

## HOUSE BILL No. 2105

By Committee on Judiciary

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1 AN ACT concerning business entities; relating to limited liability  
2 companies; Kansas revised limited liability company act; business  
3 entity standard treatment act; amending K.S.A. 17-76,135 and 17-  
4 76,138 and K.S.A. 2018 Supp. 17-7662, 17-7663, 17-7673, 17-7675,  
5 17-7675, as amended by section 16 of this act, 17-7679, 17-7679, as  
6 amended by section 18 of this act, 17-7680, 17-7680, as amended by  
7 section 20 of this act, 17-7681, 17-7687, 17-7689, 17-7690, 17-7695,  
8 17-7698, 17-76,106, 17-76,112, 17-76,113, 17-76,114, 17-76,116, 17-  
9 76,118, 17-76,136, 17-76,136, as amended by section 35 of this act, 17-  
10 76,139, 17-76,143, 17-76,145, 17-76,146, 17-7904, 17-7904, as  
11 amended by section 42 of this act, 17-7915, 17-7916, 17-7918, 17-  
12 7923, 17-7929, 17-7933, 60-304, 84-1-201 and 84-9-102 and repealing  
13 the existing sections.  
14

15 *Be it enacted by the Legislature of the State of Kansas:*

16 New Section 1. (a) Unless otherwise provided in an operating  
17 agreement, any person may enter into an operating agreement or  
18 amendment thereof by an agent, including an attorney-in-fact. An  
19 authorization, including a power of attorney, to enter into an operating  
20 agreement or amendment thereof need not be in writing, need not be sworn  
21 to, verified or acknowledged.

22 (b) For all purposes of the laws of the state of Kansas, unless  
23 otherwise provided in an operating agreement, a power of attorney or  
24 proxy with respect to a limited liability company granted to any person  
25 shall be irrevocable if it states that it is irrevocable and it is coupled with  
26 an interest sufficient in law to support an irrevocable power or proxy. Such  
27 irrevocable power of attorney or proxy, unless otherwise provided therein  
28 or in an operating agreement, shall not be affected by subsequent death,  
29 disability, incapacity, dissolution, termination of existence or bankruptcy  
30 of, or any other event concerning, the principal. A power of attorney or  
31 proxy with respect to matters relating to the organization, internal affairs  
32 or termination of a limited liability company or granted by a person as a  
33 member or an assignee of a limited liability company interest or by a  
34 person seeking to become a member or an assignee of a limited liability  
35 company interest and, in either case, granted to the limited liability  
36 company, a manager or member thereof, or any of their respective officers,

1 directors, managers, members, partners, trustees, employees or agents shall  
2 be deemed coupled with an interest sufficient in law to support an  
3 irrevocable power or proxy. The provisions of this subsection shall not be  
4 construed to limit the enforceability of a power of attorney or proxy that is  
5 part of an operating agreement.

6 New Sec. 2. (a) As used in this section, and section 7, and  
7 amendments thereto, and K.S.A. 17-7675, and amendments thereto:

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

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

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

14 (4) "Division contact" means, in connection with any division, a  
15 natural person who is a Kansas resident, any division company in such  
16 division or any other domestic limited liability company or other domestic  
17 entity as defined in K.S.A. 2018 Supp. 17-78-102, and amendments  
18 thereto, which division contact shall maintain a copy of the plan of  
19 division for a period of six years from the effective date of the division and  
20 shall comply with subsection (g)(3).

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

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

25 (7) "Surviving company" means a dividing company that survives the  
26 division.

27 (b) Pursuant to a plan of division, any domestic limited liability  
28 company may, in the manner provided in this section, be divided into two  
29 or more domestic limited liability companies. The division of a domestic  
30 limited liability company in accordance with this section and, if  
31 applicable, the resulting cessation of the existence of the dividing company  
32 pursuant to a certificate of division shall not be deemed to affect the  
33 personal liability of any person incurred prior to such division with respect  
34 to matters arising prior to such division, nor shall it be deemed to affect the  
35 validity or enforceability of any obligations or liabilities of the dividing  
36 company incurred prior to such division; except that such obligations and  
37 liabilities shall be allocated to and vested in, and valid and enforceable  
38 obligations of, such division company or companies to which such  
39 obligations and liabilities have been allocated pursuant to the plan of  
40 division, as provided in subsection (l). Each resulting company in a  
41 division shall be formed in compliance with the requirements of the  
42 Kansas revised limited liability company act and subsection (i).

43 (c) If the operating agreement of the dividing company specifies the

1 manner of adopting a plan of division, the plan of division shall be adopted  
2 as specified in the operating agreement. If the operating agreement of the  
3 dividing company does not specify the manner of adopting a plan of  
4 division and does not prohibit a division of the limited liability company,  
5 the plan of division shall be adopted in the same manner as is specified in  
6 the operating agreement for authorizing a merger or consolidation that  
7 involves the limited liability company as a constituent party to the merger  
8 or consolidation. If the operating agreement of the dividing company does  
9 not specify the manner of adopting a plan of division or authorizing a  
10 merger or consolidation that involves the limited liability company as a  
11 constituent party and does not prohibit a division of the limited liability  
12 company, the adoption of a plan of division shall be authorized by the  
13 consent or approval of members who own more than 50% of the then-  
14 current percentage or other interest in the profits of the dividing company  
15 owned by all of the members. Notwithstanding prior consent or approval, a  
16 plan of division may be terminated or amended pursuant to a provision for  
17 such termination or amendment contained in the plan of division.

18 (d) Unless otherwise provided in a plan of division, the division of a  
19 domestic limited liability company pursuant to this section shall not  
20 require such limited liability company to wind up its affairs under K.S.A.  
21 17-76,118, and amendments thereto, or pay its liabilities and distribute its  
22 assets under K.S.A. 17-76,119, and amendments thereto, and the division  
23 shall not constitute a dissolution of such limited liability company.

24 (e) In connection with a division under this section, rights or  
25 securities of, or interests in, the dividing company may be exchanged for  
26 or converted into cash, property, rights or securities of, or interests in, the  
27 surviving company or any resulting company or, in addition to or in lieu  
28 thereof, may be exchanged for or converted into cash, property, rights or  
29 securities of, or interests in, an entity as defined in K.S.A. 2018 Supp. 17-  
30 78-102, and amendments thereto, that is not a division company, or may be  
31 canceled or remain outstanding, if the dividing company is a surviving  
32 company.

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

34 (A) May effect: (i) Any amendment to the operating agreement of the  
35 dividing company if it is a surviving company in the division; or (ii) the  
36 adoption of a new operating agreement for the dividing company if it is a  
37 surviving company in the division; and

38 (B) shall effect the adoption of a new operating agreement for each  
39 resulting company.

40 (2) Any amendment to an operating agreement or adoption of a new  
41 operating agreement for the dividing company, if it is a surviving company  
42 in the division, or adoption of a new operating agreement for each  
43 resulting company made pursuant to this subsection shall be effective at

1 the effective time or date of the division. Any amendment to an operating  
2 agreement or adoption of an operating agreement for the dividing  
3 company, if it is a surviving company in the division, shall be effective  
4 notwithstanding any provision in the operating agreement of the dividing  
5 company relating to amendment or adoption of a new operating  
6 agreement, other than a provision that by its terms applies to an  
7 amendment to the operating agreement or the adoption of a new operating  
8 agreement, in either case, in connection with a division, merger or  
9 consolidation.

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

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

14 (A) Any conversion or exchange of the limited liability company  
15 interests of the dividing company into or for limited liability company  
16 interests or other securities or obligations of any division company or cash,  
17 property, or rights or securities or obligations of or interests in an entity as  
18 defined in K.S.A. 2018 Supp. 17-78-102, and amendments thereto, that is  
19 not a division company, or that the limited liability company interests of  
20 the dividing company shall remain outstanding or be canceled, or any  
21 combination of the foregoing; and

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

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

26 (3) the name and business address of a division contact, which shall  
27 have custody of a copy of the plan of division. The division contact, or any  
28 successor division contact, shall serve for a period of six years following  
29 the effective date of the division. During such six-year period, the division  
30 contact shall provide, without cost, to any creditor of the dividing  
31 company, within 30 days following the division contact's receipt of a  
32 written request from any creditor of the dividing company, the name and  
33 business address of the division company to which the claim of such  
34 creditor was allocated pursuant to the plan of division; and

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

37 (h) If a domestic limited liability company divides under this section,  
38 the surviving company, if any, or any other division company shall file a  
39 certificate of division executed by one or more authorized persons on  
40 behalf of such division company in the office of the secretary of state in  
41 accordance with K.S.A. 2018 Supp. 17-7910, and amendments thereto,  
42 and articles of organization that comply with K.S.A. 17-7673, and  
43 amendments thereto, for each resulting company executed by one or more

1 authorized persons in accordance with K.S.A. 2018 Supp. 17-7908(b), and  
2 amendments thereto. The certificate of division shall state:

3 (1) The name of the dividing company and, if it has been changed,  
4 the name under which its articles of organization were originally filed and  
5 whether the dividing company is a surviving company;

6 (2) the name of each division company;

7 (3) the name and business address of the division contact required by  
8 subsection (g)(3);

9 (4) the future effective date or time, which shall be a date or time  
10 certain, of the division if it is not to be effective upon the filing of the  
11 certificate of division;

12 (5) that the division has been consented to or approved in accordance  
13 with this section;

14 (6) that the plan of division is on file at a place of business of such  
15 division company as is specified therein, and shall state the address  
16 thereof; and

17 (7) that a copy of the plan of division will be furnished by such  
18 division company as is specified therein, on request and without cost, to  
19 any member of the dividing company.

20 (i) The certificate of division and each articles of organization for  
21 each resulting company required by subsection (h) shall be filed  
22 simultaneously in the office of the secretary of state and, if such certificate  
23 and articles of organization are not to become effective upon their filing,  
24 then each such certificate shall provide for the same effective date or time  
25 in accordance with K.S.A. 2018 Supp. 17-7911, and amendments thereto.  
26 Concurrently with the effective date or time of a division, the operating  
27 agreement of each resulting company shall become effective.

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

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

33 (l) Upon the division of a domestic limited liability company  
34 becoming effective:

35 (1) The dividing company shall be subdivided into the distinct and  
36 independent resulting companies named in the plan of division, and, if the  
37 dividing company is not a surviving company, the existence of the  
38 dividing company shall cease.

39 (2) For all purposes of the laws of the state of Kansas, all of the  
40 rights, privileges and powers, and all the property, real, personal, and  
41 mixed, of the dividing company and all debts due on whatever account to  
42 it, as well as all other things and other causes of action belonging to it,  
43 shall without further action be allocated to and vested in the applicable

1 division company in such a manner and basis and with such effect as is  
2 specified in the plan of division, and the title to any real property or  
3 interest therein allocated to and vested in any division company shall not  
4 revert or be in any way impaired by reason of the division.

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

10 (4) Each of the debts, liabilities and duties of the dividing company  
11 shall without further action be allocated to and be the debts, liabilities and  
12 duties of such division company as is specified in the plan of division as  
13 having such debts, liabilities and duties allocated to it, in such a manner  
14 and basis and with such effect as is specified in the plan of division, and no  
15 other division company shall be liable therefor, so long as the plan of  
16 division does not constitute a fraudulent transfer under applicable law, and  
17 all liens upon any property of the dividing company shall be preserved  
18 unimpaired, and all debts, liabilities and duties of the dividing company  
19 shall remain attached to the division company to which such debts,  
20 liabilities and duties have been allocated in the plan of division, and may  
21 be enforced against such division company to the same extent as if such  
22 debts, liabilities and duties had originally been incurred or contracted by it  
23 in its capacity as a domestic limited liability company.

24 (5) In the event that any allocation of assets, debts, liabilities and  
25 duties to division companies in accordance with a plan of division is  
26 determined by a court of competent jurisdiction to constitute a fraudulent  
27 transfer, each division company shall be jointly and severally liable on  
28 account of such fraudulent transfer notwithstanding the allocations made  
29 in the plan of division, except that the validity and effectiveness of the  
30 division are not otherwise affected thereby.

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

34 (7) It shall not be necessary for a plan of division to list each  
35 individual asset, property, right, series, debt, liability or duty of the  
36 dividing company to be allocated to a division company so long as the  
37 assets, property, rights, series, debts, liabilities or duties so allocated are  
38 reasonably identified by any method where the identity of such assets,  
39 property, rights, series, debts, liabilities or duties is objectively  
40 determinable.

41 (8) The rights, privileges, powers, and interests in property of the  
42 dividing company that have been allocated to a division company, as well  
43 as the debts, liabilities and duties of the dividing company that have been

1 allocated to such division company pursuant to a plan of division, shall  
2 remain vested in each such division company and shall not be deemed, as  
3 a result of the division, to have been assigned or transferred to such  
4 division company for any purpose of the laws of the state of Kansas.

5 (9) Any action or proceeding pending against a dividing company  
6 may be continued against the surviving company as if the division did not  
7 occur and against any resulting company to which the asset, property,  
8 right, series, debt, liability or duty associated with such action or  
9 proceeding was allocated pursuant to the plan of division by adding or  
10 substituting such resulting company as a party in the action or proceeding.

11 (m) In applying the provisions of the Kansas revised limited liability  
12 company act on distributions, a direct or indirect allocation of property or  
13 liabilities in a division is not deemed a distribution.

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

19 (o) All limited liability companies formed on and after July 1, 2019,  
20 shall be governed by this section. All limited liability companies formed  
21 prior to July 1, 2019, shall be governed by this section, except that if the  
22 dividing company is a party to any written contract, indenture or other  
23 agreement entered into prior to July 1, 2019, that, by its terms, restricts,  
24 conditions or prohibits the consummation of a merger or consolidation by  
25 the dividing company with or into another party, or the transfer of assets  
26 by the dividing company to another party, then such restriction, condition  
27 or prohibition shall be deemed to apply to a division as if it were a merger,  
28 consolidation or transfer of assets, as applicable.

29 New Sec. 3. (a) Pursuant to an agreement of merger or consolidation,  
30 one or more series may merge or consolidate with or into one or more  
31 other series of the same limited liability company with such series as the  
32 agreement shall provide being the surviving or resulting series. Unless  
33 otherwise provided in the operating agreement, an agreement of merger or  
34 consolidation shall be consented to or approved by each series that is to  
35 merge or consolidate by members of such series who own more than 50%  
36 of the then-current percentage or other interest in the profits of such series  
37 owned by all of the members of such series. In connection with a merger  
38 or consolidation hereunder, rights or securities of, or interests in, a series  
39 which is a constituent party to the merger or consolidation may be  
40 exchanged for or converted into cash, property, rights, or securities of, or  
41 interests in, the surviving or resulting series or, in addition to or in lieu  
42 thereof, may be exchanged for or converted into cash, property, rights, or  
43 securities of, or interests in, an entity as defined in K.S.A. 2018 Supp. 17-

1 78-102, and amendments thereto, that is not the surviving or resulting  
2 series in the merger or consolidation, may remain outstanding or may be  
3 canceled. Notwithstanding prior consent or approval, an agreement of  
4 merger or consolidation may be terminated or amended pursuant to a  
5 provision for such termination or amendment contained in the agreement  
6 of merger or consolidation.

7 (b) If a series is merging or consolidating under this section, the  
8 series surviving or resulting in or from the merger or consolidation shall  
9 file a certificate of merger or consolidation executed by one or more  
10 authorized persons on behalf of the series when it is the surviving or  
11 resulting series in the office of the secretary of state. The certificate of  
12 merger or consolidation shall state:

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

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

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

19 (4) such amendment, if any, to the certificate of designation of the  
20 series that is the surviving or resulting series to change the name of the  
21 surviving series, as is desired to be effected by the merger;

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

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

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

31 (c) Unless a future effective date or time is provided in a certificate of  
32 merger or consolidation, a merger or consolidation pursuant to this section  
33 shall be effective upon the filing of a certificate of merger or consolidation  
34 in the office of the secretary of state.

35 (d) A certificate of merger or consolidation shall act as a certificate of  
36 cancellation of the certificate of designation of the series that is not the  
37 surviving or resulting series in the merger or consolidation. A certificate of  
38 merger or consolidation that sets forth any amendment in accordance with  
39 subsection (b)(4) shall be deemed to be an amendment to the certificate of  
40 designation of the surviving or resulting series, and no further action shall  
41 be required to amend the certificate of designation of the surviving or  
42 resulting series under K.S.A. 2018 Supp. 17-76,143, and amendments  
43 thereto, with respect to such amendments set forth in the certificate of

1 merger or consolidation. Whenever this section requires the filing of a  
2 certificate of merger or consolidation, such requirement shall be deemed  
3 satisfied by the filing of an agreement of merger or consolidation  
4 containing the information required by this section to be set forth in the  
5 certificate of merger or consolidation.

6 (e) An agreement of merger or consolidation consented to or  
7 approved in accordance with subsection (a) may effect any amendment to  
8 the operating agreement relating solely to the series that are constituent  
9 parties to the merger or consolidation. Any amendment to an operating  
10 agreement relating solely to the series that are constituent parties to the  
11 merger or consolidation made pursuant to the foregoing sentence shall be  
12 effective at the effective time or date of the merger or consolidation and  
13 shall be effective notwithstanding any provision of the operating  
14 agreement relating to amendment of the operating agreement, other than a  
15 provision that by its terms applies to an amendment to the operating  
16 agreement in connection with a merger or consolidation. The provisions of  
17 this subsection shall not be construed to limit the accomplishment of a  
18 merger or of any of the matters referred to herein by any other means  
19 provided for in an operating agreement or other agreement or as otherwise  
20 permitted by law, including that the operating agreement relating to any  
21 constituent series to the merger or consolidation, including a series formed  
22 for the purpose of consummating a merger or consolidation, shall be the  
23 operating agreement of the surviving or resulting series.

24 (f) (1) (A) When any merger or consolidation shall have become  
25 effective under this section, for all purposes of the laws of the state of  
26 Kansas, all of the rights, privileges and powers of each of the series that  
27 have merged or consolidated, and all property, real, personal and mixed,  
28 and all debts due to any of such series, as well as all other things and  
29 causes of action belonging to each of such series, shall be vested in the  
30 surviving or resulting series, and shall thereafter be the property of the  
31 surviving or resulting series as they were of each of the series that have  
32 merged or consolidated, and the title to any real property vested by deed or  
33 otherwise, under the laws of the state of Kansas, in any of such series,  
34 shall not revert or be in any way impaired by reason of the Kansas revised  
35 limited liability company act.

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

42 (2) Unless otherwise agreed, a merger or consolidation of a series that  
43 is not the surviving or resulting series in the merger or consolidation, shall

1 not require such series to wind up its affairs under K.S.A. 2018 Supp. 17-  
2 76,143, and amendments thereto, or pay its liabilities and distribute its  
3 assets under K.S.A. 2018 Supp. 17-76,143, and amendments thereto, and  
4 the merger or consolidation shall not constitute a dissolution of such series.

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

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

9 New Sec. 4. (a) A series whose certificate of designation has been  
10 canceled pursuant to K.S.A. 17-76,139, and amendments thereto, may be  
11 reinstated by filing in the office of the secretary of state a certificate of  
12 reinstatement accompanied by the payment of the fee required by K.S.A.  
13 17-76,136(d), and amendments thereto, and payment of the annual report  
14 fee due under K.S.A. 17-76,139(c), and amendments thereto, and all  
15 penalties and interest thereon due at the time of the cancellation of its  
16 certificate of designation. The certificate of reinstatement shall set forth:

17 (1) The name of the limited liability company at the time the  
18 certificate of designation was canceled and, if such name has changed, the  
19 name of the limited liability company at the time of reinstatement of the  
20 series;

21 (2) the name of the series at the time the certificate of designation  
22 was canceled and, if such name is not available at the time of  
23 reinstatement, the name under which the series is to be reinstated;

24 (3) a statement that the certificate of reinstatement is filed by one or  
25 more persons authorized to execute and file the certificate of reinstatement  
26 to reinstate the series; and

27 (4) any other matters the persons executing the certificate of  
28 reinstatement determine to include therein.

29 (b) The certificate of reinstatement shall be deemed to be an  
30 amendment to the certificate of designation, and no further actions shall be  
31 required to amend its certificate of designation under K.S.A. 2018 Supp.  
32 17-76,143(d)(3), and amendments thereto, with respect to the matters set  
33 forth in the certificate of reinstatement.

34 (c) Upon the filing of a certificate of reinstatement, a series shall be  
35 reinstated with the same force and effect as if its certificate of designation  
36 had not been canceled pursuant to K.S.A. 17-76,139, and amendments  
37 thereto. Such reinstatement shall validate all contracts, acts, matters and  
38 things made, done and performed by the series, its members, managers,  
39 employees and agents during the time when its certificate of designation  
40 was canceled pursuant to K.S.A. 17-76,139, and amendments thereto, with  
41 the same force and effect and to all intents and purposes as if the certificate  
42 of designation had remained in full force and effect. All real and personal  
43 property, and all rights and interests, that belonged to the series at the time

1 its certificate of designation was canceled pursuant to K.S.A. 17-76,139,  
2 and amendments thereto, or were acquired by the series following the  
3 cancellation of its certificate of designation pursuant to K.S.A. 17-76,139,  
4 and amendments thereto, and were not disposed of prior to the time of its  
5 reinstatement, shall be vested in the series after its reinstatement as fully as  
6 they were held by the series at, and after, as the case may be, the time its  
7 certificate of designation was canceled pursuant to K.S.A. 17-76,139, and  
8 amendments thereto. After its reinstatement, the series shall be as  
9 exclusively liable for all contracts, acts, matters and things made, done or  
10 performed in its name and on its behalf by its members, managers,  
11 employees and agents prior to its reinstatement as if its certificate of  
12 designation had at all times remained in full force and effect.

13 (d) This section shall take effect on and after July 1, 2020.

14 New Sec. 5. Sections 5 through 12, and amendments thereto, apply to  
15 all statutory public benefit limited liability companies, as defined in  
16 section 6, and amendments thereto. If a limited liability company elects to  
17 become a statutory public benefit limited liability company under sections  
18 5 through 12, and amendments thereto, in the manner prescribed in  
19 sections 5 through 12, and amendments thereto, it shall be subject in all  
20 respects to the provisions of the Kansas revised limited liability company  
21 act, except to the extent sections 5 through 12, and amendments thereto,  
22 impose additional or different requirements, such requirements shall apply  
23 and notwithstanding K.S.A. 17-76,134, and amendments thereto, or any  
24 other provision of the Kansas revised limited liability company act, such  
25 requirements imposed by sections 5 through 12, and amendments thereto,  
26 may not be altered in the operating agreement.

