

House Bill 1185 (AS PASSED HOUSE AND SENATE)

By: Representatives Efration of the 104<sup>th</sup>, Gambill of the 15<sup>th</sup>, Wade of the 9<sup>th</sup>, Seabaugh of the 34<sup>th</sup>, Gunter of the 8<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Titles 14 and 15 of the Official Code of Georgia Annotated, relating to  
2 corporations, partnerships, and associations and courts, respectively, so as to provide for  
3 certain shareholder claims to be brought before the Georgia State-wide Business Court; to  
4 permit a corporation's bylaws or articles of incorporation to require certain claims to be heard  
5 by the Georgia State-wide Business Court; to provide for removal of certain claims to the  
6 Georgia State-wide Business Court; to provide for attorney's fees and costs; to exempt  
7 payment of attorney's fees and costs in certain situations; to provide for definitions; to  
8 provide for an effective date and applicability; to provide for related matters; to repeal  
9 conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 14 of the Official Code of Georgia Annotated, relating to corporations, partnerships,  
13 and associations, is amended in Chapter 1, which is reserved, as follows:

## "CHAPTER 1

## 14-1-1.

As used in this title, the term 'internal entity claim' means a claim, action, or proceeding of any nature arising out of this title, including, but not limited to, a claim in the right of the entity, a claim that is based on a violation of a duty by a current or former director, officer, shareholder, member, or partner that is based on, arises from, or relates to the internal affairs of the entity, a valuation proceeding, or a proceeding related to the court ordered inspection of an entity's records by a shareholder, member, or partner; provided, however, that any action, claim, or proceeding brought by a shareholder or member challenging the sufficiency of an entity's disclosures or otherwise alleging a breach of any duty of disclosure against an entity organized under this title, or any director or officer of such entity, shall be considered an internal entity claim, regardless of whether such action, claim, or proceeding is characterized as derivative. ~~Reserved.~~"

## SECTION 2.

Said title is further amended in Chapter 2, relating to business corporations, by revising paragraphs (4) and (5) of subsection (b) of Code Section 14-2-202, relating to articles of incorporation, and by adding a new paragraph to said subsection to read as follows:

"(4) A provision eliminating or limiting the liability of a director or officer to the corporation or its shareholders for monetary damages for any action taken, or any failure to take any action, as a director or officer, except liability:

(A) For any appropriation, in violation of his or her duties, of any business opportunity of the corporation;

(B) For acts or omissions which involve intentional misconduct or a knowing violation of law;

(C) For the types of liability set forth in Code Section 14-2-832; or

39 (D) For any transaction from which the director or officer received an improper  
40 personal benefit, provided that no such provision shall eliminate or limit the liability of  
41 a director or officer for any act or omission occurring prior to the date when such  
42 provision becomes effective; **and**

43 (5) A provision that, in discharging the duties of their respective positions and in  
44 determining what is believed to be in the best interests of the corporation, the board of  
45 directors, committees of the board of directors, and individual directors, in addition to  
46 considering the effects of any action on the corporation or its shareholders, may consider  
47 the interests of the employees, customers, suppliers, and creditors of the corporation and  
48 its subsidiaries, the communities in which offices or other establishments of the  
49 corporation and its subsidiaries are located, and all other factors such directors consider  
50 pertinent; provided, however, that any such provision shall be deemed solely to grant  
51 discretionary authority to the directors and shall not be deemed to provide to any  
52 constituency any right to be considered; **and**

53 (6) Consistent with applicable law, a provision requiring any or all internal entity claims,  
54 including, but not limited to, proceedings related to the court ordered inspection of  
55 corporate records by a shareholder, to be brought solely and exclusively in the Georgia  
56 State-wide Business Court."

57 **SECTION 3.**

58 Said title is further amended in said chapter by adding a new subsection to Code Section  
59 14-2-206, relating to bylaws, to read as follows:

60 "(c) The bylaws of a corporation may require, consistent with law, that any or all internal  
61 entity claims, including, but not limited to, proceedings related to the court ordered  
62 inspection of corporate records by a shareholder, be brought solely and exclusively in the  
63 Georgia State-wide Business Court."

64 **SECTION 4.**

65 Said title is further amended in said chapter by revising Code Section 14-2-741, relating to  
66 standing, as follows:

67 "14-2-741.

