

§1502. Consequences of transacting business without authority

1. No court proceeding. A foreign corporation transacting business in this State without authority may not maintain a proceeding in any court in this State until it files an application for authority and pays the applicable filing fee.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Successor; assignee of cause of action. The successor to a foreign corporation that transacted business in this State without authority and the assignee of a cause of action arising out of that business may not maintain a proceeding based on that cause of action in any court in this State until the foreign corporation or its successor files an application for authority.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Stay proceeding. A court may stay a proceeding commenced by a foreign corporation, its successor or assignee until the court determines whether the foreign corporation or its successor requires authorization. If the court so determines, the court may further stay the proceeding until the foreign corporation or its successor files an application for authority.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Civil penalty. A foreign corporation is liable for a civil penalty of \$500 for each year, or portion thereof, it transacts business in this State without authority. The Attorney General may collect all penalties due under this subsection.

[PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

5. Validity of corporate acts. Notwithstanding subsections 1 and 2, the failure of a foreign corporation to file an application for authority does not impair the validity of its corporate acts, including contracts, or prevent it from defending any proceeding in this State.

[PL 2003, c. 344, Pt. B, §118 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B118 (AMD).

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