27 New Sec. 6. (a) A "statutory public benefit limited liability company"  
28 is a for-profit limited liability company formed under and subject to the  
29 requirements of the Kansas revised limited liability company act that is  
30 intended to produce a public benefit or public benefits and to operate in a  
31 responsible and sustainable manner. To that end, a statutory public benefit  
32 limited liability company shall be managed in a manner that balances the  
33 members' pecuniary interests, the best interests of those materially affected  
34 by the limited liability company's conduct, and the public benefit or public  
35 benefits set forth in its articles of organization. A statutory public benefit  
36 limited liability company shall state in the heading of its articles of  
37 organization that it is a statutory public benefit limited liability company,  
38 and shall set forth one or more specific public benefits to be promoted by  
39 the limited liability company in its articles of organization. The operating  
40 agreement of a statutory public benefit limited liability company may not  
41 contain any provision inconsistent with sections 5 through 12, and  
42 amendments thereto.

43 (b) "Public benefit" means a positive effect, or reduction of negative

1 effects, on one or more categories of persons, entities, communities or  
2 interests, other than members in their capacities as members, including,  
3 but not limited to, effects of an artistic, charitable, cultural, economic,  
4 educational, environmental, literary, medical, religious, scientific or  
5 technological nature. "Public benefit provisions" means the provisions of  
6 the articles of organization, an operating agreement, or both, in either case  
7 as contemplated by sections 5 through 12, and amendments thereto.

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

21 New Sec. 7. Notwithstanding any other provision of the Kansas  
22 revised limited liability company act and unless otherwise provided in the  
23 operating agreement, a statutory public benefit limited liability company  
24 may not, without the vote, consent or approval of members who own at  
25 least  $\frac{2}{3}$  of the then-current percentage or other interest in the profits of the  
26 limited liability company owned by all members:

27 (a) Amend its articles of organization to delete or amend a provision  
28 required by section 6(a), and amendments thereto;

29 (b) merge or consolidate with or into another entity or divide into two  
30 or more domestic limited liability companies if, as a result of such merger,  
31 consolidation or division, the limited liability company interests in such  
32 limited liability company would become, or be converted into or  
33 exchanged for the right to receive, limited liability company interests or  
34 other equity interests in a domestic or foreign limited liability company or  
35 other entity that is not a statutory public benefit limited liability company  
36 or similar entity, the articles of organization or operating agreement, or  
37 similar governing document, of which does not contain provisions  
38 identifying a public benefit or public benefits comparable in all material  
39 respects to those set forth in the articles of organization of such limited  
40 liability company as contemplated by section 6(a), and amendments  
41 thereto, or that does not contain provisions imposing requirements  
42 pursuant to section 9, and amendments thereto, that are comparable in all  
43 material respects to those set forth in the articles of organization of such

1 limited liability company; or

2 (c) cease to be a statutory public benefit limited liability company  
3 under the provisions of sections 5 through 12, and amendments thereto.

4 New Sec. 8. (a) The members, managers or other persons with  
5 authority to manage or direct the business and affairs of a statutory public  
6 benefit limited liability company shall manage or direct the business and  
7 affairs of the statutory public benefit limited liability company in a manner  
8 that balances the pecuniary interests of the members, the best interests of  
9 those materially affected by the limited liability company's conduct, and  
10 the specific public benefit or public benefits set forth in its articles of  
11 organization. Unless otherwise provided in an operating agreement, a  
12 member, manager or other person with authority to manage or direct the  
13 business and affairs of the statutory public benefit limited liability  
14 company shall not have any liability for monetary damages for the failure  
15 to manage or direct the business and affairs of the statutory public benefit  
16 limited liability company as provided in this subsection.

17 (b) A member, manager or other person with authority to manage or  
18 direct the business and affairs of the statutory public benefit limited  
19 liability company shall not, by virtue of the public benefit provisions or  
20 section 6(a), and amendments thereto, have any duty to any person on  
21 account of any interest of such person in the public benefit or public  
22 benefits set forth in its articles of organization or on account of any interest  
23 materially affected by the limited liability company's conduct and, with  
24 respect to a decision implicating the balance requirement in subsection (a),  
25 will be deemed to satisfy such person's fiduciary duties to members and  
26 the limited liability company if such person's decision is both informed  
27 and disinterested and not such that no person of ordinary, sound judgment  
28 would approve.

29 New Sec. 9. (a) A statutory public benefit limited liability company,  
30 at least annually, shall provide its members with a statement as to the  
31 limited liability company's promotion of the public benefit or public  
32 benefits set forth in its articles of organization and as to the best interests  
33 of those materially affected by the limited liability company's conduct. The  
34 statement shall include:

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

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

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

43 (4) an assessment of the limited liability company's success in

1 meeting the objectives and promoting such public benefit or public  
2 benefits and interests.

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

7 (c) The statement described in subsection (a) shall be based on a  
8 third-party standard. A "third-party standard" means a standard for  
9 defining, reporting and assessing promotion of the public benefit or public  
10 benefits identified in the statutory public benefit limited liability  
11 company's articles of organization that: (1) Is developed by a person or  
12 entity that is independent of the statutory public benefit limited liability  
13 company; and (2) is transparent because the following information about  
14 the standard is publicly available: (A) The factors considered when  
15 measuring the performance of a business; (B) the relative weightings of  
16 those factors; and (C) the identity of the persons who developed the  
17 standard and who control changes to the standard and the process by  
18 which those changes are made. For purposes of this section, the term  
19 "independent" means having no material relationship with the statutory  
20 public benefit limited liability company or any of its members, managers,  
21 affiliates or other persons with authority to manage or direct the business  
22 and affairs of the statutory public benefit limited liability company.

23 (d) A statutory public benefit limited liability company shall post its  
24 most recent statement described in subsection (a) on the public portion of  
25 its website, if any, concurrently with the delivery of such statement to its  
26 members under subsection (b). If a statutory public benefit limited liability  
27 company does not have a website, it shall provide a copy of such  
28 statement, without charge, to any person that requests a copy. Any  
29 compensation paid to any person and any other financial or proprietary  
30 information contained in the statement described in subsection (a) may be  
31 omitted from any statement that is publicly posted or provided to any  
32 person pursuant to this subsection, other than a statement provided to a  
33 member, manager or other person with authority to manage or direct the  
34 business and affairs of the statutory public benefit limited liability  
35 company.

36 (e) The articles of organization or the operating agreement of a  
37 statutory public benefit limited liability company may require that the  
38 statutory public benefit limited liability company obtain a periodic third-  
39 party certification addressing the statutory public benefit limited liability  
40 company's promotion of the public benefit or public benefits identified in  
41 the articles of organization or the best interests of those materially affected  
42 by the statutory public benefit limited liability company's conduct, or both.

43 New Sec. 10. Members of a statutory public benefit limited liability

1 company or assignees of limited liability company interests in a statutory  
2 public benefit limited liability company owning individually or  
3 collectively, as of the date of instituting such derivative suit, at least 2% of  
4 the then-current percentage or other interest in the profits of the limited  
5 liability company or, in the case of a limited liability company with limited  
6 liability company interests listed on a national securities exchange, the  
7 lesser of such percentage or limited liability company interests of at least  
8 \$2,000,000 in market value, unless an operating agreement provides for a  
9 different percentage or other interest or market value, may maintain a  
10 derivative lawsuit to enforce the requirements set forth in section 8(a), and  
11 amendments thereto.

12 New Sec. 11. Sections 5 through 12, and amendments thereto, shall  
13 not affect a statute or rule of law that is or would be applicable to any  
14 limited liability company that is formed under the Kansas revised limited  
15 liability company act but is not a statutory public benefit limited liability  
16 company.

17 New Sec. 12. The provisions of sections 5 through 12, and  
18 amendments thereto, shall not be construed to limit the accomplishment by  
19 any other means permitted by law of the formation or operation of a  
20 limited liability company that is formed or operated for a public benefit,  
21 including a limited liability company that is designated as a public benefit  
22 limited liability company, that is not a statutory public benefit limited  
23 liability company.

24 Sec. 13. K.S.A. 2018 Supp. 17-7662 is hereby amended to read as  
25 follows: 17-7662. K.S.A. 17-7662 through ~~17-76,143~~ 17-76,142, and  
26 amendments thereto, and K.S.A. 2018 Supp. ~~17-76,144~~ 17-76,143 through  
27 17-76,146, and sections 1 through 12, and amendments thereto, shall be  
28 known and may be cited as the Kansas revised limited liability company  
29 act.

30 Sec. 14. K.S.A. 2018 Supp. 17-7663 is hereby amended to read as  
31 follows: 17-7663. As used in ~~this~~ *the Kansas revised limited liability*  
32 *company* act unless the context otherwise requires:

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

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

38 (c) "Contribution" means any cash, property, services rendered or a  
39 promissory note or other obligation to contribute cash or property or to  
40 perform services, which a person contributes to a limited liability company  
41 in such person's capacity as a member.

42 (d) "Foreign limited liability company" means a limited liability  
43 company formed under the laws of any state or under the laws of any

1 foreign country or other foreign jurisdiction ~~and denominated as such~~  
2 ~~under the laws of such state or foreign country or other foreign~~  
3 ~~jurisdiction.~~ *When used in the Kansas revised limited liability company act*  
4 *in reference to a foreign limited liability company, the terms "operating*  
5 *agreement," "limited liability company interest," "manager" or "member"*  
6 *shall mean an operating agreement, limited liability company interest,*  
7 *manager or member, respectively, under the laws of the state or foreign*  
8 *country or other foreign jurisdiction under which the foreign limited*  
9 *liability company is formed.*

10 (e) "Knowledge" means a person's actual knowledge of a fact, rather  
11 than the person's constructive knowledge of the fact.

12 (f) "Limited liability company" and "domestic limited liability  
13 company" means a limited liability company formed under the laws of the  
14 state of Kansas and having one or more members.

15 (g) "Limited liability company interest" means a member's share of  
16 the profits and losses of a limited liability company and a member's right  
17 to receive distributions of the limited liability company's assets.

18 (h) "Liquidating trustee" means a person carrying out the winding up  
19 of a limited liability company.

20 (i) "Manager" means a person who is named as a manager of a  
21 limited liability company in, or designated as a manager of a limited  
22 liability company pursuant to, an operating agreement or similar  
23 instrument under which the limited liability company is formed.

24 (j) "Member" means a person who is admitted to a limited liability  
25 company as a member as provided in K.S.A. 17-7686, and amendments  
26 thereto, ~~or, in the case of a foreign limited liability company, in accordance~~  
27 ~~with the laws of the state or foreign country or other foreign jurisdiction~~  
28 ~~under which the foreign limited liability company is formed.~~

29 (k) "Operating agreement" means any agreement, whether referred to  
30 as an operating agreement, limited liability company agreement or  
31 otherwise, written, oral, or implied, of the member or members as to the  
32 affairs of a limited liability company and the conduct of its business. A  
33 member or manager of a limited liability company or an assignee of a  
34 limited liability company interest is bound by the operating agreement  
35 whether or not the member or manager or assignee executes the operating  
36 agreement. A limited liability company is not required to execute its  
37 operating agreement. A limited liability company is bound by its operating  
38 agreement whether or not the limited liability company executes the  
39 operating agreement. An operating agreement of a limited liability  
40 company having only one member shall not be unenforceable by reason of  
41 there being only one person who is a party to the operating agreement. An  
42 operating agreement is not subject to any statute of frauds, including  
43 K.S.A. 33-106, and amendments thereto. An operating agreement may

1 provide rights to any person, including a person who is not a party to the  
2 operating agreement, to the extent set forth therein. A written operating  
3 agreement or another written agreement or writing:

4 (1) May provide that a person shall be admitted as a member of a  
5 limited liability company, or shall become an assignee of a limited liability  
6 company interest or other rights or powers of a member to the extent  
7 assigned:

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

12 (B) without such execution, if such person, or a representative  
13 authorized by such person orally, in writing or by other action such as  
14 payment for a limited liability company interest, complies with the  
15 conditions for becoming a member or assignee as set forth in the operating  
16 agreement or any other writing; and

17 (2) shall not be unenforceable by reason of its not having been signed  
18 by a person being admitted as a member or becoming an assignee as  
19 provided in subsection (k)(1), or by reason of its having been signed by a  
20 representative as provided in ~~this~~ *the Kansas revised limited liability*  
21 *company act*.

22 (l) "Person" means a natural person, partnership, whether general or  
23 limited, limited liability company, trust, including a common law trust,  
24 business trust, statutory trust, voting trust or any other form of trust, estate,  
25 association, including any group, organization, co-tenancy, plan, board,  
26 council or committee, corporation, government, including a country, state,  
27 county or any other governmental subdivision, agency or instrumentality,  
28 custodian, nominee or any other individual or entity, or series thereof, in  
29 its own or any representative capacity, in each case, whether domestic or  
30 foreign.

31 (m) "Personal representative" means, as to a natural person, the  
32 executor, administrator, guardian, conservator or other legal representative  
33 thereof and, as to a person other than a natural person, the legal  
34 representative or successor thereof.

35 (n) "*Series*" means a designated series of members, managers,  
36 limited liability company interests or assets that is established in  
37 accordance with *K.S.A. 2018 Supp. 17-76,143, and amendments thereto*.

38 (o) "State" means the District of Columbia or the commonwealth of  
39 Puerto Rico or any state, territory, possession or other jurisdiction of the  
40 United States other than the state of Kansas.

41 Sec. 15. K.S.A. 2018 Supp. 17-7673 is hereby amended to read as  
42 follows: 17-7673. (a) In order to form a limited liability company, one or  
43 more authorized persons must execute articles of organization. The articles

1 of organization shall be filed with the secretary of state and set forth:

2 (1) The name of the limited liability company;

3 (2) the address of the registered office required to be maintained by  
4 K.S.A. 2018 Supp. 17-7924, and amendments thereto, and the name of the  
5 resident agent for service of process required to be maintained by K.S.A.  
6 2018 Supp. 17-7925, and amendments thereto;

7 (3) any other matters the members determine to include therein;

8 (4) if the limited liability company is organized to exercise the  
9 powers of a professional association or professional corporation, each such  
10 profession shall be stated; and

11 (5) if the limited liability company will have series, the matters  
12 required by K.S.A. 17-76,143, and amendments thereto.

13 (b) *A limited liability company is formed at the time provided in*  
14 *K.S.A. 2018 Supp. 17-7911, and amendments thereto, if there has been*  
15 *substantial compliance with the requirements of this section. A limited*  
16 *liability company formed under ~~this~~ the Kansas revised limited liability*  
17 *company act shall be a separate legal entity, the existence of which as a*  
18 *separate legal entity shall continue until cancellation of the limited liability*  
19 *company's articles of organization.*

20 (c) An operating agreement shall be entered into or otherwise existing  
21 either before, after or at the time of the filing of the articles of organization  
22 and, whether entered into or otherwise existing before, after or at the time  
23 of such filing, may be made effective as of the effective time of such filing  
24 or at such other time or date as provided in or reflected by the operating  
25 agreement.

26 (d) The articles of organization shall be amended as provided in a  
27 certificate of amendment or judicial decree of amendment upon the filing  
28 of the certificate of amendment or judicial decree of amendment with the  
29 secretary of state or upon the future effective date specified in the  
30 certificate of amendment.

31 (e) Upon filing the articles of organization of a limited liability  
32 company organized to exercise powers of a professional association or  
33 professional corporation, the limited liability company shall file with the  
34 secretary of state a certificate by the licensing body, as defined in K.S.A.  
35 74-146, and amendments thereto, of the profession involved that each of  
36 the members is duly licensed to practice that profession, and that the  
37 proposed company name has been approved.

38 Sec. 16. K.S.A. 2018 Supp. 17-7675 is hereby amended to read as  
39 follows: 17-7675. (a) Articles of organization shall be canceled upon the  
40 dissolution and the completion of winding up of a limited liability  
41 company, or as provided in K.S.A. 17-76,117 or 17-76,139 or K.S.A. 2018  
42 Supp. 17-7926(b) or 17-7929(b), and amendments thereto, or upon the  
43 filing of a certificate of merger or consolidation if the limited liability

1 company is not the surviving or resulting entity in a merger or  
2 consolidation, or upon the future effective date of a certificate of merger or  
3 consolidation if the limited liability company is not the surviving or  
4 resulting entity in a merger or consolidation, *or upon the filing of a*  
5 *certificate of division if the limited liability company is a dividing*  
6 *company that is not a surviving company, or upon the future effective date*  
7 *of a certificate of division if the limited liability company is a dividing*  
8 *company that is not a surviving company.* A certificate of cancellation shall  
9 be filed with the secretary of state to accomplish the cancellation of  
10 articles of organization upon the dissolution and the completion of winding  
11 up of a limited liability company. The certificate shall set forth:

12 (1) The name of the limited liability company;

13 (2) the reason for filing the certificate of cancellation;

14 (3) the future effective date or time, ~~which shall be a date or time~~  
15 ~~certain not later than 90 days after the date of filing,~~ of cancellation if it is  
16 not to be effective upon the filing of the certificate; and

17 (4) any other information the person filing the certificate of  
18 cancellation determines.

19 (b) A certificate of cancellation that is filed with the secretary of state  
20 prior to the dissolution or the completion of winding up of a limited  
21 liability company may be corrected as an erroneously executed certificate  
22 of cancellation by filing with the secretary of state a certificate of  
23 correction of such certificate of cancellation in accordance with K.S.A.  
24 2018 Supp. 17-7912, and amendments thereto.

25 (c) The secretary of state shall not issue a certificate of good standing  
26 with respect to a limited liability company if its articles of organization are  
27 canceled.

28 Sec. 17. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7675, as  
29 amended by section 16 of this act, is hereby amended to read as follows:  
30 17-7675. (a) Articles of organization shall be canceled upon the dissolution  
31 and the completion of winding up of a limited liability company, or as  
32 provided in K.S.A. 17-76,117 or 17-76,139 or K.S.A. 2018 Supp. 17-  
33 7926(b) or 17-7929(b), and amendments thereto, or upon the filing of a  
34 certificate of merger or consolidation if the limited liability company is not  
35 the surviving or resulting entity in a merger or consolidation or upon the  
36 future effective date of a certificate of merger or consolidation if the  
37 limited liability company is not the surviving or resulting entity in a  
38 merger or consolidation or upon the filing of a certificate of division if the  
39 limited liability company is a dividing company that is not a surviving  
40 company or upon the future effective date of a certificate of division if the  
41 limited liability company is a dividing company that is not a surviving  
42 company. A certificate of cancellation shall be filed with the secretary of  
43 state to accomplish the cancellation of articles of organization upon the

1 dissolution and the completion of winding up of a limited liability  
2 company. The certificate shall set forth:

- 3 (1) The name of the limited liability company;
- 4 (2) the reason for filing the certificate of cancellation;
- 5 (3) *if the limited liability company has formed one or more series*  
6 *whose certificate of designation has not been canceled prior to the filing*  
7 *of the certificate of cancellation, the name of each such series;*
- 8 (4) the future effective date or time of cancellation if it is not to be  
9 effective upon the filing of the certificate; and

10 ~~(4)~~(5) any other information the person filing the certificate of  
11 cancellation determines.

12 (b) A certificate of cancellation that is filed with the secretary of state  
13 prior to the dissolution or the completion of winding up of a limited  
14 liability company may be corrected as an erroneously executed certificate  
15 of cancellation by filing with the secretary of state a certificate of  
16 correction of such certificate of cancellation in accordance with K.S.A.  
17 2018 Supp. 17-7912, and amendments thereto.

18 (c) The secretary of state shall not issue a certificate of good standing  
19 with respect to a limited liability company, *or any series thereof*, if its  
20 articles of organization are canceled.

21 Sec. 18. K.S.A. 2018 Supp. 17-7679 is hereby amended to read as  
22 follows: 17-7679. The fact that articles of organization, or amendments  
23 thereto, are on file with the secretary of state is notice that the entity  
24 formed in connection with the filing of the articles of organization is a  
25 limited liability company formed under the laws of the state of Kansas and  
26 is notice of all other facts set forth therein which are required to be set  
27 forth in articles of organization by ~~subsections (a)(1), (a)(2), (a)(4) and (a)~~  
28 ~~(5)~~ of K.S.A. 17-7673(a)(1), (a)(2), (a)(4) and (a)(5), and amendments  
29 thereto, *and section 6, and amendments thereto.*

30 Sec. 19. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7679, as  
31 amended by section 18 of this act, is hereby amended to read as follows:  
32 17-7679. The fact that articles of organization, or amendments thereto, are  
33 on file with the secretary of state is notice that the entity formed in  
34 connection with the filing of the articles of organization is a limited  
35 liability company formed under the laws of the state of Kansas and is  
36 notice of all other facts set forth therein which are required to be set forth  
37 in articles of organization by K.S.A. 17-7673(a)(1), (a)(2), (a)(4) and (a)  
38 (5), and amendments thereto, *and K.S.A. 2018 Supp. 17-76,143(b) and*  
39 *section 6, and amendments thereto. The fact that a certificate of*  
40 *designation is on file in the office of the secretary of state is notice that the*  
41 *series named in such certificate of designation has been formed pursuant*  
42 *to K.S.A. 2018 Supp. 17-76,143, and amendments thereto, and is notice of*  
43 *all other facts set forth therein, which are required to be set forth in a*

1 *certificate of designation by K.S.A. 2018 Supp. 17-76,143(d), and*  
2 *amendments thereto.*

3 Sec. 20. K.S.A. 2018 Supp. 17-7680 is hereby amended to read as  
4 follows: 17-7680. (a) A limited liability company may, whenever desired,  
5 integrate into a single instrument all of the provisions of its articles of  
6 organization which are then in effect and operative as a result of there  
7 having previously been filed with the secretary of state one or more  
8 certificates or other instruments pursuant to K.S.A. 17-7673 through 17-  
9 7683, and amendments thereto, ~~and~~ the business entity standard treatment  
10 act, K.S.A. 2018 Supp. 17-7901 et seq., and amendments thereto, *and*  
11 *section 2, and amendments thereto,* and it may at the same time also  
12 further amend its articles of organization by adopting restated articles of  
13 organization.

14 (b) If restated articles of organization merely restate and integrate but  
15 do not further amend the initial articles of organization, as previously  
16 amended or supplemented by any certificate or instrument that was  
17 executed and filed pursuant to K.S.A. 17-7673 through 17-7683, and  
18 amendments thereto, and the business entity standard treatment act, K.S.A.  
19 2018 Supp. 17-7901 et seq., and amendments thereto, they shall be  
20 specifically designated in their heading as "restated articles of  
21 organization" together with such other words as the limited liability  
22 company may deem appropriate and shall be executed by an authorized  
23 person and filed with the secretary of state as provided in K.S.A. 2018  
24 Supp. 17-7910, and amendments thereto. If restated articles of  
25 organization restate and integrate and also further amend in any respect the  
26 articles of organization, as previously amended or supplemented, they  
27 shall be specifically designated in their heading as "amended and restated  
28 articles of organization" together with such other words as the limited  
29 liability company may deem appropriate and shall be executed by at least  
30 one authorized person and filed as provided in K.S.A. 2018 Supp. 17-  
31 7910, and amendments thereto.