68 A shareholder may not commence or maintain a derivative proceeding unless the  
69 shareholder:

70 (1) Was a shareholder of the corporation at the time of the act or omission complained  
71 of or became a shareholder through transfer by operation of law from one who was a  
72 shareholder at that time; ~~and~~

73 (2) Fairly and adequately represents the interests of the corporation in enforcing the right  
74 of the corporation; and

75 (3) For a corporation with one or more classes of shares described in subsection (c) of  
76 Code Section 14-2-601 listed on a national securities exchange, at the time of the act or  
77 omission complained of, owns a number of the shares described in paragraph (2) of  
78 subsection (c) of Code Section 14-2-601 sufficient to meet an ownership threshold to  
79 commence a derivative proceeding in the right of the corporation identified in the  
80 corporation's articles of incorporation or bylaws, provided that the ownership threshold  
81 established by the corporation in its articles of incorporation or bylaws does not exceed  
82 1 percent of the outstanding shares described in paragraph (2) of subsection (c) of Code  
83 Section 14-2-601."

84 **SECTION 5.**

85 Said title is further amended in said chapter by revising Code Section 14-2-746, relating to  
86 payment of expenses, as follows:

87 "14-2-746.

88 (a) On termination of the derivative proceeding, the court may:

89 (1) Order the corporation to pay the plaintiff's reasonable expenses, (including attorneys'  
90 fees), incurred in the proceeding if it finds that the proceeding has resulted in a substantial  
91 benefit to the corporation; or

92 (2) Order the plaintiff to pay any defendant's reasonable expenses, (including attorneys'  
93 fees), incurred in defending the proceeding if it finds that the proceeding was commenced  
94 or maintained without reasonable cause or for an improper purpose.

95 (b) For the purposes of subsection (a) of this Code section, the term 'substantial benefit to  
96 the corporation' does not include additional or amended disclosures made to shareholders,  
97 regardless of materiality."

98 **SECTION 6.**

99 Said title is further amended in said chapter by revising Code Section 14-2-747, relating to  
100 applicability to foreign corporations, as follows:

101 "14-2-747.

102 In any derivative proceeding in the right of a foreign corporation, the matters covered by  
103 this part shall be governed by the laws of the jurisdiction of incorporation of the foreign  
104 corporation except for Code Sections 14-2-743, and 14-2-745, and paragraph (2) of  
105 subsection (a) of Code Section 14-2-746."

106 **SECTION 7.**

107 Said title is further amended in said chapter by revising subsection (a) of Code Section  
108 14-2-916, relating to court action to compel purchase, as follows:

109 "(a) If an offer to purchase shares made under Code Section 14-2-915 is rejected, or if no  
110 offer is made, the person exercising the compulsory purchase right may commence a  
111 proceeding against the corporation to compel the purchase in the superior court of the  
112 county where the corporation's registered office is located or the Georgia State-wide  
113 Business Court. The corporation at its expense shall notify in writing all of its

114 shareholders, and any other person the court directs, of the commencement of the  
115 proceeding. The jurisdiction of the court in which the proceeding is commenced under this  
116 subsection is plenary and exclusive."

117 **SECTION 8.**

118 Said title is further amended in said chapter by revising subsections (a) and (b) of Code  
119 Section 14-2-940, relating to court action to protect shareholders, as follows:

120 "(a) Subject to satisfying the conditions of subsections (c) and (d) of this Code section, a  
121 shareholder of a statutory close corporation may petition the superior court or the Georgia  
122 State-wide Business Court for any of the relief described in Code Section 14-2-941,  
123 14-2-942, or 14-2-943 if:

124 (1) The directors or those in control of the corporation have acted, are acting, or will act  
125 in a manner that is illegal, oppressive, fraudulent, or unfairly prejudicial to the petitioner,  
126 whether in his capacity as shareholder, director, or officer of the corporation;

127 (2) The directors or those in control of the corporation are deadlocked in the  
128 management of the corporation's affairs, the shareholders are unable to break the  
129 deadlock, and the corporation is suffering or will suffer irreparable injury or the business  
130 and affairs of the corporation can no longer be conducted to the advantage of the  
131 shareholders generally because of the deadlock; or

132 (3) There exists one or more grounds for judicial dissolution of the corporation under  
133 Code Section 14-2-1430.

134 (b) A shareholder must commence a proceeding under subsection (a) of this Code section  
135 in the superior court of the county where the corporation's principal office (or, if none in  
136 this state, its registered office) is located or the Georgia State-wide Business Court. The  
137 jurisdiction of the court in which the proceeding is commenced is plenary and exclusive."

