

## HOUSE BILL No. 2371

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

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

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

(A) Any act or transaction contemplated or governed by the Kansas revised limited liability company act or the operating agreement may be provided for in a document, and an electronic transmission is the equivalent of a written document.

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

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

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

Kansas revised limited liability company act and the operating agreement.

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

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

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

(C) an act or transaction effected pursuant to article 79 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 17-7667, 17-76,130, 17-76,131, 17-76,132 and 17-76,133, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

(d) "Document" means:

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

(2) an electronic transmission.

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

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

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

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

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

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

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

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

~~(k)~~(m) *"Operating agreement" means any agreement, whether referred to as an operating agreement, limited liability company agreement or otherwise, written, oral, or implied, of the member or members as to the affairs of a limited liability company and the conduct of its business. A member or manager of a limited liability company or an assignee of a limited liability company interest is bound by the operating agreement whether or not the member or manager or assignee executes the operating agreement. A limited liability company,*

*including any series thereof*, is not required to execute its operating agreement. A limited liability company, *including any series thereof*, is bound by its operating agreement whether or not the limited liability company, *or any series thereof*, executes the operating agreement. An operating agreement of a limited liability company having only one member shall not be unenforceable by reason of there being only one person who is a party to the operating agreement. An operating agreement is not subject to any statute of frauds, including K.S.A. 33-106, and amendments thereto. An operating agreement may provide rights to any person, including a person who is not a party to the operating agreement, to the extent set forth therein. A written operating agreement or another written agreement or writing:

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

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

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

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

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

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

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

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

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

Sec. 5. K.S.A. 17-7668 is hereby amended to read as follows: 17-7668. (a) Unless otherwise specifically prohibited by law, a limited liability company may carry on any lawful business, purpose or

activity, whether or not for profit with the exception of the business of granting policies of insurance, or assuming insurance risks or banking as defined in K.S.A. 9-702, and amendments thereto.

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

(c) A limited liability company organized and existing under the Kansas revised limited liability company act or otherwise qualified to do business in Kansas may have and exercise all powers that may be exercised by a Kansas professional association or professional corporation under the professional corporation law of Kansas, including employment of professionals to practice a profession, which shall be limited to the practice of one profession, except as provided in K.S.A. 17-2710, and amendments thereto.

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

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

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

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

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

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

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

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

(f) Nothing in this act shall restrict or limit in any manner the authority and duty of any licensing body, as defined in K.S.A. 74-146,

and amendments thereto, for the licensing of individual persons rendering a professional service or the practice of the profession that is within the jurisdiction of the licensing body, notwithstanding that the person is an officer, manager, member or employee of a limited liability company organized to exercise powers of a professional association or professional corporation. Each licensing body may adopt rules and regulations governing the practice of each profession as are necessary to enforce and comply with this act and the law applicable to each profession.

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

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

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

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

(B) *If the void or voidable act or transaction was the issuance or assignment of any limited liability company interests, the limited liability company interests purportedly issued or assigned shall be deemed not to have been issued or assigned for purposes of determining whether the void or voidable act or transaction was ratified or waived pursuant to this subsection.*

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

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

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

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

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

(b) (1) *Except as provided in the operating agreement, to the extent that a present or former member, manager, or officer, ~~employee or agent~~ of a limited liability company has been successful on the merits or otherwise as a plaintiff in an action to determine that the plaintiff is a member of a limited liability company or in defense of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a member, manager, officer, employee or agent of the limited liability company, or is or was serving at the request of the limited liability company as a member, manager, director, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, or in defense of any claim, issue or matter therein, such member, manager, officer, employee or agent shall be indemnified by the limited liability company against expenses actually and reasonably incurred by such person in connection therewith, including attorney fees.*

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

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

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

Sec. 7. K.S.A. 17-7681 is hereby amended to read as follows: 17-7681. (a) Pursuant to an agreement of merger or consolidation, one or more domestic limited liability companies may merge or consolidate with or into one or more limited liability companies formed under the

laws of the state of Kansas or any other state or any foreign country or other foreign jurisdiction, or any combination thereof, with such limited liability company as the agreement shall provide being the surviving or resulting limited liability company.

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

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

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

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

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

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

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

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

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

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



of the certificate of merger or consolidation;

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

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

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

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

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

~~(1)(A)~~ (A) Effect any amendment to the operating agreement; or

~~(2)(B)~~ (B) effect the adoption of a new operating agreement, ~~for a limited liability company if it is the surviving or resulting limited liability company in the merger or consolidation.~~

(2) Any amendment to an operating agreement or adoption of a new operating agreement made pursuant to ~~the foregoing sentence~~ *paragraph (1)* shall be effective at the effective time or date of the merger or consolidation and shall be effective notwithstanding any provision of the operating agreement relating to amendment or adoption of a new operating agreement, other than a provision that by its terms applies to an amendment to the operating agreement or the adoption of a new operating agreement, in either case, in connection with a merger or consolidation. The provisions of this subsection shall not be construed to limit the accomplishment of a merger or of any of the matters referred to herein by any other means provided for in an operating agreement or other agreement or as otherwise permitted by law, including that the operating agreement of any constituent limited liability company to the merger or consolidation, including a limited liability company formed for the purpose of consummating a merger or consolidation, shall be the operating agreement of the surviving or resulting limited liability company.