32 (c) Restated articles of organization shall state, either in their heading  
33 or in an introductory paragraph, the limited liability company's present  
34 name; if it has been changed, the name under which it was originally filed;  
35 the date of filing of its original articles of organization with the secretary  
36 of state; and the future effective date, which shall be a date certain, of the  
37 restated articles of organization if they are not to be effective upon the  
38 filing of the restated articles of organization with the secretary of state;  
39 ~~such future effective date must be within 90 days of the date of filing such~~  
40 ~~restated articles of organization with the secretary of state.~~ Restated  
41 articles of organization shall also state that they were duly executed and  
42 are being filed in accordance with this section. If restated articles of  
43 organization only restate and integrate and do not further amend a limited

1 liability company's articles of organization as previously amended or  
2 supplemented and there is no discrepancy between those provisions and  
3 the restated articles of organization, they shall state that fact as well.

4 (d) Upon the filing of restated articles of organization with the  
5 secretary of state, or upon the future effective date of restated articles of  
6 organization as provided for therein, the initial articles of organization, as  
7 previously amended or supplemented, shall be superseded. Thereafter the  
8 restated articles of organization, including any further amendment or  
9 changes made thereby, shall be the articles of organization of the limited  
10 liability company, but the original effective date of formation shall remain  
11 unchanged.

12 (e) Any amendment or change effected in connection with the  
13 restatement and integration of the articles of organization shall be subject  
14 to any other provision of ~~this~~ *the Kansas revised limited liability company*  
15 act, not inconsistent with this section, which would apply if a separate  
16 certificate of amendment were filed to effect such amendment or change.

17 Sec. 21. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7680, as  
18 amended by section 20, is hereby amended to read as follows: 17-7680. (a)  
19 *Restated articles of organization.*

20 (1) A limited liability company may, whenever desired, integrate into  
21 a single instrument all of the provisions of its articles of organization  
22 which are then in effect and operative as a result of there having  
23 previously been filed with the secretary of state one or more certificates or  
24 other instruments pursuant to K.S.A. 17-7673 through 17-7683, and  
25 amendments thereto, and the business entity standard treatment act, K.S.A.  
26 2018 Supp. 17-7901 et seq., and amendments thereto, and ~~section~~ *sections*  
27 *2 and 3*, and amendments thereto, and it may at the same time also further  
28 amend its articles of organization by adopting restated articles of  
29 organization.

30 (b)(2) If restated articles of organization merely restate and integrate  
31 but do not further amend the initial articles of organization, as previously  
32 amended or supplemented by any certificate or instrument that was  
33 executed and filed pursuant to K.S.A. 17-7673 through 17-7683, and  
34 amendments thereto, and the business entity standard treatment act, K.S.A.  
35 2018 Supp. 17-7901 et seq., and amendments thereto, they shall be  
36 specifically designated in their heading as "restated articles of  
37 organization" together with such other words as the limited liability  
38 company may deem appropriate and shall be executed by an authorized  
39 person and filed with the secretary of state as provided in K.S.A. 2018  
40 Supp. 17-7910, and amendments thereto. If restated articles of  
41 organization restate and integrate and also further amend in any respect the  
42 articles of organization, as previously amended or supplemented, they  
43 shall be specifically designated in their heading as "amended and restated

1 articles of organization" together with such other words as the limited  
2 liability company may deem appropriate and shall be executed by at least  
3 one authorized person and filed as provided in K.S.A. 2018 Supp. 17-  
4 7910, and amendments thereto.

5 ~~(e)~~(3) Restated articles of organization shall state, either in their  
6 heading or in an introductory paragraph, the limited liability company's  
7 present name; if it has been changed, the name under which it was  
8 originally filed; the date of filing of its original articles of organization  
9 with the secretary of state; and the future effective date, which shall be a  
10 date certain, of the restated articles of organization if they are not to be  
11 effective upon the filing of the restated articles of organization with the  
12 secretary of state; ~~such future effective date must be within 90 days of the~~  
13 ~~date of filing such restated articles of organization with the secretary of~~  
14 ~~state.~~ Restated articles of organization shall also state that they were duly  
15 executed and are being filed in accordance with this section. If restated  
16 articles of organization only restate and integrate and do not further amend  
17 a limited liability company's articles of organization as previously  
18 amended or supplemented and there is no discrepancy between those  
19 provisions and the restated articles of organization, they shall state that fact  
20 as well.

21 ~~(d)~~(4) Upon the filing of restated articles of organization with the  
22 secretary of state, or upon the future effective date of restated articles of  
23 organization as provided for therein, the initial articles of organization, as  
24 previously amended or supplemented, shall be superseded. Thereafter the  
25 restated articles of organization, including any further amendment or  
26 changes made thereby, shall be the articles of organization of the limited  
27 liability company, but the original effective date of formation shall remain  
28 unchanged.

29 ~~(e)~~(5) Any amendment or change effected in connection with the  
30 restatement and integration of the articles of organization shall be subject  
31 to any other provision of this act, not inconsistent with this section, which  
32 would apply if a separate certificate of amendment were filed to effect  
33 such amendment or change.

34 (b) *Restated certificate of designation.*

35 (1) *A series of a limited liability company may, whenever desired,*  
36 *integrate into a single instrument all of the provisions of its certificate of*  
37 *designation that are then in effect and operative as a result of there having*  
38 *previously been filed with the secretary of state one or more certificates or*  
39 *other instruments pursuant to K.S.A. 17-7673 through 17-7683, and*  
40 *amendments thereto, the business entity standard treatment act, K.S.A.*  
41 *2018 Supp. 17-7901 et seq., and amendments thereto, and sections 2 and*  
42 *3, and amendments thereto, and it may at the same time further amend its*  
43 *certificate of designation by adopting a restated certificate of designation.*

1       (2) *If a restated certificate of designation merely restates and*  
2 *integrates but does not further amend the initial certificate of designation,*  
3 *as previously amended or supplemented by any instrument that was*  
4 *executed and filed pursuant to K.S.A. 17-7673 through 17-7683, and*  
5 *amendments thereto, the business entity standard treatment act, K.S.A.*  
6 *2018 Supp. 17-7901 et seq., and amendments thereto, and sections 2 and*  
7 *3, and amendments thereto, it shall be specifically designated in its*  
8 *heading as a "restated certificate of designation" together with such other*  
9 *words as the series may deem appropriate and shall be executed by an*  
10 *authorized person and filed as provided in K.S.A. 2018 Supp. 17-7910,*  
11 *and amendments thereto. If a restated certificate restates and integrates*  
12 *and also further amends in any respect the certificate of designation as*  
13 *previously amended or supplemented, it shall be specifically designated in*  
14 *its heading as an "amended and restated certificate of designation"*  
15 *together with such other words as the series may deem appropriate and*  
16 *shall be executed by at least one authorized person and filed as provided*  
17 *in K.S.A. 2018 Supp. 17-7910, and amendments thereto.*

18       (3) *A restated certificate of designation shall state, either in its*  
19 *heading or in an introductory paragraph, the name of the limited liability*  
20 *company, the present name of the series, and, if the name of the series has*  
21 *been changed, the name under which it was originally filed, and the future*  
22 *effective date or time, which shall be a date or time certain, of the restated*  
23 *certificate of designation if it is not to be effective upon the filing of the*  
24 *restated certificate of designation. A restated certificate shall also state*  
25 *that it was duly executed and is being filed in accordance with this section.*  
26 *If a restated certificate only restates and integrates and does not further*  
27 *amend a certificate of designation, as previously amended or*  
28 *supplemented and there is no discrepancy between those provisions and*  
29 *the restated certificate, it shall state that fact as well.*

30       (4) *Upon the filing of a restated certificate of designation with the*  
31 *secretary of state, or upon the future effective date or time of a restated*  
32 *certificate of designation as provided for therein, the initial certificate of*  
33 *designation, as theretofore amended or supplemented, shall be*  
34 *superseded. Thereafter, the restated certificate of designation, including*  
35 *any further amendment or changes made thereby, shall be the certificate*  
36 *of designation of such series, but the original effective date of formation of*  
37 *the series, as applicable, shall remain unchanged.*

38       (5) *Any amendment or change effected in connection with the*  
39 *restatement and integration of a certificate of designation shall be subject*  
40 *to any other provision of the Kansas revised limited liability company act,*  
41 *not inconsistent with this section, which would apply if a separate*  
42 *certificate of amendment were filed to effect such amendment or change.*

43       Sec. 22. K.S.A. 2018 Supp. 17-7681 is hereby amended to read as

1 follows: 17-7681. (a) Pursuant to an agreement of merger or consolidation,  
2 one or more domestic limited liability companies may merge or  
3 consolidate with or into one or more limited liability companies formed  
4 under the laws of the state of Kansas or any other state or any foreign  
5 country or other foreign jurisdiction, or any combination thereof, with  
6 such limited liability company as the agreement shall provide being the  
7 surviving or resulting limited liability company.

8 (1) (A) Unless otherwise provided in the operating agreement, an  
9 agreement of merger or consolidation shall be *consented to or approved by*  
10 *each domestic limited liability company which is to merge or consolidate*  
11 *by members who own more than 50% of the then-current percentage or*  
12 *other interest in the profits of the domestic limited liability company*  
13 *owned by all of the members;*

14 (B) *unless otherwise provided in the operating agreement, a limited*  
15 *liability company whose original articles of organization were filed with*  
16 *the secretary of state and effective on or prior to June 30, 2019, shall not*  
17 *be governed by subsection (a)(1)(A), but shall be governed by this*  
18 *subparagraph. Unless otherwise provided in the operating agreement, an*  
19 *agreement of merger or consolidation shall be consented to or approved*  
20 *by each domestic limited liability company which is to merge or*  
21 *consolidate by the members, or if there is more than one class or group of*  
22 *members, then by each class or group of members, in either case, by*  
23 *members who own more than 50% of the then current percentage or other*  
24 *interest in the profits of the domestic limited liability company owned by*  
25 *all of the members or by the members in each class or group, as*  
26 *appropriate.*

27 (2) In connection with a merger or consolidation hereunder, rights or  
28 securities of, or interests in, a domestic limited liability company which is  
29 a constituent party to the merger or consolidation may be exchanged for or  
30 converted into cash, property, rights or securities of, or interests in, the  
31 surviving or resulting limited liability company or, in addition to or in lieu  
32 thereof, may be exchanged for or converted into cash, property, rights or  
33 securities of, or interests in, ~~a limited liability company which~~ *an entity as*  
34 *defined in K.S.A. 2018 Supp. 17-78-102, and amendments thereto, that is*  
35 *not the surviving or resulting limited liability company in the merger or*  
36 *consolidation, may remain outstanding, or may be canceled.*

37 (3) Notwithstanding prior *consent or approval*, an agreement of  
38 merger or consolidation may be terminated or amended pursuant to a  
39 provision for such termination or amendment contained in the agreement  
40 of merger or consolidation.

41 (b) The limited liability company surviving or resulting in or from the  
42 merger or consolidation shall file a certificate of merger or consolidation  
43 executed by one or more authorized persons on behalf of the domestic

1 limited liability company when it is the surviving or resulting entity with  
2 the secretary of state. The certificate of merger or consolidation shall state:

3 (1) The name and jurisdiction of formation or organization of each of  
4 the limited liability companies which is to merge or consolidate;

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

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

9 (4) in the case of a merger in which a domestic limited liability  
10 company is the surviving entity, such amendments, if any, to the articles of  
11 organization of the surviving domestic limited liability company to change  
12 its name, registered office or resident agent as are desired to be effected by  
13 the merger;

14 (5) the future effective date or time, which shall be a date certain, of  
15 the merger or consolidation if it is not to be effective upon the filing of the  
16 certificate of merger or consolidation, ~~which date shall, in no event, exceed~~  
17 ~~90 days after the date the certificate is filed with the secretary of state;~~

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

21 (7) that a copy of the agreement of merger or consolidation will be  
22 furnished by the surviving or resulting limited liability company, on  
23 request and without cost, to any member of any limited liability company  
24 which is to merge or consolidate; and

25 (8) if the surviving or resulting limited liability company is not a  
26 domestic limited liability company, a statement that such surviving or  
27 resulting limited liability company agrees that it may be served with  
28 process in the state of Kansas in any action, suit or proceeding for the  
29 enforcement of any obligation of any domestic limited liability company  
30 which is to merge or consolidate, irrevocably appointing the secretary of  
31 state as its agent to accept service of process in any such action, suit or  
32 proceeding and specifying the address to which a copy of such process  
33 shall be mailed to it by the secretary of state.

34 (c) A certificate of merger or consolidation shall act as a certificate of  
35 cancellation for a domestic limited liability company which is not the  
36 surviving or resulting limited liability company in the merger or  
37 consolidation. A certificate of merger that sets forth any amendment in  
38 accordance with subsection (b)(4) shall be deemed to be an amendment to  
39 the articles of organization of the limited liability company, and the limited  
40 liability company shall not be required to take any further action to amend  
41 its articles of organization under K.S.A. 17-7674, and amendments thereto,  
42 with respect to such amendments set forth in the certificate of merger.  
43 Whenever this section requires the filing of a certificate of merger or

1 consolidation, such requirement shall be deemed satisfied by the filing of  
2 an agreement of merger or consolidation containing the information  
3 required by this section to be set forth in the certificate of merger or  
4 consolidation.

5 (d) An agreement of merger or consolidation *consented to or*  
6 approved in accordance with subsection (a) ~~of this section~~ may:

- 7 (1) Effect any amendment to the operating agreement; or  
8 (2) effect the adoption of a new operating agreement, for a limited  
9 liability company if it is the surviving or resulting limited liability  
10 company in the merger or consolidation.

11 Any amendment to an operating agreement or adoption of a new  
12 operating agreement made pursuant to the foregoing sentence shall be  
13 effective at the effective time or date of the merger or consolidation and  
14 shall be effective notwithstanding any provision of the operating  
15 agreement relating to amendment or adoption of a new operating  
16 agreement, other than a provision that by its terms applies to an  
17 amendment to the operating agreement or the adoption of a new operating  
18 agreement, in either case, in connection with a merger or consolidation.  
19 The provisions of this subsection shall not be construed to limit the  
20 accomplishment of a merger or of any of the matters referred to herein by  
21 any other means provided for in an operating agreement or other  
22 agreement or as otherwise permitted by law, including that the operating  
23 agreement of any constituent limited liability company to the merger or  
24 consolidation, including a limited liability company formed for the  
25 purpose of consummating a merger or consolidation, shall be the operating  
26 agreement of the surviving or resulting limited liability company.

27 (e) When any merger or consolidation shall have become effective  
28 under this section, for all purposes of the laws of the state of Kansas, all  
29 of the rights, privileges and powers of each of the limited liability companies  
30 that have merged or consolidated, and all property, real, personal and  
31 mixed, and all debts due to any of the limited liability companies, as well  
32 as all other things and causes of action belonging to each of such limited  
33 liability companies, shall be vested in the surviving or resulting limited  
34 liability company, and shall thereafter be the property of the surviving or  
35 resulting limited liability company as they were of each of the limited  
36 liability companies that have merged or consolidated, and the title to any  
37 real property vested by deed or otherwise, under the laws of the state of  
38 Kansas, in any of such limited liability companies, shall not revert or be in  
39 any way impaired by reason of this act, but all rights of creditors and all  
40 liens upon any property of any of the limited liability companies shall be  
41 preserved unimpaired, and all debts, liabilities and duties of each of the  
42 limited liability companies that have merged or consolidated shall  
43 thenceforth attach to the surviving or resulting limited liability company,

1 and may be enforced against it to the same extent as if the debts, liabilities  
2 and duties had been incurred or contracted by it. Unless otherwise agreed,  
3 a merger or consolidation of a domestic limited liability company,  
4 including a domestic limited liability company which is not the surviving  
5 or resulting entity in the merger or consolidation, shall not require such  
6 domestic limited liability company to wind up its affairs under K.S.A. 17-  
7 76,118, and amendments thereto, or pay its liabilities and distribute its  
8 assets under K.S.A. 17-76,119, and amendments thereto, and the merger or  
9 consolidation shall not constitute a dissolution of such limited liability  
10 company.

11 (f) A limited liability company may merge or consolidate with or into  
12 any other entity in accordance with the business entity transactions act,  
13 K.S.A. 2018 Supp. 17-78-101 et seq., and amendments thereto.

14 (g) An operating agreement may provide that a domestic limited  
15 liability company shall not have the power to merge or consolidate as set  
16 forth in this section.

17 Sec. 23. K.S.A. 2018 Supp. 17-7687 is hereby amended to read as  
18 follows: 17-7687. (a) An operating agreement may provide for classes or  
19 groups of members having such relative rights, powers and duties as the  
20 operating agreement may provide, and may make provision for the future  
21 creation in the manner provided in the operating agreement of additional  
22 classes or groups of members having such relative rights, powers and  
23 duties as may from time to time be established, including rights, powers  
24 and duties senior to existing classes and groups of members. An operating  
25 agreement may provide for the taking of an action, including the  
26 amendment of the operating agreement, without the vote, *consent* or  
27 approval of any member or class or group of members, including an action  
28 to create under the provisions of the operating agreement a class or group  
29 of limited liability company interests that was not previously outstanding.  
30 An operating agreement may provide that any member or class or group of  
31 members shall have no voting rights.

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

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

43 (d) Unless otherwise provided in an operating agreement, meetings of

1 members may be held by means of conference telephone or other  
2 communications equipment by means of which all persons participating in  
3 the meeting can hear each other, and participation in a meeting pursuant to  
4 this subsection shall constitute presence in person at the meeting. Unless  
5 otherwise provided in an operating agreement, on any matter that is to be  
6 voted on, consented to or approved by members, the members may take  
7 such action without a meeting, without prior notice and without a vote, if  
8 consented to *or approved*, in writing ~~or~~, by electronic transmission, *or by*  
9 *any other means permitted by law*, by members having not less than the  
10 minimum number of votes that would be necessary to authorize or take  
11 such action at a meeting at which all members entitled to vote thereon  
12 were present and voted. *Unless otherwise provided in an operating*  
13 *agreement, if a person, whether or not then a member, consents to or*  
14 *approves as a member any matter and provides that such consent or*  
15 *approval will be effective at a future time, including a time determined*  
16 *upon the happening of an event, then such person shall be deemed to have*  
17 *consented or approved as a member at such future time so long as such*  
18 *person is then a member.* Unless otherwise provided in an operating  
19 agreement, on any matter that is to be voted on by members, the members  
20 may vote in person or by proxy, and such proxy may be granted in writing,  
21 by means of electronic transmission or as otherwise permitted by  
22 applicable law. Unless otherwise provided in an operating agreement, a  
23 consent *or approval* transmitted by electronic transmission by a member or  
24 by a person or persons authorized to act for a member shall be deemed to  
25 be written and signed for purposes of this subsection. For purposes of this  
26 subsection, the term "electronic transmission" means any form of  
27 communication not directly involving the physical transmission of paper,  
28 *including the use of, or participation in, one or more electronic networks*  
29 *or databases, including one or more distributed electronic networks or*  
30 *databases*, that creates a record that may be retained, retrieved and  
31 reviewed by a recipient thereof and that may be directly reproduced in  
32 paper form by such a recipient through an automated process.

33 (e) Unless otherwise provided in the operating agreement or in ~~this~~  
34 *the Kansas revised limited liability company act*, every member holding an  
35 interest in profits shall be entitled to vote.

36 (f) If an operating agreement provides for the manner in which it may  
37 be amended, including by requiring the approval *or consent* of a person  
38 who is not a party to the operating agreement or the satisfaction of  
39 conditions, it may be amended only in that manner or as otherwise  
40 permitted by law, including as permitted by ~~subsection (e) of~~ K.S.A. 17-  
41 7681(e), and amendments thereto, provided that the approval *or consent* of  
42 any person may be waived by such person and that any such conditions  
43 may be waived by all persons for whose benefit such conditions were

1 intended. Unless otherwise provided in an operating agreement, a  
2 supermajority amendment provision shall only apply to provisions of the  
3 operating agreement that are expressly included in the operating  
4 agreement. As used in this section, "supermajority amendment provision"  
5 means any amendment provision set forth in an operating agreement  
6 requiring that an amendment to a provision of the operating agreement be  
7 adopted by no less than the vote or consent *or approval* required to take  
8 action under such latter provision.

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

16 Sec. 24. K.S.A. 2018 Supp. 17-7689 is hereby amended to read as  
17 follows: 17-7689. A person ceases to be a member of a limited liability  
18 company upon the happening of any of the following events:

19 (a) Unless otherwise provided in an operating agreement, or with the  
20 ~~written~~ consent *or approval* of all members, a member:

21 (1) Makes an assignment for the benefit of creditors;

22 (2) files a voluntary petition in bankruptcy;

23 (3) is adjudged a bankrupt or insolvent, or has entered against the  
24 member an order for relief, in any bankruptcy or insolvency proceeding;

25 (4) files a petition or answer seeking for the member any  
26 reorganization, arrangement, composition, readjustment, liquidation,  
27 dissolution or similar relief under any statute, law or regulation;

28 (5) files an answer or other pleading admitting or failing to contest  
29 the material allegations of a petition filed against the member in any  
30 proceeding of this nature;

31 (6) seeks, consents to or acquiesces in the appointment of a trustee,  
32 receiver or liquidator of the member or of all or any substantial part of the  
33 member's properties; or

34 (b) unless otherwise provided in an operating agreement, or with the  
35 ~~written~~ consent *or approval* of all members, 120 days after the  
36 commencement of any proceeding against the member seeking  
37 reorganization, arrangement, composition, readjustment, liquidation,  
38 dissolution or similar relief under any statute, law or regulation, if the  
39 proceeding has not been dismissed, or if within 90 days after the  
40 appointment without the member's consent or acquiescence of a trustee,  
41 receiver or liquidator of the member or of all or any substantial part of the  
42 member's properties, the appointment is not vacated or stayed, or within 90  
43 days after the expiration of any such stay, the appointment is not vacated.

1       Sec. 25. K.S.A. 2018 Supp. 17-7690 is hereby amended to read as  
2 follows: 17-7690. (a) Each member of a limited liability company, *in*  
3 *person or by attorney or other agent*, has the right, subject to such  
4 reasonable standards, including standards governing what information and  
5 documents are to be furnished at what time and location and at whose  
6 expense, as may be set forth in an operating agreement or otherwise  
7 established by the manager or, if there is no manager, then by the  
8 members, to obtain from the limited liability company from time to time  
9 upon reasonable demand for any purpose reasonably related to the  
10 member's interest as a member of the limited liability company:

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

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

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

17       (4) a copy of any written operating agreement and articles of  
18 organization and all amendments thereto, together with executed copies of  
19 any written powers of attorney pursuant to which the operating agreement  
20 and any certificate and all amendments thereto have been executed;

21       (5) true and full information regarding the amount of cash and a  
22 description and statement of the agreed value of any other property or  
23 services contributed by each member and which each member has agreed  
24 to contribute in the future, and the date on which each became a member;  
25 and

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

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

31       (c) The manager of a limited liability company shall have the right to  
32 keep confidential from the members, for such period of time as the  
33 manager deems reasonable, any information which the manager  
34 reasonably believes to be in the nature of trade secrets or other information  
35 the disclosure of which the manager in good faith believes is not in the  
36 best interest of the limited liability company or could damage the limited  
37 liability company or its business or which the limited liability company is  
38 required by law or by agreement with a third party to keep confidential.