138 **SECTION 9.**

139 Said title is further amended in said chapter by revising subsection (b) of Code Section  
 140 14-2-1330, relating to court action, as follows:

141 "(b) The corporation shall commence the proceeding, which shall be a nonjury equitable  
 142 valuation proceeding, in the Georgia State-wide Business Court or the superior court of the  
 143 county where a corporation's registered office is located. If the surviving corporation is a  
 144 foreign corporation without a registered office in this state, it shall commence the  
 145 proceeding in the county in this state where the registered office of the domestic  
 146 corporation merged with or whose shares were acquired by the foreign corporation was  
 147 located."

148 **SECTION 10.**

149 Said title is further amended in said chapter by revising subsection (g) of Code Section  
 150 14-2-1602, relating to inspection of records by shareholders, as follows:

151 "(g) ~~For purposes of~~ As used in this Code section, the term:

152 (1) 'Proper purpose' shall not include:

153 (A) An active or pending derivative proceeding in the right of the corporation that is,  
 154 or is reasonably expected to be, instituted or maintained by the shareholder; or

155 (B) An active or pending civil lawsuit to which the corporation and the shareholder are,  
 156 or are reasonably expected to be, adversarial named parties.

157 (2) 'Shareholder' ~~'shareholder'~~ includes a beneficial owner whose shares are held in a  
 158 voting trust or by a nominee on his or her behalf."

159 **SECTION 11.**

160 Said title is further amended in said chapter by revising subsections (a), (b), and (c) of Code  
 161 Section 14-2-1604, relating to court-ordered inspection, as follows:

162 "(a) If a corporation does not allow a shareholder who complies with subsection (b) of  
163 Code Section 14-2-1602 to inspect and copy any records required by that subsection to be  
164 available for inspection, the superior court of the county where the corporation's registered  
165 office is located or the Georgia State-wide Business Court may summarily order inspection  
166 and copying of the records demanded at the corporation's expense upon application of the  
167 shareholder.

168 (b) If a corporation does not within a reasonable time allow a shareholder to inspect and  
169 copy any other record, the shareholder who complies with subsections (c) and (d) of Code  
170 Section 14-2-1602 may apply to the superior court in the county where the corporation's  
171 registered office is located or the Georgia State-wide Business Court for an order to permit  
172 inspection and copying of the records demanded. The court shall dispose of an application  
173 under this subsection on an expedited basis.

174 (c) If the court orders inspection and copying of the records demanded, it ~~shall~~ may also,  
175 after a hearing if requested by a party, order the corporation to pay the shareholder's costs,  
176 (including reasonable attorneys' fees), incurred to obtain the order; provided, however, that  
177 in no event shall costs be awarded if unless the corporation proves that it refused inspection  
178 in good faith because it had a reasonable basis for doubt about the right of the shareholder  
179 to inspect the records demanded. If the court does not order inspection and copying of  
180 records demanded pursuant to Code Section 14-2-1602, it may, after a hearing if requested  
181 by a party, order the shareholder to pay the corporation's costs, including but not limited  
182 to reasonable attorneys' fees, incurred by the corporation in the proceeding if the court  
183 determines that the shareholder's inspection demand was not made in good faith or for a  
184 proper purpose that was reasonably relevant to his or her legitimate interest as a  
185 shareholder."

**SECTION 12.**

186

187 Said title is further amended in Chapter 9, the "Georgia Revised Uniform Limited Partnership  
188 Act," by revising subparagraphs (a)(3)(B) and (a)(3)(C) and subsection (b) of and adding a  
189 new subsection to Code Section 14-9-305, relating to inspection of partnership records and  
190 information, to read as follows:

191 "(B) Promptly after becoming available, a copy of the limited partnership's filed  
192 federal, state, and local income tax returns for each year; and

193 (C) Other information regarding the affairs of the limited partnership as is just, ~~and~~  
194 reasonable, and requested for a proper purpose; provided, however, that a general  
195 partner shall have the right to keep confidential from limited partners for such period  
196 of time as the general partner deems reasonable, any information which the general  
197 partner reasonably believes to be in the nature of trade secrets or other information, the  
198 disclosure of which the general partner in good faith believes is not in the best interests  
199 of the limited partnership or could damage the limited partnership or its business or  
200 which the limited partnership is required by law or by agreement with a third party to  
201 keep confidential.