(e) When any merger or consolidation shall have become effective under this section, for all purposes of the laws of the state of Kansas, all of the rights, privileges and powers of each of the limited liability

companies that have merged or consolidated, and all property, real, personal and mixed, and all debts due to any of the limited liability companies, as well as all other things and causes of action belonging to each of such limited liability companies, shall be vested in the surviving or resulting limited liability company, and shall thereafter be the property of the surviving or resulting limited liability company as they were of each of the limited liability companies that have merged or consolidated, and the title to any real property vested by deed or otherwise, under the laws of the state of Kansas, in any of such limited liability companies, shall not revert or be in any way impaired by reason of this act, but all rights of creditors and all liens upon any property of any of the limited liability companies shall be preserved unimpaired, and all debts, liabilities and duties of each of the limited liability companies that have merged or consolidated shall thenceforth attach to the surviving or resulting limited liability company, and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it. Unless otherwise agreed, a merger or consolidation of a domestic limited liability company, including a domestic limited liability company ~~which~~ *that* is not the surviving or resulting entity in the merger or consolidation, shall not require such domestic limited liability company to wind up its affairs under K.S.A. 17-76,118, and amendments thereto, or pay its liabilities and distribute its assets under K.S.A. 17-76,119, and amendments thereto, and the merger or consolidation shall not constitute a dissolution of such limited liability company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) In connection with a division under this section, rights or securities of, or interests in, the dividing company may be exchanged

for or converted into cash, property, rights or securities of, or interests in, the surviving company or any resulting company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights or securities of, or interests in, an entity as defined in K.S.A. 17-78-102, and amendments thereto, that is not a division company, or may be canceled or remain outstanding, if the dividing company is a surviving company.

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

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

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

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

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

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

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

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

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

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

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

(h) (1) If a domestic limited liability company divides under this section, the ~~surviving dividing~~ company, ~~if any, or any other division~~

~~company~~ shall file a certificate of division executed by one or more authorized persons on behalf of such ~~division~~ *dividing* company in the office of the secretary of state in accordance with K.S.A. 17-7910, and amendments thereto, and articles of organization that comply with K.S.A. 17-7673, and amendments thereto, for each resulting company executed by one or more authorized persons in accordance with K.S.A. 17-7908(b), and amendments thereto.

(2) The certificate of division shall state:

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

~~(2)~~(B) the name of each division company;

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

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

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

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

~~(7)~~(G) that a copy of the plan of division will be furnished by such division company as is specified therein, on request and without cost, to any member of the dividing company; *and*

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

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

*(A) The name of the dividing company and, if the name has been changed, the name under which the dividing company's articles of organization were originally filed;*

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

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

(4) *If the dividing company is a surviving company, a manager of the dividing company or, if there is no manager of the dividing company, any member of the dividing company who becomes aware that the name or business address of the division contact, or information in the certificate of division required by subsection (h)(2)(F), in a certificate of division was false when made or that the name or business address of the division contact, or information in the certificate of division required by subsection (h)(2)(F), in a certificate of division has changed, shall promptly amend the certificate of division. If the dividing company is not a surviving company or no longer exists as a limited liability company, a manager of any resulting company or, if there is no manager of any resulting company, then any member of any resulting company who becomes aware that the name or business address of the division contact, or information in the certificate of division required by subsection (h)(2)(F), in a certificate of division was false when made or that the name or business address of the division contact, or information in the certificate of division*

*required by subsection (h)(2)(F), in a certificate of division has changed, shall promptly amend the certificate of division. This subsection does not apply after the expiration of a period of six years following the effective date of the division.*

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

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

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

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

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

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

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

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

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

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

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

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

division.

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

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

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

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

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

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

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

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

(n) The provisions of this section shall not be construed to limit the means of accomplishing a division by any other means provided for

in an operating agreement or other agreement or as otherwise permitted by the Kansas revised limited liability company act or as otherwise permitted by law.