39       (d) A limited liability company may maintain its records in other than  
40 a written form, *including on, by means of, or in the form of any*  
41 *information storage device, method, or one or more electronic networks or*  
42 *databases, including one or more distributed electronic networks or*  
43 *databases*, if such form is capable of conversion into written form within a

1 reasonable time.

2 (e) Any demand ~~by a member~~ under this section shall be in writing  
3 and shall state the purpose of such demand. *In every instance where an*  
4 *attorney or other agent is the person who seeks the right to obtain the*  
5 *information described in subsection (a), the demand shall be accompanied*  
6 *by a power of attorney or such other writing that authorizes the attorney*  
7 *or other agent to so act on behalf of the member.*

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

40 (g) The rights of a member or manager to obtain information as  
41 provided in this section may be restricted in an original operating  
42 agreement or in any subsequent amendment *consented to,* approved or  
43 adopted by all of the members or in compliance with any applicable

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

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

8 Sec. 26. K.S.A. 2018 Supp. 17-7695 is hereby amended to read as  
9 follows: 17-7695. (a) An operating agreement may provide for classes or  
10 groups of managers having such relative rights, powers and duties as the  
11 operating agreement may provide, and may make provision for the future  
12 creation in the manner provided in the operating agreement of additional  
13 classes or groups of managers having such relative rights, powers and  
14 duties as may from time to time be established, including rights, powers  
15 and duties senior to existing classes and groups of managers. An operating  
16 agreement may provide for the taking of an action, including the  
17 amendment of the operating agreement, without the vote, *consent* or  
18 approval of any manager or class or group of managers, including an  
19 action to create under the provisions of the operating agreement a class or  
20 group of limited liability company interests that was not previously  
21 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 ~~or~~, by electronic transmission,  
2 *or by any other means permitted by law*, by managers having not less than  
3 the 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*  
22 *or 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. 27. K.S.A. 2018 Supp. 17-7698 is hereby amended to read as  
27 follows: 17-7698. Unless otherwise provided in the operating agreement, a  
28 member or manager of a limited liability company has the power and  
29 authority to delegate to one or more other persons *any or all of the*  
30 *member's or manager's, as the case may be, rights* ~~and~~ *powers and duties*  
31 *to manage and control the business and affairs of the limited liability*  
32 *company, including to delegate.* *Any such delegation may be to agents,*  
33 *officers and employees of a member or manager or the limited liability*  
34 *company, and to delegate by a management agreement or another*  
35 *agreement with, or otherwise to, other persons.* *Unless otherwise provided*  
36 *in the operating agreement, such delegation by a member or manager*  
37 *shall be irrevocable if it states that it is irrevocable.* Unless otherwise  
38 provided in the operating agreement, such delegation by a member or  
39 manager of a limited liability company shall not cause the member or  
40 manager to cease to be a member or manager, as the case may be, of the  
41 limited liability company or cause the person to whom any such rights  
42 ~~and~~ *powers and duties* have been delegated to be a member or manager,  
43 as the case may be, of the limited liability company. *No other provision of*

1 *the Kansas revised limited liability company act shall be construed to*  
2 *restrict a member's or manager's power and authority to delegate any or*  
3 *all of its rights, powers, and duties to manage and control the business*  
4 *and affairs of the limited liability company.*

5 Sec. 28. K.S.A. 2018 Supp. 17-76,106 is hereby amended to read as  
6 follows: 17-76,106. (a) A member may resign from a limited liability  
7 company only at the time or upon the happening of events specified in an  
8 operating agreement and in accordance with the operating agreement.  
9 Notwithstanding anything to the contrary under applicable law, unless an  
10 operating agreement provides otherwise, a member may not resign from a  
11 limited liability company prior to the dissolution and winding up of the  
12 limited liability company.

13 (b) Unless otherwise provided in an operating agreement, a limited  
14 liability company whose original articles of organization were filed with  
15 the secretary of state and effective on or prior to June 30, 2014, shall  
16 ~~continue to be governed by this section as in effect on June 30, 2014, and~~  
17 ~~shall not be governed by this section~~ *not be governed by subsection (a) but*  
18 *shall be governed by this subsection. A member may resign from a limited*  
19 *liability company only at the time or upon the happening of events*  
20 *specified in the operating agreement and in accordance with the operating*  
21 *agreement. Notwithstanding anything to the contrary under applicable*  
22 *law, unless the operating agreement provides otherwise, a member may*  
23 *resign from a limited liability company prior to the dissolution and*  
24 *winding up of the limited liability company. Upon resignation, the member*  
25 *shall be deemed to be an assignee and shall have only the rights of an*  
26 *assignee. The resigned member is not released from the member's liability,*  
27 *if any, to a limited liability company. Notwithstanding anything to the*  
28 *contrary under applicable law, the operating agreement may provide that*  
29 *a limited liability company interest may not be assigned prior to the*  
30 *dissolution and winding up of the limited liability company.*

31 Sec. 29. K.S.A. 2018 Supp. 17-76,112 is hereby amended to read as  
32 follows: 17-76,112. (a) A limited liability company interest is assignable in  
33 whole or in part except as provided in an operating agreement. The  
34 assignee of a member's limited liability company interest shall have no  
35 right to participate in the management of the business and affairs of a  
36 limited liability company, except as provided in an operating agreement or,  
37 unless otherwise provided in the operating agreement, upon the ~~affirmative~~  
38 ~~vote or written~~ *consent or approval* of all of the members of the limited  
39 liability company. Notwithstanding anything to the contrary under  
40 applicable law, an operating agreement may provide that a limited liability  
41 company interest may not be assigned prior to the dissolution and winding  
42 up of the limited liability company.

43 (b) Unless otherwise provided in an operating agreement:

1 (1) An assignment of a limited liability company interest does not  
2 entitle the assignee to become or to exercise any rights or powers of a  
3 member;

4 (2) an assignment of a limited liability company interest entitles the  
5 assignee to share in such profits and losses, to receive such distribution or  
6 distributions, and to receive such allocation of income, gain, loss,  
7 deduction, or credit or similar item to which the assignor was entitled, to  
8 the extent assigned; and

9 (3) a member ceases to be a member and to have the power to  
10 exercise any rights or powers of a member upon assignment of all of the  
11 member's limited liability company interest. Unless otherwise provided in  
12 an operating agreement, the pledge of, or granting of a security interest,  
13 lien or other encumbrance in or against, any or all of the limited liability  
14 company interest of a member shall not cause the member to cease to be a  
15 member or to have the power to exercise any rights or powers of a  
16 member.

17 (c) Unless otherwise provided in an operating agreement, a member's  
18 interest in a limited liability company may be evidenced by a certificate of  
19 limited liability company interest issued by the limited liability company.  
20 An operating agreement may provide for the assignment or transfer of any  
21 limited liability company interest represented by such a certificate and  
22 make other provisions with respect to such certificates. A limited liability  
23 company shall not have the power to issue a certificate of limited liability  
24 company interest in bearer form.

25 (d) Unless otherwise provided in an operating agreement and except  
26 to the extent assumed by agreement, until an assignee of a limited liability  
27 company interest becomes a member, the assignee shall have no liability  
28 as a member solely as a result of the assignment.

29 (e) Unless otherwise provided in the operating agreement, a limited  
30 liability company may acquire, by purchase, redemption or otherwise, any  
31 limited liability company interest or other interest of a member or manager  
32 in the limited liability company. Unless otherwise provided in the  
33 operating agreement, any such interest so acquired by the limited liability  
34 company shall be deemed canceled.

35 Sec. 30. K.S.A. 2018 Supp. 17-76,113 is hereby amended to read as  
36 follows: 17-76,113. (a) On application by a judgment creditor of a member  
37 or of a member's assignee, a court having jurisdiction may charge the  
38 limited liability company interest of the judgment debtor to satisfy the  
39 judgment. To the extent so charged, the judgment creditor has only the  
40 right to receive any distribution or distributions to which the judgment  
41 debtor would otherwise have been entitled in respect of such limited  
42 liability company interest.

43 (b) A charging order constitutes a lien on the judgment debtor's

1 limited liability company interest.

2 (c) ~~This~~ *The Kansas revised limited liability company* act does not  
3 deprive a member or member's assignee of a right under exemption laws  
4 with respect to the judgment debtor's limited liability company interest.

5 (d) The entry of a charging order is the exclusive remedy by which a  
6 judgment creditor of a member or of a member's assignee may satisfy a  
7 judgment out of the judgment debtor's limited liability company interest,  
8 *and attachment, garnishment, foreclosure, or other legal or equitable*  
9 *remedies are not available to the judgment creditor, whether the limited*  
10 *liability company has one member or more than one member.*

11 (e) No creditor of a member or of a member's assignee shall have any  
12 right to obtain possession of, or otherwise exercise legal or equitable  
13 remedies with respect to, the property of the limited liability company.

14 (f) The district court shall have jurisdiction to hear and determine any  
15 matter relating to any such charging order.

16 Sec. 31. K.S.A. 2018 Supp. 17-76,114 is hereby amended to read as  
17 follows: 17-76,114. (a) An assignee of a limited liability company interest  
18 ~~may become~~ *becomes* a member:

19 (1) As provided in the operating agreement; ~~or~~

20 (2) unless otherwise provided in the operating agreement, upon the  
21 ~~affirmative vote or written~~ consent *or approval* of all of the members of  
22 the limited liability company; *or*

23 (3) *unless otherwise provided in the operating agreement by a*  
24 *specific reference to this subsection (a) or otherwise provided in*  
25 *connection with the assignment, upon the voluntary assignment by the sole*  
26 *member of the limited liability company of all of the limited liability*  
27 *company interests in the limited liability company to a single assignee. An*  
28 *assignment will be voluntary for purposes of this subsection (a) if it is*  
29 *consented to or approved by the member at the time of the assignment and*  
30 *is not effected by foreclosure or other similar legal process.*

31 (b) An assignee who has become a member has, to the extent  
32 assigned, the rights and powers, and is subject to the restrictions and  
33 liabilities, of a member under an operating agreement and ~~this the Kansas~~  
34 *revised limited liability company* act. Notwithstanding the foregoing,  
35 unless otherwise provided in an operating agreement, an assignee who  
36 becomes a member is liable for the obligations of the assignor to make  
37 contributions as provided in K.S.A. 17-76,100, and amendments thereto,  
38 but shall not be liable for the obligations of the assignor under K.S.A. 17-  
39 76,104 through 17-76,110, and amendments thereto. However, the  
40 assignee is not obligated for liabilities, including the obligations of the  
41 assignor to make contributions as provided in K.S.A. 17-76,100, and  
42 amendments thereto, unknown to the assignee at the time the assignee  
43 became a member and which could not be ascertained from an operating

1 agreement.

2 (c) Whether or not an assignee of a limited liability company interest  
3 becomes a member, the assignor is not released from liability to a limited  
4 liability company under K.S.A. 17-7699 through 17-76,110, and  
5 amendments thereto.

6 Sec. 32. K.S.A. 2018 Supp. 17-76,116 is hereby amended to read as  
7 follows: 17-76,116. (a) A limited liability company is dissolved and its  
8 affairs shall be wound up upon the first to occur of the following:

9 (1) At the time specified in an operating agreement, but if no such  
10 time is set forth in the operating agreement, then the limited liability  
11 company shall have a perpetual existence;

12 (2) upon the happening of events specified in an operating agreement;

13 (3) (A) unless otherwise provided in an operating agreement, upon the  
14 affirmative vote, consent or ~~written approval~~ of members who own  $\frac{2}{3}$  or  
15 more of the then-current percentage or other interest in the profits of the  
16 limited liability company owned by all of the members; or

17 (B) unless otherwise provided in an operating agreement, a limited  
18 liability company whose original articles of organization were filed with  
19 the secretary of state and effective on or prior to June 30, 2019, shall not  
20 be governed by subparagraph (A) but shall be governed by this  
21 subparagraph. Unless otherwise provided in an operating agreement,  
22 upon the vote or consent of the members of the limited liability company  
23 or, if there is more than one class or group of members, then by each class  
24 or group of members, in either case, by members who own more than  $\frac{2}{3}$  of  
25 the then-current percentage or other interest in the profits of the limited  
26 liability company owned by all of the members or by the members in each  
27 class or group, as appropriate;

28 (4) at any time there are no members, provided that, the limited  
29 liability company is not dissolved and is not required to be wound up if:

30 (A) Unless otherwise provided in an operating agreement, within 90  
31 days or such other period as is provided for in the operating agreement  
32 after the occurrence of the event that terminated the continued membership  
33 of the last remaining member, the personal representative of the last  
34 remaining member agrees ~~in writing~~ to continue the limited liability  
35 company and to the admission of the personal representative of such  
36 member or its nominee or designee to the limited liability company as a  
37 member, effective as of the occurrence of the event that terminated the  
38 continued membership of the last remaining member, except that an  
39 operating agreement may provide that the personal representative of the  
40 last remaining member shall be obligated to agree ~~in writing~~ to continue  
41 the limited liability company and to the admission of the personal  
42 representative of such member or its nominee or designee to the limited  
43 liability company as a member, effective as of the occurrence of the event

1 that terminated the continued membership of the last remaining member;  
2 or

3 (B) a member is admitted to the limited liability company in the  
4 manner provided for in the operating agreement, effective as of the  
5 occurrence of the event that terminated the continued membership of the  
6 last remaining member, within 90 days or such other period as is provided  
7 for in the operating agreement after the occurrence of the event that  
8 terminated the continued membership of the last remaining member,  
9 pursuant to a provision of the operating agreement that specifically  
10 provides for the admission of a member to the limited liability company  
11 after there is no longer a remaining member of the limited liability  
12 company; or

13 (5) the entry of a decree of judicial dissolution under K.S.A. 17-  
14 76,117, and amendments thereto.

15 (b) Unless otherwise provided in an operating agreement, the death,  
16 retirement, resignation, expulsion, bankruptcy or dissolution of any  
17 member or the occurrence of ~~any other~~ *an* event that terminates the  
18 continued membership of any member shall not cause the limited liability  
19 company to be dissolved or its affairs to be wound up, and upon the  
20 occurrence of any such event, the limited liability company shall be  
21 continued without dissolution.

22 Sec. 33. K.S.A. 2018 Supp. 17-76,118 is hereby amended to read as  
23 follows: 17-76,118. (a) *(1) Unless otherwise provided in the operating*  
24 *agreement, a manager who has not wrongfully dissolved a limited liability*  
25 *company or, if none, the members or a person consented to or approved by*  
26 *the members, in either case, by members who own more than 50% of the*  
27 *then-current percentage or other interest in the profits of the limited*  
28 *liability company owned by all of the members, may wind up the limited*  
29 *liability company's affairs, but the district court upon cause shown, may*  
30 *wind up the limited liability company's affairs upon application of any*  
31 *member or manager, or the member's personal representative or assignee,*  
32 *and in connection therewith, may appoint a liquidating trustee.*

33 *(2) Unless otherwise provided in the operating agreement, a limited*  
34 *liability company whose original articles of organization were filed with*  
35 *the secretary of state and effective on or prior to June 30, 2019, shall not*  
36 *be governed by paragraph (1) but shall be governed by this paragraph.*  
37 *Unless otherwise provided in the operating agreement, a manager who*  
38 *has not wrongfully dissolved a limited liability company or, if none, the*  
39 *members or a person consented to or approved by the members or, if there*  
40 *is more than one class or group of members, then by each class or group of*  
41 *members, in either case, by members who own more than 50% of the then-*  
42 *current percentage or other interest in the profits of the limited liability*  
43 *company owned by all of the members or by the members in each class or*

1 group, as appropriate, may wind up the limited liability company's affairs;  
2 but the district court upon cause shown, may wind up the limited liability  
3 company's affairs upon application of any member or manager, or the  
4 member's personal representative or assignee, and in connection therewith,  
5 may appoint a liquidating trustee.

6 (b) Upon dissolution of a limited liability company and until the  
7 filing of a certificate of cancellation as provided in K.S.A. 17-7675, and  
8 amendments thereto, the persons winding up the limited liability  
9 company's affairs may, in the name of, and for and on behalf of, the  
10 limited liability company, prosecute and defend suits, whether civil,  
11 criminal or administrative, gradually settle and close the limited liability  
12 company's business, dispose of and convey the limited liability company's  
13 property, discharge or make reasonable provision for the limited liability  
14 company's liabilities, and distribute to the members any remaining assets  
15 of the limited liability company, all without affecting the liability of  
16 members and managers and without imposing liability on a liquidating  
17 trustee.

18 Sec. 34. K.S.A. 17-76,135 is hereby amended to read as follows: 17-  
19 76,135. In any case not provided for in ~~this~~ *the Kansas revised limited*  
20 *liability company* act, the rules of law and equity, including the *rules of*  
21 *law and equity relating to fiduciary duties and the law merchant*, shall  
22 govern.

23 Sec. 35. K.S.A. 2018 Supp. 17-76,136 is hereby amended to read as  
24 follows: 17-76,136. (a) The secretary of state shall charge each domestic  
25 and foreign limited liability company the following fees:

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

28 (A) A certificate of amendment of articles of organization;  
29 (B) restated articles of organization;  
30 (C) a certificate of cancellation;  
31 (D) a certificate of change of location of registered office or resident  
32 agent;

33 (E) a certificate of merger or consolidation; ~~and~~

34 (F) *a certificate of division; and*

35 (G) any certificate, affidavit, agreement or any other paper provided  
36 for in ~~this~~ *the Kansas revised limited liability company* act, for which no  
37 different fee is specifically prescribed;

38 (2) a fee of \$7.50 for each certified copy plus a fee per page, if the  
39 secretary of state supplies the copies, in an amount fixed by the secretary  
40 of state and approved by the director of accounts and reports for copies of  
41 corporate documents under K.S.A. 45-204, and amendments thereto;

42 (3) a fee of \$7.50 for each certificate of good standing and certificate  
43 of fact issued by the secretary of state;

1 (4) a fee of \$5 for a report of record search, but furnishing the  
 2 following information shall not be considered a record search and no  
 3 charge shall be made therefor: Name of the limited liability company and  
 4 the address of its registered office; name and address of the resident agent;  
 5 the state of the limited liability company's formation; the date of filing of  
 6 its articles of organization or annual report; and date of expiration; and

7 (5) for photocopies of instruments on file or prepared by the secretary  
 8 of state's office and which are not certified, a fee per page in an amount  
 9 fixed by the secretary of state and approved by the director of accounts and  
 10 reports for copies of corporate documents under K.S.A. 45-204, and  
 11 amendments thereto.

12 (b) Every limited liability company hereafter formed in this state shall  
 13 pay to the secretary of state, at the time of filing its articles of organization,  
 14 an application and recording fee of \$150.

15 (c) At the time of filing its application to do business, every foreign  
 16 limited liability company shall pay to the secretary of state an application  
 17 and recording fee of \$150.

18 (d) The fee for filing a certificate of reinstatement shall be the same  
 19 as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a  
 20 certificate of reinstatement of a corporation's articles of incorporation.

21 Sec. 36. On and after July 1, 2020, K.S.A. 2018 Supp. 17-76,136, as  
 22 amended by section 35 of this act, is hereby amended to read as follows:  
 23 17-76,136. (a) The secretary of state shall charge each domestic and  
 24 foreign limited liability company the following fees:

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

- 27 (A) A certificate of amendment of articles of organization;
- 28 (B) restated articles of organization;
- 29 (C) a certificate of cancellation, *which fee shall be multiplied by the*  
 30 *number of series of the limited liability company named in the certificate*  
 31 *of cancellation;*
- 32 (D) a certificate of change of location of registered office or resident  
 33 agent;
- 34 (E) a certificate of merger or consolidation;
- 35 (F) a certificate of division; and
- 36 (G) any certificate, affidavit, agreement or any other paper provided  
 37 for in the Kansas revised limited liability company act, for which no  
 38 different fee is specifically prescribed;

39 (2) a fee of \$7.50 for each certified copy plus a fee per page, if the  
 40 secretary of state supplies the copies, in an amount fixed by the secretary  
 41 of state and approved by the director of accounts and reports for copies of  
 42 corporate documents under K.S.A. 45-204, and amendments thereto;

43 (3) a fee of \$7.50 for each certificate of good standing, *including a*

1 *certificate of good standing for a series of a limited liability company*, and  
2 certificate of fact issued by the secretary of state;

3 (4) a fee of \$5 for a report of record search, but furnishing the  
4 following information shall not be considered a record search and no  
5 charge shall be made therefor: Name of the limited liability company and  
6 the address of its registered office; name and address of the resident agent;  
7 the state of the limited liability company's formation; the date of filing of  
8 its articles of organization or annual report; and date of expiration; and

9 (5) for photocopies of instruments on file or prepared by the secretary  
10 of state's office and which are not certified, a fee per page in an amount  
11 fixed by the secretary of state and approved by the director of accounts and  
12 reports for copies of corporate documents under K.S.A. 45-204, and  
13 amendments thereto.

14 (b) Every limited liability company hereafter formed in this state shall  
15 pay to the secretary of state, at the time of filing its articles of organization,  
16 an application and recording fee of \$150.

17 (c) At the time of filing its application to do business, every foreign  
18 limited liability company shall pay to the secretary of state an application  
19 and recording fee of \$150.

20 (d) The fee for filing a certificate of reinstatement shall be the same  
21 as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a  
22 certificate of reinstatement of a corporation's articles of incorporation.

23 Sec. 37. K.S.A. 17-76,138 is hereby amended to read as follows: 17-  
24 76,138. For purposes of any tax imposed by the state of Kansas or any  
25 instrumentality, agency or political subdivision of the state of Kansas, a  
26 *domestic* limited liability company ~~formed under this act~~ or a *foreign*  
27 *limited liability company* qualified to do business in the state of Kansas ~~as~~  
28 ~~a foreign limited liability company~~ shall be classified as a partnership  
29 unless classified otherwise for federal income tax purposes, in which case  
30 the *domestic or foreign* limited liability company shall be classified in the  
31 same manner as it is classified for federal income tax purposes. For  
32 purposes of any tax imposed by the state of Kansas or any instrumentality,  
33 agency or political subdivision of the state of Kansas, a member or an  
34 assignee of a member of a *domestic* limited liability company ~~formed~~  
35 ~~under this act~~ or a *foreign limited liability company* qualified to do  
36 business in the state of Kansas ~~as a foreign limited liability company~~ shall  
37 be treated as either a resident or nonresident partner unless classified  
38 otherwise for federal income tax purposes, in which case the member or  
39 assignee of a member shall have the same status as such member or  
40 assignee of a member has for federal income tax purposes.

