

1 AN ACT relating to veteran-managed nonprofit businesses.

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

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

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

- 5 (1) "Business" includes every trade, occupation, and profession;
- 6 (2) "Corporation" means a business corporation governed as to its internal affairs by
7 KRS Chapter 271B, a cooperative or association governed as to its internal affairs
8 by KRS Chapter 272, a nonprofit corporation governed as to its internal affairs by
9 KRS Chapter 273, and a rural electric or rural telephone cooperative corporation
10 governed as to its internal affairs by KRS Chapter 279;
- 11 (3) "Business trust" means a business trust governed as to its internal affairs by KRS
12 Chapter 386 or a statutory trust governed as to its internal affairs by KRS Chapter
13 386A;
- 14 (4) "Debtor in bankruptcy" means a person who is the subject of:
- 15 (a) An order for relief under Title 11 of the United States Code or a comparable
16 order under a successor statute of general application; or
- 17 (b) A comparable order under federal, state, or foreign law governing insolvency;
- 18 (5) "Deliver" or "delivery" means any method of delivery used in conventional
19 commercial practice, including delivery by hand, mail, commercial delivery, and
20 electronic transmission;
- 21 (6) "Electronic transmission" or "electronically transmitted" means any process of
22 communication not directly involving the physical transfer of paper that is suitable
23 for the retention, retrieval, and reproduction of information by the recipient;
- 24 (7) "Entity" means a corporation, business or statutory trust, partnership, limited
25 partnership, limited liability company, limited cooperative association, or
26 unincorporated nonprofit association, governed as to its internal affairs by the laws
27 of the Commonwealth of Kentucky;

- 1 (8) "Foreign business trust" means a business or statutory trust not governed as to its
2 internal affairs by KRS Chapter 386 or 386A;
- 3 (9) "Foreign corporation" means a corporation as defined in subsection (2) of this
4 section that is not:
- 5 (a) Organized pursuant to the laws of the Commonwealth of Kentucky; or
6 (b) As to its internal affairs, governed by the laws of the Commonwealth of
7 Kentucky;
- 8 (10) "Foreign entity" means a corporation, not-for-profit corporation, cooperative,
9 limited cooperative association, association, business or statutory trust, partnership,
10 limited partnership, limited liability company, or unincorporated nonprofit
11 association not:
- 12 (a) Organized pursuant to the laws of the Commonwealth of Kentucky; or
13 (b) As to its internal affairs, governed by the laws of the Commonwealth of
14 Kentucky;
- 15 (11) "Foreign limited cooperative association" means a limited cooperative association
16 that is not:
- 17 (a) Organized pursuant to the laws of the Commonwealth of Kentucky; or
18 (b) As to its internal affairs, governed by the laws of the Commonwealth of
19 Kentucky;
- 20 (12) "Foreign limited liability partnership" means a partnership that:
- 21 (a) Is formed under laws other than the laws of this Commonwealth; and
22 (b) Has the status of a limited liability partnership under those laws;
- 23 (13) "Foreign professional service corporation" has the same meaning as in KRS
24 274.005;
- 25 (14) "Foreign rural electric cooperative" means a rural electric cooperative organized
26 otherwise than under KRS 279.010 to 279.210;
- 27 (15) "Foreign rural telephone cooperative" means a rural telephone cooperative

