

As Amended by House Committee

Session of 2025

HOUSE BILL No. 2371

By Committee on Judiciary

Requested by Joe Molina on behalf of the Kansas Bar Association

2-7

1 AN ACT concerning business entities; relating to the Kansas revised
2 limited liability company act; providing for document form, signature
3 and delivery options; specifying that a subscription for a limited
4 liability company interest is irrevocable under certain circumstances;
5 modifying requirements related to domestic limited liability company
6 division, certificates of division and certificates of amendment of
7 certificate of division and certificates of merger or consolidation of
8 series; **relating to series limited liability companies; authorizing a**
9 **limited liability company and any of its series to elect to consolidate**
10 **its operations as a single taxpayer and elect to be treated as a single**
11 **business for certain purposes; permitting operating agreements to**
12 **impose restrictions, duties and obligations on members; specifying**
13 **that wrongful transfer of property with intent to hinder, delay or**
14 **defraud creditors or to defraud shall be deemed void;** relating to the
15 business entity transactions act; modifying requirements related to
16 certificates of merger, certificates of interest exchange, certificates of
17 conversion and certificates of domestication; relating to the business
18 entity standard treatment act; including certificates of amendment to
19 certificate of designation and certificates of merger or consolidation of
20 series as documents related to limited liability companies to be filed
21 with the secretary of state; specifying circumstances under which
22 changes related to a resident agent shall be deemed a change of name of
23 the person or entity acting as a resident agent; amending K.S.A. 17-
24 7662, 17-7663, 17-7668, 17-7670, 17-7681, 17-7682, 17-7685a, 17-
25 7686, 17-7687, 17-7690, 17-7695, 17-7698, 17-76,143, 17-76,143a, 17-
26 76,145, 17-76,146, 17-76,148, 17-76,149, 17-76,151, 17-76,152, 17-
27 78-205, 17-78-206, 17-78-305, 17-78-306, 17-78-405, 17-78-505, 17-
28 7904, 17-7925, 17-7927 and 17-7929 and K.S.A. 2024 Supp. 17-76,136
29 and repealing the existing sections; also repealing K.S.A. 17-76,150.

30
31 *Be it enacted by the Legislature of the State of Kansas:*

32 New Section 1. (a) (1) Except as provided in subsection (b), without
33 limiting the manner in which any act or transaction may be documented or
34 the manner in which a document may be signed or delivered:

35 (A) Any act or transaction contemplated or governed by the Kansas

1 revised limited liability company act or the operating agreement may be
2 provided for in a document, and an electronic transmission is the
3 equivalent of a written document.

4 (B) Whenever the Kansas revised limited liability company act or the
5 operating agreement requires or permits a signature, the signature may be
6 a manual, facsimile, conformed or electronic signature. "Electronic
7 signature" means an electronic symbol or process that is attached to, or
8 logically associated with, a document and executed or adopted by a person
9 with an intent to execute, authenticate or adopt the document. A person
10 may execute a document with such person's signature.

11 (C) Unless otherwise provided in the operating agreement or agreed
12 between the sender and recipient, an electronic transmission is delivered to
13 a person for purposes of the Kansas revised limited liability company act
14 and the operating agreement when it enters an information processing
15 system that the person has designated for the purpose of receiving
16 electronic transmissions of the type delivered if the electronic transmission
17 is in a form capable of being processed by that system and such person is
18 able to retrieve the electronic transmission. Whether a person has so
19 designated an information processing system is determined by the
20 operating agreement or from the context and surrounding circumstances,
21 including the parties' conduct. An electronic transmission is delivered
22 under this section even if no person is aware of its receipt. Receipt of an
23 electronic acknowledgement from an information processing system
24 establishes that an electronic transmission was received but, by itself, does
25 not establish that the content sent corresponds to the content received.

26 (2) The Kansas revised limited liability company act shall not
27 prohibit one or more persons from conducting a transaction in accordance
28 with the uniform electronic transactions act, K.S.A. 16-601 et seq., and
29 amendments thereto, if the part or parts of the transaction that are
30 governed by the Kansas revised limited liability company act are
31 documented, signed and delivered in accordance with this subsection or
32 otherwise in accordance with the Kansas revised limited liability company
33 act. This subsection shall apply solely for purposes of determining whether
34 an act or transaction has been documented, and the document has been
35 signed and delivered, in accordance with the Kansas revised limited
36 liability company act and the operating agreement.

37 (b) (1) Subsection (a) shall not apply to:

38 (A) A document filed with or submitted to the secretary of state or a
39 court or other judicial or governmental body of this state;

40 (B) a certificate of limited liability company interest, except that a
41 signature on a certificate of limited liability company interest may be
42 manual, facsimile or electronic signature; and

43 (C) an act or transaction effected pursuant to article 79 of chapter 17

1 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 17-
2 7667, 17-76,130, 17-76,131, 17-76,132 and 17-76,133, and amendments
3 thereto.

4 (2) The provisions of paragraph (1) shall not create any presumption
5 about the lawful means to document a matter addressed by this subsection
6 or the lawful means to sign or deliver a document addressed by this
7 subsection. A provision of the operating agreement shall not limit the
8 application of subsection (a) unless the provision expressly restricts one or
9 more of the means of documenting an act or transaction, or of signing or
10 delivering a document, permitted by subsection (a).

11 (c) In the event that any provision of the Kansas revised limited
12 liability company act is deemed to modify, limit or supersede the federal
13 electronic signatures in global and national commerce act, 15 U.S.C. §
14 7001 et. seq., the provisions of the Kansas revised limited liability
15 company act shall control to the fullest extent permitted by 15 U.S.C. §
16 7002(a)(2).

17 (d) This section shall be a part of and supplemental to article 76 of
18 chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

19 New Sec. 2. (a) For all purposes of the laws of the state of Kansas, a
20 subscription for a limited liability company interest, whether submitted in
21 writing, by means of electronic transmission or as otherwise permitted by
22 applicable law, is irrevocable if the subscription states that such
23 subscription is irrevocable to the extent provided by the terms of the
24 subscription.

25 (b) This section shall be a part of and supplemental to article 76 of
26 chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

27 Sec. 3. K.S.A. 17-7662 is hereby amended to read as follows: 17-
28 7662. K.S.A. 17-7662 through ~~17-76,142, and amendments thereto, and~~
29 ~~K.S.A. 17-76,143 through 17-76,146, 17-7676a, 17-7685a, 17-76,143a and~~
30 ~~17-76,147 through~~ 17-76,155, and amendments thereto, *and sections 1*
31 *and 2, and amendments thereto*, shall be known and may be cited as the
32 Kansas revised limited liability company act.

33 Sec. 4. K.S.A. 17-7663 is hereby amended to read as follows: 17-
34 7663. As used in the Kansas revised limited liability company act unless
35 the context otherwise requires:

36 (a) "Articles of organization" means the articles of organization
37 referred to in K.S.A. 17-7673, and amendments thereto, and the articles of
38 organization as amended.

39 (b) "Bankruptcy" means an event that causes a person to cease to be a
40 member as provided in K.S.A. 17-7689, and amendments thereto.

41 (c) "Contribution" means any cash, property, services rendered or a
42 promissory note or other obligation to contribute cash or property or to
43 perform services, ~~which~~ *that* a person contributes to a limited liability

1 company in such person's capacity as a member.

2 (d) *"Document" means:*

3 (1) *Any tangible medium on which information is inscribed.*
4 *"Document" includes handwritten, typed, printed or similar instruments*
5 *and copies of such instruments; and*

6 (2) *an electronic transmission.*

7 (e) *"Electronic transmission" means any form of communication not*
8 *directly involving the physical transmission of paper, including the use of,*
9 *or participation in, one or more electronic networks or databases,*
10 *including one or more distributed electronic networks or databases, that*
11 *creates a record that may be retained, retrieved and reviewed by a*
12 *recipient thereof and directly reproduced in paper form by such a recipient*
13 *through an automated process.*

14 (f) *"Foreign limited liability company" means a limited liability*
15 *company formed under the laws of any state or under the laws of any*
16 *foreign country or other foreign jurisdiction. When used in the Kansas*
17 *revised limited liability company act in reference to a foreign limited*
18 *liability company, the terms "operating agreement," "limited liability*
19 *company interest," "manager" or "member" shall mean an operating*
20 *agreement, limited liability company interest, manager or member,*
21 *respectively, under the laws of the state or foreign country or other foreign*
22 *jurisdiction under which the foreign limited liability company is formed.*

23 ~~(e)~~(g) *"Knowledge" means a person's actual knowledge of a fact,*
24 *rather than the person's constructive knowledge of the fact.*

25 ~~(f)~~(h) *"Limited liability company" and "domestic limited liability*
26 *company" ~~means~~ mean a limited liability company formed under the laws*
27 *of the state of Kansas and having one or more members.*

28 ~~(g)~~(i) *"Limited liability company interest" means a member's share of*
29 *the profits and losses of a limited liability company and a member's right*
30 *to receive distributions of the limited liability company's assets.*

31 ~~(h)~~(j) *"Liquidating trustee" means a person carrying out the winding*
32 *up of a limited liability company.*

33 ~~(i)~~(k) *"Manager" means a person who is named as a manager of a*
34 *limited liability company in, or designated as a manager of a limited*
35 *liability company pursuant to, an operating agreement or similar*
36 *instrument under which the limited liability company is formed.*
37 *"Manager" includes a manager of the limited liability company generally*
38 *and a manager associated with a series of the limited liability company.*
39 *Unless the context otherwise requires, references in the Kansas revised*
40 *limited liability company act to a manager, including references in the*
41 *Kansas revised limited liability company act to a manager of a limited*
42 *liability company, shall be deemed to be references to a manager of the*
43 *limited liability company generally and to a manager associated with a*

1 *series with respect to such series.*

2 ~~(j)~~(l) "Member" means a person who is admitted to a limited liability
3 company as a member as provided in K.S.A. 17-7686, and amendments
4 thereto. "Member" includes a member of the limited liability company
5 generally and a member associated with a series of the limited liability
6 company. Unless the context otherwise requires, references in the Kansas
7 revised limited liability company act to a member, including references in
8 the Kansas revised limited liability company act to a member of a limited
9 liability company, shall be deemed to be references to a member of the
10 limited liability company generally and to a member associated with a
11 series with respect to such series.

12 ~~(k)~~(m) "Operating agreement" means any agreement, whether
13 referred to as an operating agreement, limited liability company agreement
14 or otherwise, written, oral, or implied, of the member or members as to the
15 affairs of a limited liability company and the conduct of its business. A
16 member or manager of a limited liability company or an assignee of a
17 limited liability company interest is bound by the operating agreement
18 whether or not the member or manager or assignee executes the operating
19 agreement. A limited liability company, *including any series thereof*, is not
20 required to execute its operating agreement. A limited liability company,
21 *including any series thereof*, is bound by its operating agreement whether
22 or not the limited liability company, *or any series thereof*, executes the
23 operating agreement. An operating agreement of a limited liability
24 company having only one member shall not be unenforceable by reason of
25 there being only one person who is a party to the operating agreement. An
26 operating agreement is not subject to any statute of frauds, including
27 K.S.A. 33-106, and amendments thereto. An operating agreement may
28 provide rights to any person, including a person who is not a party to the
29 operating agreement, to the extent set forth therein. A written operating
30 agreement or another written agreement or writing:

31 (1) May provide that a person shall be admitted as a member of a
32 limited liability company, or shall become an assignee of a limited liability
33 company interest or other rights or powers of a member to the extent
34 assigned:

35 (A) If such person, or a representative authorized by such person
36 orally, in writing or by other action such as payment for a limited liability
37 company interest, executes the operating agreement or any other writing
38 evidencing the intent of such person to become a member or assignee; or

39 (B) without such execution, if such person, or a representative
40 authorized by such person orally, in writing or by other action such as
41 payment for a limited liability company interest, complies with the
42 conditions for becoming a member or assignee as set forth in the operating
43 agreement or any other writing; ~~and~~

1 (2) shall not be unenforceable by reason of its not having been signed
2 by a person being admitted as a member or becoming an assignee as
3 provided in subsection (k)(1), or by reason of its having been signed by a
4 representative as provided in the Kansas revised limited liability company
5 act; *and*

6 (3) *may consist of one or more agreements, instruments or other*
7 *writings and include or incorporate one or more schedules, supplements*
8 *or other writings containing provisions as to the conduct of the business*
9 *and affairs of the limited liability company or any series thereof.*

10 ~~(n)~~(n) "Person" means a natural person, partnership, whether general
11 or limited, limited liability company, trust, including a common law trust,
12 business trust, statutory trust, voting trust or any other form of trust, estate,
13 association, including any group, organization, ~~co-tenancy~~ *cotenancy*, plan,
14 board, council or committee, corporation, government, including a
15 country, state, county or any other governmental subdivision, agency or
16 instrumentality, custodian, nominee or any other individual or entity, or
17 series thereof, in its own or any representative capacity, in each case,
18 whether domestic or foreign.

19 ~~(o)~~(o) "Personal representative" means, as to a natural person, the
20 executor, administrator, guardian, conservator or other legal representative
21 thereof and, as to a person other than a natural person, the legal
22 representative or successor thereof.

23 ~~(p)~~(p) "Series" means a designated series of members, managers,
24 limited liability company interests or assets that is established in
25 accordance with K.S.A. 17-76,143, and amendments thereto.

26 ~~(q)~~(q) "State" means the District of Columbia or the commonwealth
27 of Puerto Rico or any state, territory, possession or other jurisdiction of the
28 United States other than the state of Kansas.

29 Sec. 5. K.S.A. 17-7668 is hereby amended to read as follows: 17-
30 7668. (a) Unless otherwise specifically prohibited by law, a limited
31 liability company may carry on any lawful business, purpose or activity,
32 whether or not for profit with the exception of the business of granting
33 policies of insurance, or assuming insurance risks or banking as defined in
34 K.S.A. 9-702, and amendments thereto.

35 (b) A limited liability company shall possess and may exercise all the
36 powers and privileges granted by this act or by any other law or by its
37 operating agreement, together with any powers incidental thereto,
38 including such powers and privileges as are necessary or convenient to the
39 conduct, promotion or attainment of the business, purposes or activities of
40 the limited liability company.

41 (c) A limited liability company organized and existing under the
42 Kansas revised limited liability company act or otherwise qualified to do
43 business in Kansas may have and exercise all powers that may be

1 exercised by a Kansas professional association or professional corporation
2 under the professional corporation law of Kansas, including employment
3 of professionals to practice a profession, which shall be limited to the
4 practice of one profession, except as provided in K.S.A. 17-2710, and
5 amendments thereto.

6 (d) Only a qualified person may be a member of a limited liability
7 company organized to exercise powers of a professional association or
8 professional corporation. No membership may be transferred to another
9 person until there is presented to such limited liability company a
10 certificate by the licensing body, as defined in K.S.A. 74-146, and
11 amendments thereto, stating that the person to whom the transfer is made
12 or the membership issued is duly licensed to render the same type of
13 professional services as that for which the limited liability company was
14 organized.

15 (e) As used in the section, "qualified person" means:

16 (1) Any natural person licensed to practice the same type of
17 profession that any professional association or professional corporation is
18 authorized to practice;

19 (2) the trustee of a trust that is a qualified trust under section 401(a)
20 of the federal internal revenue code of 1986, as in effect, on July 1, 1999,
21 or of a contribution plan that is a qualified employee stock ownership plan
22 under section 409A(a) of the federal internal revenue code of 1986, as in
23 effect, on July 1, 1999;

24 (3) the trustee of a revocable living trust established by a natural
25 person who is licensed to practice the type of profession that any
26 professional association or professional corporation is authorized to
27 practice, if the terms of such trust provide that such natural person is the
28 principal beneficiary and sole trustee of such trust and such trust does not
29 continue to hold title to membership in the limited liability company
30 following such natural person's death for more than a reasonable period of
31 time necessary to dispose of such membership;

32 (4) a Kansas professional corporation or foreign professional
33 corporation in which at least one member or shareholder is authorized by a
34 licensing body, as defined in K.S.A. 74-146, and amendments thereto, to
35 render in this state a professional service permitted by the articles of
36 organization;

37 (5) a general partnership or limited liability company, if all partners
38 or members thereof are authorized to render the professional services
39 permitted by the articles of organization of the limited liability company
40 formed pursuant to this section and in which at least one partner or
41 member is authorized by a licensing authority of this state to render in this
42 state the professional services permitted by the articles of organization of
43 the limited liability company; or

1 (6) a healing arts school clinic authorized to perform professional
2 services in accordance with K.S.A. 65-2877a, and amendments thereto.

3 (f) Nothing in this act shall restrict or limit in any manner the
4 authority and duty of any licensing body, as defined in K.S.A. 74-146, and
5 amendments thereto, for the licensing of individual persons rendering a
6 professional service or the practice of the profession that is within the
7 jurisdiction of the licensing body, notwithstanding that the person is an
8 officer, manager, member or employee of a limited liability company
9 organized to exercise powers of a professional association or professional
10 corporation. Each licensing body may adopt rules and regulations
11 governing the practice of each profession as are necessary to enforce and
12 comply with this act and the law applicable to each profession.

13 (g) A licensing body, as defined in K.S.A. 74-146, and amendments
14 thereto, the attorney general or district or county attorney may bring an
15 action in the name of the state of Kansas in quo warranto or injunction
16 against a limited liability company engaging in the practice of a profession
17 without complying with the provisions of this act.

