

HOUSE BILL No. 2039

AN ACT concerning business entities; relating to charitable organizations; exemption from registration; animal shelters; limited liability companies; Kansas revised limited liability company act; business entity standard treatment act; amending K.S.A. 17-76,135 and 17-76,138 and K.S.A. 2018 Supp. 17-1762, 17-7662, 17-7663, 17-7673, 17-7675, 17-7675, as amended by section 16 of this act, 17-7679, 17-7679, as amended by section 18 of this act, 17-7680, 17-7680, as amended by section 20 of this act, 17-7681, 17-7687, 17-7689, 17-7690, 17-7695, 17-7698, 17-76,106, 17-76,112, 17-76,113, 17-76,114, 17-76,116, 17-76,118, 17-76,136, 17-76,136, as amended by section 35 of this act, 17-76,139, 17-76,143, 17-76,145, 17-76,146, 17-7904, 17-7904, as amended by section 42 of this act, 17-7915, 17-7916, 17-7918, 17-7923, 17-7929, 17-7933, 60-304, 84-1-201 and 84-9-102 and repealing the existing sections.

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

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

(b) For all purposes of the laws of the state of Kansas, unless otherwise provided in an operating agreement, a power of attorney or proxy with respect to a limited liability company granted to any person shall be irrevocable if it states that it is irrevocable and it is coupled with an interest sufficient in law to support an irrevocable power or proxy. Such irrevocable power of attorney or proxy, unless otherwise provided therein or in an operating agreement, shall not be affected by subsequent death, disability, incapacity, dissolution, termination of existence or bankruptcy of, or any other event concerning, the principal. A power of attorney or proxy with respect to matters relating to the organization, internal affairs or termination of a limited liability company or granted by a person as a member or an assignee of a limited liability company interest or by a person seeking to become a member or an assignee of a limited liability company interest and, in either case, granted to the limited liability company, a manager or member thereof, or any of their respective officers, directors, managers, members, partners, trustees, employees or agents shall be deemed coupled with an interest sufficient in law to support an irrevocable power or proxy. The provisions of this subsection shall not be construed to limit the enforceability of a power of attorney or proxy that is part of an operating agreement.

New Sec. 2. (a) As used in this section, and section 7, and amendments thereto, and K.S.A. 17-7675, 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. 2018 Supp. 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 obligations and liabilities 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. 2018 Supp. 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 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 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. 2018 Supp. 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) If a domestic limited liability company divides under this section, the surviving 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 company in the office of the secretary of state in accordance with K.S.A. 2018 Supp. 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. 2018 Supp. 17-7908(b), and amendments thereto. The certificate of division shall state:

(1) 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) the name of each division company;

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

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

(6) 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) 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.

(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. 2018 Supp. 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 into the distinct and independent resulting 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 as if the division did not occur 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.

New Sec. 3. (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 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. 2018 Supp. 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 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 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, 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 desired to be effected by the merger;

(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 pursuant to this section shall be effective upon the filing of a certificate of merger or consolidation in the office of the secretary of state.

(d) A certificate of merger or consolidation 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 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. 2018 Supp. 17-76,143, and amendments thereto, with respect to such amendments set forth in the certificate of merger or consolidation. 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.

(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. 2018 Supp. 17-76,143, and amendments thereto, or pay its liabilities and distribute its assets under K.S.A. 2018 Supp. 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.

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

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

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

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

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

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

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

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

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

New Sec. 5. Sections 5 through 12, and amendments thereto, apply to all statutory public benefit limited liability companies, as defined in section 6, and amendments thereto. If a limited liability company elects to become a statutory public benefit limited liability company under sections 5 through 12, and amendments thereto, in the manner prescribed in sections 5 through 12, and amendments thereto, it shall be subject in all respects to the provisions of the Kansas revised limited liability company act, except to the extent sections 5 through 12, and amendments thereto, impose additional or different requirements, such 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 requirements imposed by sections 5 through 12, and amendments thereto, may not be altered in the operating agreement.

New Sec. 6. (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 articles of organization. A statutory public benefit limited liability company shall state in the heading of its articles of organization that it is a statutory public benefit limited liability company, and shall set forth one or more specific public benefits to be promoted by the limited liability company in its articles of organization. The operating agreement of a statutory public benefit limited liability company may not contain any provision inconsistent with sections 5 through 12, and amendments thereto.

(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 sections 5 through 12, 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.

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

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

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

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

New Sec. 8. (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 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 section 6(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 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.

New Sec. 9. (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 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 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 articles of organization or the best interests of those materially affected by the statutory public benefit limited liability company's conduct, or both.

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

New Sec. 11. Sections 5 through 12, and amendments thereto,

shall not affect a statute or rule of law that is or would be applicable to any limited liability company that is formed under the Kansas revised limited liability company act but is not a statutory public benefit limited liability company.

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

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

Sec. 14. K.S.A. 2018 Supp. 17-7663 is hereby amended to read as follows: 17-7663. As used in ~~this~~ *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 a person contributes to a limited liability company in such person's capacity as a member.

(d) "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 ~~and denominated as such under the laws of such state or 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) "Knowledge" means a person's actual knowledge of a fact, rather than the person's constructive knowledge of the fact.

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

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

(i) "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.

(j) "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, ~~or, in the case of a foreign limited liability company, in accordance with the laws of the state or foreign country or other foreign jurisdiction under which the foreign limited liability company is formed.~~

(k) "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 is not required to execute its operating agreement. A limited liability company is bound by its operating agreement whether or not the limited liability company 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 ~~this~~ *the Kansas revised limited liability company act*.