41 Sec. 38. On and after July 1, 2020, K.S.A. 2018 Supp. 17-76,139 is  
42 hereby amended to read as follows: 17-76,139. (a) Every limited liability  
43 company organized *and on and after July 1, 2020, each series thereof*

1 *formed or in existence* under the laws of this state shall make an annual  
2 report in writing to the secretary of state, stating the prescribed  
3 information concerning the limited liability company *or series, as*  
4 *applicable*, at the close of business on the last day of its tax period next  
5 preceding the date of filing. If the limited liability company's *or series'* tax  
6 period is other than the calendar year, it shall give notice of its different tax  
7 period in writing to the secretary of state prior to December 31 of the year  
8 it commences the different tax period. The annual report shall be filed at  
9 the time prescribed by law for filing the limited liability company's *or*  
10 *series'* annual Kansas income tax return, *or if applicable law does not*  
11 *prescribe a time for filing an annual Kansas income tax return for a*  
12 *series, the annual report for the series shall be filed at, and for purposes*  
13 *of this section its tax period shall be deemed to be, the time prescribed by*  
14 *law for filing the annual Kansas income tax return for the limited liability*  
15 *company to which the series is associated.* The annual report shall be made  
16 on a form prescribed by the secretary of state. The report shall contain the  
17 following information:

18 (1) The name of the limited liability company *or series, as*  
19 *applicable*; and

20 (2) a list of the members owning at least 5% of the capital of the  
21 limited liability company *or series, as applicable*, with the post office  
22 address of each.

23 (b) Every foreign limited liability company shall make an annual  
24 report in writing to the secretary of state, stating the prescribed  
25 information concerning the limited liability company at the close of  
26 business on the last day of its tax period next preceding the date of filing.  
27 If the limited liability company's tax period is other than the calendar year,  
28 it shall give notice in writing of its different tax period to the secretary of  
29 state prior to December 31 of the year it commences the different tax  
30 period. The annual report shall be filed at the time prescribed by law for  
31 filing the limited liability company's annual Kansas income tax return. The  
32 annual report shall be made on a form prescribed by the secretary of state.  
33 The report shall contain the name of the limited liability company.

34 (c) The annual report required by this section shall be executed by  
35 one or more authorized persons, and filed with the secretary of state. The  
36 execution of such annual report by a person who is authorized by ~~this~~ *the*  
37 *Kansas revised limited liability company* act to execute such annual report,  
38 upon filing such annual report with the secretary of state, constitutes an  
39 oath or affirmation, under penalties of perjury that, to the best of such  
40 person's knowledge and belief, the facts stated therein are true. At the time  
41 of filing the report, the limited liability company *or series* shall pay to the  
42 secretary of state an annual report fee in an amount equal to \$40.

43 (d) The provisions of K.S.A. 17-7509, and amendments thereto,

1 relating to penalties for failure of a corporation to file an annual report or  
2 pay the required annual report fee, and the provisions of K.S.A. 17-  
3 7510(a), and amendments thereto, relating to penalties for failure of a  
4 corporation to file an annual report or pay the required annual report fee,  
5 shall be applicable to the articles of organization of any domestic limited  
6 liability company, *the certificate of designation of any series thereof*, or to  
7 the authority of any foreign limited liability company which fails to file its  
8 annual report or pay the annual report fee within 90 days of the time  
9 prescribed in this section for filing and paying the same or, in the case of  
10 an annual report filing and fee received by mail, postmarked within 90  
11 days of the time for filing and paying the same. Whenever the articles of  
12 organization of a domestic limited liability company, *the certificate of*  
13 *designation of a series thereof*, or the authority of any foreign limited  
14 liability company are forfeited *or canceled* for failure to file an annual  
15 report or to pay the required annual report fee, the domestic limited  
16 liability company or the authority of a foreign limited liability company  
17 may be reinstated by filing a certificate of reinstatement, pursuant to  
18 K.S.A. 2018 Supp. 17-76,146, and amendments thereto, and *the certificate*  
19 *of designation may be reinstated by filing a certificate of reinstatement,*  
20 *pursuant to section 4, and amendments thereto, and in each case,* paying  
21 to the secretary of state all fees, including any penalties thereon, due to the  
22 state.

23 (e) No limited liability company *or series* shall be required to file its  
24 first annual report under ~~this~~ *the Kansas revised limited liability company*  
25 act, or pay any annual report fee required to accompany such report, unless  
26 such limited liability company has filed its articles of organization or  
27 application for authority *or the certificate of designation of such series has*  
28 *been filed* at least six months prior to the last day of its tax period.

29 (f) All copies of applications for extension of the time for filing  
30 income tax returns submitted to the secretary of state pursuant to law shall  
31 be maintained by the secretary of state in a confidential file and shall not  
32 be disclosed to any person except as authorized pursuant to the provisions  
33 of K.S.A. 79-3234, and amendments thereto, a proper judicial order, or  
34 subsection (g). All copies of such applications shall be preserved for one  
35 year and thereafter until the secretary of state orders that they be  
36 destroyed.

37 (g) A copy of such application shall be open to inspection by or  
38 disclosure to any person who was a member of such limited liability  
39 company *or series* during any part of the period covered by the extension.

40 Sec. 39. On and after July 1, 2020, K.S.A. 2018 Supp. 17-76,143 is  
41 hereby amended to read as follows: 17-76,143. (a) An operating agreement  
42 may establish or provide for the establishment of one or more designated  
43 series of members, managers ~~or~~, limited liability company interests ~~having~~

1 *or assets. If an operating agreement so provides for the establishment or*  
2 *formation of one or more series, then a series may be formed by*  
3 *complying with this section. Any such series may have separate rights,*  
4 *powers or duties with respect to specified property or obligations of the*  
5 *limited liability company or profits and losses associated with specified*  
6 *property or obligations, and to the extent provided in the operating*  
7 *agreement, any such series may have a separate business purpose or*  
8 *investment objective. A series is formed by the filing of a certificate of*  
9 *designation in the office of the secretary of state. Other than pursuant to*  
10 *section 3, and amendments thereto, a series may not merge, convert, or*  
11 *consolidate pursuant to any section of the Kansas revised limited liability*  
12 *company act, the business entity transactions act, K.S.A. 2018 Supp. 17-*  
13 *78-101 et seq., and amendments thereto, or any other statute of this state.*

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

26 (c) *Notwithstanding anything to the contrary set forth in ~~this section~~*  
27 *the Kansas revised limited liability company act or under other applicable*  
28 *law, in the event that an operating agreement establishes or provides for*  
29 *the establishment of one or more series, and if to the extent the records*  
30 *maintained for any ~~such~~ series account for the assets associated with such*  
31 *series separately from the other assets of the limited liability company, or*  
32 *any other series thereof, and if the operating agreement so provides, and if*  
33 *notice of the limitation on liabilities of a series as referenced in this*  
34 *subsection is set forth in the articles of organization of the limited liability*  
35 *company and if the limited liability company has filed a certificate of*  
36 *designation for each series which is to have limited liability under this*  
37 *section, then the debts, liabilities, obligations and expenses incurred,*  
38 *contracted for or otherwise existing with respect to ~~a particular~~ such series*  
39 *shall be enforceable against the assets of such series only, and not against*  
40 *the assets of the limited liability company generally or any other series*  
41 *thereof, and, unless otherwise provided in the operating agreement, none*  
42 *of the debts, liabilities, obligations and expenses incurred, contracted for*  
43 *or otherwise existing with respect to the limited liability company*

1 generally or any other series thereof shall be enforceable against the assets  
2 of such series. ~~The fact that the articles of organization contain the~~  
3 ~~foregoing notice of the limitation on liabilities of a series and a certificate~~  
4 ~~of designation for a series is on file in the office of the secretary of state~~  
5 ~~shall constitute notice of such limitation on liabilities of a series. A series~~  
6 ~~with limited liability shall be treated as a separate entity to the extent set~~  
7 ~~forth in the articles of organization. Each series with limited liability may,~~  
8 ~~in its own name, contract, hold title to assets, grant security interests, sue~~  
9 ~~and be sued and otherwise conduct business and exercise the powers of a~~  
10 ~~limited liability company under this act. The limited liability company and~~  
11 ~~any of its series may elect to consolidate their operations as a single~~  
12 ~~taxpayer to the extent permitted under applicable law, elect to work~~  
13 ~~cooperatively, elect to contract jointly or elect to be treated as a single~~  
14 ~~business for purposes of qualification to do business in this or any other~~  
15 ~~state. Such elections shall not affect the limitation of liability set forth in~~  
16 ~~this section except to the extent that the series have specifically accepted~~  
17 ~~joint liability by contract.~~

18 ~~(e) Except in the case of a foreign limited liability company that has~~  
19 ~~adopted an assumed name pursuant to K.S.A. 2018 Supp. 17-7933, and~~  
20 ~~amendments thereto, the name of the series with limited liability must~~  
21 ~~contain the entire name of the limited liability company and be~~  
22 ~~distinguishable from the names of the other series set forth in the articles~~  
23 ~~of organization. In the case of a foreign limited liability company that has~~  
24 ~~adopted an assumed name pursuant to K.S.A. 2018 Supp. 17-7933, and~~  
25 ~~amendments thereto, the name of the series with limited liability must~~  
26 ~~contain the entire name under which the foreign limited liability company~~  
27 ~~has been admitted to transact business in this state.~~

28 ~~(d) Upon the filing of the certificate of designation with the secretary~~  
29 ~~of state setting forth the name of each series with limited liability, the~~  
30 ~~series' existence shall begin, and copies of the filed certificate of~~  
31 ~~designation marked with the filing date shall be conclusive evidence,~~  
32 ~~except as against the state, that all conditions precedent required to be~~  
33 ~~performed have been complied with and that the series has been or shall be~~  
34 ~~legally organized and formed under this act. If different from the limited~~  
35 ~~liability company, the certificate of designation for each series shall list the~~  
36 ~~names of the members if the series is member managed or the names of~~  
37 ~~the managers if the series is manager managed. The name of a series with~~  
38 ~~limited liability under subsection (b) may be changed by filing with the~~  
39 ~~secretary of state a certificate of designation identifying the series whose~~  
40 ~~name is being changed and the new name of such series. If not the same as~~  
41 ~~the limited liability company, the names of the members of a member~~  
42 ~~managed series or of the managers of a manager managed series may be~~  
43 ~~changed by filing a new certificate of designation with the secretary of~~

1 state. A series with limited liability under subsection (b) may be dissolved  
2 by filing with the secretary of state a certificate of designation identifying  
3 the series being dissolved or by the dissolution of the limited liability  
4 company as provided in subsection (m). Certificates of designation may be  
5 executed by the limited liability company or any manager, person or entity  
6 designated in the operating agreement for the limited liability company.

7 (e) A series of a limited liability company will be deemed to be in  
8 good standing as long as the limited liability company is in good standing.

9 (f) The resident agent and registered office for the limited liability  
10 company in Kansas shall serve as the agent and office for service of  
11 process in Kansas for each series.

12 (g) An operating agreement may provide for classes or groups of  
13 members or managers associated with a series having such relative rights,  
14 powers and duties as the operating agreement may provide, and may make  
15 provision for the future creation of additional classes or groups of  
16 members or managers associated with the series having such relative  
17 rights, powers and duties as may from time to time be established,  
18 including rights, powers and duties senior to existing classes and groups of  
19 members or managers associated with the series.

20 (h) A series may be managed by either the member or members  
21 associated with the series or by a manager or managers chosen by the  
22 members of such series, as provided in the operating agreement. Unless  
23 otherwise provided in an operating agreement, the management of a series  
24 shall be vested in the members associated with such series.

25 (i) An operating agreement may grant to all or certain identified  
26 members or managers or a specified class or group of the members or  
27 managers associated with a series the right to vote separately or with all or  
28 any class or group of the members or managers associated with the series,  
29 on any matter. An operating agreement may provide that any member or  
30 class or group of members associated with a series shall have no voting  
31 rights.

32 (j) Except to the extent modified in this section, the provisions of this  
33 act which are generally applicable to limited liability companies, their  
34 managers, members and transferees shall be applicable to each particular  
35 series with respect to the operation of such series.

36 (k) Except as otherwise provided in an operating agreement, any  
37 event under this act or in an operating agreement that causes a manager to  
38 cease to be a manager with respect to a series shall not, in itself, cause  
39 such manager to cease to be a manager of the limited liability company or  
40 with respect to any other series thereof.

41 (l) Except as otherwise provided in an operating agreement, any event  
42 under this act or an operating agreement that causes a member to cease to  
43 be associated with a series shall not, in itself, cause such member to cease

1 to be associated with any other series or terminate the continued  
2 membership of a member in the limited liability company or cause the  
3 termination of the series, regardless of whether such member was the last  
4 remaining member associated with such series.

5 ~~(m) Except to the extent otherwise provided in the operating~~  
6 ~~agreement, a series may be dissolved and its affairs wound up without~~  
7 ~~causing the dissolution of the limited liability company. The dissolution of~~  
8 ~~a series established in accordance with subsection (b) shall not affect the~~  
9 ~~limitation on liabilities of such series provided by subsection (b). A series~~  
10 ~~is terminated and its affairs shall be wound up upon the dissolution of the~~  
11 ~~limited liability company under article 76 of chapter 17 of the Kansas~~  
12 ~~Statutes Annotated, and amendments thereto.~~

13 (n) If a limited liability company with the ability to establish a series  
14 does not register to do business in a foreign jurisdiction for itself and  
15 certain of its series, a series of a limited liability company may itself  
16 register to do business as a limited liability company in the foreign  
17 jurisdiction in accordance with the laws of the foreign jurisdiction. *Neither*  
18 *the preceding sentences nor any provision pursuant thereto in an*  
19 *operating agreement, articles of organization or certificate of designation*  
20 *shall: Restrict a series or limited liability company on behalf of a series*  
21 *from agreeing in the operating agreement or otherwise that any or all of*  
22 *the debts, liabilities, obligations, and expenses incurred, contracted for, or*  
23 *otherwise existing with respect to the limited liability company generally*  
24 *or any other series thereof shall be enforceable against the assets of such*  
25 *series; or restrict a limited liability company from agreeing in the*  
26 *operating agreement or otherwise that any or all of the debts, liabilities,*  
27 *obligations, and expenses incurred, contracted for, or otherwise existing*  
28 *with respect to a series shall be enforceable against the assets of the*  
29 *limited liability company generally. Assets associated with a series may be*  
30 *held directly or indirectly, including in the name of such series, in the*  
31 *name of the limited liability company, through a nominee or otherwise.*  
32 *Records maintained for a series that reasonably identify its assets,*  
33 *including by specific listing, category, type, quantity, computational, or*  
34 *allocational formula or procedure, including a percentage or share of any*  
35 *asset or assets, or by any other method where the identity of such assets is*  
36 *objectively determinable, will be deemed to account for the assets*  
37 *associated with such series separately from the other assets of the limited*  
38 *liability company, or any other series thereof. As used in the Kansas*  
39 *revised limited liability company act, a reference to assets of a series*  
40 *includes assets associated with such series, a reference to assets*  
41 *associated with a series includes assets of such series, a reference to*  
42 *members or managers of a series includes members or managers*  
43 *associated with such series, and a reference to members or managers*

1 associated with a series includes members or managers of such series. The  
2 following shall apply to a series:

3 (1) A series may carry on any lawful business, purpose or activity,  
4 whether or not for profit, with the exception of the business of granting  
5 policies of insurance, assuming insurance risks, or banking as defined in  
6 K.S.A. 9-702, and amendments thereto. Unless otherwise provided in an  
7 operating agreement, a series shall have the power and capacity to, in its  
8 own name, contract, hold title to assets, including real, personal, and  
9 intangible property, grant liens and security interests, and sue and be  
10 sued.

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

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

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

42 (5) Unless otherwise provided in an operating agreement, the  
43 management of a series shall be vested in the members associated with

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (i) The name of the limited liability company; and

30 (ii) the name of the series.

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

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

36 (2) A certificate of designation shall be executed in accordance with  
37 K.S.A. 2018 Supp. 17-7908(b), and amendments thereto, and shall be filed  
38 in the office of the secretary of state in accordance with K.S.A. 2018 Supp.  
39 17-7910, and amendments thereto. A certificate of designation is not an  
40 amendment to the articles of organization of the limited liability company.

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

43 (A) The certificate of amendment shall 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, shall promptly amend the*  
13 *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, a*  
19 *certificate of amendment shall be effective at the time of its filing with the*  
20 *secretary of state.*

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

36       (A) *A certificate of cancellation of the certificate of designation shall*  
37 *set forth:*

38       (i) *The name of the limited liability company;*

39       (ii) *the name of the series;*

40       (iii) *the future effective date or time, which shall be a date or time*  
41 *certain, of cancellation if it is not to be effective upon the filing of the*  
42 *certificate of cancellation; and*

43       (iv) *any other information the person filing the certificate of*

1 *cancellation of the certificate of designation determines.*

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

5 *(8) A certificate of cancellation of the certificate of designation that*  
6 *is filed in the office of the secretary of state prior to the dissolution or the*  
7 *completion of winding up of a series may be corrected as an erroneously*  
8 *executed certificate of cancellation of the certificate of designation by*  
9 *filing with the office of the secretary of state a certificate of correction of*  
10 *such certificate of cancellation of the certificate of designation in*  
11 *accordance with K.S.A. 2018 Supp. 17-7912, and amendments thereto.*

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

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

18 *(1) Shall include the name of the limited liability company, including*  
19 *any word, abbreviation or designation required by K.S.A. 2018 Supp. 17-*  
20 *7920, and amendments thereto;*

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

22 *(3) must comply with the requirements of K.S.A. 2018 Supp. 17-7918,*  
23 *and amendments thereto, to the same extent as a covered entity; and*

24 *(4) may contain any word permitted by K.S.A. 2018 Supp. 17-7920,*  
25 *and amendments thereto, and may not contain any word prohibited to be*  
26 *included in the name of a limited liability company under Kansas law.*

27 ~~*(f) If a foreign limited liability company, as permitted in the*~~  
28 ~~*jurisdiction of its organization, has established a series having separate*~~  
29 ~~*rights, powers or duties and has limited the liabilities of such series so that*~~  
30 ~~*is registered to do business in this state in accordance with K.S.A. 2018*~~  
31 ~~*Supp. 17-7931, and amendments thereto, is governed by an operating*~~  
32 ~~*agreement that establishes or provides for the establishment of a series of*~~  
33 ~~*members, managers, limited liability company interests or assets having*~~  
34 ~~*separate rights, powers or duties with respect to specified property or*~~  
35 ~~*obligations of the foreign limited liability company or profits and losses*~~  
36 ~~*associated with specified property or obligations, that fact shall be so*~~  
37 ~~*stated on the application for registration as a foreign limited liability*~~  
38 ~~*company. In addition, the foreign limited liability company shall state on*~~  
39 ~~*such application whether the debts, liabilities and obligations incurred,*~~  
40 ~~*contracted for or otherwise existing with respect to a particular series, if*~~  
41 ~~*any, are enforceable against the assets of such series only, and not against*~~  
42 ~~*the assets of the foreign limited liability company generally or any other*~~  
43 ~~*series thereof, or so that and whether any of the debts, liabilities,*~~

1 obligations and expenses incurred, contracted for or otherwise existing  
2 with respect to the *foreign* limited liability company generally or any other  
3 series thereof ~~are not shall be~~ enforceable against the assets of such series;  
4 ~~then the limited liability company, on behalf of itself or any of its series, or~~  
5 ~~any of its series on their own behalf may register to do business in the state~~  
6 ~~in accordance with the provisions of K.S.A. 2018 Supp. 17-7931, and~~  
7 ~~amendments thereto. The limitation of liability shall be so stated on the~~  
8 ~~application for admission as a foreign limited liability company and a~~  
9 ~~certificate of designation shall be filed for each series being registered to~~  
10 ~~do business in the state by the limited liability company. Unless otherwise~~  
11 ~~provided in the operating agreement, the debts, liabilities and obligations~~  
12 ~~incurred, contracted for or otherwise existing with respect to a particular~~  
13 ~~series of such a foreign limited liability company shall be enforceable~~  
14 ~~against the assets of such series only, and not against the assets of the~~  
15 ~~foreign limited liability company generally or any other series thereof and~~  
16 ~~none of the debts, liabilities, obligations and expenses incurred, contracted~~  
17 ~~for or otherwise existing with respect to such a foreign limited liability~~  
18 ~~company generally or any other series thereof shall be enforceable against~~  
19 ~~the assets of such series.~~

20 Sec. 40. K.S.A. 2018 Supp. 17-76,145 is hereby amended to read as  
21 follows: 17-76,145. (a) *If an operating agreement provides the manner in*  
22 *which a dissolution may be revoked, it may be revoked in that manner and,*  
23 *unless an operating agreement prohibits revocation of dissolution, then*  
24 *notwithstanding the occurrence of an event set forth in subsections (a)(1)*  
25 *through (a)(4) of K.S.A. 17-76,116(a)(1) through (a)(4), and amendments*  
26 *thereto, the limited liability company shall not be dissolved and its affairs*  
27 *shall not be wound up if, prior to the filing of a certificate of cancellation*  
28 *with the secretary of state, the limited liability company is continued,*  
29 *effective as of the occurrence of such event, pursuant to the affirmative*  
30 *vote or written consent of all remaining members of the limited liability*  
31 *company or the personal representative of the last remaining member of*  
32 *the limited liability company if there is no remaining member, and any*  
33 *other person whose approval is required under the operating agreement to*  
34 *revoke a dissolution pursuant to this section, except that if the dissolution*  
35 *was caused by a vote or written consent, the dissolution shall not be*  
36 *revoked unless each member and other person, or their respective personal*  
37 *representatives, who voted in favor of, or consented to, the dissolution has*  
38 *voted or consented in writing to continue the limited liability company:*

39 (1) *In the case of dissolution effected by the vote, consent or approval*  
40 *of the members or other persons, pursuant to such vote, consent or*  
41 *approval, and the vote, consent or approval of any members or other*  
42 *persons whose vote, consent or approval is required under the operating*  
43 *agreement to revoke a dissolution contemplated by this paragraph;*

1       (2) *in the case of dissolution under K.S.A. 17-76,116(a)(1) or (2), and*  
2 *amendments thereto, other than a dissolution effected by the vote, consent*  
3 *or approval of the members or other persons or the occurrence of an event*  
4 *that causes the last remaining member to cease to be a member, pursuant*  
5 *to such vote, consent or approval that, pursuant to the terms of the*  
6 *operating agreement, is required to amend the provision of the operating*  
7 *agreement effecting such dissolution, and the vote, consent or approval of*  
8 *any members or other persons whose vote, consent or approval is required*  
9 *under the operating agreement to revoke a dissolution contemplated by*  
10 *this paragraph; and*

11       (3) *in the case of dissolution effected by the occurrence of an event*  
12 *that causes the last remaining member to cease to be a member, pursuant*  
13 *to the vote, consent or approval of the personal representative of the last*  
14 *remaining member of the limited liability company or the assignee of all of*  
15 *the limited liability company interests in the limited liability company, and*  
16 *the vote, consent, or approval of any other person whose vote, consent or*  
17 *approval is required under the operating agreement to revoke a*  
18 *dissolution contemplated by this paragraph.*

19       (b) *If there is no remaining member of the limited liability company*  
20 *and the personal representative of the last remaining member or the*  
21 *assignee of all of the limited liability company interests in the limited*  
22 *liability company votes in favor of ~~or~~, consents to or approves the*  
23 *continuation of the limited liability company, such personal representative*  
24 *or such assignee, as applicable, shall be required to agree in writing to the*  
25 *admission of the personal representative of such member or its a nominee*  
26 *or designee to the limited liability company as a member, effective as of*  
27 *the occurrence of the event that terminated the continued membership of*  
28 *the last remaining member.*

29       (c) *The provisions of this section shall not be construed to limit the*  
30 *accomplishment of a revocation of dissolution by other means permitted*  
31 *by law.*

32       Sec. 41. On and after July 1, 2020, K.S.A. 2018 Supp. 17-76,146 is  
33 hereby amended to read as follows: 17-76,146. (a) A domestic limited  
34 liability company whose articles of organization or a foreign limited  
35 liability company whose authority to do business has been canceled or  
36 forfeited pursuant to K.S.A. 2018 Supp. 17-7926(b), 17-7929(b) or 17-  
37 7934(f), and amendments thereto, or whose articles of organization or  
38 authority to do business has been forfeited pursuant to K.S.A. 17-  
39 76,139(d), and amendments thereto, may be reinstated by filing with the  
40 secretary of state a certificate of reinstatement accompanied by the  
41 payment of the fee required by K.S.A. 17-76,136(d), and amendments  
42 thereto, and payment of the annual report fees due under K.S.A. 17-  
43 76,139(c), and amendments thereto, and all penalties and interest thereon

1 due at the time of the cancellation or forfeiture of its articles of  
2 organization or authority to do business. The certificate of reinstatement  
3 shall set forth:

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

8 (2) the address of the limited liability company's registered office in  
9 the state of Kansas and the name and address of the limited liability  
10 company's resident agent in the state of Kansas;

11 (3) a statement that the certificate of reinstatement is filed by one or  
12 more persons authorized to execute and file the certificate of reinstatement  
13 to reinstate the limited liability company; and

14 (4) any other matters the persons executing the certificate of  
15 reinstatement determine to include therein.