18 (h) Notwithstanding any provision of this act to the contrary, without
19 limiting the general powers enumerated in subsection (b), a limited
20 liability company shall, subject to such standards and restrictions, if any,
21 as are set forth in its operating agreement, have the power and authority to
22 make contracts of guaranty and suretyship and enter into interest rate,
23 basis, currency, hedge or other swap agreements or cap, floor, put, call,
24 option, exchange or collar agreements, derivative agreements, or other
25 agreements similar to any of the foregoing.

26 (i) Unless otherwise provided in an operating agreement, a limited
27 liability company has the power and authority to grant, hold or exercise a
28 power of attorney, including an irrevocable power of attorney.

29 (j) (1) (A) *Except as provided in subparagraph (B), any act or*
30 *transaction that may be taken by or in respect of a limited liability*
31 *company under the Kansas revised limited liability company act or an*
32 *operating agreement, but that is void or voidable when taken, may be*
33 *ratified, or the failure to comply with any requirements of the operating*
34 *agreement making such act or transaction void or voidable may be*
35 *waived, by the members, managers or other persons whose approval*
36 *would be required under the operating agreement (i) for such act or*
37 *transaction to be validly taken, or (ii) to amend the operating agreement*
38 *in a manner that would permit such act or transaction to be validly taken,*
39 *in each case at the time of such ratification or waiver.*

40 (B) *If the void or voidable act or transaction was the issuance or*
41 *assignment of any limited liability company interests, the limited liability*
42 *company interests purportedly issued or assigned shall be deemed not to*
43 *have been issued or assigned for purposes of determining whether the void*

1 *or voidable act or transaction was ratified or waived pursuant to this*
2 *subsection.*

3 (2) *Any act or transaction that is ratified, or with respect to which the*
4 *failure to comply with any requirements of the operating agreement is*
5 *waived, pursuant to this subsection shall be deemed validly taken at the*
6 *time of such act or transaction.*

7 (3) *If an amendment to the operating agreement to permit any such*
8 *act or transaction to be validly taken would require notice to any*
9 *members, managers or other persons under the operating agreement and*
10 *the ratification or waiver of such act or transaction is effectuated pursuant*
11 *to this subsection by the members, managers or other persons whose*
12 *approval would be required to amend the operating agreement, notice of*
13 *such ratification or waiver shall be given following such ratification or*
14 *waiver to the members, managers or other persons who would have been*
15 *entitled to notice of such an amendment and who have not otherwise*
16 *received notice of, or participated in, such ratification or waiver.*

17 (4) *The provisions of this subsection shall not be construed to limit*
18 *the accomplishment of a ratification or waiver of a void or voidable act by*
19 *other means permitted by law.*

20 (5) *Upon application of the limited liability company, any member,*
21 *manager or person claiming to be substantially and adversely affected by*
22 *a ratification or waiver pursuant to this subsection, excluding any harm*
23 *that would have resulted if such act or transaction had been valid when*
24 *taken, the district court may hear and determine the validity and*
25 *effectiveness of the ratification of, or waiver with respect to, any void or*
26 *voidable act or transaction effectuated pursuant to this subsection. In any*
27 *such application, the limited liability company shall be named as a party*
28 *and service of the application upon the resident agent of the limited*
29 *liability company shall be deemed to be service upon the limited liability*
30 *company, and no other party need be joined in order for the court to*
31 *adjudicate the validity and effectiveness of the ratification or waiver. The*
32 *court may make such order respecting further or other notice of such*
33 *application as it deems proper under these circumstances. Nothing in this*
34 *paragraph limits or affects the right to serve process in any other manner*
35 *now or hereafter provided by law, and this provision is an extension of and*
36 *not a limitation upon the right otherwise existing of service of legal*
37 *process upon nonresidents.*

38 Sec. 6. K.S.A. 17-7670 is hereby amended to read as follows: 17-
39 7670. (a) Subject to such standards and restrictions, if any, as are set forth
40 in its operating agreement, a limited liability company may, and shall have
41 the power to, indemnify and hold harmless any member or manager or
42 other person from and against any and all claims and demands whatsoever.

43 (b) (1) *Except as provided in the operating agreement, to the extent*

1 that a present or former member, manager, *or* officer, ~~employee or agent~~ of
2 a limited liability company has been successful on the merits or otherwise
3 ~~as a plaintiff in an action to determine that the plaintiff is a member of a~~
4 ~~limited liability company~~ or in defense of any threatened, pending or
5 completed action, suit or proceeding, whether civil, criminal,
6 administrative or investigative, by reason of the fact that such person is or
7 was a member, manager, officer, employee or agent of the limited liability
8 company, or is or was serving at the request of the limited liability
9 company as a member, manager, director, officer, employee or agent of
10 another limited liability company, corporation, partnership, joint venture,
11 trust or other enterprise, or in defense of any claim, issue or matter therein,
12 such member, manager, officer, employee or agent shall be indemnified by
13 the limited liability company against expenses actually and reasonably
14 incurred by such person in connection therewith, including attorney fees.

15 *(2) For indemnification with respect to any act or omission occurring*
16 *after June 30, 2025, references to "officer" for purposes of this subsection*
17 *only means an officer of the limited liability company who:*

18 *(A) Is or was the president, chief executive officer, chief operating*
19 *officer, chief financial officer, chief legal officer, controller, treasurer or*
20 *chief accounting officer of the limited liability company; or*

21 *(B) is or was identified in the limited liability company's public*
22 *filings with the United States securities and exchange commission,*
23 *because such person is or was one of the most highly compensated*
24 *executive officers of the limited liability company.*

25 Sec. 7. K.S.A. 17-7681 is hereby amended to read as follows: 17-
26 7681. (a) Pursuant to an agreement of merger or consolidation, one or
27 more domestic limited liability companies may merge or consolidate with
28 or into one or more limited liability companies formed under the laws of
29 the state of Kansas or any other state or any foreign country or other
30 foreign jurisdiction, or any combination thereof, with such limited liability
31 company as the agreement shall provide being the surviving or resulting
32 limited liability company.

33 (1) (A) Unless otherwise provided in the operating agreement, an
34 agreement of merger or consolidation shall be consented to or approved by
35 each domestic limited liability company—~~which~~ *that* is to merge or
36 consolidate by members who own more than 50% of the then-current
37 percentage or other interest in the profits of the domestic limited liability
38 company owned by all of the members;

39 (B) unless otherwise provided in the operating agreement, a limited
40 liability company whose original articles of organization were filed with
41 the secretary of state and effective on or prior to June 30, 2019, shall not
42 be governed by subsection (a)(1)(A); but shall be governed by this
43 subparagraph. Unless otherwise provided in the operating agreement, an

1 agreement of merger or consolidation shall be consented to or approved by
2 each domestic limited liability company—~~which~~ *that* is to merge or
3 consolidate by the members, or if there is more than one class or group of
4 members, then by each class or group of members, in either case, by
5 members who own more than 50% of the then current percentage or other
6 interest in the profits of the domestic limited liability company owned by
7 all of the members or by the members in each class or group, as
8 appropriate.

9 (2) In connection with a merger or consolidation hereunder, rights or
10 securities of, or interests in, a domestic limited liability company—~~which~~
11 *that* is a constituent party to the merger or consolidation may be exchanged
12 for or converted into cash, property, rights or securities of, or interests in,
13 the surviving or resulting limited liability company or, in addition to or in
14 lieu thereof, may be exchanged for or converted into cash, property, rights
15 or securities of, or interests in, an entity as defined in K.S.A. 17-78-102,
16 and amendments thereto, that is not the surviving or resulting limited
17 liability company in the merger or consolidation, may remain outstanding,
18 or may be canceled.

19 (3) Notwithstanding prior consent or approval, an agreement of
20 merger or consolidation may be terminated or amended pursuant to a
21 provision for such termination or amendment contained in the agreement
22 of merger or consolidation.

23 (b) The limited liability company surviving or resulting in or from the
24 merger or consolidation shall file a certificate of merger or consolidation
25 executed by one or more authorized persons on behalf of the domestic
26 limited liability company when it is the surviving or resulting entity with
27 the secretary of state. The certificate of merger or consolidation shall state:

28 (1) The name and jurisdiction of formation or organization of each of
29 the limited liability companies—~~which~~ *that* is to merge or consolidate;

30 (2) that an agreement of merger or consolidation has been consented
31 to or approved and executed by each of the limited liability companies
32 ~~which~~ *that* is to merge or consolidate;

33 (3) the name of the surviving or resulting limited liability company;

34 (4) in the case of a merger in which a domestic limited liability
35 company is the surviving entity, such amendments, if any, to the articles of
36 organization of the surviving domestic limited liability company ~~to change~~
37 ~~its name, registered office or resident agent~~ as are desired to be effected by
38 the merger, *and such amendments may amend and restate the articles of*
39 *organization of the surviving domestic limited liability company in its*
40 *entirety*;

41 (5) the future effective date or time, which shall be a date certain, of
42 the merger or consolidation if it is not to be effective upon the filing of the
43 certificate of merger or consolidation;

1 (6) that the agreement of merger or consolidation is on file at a place
2 of business of the surviving or resulting limited liability company, and
3 shall state the address thereof;

4 (7) that a copy of the agreement of merger or consolidation will be
5 furnished by the surviving or resulting limited liability company, on
6 request and without cost, to any member of any limited liability company
7 ~~which~~ *that* is to merge or consolidate; and

8 (8) if the surviving or resulting limited liability company is not a
9 domestic limited liability company, a statement that such surviving or
10 resulting limited liability company agrees that it may be served with
11 process in the state of Kansas in any action, suit or proceeding for the
12 enforcement of any obligation of any domestic limited liability company
13 ~~which~~ *that* is to merge or consolidate, irrevocably appointing the secretary
14 of state as its agent to accept service of process in any such action, suit or
15 proceeding and specifying the address to which a copy of such process
16 shall be mailed to it by the secretary of state.

17 (c) A certificate of merger or consolidation shall act as a certificate of
18 cancellation for a domestic limited liability company ~~which~~ *that* is not the
19 surviving or resulting limited liability company in the merger or
20 consolidation. A certificate of merger that sets forth any amendment in
21 accordance with subsection (b)(4) shall be deemed to be an amendment to
22 the articles of organization of the limited liability company, and the limited
23 liability company shall not be required to take any further action to amend
24 its articles of organization under K.S.A. 17-7674 *or* 17-7680, and
25 amendments thereto, with respect to such amendments set forth in the
26 certificate of merger. Whenever this section requires the filing of a
27 certificate of merger or consolidation, such requirement shall be deemed
28 satisfied by the filing of an agreement of merger or consolidation
29 containing the information required by this section to be set forth in the
30 certificate of merger or consolidation.

31 (d) (1) *For a limited liability company if it is the surviving or*
32 *resulting limited liability company in the merger or consolidation,* an
33 agreement of merger or consolidation consented to or approved in
34 accordance with subsection (a) may:

35 ~~(1)(A)~~ Effect any amendment to the operating agreement; or
36 ~~(2)(B)~~ effect the adoption of a new operating agreement, ~~for a limited~~
37 ~~liability company if it is the surviving or resulting limited liability~~
38 ~~company in the merger or consolidation.~~

39 (2) Any amendment to an operating agreement or adoption of a new
40 operating agreement made pursuant to ~~the foregoing sentence~~ *paragraph*
41 *(1)* shall be effective at the effective time or date of the merger or
42 consolidation and shall be effective notwithstanding any provision of the
43 operating agreement relating to amendment or adoption of a new operating

1 agreement, other than a provision that by its terms applies to an
2 amendment to the operating agreement or the adoption of a new operating
3 agreement, in either case, in connection with a merger or consolidation.
4 The provisions of this subsection shall not be construed to limit the
5 accomplishment of a merger or of any of the matters referred to herein by
6 any other means provided for in an operating agreement or other
7 agreement or as otherwise permitted by law, including that the operating
8 agreement of any constituent limited liability company to the merger or
9 consolidation, including a limited liability company formed for the
10 purpose of consummating a merger or consolidation, shall be the operating
11 agreement of the surviving or resulting limited liability company.

12 (e) When any merger or consolidation shall have become effective
13 under this section, for all purposes of the laws of the state of Kansas, all of
14 the rights, privileges and powers of each of the limited liability companies
15 that have merged or consolidated, and all property, real, personal and
16 mixed, and all debts due to any of the limited liability companies, as well
17 as all other things and causes of action belonging to each of such limited
18 liability companies, shall be vested in the surviving or resulting limited
19 liability company, and shall thereafter be the property of the surviving or
20 resulting limited liability company as they were of each of the limited
21 liability companies that have merged or consolidated, and the title to any
22 real property vested by deed or otherwise, under the laws of the state of
23 Kansas, in any of such limited liability companies, shall not revert or be in
24 any way impaired by reason of this act, but all rights of creditors and all
25 liens upon any property of any of the limited liability companies shall be
26 preserved unimpaired, and all debts, liabilities and duties of each of the
27 limited liability companies that have merged or consolidated shall
28 thenceforth attach to the surviving or resulting limited liability company,
29 and may be enforced against it to the same extent as if the debts, liabilities
30 and duties had been incurred or contracted by it. Unless otherwise agreed,
31 a merger or consolidation of a domestic limited liability company,
32 including a domestic limited liability company—~~which~~ *that* is not the
33 surviving or resulting entity in the merger or consolidation, shall not
34 require such domestic limited liability company to wind up its affairs
35 under K.S.A. 17-76,118, and amendments thereto, or pay its liabilities and
36 distribute its assets under K.S.A. 17-76,119, and amendments thereto, and
37 the merger or consolidation shall not constitute a dissolution of such
38 limited liability company.

39 (f) A limited liability company may merge or consolidate with or into
40 any other entity in accordance with the business entity transactions act,
41 K.S.A. 17-78-101 et seq., and amendments thereto.

42 (g) An operating agreement may provide that a domestic limited
43 liability company shall not have the power to merge or consolidate as set

1 forth in this section.

2 Sec. 8. K.S.A. 17-7682 is hereby amended to read as follows: 17-
3 7682. *Unless otherwise provided in an operating agreement or an*
4 *agreement of merger or consolidation* ~~may provide that contractual or a~~
5 *plan of division, no appraisal rights shall be available* with respect to a
6 limited liability company interest or another interest in a limited liability
7 company ~~shall be available for any class, group or series of members or~~
8 ~~limited liability company interests, including~~ in connection with any
9 amendment of an operating agreement, any merger or consolidation in
10 which the limited liability company *or a series of the limited liability*
11 *company* is a constituent party to the merger or consolidation, *any division*
12 *of the limited liability company*, or the sale of all or substantially all of the
13 limited liability company's assets. The district court shall have jurisdiction
14 to hear and determine any matter relating to any ~~such~~ appraisal rights
15 *provided in an operating agreement or an agreement of merger or*
16 *consolidation or a plan of division.*

17 Sec. 9. K.S.A. 17-7685a is hereby amended to read as follows: 17-
18 7685a. (a) As used in this section, ~~and K.S.A. 17-76,150, and amendments~~
19 ~~thereto, and K.S.A. 17-7675 and 17-7686, and amendments thereto:~~

20 (1) "Dividing company" means the domestic limited liability
21 company that is effecting a division in the manner provided in this section.

22 (2) "Division" means the division of a dividing company into two or
23 more domestic limited liability companies in accordance with this section.

24 (3) "Division company" means a surviving company, if any, and each
25 resulting company.

26 (4) "Division contact" means, in connection with any division, a
27 natural person who is a Kansas resident, any division company in such
28 division or any other domestic limited liability company or other domestic
29 entity as defined in K.S.A. 17-78-102, and amendments thereto, which
30 division contact shall maintain a copy of the plan of division for a period
31 of six years from the effective date of the division and shall comply with
32 subsection (g)(3).

33 (5) "Organizational documents" means the articles of organization
34 and operating agreement of a domestic limited liability company.

35 (6) "Resulting company" means a domestic limited liability company
36 formed as a consequence of a division.

37 (7) "Surviving company" means a dividing company that survives the
38 division.

39 (b) Pursuant to a plan of division, any domestic limited liability
40 company may, in the manner provided in this section, be divided into two
41 or more domestic limited liability companies. The division of a domestic
42 limited liability company in accordance with this section and, if
43 applicable, the resulting cessation of the existence of the dividing company

1 pursuant to a certificate of division shall not be deemed to affect the
2 personal liability of any person incurred prior to such division with respect
3 to matters arising prior to such division, nor shall it be deemed to affect the
4 validity or enforceability of any obligations or liabilities of the dividing
5 company incurred prior to such division; ~~except that such~~ *the* obligations
6 and liabilities *of the dividing company* shall be allocated to and vested in,
7 and valid and enforceable obligations of, such division company or
8 companies to which such obligations and liabilities have been allocated
9 pursuant to the plan of division, as provided in subsection (I). Each
10 resulting company in a division shall be formed in compliance with the
11 requirements of the Kansas revised limited liability company act and
12 subsection (i).

13 (c) If the operating agreement of the dividing company specifies the
14 manner of adopting a plan of division, the plan of division shall be adopted
15 as specified in the operating agreement. If the operating agreement of the
16 dividing company does not specify the manner of adopting a plan of
17 division and does not prohibit a division of the limited liability company,
18 the plan of division shall be adopted in the same manner as is specified in
19 the operating agreement for authorizing a merger or consolidation that
20 involves the limited liability company as a constituent party to the merger
21 or consolidation. If the operating agreement of the dividing company does
22 not specify the manner of adopting a plan of division or authorizing a
23 merger or consolidation that involves the limited liability company as a
24 constituent party and does not prohibit a division of the limited liability
25 company, the adoption of a plan of division shall be authorized by the
26 consent or approval of members who own more than 50% of the then-
27 current percentage or other interest in the profits of the dividing company
28 owned by all of the members. Notwithstanding prior consent or approval, a
29 plan of division may be terminated or amended pursuant to a provision for
30 such termination or amendment contained in the plan of division.

