 (8) Securing or collecting debts or enforcing any rights in property securing the same;
- 81 (9) Owning, without more, ~~real or~~ personal property;
- 82 (10) Conducting an isolated transaction not in the course of a number of repeated
83 transactions of a like nature;
- 84 (11) Effecting transactions in interstate or foreign commerce;
- 85 (12) Serving as trustee, executor, administrator, or guardian, or in like fiduciary capacity,
86 where permitted so to serve by the laws of this state; or
- 87 (13) Owning directly or indirectly an interest in or controlling directly or indirectly
88 another person organized under the laws of or transacting business within this state.
- 89 (b.1) Owning real property in this state does constitute transacting business within the
90 meaning of subsection (a) of this Code section."

91 **SECTION 4.**

92 Said title is further amended in Code Section 14-11-703, relating to registered office and
93 registered agent, requirement and qualifications, change of office or agent, resignation of
94 agent, service on Secretary of State, and venue, by adding a new subsection to read as
95 follows:

96 (i.1) Service may be accomplished pursuant to this Code section by email."

97 **SECTION 5.**

98 All laws and parts of laws in conflict with this Act are repealed.