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

(o) "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. 15. K.S.A. 2018 Supp. 17-7673 is hereby amended to read as follows: 17-7673. (a) In order to form a limited liability company, one or more authorized persons must execute articles of organization. The articles of organization shall be filed with the secretary of state and set forth:

(1) The name of the limited liability company;

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

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

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

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

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

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

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

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

Sec. 16. K.S.A. 2018 Supp. 17-7675 is hereby amended to read as follows: 17-7675. (a) Articles of organization shall be canceled upon the dissolution and the completion of winding up of a limited liability company, or as provided in K.S.A. 17-76,117 or 17-76,139 or K.S.A. 2018 Supp. 17-7926(b) or 17-7929(b), and amendments thereto, or upon the filing of a certificate of merger or consolidation if the limited liability company is not the surviving or resulting entity in a merger or consolidation, or upon the future effective date of a certificate of merger or consolidation if the limited liability company is not the surviving or resulting entity in a merger or consolidation, *or upon the filing of a certificate of division if the limited liability company is a dividing company that is not a surviving company, or upon the future effective date of a certificate of division if the limited liability company is a dividing company that is not a surviving company.* A certificate of cancellation shall be filed with the secretary of state to accomplish the cancellation of articles of organization upon the dissolution and the completion of winding up of a limited liability company. The certificate shall set forth:

(1) The name of the limited liability company;

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

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

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

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

(c) The secretary of state shall not issue a certificate of good standing with respect to a limited liability company if its articles of

organization are canceled.

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

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

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

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

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

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

Sec. 20. K.S.A. 2018 Supp. 17-7680 is hereby amended to read as

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

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

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

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

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

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

(1) A limited liability company may, whenever desired, integrate into a single instrument all of the provisions of its articles of organization which are then in effect and operative as a result of there

having previously been filed with the secretary of state one or more certificates or other instruments pursuant to K.S.A. 17-7673 through 17-7683, and amendments thereto, and the business entity standard treatment act, K.S.A. 2018 Supp. 17-7901 et seq., and amendments thereto, and ~~section~~ *sections 2 and 3*, and amendments thereto, and it may at the same time also further amend its articles of organization by adopting restated articles of organization.

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

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

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

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

(b) *Restated certificate of designation.*

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

restated certificate of designation.

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

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

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

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

Sec. 22. K.S.A. 2018 Supp. 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 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 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 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, ~~a limited liability company which~~ an entity as defined in K.S.A. 2018 Supp. 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 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 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;

(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, ~~which date shall, in no event, exceed 90 days after the date the certificate is filed with the secretary of state;~~

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

- (1) Effect any amendment to the operating agreement; or
- (2) 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.

Any amendment to an operating agreement or adoption of a new operating agreement 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 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 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. 2018 Supp. 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. 23. K.S.A. 2018 Supp. 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 ~~or~~, 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 ~~this~~ *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 ~~subsection (e) of~~ K.S.A. 17-7681(e), 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 ~~subsection (e) of~~ K.S.A. 17-7681(e), 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. 24. K.S.A. 2018 Supp. 17-7689 is hereby amended to read as follows: 17-7689. A person ceases to be a member of a limited liability company upon the happening of any of the following events:

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

- (1) Makes an assignment for the benefit of creditors;
- (2) files a voluntary petition in bankruptcy;
- (3) is adjudged a bankrupt or insolvent, or has entered against the member an order for relief, in any bankruptcy or insolvency proceeding;
- (4) files a petition or answer seeking for the member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;
- (5) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the member in any proceeding of this nature;
- (6) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the member or of all or any substantial part of the member's properties; or

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

Sec. 25. K.S.A. 2018 Supp. 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 and documents are 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 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 records in other than a written 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 form within a reasonable time.

(e) Any demand ~~by a member~~ 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, 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) The rights of a member or manager to obtain information as provided in this section may be 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 the rights of a member or manager to obtain information by any other means permitted under ~~this~~ *the Kansas revised limited liability company act*.

(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. 26. K.S.A. 2018 Supp. 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 ~~or~~, 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. 27. K.S.A. 2018 Supp. 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 and powers and duties* to manage and control the business and affairs of the limited liability company, ~~including to delegate~~. *Any such delegation may be to agents, officers and employees of a member or manager or the limited liability company, and to delegate by a management agreement or another agreement with, or otherwise to, other 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 ~~and~~, 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 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. 28. K.S.A. 2018 Supp. 17-76,106 is hereby amended to read as follows: 17-76,106. (a) A member may resign from a limited liability company only at the time or upon the happening of events specified in an operating agreement and in accordance with the operating agreement. Notwithstanding anything to the contrary under applicable law, unless an operating agreement provides otherwise, a member may not resign from a limited liability company prior to the dissolution and winding up of the limited liability company.

(b) Unless otherwise provided in an 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, 2014, shall ~~continue to be governed by this section as in effect on June 30, 2014, and shall not be governed by this section~~ *not be governed by subsection (a) but shall be governed by this subsection. A member may resign from a limited liability company only at the time or upon the happening of events specified in the operating agreement and in accordance with the operating agreement. Notwithstanding anything to the contrary under applicable law, unless the operating agreement provides otherwise, a member may resign from a limited liability company prior to the dissolution and winding up of the limited liability company. Upon resignation, the member shall be deemed to be an assignee and shall have only the rights of an assignee. The resigned member is not released from the member's liability, if any, to a limited liability company. Notwithstanding anything to the contrary under applicable law, the operating agreement may provide that a limited liability company interest may not be assigned prior to the dissolution and winding up of the limited liability company.*

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

(b) Unless otherwise provided in an operating agreement:

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

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

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

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

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

(e) Unless otherwise provided in the operating agreement, a limited liability company may acquire, by purchase, redemption or otherwise, any limited liability company interest or other interest of a

member or manager in the limited liability company. Unless otherwise provided in the operating agreement, any such interest so acquired by the limited liability company shall be deemed canceled.