31 (d) Unless otherwise provided in a plan of division, the division of a
32 domestic limited liability company pursuant to this section shall not
33 require such limited liability company to wind up its affairs under K.S.A.
34 17-76,118, and amendments thereto, or pay its liabilities and distribute its
35 assets under K.S.A. 17-76,119, and amendments thereto, and the division
36 shall not constitute a dissolution of such limited liability company.

37 (e) In connection with a division under this section, rights or
38 securities of, or interests in, the dividing company may be exchanged for
39 or converted into cash, property, rights or securities of, or interests in, the
40 surviving company or any resulting company or, in addition to or in lieu
41 thereof, may be exchanged for or converted into cash, property, rights or
42 securities of, or interests in, an entity as defined in K.S.A. 17-78-102, and
43 amendments thereto, that is not a division company, or may be canceled or

1 remain outstanding, if the dividing company is a surviving company.

2 (f) (1) A plan of division adopted in accordance with subsection (c):

3 (A) May effect: (i) Any amendment to the operating agreement of the
4 dividing company if it is a surviving company in the division; or (ii) the
5 adoption of a new operating agreement for the dividing company if it is a
6 surviving company in the division; and

7 (B) shall effect the adoption of ~~a new~~ an operating agreement for
8 each resulting company.

9 (2) Any amendment to an operating agreement or adoption of a new
10 operating agreement for the dividing company, if it is a surviving company
11 in the division, or adoption of ~~a new~~ an operating agreement for each
12 resulting company made pursuant to this subsection shall be effective at
13 the effective time or date of the division. Any amendment to an operating
14 agreement or adoption of an operating agreement for the dividing
15 company, if it is a surviving company in the division, shall be effective
16 notwithstanding any provision in the operating agreement of the dividing
17 company relating to amendment or adoption of a new operating
18 agreement, other than a provision that by its terms applies to an
19 amendment to the operating agreement or the adoption of a new operating
20 agreement, in either case, in connection with a division, merger or
21 consolidation.

22 (g) If a domestic limited liability company is dividing under this
23 section, the dividing company shall adopt a plan of division that shall set
24 forth:

25 (1) The terms and conditions of the division, including:

26 (A) Any conversion or exchange of the limited liability company
27 interests of the dividing company into or for limited liability company
28 interests or other securities or obligations of any division company or cash,
29 property, or rights or securities or obligations of or interests in an entity as
30 defined in K.S.A. 17-78-102, and amendments thereto, that is not a
31 division company, or that the limited liability company interests of the
32 dividing company shall remain outstanding or be canceled, or any
33 combination of the foregoing; and

34 (B) the allocation of assets, property, rights, series, debts, liabilities,
35 and duties of the dividing company among the division companies;

36 (2) the name of each resulting company and, if the dividing company
37 will survive the division, the name of the surviving company;

38 (3) the name and business address of a division contact, which shall
39 have custody of a copy of the plan of division. The division contact, or any
40 successor division contact, shall serve for a period of six years following
41 the effective date of the division. During such six-year period, the division
42 contact shall provide, without cost, to any creditor of the dividing
43 company, within 30 days following the division contact's receipt of a

1 written request from any creditor of the dividing company, the name and
2 business address of the division company to which the claim of such
3 creditor was allocated pursuant to the plan of division; and

4 (4) any other matters that the dividing company determines to include
5 therein.

6 (h) (1) If a domestic limited liability company divides under this
7 section, the ~~surviving~~ *dividing* company, ~~if any, or any other division~~
8 ~~company~~ shall file a certificate of division executed by one or more
9 authorized persons on behalf of such ~~division~~ *dividing* company in the
10 office of the secretary of state in accordance with K.S.A. 17-7910, and
11 amendments thereto, and articles of organization that comply with K.S.A.
12 17-7673, and amendments thereto, for each resulting company executed by
13 one or more authorized persons in accordance with K.S.A. 17-7908(b),
14 and amendments thereto.

15 (2) The certificate of division shall state:

16 ~~(A)~~ (A) The name of the dividing company and, if it has been changed,
17 the name under which its articles of organization were originally filed and
18 whether the dividing company is a surviving company;

19 ~~(B)~~ (B) the name of each division company;

20 ~~(C)~~ (C) the name and business address of the division contact required
21 by subsection (g)(3);

22 ~~(D)~~ (D) the future effective date or time, which shall be a date or time
23 certain, of the division if it is not to be effective upon the filing of the
24 certificate of division;

25 ~~(E)~~ (E) that the division has been consented to or approved in
26 accordance with this section;

27 ~~(F)~~ (F) that the plan of division is on file at a place of business of such
28 division company as is specified therein, and shall state the address
29 thereof; ~~and~~

30 ~~(G)~~ (G) that a copy of the plan of division will be furnished by such
31 division company as is specified therein, on request and without cost, to
32 any member of the dividing company; *and*

33 (H) *any other information that the dividing company determines to*
34 *include therein.*

35 (3) *A certificate of division may be amended to change the name or*
36 *business address of the division contact in a certificate of division or to*
37 *change information in the certificate of division required by subsection (h)*
38 *(2)(F). A certificate of division is amended by filing a certificate of*
39 *amendment of certificate of division for each division company that exists*
40 *as a limited liability company in the office of the secretary of state. Each*
41 *certificate of amendment of certificate of division shall include all of the*
42 *following:*

43 (A) *The name of the dividing company and, if the name has been*

1 *changed, the name under which the dividing company's articles of*
2 *organization were originally filed;*

3 *(B) the name of the division company to which the amendment to the*
4 *certificate of division relates; and*

5 *(C) the amendment to the certificate of division.*

6 *(4) If the dividing company is a surviving company, a manager of the*
7 *dividing company or, if there is no manager of the dividing company, any*
8 *member of the dividing company who becomes aware that the name or*
9 *business address of the division contact, or information in the certificate*
10 *of division required by subsection (h)(2)(F), in a certificate of division was*
11 *false when made or that the name or business address of the division*
12 *contact, or information in the certificate of division required by subsection*
13 *(h)(2)(F), in a certificate of division has changed, shall promptly amend*
14 *the certificate of division. If the dividing company is not a surviving*
15 *company or no longer exists as a limited liability company, a manager of*
16 *any resulting company or, if there is no manager of any resulting company,*
17 *then any member of any resulting company who becomes aware that the*
18 *name or business address of the division contact, or information in the*
19 *certificate of division required by subsection (h)(2)(F), in a certificate of*
20 *division was false when made or that the name or business address of the*
21 *division contact, or information in the certificate of division required by*
22 *subsection (h)(2)(F), in a certificate of division has changed, shall*
23 *promptly amend the certificate of division. This subsection does not apply*
24 *after the expiration of a period of six years following the effective date of*
25 *the division.*

26 *(5) (A) Unless otherwise provided in the plan of division or the*
27 *certificate of division, each certificate of amendment of certificate of*
28 *division shall be executed as follows:*

29 *(i) If the dividing company is a surviving company, by one or more*
30 *authorized persons on behalf of the dividing company acting on behalf of*
31 *the division company to which the certificate of amendment of certificate*
32 *of division relates; and*

33 *(ii) if the dividing company is not a surviving company or no longer*
34 *exists as a limited liability company, by one or more authorized persons on*
35 *behalf of a resulting company acting on behalf of the division company to*
36 *which the certificate of amendment of certificate of division relates.*

37 *(B) Each division company is deemed to have consented to the*
38 *execution of a certificate of amendment of certificate of division under this*
39 *paragraph.*

40 *(6) Unless otherwise provided in the Kansas revised limited liability*
41 *company act or unless a later effective date or time, which shall be a date*
42 *or time certain, is provided for in the certificate of amendment of*
43 *certificate of division, a certificate of amendment of certificate of division*

1 *is effective at the time of its filing with the secretary of state.*

2 (7) *Subject to the Kansas revised limited liability company act, the*
3 *secretary of state shall accept the filing of certificates of amendment of*
4 *certificate of division for all division companies resulting from the same*
5 *certificates of division if at least one division company is in good standing*
6 *at the time of such filings.*

7 (i) The certificate of division and each articles of organization for
8 each resulting company required by subsection (h) shall be filed
9 simultaneously in the office of the secretary of state and, if such certificate
10 and articles of organization are not to become effective upon their filing,
11 then each such certificate shall provide for the same effective date or time
12 in accordance with K.S.A. 17-7911, and amendments thereto.
13 Concurrently with the effective date or time of a division, the operating
14 agreement of each resulting company shall become effective.

15 (j) A certificate of division shall act as a certificate of cancellation for
16 a dividing company that is not a surviving company.

17 (k) An operating agreement may provide that a domestic limited
18 liability company shall not have the power to divide as set forth in this
19 section.

20 (l) Upon the division of a domestic limited liability company
21 becoming effective:

22 (1) The dividing company shall be ~~subdivided~~ *divided* into the
23 distinct and independent ~~resulting~~ *division* companies named in the plan of
24 division, and, if the dividing company is not a surviving company, the
25 existence of the dividing company shall cease.

26 (2) For all purposes of the laws of the state of Kansas, all of the
27 rights, privileges and powers, and all the property, real, personal, and
28 mixed, of the dividing company and all debts due on whatever account to
29 it, as well as all other things and other causes of action belonging to
30 it, shall without further action be allocated to and vested in the applicable
31 division company in such a manner and basis and with such effect as is
32 specified in the plan of division, and the title to any real property or
33 interest therein allocated to and vested in any division company shall not
34 revert or be in any way impaired by reason of the division.

35 (3) Each division company shall, from and after effectiveness of the
36 certificate of division, be liable as a separate and distinct domestic limited
37 liability company for such debts, liabilities and duties of the dividing
38 company as are allocated to such division company pursuant to the plan of
39 division in the manner and on the basis provided in subsection (g)(1)(B).

40 (4) Each of the debts, liabilities and duties of the dividing company
41 shall without further action be allocated to and be the debts, liabilities and
42 duties of such division company as is specified in the plan of division as
43 having such debts, liabilities and duties allocated to it, in such a manner

1 and basis and with such effect as is specified in the plan of division, and no
2 other division company shall be liable therefor, so long as the plan of
3 division does not constitute a fraudulent transfer under applicable law, and
4 all liens upon any property of the dividing company shall be preserved
5 unimpaired, and all debts, liabilities and duties of the dividing company
6 shall remain attached to the division company to which such debts,
7 liabilities and duties have been allocated in the plan of division, and may
8 be enforced against such division company to the same extent as if such
9 debts, liabilities and duties had originally been incurred or contracted by it
10 in its capacity as a domestic limited liability company.

11 (5) In the event that any allocation of assets, debts, liabilities and
12 duties to division companies in accordance with a plan of division is
13 determined by a court of competent jurisdiction to constitute a fraudulent
14 transfer, each division company shall be jointly and severally liable on
15 account of such fraudulent transfer notwithstanding the allocations made
16 in the plan of division, except that the validity and effectiveness of the
17 division are not otherwise affected thereby.

18 (6) Debts and liabilities of the dividing company that are not
19 allocated by the plan of division shall be the joint and several debts and
20 liabilities of all of the division companies.

21 (7) It shall not be necessary for a plan of division to list each
22 individual asset, property, right, series, debt, liability or duty of the
23 dividing company to be allocated to a division company so long as the
24 assets, property, rights, series, debts, liabilities or duties so allocated are
25 reasonably identified by any method where the identity of such assets,
26 property, rights, series, debts, liabilities or duties is objectively
27 determinable.

28 (8) The rights, privileges, powers, and interests in property of the
29 dividing company that have been allocated to a division company, as well
30 as the debts, liabilities and duties of the dividing company that have been
31 allocated to such division company pursuant to a plan of division, shall
32 remain vested in each such division company and shall not be deemed, as
33 a result of the division, to have been assigned or transferred to such
34 division company for any purpose of the laws of the state of Kansas.

35 (9) Any action or proceeding pending against a dividing company
36 may be continued against the surviving company, *if any*, as if the division
37 did not occur, *but subject to paragraph (4)*, and against any resulting
38 company to which the asset, property, right, series, debt, liability or duty
39 associated with such action or proceeding was allocated pursuant to the
40 plan of division by adding or substituting such resulting company as a
41 party in the action or proceeding.

42 (m) In applying the provisions of the Kansas revised limited liability
43 company act on distributions, a direct or indirect allocation of property or

1 liabilities in a division is not deemed a distribution.

2 (n) The provisions of this section shall not be construed to limit the
3 means of accomplishing a division by any other means provided for in an
4 operating agreement or other agreement or as otherwise permitted by the
5 Kansas revised limited liability company act or as otherwise permitted by
6 law.

7 (o) All limited liability companies formed on and after July 1, 2019,
8 shall be governed by this section. All limited liability companies formed
9 prior to July 1, 2019, shall be governed by this section, except that if the
10 dividing company is a party to any written contract, indenture or other
11 agreement entered into prior to July 1, 2019, that, by its terms, restricts,
12 conditions or prohibits the consummation of a merger or consolidation by
13 the dividing company with or into another party, or the transfer of assets
14 by the dividing company to another party, then such restriction, condition
15 or prohibition shall be deemed to apply to a division as if it were a merger,
16 consolidation or transfer of assets, as applicable.

17 Sec. 10. K.S.A. 17-7686 is hereby amended to read as follows: 17-
18 7686. (a) In connection with the formation of a limited liability company, a
19 person is admitted as a member of the limited liability company upon the
20 later to occur of:

21 (1) The formation of the limited liability company; or

22 (2) the time provided in and upon compliance with the operating
23 agreement or, if the operating agreement does not so provide, when the
24 person's admission is reflected in the records of the limited liability
25 company *or as otherwise provided in the operating agreement.*

26 (b) After the formation of a limited liability company, a person is
27 admitted as a member of the limited liability company:

28 (1) In the case of a person who is not an assignee of a limited liability
29 company interest, including a person acquiring a limited liability company
30 interest directly from the limited liability company and a person to be
31 admitted as a member of the limited liability company without acquiring a
32 limited liability company interest in the limited liability company at the
33 time provided in and upon compliance with the operating agreement or, if
34 the operating agreement does not so provide, upon the consent of all
35 members ~~and when the person's admission is reflected in the records of the~~
36 ~~limited liability company~~ *or as otherwise provided in the operating*
37 *agreement;*

38 (2) in the case of an assignee of a limited liability company interest,
39 as provided in subsection (a) of K.S.A. 17-76,114, and amendments
40 thereto, ~~and at the time provided in and upon compliance with the~~
41 ~~operating agreement or, if the operating agreement does not so provide,~~
42 ~~when any such person's permitted admission is reflected in the records of~~
43 ~~the limited liability company; or~~

1 (3) unless otherwise provided in an agreement of merger or
2 consolidation, in the case of a person acquiring a limited liability company
3 interest in a surviving or resulting limited liability company pursuant to a
4 merger or consolidation approved in accordance with ~~subsection (a) of~~
5 K.S.A. 17-7681(a), and amendments thereto, at the time provided in and
6 upon compliance with the operating agreement of the surviving or
7 resulting limited liability company; and in the case of a person being
8 admitted as a member of a limited liability company pursuant to a merger
9 or consolidation in which such limited liability company is not the
10 surviving or resulting limited liability company in the merger or
11 consolidation, as provided in the operating agreement of such limited
12 liability company; or

13 (4) *in the case of a person being admitted as a member of a division*
14 *company pursuant to a division approved in accordance with K.S.A. 17-*
15 *7685a(c), and amendments thereto, as provided in the operating*
16 *agreement of such division company or in the plan of division, and in the*
17 *event of any inconsistency, the terms of the plan of division shall control;*
18 *and in the case of a person being admitted as a member of a limited*
19 *liability company pursuant to a division in which such limited liability*
20 *company is not a division company in the division, as provided in the*
21 *operating agreement of such limited liability company.*

22 (c) A person may be admitted to a limited liability company as a
23 member of the limited liability company and may receive a limited
24 liability company interest in the limited liability company without making
25 a contribution or being obligated to make a contribution to the limited
26 liability company. Unless otherwise provided in an operating agreement, a
27 person may be admitted to a limited liability company as a member of the
28 limited liability company without acquiring a limited liability company
29 interest in the limited liability company. Unless otherwise provided in an
30 operating agreement, a person may be admitted as the sole member of a
31 limited liability company without making a contribution or being obligated
32 to make a contribution to the limited liability company or without
33 acquiring a limited liability company interest in the limited liability
34 company.

35 (d) Unless otherwise provided in an operating agreement or another
36 agreement, a member shall have no preemptive right to subscribe to any
37 additional issue of limited liability company interests or another interest in
38 a limited liability company.

39 Sec. 11. K.S.A. 17-7687 is hereby amended to read as follows: 17-
40 7687. (a) An operating agreement may provide for classes or groups of
41 members having such relative rights, powers and duties as the operating
42 agreement may provide, and may make provision for the future creation in
43 the manner provided in the operating agreement of additional classes or

1 groups of members having such relative rights, powers and duties as may
2 from time to time be established, including rights, powers and duties
3 senior to existing classes and groups of members. An operating agreement
4 may provide for the taking of an action, including the amendment of the
5 operating agreement, without the vote, consent or approval of any member
6 or class or group of members, including an action to create under the
7 provisions of the operating agreement a class or group of limited liability
8 company interests that was not previously outstanding. An operating
9 agreement may provide that any member or class or group of members
10 shall have no voting rights.

