

## CHAPTER 58

## ( HB 319 )

AN ACT relating to business opportunities for United States military and veterans.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 12 IS CREATED TO READ AS FOLLOWS:

- (1) *An administrative body that issues a license, permit, certificate, or other document required to operate within a business, profession, or other occupation in the Commonwealth shall issue within thirty (30) days of receipt of a completed application a license, permit, certificate, or other document to a United States military service member or veteran who is seeking a license, permit, certificate, or other document and currently holds or recently held equivalent documentation issued by another state, the District of Columbia, or any possession or territory of the United States unless:*
- (a) *The license, permit, certificate, or other document issued by another state, the District of Columbia, or any possession or territory of the United States has been expired for more than two (2) years;*
  - (b) *The license, permit, certificate, or other documentation is not in good standing;*
  - (c) *The holder of the license, permit, certificate, or other document has had the license, permit, certificate, or other document suspended for disciplinary reasons; or*
  - (d) *The board can show substantive evidence of significant statutory deficiency in the training, education, or experience of the United States military service member or veteran, which could cause a health or safety risk to the public.*
- (2) *The United States military service member or veteran shall submit:*
- (a) *Proof of issuance of a valid license, permit, certificate, or other document issued by another state, the District of Columbia, or any possession or territory of the United States that is active or has been expired for less than two (2) years;*
  - (b) *Proof that the valid license, permit, certificate, or other document issued by another state, the District of Columbia, or any possession or territory of the United States is in good standing or was upon the date of expiration; and*
  - (c) *His or her DD-214 form or other proof of active or prior military service with an honorable discharge, discharge under honorable conditions, or a general discharge under honorable conditions.*
- (3) *A United States military service member or veteran who holds a license, permit, certificate, or other document issued by another state, the District of Columbia, or any possession or territory of the United States who applies for a license, permit, certificate, or other document pursuant to subsection (1) of this section and is denied shall have the right to appeal the decision in accordance with KRS Chapter 13B.*

➔Section 2. KRS 14A.1-070 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Business" includes every trade, occupation, and profession;
- (2) "Corporation" means a business corporation governed as to its internal affairs by KRS Chapter 271B, a cooperative or association governed as to its internal affairs by KRS Chapter 272, a nonprofit corporation governed as to its internal affairs by KRS Chapter 273, and a rural electric or rural telephone cooperative corporation governed as to its internal affairs by KRS Chapter 279;
- (3) "Business trust" means a business trust governed as to its internal affairs by KRS Chapter 386 or a statutory trust governed as to its internal affairs by KRS Chapter 386A;
- (4) "Debtor in bankruptcy" means a person who is the subject of:
  - (a) An order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application; or

- (b) A comparable order under federal, state, or foreign law governing insolvency;
- (5) "Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and electronic transmission;
- (6) "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient;
- (7) "Entity" means a corporation, business or statutory trust, partnership, limited partnership, limited liability company, limited cooperative association, or unincorporated nonprofit association, governed as to its internal affairs by the laws of the Commonwealth of Kentucky;
- (8) "Foreign business trust" means a business or statutory trust not governed as to its internal affairs by KRS Chapter 386 or 386A;
- (9) "Foreign corporation" means a corporation as defined in subsection (2) of this section that is not:
  - (a) Organized pursuant to the laws of the Commonwealth of Kentucky; or
  - (b) As to its internal affairs, governed by the laws of the Commonwealth of Kentucky;
- (10) "Foreign entity" means a corporation, not-for-profit corporation, cooperative, limited cooperative association, association, business or statutory trust, partnership, limited partnership, limited liability company, or unincorporated nonprofit association not:
  - (a) Organized pursuant to the laws of the Commonwealth of Kentucky; or
  - (b) As to its internal affairs, governed by the laws of the Commonwealth of Kentucky;
- (11) "Foreign limited cooperative association" means a limited cooperative association that is not:
  - (a) Organized pursuant to the laws of the Commonwealth of Kentucky; or
  - (b) As to its internal affairs, governed by the laws of the Commonwealth of Kentucky;
- (12) "Foreign limited liability partnership" means a partnership that:
  - (a) Is formed under laws other than the laws of this Commonwealth; and
  - (b) Has the status of a limited liability partnership under those laws;
- (13) "Foreign professional service corporation" has the same meaning as in KRS 274.005;
- (14) "Foreign rural electric cooperative" means a rural electric cooperative organized otherwise than under KRS 279.010 to 279.210;
- (15) "Foreign rural telephone cooperative" means a rural telephone cooperative organized otherwise than under KRS 279.310 to 279.990 excepting 279.570;
- (16) "Foreign unincorporated nonprofit association" means an unincorporated nonprofit association that is not:
  - (a) Organized in accordance with the laws of the Commonwealth of Kentucky; or
  - (b) As to its internal affairs, governed by the laws of the Commonwealth of Kentucky;
- (17) "Good standing" means that all annual reports which are required to be received from an entity or foreign entity have been delivered to and filed by the Secretary of State, that all other lawfully required statutory documentation has been received and filed, and that all fees, costs, and expenses, including penalties incurred in connection therewith, have been paid;
- (18) "Limited cooperative association" means a limited cooperative association governed as to its internal affairs by KRS Chapter 272A;
- (19) "Limited liability company" has the same meaning as in KRS 275.015;
- (20) "Limited liability partnership" means a partnership that has filed a statement of qualification under KRS 362.1-931 or a registration as a registered limited liability partnership under KRS 362.555 and does not have a similar statement or registration in effect in any other jurisdiction;
- (21) "Name of record with the Secretary of State" means any real, fictitious, reserved, registered, or assumed name of an entity or foreign entity;