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

(b) A charging order constitutes a lien on the judgment debtor's limited liability company interest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) unless otherwise provided in an 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 subparagraph (A) but shall be governed by this subparagraph. Unless otherwise provided in an operating agreement, upon the vote or consent of the members of the limited liability company 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 2/3 of the then-current percentage or other interest in the profits of the limited liability company owned by all of the members or by the members in each class or group, as appropriate;

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

(A) Unless otherwise provided in an operating agreement, within 90 days or such other period as is provided for in the operating agreement after the occurrence of the event that terminated the continued membership of the last remaining member, the personal representative of the last remaining member agrees ~~in writing~~ to continue the limited liability company and to the admission of the personal representative of such member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member, except that an operating agreement may provide that the personal representative of the last remaining member shall be obligated to agree ~~in writing~~ to continue the limited liability company and to the admission of the personal representative of such member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member; or

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

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

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

Sec. 33. K.S.A. 2018 Supp. 17-76,118 is hereby amended to read as follows: 17-76,118. (a) (1) Unless otherwise provided in the operating agreement, a manager who has not wrongfully dissolved a limited liability company or, if none, the members or a person

consented to or approved by the members, in either case, by members who own more than 50% of the then-current percentage or other interest in the profits of the limited liability company owned by all of the members, may wind up the limited liability company's affairs, but the district court upon cause shown, may wind up the limited liability company's affairs upon application of any member or manager, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee.

(2) 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 paragraph (1) but shall be governed by this paragraph. Unless otherwise provided in the operating agreement, a manager who has not wrongfully dissolved a limited liability company or, if none, the members or a person consented to or approved 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 limited liability company owned by all of the members or by the members in each class or group, as appropriate, may wind up the limited liability company's affairs; but the district court upon cause shown, may wind up the limited liability company's affairs upon application of any member or manager, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee.

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

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

Sec. 35. K.S.A. 2018 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;
- (D) a certificate of change of location of registered office or resident agent;
- (E) a certificate of merger or consolidation; ~~and~~
- (F) *a certificate of division; and*
- (G) any certificate, affidavit, agreement or any other paper provided for in ~~this~~ *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 plus a fee per page, if the secretary of state supplies the copies, in an amount fixed by the secretary of state and approved by the director of accounts and reports for copies of corporate documents under K.S.A. 45-204, and amendments thereto;

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

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

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

(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 \$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 \$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. 36. On and after July 1, 2020, K.S.A. 2018 Supp. 17-76,136, as amended by section 35 of this act, 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 fee 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 plus a fee per page, if the secretary of state supplies the copies, in an amount fixed by the secretary of state and approved by the director of accounts and reports for copies of corporate documents under K.S.A. 45-204, and amendments thereto;

(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*, and certificate of fact issued by the secretary of state;

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

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

(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 \$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 \$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. 37. K.S.A. 17-76,138 is hereby amended to read as follows: 17-76,138. For purposes of any tax imposed by the state of Kansas or any instrumentality, agency or political subdivision of the state of Kansas, a *domestic* limited liability company ~~formed under this act~~ or a *foreign limited liability company* qualified to do business in the state of Kansas ~~as a foreign limited liability company~~ shall be classified as a partnership unless classified otherwise for federal income tax purposes, in which case the *domestic or foreign* limited liability company shall be classified in the same manner as it is classified for federal income tax purposes. For purposes of any tax imposed by the state of Kansas or any instrumentality, agency or political subdivision of the state of Kansas, a member or an assignee of a member of a *domestic* limited liability company ~~formed under this act~~ or a *foreign limited liability company* qualified to do business in the state of Kansas ~~as a foreign limited liability company~~ shall be treated as either a resident or nonresident partner unless classified otherwise for federal income tax purposes, in which case the member or assignee of a member shall have the same status as such member or assignee of a member has for federal income tax purposes.

Sec. 38. On and after July 1, 2020, K.S.A. 2018 Supp. 17-76,139 is hereby amended to read as follows: 17-76,139. (a) Every limited liability company organized *and on and after July 1, 2020, each series thereof formed or in existence* under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company *or series, as applicable*, at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's *or series'* tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's *or series'* annual Kansas income tax return, *or if applicable law does not prescribe a time for filing an annual Kansas income tax return for a series, the annual report for the series shall be filed at, and for purposes of this section its tax period shall be deemed to be, the time prescribed by law for filing the annual Kansas income tax return for the limited liability company to which the series is associated.* The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

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

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

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

(c) The annual report required by this section shall be executed by

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

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of K.S.A. 17-7510(a), and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, shall be applicable to the articles of organization of any domestic limited liability company, *the certificate of designation of any series thereof*, or to the authority of any foreign limited liability company which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same. Whenever the articles of organization of a domestic limited liability company, *the certificate of designation of a series thereof*, or the authority of any foreign limited liability company are forfeited *or canceled* for failure to file an annual report or to pay the required annual report fee, the domestic limited liability company or the authority of a foreign limited liability company may be reinstated by filing a certificate of reinstatement, pursuant to K.S.A. 2018 Supp. 17-76,146, and amendments thereto, and *the certificate of designation may be reinstated by filing a certificate of reinstatement, pursuant to section 4, and amendments thereto, and in each case*, paying to the secretary of state all fees, including any penalties thereon, due to the state.

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

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

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

Sec. 39. On and after July 1, 2020, K.S.A. 2018 Supp. 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 ~~or~~, limited liability company interests ~~having~~ *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 section 3, 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. 2018 Supp. 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 this section 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 such 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 is to have limited liability under this section, then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular 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. The fact that the articles of organization contain the foregoing notice of the limitation on liabilities of a series and a certificate of designation for a series is on file in the office of the secretary of state shall constitute notice of such limitation on liabilities of a series. A series with limited liability shall be treated as a separate entity to the extent set forth in the articles of organization. Each series with limited liability may, in its own name, contract, hold title to assets, grant security interests, sue and be sued and otherwise conduct business and exercise the powers of a limited liability company under this act. The limited liability company and any of its series may elect to consolidate their operations as a single taxpayer to the extent permitted under applicable law, elect to work cooperatively, elect to contract jointly or elect to be treated as a single business for purposes of qualification 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.~~

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

state.