11 (b) An operating agreement may grant to all or certain identified
12 members or a specified class or group of the members the right to vote
13 separately or with all or any class or group of the members or managers,
14 on any matter. Voting by members may be on a per capita, number,
15 financial interest, class, group or any other basis.

16 (c) An operating agreement may set forth provisions relating to notice
17 of the time, place or purpose of any meeting at which any matter is to be
18 voted on by any members, waiver of any such notice, action by consent or
19 approval without a meeting, the establishment of a record date, quorum
20 requirements, voting in person or by proxy, or any other matter with
21 respect to the exercise of any such right to vote.

22 (d) Unless otherwise provided in an operating agreement, meetings of
23 members may be held by means of conference telephone or other
24 communications equipment by means of which all persons participating in
25 the meeting can hear each other, and participation in a meeting pursuant to
26 this subsection shall constitute presence in person at the meeting. Unless
27 otherwise provided in an operating agreement, on any matter that is to be
28 voted on, consented to or approved by members, the members may take
29 such action without a meeting, without prior notice and without a vote, if
30 consented to or approved, in writing, by electronic transmission, or by any
31 other means permitted by law, by members having not less than the
32 minimum number of votes that would be necessary to authorize or take
33 such action at a meeting at which all members entitled to vote thereon
34 were present and voted. Unless otherwise provided in an operating
35 agreement, if a person, whether or not then a member, consents to or
36 approves as a member any matter and provides that such consent or
37 approval will be effective at a future time, including a time determined
38 upon the happening of an event, then such person shall be deemed to have
39 consented or approved as a member at such future time so long as such
40 person is then a member. Unless otherwise provided in an operating
41 agreement, on any matter that is to be voted on by members, the members
42 may vote in person or by proxy, and such proxy may be granted in writing,
43 by means of electronic transmission or as otherwise permitted by

1 applicable law. Unless otherwise provided in an operating agreement, a
2 consent or approval transmitted by electronic transmission by a member or
3 by a person or persons authorized to act for a member shall be deemed to
4 be written and signed for purposes of this subsection. ~~For purposes of this~~
5 ~~subsection, the term "electronic transmission" means any form of~~
6 ~~communication not directly involving the physical transmission of paper,~~
7 ~~including the use of, or participation in, one or more electronic networks~~
8 ~~or databases, including one or more distributed electronic networks or~~
9 ~~databases, that creates a record that may be retained, retrieved and~~
10 ~~reviewed by a recipient thereof and that may be directly reproduced in~~
11 ~~paper form by such a recipient through an automated process.~~

12 (e) Unless otherwise provided in the operating agreement or in the
13 Kansas revised limited liability company act, every member holding an
14 interest in profits shall be entitled to vote.

15 (f) If an operating agreement provides for the manner in which it may
16 be amended, including by requiring the approval or consent of a person
17 who is not a party to the operating agreement or the satisfaction of
18 conditions, it may be amended only in that manner or as otherwise
19 permitted by law, including as permitted by K.S.A. 17-7681~~(e)~~(d), and
20 amendments thereto, provided that the approval or consent of any person
21 may be waived by such person and that any such conditions may be
22 waived by all persons for whose benefit such conditions were intended.
23 Unless otherwise provided in an operating agreement, a supermajority
24 amendment provision shall only apply to provisions of the operating
25 agreement that are expressly included in the operating agreement. As used
26 in this section, "supermajority amendment provision" means any
27 amendment provision set forth in an operating agreement requiring that an
28 amendment to a provision of the operating agreement be adopted by no
29 less than the vote or consent or approval required to take action under such
30 latter provision.

31 (g) If an operating agreement does not provide for the manner in
32 which it may be amended, the operating agreement may be amended with
33 the approval or consent of all of the members or as otherwise permitted by
34 law, including as permitted by K.S.A. 17-7681~~(e)~~(d), and amendments
35 thereto. This subsection shall only apply to a limited liability company
36 whose original articles of organization were filed with the secretary of
37 state on or after July 1, 2014.

38 Sec. 12. K.S.A. 17-7690 is hereby amended to read as follows: 17-
39 7690. (a) Each member of a limited liability company, in person or by
40 attorney or other agent, has the right, subject to such reasonable standards,
41 including standards governing what information, *including books, records*
42 *and other documents* ~~are~~, *is* to be furnished at what time and location and
43 at whose expense, as may be set forth in an operating agreement or

1 otherwise established by the manager or, if there is no manager, then by
2 the members, to obtain from the limited liability company from time to
3 time upon reasonable demand for any purpose reasonably related to the
4 member's interest as a member of the limited liability company:

5 (1) True and full information regarding the status of the business and
6 financial condition of the limited liability company;

7 (2) promptly after becoming available, a copy of the limited liability
8 company's federal, state and local income tax returns for each year;

9 (3) a current list of the name and last known business, residence or
10 mailing address of each member and manager;

11 (4) a copy of any written operating agreement and articles of
12 organization and all amendments thereto, together with executed copies of
13 any written powers of attorney pursuant to which the operating agreement
14 and any certificate and all amendments thereto have been executed;

15 (5) true and full information regarding the amount of cash and a
16 description and statement of the agreed value of any other property or
17 services contributed by each member and which each member has agreed
18 to contribute in the future, and the date on which each became a member;
19 and

20 (6) other information regarding the affairs of the limited liability
21 company as is just and reasonable.

22 (b) Each manager shall have the right to examine all of the
23 information described in subsection (a) for a purpose reasonably related to
24 the position of manager.

25 (c) The manager of a limited liability company shall have the right to
26 keep confidential from the members, for such period of time as the
27 manager deems reasonable, any information—~~which~~ *that* the manager
28 reasonably believes to be in the nature of trade secrets or other information
29 the disclosure of which the manager in good faith believes is not in the
30 best interest of the limited liability company or could damage the limited
31 liability company or its business or which the limited liability company is
32 required by law or by agreement with a third party to keep confidential.

33 (d) A limited liability company may maintain its *books, records and*
34 *other documents* in other than ~~a written paper~~ form, including on, by
35 means of, or in the form of any information storage device, method, or one
36 or more electronic networks or databases, including one or more
37 distributed electronic networks or databases, if such form is capable of
38 conversion into ~~written paper~~ form within a reasonable time.

39 (e) Any demand under this section shall be in writing and shall state
40 the purpose of such demand. In every instance where an attorney or other
41 agent is the person who seeks the right to obtain the information described
42 in subsection (a), the demand shall be accompanied by a power of attorney
43 or such other writing that authorizes the attorney or other agent to so act

1 on behalf of the member.

2 (f) Any action to enforce any right arising under this section shall be
3 brought in the district court. If the limited liability company refuses to
4 permit a member, or attorney or other agent acting for the member, to
5 obtain or a manager to examine the information described in subsection (a)
6 or does not reply to the demand that has been made within five business
7 days, or such shorter or longer period of time as is provided for in an
8 operating agreement, but not longer than 30 business days, after the
9 demand has been made, the demanding member or manager may apply to
10 the district court for an order to compel such disclosure. The district court
11 may summarily order the limited liability company to permit the
12 demanding member to obtain or manager to examine the information
13 described in subsection (a) and to make copies or abstracts therefrom, or
14 the district court may summarily order the limited liability company to
15 furnish to the demanding member or manager the information described in
16 subsection (a) on the condition that the demanding member or manager
17 first pay to the limited liability company the reasonable cost of obtaining
18 and furnishing such information and on such other conditions as the
19 district court deems appropriate. When a demanding member seeks to
20 obtain or a manager seeks to examine the information described in
21 subsection (a), the demanding member or manager shall first establish: (1)
22 That the demanding member or manager has complied with the provisions
23 of this section respecting the form and manner of making demand for
24 obtaining or examining of such information; and (2) that the information
25 the demanding member or manager seeks is reasonably related to the
26 member's interest as a member or the manager's position as a manager, as
27 the case may be. The district court may, in its discretion, prescribe any
28 limitations or conditions with reference to the obtaining or examining of
29 information, or award such other or further relief as the district court may
30 deem just and proper. The district court may order books, ~~documents and~~
31 records *and other documents*, pertinent extracts therefrom, or duly
32 authenticated copies thereof, to be brought within the state of Kansas and
33 kept in the state of Kansas upon such terms and conditions as the order
34 may prescribe.

35 (g) *If a member is entitled to obtain information under the Kansas*
36 *revised limited liability company act or an operating agreement for a*
37 *purpose reasonably related to the member's interest as a member or other*
38 *stated purpose, the member's right shall be to obtain such information as*
39 *is necessary and essential to achieving that purpose.* The rights of a
40 member or manager to obtain *or examine* information as provided in this
41 section may be *expanded or* restricted in an original operating agreement
42 or in any subsequent amendment consented to, approved or adopted by all
43 of the members or in compliance with any applicable requirements of the

1 operating agreement. The provisions of this subsection shall not be
2 construed to limit the ability to ~~impose restrictions on~~ *expand or restrict*
3 the rights of a member or manager to obtain *or examine* information by
4 any other means permitted ~~under the Kansas revised limited liability~~
5 ~~company act~~ *by law*.

6 (h) A limited liability company shall maintain a current record that
7 identifies the name and last known business, residence, or mailing address
8 of each member and manager.

9 Sec. 13. K.S.A. 17-7695 is hereby amended to read as follows: 17-
10 7695. (a) An operating agreement may provide for classes or groups of
11 managers having such relative rights, powers and duties as the operating
12 agreement may provide, and may make provision for the future creation in
13 the manner provided in the operating agreement of additional classes or
14 groups of managers having such relative rights, powers and duties as may
15 from time to time be established, including rights, powers and duties
16 senior to existing classes and groups of managers. An operating agreement
17 may provide for the taking of an action, including the amendment of the
18 operating agreement, without the vote, consent or approval of any manager
19 or class or group of managers, including an action to create under the
20 provisions of the operating agreement a class or group of limited liability
21 company interests that was not previously outstanding.

22 (b) An operating agreement may grant to all or certain identified
23 managers or a specified class or group of the managers the right to vote,
24 separately or with all or any class or group of managers or members, on
25 any matter. Voting by managers may be on a per capita, number, financial
26 interest, class, group or any other basis. Unless otherwise provided in an
27 operating agreement, if more than one manager is appointed, all managers
28 shall have an equal vote per capita.

29 (c) An operating agreement may set forth provisions relating to notice
30 of the time, place or purpose of any meeting at which any matter is to be
31 voted on by any manager or class or group of managers, waiver of any
32 such notice, action by consent or approval without a meeting, the
33 establishment of a record date, quorum requirements, voting in person or
34 by proxy, or any other matter with respect to the exercise of any such right
35 to vote.

36 (d) Unless otherwise provided in an operating agreement, meetings of
37 managers may be held by means of conference telephone or other
38 communications equipment by means of which all persons participating in
39 the meeting can hear each other, and participation in a meeting pursuant to
40 this subsection shall constitute presence in person at the meeting. Unless
41 otherwise provided in an operating agreement, on any matter that is to be
42 voted on, consented to or approved by the managers, the managers may
43 take such action without a meeting, without prior notice and without a

1 vote, if consented to or approved, in writing, by electronic transmission, or
2 by any other means permitted by law, by managers having not less than the
3 minimum number of votes that would be necessary to authorize or take
4 such action at a meeting at which all managers entitled to vote thereon
5 were present and voted. Unless otherwise provided in an operating
6 agreement, if a person, whether or not then a manager, consents to or
7 approves as a manager any matter and provides that such consent or
8 approval will be effective at a future time, including a time determined
9 upon the happening of an event, then such person shall be deemed to have
10 consented or approved as a manager at such future time, so long as such
11 person is then a manager. Unless otherwise provided in an operating
12 agreement, on any matter that is to be voted on by managers, the managers
13 may vote in person or by proxy, and such proxy may be granted in writing,
14 by means of electronic transmission or as otherwise permitted by
15 applicable law. Unless otherwise provided in an operating agreement, a
16 consent or approval transmitted by electronic transmission by a manager
17 or by a person or persons authorized to act for a manager shall be deemed
18 to be written and signed for purposes of this subsection. ~~For purposes of~~
19 ~~this subsection, the term "electronic transmission" means any form of~~
20 ~~communication not directly involving the physical transmission of paper,~~
21 ~~including the use of, or participation in, one or more electronic networks or~~
22 ~~databases, including one or more distributed electronic networks or~~
23 ~~databases, that creates a record that may be retained, retrieved and~~
24 ~~reviewed by a recipient thereof and that may be directly reproduced in~~
25 ~~paper form by such a recipient through an automated process.~~

26 Sec. 14. K.S.A. 17-7698 is hereby amended to read as follows: 17-
27 7698. Unless otherwise provided in the operating agreement, a member or
28 manager of a limited liability company has the power and authority to
29 delegate to one or more other persons any or all of the member's or
30 manager's, as the case may be, rights, powers and duties to manage and
31 control the business and affairs of the limited liability company. *Any such*
32 *delegation may be made irrespective of whether the member or manager*
33 *has a conflict of interest with respect to the matter as to which its rights,*
34 *powers or duties are being delegated, and the person or persons to whom*
35 *any such rights, powers or duties are being delegated shall not be deemed*
36 *conflicted solely by reason of the conflict of interest of the member or*
37 *manager.* Any such delegation may be to agents, officers and employees
38 of a member or manager or the limited liability company, and by a
39 management agreement or another agreement with, or otherwise to, other
40 persons, *including a committee of one or more persons.* Unless otherwise
41 provided in the operating agreement, such delegation by a member or
42 manager shall be irrevocable if it states that it is irrevocable. Unless
43 otherwise provided in the operating agreement, such delegation by a

1 member or manager of a limited liability company shall not cause the
2 member or manager to cease to be a member or manager, as the case may
3 be, of the limited liability company or cause the person to whom any such
4 rights, powers and duties have been delegated to be a member or manager,
5 as the case may be, of the limited liability company. No other provision of
6 the Kansas revised limited liability company act *or other law* shall be
7 construed to restrict a member's or manager's power and authority to
8 delegate any or all of its rights, powers, and duties to manage and control
9 the business and affairs of the limited liability company.

10 Sec. 15. K.S.A. 2024 Supp. 17-76,136 is hereby amended to read as
11 follows: 17-76,136. (a) The secretary of state shall charge each domestic
12 and foreign limited liability company the following fees:

13 (1) A fee of \$20 for issuing or filing and indexing any of the
14 following documents:

15 (A) A certificate of amendment of articles of organization;

16 (B) restated articles of organization;

17 (C) a certificate of cancellation, which shall be multiplied by the
18 number of series of the limited liability company named in the certificate
19 of cancellation;

20 (D) a certificate of change of location of registered office or resident
21 agent;

22 (E) a certificate of merger or consolidation;

23 (F) a certificate of division; and

24 (G) any certificate, affidavit, agreement or any other paper provided
25 for in the Kansas revised limited liability company act, for which no
26 different fee is specifically prescribed;

27 (2) a fee of \$7.50 for each certified copy, regardless of whether the
28 secretary of state supplies the copy;

29 (3) a fee of \$7.50 for each certificate of good standing, including a
30 certificate of good standing for a series of a limited liability company,
31 issued by the secretary of state; and

32 (4) a fee of \$20 for a copy of an instrument on file or prepared by the
33 secretary of state's office, whether or not the copy is certified.

34 (b) Every limited liability company hereafter formed in this state shall
35 pay to the secretary of state, at the time of filing its articles of organization,
36 an application and recording fee ~~of established by rules and regulations of~~
37 *the secretary of state, except that such fee shall not exceed \$150.*

38 (c) At the time of filing its application to do business, every foreign
39 limited liability company shall pay to the secretary of state an application
40 and recording fee ~~of established by rules and regulations of the secretary~~
41 *of state, except that such fee shall not exceed \$150.*

42 (d) The fee for filing a certificate of reinstatement shall be the same
43 as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a

1 certificate of reinstatement of a corporation's articles of incorporation.

2 Sec. 16. K.S.A. 17-76,143 is hereby amended to read as follows: 17-
3 76,143. (a) An operating agreement may establish or provide for the
4 establishment of one or more designated series of members, managers,
5 limited liability company interests or assets. If an operating agreement so
6 provides for the establishment or formation of one or more series, then a
7 series may be formed by complying with this section. Any such series may
8 have separate rights, powers or duties with respect to specified property or
9 obligations of the limited liability company or profits and losses associated
10 with specified property or obligations, and to the extent provided in the
11 operating agreement, any such series may have a separate business
12 purpose or investment objective. A series is formed by the filing of a
13 certificate of designation in the office of the secretary of state. Other than
14 pursuant to K.S.A. 17-76,143a, and amendments thereto, a series may not
15 merge, convert, or consolidate pursuant to any section of the Kansas
16 revised limited liability company act, the business entity transactions act,
17 K.S.A. 17-78-101 et seq., and amendments thereto, or any other statute of
18 this state.

19 (b) Notice of the limitation on liabilities of a series as referenced in
20 subsection (c) shall be set forth in the articles of organization of the limited
21 liability company. Notice in articles of organization of the limitation on
22 liabilities of a series as referenced in subsection (c) shall be sufficient for
23 all purposes of this subsection whether or not the limited liability company
24 has formed any series when such notice is included in the articles of
25 organization, and there shall be no requirement that any specific series of
26 the limited liability company be referenced in such notice. The fact that
27 articles of organization that contain the foregoing notice of the limitation
28 on liabilities of a series is on file in the office of the secretary of state shall
29 constitute notice of such limitation on liabilities of a series.