16 (b) The certificate of reinstatement shall be deemed to be an  
17 amendment to the articles of organization or application for registration of  
18 the limited liability company, and the limited liability company shall not  
19 be required to take any further action to amend its articles of organization  
20 or application for registration under K.S.A. 17-7674 or K.S.A. 2018 Supp.  
21 17-7935, and amendments thereto, with respect to the matters set forth in  
22 the certificate of reinstatement.

23 (c) Upon the filing of a certificate of reinstatement, a limited liability  
24 company *and all series thereof that have been formed and whose*  
25 *certificate of designation has not been canceled prior to the cancellation*  
26 *of the articles of organization* shall be reinstated with the same force and  
27 effect as if its articles of organization or authority to do business had not  
28 been canceled or forfeited pursuant to K.S.A. 17-76,139(d) or K.S.A. 2018  
29 Supp. 17-7926(b), 17-7929(b) or 17-7934(f), and amendments thereto.  
30 Such reinstatement shall validate all contracts, acts, matters and things  
31 made, done and performed by the limited liability company, its members,  
32 managers, employees and agents during the time when its articles of  
33 organization or authority to do business was canceled or forfeited pursuant  
34 to K.S.A. 17-76,139(d) or K.S.A. 2018 Supp. 17-7926(b), 17-7929(b) or  
35 17-7934(f), and amendments thereto, with the same force and effect and to  
36 all intents and purposes as if the articles of organization or authority to do  
37 business had remained in full force and effect. All real and personal  
38 property, and all rights and interests, which belonged to the limited  
39 liability company at the time its articles of organization or authority to do  
40 business was canceled or forfeited pursuant to K.S.A. 17-76,139(d) or  
41 K.S.A. 2018 Supp. 17-7926(b), 17-7929(b) or 17-7934(f), and  
42 amendments thereto, or which were acquired by the limited liability  
43 company following the cancellation or forfeiture of its articles of

1 organization or authority to do business pursuant to K.S.A. 17-76,139(d)  
 2 or K.S.A. 2018 Supp. 17-7926(b), 17-7929(b) or 17-7934(f), and  
 3 amendments thereto, and which were not disposed of prior to the time of  
 4 its reinstatement, shall be vested in the limited liability company after its  
 5 reinstatement as fully as they were held by the limited liability company  
 6 at, and after, as the case may be, the time its articles of organization or  
 7 authority to do business was canceled or forfeited pursuant to K.S.A. 17-  
 8 76,139(d) or K.S.A. 2018 Supp. 17-7926(b), 17-7929(b) or 17-7934(f),  
 9 and amendments thereto. After its reinstatement, the limited liability  
 10 company shall be as exclusively liable for all contracts, acts, matters and  
 11 things made, done or performed in its name and on its behalf by its  
 12 members, managers, employees and agents prior to its reinstatement as if  
 13 its articles of organization or authority to do business had at all times  
 14 remained in full force and effect.

15 Sec. 42. K.S.A. 2018 Supp. 17-7904 is hereby amended to read as  
 16 follows: 17-7904. ~~(a)~~ The following documents related to limited liability  
 17 companies shall be filed with the secretary of state:

18 ~~(1)~~(a) Articles of organization as set forth in K.S.A. 17-7673 and  
 19 K.S.A. 2018 Supp. 17-7673a, and amendments thereto;

20 ~~(2)~~(b) professional articles of organization as set forth in K.S.A. 17-  
 21 7673 and K.S.A. 2018 Supp. 17-7673a, and amendments thereto;

22 ~~(3)~~(c) series limited liability company articles of organization as set  
 23 forth in K.S.A. 2018 Supp. 17-76,143, and amendments thereto;

24 ~~(4)~~(d) foreign limited liability company application for authority as  
 25 set forth in K.S.A. 2018 Supp. 17-7931, and amendments thereto;

26 ~~(5)~~(e) foreign series limited liability company application for  
 27 admission to transact business as set forth in K.S.A. 2018 Supp. 17-7931  
 28 and K.S.A. 2018 Supp. 17-76,143, and amendments thereto;

29 ~~(6)~~(f) annual report as set forth in K.S.A. 17-76,139, and amendments  
 30 thereto;

31 ~~(7)~~(g) certificate of amendment as set forth in K.S.A. 17-7674 and  
 32 K.S.A. 2018 Supp. 17-7674a, and amendments thereto;

33 ~~(8)~~(h) restated articles of organization as set forth in K.S.A. 17-7680,  
 34 and amendments thereto;

35 ~~(9)~~(i) series certificate of designation as set forth in K.S.A. 2018  
 36 Supp. 17-76,143, and amendments thereto;

37 ~~(10)~~(j) certificate of amendment or termination to certificate of  
 38 merger or consolidation as set forth in K.S.A. 17-7681, and amendments  
 39 thereto;

40 ~~(11)~~(k) certificate of correction as set forth in K.S.A. 2018 Supp. 17-  
 41 7912, and amendments thereto;

42 ~~(12)~~(l) foreign certificate of correction as set forth in K.S.A. 2018  
 43 Supp. 17-7912, and amendments thereto;

- 1       ~~(13)~~(m) change of registered office or resident agent as set forth in
- 2 K.S.A. 2018 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and
- 3 amendments thereto;
- 4       ~~(14)~~(n) mergers as set forth in K.S.A. 17-7681, and amendments
- 5 thereto;
- 6       ~~(15)~~(o) reinstatement as set forth in K.S.A. 17-76,139, and
- 7 amendments thereto;
- 8       ~~(16)~~(p) certificate of cancellation as set forth in K.S.A. 17-7675, and
- 9 amendments thereto; ~~and~~
- 10       ~~(17)~~(q) foreign cancellation of registration as set forth in K.S.A. 2018
- 11 Supp. 17-7936, and amendments thereto; *and*
- 12       (r) *certificate of division as set forth in section 2, and amendments*
- 13 *thereto.*
- 14       ~~(b) This section shall take effect on and after January 1, 2015.~~
- 15       Sec. 43. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7904, as
- 16 amended by section 42 of this act, is hereby amended to read as follows:
- 17 17-7904. The following documents related to limited liability companies
- 18 shall be filed with the secretary of state:
- 19       (a) Articles of organization as set forth in K.S.A. 17-7673 and K.S.A.
- 20 2018 Supp. 17-7673a, and amendments thereto;
- 21       (b) professional articles of organization as set forth in K.S.A. 17-7673
- 22 and K.S.A. 2018 Supp. 17-7673a, and amendments thereto;
- 23       (c) series limited liability company articles of organization as set
- 24 forth in K.S.A. 2018 Supp. 17-76,143, and amendments thereto;
- 25       (d) foreign limited liability company application for authority as set
- 26 forth in K.S.A. 2018 Supp. 17-7931, and amendments thereto;
- 27       (e) foreign series limited liability company application for admission
- 28 to transact business as set forth in K.S.A. 2018 Supp. 17-7931 and K.S.A.
- 29 2018 Supp. 17-76,143, and amendments thereto;
- 30       (f) annual report as set forth in K.S.A. 17-76,139, and amendments
- 31 thereto;
- 32       (g) certificate of amendment as set forth in K.S.A. 17-7674 and
- 33 K.S.A. 2018 Supp. 17-7674a *and 17-76,143*, and amendments thereto;
- 34       (h) restated articles of organization as set forth in K.S.A. 17-7680,
- 35 and amendments thereto;
- 36       (i) series certificate of designation as set forth in K.S.A. 2018 Supp.
- 37 17-76,143, and amendments thereto;
- 38       (j) certificate of amendment or termination to certificate of merger or
- 39 consolidation as set forth in K.S.A. 17-7681 *or section 3*, and amendments
- 40 thereto;
- 41       (k) certificate of correction as set forth in K.S.A. 2018 Supp. 17-
- 42 7912, and amendments thereto;
- 43       (l) foreign certificate of correction as set forth in K.S.A. 2018 Supp.

1 17-7912, and amendments thereto;

2 (m) change of registered office or resident agent as set forth in K.S.A.  
3 2018 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments  
4 thereto;

5 (n) mergers *or consolidations* as set forth in K.S.A. 17-7681 *or*  
6 *section 3*, and amendments thereto;

7 (o) reinstatement as set forth in K.S.A. 17-76,139 *or section 4*, and  
8 amendments thereto;

9 (p) certificate of cancellation as set forth in K.S.A. 17-7675 *or K.S.A*  
10 *2018 Supp. 17-76,143*, and amendments thereto;

11 (q) foreign cancellation of registration as set forth in K.S.A. 2018  
12 Supp. 17-7936, and amendments thereto; and

13 (r) certificate of division as set forth in section 2, and amendments  
14 thereto.

15 Sec. 44. K.S.A. 2018 Supp. 17-7915 is hereby amended to read as  
16 follows: 17-7915. Service of process in any action against a covered entity  
17 *or a series of a limited liability company* shall be made in the manner  
18 described in K.S.A. 60-304, and amendments thereto.

19 ~~This section shall take effect on and after January 1, 2015.~~

20 Sec. 45. K.S.A. 2018 Supp. 17-7916 is hereby amended to read as  
21 follows: 17-7916. (a) Unless otherwise provided in a covered entity's  
22 public organic document or organic rules, any person may sign any  
23 document filed with the secretary of state pursuant to this act by an  
24 attorney-in-fact, but a power of attorney to sign a certificate relating to the  
25 admission of a general partner must describe the admission. Powers of  
26 attorney relating to the signing of a document by an attorney-in-fact need  
27 not be filed in the office of the secretary of state but must be retained by  
28 the covered entity.

29 (b) For all purposes of the laws of the state of Kansas, *unless*  
30 *otherwise provided in a covered entity's public organic document or*  
31 *organic rules*, a power of attorney with respect to ~~matters relating to the~~  
32 ~~formation, internal affairs or termination of a covered entity or granted by~~  
33 ~~a person as a member, incorporator, partner or limited partner of a covered~~  
34 ~~entity, or by an assignee of an interest in a covered entity or by a person~~  
35 ~~seeking to become a member, incorporator, partner, limited partner or an~~  
36 ~~assignee of an interest in a covered entity~~ *any document filed with the*  
37 *secretary of state pursuant to the business entity standard treatment act,*  
38 *K.S.A. 2018 Supp. 17-7901 et seq., and amendments thereto*, shall be  
39 irrevocable if the power of attorney states that it is irrevocable and it is  
40 coupled with an interest sufficient in law to support an irrevocable power.  
41 Such irrevocable power of attorney, *unless otherwise provided therein, or*  
42 *in a covered entity's public organic document or organic rules*, shall not be  
43 affected by the subsequent death, disability, incapacity, dissolution,

1 termination of existence or bankruptcy of, or any other event concerning,  
2 the principal. ~~A power of attorney with respect to matters relating to the~~  
3 ~~organization, internal affairs or termination of a covered entity or granted~~  
4 ~~by a person as a member or an assignee of an interest in a covered entity or~~  
5 ~~by a person seeking to become a member, incorporator, partner or limited~~  
6 ~~partner or an assignee of an interest in a covered entity and, in either case,~~  
7 ~~granted to the covered entity, a manager or member thereof, or any of their~~  
8 ~~respective officers, directors, managers, members, partners, trustees,~~  
9 ~~employees or agents shall be deemed coupled with an interest sufficient in~~  
10 ~~law to support an irrevocable power.~~

11 Sec. 46. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7918 is  
12 hereby amended to read as follows: 17-7918. (a) Except as otherwise  
13 provided in subsection (b), the names of all covered entities, except for  
14 banks, savings and loan associations and savings banks, must be  
15 distinguishable on the records of the office of the secretary of state from:

16 (1) The name of any other covered entity or foreign covered entity;  
17 (2) the name of any non-covered entity, other than a general  
18 partnership, that has filed with the office of the secretary of state,  
19 *including a series of a limited liability company for which a certificate of*  
20 *designation has been filed;*

21 (3) any entity name reserved pursuant to K.S.A. 2018 Supp. 17-7923,  
22 and amendments thereto; and

23 (4) the name of any other covered entity, *series of a limited liability*  
24 *company* or foreign covered entity whose public organic documents,  
25 *certificate of designation* or foreign registration has been canceled or  
26 forfeited for any reason within the previous one year.

27 (b) A covered entity may register under any name that is not  
28 distinguishable on the records of the office of the secretary of state from  
29 the name of any other covered entity or non-covered entity that has filed  
30 with the office of the secretary of state with the written consent of the  
31 other entity, which written consent shall be filed with the secretary of state.

32 (c) A covered entity may use a name that is not distinguishable from a  
33 name described in subsection (a)(1) through (3) if the entity delivers to the  
34 secretary of state a certified copy of a final judgment of a court of  
35 competent jurisdiction establishing the right of the entity to use the name  
36 in this state.

37 Sec. 47. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7923 is  
38 hereby amended to read as follows: 17-7923. (a) The exclusive right to the  
39 use of an entity name *or, as applicable, the name of a series of a limited*  
40 *liability company*, may be reserved by:

41 (1) Any person intending to organize a covered entity under the laws  
42 of this state;

43 (2) *any domestic limited liability company or any person intending to*

1 *organize a domestic limited liability company, intending to file a*  
2 *certificate of designation to form a series of any such limited liability*  
3 *company;*

4 (3) any domestic covered entity intending to change its name *or*  
5 *intending to change the name of a series for which a certificate of*  
6 *designation has been filed;*

7 ~~(3)~~(4) any foreign covered entity intending to make application for a  
8 certificate of authority to transact business in this state;

9 ~~(4)~~(5) any foreign covered entity authorized to transact business in  
10 this state, and intending to change its name; and

11 ~~(5)~~(6) any person intending to organize a foreign covered entity, and  
12 intending to have such entity make application for a certificate of authority  
13 to transact business in this state.

14 (b) The reservation shall be made by filing with the secretary of state  
15 an application to reserve a specific covered entity name *or the name of a*  
16 *series of a domestic limited liability company*, executed by the applicant.  
17 The reservation may be filed by telefacsimile communication as prescribed  
18 by K.S.A. 2018 Supp. 17-7914, and amendments thereto. If the secretary  
19 of state finds that the name is available, the secretary of state shall reserve  
20 the same for the exclusive use of the applicant for a period of 120 days.

21 (c) The right to exclusive use of a specified entity name *or the name*  
22 *of a series of a domestic limited liability company*, reserved pursuant to  
23 this section, may be transferred to any other person or covered entity by  
24 filing in the office of the secretary of state, a notice of such transfer,  
25 executed by the applicant for whom the name was reserved, and specifying  
26 the name and address of the transferee.

27 ~~(d) This section shall take effect on and after January 1, 2015.~~

28 Sec. 48. K.S.A. 2018 Supp. 17-7929 is hereby amended to read as  
29 follows: 17-7929. (a) The resident agent of one or more covered entities  
30 may resign without appointing a successor by paying a fee if authorized by  
31 law, as provided by K.S.A. 2018 Supp. 17-7910, and amendments thereto,  
32 and filing a certificate of resignation, with the secretary of state stating that  
33 the resident agent resigns as resident agent for the covered entities  
34 identified in the certificate, but such resignation shall not become effective  
35 until 30 days after the certificate is filed. The certificate shall be executed  
36 by the resident agent, shall contain a statement that written notice of  
37 resignation was given to each affected covered entity at least 30 days prior  
38 to the filing of the certificate by mailing or delivering such notice to the  
39 covered entity at its address last known to the resident agent and shall set  
40 forth the date of such notice.

41 (b) After receipt of the notice of the resignation of its resident agent,  
42 provided for in subsection (a), any covered entity for which such resident  
43 agent was acting shall obtain and designate a new resident agent to take

1 the place of the resident agent so resigning. Such covered entity shall pay a  
2 fee if authorized by law, as provided by K.S.A. 2018 Supp. 17-7910, and  
3 amendments thereto, and file with the secretary of state a certificate setting  
4 forth the name and address of the successor resident agent. Upon such  
5 filing, the successor resident agent shall become the resident agent of such  
6 covered entity and the successor resident agent's address, as stated in such  
7 certificate, shall become the address of the covered entity's registered  
8 office in this state. If such covered entity fails to obtain and designate a  
9 new resident agent as aforesaid, prior to the expiration of the period of 60  
10 days after the filing by the resident agent of the certificate of resignation,  
11 the secretary of state shall declare the entity's organizing documents  
12 forfeited.

13 (c) After the resignation of the resident agent shall have become  
14 effective, as provided in subsection (a), and if no new resident agent shall  
15 have been obtained and designated in the time and manner provided for in  
16 subsection (b), service of legal process against the covered entity, *or in the*  
17 *case of a domestic or foreign limited liability company, any series of such*  
18 *limited liability company*, for which the resigned resident agent had been  
19 acting shall thereafter be upon the secretary of state in the manner  
20 prescribed by K.S.A. 60-304, and amendments thereto.

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

25 Sec. 49. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7933 is  
26 hereby amended to read as follows: 17-7933. (a) Except as otherwise  
27 provided in subsection (b), the names of all foreign covered entities must  
28 be distinguishable on the records of the office of the secretary of state  
29 from:

30 (1) The name of any covered entity or foreign covered entity;  
31 (2) the name of any non-covered entity, other than a general  
32 partnership, that has filed with the secretary of state, *including a series of*  
33 *a limited liability company for which a certificate of designation has been*  
34 *filed*;

35 (3) any entity name reserved pursuant to K.S.A. 2018 Supp. 17-7923,  
36 and amendments thereto; and

37 (4) the name of any other covered entity, *series of a limited liability*  
38 *company* or foreign covered entity whose public organic document,  
39 *certificate of designation* or foreign registration has been canceled or  
40 forfeited for any reason within the previous one year.

41 (b) A foreign covered entity may register under any name that is not  
42 distinguishable on the records of the office of the secretary of state from  
43 the name of any other covered entity or non-covered entity that has filed

1 with the office of the secretary of state:

2 (1) With the written consent of the other entity, which written consent  
3 shall be filed with the secretary of state; or

4 (2) if the foreign covered entity indicates, as a means of identification  
5 and in its advertising within this state, the state in which the foreign  
6 covered entity was formed, and the application sets forth this condition.

7 Sec. 50. K.S.A. 2018 Supp. 60-304 is hereby amended to read as  
8 follows: 60-304. As used in this section, "serving" means making service  
9 by any of the methods described in K.S.A. 60-303, and amendments  
10 thereto, unless a specific method of making service is prescribed in this  
11 section. Except for service by publication under K.S.A. 60-307, and  
12 amendments thereto, service of process under this article must be made as  
13 follows:

14 (a) *Individual*. On an individual other than a minor or a disabled  
15 person, by serving the individual or by serving an agent authorized by  
16 appointment or by law to receive service of process. If the agent is one  
17 designated by statute to receive service, such further notice as the statute  
18 requires must be given. Service by return receipt delivery must be  
19 addressed to an individual at the individual's dwelling or usual place of  
20 abode and to an authorized agent at the agent's usual or designated address.  
21 If the sheriff, party or party's attorney files a return of service stating that  
22 the return receipt delivery to the individual at the individual's dwelling or  
23 usual place of abode was refused or unclaimed and that a business address  
24 is known for the individual, the sheriff, party or party's attorney may  
25 complete service by return receipt delivery, addressed to the individual at  
26 the individual's business address.

27 (b) *Minor*: On a minor, by serving:

28 (1) The minor; and

29 (2) either:

30 (A) The minor's guardian or conservator, if the minor has one within  
31 this state;

32 (B) the minor's father, mother or other person having the minor's care  
33 or control or with whom the minor resides; or

34 (C) if service cannot be made as specified in paragraphs (A) or (B),  
35 as provided by order of the court.

36 Service by return receipt delivery must be addressed to an individual at  
37 the individual's dwelling or usual place of abode and to a corporate  
38 guardian or conservator at the guardian's or conservator's usual place of  
39 business.