202 (b) If the limited partnership or a partner or agent of the limited partnership refuses to  
203 permit the inspection authorized by subsection (a) of this Code section, the limited partner  
204 demanding inspection may apply to the Georgia State-wide Business Court or the superior  
205 court for the county in which the registered office of the limited partnership is located,  
206 upon such notice as the court may require, for an order directing the limited partnership,  
207 its partners, or agent to show cause why an order permitting such inspection by the  
208 applicant should not be granted. The court shall hear the parties summarily, by affidavit or  
209 otherwise, or by a hearing if requested by a party, and if the limited partnership fails to  
210 establish that the applicant is not entitled to such inspection, the court shall grant an order  
211 permitting such inspection, subject to any limitations which the court may prescribe, and  
212 grant such other relief, including costs and reasonable attorneys' fees, as the court may

213 deem just and proper. If the court does not grant an order permitting such inspection and  
 214 determines that the request was not just, reasonable, or made for a proper purpose, it may  
 215 order the limited partner requesting inspection to pay the limited partnership's costs and  
 216 reasonable attorneys' fees.

217 (c) As used in this Code section, the term 'proper purpose' shall not include:

218 (1) An active or pending derivative proceeding in the right of the limited partnership that  
 219 is, or is reasonably expected to be, instituted or maintained by the limited partner; or

220 (2) An active or pending civil lawsuit to which the limited partnership and the limited  
 221 partner are, or are reasonably expected to be, adversarial named parties."

### 222 SECTION 13.

223 Said title is further amended in said chapter by revising Code Section 14-9-1002, relating to  
 224 requirements for plaintiffs, as follows:

225 "14-9-1002.

226 (1) Except to the extent provided by the partnership agreement, in a derivative action, the  
 227 plaintiff must be a limited partner at the time of bringing the action and:

228 (~~1~~)(A) Must have been a partner at the time of the transaction of which he or she  
 229 complains; or

230 (~~2~~)(B) His or her status as a partner must shall have devolved upon him or her by  
 231 operation of law or pursuant to the terms of the partnership agreement from a person  
 232 who was a partner at the time of the transaction; and

233 (2) For a limited partnership with partnership interests listed on a national securities  
 234 exchange, at the time of the act or omission complained of, the limited partner owns a  
 235 number of partnership interests sufficient to meet the required ownership threshold to  
 236 institute a derivative action in the right of the limited partnership identified in the limited  
 237 partnership's governing agreement, provided that the required ownership threshold

238 established by the governing agreement does not exceed 1 percent of the outstanding  
239 partnership interests of the limited partnership."

240 **SECTION 14.**

241 Said title is further amended in said chapter by revising Code Section 14-9-1004, relating to  
242 expenses, as follows:

243 "14-9-1004.

244 If a derivative action is successful, in whole or in part, or if anything is received by the  
245 plaintiff as a result of a judgment, compromise, or settlement of an action or claim, the  
246 court may award the plaintiff reasonable expenses, including reasonable attorneys' fees, and  
247 shall direct him or her to remit to the limited partnership the remainder of those proceeds  
248 received by him or her; provided, however, that the court shall not award plaintiffs  
249 reasonable expenses and attorneys' fees if the sole relief received by the plaintiff as a result  
250 of a judgment, compromise, or settlement of an action or claim is additional or amended  
251 disclosures made to the partners, regardless of materiality."

252 **SECTION 15.**

253 Said title is further amended in Chapter 11, relating to limited liability companies, by  
254 revising subparagraph (B) of paragraph (2) and paragraph (3) of and adding a new paragraph  
255 to Code Section 14-11-313, relating to records and information, to read as follows:

256 "(B) Obtain from time to time upon reasonable demand:

257 (i) True and complete ~~information regarding the state of the business and financial~~  
258 ~~condition~~ financial statements of the limited liability company;

259 (ii) Promptly after becoming available, a copy of the limited liability company's filed  
260 federal, state, and local income tax returns, if any, for each year; and

261 (iii) Other information regarding the affairs of the limited liability company as is just,  
262 ~~and~~ reasonable, and demanded for a proper purpose; and

