



STATE OF KANSAS

Office of the Attorney General

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Curt T. Schneider
Attorney General

December 15, 1976

ATTORNEY GENERAL OPINION NO. 76-368

The Honorable Elwill M. Shanahan
Secretary of State
2nd Floor - State Capitol Building
Topeka, Kansas 66612

Attn: Mr. Sherman A. Parks

Re: Partnerships--Foreign Limited--Authority To Do Business

Synopsis: A foreign limited partnership which has no activity in this state other than holding title to nonoperating working interests in oil and gas producing properties is not doing business as that term is used in K.S.A. 1975 Supp. 56-123b, and is not required to obtain authority to do business in this state as a foreign limited partnership for that activity.

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Dear Secretary Shanahan:

You inquire whether, based upon information enclosed with your letter of October 22, 1976, Barrons Drilling, Ltd. 1972-2, is required to apply for authority to do business in this state as a foreign limited partnership. The partnership has no principal office or other place of business in this state. Its contact with the state is limited to receiving and holding title to nonoperating working interests in certain oil and gas producing properties located in this state.

Because it has no principal or other place of business in this state, the question has been raised whether it must file an application for authority to do business in this state as a foreign limited partnership pursuant to K.S.A. 1976 Supp. 56-123b, which provides in pertinent part thus:

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"(a) No limited partnership organized under the laws of any jurisdiction other than this state shall do any business in this state until it shall have filed with the secretary of state an application for authority to do business in this state as a foreign limited partnership. . . . A copy of the certificate certified by the secretary of state shall be recorded in the office of register of deeds of the county in which such foreign limited partnership's principal place of business is located."

The Uniform Limited Partnership Act, K.S.A. 1975 Supp. 56-122 *et seq.*, does not itself define what constitutes doing business in the state. The only legislative guidance on the question is that which is provided in the corporation code, where phrase is defined for the purposes of requiring foreign corporations to obtain authority to do business in this state. K.S.A. 17-7303 provides in pertinent part thus:

"Every foreign corporation that has an office or place of business within this state, or a distributing point herein, or that delivers its wares or products to resident agents in this state for sale, delivery or distribution, shall be held to be doing business in this state within the meaning of this act. . . ."

Although the Uniform Limited Partnership Act contains no reference to this definition, it is an appropriate point of reference for clarification of the term, inasmuch as that act contains guidance on the question. Presumptively, if the legislature had wished to define the term in the Uniform Limited Partnership Act with greater precision or more broadly, it would have done so. Not having done so, it is our view that K.S.A. 17-7303 should be resorted to in order to identify those activities in this state by a foreign limited partnership which require it to obtain authority to do business in this state.

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Applying that definition, the holding of title to nonoperating working oil and gas interests in this state does not constitute the doing of business, and in my judgment, Barrons Drilling, Ltd. 1972-2 is not required to obtain authority to do business in this state as a foreign limited partnership.

Yours very truly,



CURT T. SCHNEIDER
Attorney General

CTS:JRM:kj