- (22) "Nonprofit corporation," other than in the term "foreign nonprofit corporation," means a nonprofit corporation incorporated pursuant to and governed as to its internal affairs by KRS Chapter 273 or predecessor law;
- (23) "Organic act" means the law of a state or other jurisdiction governing the organization and internal affairs of an entity or foreign entity;
- (24) "Organized" means organized, incorporated, or formed;
- (25) "Organizational filing" means a filing made with the Secretary of State as a precondition to the formation, organization, or incorporation of an entity, including articles of incorporation, articles of organization, articles of association, certificates of trust, and certificates of limited partnership. A statement of qualification filed pursuant to KRS 362.1-931 or a registration as a limited liability partnership filed pursuant to KRS 362.555 is not an organizational filing;
- (26) "Partnership" means an association of two (2) or more persons to carry on as co-owners a business for profit formed under KRS 362.1-202, predecessor law, or comparable law of another jurisdiction;
- (27) "Partnership agreement" means the agreement, whether written, oral, or implied, among the partners concerning the partnership, including amendments to the partnership agreement;
- (28) "Person" means an individual, an entity, a foreign entity, or any other legal or commercial entity;
- (29) "Principal office" means the address required by this chapter or the organic act to be of record with the Secretary of State as the principal office, the principal place of business address, the designated office of a limited partnership, or the chief executive office of a limited liability partnership;
- (30) "Professional service corporation" has the same meaning as in KRS 274.005;
- (31) "Professional services" means the personal services rendered by physicians, osteopaths, optometrists, podiatrists, chiropractors, dentists, nurses, pharmacists, psychologists, occupational therapists, veterinarians, engineers, architects, landscape architects, certified public accountants, public accountants, physical therapists, and attorneys;
- (32) "Property" means all property, real, personal, or mixed, tangible or intangible, or any interest therein;
- (33) "Qualified person" has the same meaning as in KRS 274.005;
- (34) "Registered agent" means a registered agent appointed in accordance with KRS 14A.4-010 or predecessor law, and is synonymous with agent for service of process;
- (35) "Registered office" means the registered office identified in accordance with and satisfying the requirements of KRS 14A.4-010(1)(b). The registered office address must be a street address;
- (36) "Regulatory board" means the agency that is charged by law with the licensing and regulation of the practice of the profession which the entity is organized to provide;
- (37) "Rural electric cooperative" means a rural electric cooperative governed as to its internal affairs by KRS 279.010 to 279.210;
- (38) "Rural telephone cooperative" means a rural telephone cooperative governed as to its internal affairs by KRS 279.310 to 279.990 excepting KRS 279.570;
- (39) "Series entity" means an entity or a foreign entity authorized and enabled by its organic act and organizational filing to create series having separate rights, powers, or duties with respect to specific property or obligations of the series entity, or the profits and losses associated with specific property or obligations;
- (40) "Sign" or "signature" includes any manual, facsimile, conformed, or electronic signature;
- (41) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States;
- (42) "Statutory trust" means a trust governed as to its internal affairs by KRS Chapter 386A;~~and~~
- (43) "Unincorporated nonprofit association" means an unincorporated nonprofit association governed as to its internal affairs by KRS Chapter 273A;
- (44) "Veteran" means any person who served in the United States Armed Forces, Reserves, or National Guard and was separated or released therefrom with an honorable discharge, discharge under honorable**

