

2020 Kansas Statutes

9-550. Certificate of existence and authority. (a) For any deposit account, loan account or other banking relationship hereinafter referred to as "account," that is opened by one or more persons acting or purporting to act for or on behalf of an entity with any financial institution transacting business in this state, such person may provide the financial institution with a certificate to provide evidence of the existence of the entity and the authority of the person to act for or on behalf of the entity with respect to the account.

(b) The certificate of existence and authority shall be an affidavit executed by such person and shall include the following, as applicable:

- (1) The name and mailing address of the entity;
- (2) the type of entity and the state, country or other governmental authority, under which laws, the entity was formed;
- (3) the organization date of the entity;
- (4) the name, mailing address and office or other position held by the person executing the certificate; and
- (5) a statement that the board of directors, managers, members, general partners or other governing body of the entity opening the account has duly taken all action legally required to open the account in the name of the entity and the name, office or other position of the person who has been duly authorized to engage in transactions with respect to the account, including any limitation that may exist upon the authority of such person to bind the entity and any other matters concerning the manner in which such person may deal with the account.

(c) If a financial institution accepts a certificate of existence and authority pursuant to this section, the financial institution may open and administer the account in accordance with the information set forth therein and shall not be liable for so doing, even if any such information is inaccurate, unless the financial institution has actual knowledge of such inaccuracy or knowledge sufficient to cause a reasonably prudent person to doubt the accuracy of such information.

(d) Nothing in this section shall be construed to prohibit a financial institution from requesting additional information or requiring other agreements in order to establish an account for an entity, including, without limitation, a resolution, certificate of good standing, request for a taxpayer identification number, entity agreements or documents or parts thereof evidencing the existence of the entity or the authority of the person executing the certificate, and an indemnification that is acceptable to the financial institution. No party may infer that the financial institution relying on the certificate of existence has knowledge of the terms of the entity's documentation solely because it holds a copy of all or a part of the entity's documentation.

(e) As used in this section:

- (1) "Entity" means any government or governmental subdivision or agency, any domestic or foreign corporation, limited liability company, general partnership, limited liability partnership, joint venture, cooperative, association or other legal entity, whether operated for profit or not-for-profit; and
- (2) "financial institution" means any federal- or state-chartered commercial bank, savings and loan association or savings bank.

(f) This section shall be a part of and supplemental to the state banking code.

History: L. 2018, ch. 75, § 6; L. 2019, ch. 25, § 1; July 1.