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

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

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

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

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

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

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

(4) *in the case of a person being admitted as a member of a division company pursuant to a division approved in accordance with K.S.A. 17-7685a(c), and amendments thereto, as provided in the operating agreement of such division company or in the plan of division, and in the event of any inconsistency, the terms of the plan of division shall control; and in the case of a person being admitted as a*



*member of a limited liability company pursuant to a division in which such limited liability company is not a division company in the division, as provided in the operating agreement of such limited liability company.*

(c) A person may be admitted to a limited liability company as a member of the limited liability company and may receive a limited liability company interest in the limited liability company without making a contribution or being obligated to make a contribution to the limited liability company. Unless otherwise provided in an operating agreement, a person may be admitted to a limited liability company as a member of the limited liability company without acquiring a limited liability company interest in the limited liability company. Unless otherwise provided in an operating agreement, a person may be admitted as the sole member of a limited liability company without making a contribution or being obligated to make a contribution to the limited liability company or without acquiring a limited liability company interest in the limited liability company.

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

Sec. 11. K.S.A. 17-7687 is hereby amended to read as follows: 17-7687. (a) An operating agreement may provide for classes or groups of members having such relative rights, powers and duties as the operating agreement may provide, and may make provision for the future creation in the manner provided in the operating agreement of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. An operating agreement may provide for the taking of an action, including the amendment of the operating agreement, without the vote, consent or approval of any member or class or group of members, including an action to create under the provisions of the operating agreement a class or group of limited liability company interests that was not previously outstanding. An operating agreement may provide that any member or class or group of members shall have no voting rights.

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

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

(d) Unless otherwise provided in an operating agreement, meetings of members may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at the meeting. Unless otherwise provided in an operating agreement, on any matter that is to be voted on, consented to or approved by members, the members may take such action without a meeting, without prior notice and without a vote, if consented to or approved, in writing, by electronic transmission, or by any other means permitted by law, by members having not less than the minimum number of votes

that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Unless otherwise provided in an operating agreement, if a person, whether or not then a member, consents to or approves as a member any matter and provides that such consent or approval will be effective at a future time, including a time determined upon the happening of an event, then such person shall be deemed to have consented or approved as a member at such future time so long as such person is then a member. Unless otherwise provided in an operating agreement, on any matter that is to be voted on by members, the members may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in an operating agreement, a consent or approval transmitted by electronic transmission by a member or by a person or persons authorized to act for a member shall be deemed to be written and signed for purposes of this subsection. ~~For purposes of this subsection, the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases, including one or more distributed electronic networks or databases, that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.~~

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

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

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

Sec. 12. K.S.A. 17-7690 is hereby amended to read as follows: 17-7690. (a) Each member of a limited liability company, in person or by attorney or other agent, has the right, subject to such reasonable standards, including standards governing what information, *including books, records and other documents* ~~are~~, is to be furnished at what time and location and at whose expense, as may be set forth in an operating agreement or otherwise established by the manager or, if there is no manager, then by the members, to obtain from the limited liability company from time to time upon reasonable demand for any purpose

reasonably related to the member's interest as a member of the limited liability company:

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

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

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

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

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

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

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

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

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

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

(f) Any action to enforce any right arising under this section shall be brought in the district court. If the limited liability company refuses to permit a member, or attorney or other agent acting for the member, to obtain or a manager to examine the information described in subsection (a) or does not reply to the demand that has been made within five business days, or such shorter or longer period of time as is provided for in an operating agreement, but not longer than 30 business days, after the demand has been made, the demanding member or manager may apply to the district court for an order to compel such disclosure. The district court may summarily order the limited liability company to permit the demanding member to obtain or manager to examine the information described in subsection (a) and to make copies or abstracts therefrom, or the district court may summarily order the limited liability company to furnish to the demanding member or

manager the information described in subsection (a) on the condition that the demanding member or manager first pay to the limited liability company the reasonable cost of obtaining and furnishing such information and on such other conditions as the district court deems appropriate. When a demanding member seeks to obtain or a manager seeks to examine the information described in subsection (a), the demanding member or manager shall first establish: (1) That the demanding member or manager has complied with the provisions of this section respecting the form and manner of making demand for obtaining or examining of such information; and (2) that the information the demanding member or manager seeks is reasonably related to the member's interest as a member or the manager's position as a manager, as the case may be. The district court may, in its discretion, prescribe any limitations or conditions with reference to the obtaining or examining of information, or award such other or further relief as the district court may deem just and proper. The district court may order books, ~~documents and~~ records *and other documents*, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within the state of Kansas and kept in the state of Kansas upon such terms and conditions as the order may prescribe.

(g) *If a member is entitled to obtain information under the Kansas revised limited liability company act or an operating agreement for a purpose reasonably related to the member's interest as a member or other stated purpose, the member's right shall be to obtain such information as is necessary and essential to achieving that purpose.* The rights of a member or manager to obtain *or examine* information as provided in this section may be *expanded or* restricted in an original operating agreement or in any subsequent amendment consented to, approved or adopted by all of the members or in compliance with any applicable requirements of the operating agreement. The provisions of this subsection shall not be construed to limit the ability to ~~impose restrictions on expand or restrict~~ the rights of a member or manager to obtain *or examine* information by any other means permitted ~~under the Kansas revised limited liability company act~~ *by law*.

