

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Judiciary** recommends **HB 2371** be amended on page 31, in line 34, by striking the second "and"; also in line 34, after "sued" by inserting "and otherwise conduct business and exercise the power of a limited liability company under this article. The limited liability company and any of its series may elect to consolidate its operations as a single taxpayer to the extent required to file consolidated tax returns as permitted under applicable law and elect to be treated as a single business for the purposes of qualification or authorization to do business in this or any other state. Such elections shall not affect the limitation of liability set forth in this section except to the extent that the series have specifically accepted joint liability by contract";

On page 32, in line 15, after "rights" by inserting "or ability to otherwise participate in the management or governance of such series, but any such member or class or group of members are owners of the series"; in line 30, after "manager" by inserting "or managers"; in line 31, after "manager" by inserting "or managers";

On page 38, following line 21, by inserting:

"(h) An operating agreement may impose restrictions, duties and obligations on members of the limited liability company or any series thereof as a manner of internal governance, including, without limitation, those with regard to:

- (1) Choice of law, forum selection or consent to personal jurisdiction;
- (2) capital contributions;
- (3) restrictions on, or terms and conditions of, the transfer of membership interests;
- (4) restrictive covenants, including noncompetition, nonsolicitation and confidentiality

provisions;

(5) fiduciary duties; and

(6) restrictions, duties or obligations to or for the benefit of the limited liability company, other series thereof or their affiliates.

(i) The wrongful transfer of property from a series to another series or the limited liability company as a whole with intent to hinder, delay or defraud creditors of their just and lawful debts or damages, or to defraud, shall be subject to K.S.A. 33-102, and amendments thereto.";

On page 1, in the title, in line 8, after the first semicolon by inserting "relating to series limited liability companies; authorizing a limited liability company and any of its series to elect to consolidate its operations as a single taxpayer and elect to be treated as a single business for certain purposes; permitting operating agreements to impose restrictions, duties and obligations on members; specifying that wrongful transfer of property with intent to hinder, delay or defraud creditors or to defraud shall be deemed void;"; and the bill be passed as amended.

\_\_\_\_\_Chairperson