263 (3) If the limited liability company refuses to permit the inspection authorized by  
264 paragraph (2) of this Code section, the member demanding inspection may apply to the  
265 Georgia State-wide Business Court or the superior court for the county in which the  
266 registered office of the limited liability company is located, upon such notice as the court  
267 may require, for an order directing the limited liability company to show cause why an  
268 order permitting such inspection by the applicant should not be granted. The court shall  
269 hear the parties summarily, by affidavit or otherwise, or by a hearing if requested by a  
270 party, and if the limited liability company fails to establish that the applicant is not  
271 entitled to such inspection, the court shall grant an order permitting such inspection,  
272 subject to any limitations which the court may prescribe, and grant such other relief,  
273 including costs and reasonable attorneys' fees, as the court may deem just and proper. If  
274 the court does not grant an order permitting such inspection and determines that the  
275 demand was not just, reasonable, or made for a proper purpose, it may order the member  
276 demanding inspection to pay the limited liability company's costs and reasonable  
277 attorneys' fees.

278 (4) As used in this Code section, the term 'proper purpose' shall not include:

279 (A) An active or pending derivative proceeding in the right of the limited liability  
280 company that is, or is reasonably expected to be, instituted or maintained by the  
281 member; or

282 (B) An active or pending civil lawsuit to which the limited liability company and the  
283 member are, or are reasonably expected to be, adversarial named parties."

284 **SECTION 16.**

285 Said title is further amended in said chapter by revising paragraph (4) of Code Section  
286 14-11-801, relating to right of member to bring derivative action, as follows:

287 "(4) The plaintiff:

- 288 (A) ~~Is~~ is a member of the limited liability company at the time of bringing the action;  
 289 and  
 290 (B) ~~Was~~ was a member of the limited liability company at the time of the transaction  
 291 of which he or she complains, or his or her status as a member of the limited liability  
 292 company has devolved upon him or her by operation of law from a person who was a  
 293 member at the time of the transaction; and"

294 **SECTION 17.**

295 Said title is further amended in said chapter by revising Code Section 14-11-807, relating to  
 296 applicability to foreign limited liability companies, as follows:

297 "14-11-807.

298 In any derivative action in the right of a foreign limited liability company, the matters  
 299 covered by this article shall be governed by the laws of the jurisdiction of organization of  
 300 the foreign limited liability company except for Code Sections 14-11-803 and 14-11-804  
 301 and ~~paragraph~~ subsection (b) of Code Section 14-11-806."

302 **SECTION 18.**

303 Said title is further amended in said chapter by revising subsection (b) of Code Section  
 304 14-11-1011, relating to court action, as follows:

305 "(b) The limited liability company shall commence the proceeding, which shall be a  
 306 nonjury equitable valuation proceeding, in the Georgia State-wide Business Court or the  
 307 superior court of the county where a limited liability company's registered office is located.  
 308 If the surviving entity is a foreign entity without a registered office in this state, it shall  
 309 commence the proceeding in the county in this state where the registered office of the  
 310 domestic entity merged with the foreign entity was located."

311 **SECTION 19.**

312 Title 15 of the Official Code of Georgia Annotated, relating to courts, is amended in Chapter  
 313 5A, relating to the State-wide Business Court, by revising division (a)(1)(A)(xi) of Code  
 314 Section 15-5A-3, relating to authority of court, as follows:

315 "(xi) That relate to the internal affairs of businesses, including, but not limited to,  
 316 internal entity claims, as such term is set forth in Code Section 14-1-1."

317 **SECTION 20.**

318 Said title is further amended in said chapter by revising subsections (a), (b), and (c) of Code  
 319 Section 15-5A-4, relating to process for bringing a claim before court and filings, as follows:

320 "(a) Except as provided in subsection (b) of this Code section, all claims provided for  
 321 under Code Section 15-5A-3 may only come before the Georgia State-wide Business  
 322 Court by:

323 (1) Any party filing a pleading with the Georgia State-wide Business Court to initiate  
 324 a civil action that is not already pending in superior court or state court unless any  
 325 defendant within 30 days after receipt by all defendants, through service of process, of  
 326 a copy of the initial pleading setting forth the claim for relief upon which such action  
 327 is based objects and petitions the Georgia State-wide Business Court to transfer such  
 328 action to the superior court or state court with which venue is otherwise proper. The  
 329 judge of the Georgia State-wide Business Court shall then compel transfer of the case  
 330 to such superior court or state court, unless the action involves:

331 (A) A a contract claim or dispute where all parties are business entities and such  
 332 contract provides that such dispute shall come before the Georgia State-wide Business  
 333 Court; or