30 (c) Notwithstanding anything to the contrary set forth in the Kansas
31 revised limited liability company act or under other applicable law, in the
32 event that an operating agreement establishes or provides for the
33 establishment of one or more series, and if to the extent the records
34 maintained for any series account for the assets associated with such series
35 separately from the other assets of the limited liability company, or any
36 other series thereof, and if the operating agreement so provides, and if
37 notice of the limitation on liabilities of a series as referenced in this
38 subsection is set forth in the articles of organization of the limited liability
39 company and if the limited liability company has filed a certificate of
40 designation for each series ~~which~~ that is to have limited liability under this
41 section, then the debts, liabilities, obligations and expenses incurred,
42 contracted for or otherwise existing with respect to such series shall be
43 enforceable against the assets of such series only, and not against the assets

1 of the limited liability company generally or any other series thereof, and,
2 unless otherwise provided in the operating agreement, none of the debts,
3 liabilities, obligations and expenses incurred, contracted for or otherwise
4 existing with respect to the limited liability company generally or any
5 other series thereof shall be enforceable against the assets of such series.
6 Neither the preceding sentences nor any provision pursuant thereto in an
7 operating agreement, articles of organization or certificate of designation
8 shall: Restrict a series or limited liability company on behalf of a series
9 from agreeing in the operating agreement or otherwise that any or all of
10 the debts, liabilities, obligations, and expenses incurred, contracted for, or
11 otherwise existing with respect to the limited liability company generally
12 or any other series thereof shall be enforceable against the assets of such
13 series; or restrict a limited liability company from agreeing in the
14 operating agreement or otherwise that any or all of the debts, liabilities,
15 obligations, and expenses incurred, contracted for, or otherwise existing
16 with respect to a series shall be enforceable against the assets of the
17 limited liability company generally. Assets associated with a series may be
18 held directly or indirectly, including in the name of such series, in the
19 name of the limited liability company, through a nominee or otherwise.
20 Records maintained for a series that reasonably identify its assets,
21 including by specific listing, category, type, quantity, computational, or
22 allocational formula or procedure, including a percentage or share of any
23 asset or assets, or by any other method where the identity of such assets is
24 objectively determinable, will be deemed to account for the assets
25 associated with such series separately from the other assets of the limited
26 liability company, or any other series thereof. As used in the Kansas
27 revised limited liability company act, a reference to assets of a series
28 includes assets associated with such series, a reference to assets associated
29 with a series includes assets of such series, a reference to members or
30 managers of a series includes members or managers associated with such
31 series, and a reference to members or managers associated with a series
32 includes members or managers of such series. The following shall apply to
33 a series:

34 (1) A series may carry on any lawful business, purpose or activity,
35 whether or not for profit, with the exception of the business of granting
36 policies of insurance, assuming insurance risks, or banking as defined in
37 K.S.A. 9-702, and amendments thereto. Unless otherwise provided in an
38 operating agreement, a series shall have the power and capacity to, in its
39 own name, contract, hold title to assets, including real, personal, and
40 intangible property, grant liens and security interests, ~~and~~ sue and be sued
41 **and otherwise conduct business and exercise the power of a limited**
42 **liability company under this article. The limited liability company and**
43 **any of its series may elect to consolidate its operations as a single**

1 **taxpayer to the extent required to file consolidated tax returns as**
2 **permitted under applicable law and elect to be treated as a single**
3 **business for the purposes of qualification or authorization to do**
4 **business in this or any other state. Such elections shall not affect the**
5 **limitation of liability set forth in this section except to the extent that**
6 **the series have specifically accepted joint liability by contract.**

7 (2) Except as otherwise provided by the Kansas revised limited
8 liability company act, no member or manager of a series shall be obligated
9 personally for any debt, obligation or liability of such series, whether
10 arising in contract, tort or otherwise, solely by reason of being a member
11 or acting as manager of such series. Notwithstanding the preceding
12 sentence, under an operating agreement or under another agreement, a
13 member or manager may agree to be obligated personally for any or all of
14 the debts, obligations and liabilities of one or more series.

15 (3) An operating agreement may provide for classes or groups of
16 members or managers associated with a series having such relative rights,
17 powers and duties as the operating agreement may provide, and may make
18 provision for the future creation in the manner provided in the operating
19 agreement of additional classes or groups of members or managers
20 associated with such series having such relative rights, powers and duties
21 as may from time to time be established, including rights, powers and
22 duties senior to existing classes and groups of members or managers
23 associated with such series. An operating agreement may provide for the
24 taking of an action, including the amendment of the operating agreement,
25 without the vote, consent or approval of any member or manager or class
26 or group of members or managers, including an action to create under the
27 provisions of the operating agreement a class or group of a series of
28 limited liability company interests that was not previously outstanding. An
29 operating agreement may provide that any member or class or group of
30 members associated with a series shall have no voting rights **or ability to**
31 **otherwise participate in the management or governance of such series,**
32 **but any such member or class or group of members are owners of the**
33 **series.**

34 (4) An operating agreement may grant to all or certain identified
35 members or managers or a specified class or group of the members or
36 managers associated with a series the right to vote separately or with all or
37 any class or group of the members or managers associated with such
38 series, on any matter. Voting by members or managers associated with a
39 series may be on a per capita, number, financial interest, class, group or
40 any other basis.

41 (5) Unless otherwise provided in an operating agreement, the
42 management of a series shall be vested in the members associated with
43 such series in proportion to the then-current percentage or other interest of

1 members in the profits of such series owned by all of the members
2 associated with such series, the decision of members owning more than
3 50% of such percentage or other interest in the profits controlling, except
4 that if an operating agreement provides for the management of a series, in
5 whole or in part, by a manager **or managers**, the management of such
6 series, to the extent so provided, shall be vested in the manager **or**
7 **managers** who shall be chosen in the manner provided in the operating
8 agreement. The manager of a series shall also hold the offices and have the
9 responsibilities accorded to the manager as set forth in an operating
10 agreement. A series may have more than one manager. Subject to K.S.A.
11 17-76,105, and amendments thereto, a manager shall cease to be a
12 manager with respect to a series as provided in an operating agreement.
13 Except as otherwise provided in an operating agreement, any event under
14 the Kansas revised limited liability company act or in an operating
15 agreement that causes a manager to cease to be a manager with respect to a
16 series shall not, in itself, cause such manager to cease to be a manager of
17 the limited liability company or with respect to any other series thereof.

18 (6) Notwithstanding K.S.A. 17-76,109, and amendments thereto, but
19 subject to subsections (c)(7) and (c)(10), and unless otherwise provided in
20 an operating agreement, at the time a member of a series becomes entitled
21 to receive a distribution with respect to such series, the member has the
22 status of, and is entitled to all remedies available to, a creditor of such
23 series, with respect to the distribution. An operating agreement may
24 provide for the establishment of a record date with respect to allocations
25 and distributions with respect to a series.

26 (7) Notwithstanding K.S.A. 17-76,110(a), and amendments thereto, a
27 limited liability company may make a distribution with respect to a series.
28 A limited liability company shall not make a distribution with respect to a
29 series to a member to the extent that at the time of the distribution, after
30 giving effect to the distribution, all liabilities of such series, other than
31 liabilities to members on account of their limited liability company
32 interests with respect to such series and liabilities for which the recourse of
33 creditors is limited to specified property of such series, exceed the fair
34 value of the assets associated with such series, except that the fair value of
35 property of such series that is subject to a liability for which the recourse
36 of creditors is limited shall be included in the assets associated with such
37 series only to the extent that the fair value of that property exceeds that
38 liability. For purposes of the immediately preceding sentence, the term
39 "distribution" shall not include amounts constituting reasonable
40 compensation for present or past services or reasonable payments made in
41 the ordinary course of business pursuant to a bona fide retirement plan or
42 other benefits program. A member who receives a distribution in violation
43 of this subsection, and who knew at the time of the distribution that the

1 distribution violated this subsection, shall be liable to the series for the
2 amount of the distribution. A member who receives a distribution in
3 violation of this subsection, and who did not know at the time of the
4 distribution that the distribution violated this subsection, shall not be liable
5 for the amount of the distribution. Subject to K.S.A. 17-76,110(c), and
6 amendments thereto, which shall apply to any distribution made with
7 respect to a series under this subsection, this subsection shall not affect any
8 obligation or liability of a member under an agreement or other applicable
9 law for the amount of a distribution.

10 (8) Unless otherwise provided in the operating agreement, a member
11 shall cease to be associated with a series and to have the power to exercise
12 any rights or powers of a member with respect to such series upon the
13 assignment of all of the member's limited liability company interest with
14 respect to such series. Except as otherwise provided in an operating
15 agreement, any event under the Kansas revised limited liability company
16 act or an operating agreement that causes a member to cease to be
17 associated with a series shall not, in itself, cause such member to cease to
18 be associated with any other series or terminate the continued membership
19 of a member in the limited liability company or cause the dissolution of
20 the series, regardless of whether such member was the last remaining
21 member associated with such series.

22 (9) Subject to K.S.A. 17-76,116, and amendments thereto, except to
23 the extent otherwise provided in the operating agreement, a series may be
24 dissolved and its affairs wound up without causing the dissolution of the
25 limited liability company. The dissolution of a series shall not affect the
26 limitation on liabilities of such series provided by this subsection~~(e)~~. A
27 series is dissolved and its affairs shall be wound up upon the dissolution of
28 the limited liability company under K.S.A. 17-76,116, and amendments
29 thereto, or otherwise upon the first to occur of the following:

30 (A) At the time specified in the operating agreement;

31 (B) upon the happening of events specified in the operating
32 agreement;

33 (C) unless otherwise provided in the operating agreement, upon the
34 vote, consent or approval of members associated with such series who own
35 $\frac{2}{3}$ or more of the then-current percentage or other interest in the profits of
36 such series of the limited liability company owned by all of the members
37 associated with such series; or

38 (D) the dissolution of such series under subsection (c)(11).

39 (10) Notwithstanding K.S.A. 17-76,118(a), and amendments thereto,
40 unless otherwise provided in the operating agreement, a manager
41 associated with a series who has not wrongfully dissolved such series or, if
42 none, the members associated with such series or a person consented to or
43 approved by the members associated with such series, in either case, by

1 members who own more than 50% of the then-current percentage or other
2 interest in the profits of such series owned by all of the members
3 associated with such series, may wind up the affairs of such series, but the
4 district court, upon cause shown, may wind up the affairs of a series upon
5 application of any member or manager associated with such series, or the
6 member's personal representative or assignee, and in connection therewith,
7 may appoint a liquidating trustee. The persons winding up the affairs of a
8 series may, in the name of the limited liability company and for and on
9 behalf of the limited liability company and such series, take all actions
10 with respect to such series as are permitted under K.S.A. 17-76,118(b), and
11 amendments thereto. The persons winding up the affairs of a series shall
12 provide for the claims and obligations of such series and distribute the
13 assets of such series as provided in K.S.A. 17-76,119, and amendments
14 thereto, which section shall apply to the winding up and distribution of
15 assets of a series. Actions taken in accordance with this subsection shall
16 not affect the liability of members and shall not impose liability on a
17 liquidating trustee.

18 (11) On application by or for a member or manager associated with a
19 series, the district court may decree dissolution of such series whenever it
20 is not reasonably practicable to carry on the business of such series in
21 conformity with an operating agreement.

22 (12) For all purposes of the laws of the state of Kansas, a series is an
23 association, regardless of the number of members or managers, if any, of
24 such series.

25 (d) In order to form a series of a limited liability company, a
26 certificate of designation must be filed in accordance with this subsection.

27 (1) (A) A certificate of designation shall set forth:

- 28 (i) The name of the limited liability company; and
29 (ii) the name of the series.

30 (B) A certificate of designation may include any other matter that the
31 members of such series determine to include therein.

32 (C) A certificate of designation properly filed with the secretary of
33 state prior to July 1, 2020, shall be deemed to comply with the
34 requirements of this paragraph.

35 (2) A certificate of designation shall be executed in accordance with
36 K.S.A. 17-7908(b), and amendments thereto, and shall be filed in the
37 office of the secretary of state in accordance with K.S.A. 17-7910, and
38 amendments thereto. A certificate of designation is not an amendment to
39 the articles of organization of the limited liability company.

40 (3) A certificate of designation may be amended by filing a certificate
41 of amendment thereto in the office of the secretary of state.

42 (A) The certificate of amendment *of certificate of designation* shall
43 set forth:

- 1 (i) The name of the limited liability company;
- 2 (ii) the name of the series; and
- 3 (iii) the amendment to the certificate of designation.

4 (B) A certificate of designation properly filed with the secretary of
5 state prior to July 1, 2020, that changed a previously filed certificate of
6 designation shall be deemed to be a certificate of amendment thereto for
7 purposes of this paragraph.

8 (4) A manager of a series or, if there is no manager, then any member
9 of a series who becomes aware that any statement in a certificate of
10 designation filed with respect to such series was false when made, or that
11 any matter described therein has changed making the certificate of
12 designation false in any material respect *or noncompliant with subsection*
13 *(e)(1)*, shall promptly amend the certificate of designation.

14 (5) A certificate of designation may be amended at any time for any
15 other proper purpose.

16 (6) Unless otherwise provided in the Kansas revised limited liability
17 company act or unless a later effective date or time, which shall be a date
18 or time certain, is provided for in the certificate of amendment *of*
19 *certificate of designation*, a certificate of amendment *of certificate of*
20 *designation* shall be effective at the time of its filing with the secretary of
21 state.

22 (7) A certificate of designation shall be canceled upon the
23 cancellation of the articles of organization of the limited liability company
24 named in the certificate of designation, or upon the filing of a certificate of
25 cancellation of the certificate of designation, or upon the future effective
26 date or time of a certificate of cancellation of the certificate of designation,
27 or as provided in K.S.A. 17-76,139~~(d)~~(g), and amendments thereto, or
28 upon the filing of a certificate of merger or consolidation ~~if the~~ *of a series*
29 *if the series* is not the surviving or resulting series in a merger or
30 consolidation or upon the future effective date or time of a certificate of
31 merger or consolidation *of a series* if the series is not the surviving or
32 resulting series in a merger or consolidation. A certificate of cancellation
33 of the certificate of designation may be filed at any time, and shall be filed,
34 in the office of the secretary of state to accomplish the cancellation of a
35 certificate of designation upon the dissolution of a series for which a
36 certificate of designation was filed and completion of the winding up of
37 such series.

38 (A) A certificate of cancellation of the certificate of designation shall
39 set forth:

- 40 (i) The name of the limited liability company;
- 41 (ii) the name of the series;
- 42 (iii) the future effective date or time, which shall be a date or time
43 certain, of cancellation if it is not to be effective upon the filing of the

1 certificate of cancellation; and

2 (iv) any other information the person filing the certificate of
3 cancellation of the certificate of designation determines.

4 (B) A certificate of designation properly filed with the secretary of
5 state prior to July 1, 2020, that dissolved a series shall be deemed to be a
6 certificate of cancellation thereto for purposes of this paragraph.

7 (8) A certificate of cancellation of the certificate of designation that is
8 filed in the office of the secretary of state prior to the dissolution or the
9 completion of winding up of a series may be corrected as an erroneously
10 executed certificate of cancellation of the certificate of designation by
11 filing with the office of the secretary of state a certificate of correction of
12 such certificate of cancellation of the certificate of designation in
13 accordance with K.S.A. 17-7912, and amendments thereto.

14 (9) The secretary of state shall not issue a certificate of good standing
15 with respect to a series if the certificate of designation is canceled or the
16 limited liability company has ceased to be in good standing.

17 (e) The name of each series as set forth in its certificate of
18 designation:

19 (1) Shall include the name of the limited liability company, including
20 any word, abbreviation or designation required by K.S.A. 17-7920, and
21 amendments thereto;

22 (2) may contain the name of a member or manager;

23 (3) must comply with the requirements of K.S.A. 17-7918, and
24 amendments thereto, to the same extent as a covered entity; and

25 (4) may contain any word permitted by K.S.A. 17-7920, and
26 amendments thereto, and may not contain any word prohibited to be
27 included in the name of a limited liability company under Kansas law.

28 (f) If a foreign limited liability company that is registered to do
29 business in this state in accordance with K.S.A. 17-7931, and amendments
30 thereto, is governed by an operating agreement that establishes or provides
31 for the establishment of a series of members, managers, limited liability
32 company interests or assets having separate rights, powers or duties with
33 respect to specified property or obligations of the foreign limited liability
34 company or profits and losses associated with specified property or
35 obligations, that fact shall be so stated on the application for registration as
36 a foreign limited liability company. In addition, the foreign limited liability
37 company shall state on such application whether the debts, liabilities and
38 obligations incurred, contracted for or otherwise existing with respect to a
39 particular series, if any, are enforceable against the assets of such series
40 only, and not against the assets of the foreign limited liability company
41 generally or any other series thereof, and whether any of the debts,
42 liabilities, obligations and expenses incurred, contracted for or otherwise
43 existing with respect to the foreign limited liability company generally or

1 any other series thereof shall be enforceable against the assets of such
2 series.