~~(d) Upon the filing of the certificate of designation with the secretary of state setting forth the name of each series with limited liability, the series' existence shall begin, and copies of the filed certificate of designation marked with the filing date shall be conclusive evidence, except as against the state, that all conditions precedent required to be performed have been complied with and that the series has been or shall be legally organized and formed under this act. If different from the limited liability company, the certificate of designation for each series shall list the names of the members if the series is member managed or the names of the managers if the series is manager managed. The name of a series with limited liability under subsection (b) may be changed by filing with the secretary of state a certificate of designation identifying the series whose name is being changed and the new name of such series. If not the same as the limited liability company, the names of the members of a member managed series or of the managers of a manager managed series may be changed by filing a new certificate of designation with the secretary of state. A series with limited liability under subsection (b) may be dissolved by filing with the secretary of state a certificate of designation identifying the series being dissolved or by the dissolution of the limited liability company as provided in subsection (m). Certificates of designation may be executed by the limited liability company or any manager, person or entity designated in the operating agreement for the limited liability company.~~

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

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

~~(g) 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 of additional classes or groups of members or managers associated with the 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 the series.~~

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

~~(i) 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 the series, on any matter. An operating agreement may provide that any member or class or group of members associated with a series shall have no voting rights.~~

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

~~(k) Except as otherwise provided in an operating agreement, any event under this 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.~~

~~(l) Except as otherwise provided in an operating agreement, any event under this 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 termination of the series, regardless of whether such member was the last remaining member associated with such series.

~~(m) 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 established in accordance with subsection (b) shall not affect the limitation on liabilities of such series provided by subsection (b). A series is terminated and its affairs shall be wound up upon the dissolution of the limited liability company under article 76 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.~~

~~(n) If a limited liability company with the ability to establish a series does not register to do business in a foreign jurisdiction for itself and certain of its series, a series of a limited liability company may itself register to do business as a limited liability company in the foreign jurisdiction in accordance with the laws of the foreign jurisdiction. 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.~~

~~(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.

(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, the management of such series, to the extent so provided, shall be vested in the manager 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 (c). 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. 2018 Supp. 17-7908(b), and amendments thereto, and shall be filed in the office of the secretary of state in accordance with K.S.A. 2018 Supp. 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 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, 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, a certificate of amendment 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), and amendments thereto, or upon the filing of a certificate of merger or consolidation 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 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. 2018 Supp. 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. 2018 Supp. 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. 2018 Supp. 17-7918, and amendments thereto, to the same extent as a covered entity; and

(4) may contain any word permitted by K.S.A. 2018 Supp. 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)~~(f) If a foreign limited liability company, as permitted in the jurisdiction of its organization, has established a series having separate rights, powers or duties and has limited the liabilities of such series so that is registered to do business in this state in accordance with K.S.A. 2018 Supp. 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, or so that 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 are not shall be enforceable against the assets of such series, then the limited liability company, on behalf of itself or any of its series, or any of its series on their own behalf may register to do business in the state in accordance with the provisions of K.S.A. 2018 Supp. 17-7931, and amendments thereto. The limitation of liability shall be so stated on the application for admission as a foreign limited liability company and a certificate of designation shall be filed for each series being registered to do business in the state by the limited liability company. Unless otherwise provided in the operating agreement, the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series of such a foreign limited liability company shall be 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 none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to such a foreign limited liability company generally or any other series thereof shall be enforceable against the assets of such series.~~

Sec. 40. K.S.A. 2018 Supp. 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 subsections (a)(1) through (a)(4) of 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, pursuant to the affirmative vote or written consent of all remaining members of the limited liability company or the personal representative of the last remaining member of the limited liability company if there is no remaining member, and any other person whose approval is required under the operating agreement to revoke a dissolution pursuant to this section, except that if the dissolution was caused by a vote or written consent, the dissolution shall not be revoked unless each member and other person, or their respective personal representatives, who voted in favor of, or consented to, the dissolution has voted or consented in writing to continue the limited liability company.*

(1) In the case of dissolution effected by the vote, consent or approval of the members or other persons, 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 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 ~~or~~, consents to or approves the continuation of the limited liability company, such personal representative or such assignee, as applicable, shall be required to agree in writing to the admission of the personal representative of such member or its a nominee or designee to the limited liability company 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. 41. On and after July 1, 2020, K.S.A. 2018 Supp. 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. 2018 Supp. 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), and amendments thereto, may be reinstated by filing with the secretary of state a certificate of reinstatement accompanied by the payment of the fee required by K.S.A. 17-76,136(d), and amendments thereto, and payment of the annual report fees due under K.S.A. 17-76,139(c), and amendments thereto, and all penalties and interest thereon due at the time of the cancellation or forfeiture of its articles of organization or authority to do business. The certificate of reinstatement 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 is filed by one or more persons authorized to execute and file the certificate of reinstatement to reinstate the limited liability company; and

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

(b) The certificate of reinstatement 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. 2018 Supp. 17-7935, and amendments thereto, with respect to the matters set forth in the certificate of reinstatement.