334 (B) An internal entity claim, as such term is set forth in Code Section 14-1-1, if either:  
 335 (i) the entity's articles of incorporation, articles of organization, certificate of  
 336 limited partnership, written partnership agreement, bylaws, written operating

337 agreement, or other governing document requires such claim or proceeding to  
338 come before the Georgia State-wide Business Court; or  
339 (ii) the entity is a public company, a private company that conducts a Tier 2  
340 offering under Regulation A of the Securities Act of 1933 or a sale of securities under  
341 Regulation D of the Securities Act of 1933, or an entity composed exclusively of  
342 individuals or entities who would otherwise qualify as accredited investors under Rule  
343 501(a) of Regulation D under the Securities Act of 1933.

344 (2) All parties to a civil action already filed in superior court or state court agreeing to  
345 remove the action to the Georgia State-wide Business Court and then filing such  
346 agreement with the Georgia State-wide Business Court, provided that the petition for  
347 removal is filed within ~~60 days~~ one year of such action being filed in superior court or  
348 state court; or

349 (3) Any party to a civil action already filed in superior court or state court filing with  
350 the Georgia State-wide Business Court a petition to transfer such action to the Georgia  
351 State-wide Business Court; provided, however, that:

352 (A) Such a petition to transfer is filed within ~~60~~ 90 days after receipt by all  
353 defendants, through service of process as provided in Code Section 9-11-4, of a copy  
354 of the initial pleading setting forth the claim for relief upon which such action is  
355 based. The judge of the Georgia State-wide Business Court, after considering the  
356 petition to transfer and all timely responses from the other party or parties in the case,  
357 shall thereafter determine whether the case is within the jurisdiction of the Georgia  
358 State-wide Business Court, and with a presumption that the civil action remains in the  
359 court of filing, the judge may enter an order compelling the transfer of the case to the  
360 Georgia State-wide Business Court unless a party objects within ~~30~~ 15 days of the  
361 filing of the petition to transfer; or

362 (B) Such a petition to transfer is filed within 60 days after receipt by all defendants,  
363 through service of process as provided in Code Section 9-11-5 or as otherwise

364 provided by law, of a copy of an amended pleading, motion, order, or other document  
365 from which the party petitioning to transfer may first ascertain that the case is  
366 transferable. The judge of the Georgia State-wide Business Court, after considering  
367 the petition to transfer and all timely responses from the other party or parties in the  
368 case, shall thereafter determine whether the case is within the jurisdiction of the  
369 Georgia State-wide Business Court, and with a presumption that the civil action  
370 remains in the court of filing, the judge may enter an order compelling transfer of the  
371 case to the Georgia State-wide Business Court unless a party objects within 30 days  
372 of the filing of the petition to transfer; or

373 (4) The removal of a civil action involving an internal entity claim, as such term is set  
374 forth in Code Section 14-1-1, filed in superior court or state court or sent to the Georgia  
375 State-wide Business Court by such superior or state court, provided that the  
376 requirements of subparagraph (B) of paragraph (1) are met. Paragraphs (2) and (3) of  
377 this subsection shall not apply to claims, actions, or proceedings listed in this  
378 paragraph.

379 (b) Notwithstanding subsection (a) of this Code section, the Georgia State-wide Business  
380 Court may transfer to the appropriate superior court or state court any and all claims filed  
381 in the Georgia State-wide Business Court and may reject acceptance of any and all  
382 petitions to transfer or petitions for removal to the Georgia State-wide Business Court,  
383 even if such claims are within the jurisdiction of the Georgia State-wide Business Court  
384 unless such claims are internal entity claims, as such term is set forth in Code Section 14-  
385 1-1, and the requirements of subparagraph (B) of paragraph (1) are met.

386 (c) Notwithstanding any other law, when the superior court or state court where a claim  
387 is pending receives a certified copy of an order issued by the Georgia State-wide Business  
388 Court transferring or removing such civil action to the Georgia State-wide Business Court  
389 pursuant to paragraph (2), (3), or (4) of subsection (a) of this Code Section, such superior

390 court or state court shall certify the transfer or removal from the superior court or state  
391 court to the Georgia State-wide Business Court."

392 **SECTION 21.**

393 This Act shall become effective on July 1, 2026, and shall apply to all claims or proceedings  
394 initiated on or after such date.

395 **SECTION 22.**

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