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

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

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

(c) An operating agreement may set forth provisions relating to

notice of the time, place or purpose of any meeting at which any matter is to be voted on by any manager or class or group of managers, waiver of any such notice, action by consent or approval without a meeting, the establishment of a record date, quorum requirements, voting in person or by proxy, or any other matter with respect to the exercise of any such right to vote.

(d) Unless otherwise provided in an operating agreement, meetings of managers may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at the meeting. Unless otherwise provided in an operating agreement, on any matter that is to be voted on, consented to or approved by the managers, the managers may take such action without a meeting, without prior notice and without a vote, if consented to or approved, in writing, by electronic transmission, or by any other means permitted by law, by managers having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all managers entitled to vote thereon were present and voted. Unless otherwise provided in an operating agreement, if a person, whether or not then a manager, consents to or approves as a manager any matter and provides that such consent or approval will be effective at a future time, including a time determined upon the happening of an event, then such person shall be deemed to have consented or approved as a manager at such future time, so long as such person is then a manager. Unless otherwise provided in an operating agreement, on any matter that is to be voted on by managers, the managers may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in an operating agreement, a consent or approval transmitted by electronic transmission by a manager or by a person or persons authorized to act for a manager shall be deemed to be written and signed for purposes of this subsection. ~~For purposes of this subsection, the term "electronic transmission" means any form of communication not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases, including one or more distributed electronic networks or databases, that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.~~

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

in the operating agreement, such delegation by a member or manager of a limited liability company shall not cause the member or manager to cease to be a member or manager, as the case may be, of the limited liability company or cause the person to whom any such rights, powers and duties have been delegated to be a member or manager, as the case may be, of the limited liability company. No other provision of the Kansas revised limited liability company act *or other law* shall be construed to restrict a member's or manager's power and authority to delegate any or all of its rights, powers, and duties to manage and control the business and affairs of the limited liability company.

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

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

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

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

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

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

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

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

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

Sec. 16. K.S.A. 17-76,143 is hereby amended to read as follows: 17-76,143. (a) An operating agreement may establish or provide for the establishment of one or more designated series of members, managers, limited liability company interests or assets. If an operating agreement so provides for the establishment or formation of one or more series, then a series may be formed by complying with this section. Any such series may have separate rights, powers or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations, and to the extent provided in the operating agreement, any such series may have a separate business purpose or investment objective. A series is formed by the filing of a certificate of designation in the office of the

secretary of state. Other than pursuant to K.S.A. 17-76,143a, and amendments thereto, a series may not merge, convert, or consolidate pursuant to any section of the Kansas revised limited liability company act, the business entity transactions act, K.S.A. 17-78-101 et seq., and amendments thereto, or any other statute of this state.

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

(c) Notwithstanding anything to the contrary set forth in the Kansas revised limited liability company act or under other applicable law, in the event that an operating agreement establishes or provides for the establishment of one or more series, and if to the extent the records maintained for any series account for the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof, and if the operating agreement so provides, and if notice of the limitation on liabilities of a series as referenced in this subsection is set forth in the articles of organization of the limited liability company and if the limited liability company has filed a certificate of designation for each series ~~which~~ *that* is to have limited liability under this section, then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to such series shall be enforceable against the assets of such series only, and not against the assets of the limited liability company generally or any other series thereof, and, unless otherwise provided in the operating agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series. Neither the preceding sentences nor any provision pursuant thereto in an operating agreement, articles of organization or certificate of designation shall: Restrict a series or limited liability company on behalf of a series from agreeing in the operating agreement or otherwise that any or all of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series; or restrict a limited liability company from agreeing in the operating agreement or otherwise that any or all of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a series shall be enforceable against the assets of the limited liability company generally. Assets associated with a series may be held directly or indirectly, including in the name of such series, in the name of the limited liability company, through a nominee or otherwise. Records maintained for a series that reasonably identify its assets, including by specific listing, category, type, quantity, computational, or allocational formula or procedure, including a percentage or share of any asset or assets, or by any other method where the identity of such assets is objectively determinable, will be deemed to account for the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof. As used in the Kansas revised limited liability company

act, a reference to assets of a series includes assets associated with such series, a reference to assets associated with a series includes assets of such series, a reference to members or managers of a series includes members or managers associated with such series, and a reference to members or managers associated with a series includes members or managers of such series. The following shall apply to a series:

