

**14A.9-010 Authority to transact business required -- Certificate of authority required for award of state contract.**

- (1) A foreign entity shall not transact business in this Commonwealth until it obtains a certificate of authority from the Secretary of State.
- (2) The following activities, among others, shall not constitute transacting business within the meaning of subsection (1) of this section:
  - (a) Maintaining, defending, or settling any proceeding;
  - (b) Holding meetings of the board of directors, shareholders, partners, members, managers, beneficial owners, or trustees or carrying on other activities concerning the internal affairs of the foreign entity;
  - (c) Maintaining bank accounts;
  - (d) Maintaining offices or agencies for the transfer, exchange, and registration of the foreign entity's own securities or maintaining trustees or depositaries with respect to those securities;
  - (e) Selling through independent contractors;
  - (f) Soliciting or obtaining orders, whether by mail or through employees, agents, or otherwise, if the orders require acceptance outside this state before they become contracts;
  - (g) Creating or acquiring indebtedness, mortgages, and security interests in real, personal, or intangible property;
  - (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;
  - (i) Owning, without more, real or personal property;
  - (j) Conducting an isolated transaction that is completed within thirty (30) days and that is not one (1) in the course of repeated transactions of a like nature; and
  - (k) Transacting business in interstate commerce.
- (3) The list of activities in subsection (2) of this section is not exhaustive.
- (4) Except as provided in subsection (6) of this section, this section shall not apply to foreign general partnerships. Whether a foreign limited liability partnership is transacting business in this Commonwealth shall be determined under subsection (2) of this section. A foreign limited liability partnership that is transacting business in this Commonwealth shall file a statement of foreign qualification pursuant to KRS 362.1-951.
- (5) This section shall not apply in determining the contacts or activities that may subject a foreign entity to service of process or taxation in this Commonwealth or to regulation under any other law of this Commonwealth.
- (6) Notwithstanding any other law to the contrary, a foreign entity, in order to be eligible for award of a state contract under KRS Chapter 45A or 176, shall have a certificate of authority or a statement of foreign qualification.

**Effective:** July 12, 2012

**History:** Amended 2012 Ky. Acts ch. 81, sec. 84, effective July 12, 2012. -- Amended 2011 Ky. Acts ch. 80, sec. 1, effective June 8, 2011. -- Created 2010 Ky. Acts ch. 151, sec. 40, effective January 1, 2011.

**Legislative Research Commission Note** (1/1/2011). The word "contracts" in subsection (5) of this statute has been changed in codification to "contacts." This manifest clerical or typographical error has been corrected by the Reviser of Statutes under the authority of KRS 7.136(1).