3 (g) (1) *If an operating agreement provides the manner in which a*
4 *dissolution of a series may be revoked, it may be revoked in such manner*
5 *and, unless the limited liability company has dissolved and such*
6 *dissolution has not been revoked or the operating agreement prohibits*
7 *revocation of dissolution of a series, then notwithstanding the occurrence*
8 *of an event set forth in subsection (c)(9)(A) through (C), the series shall*
9 *not be dissolved and the series' affairs shall not be wound up if, prior to*
10 *the filing of a certificate of cancellation of the certificate of designation in*
11 *the office of the secretary of state, the series is continued, effective as of*
12 *the occurrence of such event:*

13 (A) *In the case of dissolution effected by the vote or consent of the*
14 *members associated with the series, or other persons whose approval is*
15 *required for such dissolution pursuant to the operating agreement*
16 *pursuant to such vote or consent, and the approval of any members*
17 *associated with the series or other persons whose approval is required*
18 *under the operating agreement to revoke a dissolution contemplated by*
19 *this paragraph; and*

20 (B) *in the case of dissolution under subsection (c)(9)(A) or (B), other*
21 *than a dissolution effected by the vote or consent of the members*
22 *associated with the series, or other persons whose approval is required for*
23 *such dissolution pursuant to the operating agreement, pursuant to such*
24 *vote or consent that, pursuant to the terms of the operating agreement, is*
25 *required to amend the provision of the operating agreement effecting such*
26 *dissolution, and the approval of any members associated with the series or*
27 *other persons whose approval is required under the operating agreement*
28 *to revoke a dissolution contemplated by this paragraph.*

29 (2) *If a series is dissolved by the dissolution of the limited liability*
30 *company, unless a certificate of cancellation of the certificate of*
31 *designation with respect to such series has been filed in the office of the*
32 *secretary of state or the operating agreement prohibits revocation of*
33 *dissolution of the series, the dissolution of the series shall be*
34 *automatically revoked upon any revocation of dissolution of the limited*
35 *liability company in accordance with K.S.A. 17-76,145, and amendments*
36 *thereto.*

37 (3) *The provisions of this subsection shall not be construed to limit*
38 *the accomplishment of a revocation of dissolution of a series by other*
39 *means permitted by law.*

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

1 **(1) Choice of law, forum selection or consent to personal**
2 **jurisdiction;**

3 **(2) capital contributions;**

4 **(3) restrictions on, or terms and conditions of, the transfer of**
5 **membership interests;**

6 **(4) restrictive covenants, including noncompetition,**
7 **nonsolicitation and confidentiality provisions;**

8 **(5) fiduciary duties; and**

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

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

16 Sec. 17. K.S.A. 17-76,143a is hereby amended to read as follows: 17-
17 76,143a. (a) Pursuant to an agreement of merger or consolidation, one or
18 more series may merge or consolidate with or into one or more other series
19 of the same limited liability company with such series as the agreement
20 shall provide being the surviving or resulting series. Unless otherwise
21 provided in the operating agreement, an agreement of merger or
22 consolidation shall be consented to or approved by each series that is to
23 merge or consolidate by members of such series who own more than 50%
24 of the then-current percentage or other interest in the profits of such series
25 owned by all of the members of such series. In connection with a merger
26 or consolidation hereunder, rights or securities of, or interests in, a series
27 ~~which~~ *that* is a constituent party to the merger or consolidation may be
28 exchanged for or converted into cash, property, rights, or securities of, or
29 interests in, the surviving or resulting series or, in addition to or in lieu
30 thereof, may be exchanged for or converted into cash, property, rights, or
31 securities of, or interests in, an entity as defined in K.S.A. 17-78-102, and
32 amendments thereto, that is not the surviving or resulting series in the
33 merger or consolidation, may remain outstanding or may be canceled.
34 Notwithstanding prior consent or approval, an agreement of merger or
35 consolidation may be terminated or amended pursuant to a provision for
36 such termination or amendment contained in the agreement of merger or
37 consolidation.

38 (b) If a series is merging or consolidating under this section, the
39 series surviving or resulting in or from the merger or consolidation shall
40 file a certificate of merger or consolidation *of series* executed by one or
41 more authorized persons on behalf of the series when it is the surviving or
42 resulting series in the office of the secretary of state. The certificate of
43 merger or consolidation *of series* shall state:

1 (1) The name of each series that is to merge or consolidate and the
2 name of the limited liability company that formed such series;

3 (2) that an agreement of merger or consolidation has been consented
4 to or approved and executed by or on behalf of each series that is to merge
5 or consolidate;

6 (3) the name of the surviving or resulting series;

7 (4) such ~~amendment~~ *amendments*, if any, to the certificate of
8 designation of the ~~series that is the surviving or resulting series to change~~
9 ~~the name of the surviving series, as is~~ *are* desired to be effected by the
10 merger, *and such amendments may amend and restate the certificate of*
11 *designation of the surviving series in its entirety*;

12 (5) the future effective date or time, which shall be a date or time
13 certain, of the merger or consolidation if it is not to be effective upon the
14 filing of the certificate of merger or consolidation;

15 (6) that the agreement of merger or consolidation is on file at a place
16 of business of the surviving or resulting series or the limited liability
17 company that formed such series and shall state the address thereof; and

18 (7) that a copy of the agreement of merger or consolidation will be
19 furnished by the surviving or resulting series, upon request and without
20 cost, to any member of any series that is to merge or consolidate.

21 (c) Unless a future effective date or time is provided in a certificate of
22 merger or consolidation, a merger or consolidation *of series* pursuant to
23 this section shall be effective upon the filing of a certificate of merger or
24 consolidation *of series* in the office of the secretary of state.

25 (d) A certificate of merger or consolidation *of series* shall act as a
26 certificate of cancellation of the certificate of designation of the series that
27 is not the surviving or resulting series in the merger or consolidation. A
28 certificate of merger or consolidation *of series* that sets forth any
29 amendment in accordance with subsection (b)(4) shall be deemed to be an
30 amendment to the certificate of designation of the surviving ~~or resulting~~
31 series, and no further action shall be required to amend the certificate of
32 designation of the surviving ~~or resulting~~ series under K.S.A. 17-76,143,
33 and amendments thereto, with respect to such amendments set forth in ~~the~~
34 *such* certificate of merger or consolidation *of series*. Whenever this section
35 requires the filing of a certificate of merger or consolidation *of series*, such
36 requirement shall be deemed satisfied by the filing of an agreement of
37 merger or consolidation containing the information required by this section
38 to be set forth in ~~the~~ *such* certificate of merger or consolidation.

39 (e) An agreement of merger or consolidation consented to or
40 approved in accordance with subsection (a) may effect any amendment to
41 the operating agreement relating solely to the series that are constituent
42 parties to the merger or consolidation. Any amendment to an operating
43 agreement relating solely to the series that are constituent parties to the

1 merger or consolidation made pursuant to the foregoing sentence shall be
2 effective at the effective time or date of the merger or consolidation and
3 shall be effective notwithstanding any provision of the operating
4 agreement relating to amendment of the operating agreement, other than a
5 provision that by its terms applies to an amendment to the operating
6 agreement in connection with a merger or consolidation. The provisions of
7 this subsection shall not be construed to limit the accomplishment of a
8 merger or of any of the matters referred to herein by any other means
9 provided for in an operating agreement or other agreement or as otherwise
10 permitted by law, including that the operating agreement relating to any
11 constituent series to the merger or consolidation, including a series formed
12 for the purpose of consummating a merger or consolidation, shall be the
13 operating agreement of the surviving or resulting series.

14 (f) (1) (A) When any merger or consolidation shall have become
15 effective under this section, for all purposes of the laws of the state of
16 Kansas, all of the rights, privileges and powers of each of the series that
17 have merged or consolidated, and all property, real, personal and mixed,
18 and all debts due to any of such series, as well as all other things and
19 causes of action belonging to each of such series, shall be vested in the
20 surviving or resulting series, and shall thereafter be the property of the
21 surviving or resulting series as they were of each of the series that have
22 merged or consolidated, and the title to any real property vested by deed or
23 otherwise, under the laws of the state of Kansas, in any of such series,
24 shall not revert or be in any way impaired by reason of the Kansas revised
25 limited liability company act.

26 (B) All rights of creditors and all liens upon any property of any of
27 the series that have merged or consolidated shall be preserved unimpaired,
28 and all debts, liabilities and duties of each of such series that have merged
29 or consolidated shall thereafter attach to the surviving or resulting series,
30 and may be enforced against it to the same extent as if such debts,
31 liabilities and duties had been incurred or contracted by it.

32 (2) Unless otherwise agreed, a merger or consolidation of a series that
33 is not the surviving or resulting series in the merger or consolidation, shall
34 not require such series to wind up its affairs under K.S.A. 17-76,143, and
35 amendments thereto, or pay its liabilities and distribute its assets under
36 K.S.A. 17-76,143, and amendments thereto, and the merger or
37 consolidation shall not constitute a dissolution of such series.

38 (g) An operating agreement may provide that a series of such limited
39 liability company shall not have the power to merge or consolidate as set
40 forth in this section.

41 ~~(h) This section shall take effect on and after July 1, 2020.~~

42 Sec. 18. K.S.A. 17-76,145 is hereby amended to read as follows: 17-
43 76,145. (a) If an operating agreement provides the manner in which a

1 dissolution may be revoked, it may be revoked in that manner and, unless
2 an operating agreement prohibits revocation of dissolution, then
3 notwithstanding the occurrence of an event set forth in K.S.A. 17-
4 76,116(a)(1) through (a)(4), and amendments thereto, the limited liability
5 company shall not be dissolved and its affairs shall not be wound up if,
6 prior to the filing of a certificate of cancellation with the secretary of state,
7 the limited liability company is continued, effective as of the occurrence of
8 such event:

9 (1) In the case of dissolution effected by the vote, consent or approval
10 of the members, or other persons *whose vote, consent or approval is*
11 *required for such dissolution pursuant to the operating agreement,*
12 pursuant to such vote, consent or approval, and the vote, consent or
13 approval of any members or other persons whose vote, consent or approval
14 is required under the operating agreement to revoke a dissolution
15 contemplated by this paragraph;

16 (2) in the case of dissolution under K.S.A. 17-76,116(a)(1) or (2), and
17 amendments thereto, other than a dissolution effected by the vote, consent
18 or approval of the members, or other persons *whose vote, consent or*
19 *approval is required for such dissolution pursuant to the operating*
20 *agreement,* or the occurrence of an event that causes the last remaining
21 member to cease to be a member, pursuant to such vote, consent or
22 approval that, pursuant to the terms of the operating agreement, is required
23 to amend the provision of the operating agreement effecting such
24 dissolution, and the vote, consent or approval of any members or other
25 persons whose vote, consent or approval is required under the operating
26 agreement to revoke a dissolution contemplated by this paragraph; and

27 (3) in the case of dissolution effected by the occurrence of an event
28 that causes the last remaining member to cease to be a member, pursuant
29 to the vote, consent or approval of the personal representative of the last
30 remaining member of the limited liability company or the assignee of all
31 of the limited liability company interests in the limited liability company,
32 and the vote, consent, or approval of any other person whose vote, consent
33 or approval is required under the operating agreement to revoke a
34 dissolution contemplated by this paragraph.

35 (b) If there is no remaining member of the limited liability company
36 and the personal representative of the last remaining member or the
37 assignee of all of the limited liability company interests in the limited
38 liability company votes in favor of, consents to or approves the
39 continuation of the limited liability company, such personal representative
40 or such assignee, as applicable, shall be required to agree to the admission
41 of a nominee or designee as a member, effective as of the occurrence of
42 the event that terminated the continued membership of the last remaining
43 member.

1 (c) The provisions of this section shall not be construed to limit the
2 accomplishment of a revocation of dissolution by other means permitted
3 by law.

4 Sec. 19. K.S.A. 17-76,146 is hereby amended to read as follows: 17-
5 76,146. (a) A domestic limited liability company whose articles of
6 organization or a foreign limited liability company whose authority to do
7 business has been canceled or forfeited pursuant to K.S.A. 17-7926(b), 17-
8 7929(b) or 17-7934(f), and amendments thereto, or whose articles of
9 organization or authority to do business has been forfeited pursuant to
10 K.S.A. 17-76,139~~(d)~~(g), and amendments thereto, may be reinstated by
11 filing with the secretary of state a certificate of reinstatement of *limited*
12 *liability company* accompanied by the payment of the fee required by
13 K.S.A. 17-76,136(d), and amendments thereto, and payment of the
14 business entity information report fees due under K.S.A. 17-76,139(c), and
15 amendments thereto, for all past due reports for the immediately preceding
16 10 years, and payment to the secretary of state an amount equal to all fees
17 and any penalties due. The certificate of reinstatement of *limited liability*
18 *company* shall set forth:

19 (1) The name of the limited liability company at the time its articles
20 of organization or authority to do business was canceled or forfeited and, if
21 such name is not available at the time of reinstatement, the name under
22 which the limited liability company is to be reinstated;

23 (2) the address of the limited liability company's registered office in
24 the state of Kansas and the name and address of the limited liability
25 company's resident agent in the state of Kansas;

26 (3) a statement that the certificate of reinstatement of *limited liability*
27 *company* is filed by one or more persons authorized to execute and file ~~the~~
28 *such* certificate of reinstatement to reinstate the limited liability company;
29 and

30 (4) any other matters the persons executing the certificate of
31 reinstatement of *limited liability company* determine to include therein.

32 (b) The certificate of reinstatement of *limited liability company* shall
33 be deemed to be an amendment to the articles of organization or
34 application for registration of the limited liability company, and the limited
35 liability company shall not be required to take any further action to amend
36 its articles of organization or application for registration under K.S.A. 17-
37 7674 or K.S.A. 17-7935, and amendments thereto, with respect to the
38 matters set forth in ~~the~~ *such* certificate of reinstatement.

39 (c) Upon the filing of a certificate of reinstatement of *limited liability*
40 *company*, a limited liability company ~~and all, each series thereof that have~~
41 ~~been formed and~~ whose certificate of designation has ~~not~~ been canceled
42 ~~prior to~~ as a result of the cancellation of the articles of organization of *the*
43 *limited liability company pursuant to K.S.A. 17-7926(b), 17-7929(b) or*

1 17-7934(c), and amendments thereto, and each series thereof that has not
2 been terminated and wound up, shall be reinstated with the same force and
3 effect as if ~~its~~ the articles of organization or authority to do business *of the*
4 *limited liability company* had not been canceled or forfeited pursuant to
5 K.S.A. 17-76,139~~(d)(g)~~ ~~or K.S.A.~~, 17-7926(b), 17-7929(b) or 17-7934(f),
6 and amendments thereto. Such reinstatement shall validate all contracts,
7 acts, matters and things made, done and performed by the limited liability
8 company, ~~its any series thereof or by the~~ members, managers, employees
9 and agents *of the limited liability company* during the time when ~~its the~~
10 articles of organization or authority to do business was canceled or
11 forfeited pursuant to K.S.A. 17-76,139~~(d)(g)~~ ~~or K.S.A.~~, 17-7926(b), 17-
12 7929(b) or 17-7934(f), and amendments thereto, with the same force and
13 effect and to all intents and purposes as if the articles of organization or
14 authority to do business *of the limited liability company* had remained in
15 full force and effect. All real and personal property, and all rights and
16 interests, ~~which that~~ belonged to the limited liability company *or any*
17 *series thereof* at the time ~~its the~~ articles of organization or authority to do
18 business *of the limited liability company* was canceled or forfeited
19 pursuant to K.S.A. 17-76,139~~(d)(g)~~ ~~or K.S.A.~~, 17-7926(b), 17-7929(b) or
20 17-7934(f), and amendments thereto, or ~~which that~~ were acquired by the
21 limited liability company following the cancellation or forfeiture of its
22 articles of organization or authority to do business pursuant to K.S.A. 17-
23 76,139~~(d)(g)~~ ~~or K.S.A.~~, 17-7926(b), 17-7929(b) or 17-7934(f), and
24 amendments thereto, and ~~which that~~ were not disposed of prior to the time
25 of ~~its the~~ limited liability company reinstatement, shall be vested in the
26 limited liability company *or the applicable series* after ~~its the~~
27 reinstatement as fully as they were held by the limited liability company
28 *or the applicable series* at, and after, as the case may be, the time ~~its that~~
29 *the* articles of organization or authority to do business *of the limited*
30 *liability company* was canceled or forfeited pursuant to K.S.A. 17-
31 76,139~~(d)(g)~~ ~~or K.S.A.~~, 17-7926(b), 17-7929(b) or 17-7934(f), and
32 amendments thereto. After ~~its the~~ reinstatement *of the limited liability*
33 *company*, the limited liability company *and any series thereof* shall be as
34 exclusively liable for all contracts, acts, matters and things made, done or
35 performed in ~~its the~~ name *of* and on ~~its~~ behalf *of the limited liability*
36 *company or such series* by ~~its the~~ members, managers, employees and
37 agents prior to ~~its the~~ reinstatement as if ~~its the~~ articles of organization or
38 authority to do business *of the limited liability company* had at all times
39 remained in full force and effect.