40 (c) *Disabled person*. On a disabled person, as defined in K.S.A. 77-  
41 201, and amendments thereto, by:

42 (1) Serving:

43 (A) The person's guardian, conservator or a competent adult member

1 of the person's family with whom the person resides;

2 (B) if the person resides in an institution, the director or chief  
3 executive officer of the institution; or

4 (C) if service cannot be made as specified in paragraphs (A) or (B),  
5 as provided by order of the court; and

6 (2) unless the court otherwise orders, serving the disabled person.

7 Service by return receipt delivery must be addressed to the director or  
8 chief executive officer of an institution at the institution, to any other  
9 individual at the individual's dwelling or usual place of abode, and to a  
10 corporate guardian or conservator at the guardian's or conservator's usual  
11 place of business.

12 (d) *Governmental bodies.* On:

13 (1) A county, by serving one of the county commissioners, the county  
14 clerk or the county treasurer;

15 (2) a township, by serving the clerk or a trustee;

16 (3) a city, by serving the clerk or the mayor;

17 (4) any other public corporation, body politic, district or authority, by  
18 serving the clerk or secretary or, if the clerk or secretary is not found, any  
19 officer, director or manager thereof; and

20 (5) the state or any governmental agency of the state, when subject to  
21 suit, by serving the attorney general or an assistant attorney general.

22 Service by return receipt delivery must be addressed to the appropriate  
23 official at the official's governmental office. Income withholding orders for  
24 support and orders of garnishment of earnings of state officers and  
25 employees must be served on the state or governmental agency of the state  
26 in the manner provided by K.S.A. 60-723, and amendments thereto.

27 (e) *Corporations, domestic or foreign limited liability companies,*  
28 *domestic or foreign limited partnerships, domestic or foreign limited*  
29 *liability partnerships and partnerships.* On a domestic or foreign  
30 corporation, domestic or foreign limited liability company, domestic or  
31 foreign limited partnership, domestic or foreign limited liability  
32 partnership or a partnership or other unincorporated association that is  
33 subject to suit in a common name, by:

34 (1) Serving an officer, manager, partner or a resident, managing or  
35 general agent;

36 (2) leaving a copy of the summons and petition or other document at  
37 any of its business offices with the person having charge thereof; or

38 (3) serving any agent authorized by appointment or by law to receive  
39 service of process, and if the agent is one authorized by statute to receive  
40 service and the statute so requires, by also mailing a copy to the defendant.

41 Service by return receipt delivery on an officer, partner or agent must  
42 be addressed to the person at the person's usual place of business.

43 (f) *Resident agent for a corporation, limited liability company,*

1 *limited partnership or limited liability partnership.* A domestic  
2 corporation, domestic limited liability company or domestic limited  
3 partnership, and, if it is authorized to transact business or transacts  
4 business without authority in this state, a foreign corporation, foreign  
5 limited liability company or foreign limited partnership irrevocably  
6 authorizes the secretary of state as its agent to accept on its behalf service  
7 of process, or any notice or demand required or permitted by law to be  
8 served on it, when: (1) It fails to appoint or maintain in this state a resident  
9 agent on whom service may be had; or (2) its resident agent cannot with  
10 reasonable diligence be found at the registered office in this state. Service  
11 on the secretary of state of any process, notice or demand must be made by  
12 delivering to the secretary of state, by personal service or by return receipt  
13 delivery, the original and two copies of the process and two copies of the  
14 petition, notice or demand. When any process, notice or demand is served  
15 on the secretary of state, the secretary must promptly forward a copy of it  
16 by return receipt delivery, addressed to the corporation, limited liability  
17 company or limited partnership at its principal office as it appears in the  
18 records of the secretary of state, or at the registered or principal office of  
19 the corporation, limited liability company or limited partnership in the  
20 state of its incorporation or formation. The secretary of state must keep a  
21 record of all processes, notices and demands served on the secretary under  
22 this subsection, and must record the time of the service and the action  
23 taken by the secretary. A fee of \$40 must be paid to the secretary of state  
24 by the party requesting the service of process, to cover the cost of serving  
25 process, except the secretary of state may waive the fee for state agencies.  
26 The fee must not be included in or paid from any deposit as security for  
27 costs or the docket fee required by K.S.A. 60-2001 or 61-4001, and  
28 amendments thereto.

29 (g) *Insurance companies or associations.* Service of summons or  
30 other process on any insurance company or association, organized under  
31 the laws of this state, may also be made by serving the commissioner of  
32 insurance in the same manner as provided for service on foreign insurance  
33 companies or associations.

34 (h) *Service on an employee.* If a party or a party's agent or attorney  
35 files an affidavit or a declaration pursuant to K.S.A. 53-601, and  
36 amendments thereto, that to the best of the affiant's or declarant's  
37 knowledge and belief the person to be served is employed in this state, and  
38 is a nonresident or that the place of residence of the person is unknown,  
39 the affiant or declarant may request that the sheriff or other duly  
40 authorized person direct an officer, partner, managing or general agent or  
41 the individual having charge of the place at which the person to be served  
42 is employed, to make the person available to permit the sheriff or other  
43 duly authorized person to serve the summons or other process.

1       (i) *Service on a series of a limited liability company. On a series*  
 2 *established under a domestic or foreign limited liability company by*  
 3 *service on such domestic or foreign limited liability company in the same*  
 4 *manner as described in subsections (e) and (f), but if service is made on*  
 5 *the resident, managing, general or other agent of the limited liability*  
 6 *company upon which service may be made or the secretary of state on*  
 7 *behalf of any such series, such service shall include the name of the*  
 8 *limited liability company and the name of such series.*

9       Sec. 51. On and after July 1, 2020, K.S.A. 2018 Supp. 84-1-201 is  
 10 hereby amended to read as follows: 84-1-201. (a) Unless the context  
 11 otherwise requires, words or phrases defined in this section, or in the  
 12 additional definitions contained in other articles of the uniform  
 13 commercial code that apply to particular articles or parts thereof, have the  
 14 meanings stated.

15       (b) Subject to definitions contained in other articles of the uniform  
 16 commercial code that apply to particular articles or parts thereof:

17       (1) "Action," in the sense of a judicial proceeding, includes  
 18 recoupment, counterclaim, set-off, suit in equity, and any other proceeding  
 19 in which rights are determined.

20       (2) "Aggrieved party" means a party entitled to pursue a remedy.

21       (3) "Agreement," as distinguished from "contract," means the bargain  
 22 of the parties in fact, as found in their language or inferred from other  
 23 circumstances, including course of performance, course of dealing, or  
 24 usage of trade as provided in K.S.A. 2018 Supp. 84-1-303, and  
 25 amendments thereto.

26       (4) "Bank" means a person engaged in the business of banking and  
 27 includes a savings bank, savings and loan association, credit union, and  
 28 trust company.

29       (5) "Bearer" means a person in control of a negotiable electronic  
 30 document of title or a person in possession of a negotiable instrument,  
 31 negotiable tangible document of title, or certificated security that is  
 32 payable to bearer or indorsed in blank.

33       (6) "Bill of lading" means a document of title evidencing the receipt  
 34 of goods for shipment issued by a person engaged in the business of  
 35 directly or indirectly transporting or forwarding goods. The term does not  
 36 include a warehouse receipt.

37       (7) "Branch" includes a separately incorporated foreign branch of a  
 38 bank.

39       (8) "Burden of establishing" a fact means the burden of persuading  
 40 the trier of fact that the existence of the fact is more probable than its  
 41 nonexistence.

42       (9) "Buyer in ordinary course of business" means a person that buys  
 43 goods in good faith, without knowledge that the sale violates the rights of

1 another person in the goods, and in the ordinary course from a person,  
2 other than a pawnbroker, in the business of selling goods of that kind. A  
3 person buys goods in the ordinary course if the sale to the person comports  
4 with the usual or customary practices in the kind of business in which the  
5 seller is engaged or with the seller's own usual or customary practices. A  
6 person that sells oil, gas, or other minerals at the wellhead or minehead is a  
7 person in the business of selling goods of that kind. A buyer in ordinary  
8 course of business may buy for cash, by exchange of other property, or on  
9 secured or unsecured credit, and may acquire goods or documents of title  
10 under a preexisting contract for sale. Only a buyer that takes possession of  
11 the goods or has a right to recover the goods from the seller under article 2  
12 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto,  
13 may be a buyer in ordinary course of business. "Buyer in ordinary course  
14 of business" does not include a person that acquires goods in a transfer in  
15 bulk or as security for or in total or partial satisfaction of a money debt.

16 (10) "Conspicuous," with reference to a term, means so written,  
17 displayed, or presented that a reasonable person against which it is to  
18 operate ought to have noticed it. Whether a term is "conspicuous" or not is  
19 a decision for the court. Conspicuous terms include the following:

20 (A) A heading in capitals equal to or greater in size than the  
21 surrounding text, or in contrasting type, font, or color to the surrounding  
22 text of the same or lesser size; and

23 (B) language in the body of a record or display in larger type than the  
24 surrounding text, or in contrasting type, font, or color to the surrounding  
25 text of the same size, or set off from surrounding text of the same size by  
26 symbols or other marks that call attention to the language.

27 (11) "Consumer" means an individual who enters into a transaction  
28 primarily for personal, family, or household purposes.

29 (12) "Contract," as distinguished from "agreement," means the total  
30 legal obligation that results from the parties' agreement as determined by  
31 the uniform commercial code as supplemented by any other applicable  
32 laws.

33 (13) "Creditor" includes a general creditor, a secured creditor, a lien  
34 creditor, and any representative of creditors, including an assignee for the  
35 benefit of creditors, a trustee in bankruptcy, a receiver in equity, and an  
36 executor or administrator of an insolvent debtor's or assignor's estate.

37 (14) "Defendant" includes a person in the position of defendant in a  
38 counterclaim, cross-claim, or third-party claim.

39 (15) "Delivery," with respect to an electronic document of title means  
40 voluntary transfer of control and with respect to an instrument, a tangible  
41 document of title, or chattel paper, means voluntary transfer of possession.

42 (16) "Document of title" means a record (i) that in the regular course  
43 of business or financing is treated as adequately evidencing that the person

1 in possession or control of the record is entitled to receive, control, hold,  
2 and dispose of the record and the goods the record covers and (ii) that  
3 purports to be issued by or addressed to a bailee and to cover goods in the  
4 bailee's possession which are either identified or are fungible portions of  
5 an identified mass. The term includes a bill of lading, transport document,  
6 dock warrant, dock receipt, warehouse receipt and order for delivery of  
7 goods. An electronic document of title means a document of title  
8 evidenced by a record consisting of information stored in an electronic  
9 medium. A tangible document of title means a document of title evidenced  
10 by a record consisting of information that is inscribed on a tangible  
11 medium.

12 (17) "Fault" means a default, breach, or wrongful act or omission.

13 (18) "Fungible goods" means:

14 (A) Goods of which any unit, by nature or usage of trade, is the  
15 equivalent of any other like unit; or

16 (B) goods that by agreement are treated as equivalent.

17 (19) "Genuine" means free of forgery or counterfeiting.

18 (20) "Good faith," except as otherwise provided in article 5 of chapter  
19 84 of the Kansas Statutes Annotated, and amendments thereto, means  
20 honesty in fact and the observance of reasonable commercial standards of  
21 fair dealing.

22 (21) "Holder" means:

23 (A) The person in possession of a negotiable instrument that is  
24 payable either to bearer or to an identified person that is the person in  
25 possession; or

26 (B) the person in possession of a negotiable tangible document of title  
27 if the goods are deliverable either to bearer or to the order of the person in  
28 possession; or

29 (C) the person in control of a negotiable electronic document of title.

30 (22) "Insolvency proceeding" includes an assignment for the benefit  
31 of creditors or other proceeding intended to liquidate or rehabilitate the  
32 estate of the person involved.

33 (23) "Insolvent" means:

34 (A) Having generally ceased to pay debts in the ordinary course of  
35 business other than as a result of bona fide dispute;

36 (B) being unable to pay debts as they become due; or

37 (C) being insolvent within the meaning of federal bankruptcy law.

38 (24) "Money" means a medium of exchange currently authorized or  
39 adopted by a domestic or foreign government. The term includes a  
40 monetary unit of account established by an intergovernmental organization  
41 or by agreement between two or more countries.

42 (25) "Organization" means a person other than an individual.

43 (26) "Party," as distinguished from "third party," means a person that

1 has engaged in a transaction or made an agreement subject to the uniform  
2 commercial code.

3 (27) "Person" means an individual, corporation, business trust, estate,  
4 trust, partnership, limited liability company, association, joint venture,  
5 government, governmental subdivision, agency, or instrumentality, public  
6 corporation, ~~or~~ any other legal or commercial entity, *or any series of any*  
7 *of the foregoing*.

8 (28) "Present value" means the amount as of a date certain of one or  
9 more sums payable in the future, discounted to the date certain by use of  
10 either an interest rate specified by the parties if that rate is not manifestly  
11 unreasonable at the time the transaction is entered into or, if an interest rate  
12 is not so specified, a commercially reasonable rate that takes into account  
13 the facts and circumstances at the time the transaction is entered into.

14 (29) "Purchase" means taking by sale, lease, discount, negotiation,  
15 mortgage, pledge, lien, security interest, issue or reissue, gift, or any other  
16 voluntary transaction creating an interest in property.

17 (30) "Purchaser" means a person that takes by purchase.

18 (31) "Record" means information that is inscribed on a tangible  
19 medium or that is stored in an electronic or other medium and is  
20 retrievable in perceivable form.

21 (32) "Remedy" means any remedial right to which an aggrieved party  
22 is entitled with or without resort to a tribunal.

23 (33) "Representative" means a person empowered to act for another,  
24 including an agent, an officer of a corporation or association, and a trustee,  
25 executor, or administrator of an estate.

26 (34) "Right" includes remedy.

27 (35) "Security interest" means an interest in personal property or  
28 fixtures which secures payment or performance of an obligation. "Security  
29 interest" includes any interest of a consignor and a buyer of accounts,  
30 chattel paper, a payment intangible, or a promissory note in a transaction  
31 that is subject to article 9 of chapter 84 of the Kansas Statutes Annotated,  
32 and amendments thereto. "Security interest" does not include the special  
33 property interest of a buyer of goods on identification of those goods to a  
34 contract for sale under K.S.A. 84-2-401 and amendments thereto, but a  
35 buyer may also acquire a "security interest" by complying with article 9 of  
36 chapter 84 of the Kansas Statutes Annotated, and amendments thereto.  
37 Except as otherwise provided in K.S.A. 84-2-505, and amendments  
38 thereto, the right of a seller or lessor of goods under article 2 or 2a of  
39 chapter 84 of the Kansas Statutes Annotated, and amendments thereto, to  
40 retain or acquire possession of the goods is not a "security interest," but a  
41 seller or lessor may also acquire a "security interest" by complying with  
42 article 9 of chapter 84 of the Kansas Statutes Annotated, and amendments  
43 thereto. The retention or reservation of title by a seller of goods

1 notwithstanding shipment or delivery to the buyer under K.S.A. 84-2-401,  
2 and amendments thereto, is limited in effect to a reservation of a "security  
3 interest." Whether a transaction in the form of a lease creates a "security  
4 interest" is determined pursuant to K.S.A. 2018 Supp. 84-1-203, and  
5 amendments thereto.

6 (36) "Send" in connection with a writing, record, or notice means:

7 (A) To deposit in the mail or deliver for transmission by any other  
8 usual means of communication with postage or cost of transmission  
9 provided for and properly addressed and, in the case of an instrument, to  
10 an address specified thereon or otherwise agreed, or if there be none to any  
11 address reasonable under the circumstances; or

12 (B) in any other way to cause to be received any record or notice  
13 within the time it would have arrived if properly sent.

14 (37) "Signed" includes using any symbol executed or adopted with  
15 present intention to adopt or accept a writing.

16 (38) "State" means a state of the United States, the District of  
17 Columbia, Puerto Rico, the United States Virgin Islands, or any territory or  
18 insular possession subject to the jurisdiction of the United States.

19 (39) "Surety" includes a guarantor or other secondary obligor.

20 (40) "Term" means a portion of an agreement that relates to a  
21 particular matter.

22 (41) "Unauthorized signature" means a signature made without  
23 actual, implied, or apparent authority. The term includes a forgery.

24 (42) "Warehouse receipt" means a document of title issued by a  
25 person engaged in the business of storing goods for hire.

26 (43) "Writing" includes printing, typewriting, or any other intentional  
27 reduction to tangible form. "Written" has a corresponding meaning.

28 Sec. 52. On and after July 1, 2020, K.S.A. 2018 Supp. 84-9-102 is  
29 hereby amended to read as follows: 84-9-102. (a) **Article 9 definitions.** In  
30 this article:

31 (1) "Accession" means goods that are physically united with other  
32 goods in such a manner that the identity of the original goods is not lost.

33 (2) "Account," except as used in "account for," means a right to  
34 payment of a monetary obligation, whether or not earned by performance,  
35 (A) for property that has been or is to be sold, leased, licensed, assigned,  
36 or otherwise disposed of, (B) for services rendered or to be rendered, (C)  
37 for a policy of insurance issued or to be issued, (D) for a secondary  
38 obligation incurred or to be incurred, (E) for energy provided or to be  
39 provided, (F) for the use or hire of a vessel under a charter or other  
40 contract, (G) arising out of the use of a credit or charge card or information  
41 contained on or for use with the card, or (H) as winnings in a lottery or  
42 other game of chance operated or sponsored by a state, governmental unit  
43 of a state, or person licensed or authorized to operate the game by a state

1 or governmental unit of a state. The term includes health-care-insurance  
2 receivables. The term does not include: (A) Rights to payment evidenced  
3 by chattel paper or an instrument, (B) commercial tort claims, (C) deposit  
4 accounts, (D) investment property, (E) letter-of-credit rights or letters of  
5 credit, or (F) rights to payment for money or funds advanced or sold, other  
6 than rights arising out of the use of a credit or charge card or information  
7 contained on or for use with the card.

8 (3) "Account debtor" means a person obligated on an account, chattel  
9 paper, or general intangible. The term does not include persons obligated  
10 to pay a negotiable instrument, even if the instrument constitutes part of  
11 chattel paper.

12 (4) "Accounting," except as used in "accounting for," means a record:

13 (A) Authenticated by a secured party;

14 (B) indicating the aggregate unpaid secured obligations as of a date  
15 not more than 35 days earlier or 35 days later than the date of the record;  
16 and

17 (C) identifying the components of the obligations in reasonable detail.

18 (5) "Agricultural lien" means an interest, other than a security  
19 interest, in farm products: (A) Which secures payment or performance of  
20 an obligation for:

21 (i) Goods or services furnished in connection with a debtor's farming  
22 operation; or

23 (ii) rent on real property leased by a debtor in connection with its  
24 farming operation;

25 (B) which is created by statute in favor of a person that:

26 (i) In the ordinary course of its business furnished goods or services  
27 to a debtor in connection with a debtor's farming operation; or

28 (ii) leased real property to a debtor in connection with the debtor's  
29 farming operation; and

30 (C) whose effectiveness does not depend on the person's possession  
31 of the personal property. Agricultural liens shall not include statutory liens.

32 (6) "As-extracted collateral" means: (A) Oil, gas, or other minerals  
33 that are subject to a security interest that:

34 (i) Is created by a debtor having an interest in the minerals before  
35 extraction; and

36 (ii) attaches to the minerals as extracted; or

37 (B) accounts arising out of the sale at the wellhead or minehead of  
38 oil, gas, or other minerals in which the debtor had an interest before  
39 extraction.

40 (7) "Authenticate" means:

41 (A) To sign; or

42 (B) with present intent to adopt or accept a record, to attach to or  
43 logically associate with the record an electronic sound, symbol or process.

1 (8) "Bank" means an organization that is engaged in the business of  
2 banking. The term includes savings banks, savings and loan associations,  
3 credit unions, and trust companies.

4 (9) "Cash proceeds" means proceeds that are money, checks, deposit  
5 accounts, or the like.

6 (10) "Certificate of title" means a certificate of title with respect to  
7 which a statute provides for the security interest in question to be indicated  
8 on the certificate as a condition or result of the security interest's obtaining  
9 priority over the rights of a lien creditor with respect to the collateral. The  
10 term includes another record maintained as an alternative to a certificate of  
11 title by the governmental unit that issues certificates of title if a statute  
12 permits the security interest in question to be indicated on the record as a  
13 condition or result of the security interest's obtaining priority over the  
14 rights of a lien creditor with respect to the collateral.

15 (11) "Chattel paper" means a record or records that evidence both a  
16 monetary obligation and a security interest in specific goods, a security  
17 interest in specific goods and software used in the goods, a security  
18 interest in specific goods and license of software used in the goods, a lease  
19 of specific goods, or a lease of specific goods and license of software used  
20 in the goods. In this subsection, "monetary obligation" means a monetary  
21 obligation secured by the goods or owed under a lease of the goods and  
22 includes a monetary obligation with respect to software used in the goods.  
23 The term does not include (i) charters or other contracts involving the use  
24 or hire of a vessel or (ii) records that evidence a right to payment arising  
25 out of the use of a credit or charge card or information contained on or for  
26 use with the card. If a transaction is evidenced by records that include an  
27 instrument or series of instruments, the group of records taken together  
28 constitutes chattel paper.

29 (12) "Collateral" means the property subject to a security interest or  
30 agricultural lien. The term includes:

31 (A) Proceeds to which a security interest attaches;

32 (B) accounts, chattel paper, payment intangibles, and promissory  
33 notes that have been sold; and

34 (C) goods that are the subject of a consignment.

35 (13) "Commercial tort claim" means a claim arising in tort with  
36 respect to which:

37 (A) The claimant is an organization; or

38 (B) the claimant is an individual and the claim:

39 (i) Arose in the course of the claimant's business or profession; and

40 (ii) does not include damages arising out of personal injury to or the  
41 death of an individual.

42 (14) "Commodity account" means an account maintained by a  
43 commodity intermediary in which a commodity contract is carried for a

1 commodity customer.

2 (15) "Commodity contract" means a commodity futures contract, an  
3 option on a commodity futures contract, a commodity option, or another  
4 contract if the contract or option is:

5 (A) Traded on or subject to the rules of a board of trade that has been  
6 designated as a contract market for such a contract pursuant to federal  
7 commodities laws; or

8 (B) traded on a foreign commodity board of trade, exchange, or  
9 market, and is carried on the books of a commodity intermediary for a  
10 commodity customer.

11 (16) "Commodity customer" means a person for which a commodity  
12 intermediary carries a commodity contract on its books.

13 (17) "Commodity intermediary" means a person that:

14 (A) Is registered as a futures commission merchant under federal  
15 commodities law; or

16 (B) in the ordinary course of its business provides clearance or  
17 settlement services for a board of trade that has been designated as a  
18 contract market pursuant to federal commodities law.

