HB357

135965-6

By Representative DeMarco (Constitutional Amendment)

RFD: Constitution, Campaigns and Elections

First Read: 16-FEB-12
ENROLLED, An Act,

Proposing an amendment to the Constitution of Alabama of 1901, to become effective January 1, 2014, relating to corporations; to amend Section 229, as amended by Amendment 27 of the Constitution of Alabama of 1901, now appearing as Section 229 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to the authority of the Legislature to pass general laws pertaining to corporations and other entities; to amend Section 239 of the Constitution of Alabama of 1901, now appearing as Section 239 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to telephone and telegraph companies; to amend Section 240 of the Constitution of Alabama of 1901, now appearing as Section 240 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to the ability of corporations to sue and be sued like natural persons; and to repeal Sections 230, 231, 232 as amended by Amendment 473, 233, 234, 236, 237, 243, 244, 245, and 246 of the Constitution of Alabama of 1901, now appearing as Sections 230, 231, 232, 233, 234, 236, 237, 243, 244, 245, and 246, respectively, of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to private corporations and railroads and canals.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
Section 1. The following amendment to the Constitution of Alabama of 1901, as amended, is proposed and shall become valid as a part thereof, effective January 1, 2014, following approval by a majority of the qualified electors voting thereon and in accordance with Sections 284, 285, and 287 of the Constitution of Alabama of 1901, as amended:

PROPOSED AMENDMENT

1. Section 229 of the Constitution of Alabama of 1901, as amended by Amendment 27, is amended to read as follows:

"Section 229. The legislature shall pass no special act conferring corporate powers, but it shall pass general laws under which corporations may be organized and corporate powers obtained, subject, nevertheless, to repeal at the will of the legislature, and shall pass general laws under which charters may be altered or amended. The legislature shall, by general laws, provide for the payment to the state of Alabama of a franchise tax by corporations organized under the laws of this state which shall be in proportion to the amount of capital stock, but strictly benevolent, educational or religious corporations or federal building and loan associations organized pursuant to an act of congress known as the Home-Owners' Loan Act of 1933, as amended, and as the same may hereafter be amended, or building and loan associations
organized under or authorized to do business by the laws of
Alabama shall not be required to pay such a tax on their
withdrawable or repurchasable shares. The charter of any
corporation shall be subject to amendment, alteration, or
repeal under general laws. Exemption of the shares of building
and loan associations from franchise taxes heretofore provided
by statute is ratified.

"The Legislature shall pass general laws under which
corporations and other entities may be organized, authorized
to do business or conduct their affairs, operated, dissolved,
and regulated; such laws, now existing or hereafter passed,
shall be subject to amendment or repeal by general law. The
Legislature, by general law, shall provide for the payment to
the State of Alabama of a tax on the privilege of doing
business in Alabama or being organized, incorporated,
qualified, or registered under the laws of Alabama. Strictly
benevolent, educational, or religious corporations shall not
be required to pay such a tax on their withdrawable or
repurchasable shares to the extent they have such shares."

2. Section 239 of the Constitution of Alabama of
1901, is amended to read as follows:

"Any association or corporation organized for the
purpose, or any individual, shall have the right to construct
and maintain lines of telegraph and telephone within this
state, and connect the same with other lines; and the
legislature shall, by general law of uniform operation,
provide reasonable regulations to give full effect to this
section. No telegraph or telephone company shall consolidate
with or hold a controlling interest in the stock or bonds of
any other telegraph or telephone company owning a complete
[competing] line, or acquire, by purchase or otherwise, any
other competing line of telegraph or telephone."

3. Section 240 of the Constitution of Alabama of
1901, is amended to read as follows:

"Section 240. All corporations shall have the right
to sue, and shall be subject to be sued, in all courts in like
cases as natural persons.

"Dues from private corporations shall be secured by
such means as may be prescribed by law; but in no case shall
any stockholder be individually liable otherwise than for the
unpaid stock owned by him or her."

4. The following sections of the Constitution of
Alabama of 1901, relating to private corporations and
railroads and canals are repealed: Section 230, relating to
the cancellation of certain corporate charters; Section 231,
relating to limitation on remitting forfeiture of corporate
charters; Section 232, as amended by Amendment 473, relating
to foreign corporations doing business in the state; Section
233, relating to corporations being restricted to business
authorized by the charter; Section 234, relating to
restrictions on the issuance of corporate stocks and bonds; Section 236, relating to security for dues from private corporations and liability of stockholders; Section 237, relating to issuance of preferred stock by corporations; Section 243, specifying that the regulation of railroad companies is vested in the Legislature; Section 244, relating to prohibiting the giving of free passes or discount tickets to members of the Legislature or officers exercising judicial functions; Section 245, relating to railroads not giving rebates or bonuses and deceiving or misleading the public as to rates; and Section 246, relating to acceptance of article as a prerequisite to benefits to future legislation.

Section 2. An election upon the proposed amendment shall be held in accordance with Sections 284 and 285 of the Constitution of Alabama of 1901, now appearing as Sections 284 and 285 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, and the election laws of this state.

Section 3. The appropriate election official shall assign a ballot number for the proposed constitutional amendment on the election ballot and shall set forth the following description of the substance or subject matter of the proposed constitutional amendment:

"Proposing an amendment to the private corporation provisions of Article 12 of the Constitution of Alabama of
1901, to become effective January 1, 2014, to continue the authority of the Legislature to pass general laws pertaining to corporations and other entities; to continue the authority of the Legislature to regulate and impose a business privilege tax on corporations and other entities; and to repeal various provisions concerning private corporations, railroads, and canals.

"Proposed by Act ______." This description shall be followed by the following language:

"Yes ( ) No ( )."
Speaker of the House of Representatives

Kay Ivey

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 01-MAY-12 Passed

Alabama Secretary Of State
Act Num....: 2012-275
Bill Num....: H-357
Recv'd 05/03/12 08:03amSLF
This Bill was referred to the Standing Committee of the Senate on C E
and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amd(s) w/sub w/eng sub
by a vote of yeas 5 nays 0 abstain
this 21 day of March 2012

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill,
HB 357
YEAS 24 NAYS 3

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill,
HB 357
YEAS 24 NAYS 3

GREG PAPPAS,
Secretary
This bill having been referred to the Committee on Rules pursuant to Senate Rule 23 is reported. This bill being referred to the Committee upon the Senate for assignment to the Committee on Rules is reported. This bill having been referred to the Committee upon the Senate for assignment to the Committee on Rules is reported.

(House of Representatives)

(Continued)

(House Action)

(Continued)

(Senate Action)

(Continued)