(c) Upon the filing of a certificate of reinstatement, a limited liability company *and all series thereof that have been formed and whose certificate of designation has not been canceled prior to the cancellation of the articles of organization* shall be reinstated with the same force and effect as if its articles of organization or authority to do business had not been canceled or forfeited pursuant to K.S.A. 17-76,139(d) or K.S.A. 2018 Supp. 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 members, managers, employees and agents during the time when its articles of organization or authority to do business was canceled or forfeited pursuant to K.S.A. 17-76,139(d) or K.S.A. 2018 Supp. 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 had remained in full force and effect. All real and personal property, and all rights and interests, which belonged to the limited liability company at the time its articles of organization or authority to

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

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

- ~~(1)~~(a) Articles of organization as set forth in K.S.A. 17-7673 and K.S.A. 2018 Supp. 17-7673a, and amendments thereto;
- ~~(2)~~(b) professional articles of organization as set forth in K.S.A. 17-7673 and K.S.A. 2018 Supp. 17-7673a, and amendments thereto;
- ~~(3)~~(c) series limited liability company articles of organization as set forth in K.S.A. 2018 Supp. 17-76,143, and amendments thereto;
- ~~(4)~~(d) foreign limited liability company application for authority as set forth in K.S.A. 2018 Supp. 17-7931, and amendments thereto;
- ~~(5)~~(e) foreign series limited liability company application for admission to transact business as set forth in K.S.A. 2018 Supp. 17-7931 and K.S.A. 2018 Supp. 17-76,143, and amendments thereto;
- ~~(6)~~(f) annual report as set forth in K.S.A. 17-76,139, and amendments thereto;
- ~~(7)~~(g) certificate of amendment as set forth in K.S.A. 17-7674 and K.S.A. 2018 Supp. 17-7674a, and amendments thereto;
- ~~(8)~~(h) restated articles of organization as set forth in K.S.A. 17-7680, and amendments thereto;
- ~~(9)~~(i) series certificate of designation as set forth in K.S.A. 2018 Supp. 17-76,143, and amendments thereto;
- ~~(10)~~(j) certificate of amendment or termination to certificate of merger or consolidation as set forth in K.S.A. 17-7681, and amendments thereto;
- ~~(11)~~(k) certificate of correction as set forth in K.S.A. 2018 Supp. 17-7912, and amendments thereto;
- ~~(12)~~(l) foreign certificate of correction as set forth in K.S.A. 2018 Supp. 17-7912, and amendments thereto;
- ~~(13)~~(m) change of registered office or resident agent as set forth in K.S.A. 2018 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments thereto;
- ~~(14)~~(n) mergers as set forth in K.S.A. 17-7681, and amendments thereto;
- ~~(15)~~(o) reinstatement as set forth in K.S.A. 17-76,139, and amendments thereto;
- ~~(16)~~(p) certificate of cancellation as set forth in K.S.A. 17-7675, and amendments thereto; ~~and~~
- ~~(17)~~(q) foreign cancellation of registration as set forth in K.S.A. 2018 Supp. 17-7936, and amendments thereto; *and*
- (r) certificate of division as set forth in section 2, and amendments thereto.*

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

Sec. 43. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7904, as amended by section 42 of this act, 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. 2018 Supp. 17-7673a, and amendments thereto;
- (b) professional articles of organization as set forth in K.S.A. 17-7673 and K.S.A. 2018 Supp. 17-7673a, and amendments thereto;
- (c) series limited liability company articles of organization as set forth in K.S.A. 2018 Supp. 17-76,143, and amendments thereto;
- (d) foreign limited liability company application for authority as set forth in K.S.A. 2018 Supp. 17-7931, and amendments thereto;
- (e) foreign series limited liability company application for admission to transact business as set forth in K.S.A. 2018 Supp. 17-7931 and K.S.A. 2018 Supp. 17-76,143, and amendments thereto;
- (f) annual 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. 2018 Supp. 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. 2018 Supp. 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 section 3*, and amendments thereto;
- (k) certificate of correction as set forth in K.S.A. 2018 Supp. 17-7912, and amendments thereto;
- (l) foreign certificate of correction as set forth in K.S.A. 2018 Supp. 17-7912, and amendments thereto;
- (m) change of registered office or resident agent as set forth in K.S.A. 2018 Supp. 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 section 3*, and amendments thereto;
- (o) reinstatement as set forth in K.S.A. 17-76,139 *or section 4*, and amendments thereto;
- (p) certificate of cancellation as set forth in K.S.A. 17-7675 *or K.S.A. 2018 Supp. 17-76,143*, and amendments thereto;
- (q) foreign cancellation of registration as set forth in K.S.A. 2018 Supp. 17-7936, and amendments thereto; and
- (r) certificate of division as set forth in section 2, and amendments thereto.

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

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

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

(b) For all purposes of the laws of the state of Kansas, *unless otherwise provided in a covered entity's public organic document or organic rules*, a power of attorney with respect to ~~matters relating to the formation, internal affairs or termination of a covered entity or granted by a person as a member, incorporator, partner or limited partner of a covered entity, or by an assignee of an interest in a covered entity or by a person seeking to become a member, incorporator, partner, limited partner or an assignee of an interest in a covered entity~~ *any document filed with the secretary of state pursuant to the business entity standard*

treatment act, K.S.A. 2018 Supp. 17-7901 et seq., and amendments thereto, shall be irrevocable if the power of attorney states that it is irrevocable and it is coupled with an interest sufficient in law to support an irrevocable power. Such irrevocable power of attorney, unless otherwise provided therein, *or in a covered entity's public organic document or organic rules*, shall not be affected by the subsequent death, disability, incapacity, dissolution, termination of existence or bankruptcy of, or any other event concerning, the principal. ~~A power of attorney with respect to matters relating to the organization, internal affairs or termination of a covered entity or granted by a person as a member or an assignee of an interest in a covered entity or by a person seeking to become a member, incorporator, partner or limited partner or an assignee of an interest in a covered entity and, in either case, granted to the covered entity, a manager or member thereof, or any of their respective officers, directors, managers, members, partners, trustees, employees or agents shall be deemed coupled with an interest sufficient in law to support an irrevocable power.~~

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

(1) The name of any other covered entity or foreign covered entity;

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

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

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

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

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

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

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

(2) *any domestic limited liability company or any person intending to organize a domestic limited liability company, intending to file a certificate of designation to form a series of any such limited liability company*;

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

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

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

~~(5)~~(6) any person intending to organize a foreign covered entity,

and intending to have such entity make application for a certificate of authority to transact business in this state.