19 (18) "Communicate" means:

20 (A) To send a written or other tangible record;

21 (B) to transmit a record by any means agreed upon by the persons  
22 sending and receiving the record; or

23 (C) in the case of transmission of a record to or by a filing office, to  
24 transmit a record by any means prescribed by filing-office rule.

25 (19) "Consignee" means a merchant to which goods are delivered in a  
26 consignment.

27 (20) "Consignment" means a transaction, regardless of its form, in  
28 which a person delivers goods to a merchant for the purpose of sale and:

29 (A) The merchant:

30 (i) Deals in goods of that kind under a name other than the name of  
31 the person making delivery;

32 (ii) is not an auctioneer; and

33 (iii) is not generally known by its creditors to be substantially  
34 engaged in selling the goods of others;

35 (B) with respect to each delivery, the aggregate value of the goods is  
36 \$1,000 or more at the time of delivery;

37 (C) the goods are not consumer goods immediately before delivery;  
38 and

39 (D) the transaction does not create a security interest that secures an  
40 obligation.

41 (21) "Consignor" means a person that delivers goods to a consignee  
42 in a consignment.

43 (22) "Consumer debtor" means a debtor in a consumer transaction.

- 1 (23) "Consumer goods" means goods that are used or bought for use  
2 primarily for personal, family, or household purposes.
- 3 (24) "Consumer-goods transaction" means a consumer transaction in  
4 which:
- 5 (A) An individual incurs an obligation primarily for personal, family,  
6 or household purposes; and
- 7 (B) a security interest in consumer goods secures the obligation.
- 8 (25) "Consumer obligor" means an obligor who is an individual and  
9 who incurred the obligation as part of a transaction entered into primarily  
10 for personal, family, or household purposes.
- 11 (26) "Consumer transaction" means a transaction in which (i) an  
12 individual incurs an obligation primarily for personal, family, or household  
13 purposes, (ii) a security interest secures the obligation, and (iii) the  
14 collateral is held or acquired primarily for personal, family, or household  
15 purposes. The term includes consumer-goods transactions.
- 16 (27) "Continuation statement" means an amendment of a financing  
17 statement which:
- 18 (A) Identifies, by its file number, the initial financing statement to  
19 which it relates; and
- 20 (B) indicates that it is a continuation statement for, or that it is filed to  
21 continue the effectiveness of, the identified financing statement.
- 22 (28) "Debtor" means:
- 23 (A) A person having an interest, other than a security interest or other  
24 lien, in the collateral, whether or not the person is an obligor;
- 25 (B) a seller of accounts, chattel paper, payment intangibles, or  
26 promissory notes; or
- 27 (C) a consignee.
- 28 (29) "Deposit account" means a demand, time, savings, passbook, or  
29 similar account maintained with a bank. The term does not include  
30 investment property or accounts evidenced by an instrument.
- 31 (30) "Document" means a document of title or a receipt of the type  
32 described in ~~subsection (b) of~~ K.S.A. 84-7-201(b), and amendments  
33 thereto.
- 34 (31) "Electronic chattel paper" means chattel paper evidenced by a  
35 record or records consisting of information stored in an electronic medium.
- 36 (32) "Encumbrance" means a right, other than an ownership interest,  
37 in real property. The term includes mortgages and other liens on real  
38 property.
- 39 (33) "Equipment" means goods other than inventory, farm products,  
40 or consumer goods.
- 41 (34) "Farm products" means goods, other than standing timber, with  
42 respect to which the debtor is engaged in a farming operation and which  
43 are: (A) Crops grown, growing, or to be grown, including:

- 1 (i) Crops produced on trees, vines, and bushes; and  
2 (ii) aquatic goods produced in aquacultural operations;  
3 (B) livestock, born or unborn, including aquatic goods produced in  
4 aquacultural operations;  
5 (C) supplies used or produced in a farming operation; or  
6 (D) products of crops or livestock in their unmanufactured states.  
7 (35) "Farming operation" means raising, cultivating, propagating,  
8 fattening, grazing, or any other farming, livestock, or aquacultural  
9 operation.  
10 (36) "File number" means the number assigned to an initial financing  
11 statement pursuant to ~~subsection (a) of~~ K.S.A. 2018 Supp. 84-9-519(a),  
12 and amendments thereto.  
13 (37) "Filing office" means an office designated in K.S.A. 2018 Supp.  
14 84-9-501, and amendments thereto, as the place to file a financing  
15 statement.  
16 (38) "Filing-office rule" means a rule adopted pursuant to K.S.A.  
17 2018 Supp. 84-9-526, and amendments thereto.  
18 (39) "Financing statement" means a record or records composed of an  
19 initial financing statement and any filed record relating to the initial  
20 financing statement.  
21 (40) "Fixture filing" means the filing of a financing statement  
22 covering goods that are or are to become fixtures and satisfying  
23 ~~subsections (a) and (b) of~~ K.S.A. 2018 Supp. 84-9-502(a) and (b), and  
24 amendments thereto. The term includes the filing of a financing statement  
25 covering goods of a transmitting utility which are or are to become  
26 fixtures.  
27 (41) "Fixtures" means goods that have become so related to particular  
28 real property that an interest in them arises under real property law.  
29 (42) "General intangible" means any personal property, including  
30 things in action, other than accounts, chattel paper, commercial tort claims,  
31 deposit accounts, documents, goods, instruments, investment property,  
32 letter-of-credit rights, letters of credit, money, and oil, gas, or other  
33 minerals before extraction. The term includes payment intangibles and  
34 software.  
35 (43) Reserved.  
36 (44) "Goods" means all things that are movable when a security  
37 interest attaches. The term includes (A) fixtures, (B) standing timber that is  
38 to be cut and removed under a conveyance or contract for sale, (C) the  
39 unborn young of animals, (D) crops grown, growing, or to be grown, even  
40 if the crops are produced on trees, vines, or bushes, and (E) manufactured  
41 homes. The term also includes a computer program embedded in goods  
42 and any supporting information provided in connection with a transaction  
43 relating to the program if (A) the program is associated with the goods in

1 such a manner that it customarily is considered part of the goods, or (B) by  
2 becoming the owner of the goods, a person acquires a right to use the  
3 program in connection with the goods. The term does not include a  
4 computer program embedded in goods that consist solely of the medium in  
5 which the program is embedded. The term also does not include accounts,  
6 chattel paper, commercial tort claims, deposit accounts, documents,  
7 general intangibles, instruments, investment property, letter-of-credit  
8 rights, letters of credit, money, or oil, gas, or other minerals before  
9 extraction.

10 (45) "Governmental unit" means a subdivision, agency, department,  
11 county, parish, municipality, or other unit of the government of the United  
12 States, a state, or a foreign country. The term includes an organization  
13 having a separate corporate existence if the organization is eligible to issue  
14 debt on which interest is exempt from income taxation under the laws of  
15 the United States.

16 (46) "Health-care-insurance receivable" means an interest in or claim  
17 under a policy of insurance which is a right to payment of a monetary  
18 obligation for health-care goods or services provided.

19 (47) "Instrument" means a negotiable instrument, a writing that  
20 would otherwise qualify as a certificate of deposit as defined by K.S.A.  
21 84-3-104(j), and amendments thereto, but for the fact that the writing  
22 contains a limitation on transfer, or any other writing that evidences a right  
23 to the payment of a monetary obligation, is not itself a security agreement  
24 or lease, and is of a type that in ordinary course of business is transferred  
25 by delivery with any necessary indorsement or assignment. The term does  
26 not include (i) investment property, (ii) letters of credit, or (iii) writings  
27 that evidence a right to payment arising out of the use of a credit or charge  
28 card or information contained on or for use with the card.

29 (48) "Inventory" means goods, other than farm products, which:

30 (A) Are leased by a person as lessor;

31 (B) are held by a person for sale or lease or to be furnished under a  
32 contract of service;

33 (C) are furnished by a person under a contract of service; or

34 (D) consist of raw materials, work in process, or materials used or  
35 consumed in a business.

36 (49) "Investment property" means a security, whether certificated or  
37 uncertificated, security entitlement, securities account, commodity  
38 contract, or commodity account.

39 (50) "Jurisdiction of organization," with respect to a registered  
40 organization, means the jurisdiction under whose law the organization is  
41 formed or organized.

42 (51) "Letter-of-credit right" means a right to payment or performance  
43 under a letter of credit, whether or not the beneficiary has demanded or is

1 at the time entitled to demand payment or performance. The term does not  
2 include the right of a beneficiary to demand payment or performance  
3 under a letter of credit.

4 (52) "Lien creditor" means:

5 (A) A creditor that has acquired a lien on the property involved by  
6 attachment, levy, or the like;

7 (B) an assignee for benefit of creditors from the time of assignment;

8 (C) a trustee in bankruptcy from the date of the filing of the petition;  
9 or

10 (D) a receiver in equity from the time of appointment.

11 (53) "Manufactured home" means a structure, transportable in one or  
12 more sections, which, in the traveling mode, is eight body feet or more in  
13 width or 40 body feet or more in length, or, when erected on site, is 320 or  
14 more square feet, and which is built on a permanent chassis and designed  
15 to be used as a dwelling with or without a permanent foundation when  
16 connected to the required utilities, and includes the plumbing, heating, air  
17 conditioning, and electrical systems contained therein. The term includes  
18 any structure that meets all of the requirements of this paragraph except  
19 the size requirements and with respect to which the manufacturer  
20 voluntarily files a certification required by the United States secretary of  
21 housing and urban development and complies with the standards  
22 established under title 42 of the United States code.

23 (54) "Manufactured-home transaction" means a secured transaction:

24 (A) That creates a purchase-money security interest in a  
25 manufactured home, other than a manufactured home held as inventory; or

26 (B) in which a manufactured home, other than a manufactured home  
27 held as inventory, is the primary collateral.

28 (55) "Mortgage" means a consensual interest in real property,  
29 including fixtures, which secures payment or performance of an  
30 obligation.

31 (56) "New debtor" means a person that becomes bound as a debtor  
32 under K.S.A. 2018 Supp. 84-9-203(d), and amendments thereto, by a  
33 security agreement previously entered into by another person.

34 (57) "New value" means (A) money, (B) money's worth in property,  
35 services, or new credit, or (C) release by a transferee of an interest in  
36 property previously transferred to the transferee. The term does not include  
37 an obligation substituted for another obligation.

38 (58) "Noncash proceeds" means proceeds other than cash proceeds.

39 (59) "Obligor" means a person that, with respect to an obligation  
40 secured by a security interest in or an agricultural lien on the collateral,  
41 (A) owes payment or other performance of the obligation, (B) has  
42 provided property other than the collateral to secure payment or other  
43 performance of the obligation, or (C) is otherwise accountable in whole or

1 in part for payment or other performance of the obligation. The term does  
2 not include issuers or nominated persons under a letter of credit.

3 (60) "Original debtor" except as used in K.S.A. 2018 Supp. 84-9-  
4 310(c), and amendments thereto, means a person that, as debtor, entered  
5 into a security agreement to which a new debtor has become bound under  
6 K.S.A. 2018 Supp. 84-9-203(d), and amendments thereto.

7 (61) "Payment intangible" means a general intangible under which  
8 the account debtor's principal obligation is a monetary obligation.

9 (62) "Person related to," with respect to an individual, means:

10 (A) The spouse of the individual;

11 (B) a brother, brother-in-law, sister or sister-in-law of the individual;

12 (C) an ancestor or lineal descendant of the individual or the  
13 individual's spouse; or

14 (D) any other relative, by blood or marriage, of the individual or the  
15 individual's spouse who shares the same home with the individual.

16 (63) "Person related to," with respect to an organization, means:

17 (A) A person directly or indirectly controlling, controlled by or under  
18 common control with the organization;

19 (B) an officer or director of, or a person performing similar functions  
20 with respect to, the organization;

21 (C) an officer or director of, or a person performing similar functions  
22 with respect to, a person described in subparagraph (A);

23 (D) the spouse of an individual described in subparagraph (A), (B) or  
24 (C); or

25 (E) an individual who is related by blood or marriage to an individual  
26 described in subparagraph (A), (B), (C) or (D) and shares the same home  
27 with the individual.

28 (64) "Proceeds" except as used in K.S.A. 2018 Supp. 84-9-609(b),  
29 and amendments thereto, means the following property:

30 (A) Whatever is acquired upon the sale, lease, license, exchange or  
31 other disposition of collateral;

32 (B) whatever is collected on, or distributed on account of, collateral;

33 (C) rights arising out of collateral;

34 (D) to the extent of the value of collateral, claims arising out of the  
35 loss, nonconformity, or interference with the use of, defects or  
36 infringement of rights in, or damage to, the collateral; or

37 (E) to the extent of the value of collateral and to the extent payable to  
38 the debtor or the secured party, insurance payable by reason of the loss or  
39 nonconformity of, defects or infringement of rights in, or damage to, the  
40 collateral.

41 (65) "Promissory note" means an instrument that evidences a promise  
42 to pay a monetary obligation, does not evidence an order to pay, and does  
43 not contain an acknowledgment by a bank that the bank has received for

1 deposit a sum of money or funds.

2 (66) "Proposal" means a record authenticated by a secured party  
3 which includes the terms on which the secured party is willing to accept  
4 collateral in full or partial satisfaction of the obligation it secures pursuant  
5 to K.S.A. 2018 Supp. 84-9-620, 84-9-621 and 84-9-622, and amendments  
6 thereto.

7 (67) "Public organic record" means a record that is available to the  
8 public for inspection and is:

9 (A) A record consisting of the record initially filed with or issued by a  
10 state or the United States to form or organize an organization and any  
11 record filed with or issued by the state or the United States which amends  
12 or restates the initial record;

13 (B) an organic record of a business trust consisting of the record  
14 initially filed with a state and any record filed with the state which amends  
15 or restates the initial record, if a statute of the state governing business  
16 trusts requires that the record be filed with the state; or

17 (C) a record consisting of legislation enacted by the legislature of a  
18 state or the congress of the United States which forms or organizes an  
19 organization, any record amending the legislation and any record filed  
20 with or issued by the state or the United States which amends or restates  
21 the name of the organization.

22 (68) "Pursuant to commitment," with respect to an advance made or  
23 other value given by a secured party, means pursuant to the secured party's  
24 obligation, whether or not a subsequent event of default or other event not  
25 within the secured party's control has relieved or may relieve the secured  
26 party from its obligation.

27 (69) "Record," except as used in "for record," "of record," "record or  
28 legal title," and "record owner," means information that is inscribed on a  
29 tangible medium or which is stored in an electronic or other medium and is  
30 retrievable in perceivable form.

31 (70) "Registered organization" means an organization formed or  
32 organized solely under the law of a single state or the United States by the  
33 filing of a public organic record with, the issuance of a public organic  
34 record by, or the enactment of legislation by, the state or the United States.  
35 The term includes a business trust that is formed or organized under the  
36 law of a single state if a law of the state governing business trusts requires  
37 that the business trust's organic record be filed with the state. *The term*  
38 *also includes a series of a registered organization if the series is an*  
39 *organization formed or organized under the law of a single state and the*  
40 *statute of the state governing the series requires that the public organic*  
41 *record of the series be filed with the state.*

42 (71) "Secondary obligor" means an obligor to the extent that:

43 (A) The obligor's obligation is secondary; or

1 (B) the obligor has a right of recourse with respect to an obligation  
2 secured by collateral against the debtor, another obligor, or property of  
3 either.

4 (72) "Secured party" means:

5 (A) A person in whose favor a security interest is created or provided  
6 for under a security agreement, whether or not any obligation to be secured  
7 is outstanding;

8 (B) a person that holds an agricultural lien;

9 (C) a consignor;

10 (D) a person to which accounts, chattel paper, payment intangibles, or  
11 promissory notes have been sold;

12 (E) a trustee, indenture trustee, agent, collateral agent, or other  
13 representative in whose favor a security interest or agricultural lien is  
14 created or provided for; or

15 (F) a person that holds a security interest arising under K.S.A. 84-2-  
16 401, 84-2-505, 84-2-711(3), 84-2a-508(5), 84-4-210 and 84-5-118, and  
17 amendments thereto.

18 (73) "Security agreement" means an agreement that creates or  
19 provides for a security interest.

20 (74) "Send," in connection with a record or notification, means:

21 (A) To deposit in the mail, deliver for transmission, or transmit by  
22 any other usual means of communication, with postage or cost of  
23 transmission provided for, addressed to any address reasonable under the  
24 circumstances; or

25 (B) to cause the record or notification to be received within the time  
26 that it would have been received if properly sent under subparagraph (A).

27 (75) "Software" means a computer program and any supporting  
28 information provided in connection with a transaction relating to the  
29 program. The term does not include a computer program that is included in  
30 the definition of goods.

31 (76) "State" means a state of the United States, the District of  
32 Columbia, Puerto Rico, the United States Virgin Islands or any territory or  
33 insular possession subject to the jurisdiction of the United States.

34 (77) "Statutory lien" means liens created by K.S.A. 2-1319, 2-2608,  
35 2-3007, 34-239, 47-836, 58-201, 58-203, 58-204, 58-207, 58-218, 58-220,  
36 58-221, 58-241, 58-242, 58-2524, 58-2525, 58-2526, 58-2527 and 58-  
37 2528, and K.S.A. 2018 Supp. 84-7-209, and amendments thereto.

38 (78) "Supporting obligation" means a letter-of-credit right or  
39 secondary obligation that supports the payment or performance of an  
40 account, chattel paper, a document, a general intangible, an instrument, or  
41 investment property.

42 (79) "Tangible chattel paper" means chattel paper evidenced by a  
43 record or records consisting of information that is inscribed on a tangible

1 medium.

2 (80) "Termination statement" means an amendment of a financing  
3 statement which:

4 (A) Identifies, by its file number, the initial financing statement to  
5 which it relates; and

6 (B) indicates either that it is a termination statement or that the  
7 identified financing statement is no longer effective.

8 (81) "Transmitting utility" means a person primarily engaged in the  
9 business of:

10 (A) Operating a railroad, subway, street railway, or trolley bus;

11 (B) transmitting communications electrically, electromagnetically, or  
12 by light;

13 (C) transmitting goods by pipeline or sewer; or

14 (D) transmitting or producing and transmitting electricity, steam, gas,  
15 or water.

16 (b) **Definitions in other articles.** The following definitions in other  
17 articles apply to this article:

18 "Applicant" K.S.A. 84-5-102,  
19 and amendments thereto

20 "Beneficiary" K.S.A. 84-5-102,  
21 and amendments thereto

22 "Broker" K.S.A. 84-8-102,  
23 and amendments thereto

24 "Certificated security" K.S.A. 84-8-102,  
25 and amendments thereto

26 "Check" K.S.A. 84-3-104,  
27 and amendments thereto

28 "Clearing corporation" K.S.A. 84-8-102,  
29 and amendments thereto

30 "Contract for sale" K.S.A. 84-2-106,  
31 and amendments thereto

32 "Customer" K.S.A. 84-4-104,  
33 and amendments thereto

34 "Entitlement holder" K.S.A. 84-8-102,  
35 and amendments thereto

36 "Financial asset" K.S.A. 84-8-102,  
37 and amendments thereto

38 "Holder in due course" K.S.A. 84-3-302,  
39 and amendments thereto

40 "Issuer" (with respect to a letter  
41 of credit or letter-of-credit

42 right) K.S.A. 84-5-102,  
43 and amendments thereto

1	"Issuer" (with respect to	
2	a security)	K.S.A. 84-8-102,
3		and amendments thereto
4	"Issuer" (with respect to	
5	documents of title)	K.S.A. 2018 Supp. 84-7-102,
6		and amendments thereto
7	"Lease"	K.S.A. 84-2a-103,
8		and amendments thereto
9	"Lease agreement"	K.S.A. 84-2a-103,
10		and amendments thereto
11	"Lease contract"	K.S.A. 84-2a-103,
12		and amendments thereto
13	"Leasehold interest"	K.S.A. 84-2a-103,
14		and amendments thereto
15	"Lessee"	K.S.A. 84-2a-103,
16		and amendments thereto
17	"Lessee in ordinary	
18	course of business"	K.S.A. 84-2a-103,
19		and amendments thereto
20	"Lessor"	K.S.A. 84-2a-103,
21		and amendments thereto
22	"Lessor's residual interest"	K.S.A. 84-2a-103,
23		and amendments thereto
24	"Letter of credit"	K.S.A. 84-5-102,
25		and amendments thereto
26	"Merchant"	K.S.A. 84-2-104,
27		and amendments thereto
28	"Negotiable instrument"	K.S.A. 84-3-104,
29		and amendments thereto
30	"Nominated person"	K.S.A. 84-5-102,
31		and amendments thereto
32	"Note"	K.S.A. 84-3-104,
33		and amendments thereto
34	"Proceeds of a letter of credit"	K.S.A. 84-5-114,
35		and amendments thereto
36	"Prove"	K.S.A. 84-3-103,
37		and amendments thereto
38	"Sale"	K.S.A. 84-2-106,
39		and amendments thereto
40	"Securities account"	K.S.A. 84-8-501,
41		and amendments thereto
42	"Securities intermediary"	K.S.A. 84-8-102,
43		and amendments thereto

- 1 "Security" K.S.A. 84-8-102,
- 2 and amendments thereto
- 3 "Security certificate" K.S.A. 84-8-102,
- 4 and amendments thereto
- 5 "Security entitlement" K.S.A. 84-8-102,
- 6 and amendments thereto
- 7 "Uncertificated security" K.S.A. 84-8-102,
- 8 and amendments thereto

9 (c) **Article 1 of chapter 84 of the Kansas Statutes Annotated, and**  
 10 **amendments thereto, definitions and principles.** Article 1 of chapter 84  
 11 of the Kansas Statutes Annotated, and amendments thereto, contains  
 12 general definitions and principles of construction and interpretation  
 13 applicable throughout this article.

14 Sec. 53. K.S.A. 17-76,135 and 17-76,138 and K.S.A. 2018 Supp. 17-  
 15 7662, 17-7663, 17-7673, 17-7675, 17-7679, 17-7680, 17-7681, 17-7687,  
 16 17-7689, 17-7690, 17-7695, 17-7698, 17-76,106, 17-76,112, 17-76,113,  
 17 17-76,114, 17-76,116, 17-76,118, 17-76,136, 17-76,145, 17-7904, 17-  
 18 7915, 17-7916, 17-7929, and 60-304 are hereby repealed.

19 Sec. 54. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7675, as  
 20 amended by section 16 of this act, 17-7679, as amended by section 18 of  
 21 this act, 17-7680, as amended by section 20 of this act, 17-76,136, as  
 22 amended by section 35 of this act, 17-76,139, 17-76,143, 17-76,146, 17-  
 23 7904, as amended by section 42 of this act, 17-7918, 17-7923, 17-7933,  
 24 84-1-201 and 84-9-102 are hereby repealed.

25 Sec. 55. This act shall take effect and be in force from and after its  
 26 publication in the statute book.