(1) A series may carry on any lawful business, purpose or activity, whether or not for profit, with the exception of the business of granting policies of insurance, assuming insurance risks, or banking as defined in K.S.A. 9-702, and amendments thereto. Unless otherwise provided in an operating agreement, a series shall have the power and capacity to, in its own name, contract, hold title to assets, including real, personal, and intangible property, grant liens and security interests, ~~and sue and be sued~~ *and otherwise conduct business and exercise the power of a limited liability company under this article. The limited liability company and any of its series may elect to consolidate its operations as a single taxpayer to the extent required to file consolidated tax returns as permitted under applicable law and elect to be treated as a single business for the purposes of qualification or authorization to do business in this or any other state. Such elections shall not affect the limitation of liability set forth in this section except to the extent that the series have specifically accepted joint liability by contract.*

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

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

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



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

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

(7) Notwithstanding K.S.A. 17-76,110(a), and amendments thereto, a limited liability company may make a distribution with respect to a series. A limited liability company shall not make a distribution with respect to a series to a member to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of such series, other than liabilities to members on account of their limited liability company interests with respect to such series and liabilities for which the recourse of creditors is limited to specified property of such series, exceed the fair value of the assets associated with such series, except that the fair value of property of such series that is subject to a liability for which the recourse of creditors is limited shall be included in the assets associated with such series only to the extent that the fair value of that property exceeds that liability. For purposes of the immediately preceding sentence, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of this subsection, and who knew at the time of the distribution that the distribution violated this subsection, shall be liable to the series for the amount of the distribution. A member who receives a distribution in violation of this subsection, and who did not know at the time of the distribution that the distribution violated this subsection, shall not be liable for the amount of the distribution. Subject to K.S.A. 17-76,110(c), and amendments thereto, which shall apply to any distribution made with respect to a series under this subsection, this subsection shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

(8) Unless otherwise provided in the operating agreement, a member shall cease to be associated with a series and to have the power

to exercise any rights or powers of a member with respect to such series upon the assignment of all of the member's limited liability company interest with respect to such series. Except as otherwise provided in an operating agreement, any event under the Kansas revised limited liability company act or an operating agreement that causes a member to cease to be associated with a series shall not, in itself, cause such member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company or cause the dissolution of the series, regardless of whether such member was the last remaining member associated with such series.

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

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

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

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

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

(10) Notwithstanding K.S.A. 17-76,118(a), and amendments thereto, unless otherwise provided in the operating agreement, a manager associated with a series who has not wrongfully dissolved such series or, if none, the members associated with such series or a person consented to or approved by the members associated with such series, in either case, by members who own more than 50% of the then-current percentage or other interest in the profits of such series owned by all of the members associated with such series, may wind up the affairs of such series, but the district court, upon cause shown, may wind up the affairs of a series upon application of any member or manager associated with such series, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee. The persons winding up the affairs of a series may, in the name of the limited liability company and for and on behalf of the limited liability company and such series, take all actions with respect to such series as are permitted under K.S.A. 17-76,118(b), and amendments thereto. The persons winding up the affairs of a series shall provide for the claims and obligations of such series and distribute the assets of such series as provided in K.S.A. 17-76,119, and amendments thereto, which section shall apply to the winding up and distribution of assets of a series. Actions taken in accordance with this subsection shall not affect the liability of members and shall not impose liability on a liquidating trustee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) The name of the limited liability company;
- (ii) the name of the series;
- (iii) the future effective date or time, which shall be a date or time certain, of cancellation if it is not to be effective upon the filing of the certificate of cancellation; and
- (iv) any other information the person filing the certificate of cancellation of the certificate of designation determines.

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

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

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

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

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

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

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

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

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

(g) (1) *If an operating agreement provides the manner in which a dissolution of a series may be revoked, it may be revoked in such manner and, unless the limited liability company has dissolved and such dissolution has not been revoked or the operating agreement prohibits revocation of dissolution of a series, then notwithstanding the*

*occurrence of an event set forth in subsection (c)(9)(A) through (C), the series shall not be dissolved and the series' affairs shall not be wound up if, prior to the filing of a certificate of cancellation of the certificate of designation in the office of the secretary of state, the series is continued, effective as of the occurrence of such event:*

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

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

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

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

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

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

*(2) capital contributions;*

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

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

*(5) fiduciary duties; and*

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

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

Sec. 17. K.S.A. 17-76,143a is hereby amended to read as follows: 17-76,143a. (a) Pursuant to an agreement of merger or consolidation, one or more series may merge or consolidate with or into one or more other series of the same limited liability company with such series as the agreement shall provide being the surviving or resulting series. Unless otherwise provided in the operating agreement, an agreement of merger or consolidation shall be consented to or approved by each series that is to merge or consolidate by members of such series who

own more than 50% of the then-current percentage or other interest in the profits of such series owned by all of the members of such series. In connection with a merger or consolidation hereunder, rights or securities of, or interests in, a series ~~which~~ *that* is a constituent party to the merger or consolidation may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the surviving or resulting series or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, an entity as defined in K.S.A. 17-78-102, and amendments thereto, that is not the surviving or resulting series in the merger or consolidation, may remain outstanding or may be canceled. Notwithstanding prior consent or approval, an agreement of merger or consolidation may be terminated or amended pursuant to a provision for such termination or amendment contained in the agreement of merger or consolidation.