40 Sec. 20. K.S.A. 17-76,148 is hereby amended to read as follows: 17-
41 76,148. K.S.A. 17-76,148 through 17-76,155, and amendments thereto,
42 apply to all statutory public benefit limited liability companies, as defined
43 in K.S.A. 17-76,149, and amendments thereto. If a limited liability

1 company *is formed as or* elects to become a statutory public benefit
2 limited liability company ~~under K.S.A. 17-76,148 through 17-76,155, and~~
3 ~~amendments thereto~~, in the manner prescribed in ~~K.S.A. 17-76,148~~
4 ~~through 17-76,155, and amendments thereto~~ *this section*, ~~it such limited~~
5 *liability company* shall be subject in all respects to the provisions of the
6 Kansas revised limited liability company act, except to the extent *that*
7 K.S.A. 17-76,148 through 17-76,155, and amendments thereto, impose
8 additional or different requirements, such *additional or different*
9 requirements shall apply, and notwithstanding K.S.A. 17-76,134, and
10 amendments thereto, or any other provision of the Kansas revised limited
11 liability company act, such *additional or different* requirements imposed
12 by K.S.A. 17-76,148 through 17-76,155, and amendments thereto, may not
13 be altered in the operating agreement. *If a limited liability company is not*
14 *formed as a statutory public benefit limited liability company, such limited*
15 *liability company may become a statutory public benefit limited liability*
16 *company in the manner specified in its operating agreement or by*
17 *amending its operating agreement and articles of organization to comply*
18 *with the requirements of K.S.A. 17-76,148 through 17-76,155, and*
19 *amendments thereto.*

20 Sec. 21. K.S.A. 17-76,149 is hereby amended to read as follows: 17-
21 76,149. (a) A "statutory public benefit limited liability company" is a for-
22 profit limited liability company formed under and subject to the
23 requirements of the Kansas revised limited liability company act that is
24 intended to produce a public benefit or public benefits and to operate in a
25 responsible and sustainable manner. To that end, a statutory public benefit
26 limited liability company shall be managed in a manner that balances the
27 members' pecuniary interests, the best interests of those materially affected
28 by the limited liability company's conduct; and the public benefit or public
29 benefits set forth *in its operating agreement and* in its articles of
30 organization. A statutory public benefit limited liability company shall
31 state *in its operating agreement and* in the heading of its articles of
32 organization that it is a statutory public benefit limited liability company;
33 and shall set forth *in its operating agreement and articles of organization*
34 one or more specific public benefits to be promoted by the limited liability
35 company. *In the event of any inconsistency between the public benefit or*
36 *benefits to be promoted by the limited liability company as set forth in its*
37 *operating agreement and* in its articles of organization; the operating
38 agreement *shall control as among the members, the managers and other*
39 *persons who are party to or otherwise bound by the operating agreement.*
40 *A manager of a statutory public benefit limited liability company may not*
41 ~~contain any provision~~ *or, if there is no manager, then any member of a*
42 *statutory public benefit limited liability company who becomes aware that*
43 *the specific public benefit or benefits to be promoted by the limited*

1 *liability company as set forth in its operating agreement are inaccurately*
2 *set forth in its articles of organization, shall promptly amend the articles*
3 *of organization. Any provision in the operating agreement or articles of*
4 *organization of a statutory public benefit limited liability company that is*
5 *inconsistent with K.S.A. 17-76,148 through 17-76,155, and amendments*
6 *thereto, shall not be effective to the extent of such inconsistency.*

7 (b) "Public benefit" means a positive effect, or reduction of negative
8 effects, on one or more categories of persons, entities, communities or
9 interests, other than members in their capacities as members, including,
10 but not limited to, effects of an artistic, charitable, cultural, economic,
11 educational, environmental, literary, medical, religious, scientific or
12 technological nature. "Public benefit provisions" means the provisions of
13 the articles of organization, an operating agreement, or both, in either case
14 as contemplated by K.S.A. 17-76,148 through 17-76,155, and amendments
15 thereto.

16 (c) If the name of a statutory public benefit limited liability company
17 does not contain the term "statutory public benefit limited liability
18 company," or the abbreviation "S.P.B.L.L.C.," or the designation
19 "SPBLLC," or words or abbreviations of like import in other languages if
20 they are written in Roman characters or letters, the statutory public benefit
21 limited liability company shall, prior to issuing any limited liability
22 company interest, provide notice to any person to whom such limited
23 liability company interest is issued that it is a statutory public benefit
24 limited liability company. Such notice need not be provided if the issuance
25 is pursuant to an offering registered under the securities act of 1933, 15
26 U.S.C. § 77r et seq., or if, at the time of issuance, the statutory public
27 benefit limited liability company has a class of securities that is registered
28 under the securities exchange act of 1934, 15 U.S.C. § 78a et seq.

29 Sec. 22. K.S.A. 17-76,151 is hereby amended to read as follows: 17-
30 76,151. (a) The members, managers or other persons with authority to
31 manage or direct the business and affairs of a statutory public benefit
32 limited liability company shall manage or direct the business and affairs of
33 the statutory public benefit limited liability company in a manner that
34 balances the pecuniary interests of the members, the best interests of those
35 materially affected by the limited liability company's conduct, and the
36 specific public benefit or public benefits set forth in its *operating*
37 *agreement and* articles of organization. Unless otherwise provided in an
38 operating agreement, a member, manager or other person with authority to
39 manage or direct the business and affairs of the statutory public benefit
40 limited liability company shall not have any liability for monetary
41 damages for the failure to manage or direct the business and affairs of the
42 statutory public benefit limited liability company as provided in this
43 subsection.

1 (b) A member, manager or other person with authority to manage or
2 direct the business and affairs of the statutory public benefit limited
3 liability company shall not, by virtue of the public benefit provisions or
4 K.S.A. 2024 Supp. 17-76,149(a), and amendments thereto, have any duty
5 to any person on account of any interest of such person in the public
6 benefit or public benefits set forth in its *operating agreement and* articles
7 of organization or on account of any interest materially affected by the
8 limited liability company's conduct and, with respect to a decision
9 implicating the balance requirement in subsection (a), will be deemed to
10 satisfy such person's fiduciary duties to members and the limited liability
11 company if such person's decision is both informed and disinterested and
12 not such that no person of ordinary, sound judgment would approve.

13 Sec. 23. K.S.A. 17-76,152 is hereby amended to read as follows: 17-
14 76,152. (a) A statutory public benefit limited liability company, at least
15 annually, shall provide its members with a statement as to the limited
16 liability company's promotion of the public benefit or public benefits set
17 forth in its *operating agreement and* articles of organization and as to the
18 best interests of those materially affected by the limited liability company's
19 conduct. The statement shall include:

20 (1) The objectives that have been established to promote such public
21 benefit or public benefits and interests;

22 (2) the standards that have been adopted to measure the limited
23 liability company's progress in promoting such public benefit or public
24 benefits and interests;

25 (3) objective factual information based on those standards regarding
26 the limited liability company's success in meeting the objectives for
27 promoting such public benefit or public benefits and interests; and

28 (4) an assessment of the limited liability company's success in
29 meeting the objectives and promoting such public benefit or public
30 benefits and interests.

31 (b) A statutory public benefit limited liability company shall provide
32 the statement in subsection (a) to its members at the time prescribed by
33 K.S.A. 17-76,139, and amendments thereto, for the filing of the statutory
34 public benefit limited liability company's annual report.

35 (c) The statement described in subsection (a) shall be based on a
36 third-party standard. A "third-party standard" means a standard for
37 defining, reporting and assessing promotion of the public benefit or public
38 benefits identified in the statutory public benefit limited liability
39 company's *operating agreement or* articles of organization that: (1) Is
40 developed by a person or entity that is independent of the statutory public
41 benefit limited liability company; and (2) is transparent because the
42 following information about the standard is publicly available: (A) The
43 factors considered when measuring the performance of a business; (B) the

1 relative weightings of those factors; and (C) the identity of the persons
2 who developed the standard and who control changes to the standard and
3 the process by which those changes are made. For purposes of this section,
4 the term "independent" means having no material relationship with the
5 statutory public benefit limited liability company or any of its members,
6 managers, affiliates or other persons with authority to manage or direct the
7 business and affairs of the statutory public benefit limited liability
8 company.

9 (d) A statutory public benefit limited liability company shall post its
10 most recent statement described in subsection (a) on the public portion of
11 its website, if any, concurrently with the delivery of such statement to its
12 members under subsection (b). If a statutory public benefit limited liability
13 company does not have a website, it shall provide a copy of such
14 statement, without charge, to any person that requests a copy. Any
15 compensation paid to any person and any other financial or proprietary
16 information contained in the statement described in subsection (a) may be
17 omitted from any statement that is publicly posted or provided to any
18 person pursuant to this subsection, other than a statement provided to a
19 member, manager or other person with authority to manage or direct the
20 business and affairs of the statutory public benefit limited liability
21 company.

22 (e) The articles of organization or the operating agreement of a
23 statutory public benefit limited liability company may require that the
24 statutory public benefit limited liability company obtain a periodic third-
25 party certification addressing the statutory public benefit limited liability
26 company's promotion of the public benefit or public benefits identified in
27 the *operating agreement* or articles of organization or the best interests of
28 those materially affected by the statutory public benefit limited liability
29 company's conduct, or both.

30 Sec. 24. K.S.A. 17-78-205 is hereby amended to read as follows: 17-
31 78-205. (a) A certificate of merger shall be signed on behalf of the
32 surviving entity and filed with the secretary of state.

33 (b) A certificate of merger shall contain:

34 (1) The name, jurisdiction of organization and type of each merging
35 entity that is not the surviving entity;

36 (2) the name, jurisdiction of organization and type of the surviving
37 entity;

38 (3) if the certificate of merger is not to be effective upon filing, the
39 later date and time when it will become effective, which shall not be more
40 than 90 days after the date of filing;

41 (4) a statement that the merger ~~was~~ *will be* approved by each
42 domestic merging entity, if any, in accordance with K.S.A. 17-78-201
43 through 17-78-206, and amendments thereto, *prior to the time that the*

1 *certificate of merger becomes effective* or if not required to be approved
2 under the circumstances stated in K.S.A. 17-78-203(c), and amendments
3 thereto, a statement that the circumstances stated in K.S.A. 17-78-203(c),
4 and amendments thereto, apply, and by each foreign merging entity, if any,
5 in accordance with the law of its jurisdiction of organization;

6 (5) if the surviving entity exists before the merger and is a domestic
7 filing entity, any amendment to its public organic document approved as
8 part of the agreement of merger, which may amend and restate its public
9 organic document;

10 (6) if the surviving entity is created by the merger and is a domestic
11 filing entity, its public organic document, as an attachment;

12 (7) if the surviving entity is created by the merger and is a domestic
13 limited liability partnership, its statement of qualification, as an
14 attachment; and

15 (8) if the surviving entity is a foreign entity that is not a qualified
16 foreign entity, a postal address to which the secretary of state may send
17 any process served on the secretary of state pursuant to K.S.A. 17-78-
18 206(e), and amendments thereto.

19 (c) In addition to the requirements of subsection (b), a certificate of
20 merger may contain any other provision not prohibited by law.

21 (d) If the surviving entity is a domestic entity, its name and any
22 attached public organic document shall satisfy the requirements of the law
23 of this state, except that it does not need to be signed and may omit any
24 provision that is not required to be included in a restatement of the public
25 organic document. If the surviving entity is a qualified foreign entity, its
26 name shall satisfy the requirements of the law of this state.

27 (e) An agreement of merger that is signed on behalf of all of the
28 merging entities, or under the circumstances stated in K.S.A. 17-78-203(c),
29 and amendments thereto, only signed on behalf of the merging entity that
30 owns at least 90% of the interest of a domestic corporation or corporations,
31 and meets all of the requirements of subsection (b) may be filed with the
32 secretary of state instead of a certificate of merger and upon filing has the
33 same effect. If an agreement of merger is filed as provided in this
34 subsection, references in this act to a certificate of merger refer to the
35 agreement of merger filed under this subsection.

36 (f) A certificate of merger becomes effective upon the date and time
37 of filing or the later date and time specified in the certificate of merger.

38 Sec. 25. K.S.A. 17-78-206 is hereby amended to read as follows: 17-
39 78-206. (a) When a merger becomes effective:

40 (1) The surviving entity continues or comes into existence;

41 (2) each merging entity that is not the surviving entity ceases to exist;

42 (3) all property of each merging entity vests in the surviving entity
43 without assignment, reversion or impairment;

- 1 (4) all liabilities of each merging entity are liabilities of the surviving
2 entity;
- 3 (5) except as otherwise provided by law other than this act or the
4 agreement of merger, all of the rights, privileges, immunities, powers and
5 purposes of each merging entity vest in the surviving entity;
- 6 (6) if the surviving entity exists before the merger:
- 7 (A) All of its property continues to be vested in it without reversion
8 or impairment;
- 9 (B) it remains subject to all of its liabilities; and
- 10 (C) all of its rights, privileges, immunities, powers and purposes
11 continue to be vested in it;
- 12 (7) the name of the surviving entity may be substituted for the name
13 of any merging entity that is a party to any pending action or proceeding;
- 14 (8) if the surviving entity exists before the merger:
- 15 (A) Its public organic document, if any, is amended, *and such*
16 *amendment may amend and restate the public organic document entirely,*
17 as provided in the certificate of merger and is binding on its interest
18 holders; and
- 19 (B) its private organic rules that are to be in a record, if any, are
20 amended to the extent provided in the agreement of merger and are
21 binding on and enforceable by:
- 22 (i) Its interest holders; and
- 23 (ii) in the case of a surviving entity that is not a corporation, any other
24 person that is a party to an agreement that is part of the surviving entity's
25 private organic rules;
- 26 (9) if the surviving entity is created by the merger:
- 27 (A) Its public organic document, if any, is effective and is binding on
28 its interest holders; and
- 29 (B) its private organic rules are effective and are binding on and
30 enforceable by:
- 31 (i) Its interest holders; and
- 32 (ii) in the case of a surviving entity that is not a corporation, any other
33 person that was a party to an agreement that was part of the organic rules
34 of a merging entity if that person has agreed to be a party to an agreement
35 that is part of the surviving entity's private organic rules; and
- 36 (10) the interests in each merging entity that are to be converted in
37 the merger are converted and the interest holders of those interests are
38 entitled only to the rights provided to them under the agreement of merger
39 and to any appraisal rights they have under K.S.A. 17-78-109, and
40 amendments thereto, and the merging entity's organic law.
- 41 (b) Except as otherwise provided in the organic law or organic rules
42 of a merging entity, the merger does not give rise to any rights that an
43 interest holder, governor or third party would otherwise have upon a

1 dissolution, liquidation or winding-up of the merging entity.

2 (c) When a merger becomes effective, a person that did not have
3 interest holder liability with respect to any of the merging entities and that
4 becomes subject to interest holder liability with respect to a domestic
5 entity as a result of a merger has interest holder liability only to the extent
6 provided by the organic law of the entity and only for those liabilities that
7 arise after the merger becomes effective.

8 (d) When a merger becomes effective, the interest holder liability of a
9 person that ceases to hold an interest in a domestic merging entity with
10 respect to which the person had interest holder liability is as follows:

11 (1) The merger does not discharge any interest holder liability under
12 the organic law of the domestic merging entity to the extent the interest
13 holder liability arose before the merger became effective;

14 (2) the person does not have interest holder liability under the organic
15 law of the domestic merging entity for any liability that arises after the
16 merger becomes effective;

17 (3) the organic law of the domestic merging entity continues to apply
18 to the release, collection or discharge of any interest holder liability
19 preserved under paragraph (1) as if the merger had not occurred and the
20 surviving entity were the domestic merging entity; and

21 (4) the person has whatever rights of contribution from any other
22 person as are provided by the organic law or organic rules of the domestic
23 merging entity with respect to any interest holder liability preserved under
24 paragraph (1) as if the merger had not occurred.

25 (e) When a merger becomes effective, a foreign entity that is the
26 surviving entity:

27 (1) May be served with process in this state for the collection and
28 enforcement of any liabilities of a domestic merging entity; and

29 (2) irrevocably appoints the secretary of state as its agent to accept
30 service of process in any such suit or other proceeding. Service of process
31 shall be made on the foreign entity pursuant to K.S.A. 60-304, and
32 amendments thereto.

33 (f) When a merger becomes effective, the certificate of authority or
34 other foreign qualification of any foreign merging entity that is not the
35 surviving entity is canceled.

36 Sec. 26. K.S.A. 17-78-305 is hereby amended to read as follows: 17-
37 78-305. (a) A certificate of interest exchange shall be signed on behalf of a
38 domestic acquired entity and filed with the secretary of state.

39 (b) A certificate of interest exchange must contain:

40 (1) The name and type of the acquired entity;

41 (2) the name, jurisdiction of organization and type of the acquiring
42 entity;

43 (3) if the certificate of interest exchange is not to be effective upon

1 filing, the later date and time on which it will become effective, which
2 may not be more than 90 days after the date of filing;

3 (4) a statement that the agreement of interest exchange ~~was~~ *will be*
4 approved by the acquired entity in accordance with K.S.A. 17-78-301
5 through 17-78-306, and amendments thereto, *prior to the time that the*
6 *certificate of interest exchange becomes effective*; and

7 (5) any amendments to the acquired entity's public organic document
8 approved as part of the agreement of interest exchange.

9 (c) In addition to the requirements of subsection (b), a certificate of
10 interest exchange may contain any other provision not prohibited by law.

11 (d) An agreement of interest exchange that is signed on behalf of a
12 domestic acquired entity and meets all of the requirements of subsection
13 (b) may be filed with the secretary of state instead of a certificate of
14 interest exchange and upon filing has the same effect. If an agreement of
15 interest exchange is filed as provided in this subsection, references in this
16 act to a certificate of interest exchange refer to the agreement of interest
17 exchange filed under this subsection.

18 (e) A certificate of interest exchange becomes effective upon the date
19 and time of filing or the later date and time specified in the certificate of
20 interest exchange.

21 Sec. 27. K.S.A. 17-78-306 is hereby amended to read as follows: 17-
22 78-306. (a) When an interest exchange becomes effective:

23 (1) The interests in the acquired entity that are the subject of the
24 interest exchange cease to exist or are converted or exchanged and the
25 interest holders of those interests are entitled only to the rights provided to
26 them under the agreement of interest exchange and to any appraisal rights
27 they have under K.S.A. 17-78-109, and amendments thereto, and the
28 acquired entity's organic law;

29 (2) the acquiring entity becomes the interest holder of the interests in
30 the acquired entity stated in the agreement of interest exchange to be
31 acquired by the acquiring entity;

32 (3) the public organic document, if any, of the acquired entity is
33 amended, *and such amendment may amend and restate the public organic*
34 *document in its entirety*, as provided in the certificate of interest exchange
35 and is binding on its interest holders; and

36 (4) the private organic rules of the acquired entity that are to be in a
37 record, if any, are amended to the extent provided in the agreement of
38 interest exchange and are binding on and enforceable by:

39 (A) Its interest holders; and

40 (B) in the case of an acquired entity that is not a corporation, any
41 other person that is a party to an agreement that is part of the acquired
42 entity's private organic rules.