- 1 organized otherwise than under KRS 279.310 to 279.990 excepting 279.570;
- 2 (16) "Foreign unincorporated nonprofit association" means an unincorporated nonprofit
3 association that is not:
- 4 (a) Organized in accordance with the laws of the Commonwealth of Kentucky; or
5 (b) As to its internal affairs, governed by the laws of the Commonwealth of
6 Kentucky;
- 7 (17) "Good standing" means that all annual reports which are required to be received
8 from an entity or foreign entity have been delivered to and filed by the Secretary of
9 State, that all other lawfully required statutory documentation has been received and
10 filed, and that all fees, costs, and expenses, including penalties incurred in
11 connection therewith, have been paid;
- 12 (18) "Limited cooperative association" means a limited cooperative association governed
13 as to its internal affairs by KRS Chapter 272A;
- 14 (19) "Limited liability company" has the same meaning as in KRS 275.015;
- 15 (20) "Limited liability partnership" means a partnership that has filed a statement of
16 qualification under KRS 362.1-931 or a registration as a registered limited liability
17 partnership under KRS 362.555 and does not have a similar statement or
18 registration in effect in any other jurisdiction;
- 19 (21) "Name of record with the Secretary of State" means any real, fictitious, reserved,
20 registered, or assumed name of an entity or foreign entity;
- 21 (22) "Nonprofit corporation," other than in the term "foreign nonprofit corporation,"
22 means a nonprofit corporation incorporated pursuant to and governed as to its
23 internal affairs by KRS Chapter 273 or predecessor law;
- 24 (23) "Organic act" means the law of a state or other jurisdiction governing the
25 organization and internal affairs of an entity or foreign entity;
- 26 (24) "Organized" means organized, incorporated, or formed;
- 27 (25) "Organizational filing" means a filing made with the Secretary of State as a

1 precondition to the formation, organization, or incorporation of an entity, including
2 articles of incorporation, articles of organization, articles of association, certificates
3 of trust, and certificates of limited partnership. A statement of qualification filed
4 pursuant to KRS 362.1-931 or a registration as a limited liability partnership filed
5 pursuant to KRS 362.555 is not an organizational filing;

6 (26) "Partnership" means an association of two (2) or more persons to carry on as co-
7 owners a business for profit formed under KRS 362.1-202, predecessor law, or
8 comparable law of another jurisdiction;

9 (27) "Partnership agreement" means the agreement, whether written, oral, or implied,
10 among the partners concerning the partnership, including amendments to the
11 partnership agreement;

12 (28) "Person" means an individual, an entity, a foreign entity, or any other legal or
13 commercial entity;

14 (29) "Principal office" means the address required by this chapter or the organic act to be
15 of record with the Secretary of State as the principal office, the principal place of
16 business address, the designated office of a limited partnership, or the chief
17 executive office of a limited liability partnership;

18 (30) "Professional service corporation" has the same meaning as in KRS 274.005;

19 (31) "Professional services" means the personal services rendered by physicians,
20 osteopaths, optometrists, podiatrists, chiropractors, dentists, nurses, pharmacists,
21 psychologists, occupational therapists, veterinarians, engineers, architects,
22 landscape architects, certified public accountants, public accountants, physical
23 therapists, and attorneys;

24 (32) "Property" means all property, real, personal, or mixed, tangible or intangible, or
25 any interest therein;

26 (33) "Qualified person" has the same meaning as in KRS 274.005;

27 (34) "Registered agent" means a registered agent appointed in accordance with KRS

- 1 14A.4-010 or predecessor law, and is synonymous with agent for service of process;
- 2 (35) "Registered office" means the registered office identified in accordance with and
3 satisfying the requirements of KRS 14A.4-010(1)(b). The registered office address
4 must be a street address;
- 5 (36) "Regulatory board" means the agency that is charged by law with the licensing and
6 regulation of the practice of the profession which the entity is organized to provide;
- 7 (37) "Rural electric cooperative" means a rural electric cooperative governed as to its
8 internal affairs by KRS 279.010 to 279.210;
- 9 (38) "Rural telephone cooperative" means a rural telephone cooperative governed as to
10 its internal affairs by KRS 279.310 to 279.990 excepting KRS 279.570;
- 11 (39) "Series entity" means an entity or a foreign entity authorized and enabled by its
12 organic act and organizational filing to create series having separate rights, powers,
13 or duties with respect to specific property or obligations of the series entity, or the
14 profits and losses associated with specific property or obligations;
- 15 (40) "Sign" or "signature" includes any manual, facsimile, conformed, or electronic
16 signature;
- 17 (41) "State" means a state of the United States, the District of Columbia, the
18 Commonwealth of Puerto Rico, or any territory or insular possession subject to the
19 jurisdiction of the United States;
- 20 (42) "Statutory trust" means a trust governed as to its internal affairs by KRS Chapter
21 386A;
- 22 (43) "Unincorporated nonprofit association" means an unincorporated nonprofit
23 association governed as to its internal affairs by KRS Chapter 273A;
- 24 (44) "Veteran" means any person who served in the United States Armed Forces,
25 Reserves, or National Guard and was separated or released therefrom with an
26 honorable discharge, discharge under honorable conditions, or general discharge
27 under honorable conditions or any person who currently serves in the United States