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

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

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

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

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

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

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

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

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

(d) A certificate of merger or consolidation *of series* shall act as a certificate of cancellation of the certificate of designation of the series that is not the surviving or resulting series in the merger or consolidation. A certificate of merger or consolidation *of series* that sets forth any amendment in accordance with subsection (b)(4) shall be deemed to be an amendment to the certificate of designation of the surviving ~~or resulting~~ series, and no further action shall be required to amend the certificate of designation of the surviving ~~or resulting~~ series under K.S.A. 17-76,143, and amendments thereto, with respect to such amendments set forth in ~~the~~ *such* certificate of merger or consolidation *of series*. Whenever this section requires the filing of a certificate of merger or consolidation *of series*, such requirement shall be deemed

satisfied by the filing of an agreement of merger or consolidation containing the information required by this section to be set forth in ~~the~~ *such* certificate of merger or consolidation.

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

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

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

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

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

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

Sec. 18. K.S.A. 17-76,145 is hereby amended to read as follows: 17-76,145. (a) If an operating agreement provides the manner in which a dissolution may be revoked, it may be revoked in that manner and, unless an operating agreement prohibits revocation of dissolution, then notwithstanding the occurrence of an event set forth in K.S.A. 17-76,116(a)(1) through (a)(4), and amendments thereto, the limited liability company shall not be dissolved and its affairs shall not be

wound up if, prior to the filing of a certificate of cancellation with the secretary of state, the limited liability company is continued, effective as of the occurrence of such event:

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

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

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

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

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

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

(1) The name of the limited liability company at the time its articles of organization or authority to do business was canceled or



forfeited and, if such name is not available at the time of reinstatement, the name under which the limited liability company is to be reinstated;

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

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

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

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

(c) Upon the filing of a certificate of reinstatement of *limited liability company*, a limited liability company ~~and all, each series thereof that have been formed and~~ whose certificate of designation has ~~not been canceled prior to~~ as a result of the cancellation of the articles of organization of the limited liability company pursuant to K.S.A. 17-7926(b), 17-7929(b) or 17-7934(c), and amendments thereto, and each series thereof that has not been terminated and wound up, shall be reinstated with the same force and effect as if ~~its the~~ articles of organization or authority to do business of the limited liability company had not been canceled or forfeited pursuant to K.S.A. 17-76,139(d)(g) ~~or K.S.A., 17-7926(b), 17-7929(b) or 17-7934(f), and amendments thereto.~~ Such reinstatement shall validate all contracts, acts, matters and things made, done and performed by the limited liability company, ~~its any series thereof or by the members, managers, employees and agents of the limited liability company~~ during the time when ~~its the~~ articles of organization or authority to do business was canceled or forfeited pursuant to K.S.A. 17-76,139(d)(g) ~~or K.S.A., 17-7926(b), 17-7929(b) or 17-7934(f), and amendments thereto,~~ with the same force and effect and to all intents and purposes as if the articles of organization or authority to do business of the limited liability company had remained in full force and effect. All real and personal property, and all rights and interests, ~~which that~~ belonged to the limited liability company or any series thereof at the time ~~its the~~ articles of organization or authority to do business of the limited liability company was canceled or forfeited pursuant to K.S.A. 17-76,139(d)(g) ~~or K.S.A., 17-7926(b), 17-7929(b) or 17-7934(f), and amendments thereto, or which that~~ were acquired by the limited liability company following the cancellation or forfeiture of its articles of organization or authority to do business pursuant to K.S.A. 17-76,139(d)(g) ~~or K.S.A., 17-7926(b), 17-7929(b) or 17-7934(f), and amendments thereto, and which that~~ were not disposed of prior to the time of ~~its the~~ limited liability company reinstatement, shall be vested in the limited liability company or the applicable series after ~~its the~~ reinstatement as fully as they were held by the limited liability company or the applicable series at, and after, as the case may be, the time ~~its that the~~ articles of organization or authority to do business of the limited liability company was canceled or forfeited pursuant to K.S.A. 17-76,139(d)(g) ~~or K.S.A., 17-7926(b), 17-7929(b) or 17-7934(f), and amendments thereto.~~ After ~~its the~~ reinstatement of the limited liability company, the limited liability company and any series thereof shall be as exclusively liable for all contracts, acts, matters and

things made, done or performed in ~~its~~ *the* name of and on ~~its~~ behalf of *the limited liability company or such series* by ~~its~~ *the* members, managers, employees and agents prior to ~~its~~ *the* reinstatement as if ~~its~~ *the* articles of organization or authority to do business of *the limited liability company* had at all times remained in full force and effect.