43 (b) Except as otherwise provided in the organic law or organic rules

1 of the acquired entity, the interest exchange does not give rise to any rights
2 that an interest holder, governor or third party would otherwise have upon
3 a dissolution, liquidation or winding-up of the acquired entity.

4 (c) When an interest exchange becomes effective, a person that did
5 not have interest holder liability with respect to the acquired entity and that
6 becomes subject to interest holder liability with respect to a domestic
7 entity as a result of the interest exchange has interest holder liability only
8 to the extent provided by the organic law of the entity and only for those
9 liabilities that arise after the interest exchange becomes effective.

10 (d) When an interest exchange becomes effective, the interest holder
11 liability of a person that ceases to hold an interest in a domestic acquired
12 entity with respect to which the person had interest holder liability is as
13 follows:

14 (1) The interest exchange does not discharge any interest holder
15 liability under the organic law of the domestic acquired entity to the extent
16 the interest holder liability arose before the interest exchange became
17 effective;

18 (2) the person does not have interest holder liability under the organic
19 law of the domestic acquired entity for any liability that arises after the
20 interest exchange becomes effective;

21 (3) the organic law of the domestic acquired entity continues to apply
22 to the release, collection or discharge of any interest holder liability
23 preserved under paragraph (1) as if the interest exchange had not occurred;
24 and

25 (4) the person has whatever rights of contribution from any other
26 person as are provided by the organic law or organic rules of the domestic
27 acquired entity with respect to any interest holder liability preserved under
28 paragraph (1) as if the interest exchange had not occurred.

29 Sec. 28. K.S.A. 17-78-405 is hereby amended to read as follows: 17-
30 78-405. (a) A certificate of conversion shall be signed on behalf of the
31 converting entity and filed with the secretary of state.

32 (b) A certificate of conversion shall contain:

33 (1) The name, jurisdiction of organization and type of the converting
34 entity;

35 (2) the name, jurisdiction of organization and type of the converted
36 entity;

37 (3) if the certificate of conversion is not to be effective upon filing,
38 the later date and time on which it will become effective, which may not
39 be more than 90 days after the date of filing;

40 (4) if the converting entity is a domestic entity, a statement that the
41 agreement of conversion ~~was~~ *will be* approved in accordance with K.S.A.
42 17-78-401 through 17-78-406, and amendments thereto, *prior to the time*
43 *that the certificate of conversion becomes effective* or, if the converting

1 entity is a foreign entity, a statement that the conversion was approved by
2 the foreign converting entity in accordance with the law of its jurisdiction
3 of organization;

4 (5) if the converted entity is a domestic filing entity, the text of its
5 public organic document, as an attachment;

6 (6) if the converted entity is a domestic limited liability partnership,
7 the text of its statement of qualification, as an attachment; and

8 (7) if the converted entity is a foreign entity, a mailing address to
9 which the secretary of state may send any process served on the secretary
10 of state pursuant to subsection (e) of K.S.A. 17-78-406, and amendments
11 thereto.

12 (c) In addition to the requirements of subsection (b), a certificate of
13 conversion may contain any other provision not prohibited by law.

14 (d) If the converted entity is a domestic entity, its name and public
15 organic document, if any, ~~must~~ *shall* satisfy the requirements of the law of
16 this state, except that it does not need to be signed and may omit any
17 provision that is not required to be included in a restatement of the public
18 organic document.

19 (e) An agreement of conversion that is signed on behalf of a domestic
20 converting entity and meets all of the requirements of subsection (b) may
21 be filed with the secretary of state instead of a certificate of conversion and
22 upon filing has the same effect. If an agreement of conversion is filed as
23 provided in this subsection, references in this act to a certificate of
24 conversion refer to the agreement of conversion filed under this
25 subsection.

26 (f) A certificate of conversion becomes effective upon the date and
27 time of filing or the later date and time specified in the certificate of
28 conversion.

29 Sec. 29. K.S.A. 17-78-505 is hereby amended to read as follows: 17-
30 78-505. (a) A certificate of domestication shall be signed on behalf of the
31 domesticating entity and filed with the secretary of state.

32 (b) A certificate of domestication shall contain:

33 (1) The name, jurisdiction of organization and type of the
34 domesticating entity;

35 (2) the name and jurisdiction of organization of the domesticated
36 entity;

37 (3) if the certificate of domestication is not to be effective upon filing,
38 the later date and time on which it will become effective, which may not
39 be more than 90 days after the date of filing;

40 (4) if the domesticating entity is a domestic entity, a statement that
41 the agreement of domestication ~~was~~ *will be* approved in accordance with
42 K.S.A. 17-78-501 through 17-78-506, and amendments thereto, *prior to*
43 *the time that the certificate of domestication becomes effective* or, if the

1 domesticating entity is a foreign entity, a statement that the domestication
2 was approved in accordance with the law of its jurisdiction of
3 organization;

4 (5) if the domesticated entity is a domestic filing entity, its public
5 organic document, as an attachment;

6 (6) if the domesticated entity is a domestic limited liability
7 partnership, its statement of qualification, as an attachment; and

8 (7) if the domesticated entity is a foreign entity, a mailing address to
9 which the secretary of state may send any process served on the secretary
10 of state pursuant to subsection (e) of K.S.A. 17-78-506, and amendments
11 thereto.

12 (c) In addition to the requirements of subsection (b), a certificate of
13 domestication may contain any other provision not prohibited by law.

14 (d) If the domesticated entity is a domestic entity, its name and public
15 organic document, if any, must satisfy the requirements of the law of this
16 state, except that it does not need to be signed and may omit any provision
17 that is not required to be included in a restatement of the public organic
18 document.

19 (e) An agreement of domestication that is signed on behalf of a
20 domesticating domestic entity and meets all of the requirements of
21 subsection (b) may be filed with the secretary of state instead of a
22 certificate of domestication and upon filing has the same effect. If an
23 agreement of domestication is filed as provided in this subsection,
24 references in this act to a certificate of domestication refer to the
25 agreement of domestication filed under this subsection.

26 (f) A certificate of domestication becomes effective upon the date and
27 time of filing or the later date and time specified in the certificate of
28 domestication.

29 Sec. 30. K.S.A. 17-7904 is hereby amended to read as follows: 17-
30 7904. The following documents related to limited liability companies shall
31 be filed with the secretary of state:

32 (a) Articles of organization as set forth in K.S.A. 17-7673 and K.S.A.
33 17-7673a, and amendments thereto;

34 (b) professional articles of organization as set forth in K.S.A. 17-7673
35 and K.S.A. 17-7673a, and amendments thereto;

36 (c) series limited liability company articles of organization as set
37 forth in K.S.A. 17-76,143, and amendments thereto;

38 (d) foreign limited liability company application for authority as set
39 forth in K.S.A. 17-7931, and amendments thereto;

40 (e) foreign series limited liability company application for admission
41 to transact business as set forth in K.S.A. 17-76,143 and 17-7931, and
42 amendments thereto;

43 (f) business entity information report as set forth in K.S.A. 17-76,139,

1 and amendments thereto;

2 (g) certificate of amendment as set forth in K.S.A. 17-7674 and
3 K.S.A. 17-7674a and 17-76,143, and amendments thereto;

4 (h) restated articles of organization as set forth in K.S.A. 17-7680,
5 and amendments thereto;

6 (i) series certificate of designation as set forth in K.S.A. 17-76,143,
7 and amendments thereto;

8 (j) certificate of amendment or termination to certificate of merger or
9 consolidation as set forth in K.S.A. 17-7681 or K.S.A. 17-76,143a, and
10 amendments thereto;

11 (k) certificate of correction as set forth in K.S.A. 17-7912, and
12 amendments thereto;

13 (l) foreign certificate of correction as set forth in K.S.A. 17-7912, and
14 amendments thereto;

15 (m) change of registered office or resident agent as set forth in K.S.A.
16 17-7926, 17-7927, 17-7928 and 17-7929, and amendments thereto;

17 (n) mergers or consolidations as set forth in K.S.A. 17-7681 or
18 K.S.A. 17-76,143a, and amendments thereto;

19 (o) reinstatement as set forth in K.S.A. 17-76,139 or K.S.A. 17-76-
20 147, and amendments thereto;

21 (p) certificate of cancellation as set forth in K.S.A. 17-7675 or K.S.A.
22 17-76,143, and amendments thereto;

23 (q) foreign cancellation of registration as set forth in K.S.A. 17-7936,
24 and amendments thereto; ~~and~~

25 (r) certificate of division as set forth in K.S.A. 17-7685a, and
26 amendments thereto;

27 *(s) certificate of amendment to certificate of designation as set forth*
28 *in K.S.A. 17-7685a, and amendments thereto; and*

29 *(t) certificate of merger or consolidation of series as set forth in*
30 *K.S.A. 17-76,143a, and amendments thereto.*

31 Sec. 31. K.S.A. 17-7925 is hereby amended to read as follows: 17-
32 7925. (a) Every covered entity shall have and maintain in this state a
33 resident agent, which agent may be either:

34 (1) The covered entity itself;

35 (2) an individual resident in this state;

36 (3) a domestic corporation, a domestic limited partnership, a domestic
37 limited liability partnership, a domestic limited liability company or a
38 domestic business trust; or

39 (4) a foreign corporation, a foreign limited partnership, a foreign
40 limited liability partnership, a foreign limited liability company or a
41 foreign business trust.

42 (b) Every resident agent for a covered entity shall:

43 (1) If a domestic entity, *be in good standing and* maintain a business

1 office identical with the registered office ~~which~~ *that* is generally open, or if
2 an individual, be generally present at a designated location in this state at
3 sufficiently frequent times to accept service of process and otherwise
4 perform the functions of a resident agent;

5 (2) if a foreign entity, be authorized to transact business in this state;

6 (3) accept service of process and other communications directed to
7 the covered entity for which it serves as resident agent and forward the
8 same to the covered entity to which the service or communication is
9 directed; and

10 (4) forward to the covered entity for which it serves as a resident
11 agent documents sent by the secretary of state.

12 (c) Unless the context otherwise requires, whenever the term
13 "resident agent" or "registered agent" or "resident agent in charge of a
14 (applicable covered entity's) principal office or place of business in this
15 state," or other term of like import ~~which~~ *that* refers to a covered entity's
16 agent required by statute to be located in this state, is or has been used in a
17 covered entity's public organic documents, or in any other document, or in
18 any statute, it shall be deemed to mean and refer to the covered entity's
19 resident agent required by this section, and it shall not be necessary for any
20 covered entity to amend its public organic documents, or any other
21 document, to comply with this section.

22 Sec. 32. K.S.A. 17-7927 is hereby amended to read as follows: 17-
23 7927. (a) A resident agent may change the address of the registered office
24 of any covered entities for which such agent is resident agent to another
25 address in this state by paying a fee if authorized by law, as provided by
26 K.S.A. 17-7910, and amendments thereto, and filing with the secretary of
27 state a certificate, executed by such resident agent, setting forth the names
28 of all the covered entities represented by such resident agent, and the
29 address at which such resident agent has maintained the registered office
30 for each of such covered entities, and further certifying to the new address
31 to which each such registered office will be changed on a given day, and at
32 which new address such resident agent will thereafter maintain the
33 registered office for each of the covered entities recited in the certificate.
34 Thereafter, or until further change of address, as authorized by law, the
35 registered office in this state of each of the covered entities for which it is
36 a resident agent shall be located at the new address of the resident agent
37 thereof as given in the certificate.

38 (b) Whenever the location of a resident agent's office is moved to
39 another room or suite within the same structure and such change is
40 reported in writing to the secretary of state, no fee shall be charged for
41 recording such change on the appropriate records on file with the secretary
42 of state.

43 (c) In the event of a change of name of any person or entity acting as

1 resident agent in this state, such resident agent shall pay a fee if authorized
2 by law, as provided by K.S.A. 17-7910, and amendments thereto, and file
3 with the secretary of state a certificate, executed by such resident agent,
4 setting forth the new name of such resident agent, the name of such
5 resident agent before it was changed, the names of all the covered entities
6 represented by such resident agent, and the address at which such resident
7 agent has maintained the registered office for each of such covered
8 entities. A change of name of any person or entity acting as a resident
9 agent as a result of *the following shall be deemed a change of name for*
10 *purposes of this section:*

11 (1) A merger or consolidation of the resident agent, with or into
12 another entity ~~which~~ *that* succeeds to its assets by operation of law, ~~shall~~
13 ~~be deemed a change of name for purposes of this section;~~

14 (2) *the conversion of the resident agent into another person; or*

15 (3) *a division of the resident agent in which an identified resulting*
16 *person succeeds to all of the assets and liabilities of the resident agent*
17 *related to its resident agent business pursuant to the plan of division, as*
18 *set forth in the certificate of division.*

19 (d) In the event of both a change of name of any person or entity
20 acting as resident agent for any covered entity and a change of address,
21 such resident agent shall pay a fee if authorized by law, as provided by
22 K.S.A. 17-7910, and amendments thereto, and file with the secretary of
23 state a certificate, executed by such resident agent, setting forth the new
24 name of such resident agent, the name of such resident agent before it was
25 changed, the names of all the covered entities represented by such resident
26 agent and the address at which such resident agent has maintained the
27 registered office for each such covered entity, and further certifying to the
28 new address to which each such registered office will be changed on a
29 given day, and at which new address such resident agent will thereafter
30 maintain the registered office for each of the covered entities recited in the
31 certificate. Upon the filing of such certificate, and thereafter, or until
32 further change of address or change of name, as authorized by law, the
33 registered office in this state of each of the covered entities recited in the
34 certificate shall be located at the new address of the resident agent as given
35 in the certificate and the change of name shall be effective.

36 Sec. 33. K.S.A. 17-7929 is hereby amended to read as follows: 17-
37 7929. (a) The resident agent of a covered entity, including a resident agent
38 that no longer qualifies to be a resident agent under K.S.A. 17-7925, and
39 amendments thereto, may resign without appointing a successor by paying
40 a fee if authorized by law, as provided by K.S.A. 17-7910, and
41 amendments thereto, and filing a certificate of resignation, with the
42 secretary of state stating that the resident agent resigns as resident agent
43 for the covered entity or entities identified in the certificate, but such

1 resignation shall not become effective until 30 days after the certificate is
2 filed. The certificate shall be executed by the resident agent, shall contain a
3 statement that written notice of resignation was given to ~~each affected~~ *the*
4 covered entity at least 30 days prior to the filing of the certificate by
5 mailing or delivering such notice to the covered entity at its address last
6 known to the resident agent and shall set forth the date of such notice. The
7 certificate shall also include the postal address and name and contact
8 information of an officer, director, employee or designated agent who is
9 then authorized to receive communications from the resident agent with
10 respect to the affected covered entities last known to the resident agent,
11 and such information shall not be deemed public information and will not
12 constitute a public record as defined in K.S.A. 45-217, and amendments
13 thereto.

14 (b) After receipt of the notice of the resignation of its resident agent,
15 provided for in subsection (a), any covered entity for which such resident
16 agent was acting shall obtain and designate a new resident agent to take
17 the place of the resident agent so resigning. Such covered entity shall pay a
18 fee if authorized by law, as provided by K.S.A. 17-7910, and amendments
19 thereto, and file with the secretary of state a certificate setting forth the
20 name and postal address of the successor resident agent. Upon such filing,
21 the successor resident agent shall become the resident agent of such
22 covered entity and the successor resident agent's postal address, as stated
23 in such certificate, shall become the postal address of the covered entity's
24 registered office in this state. If such covered entity fails to obtain and
25 designate a new resident agent as aforesaid, prior to the expiration of the
26 period of 60 days after the filing by the resident agent of the certificate of
27 resignation, the secretary of state shall declare the entity's organizing
28 documents forfeited.

29 (c) After the resignation of the resident agent shall have become
30 effective, as provided in subsection (a), and if no new resident agent shall
31 have been obtained and designated in the time and manner provided for in
32 subsection (b), service of legal process against the covered entity, or in the
33 case of a domestic or foreign limited liability company, any series of such
34 limited liability company, for which the resigned resident agent had been
35 acting shall thereafter be upon the secretary of state in the manner
36 prescribed by K.S.A. 60-304, and amendments thereto.

37 (d) Any covered entity affected by the filing of a certificate under this
38 section shall not be required to take any further action to amend its public
39 organic documents to reflect a change of registered office or resident
40 agent.

41 Sec. 34. K.S.A. 17-7662, 17-7663, 17-7668, 17-7670, 17-7681, 17-
42 7682, 17-7685a, 17-7686, 17-7687, 17-7690, 17-7695, 17-7698, 17-
43 76,143, 17-76,143a, 17-76,145, 17-76,146, 17-76,148, 17-76,149, 17-

1 76,150, 17-76,151, 17-76,152, 17-78-205, 17-78-206, 17-78-305, 17-78-
2 306, 17-78-405, 17-78-505, 17-7904, 17-7925, 17-7927 and 17-7929 and
3 K.S.A. 2024 Supp. 17-76,136 are hereby repealed.

4 Sec. 35. This act shall take effect and be in force from and after its
5 publication in the statute book.