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

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

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

Sec. 48. K.S.A. 2018 Supp. 17-7929 is hereby amended to read as follows: 17-7929. (a) The resident agent of one or more covered entities may resign without appointing a successor by paying a fee if authorized by law, as provided by K.S.A. 2018 Supp. 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 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 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.

(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. 2018 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate setting forth the name and 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 address, as stated in such certificate, shall become the 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. 49. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7933 is hereby amended to read as follows: 17-7933. (a) Except as otherwise provided in subsection (b), the names of all foreign covered entities must be distinguishable on the records of the office of the secretary of state from:

(1) The name of any covered entity or foreign covered entity;

(2) the name of any non-covered entity, other than a general partnership, that has filed with the secretary of state, *including a series of a limited liability company for which a certificate of designation has been filed*;

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

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

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

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

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

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

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

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

(1) The minor; and

(2) either:

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

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

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

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

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

(1) Serving:

(A) The person's guardian, conservator or a competent adult member of the person's family with whom the person resides;

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

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

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

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

(d) *Governmental bodies.* On:

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

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

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

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

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

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

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

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

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

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

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

(f) *Resident agent for a corporation, limited liability company, limited partnership or limited liability partnership.* A domestic corporation, domestic limited liability company or domestic limited partnership, and, if it is authorized to transact business or transacts business without authority in this state, a foreign corporation, foreign limited liability company or foreign limited partnership irrevocably authorizes the secretary of state as its agent to accept on its behalf service of process, or any notice or demand required or permitted by law to be served on it, when: (1) It fails to appoint or maintain in this state a resident agent on whom service may be had; or (2) its resident agent cannot with reasonable diligence be found at the registered office in this state. Service on the secretary of state of any process, notice or demand must be made by delivering to the secretary of state, by personal service or by return receipt delivery, the original and two copies of the process and two copies of the petition, notice or demand. When any process, notice or demand is served on the secretary of state, the secretary must promptly forward a copy of it by return receipt delivery, addressed to the corporation, limited liability company or limited partnership at its principal office as it appears in the records of the secretary of state, or at the registered or principal office of the corporation, limited liability company or limited partnership in the state of its incorporation or formation. The secretary of state must keep a record of all processes, notices and demands served on the secretary under this subsection, and must record the time of the service and the action taken by the secretary. A fee of \$40 must be paid to the secretary of state by the party requesting the service of process, to cover the cost

of serving process, except the secretary of state may waive the fee for state agencies. The fee must not be included in or paid from any deposit as security for costs or the docket fee required by K.S.A. 60-2001 or 61-4001, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(16) "Document of title" means a record (i) that in the regular course of business or financing is treated as adequately evidencing that the person in possession or control of the record is entitled to receive, control, hold, and dispose of the record and the goods the record covers and (ii) that purports to be issued by or addressed to a bailee and to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass. The term includes a bill of lading, transport document, dock warrant, dock receipt, warehouse receipt and order for delivery of goods. An electronic document of title means a document of title evidenced by a record consisting of information stored in an electronic medium. A tangible document of title means a document of title evidenced by a record consisting of information that is inscribed on a tangible medium.

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

(18) "Fungible goods" means:

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

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

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

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

(21) "Holder" means:

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

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

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

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

(23) "Insolvent" means:

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

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

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

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

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

(26) "Party," as distinguished from "third party," means a person that has engaged in a transaction or made an agreement subject to the uniform commercial code.

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

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

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

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

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

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

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

(34) "Right" includes remedy.

(35) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. "Security interest" includes any interest of a consignor and a buyer of accounts, chattel paper, a payment intangible, or a promissory note in a transaction that is subject to article 9 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto. "Security interest" does not include the special property interest of a buyer of goods on identification of those goods to a contract for sale under K.S.A. 84-2-401 and amendments thereto, but a buyer may also acquire a "security interest" by complying with article 9 of chapter 84 of the Kansas

Statutes Annotated, and amendments thereto. Except as otherwise provided in K.S.A. 84-2-505, and amendments thereto, the right of a seller or lessor of goods under article 2 or 2a of chapter 84 of the Kansas Statutes Annotated, and amendments thereto, to retain or acquire possession of the goods is not a "security interest," but a seller or lessor may also acquire a "security interest" by complying with article 9 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer under K.S.A. 84-2-401, and amendments thereto, is limited in effect to a reservation of a "security interest." Whether a transaction in the form of a lease creates a "security interest" is determined pursuant to K.S.A. 2018 Supp. 84-1-203, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

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

(2) "Account," except as used in "account for," means a right to payment of a monetary obligation, whether or not earned by performance, (A) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (B) for services rendered or to be rendered, (C) for a policy of insurance issued or to be issued, (D) for a secondary obligation incurred or to be incurred, (E) for energy provided or to be provided, (F) for the use or hire of a vessel under a charter or other contract, (G) arising out of the use of a credit or charge card or information contained on or for use with the card, or (H) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes health-care-insurance receivables. The term does not include: (A) Rights to payment evidenced by chattel paper or an instrument, (B) commercial tort claims, (C) deposit accounts, (D) investment property, (E) letter-of-credit rights or letters of credit, or (F) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons

obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

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

(A) Authenticated by a secured party;

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

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

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

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

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

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

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

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

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

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

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

(ii) attaches to the minerals as extracted; or

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

(7) "Authenticate" means:

(A) To sign; or

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

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

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

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

(11) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this subsection, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit or charge

card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.

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

(A) Proceeds to which a security interest attaches;

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

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

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

(A) The claimant is an organization; or

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

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

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

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

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

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

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

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

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

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

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

(18) "Communicate" means:

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

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

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

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

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

(A) The merchant:

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

(ii) is not an auctioneer; and

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

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

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

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

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

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

(23) "Consumer goods" means goods that are used or bought for

use primarily for personal, family, or household purposes.