Sec. 20. K.S.A. 17-76,148 is hereby amended to read as follows: 17-76,148. K.S.A. 17-76,148 through 17-76,155, and amendments thereto, apply to all statutory public benefit limited liability companies, as defined in K.S.A. 17-76,149, and amendments thereto. If a limited liability company *is formed as or* elects to become a statutory public benefit limited liability company ~~under K.S.A. 17-76,148 through 17-76,155, and amendments thereto~~, in the manner prescribed in ~~K.S.A. 17-76,148 through 17-76,155, and amendments thereto~~ *this section*, ~~it~~ *such limited liability company* shall be subject in all respects to the provisions of the Kansas revised limited liability company act, except to the extent *that* K.S.A. 17-76,148 through 17-76,155, and amendments thereto, impose additional or different requirements, such *additional or different* requirements shall apply, and notwithstanding K.S.A. 17-76,134, and amendments thereto, or any other provision of the Kansas revised limited liability company act, such *additional or different* requirements imposed by K.S.A. 17-76,148 through 17-76,155, and amendments thereto, may not be altered in the operating agreement. *If a limited liability company is not formed as a statutory public benefit limited liability company, such limited liability company may become a statutory public benefit limited liability company in the manner specified in its operating agreement or by amending its operating agreement and articles of organization to comply with the requirements of K.S.A. 17-76,148 through 17-76,155, and amendments thereto.*

Sec. 21. K.S.A. 17-76,149 is hereby amended to read as follows: 17-76,149. (a) A "statutory public benefit limited liability company" is a for-profit limited liability company formed under and subject to the requirements of the Kansas revised limited liability company act that is intended to produce a public benefit or public benefits and to operate in a responsible and sustainable manner. To that end, a statutory public benefit limited liability company shall be managed in a manner that balances the members' pecuniary interests, the best interests of those materially affected by the limited liability company's conduct; and the public benefit or public benefits set forth *in its operating agreement and* in its articles of organization. A statutory public benefit limited liability company shall state *in its operating agreement and* in the heading of its articles of organization that it is a statutory public benefit limited liability company; and shall set forth *in its operating agreement and articles of organization* one or more specific public benefits to be promoted by the limited liability company. *In the event of any inconsistency between the public benefit or benefits to be promoted by the limited liability company as set forth in its operating agreement and in its articles of organization, the operating agreement shall control as among the members, the managers and other persons who are party to or otherwise bound by the operating agreement. A manager of a statutory public benefit limited liability company may not contain any provision or, if there is no manager, then any member of a statutory public benefit limited liability company who becomes aware that the specific public benefit or benefits to be promoted by the limited liability company as set forth in its operating agreement are inaccurately set forth in its articles of organization, shall promptly amend the articles of organization. Any provision in the operating agreement or articles of organization of a statutory public benefit limited liability company that is inconsistent with K.S.A. 17-76,148*

through 17-76,155, and amendments thereto, *shall not be effective to the extent of such inconsistency.*

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

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

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

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

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

liability company's conduct. The statement shall include:

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

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

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

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

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

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

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

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

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

(b) A certificate of merger shall contain:

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

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

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

(4) a statement that the merger ~~was~~ *will be* approved by each domestic merging entity, if any, in accordance with K.S.A. 17-78-201 through 17-78-206, and amendments thereto, *prior to the time that the certificate of merger becomes effective* or if not required to be approved under the circumstances stated in K.S.A. 17-78-203(c), and amendments thereto, a statement that the circumstances stated in K.S.A. 17-78-203(c), and amendments thereto, apply, and by each foreign merging entity, if any, in accordance with the law of its jurisdiction of organization;

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

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

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

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

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

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

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

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

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

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

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

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

(4) all liabilities of each merging entity are liabilities of the surviving entity;

(5) except as otherwise provided by law other than this act or the

agreement of merger, all of the rights, privileges, immunities, powers and purposes of each merging entity vest in the surviving entity;

(6) if the surviving entity exists before the merger:

(A) All of its property continues to be vested in it without reversion or impairment;

(B) it remains subject to all of its liabilities; and

(C) all of its rights, privileges, immunities, powers and purposes continue to be vested in it;

(7) the name of the surviving entity may be substituted for the name of any merging entity that is a party to any pending action or proceeding;

(8) if the surviving entity exists before the merger:

(A) Its public organic document, if any, is amended, *and such amendment may amend and restate the public organic document entirely*, as provided in the certificate of merger and is binding on its interest holders; and

(B) its private organic rules that are to be in a record, if any, are amended to the extent provided in the agreement of merger and are binding on and enforceable by:

(i) Its interest holders; and

(ii) in the case of a surviving entity that is not a corporation, any other person that is a party to an agreement that is part of the surviving entity's private organic rules;