*conditions, or general discharge under honorable conditions or any person who currently serves in the United States Armed Forces, Reserves, or National Guard; and*

(45) *"Veteran-owned business" means a business:*

- (a) *That is at least fifty-one percent (51%) unconditionally owned by one (1) or more veterans; or*
- (b) *In the case of a publicly owned business, in which at least fifty-one percent (51%) of the stock is unconditionally owned by one (1) or more veterans.*

➔SECTION 3. A NEW SECTION OF SUBCHAPTER 2 OF KRS CHAPTER 14A IS CREATED TO READ AS FOLLOWS:

*Any veteran-owned business that is initiated after August 1, 2018, is exempt from paying the filing fees for:*

- (1) *Articles of incorporation, an amendment of articles of incorporation, amended and restated articles of incorporation, or a restatement of articles of incorporation under KRS Chapter 271B for a corporation or under KRS Chapter 273 for a nonprofit corporation;*
- (2) *Articles of organization, an amendment of articles of organization, a restatement of articles of organization, or an amendment and restatement of articles of organization under KRS Chapter 275 for a limited liability company;*
- (3) *A statement or renewal of statement of partnership under KRS Chapter 362;*
- (4) *A statement of partnership authority under Subchapter 1 of KRS Chapter 362;*
- (5) *A certificate of limited partnership under Subchapter 2 of KRS Chapter 362; or*
- (6) *A declaration of trust under KRS Chapter 386 for a business trust.*

➔Section 4. KRS 14A.2-060 is amended to read as follows:

(1) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered for filing:

- (a) Application for use of indistinguishable name .....\$ 20
- (b) Application or renewal of application for reserved name .....\$ 15
- (c) Cancellation of application for reserved name .....\$ 10
- (d) Notice of transfer of reserved name .....\$ 15
- (e) Application for registered name .....\$ 36
- (f) Application for renewal of registered name .....\$ 36
- (g) Statement of change of registered office or registered agent, or both .....\$ 10
- (h) Statement of change of principal office address .....\$ 10
- (i) Agent's statement of change of registered office for each affected entity or foreign entity .....\$ 10  
not to exceed a total of .....\$2,000
- (j) Reinstatement penalty following administrative dissolution .....\$ 100
- (k) Application for certificate of authority .....\$ 90
- (l) Application for amended certificate of authority .....\$ 40
- (m) Certificate of withdrawal .....\$ 40
- (n) Certificate of existence .....\$ 10
- (o) Certificate of authorization .....\$ 10
- (p) Any other document required or permitted to be filed by this chapter .....\$ 15
- (q) Agent's statement of resignation ..... No fee
- (r) Certificate of administrative dissolution ..... No fee

- (s) Certificate of reinstatement ..... No fee
  - (t) Certificate of revocation of authority to transact business ..... No fee
  - (u) Certificate of association.....\$ 15
- (2) (a) The Secretary of State shall collect a fee of fifteen dollars (\$15) with respect to each annual report or amendment thereto.
- (b) *Notwithstanding paragraph (a) of this subsection, a veteran-owned business initiated after August 1, 2018, is exempt from paying the fee for filing an annual report or amendment thereto for the first four (4) years after its initial registration, but is not exempt from any filing requirement or deadline for filing an annual report.*
- (3) The Secretary of State shall collect a fee of ten dollars (\$10) each time process is served on him or her under this chapter. The party to a proceeding causing service of process shall be entitled to recover this fee as costs if he prevails in the proceeding.
- (4) The Secretary of State shall collect the following fees for copying and certifying the copy of any filed document relating to a domestic or foreign entity:
- (a) Five dollars (\$5) per request for the first five (5) pages and fifty cents (\$0.50) a page for each page thereafter; and
  - (b) Five dollars (\$5) for the certificate.

**Signed by Governor April 2, 2018.**