1 Armed Forces, Reserves, or National Guard; and

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

3 (a) That is at least fifty-one percent (51%) unconditionally owned by one (1) or
4 more veterans;~~[-or]~~

5 (b) In the case of a publicly owned business, in which at least fifty-one percent
6 (51%) of the stock is unconditionally owned by one (1) or more veterans; or

7 (c) That is a nonprofit business which is at least fifty-one percent (51%)
8 unconditionally managed by one (1) or more veterans.

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

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

- 12 (a) Application for use of indistinguishable name\$ 20
- 13 (b) Application or renewal of application for reserved name\$ 15
- 14 (c) Cancellation of application for reserved name\$ 10
- 15 (d) Notice of transfer of reserved name\$ 15
- 16 (e) Application for registered name\$ 36
- 17 (f) Application for renewal of registered name\$ 36
- 18 (g) Statement of change of registered office or registered agent, or both\$ 10
- 19 (h) Statement of change of principal office address\$ 10
- 20 (i) Agent's statement of change of registered office for each affected
21 entity or foreign entity\$ 10
22 not to exceed a total of\$2,000
- 23 (j) Reinstatement penalty following administrative dissolution\$ 100
- 24 (k) Application for certificate of authority\$ 90
- 25 (l) Application for amended certificate of authority\$ 40
- 26 (m) Certificate of withdrawal\$ 40
- 27 (n) Certificate of existence\$ 10

- 1 (o) Certificate of authorization\$ 10
- 2 (p) Any other document required or permitted to be filed by this chapter\$ 15
- 3 (q) Agent's statement of resignation No fee
- 4 (r) Certificate of administrative dissolution No fee
- 5 (s) Certificate of reinstatement No fee
- 6 (t) Certificate of revocation of authority to transact business No fee
- 7 (u) Certificate of association\$ 15

8 (2) (a) The Secretary of State shall collect a fee of fifteen dollars (\$15) with respect
 9 to each annual report or amendment thereto.

10 (b) Notwithstanding paragraph (a) of this subsection, a veteran-owned business
 11 organized~~initiated~~ after August 1, 2018, is exempt from paying the fee for
 12 filing an annual report or amendment thereto for the first four (4) years after
 13 its initial organization~~registration~~, but is not exempt from any filing
 14 requirement or deadline for filing an annual report.

15 (3) The Secretary of State shall collect a fee of ten dollars (\$10) each time process is
 16 served on him or her under this chapter. The party to a proceeding causing service
 17 of process shall be entitled to recover this fee as costs if he prevails in the
 18 proceeding.

19 (4) The Secretary of State shall collect the following fees for copying and certifying the
 20 copy of any filed document relating to a domestic or foreign entity:

- 21 (a) Five dollars (\$5) per request for the first five (5) pages and fifty cents (\$0.50)
 22 a page for each page thereafter; and
- 23 (b) Five dollars (\$5) for the certificate.

24 ➔Section 3. KRS 14A.2-165 is amended to read as follows:

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

- 27 (1) Articles of incorporation, an amendment of articles of incorporation, amended and

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