(24) "Consumer-goods transaction" means a consumer transaction in which:

(A) An individual incurs an obligation primarily for personal, family, or household purposes; and

(B) a security interest in consumer goods secures the obligation.

(25) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes.

(26) "Consumer transaction" means a transaction in which (i) an individual incurs an obligation primarily for personal, family, or household purposes, (ii) a security interest secures the obligation, and (iii) the collateral is held or acquired primarily for personal, family, or household purposes. The term includes consumer-goods transactions.

(27) "Continuation statement" means an amendment of a financing statement which:

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

(B) indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(28) "Debtor" means:

(A) A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(B) a seller of accounts, chattel paper, payment intangibles, or promissory notes; or

(C) a consignee.

(29) "Deposit account" means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(30) "Document" means a document of title or a receipt of the type described in ~~subsection (b) of~~ K.S.A. 84-7-201(b), and amendments thereto.

(31) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(32) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(33) "Equipment" means goods other than inventory, farm products, or consumer goods.

(34) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are: (A) Crops grown, growing, or to be grown, including:

(i) Crops produced on trees, vines, and bushes; and

(ii) aquatic goods produced in aquacultural operations;

(B) livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(C) supplies used or produced in a farming operation; or

(D) products of crops or livestock in their unmanufactured states.

(35) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(36) "File number" means the number assigned to an initial financing statement pursuant to ~~subsection (a) of~~ K.S.A. 2018 Supp. 84-9-519(a), and amendments thereto.

(37) "Filing office" means an office designated in K.S.A. 2018 Supp. 84-9-501, and amendments thereto, as the place to file a financing statement.

(38) "Filing-office rule" means a rule adopted pursuant to K.S.A. 2018 Supp. 84-9-526, and amendments thereto.

(39) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(40) "Fixture filing" means the filing of a financing statement

covering goods that are or are to become fixtures and satisfying ~~subsections (a) and (b)~~ of K.S.A. 2018 Supp. 84-9-502(a) and (b), and amendments thereto. The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(41) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(42) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. The term includes payment intangibles and software.

(43) Reserved.

(44) "Goods" means all things that are movable when a security interest attaches. The term includes (A) fixtures, (B) standing timber that is to be cut and removed under a conveyance or contract for sale, (C) the unborn young of animals, (D) crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes, and (E) manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (A) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (B) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction.

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

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

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

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

(A) Are leased by a person as lessor;

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

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

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

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

(50) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization

is formed or organized.

(51) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(52) "Lien creditor" means:

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

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

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

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

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

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

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

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

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

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

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

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

(59) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, (A) owes payment or other performance of the obligation, (B) has provided property other than the collateral to secure payment or other performance of the obligation, or (C) is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include issuers or nominated persons under a letter of credit.

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

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

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

(A) The spouse of the individual;

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

(C) an ancestor or lineal descendant of the individual or the

individual's spouse; or

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

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

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

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

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

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

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

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

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

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

(C) rights arising out of collateral;

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

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

(65) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

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

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

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

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

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

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

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

(70) "Registered organization" means an organization formed or organized solely under the law of a single state or the United States by

the filing of a public organic record with, the issuance of a public organic record by, or the enactment of legislation by, the state or the United States. The term includes a business trust that is formed or organized under the law of a single state if a law of the state governing business trusts requires that the business trust's organic record be filed with the state. *The term also includes a series of a registered organization if the series is an organization formed or organized under the law of a single state and the statute of the state governing the series requires that the public organic record of the series be filed with the state.*

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

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

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

(72) "Secured party" means:

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

(B) a person that holds an agricultural lien;

(C) a consignor;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (A) Operating a railroad, subway, street railway, or trolley bus;
- (B) transmitting communications electrically, electromagnetically, or by light;
- (C) transmitting goods by pipeline or sewer; or
- (D) transmitting or producing and transmitting electricity, steam, gas, or water.

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

"Applicant"	K.S.A. 84-5-102, and amendments thereto
"Beneficiary"	K.S.A. 84-5-102, and amendments thereto
"Broker"	K.S.A. 84-8-102, and amendments thereto
"Certificated security"	K.S.A. 84-8-102, and amendments thereto
"Check"	K.S.A. 84-3-104, and amendments thereto
"Clearing corporation"	K.S.A. 84-8-102, and amendments thereto
"Contract for sale"	K.S.A. 84-2-106, and amendments thereto
"Customer"	K.S.A. 84-4-104, and amendments thereto
"Entitlement holder"	K.S.A. 84-8-102, and amendments thereto
"Financial asset"	K.S.A. 84-8-102, and amendments thereto
"Holder in due course"	K.S.A. 84-3-302, and amendments thereto
"Issuer" (with respect to a letter of credit or letter-of-credit right)	K.S.A. 84-5-102, and amendments thereto
"Issuer" (with respect to a security)	K.S.A. 84-8-102, and amendments thereto
"Issuer" (with respect to documents of title)	K.S.A. 2018 Supp. 84-7-102, and amendments thereto
"Lease"	K.S.A. 84-2a-103, and amendments thereto
"Lease agreement"	K.S.A. 84-2a-103, and amendments thereto
"Lease contract"	K.S.A. 84-2a-103, and amendments thereto
"Leasehold interest"	K.S.A. 84-2a-103, and amendments thereto
"Lessee"	K.S.A. 84-2a-103, and amendments thereto
"Lessee in ordinary course of business"	K.S.A. 84-2a-103, and amendments thereto
"Lessor"	K.S.A. 84-2a-103, and amendments thereto
"Lessor's residual interest"	K.S.A. 84-2a-103, and amendments thereto
"Letter of credit"	K.S.A. 84-5-102, and amendments thereto
"Merchant"	K.S.A. 84-2-104, and amendments thereto
"Negotiable instrument"	K.S.A. 84-3-104,