(9) if the surviving entity is created by the merger:

(A) Its public organic document, if any, is effective and is binding on its interest holders; and

(B) its private organic rules are effective and are binding on and enforceable by:

(i) Its interest holders; and

(ii) in the case of a surviving entity that is not a corporation, any other person that was a party to an agreement that was part of the organic rules of a merging entity if that person has agreed to be a party to an agreement that is part of the surviving entity's private organic rules; and

(10) the interests in each merging entity that are to be converted in the merger are converted and the interest holders of those interests are entitled only to the rights provided to them under the agreement of merger and to any appraisal rights they have under K.S.A. 17-78-109, and amendments thereto, and the merging entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of a merging entity, the merger does not give rise to any rights that an interest holder, governor or third party would otherwise have upon a dissolution, liquidation or winding-up of the merging entity.

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

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

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

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

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

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

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

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

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

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

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

(b) A certificate of interest exchange must contain:

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

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

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

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

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

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

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

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

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

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

(2) the acquiring entity becomes the interest holder of the interests

in the acquired entity stated in the agreement of interest exchange to be acquired by the acquiring entity;

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

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

(A) Its interest holders; and

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

(b) Except as otherwise provided in the organic law or organic rules of the acquired entity, the interest exchange does not give rise to any rights that an interest holder, governor or third party would otherwise have upon a dissolution, liquidation or winding-up of the acquired entity.

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

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

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

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

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

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

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

(b) A certificate of conversion shall contain:

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

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

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

(4) if the converting entity is a domestic entity, a statement that the agreement of conversion ~~was~~ *will be* approved in accordance with K.S.A. 17-78-401 through 17-78-406, and amendments thereto, *prior*



*to the time that the certificate of conversion becomes effective* or, if the converting entity is a foreign entity, a statement that the conversion was approved by the foreign converting entity in accordance with the law of its jurisdiction of organization;

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

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

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

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

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

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

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

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

(b) A certificate of domestication shall contain:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) The covered entity itself;
- (2) an individual resident in this state;
- (3) a domestic corporation, a domestic limited partnership, a domestic limited liability partnership, a domestic limited liability company or a domestic business trust; or
- (4) a foreign corporation, a foreign limited partnership, a foreign limited liability partnership, a foreign limited liability company or a foreign business trust.

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

- (1) If a domestic entity, *be in good standing and* maintain a business office identical with the registered office—~~which~~ *that* is generally open, or if an individual, be generally present at a designated location in this state at sufficiently frequent times to accept service of process and otherwise perform the functions of a resident agent;
- (2) if a foreign entity, be authorized to transact business in this state;
- (3) accept service of process and other communications directed to the covered entity for which it serves as resident agent and forward the same to the covered entity to which the service or communication is directed; and
- (4) forward to the covered entity for which it serves as a resident agent documents sent by the secretary of state.

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

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

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

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

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

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

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

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

Sec. 33. K.S.A. 17-7929 is hereby amended to read as follows: 17-7929. (a) The resident agent of a covered entity, including a resident agent that no longer qualifies to be a resident agent under K.S.A. 17-7925, and amendments thereto, may resign without appointing a successor by paying a fee if authorized by law, as provided by K.S.A. 17-7910, and amendments thereto, and filing a certificate of resignation, with the secretary of state stating that the resident agent resigns as resident agent for the covered entity or entities identified in the certificate, but such resignation shall not become effective until 30 days after the certificate is filed. The certificate shall be executed by the resident agent, shall contain a statement that written notice of resignation was given to ~~each affected~~ *the* covered entity at least 30 days prior to the filing of the certificate by mailing or delivering such notice to the covered entity at its address last known to the resident agent and shall set forth the date of such notice. The certificate shall also include the postal address and name and contact information of an officer, director, employee or designated agent who is then authorized to receive communications from the resident agent with respect to the affected covered entities last known to the resident agent, and such information shall not be deemed public information and will not constitute a public record as defined in K.S.A. 45-217, and amendments thereto.

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

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

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

Sec. 34. K.S.A. 17-7662, 17-7663, 17-7668, 17-7670, 17-7681, 17-7682, 17-7685a, 17-7686, 17-7687, 17-7690, 17-7695, 17-7698, 17-76,143, 17-76,143a, 17-76,145, 17-76,146, 17-76,148, 17-76,149, 17-76,150, 17-76,151, 17-76,152, 17-78-205, 17-78-206, 17-78-305, 17-78-306, 17-78-405, 17-78-505, 17-7904, 17-7925, 17-7927 and 17-7929 and K.S.A. 2024 Supp. 17-76,136 are hereby repealed.

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

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

HOUSE adopted  
Conference Committee Report\_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

SENATE adopted  
Conference Committee Report\_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*