"Nominated person"	and amendments thereto K.S.A. 84-5-102,
"Note"	and amendments thereto K.S.A. 84-3-104,
"Proceeds of a letter of credit"	and amendments thereto K.S.A. 84-5-114,
"Prove"	and amendments thereto K.S.A. 84-3-103,
"Sale"	and amendments thereto K.S.A. 84-2-106,
"Securities account"	and amendments thereto K.S.A. 84-8-501,
"Securities intermediary"	and amendments thereto K.S.A. 84-8-102,
"Security"	and amendments thereto K.S.A. 84-8-102,
"Security certificate"	and amendments thereto K.S.A. 84-8-102,
"Security entitlement"	and amendments thereto K.S.A. 84-8-102,
"Uncertificated security"	and amendments thereto K.S.A. 84-8-102,

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

Sec. 53. K.S.A. 2018 Supp. 17-1762 is hereby amended to read as follows: 17-1762. The following persons shall not be required to register with the secretary of state:

(a) State educational institutions under the control and supervision of the state board of regents, unified school districts, educational interlocals, educational cooperatives, area vocational-technical schools, all educational institutions that are accredited by a regional accrediting association or by an organization affiliated with the national commission of accrediting, any foundation having an established identity with any of the aforementioned educational institutions, any other educational institution confining its solicitation of contributions to the student body, alumni, faculty and trustees of such institution, and their families, or a library established under the laws of this state, provided that the annual financial report of such institution or library shall be filed with the attorney general;

(b) fraternal, patriotic, social, educational, alumni organizations and historical societies when solicitation of contributions is confined to their membership. This exemption shall be extended to any subsidiary of a parent or superior organization exempted by this subsection where such solicitation is confined to the membership of the subsidiary, parent or superior organization;

(c) persons requesting any contributions for the relief or benefit of any individual, specified by name at the time of the solicitation, if the contributions collected are turned over to the named beneficiary, first deducting reasonable expenses for costs of banquets, or social gatherings, if any, provided all fund raising functions are carried on by persons who are unpaid, directly or indirectly, for such services;

(d) any charitable organization which does not intend to solicit and receive and does not actually receive contributions in excess of \$10,000 during such organization's tax period, as defined by K.S.A. 17-7501, and amendments thereto, if all of such organization's fund-raising functions are carried on by persons who are unpaid for such services. However, if the gross contributions received by such charitable organization during any such tax period is in excess of \$10,000, such organization, within 30 days after the end of such tax period, shall register with the secretary of state as provided in K.S.A. 17-1763, and

amendments thereto;

(e) any incorporated community chest, united fund, united way or any charitable organization receiving an allocation from an incorporated community chest, united fund or united way;

(f) a bona fide organization of volunteer firemen, or a bona fide auxiliary or affiliate of such organization, if all fund-raising activities are carried on by members of such organization or an affiliate thereof and such members receive no compensation, directly or indirectly, therefor;

(g) any charitable organization operating a nursery for infants awaiting adoption if all fund-raising activities are carried on by members of such an organization or an affiliate thereof and such members receive no compensation, directly or indirectly, therefor;

(h) any corporation established by the federal congress that is required by federal law to submit annual reports of such corporation's activities to congress containing itemized accounts of all receipts and expenditures after being duly audited by the department of defense or other federal department;

(i) any girls' club which is affiliated with the girls' club of America, a corporation chartered by congress, if such an affiliate properly files the reports required by the girls' club of America and that the girls' club of America files with the government of the United States the reports required by such federal charter;

(j) any boys' club which is affiliated with the boys' club of America, a corporation chartered by congress, if such an affiliate properly files the reports required by the boys' club of America and that the boys' club of America files with the government of the United States the reports required by such federal charter;

(k) any corporation, trust or organization incorporated or established for religious purposes, or established for charitable, hospital or educational purposes and engaged in effectuating one or more of such purposes, that is affiliated with, operated by or supervised or controlled by a corporation, trust or organization incorporated or established for religious purposes, or to any other religious agency or organization which serves religion by the preservation of religious rights and freedom from persecution or prejudice or by fostering religion, including the moral and ethical aspects of a particular religious faith;

(l) the boy scouts of America and the girl scouts of America, including any regional or local organization affiliated therewith;

(m) the young men's christian association and the young women's christian association, including any regional or local organization affiliated therewith;

(n) any licensed medical care facility which is organized as a nonprofit corporation under the laws of this state;

(o) any licensed community mental health center or licensed mental health clinic;

(p) any licensed community center for people with intellectual disability and its affiliates as determined by the Kansas department for aging and disability services;

(q) any charitable organization of employees of a corporation whose principal gifts are made to an incorporated community chest, united fund or united way, and whose solicitation is limited to such employees;

(r) any community foundation or community trust to which deductible contributions can be made by individuals, corporations, public charities and private foundations, as well as other charitable organizations and governmental agencies for the overall purposes of the foundation or to particular charitable and endowment funds established under agreement with the foundation or trust for the charitable benefit of the people of a specific geographic area and which is a nonprofit organization exempt from federal income taxation pursuant to section 501(a) of the internal revenue code of 1986, as in effect on the effective date of this act, by reason of qualification under section 501(c)(3) of the

internal revenue code of 1986, as in effect on the effective date of this act, and which is deemed a publicly supported organization and not a private foundation within the meaning of section 509(a)(1) of the internal revenue code of 1986, as in effect on the effective date of this act;

(s) any charitable organization which does not intend to or does not actually solicit or receive contributions from more than 100 persons;

(t) any charitable organization the funds of which are used to support an activity of a municipality of this state; ~~and~~

(u) the junior league, including any local community organization affiliated therewith; *and*

(v) *any charitable organization that is an animal shelter licensed pursuant to K.S.A. 47-1701 et seq., and amendments thereto.*

Sec. 54. K.S.A. 17-76,135 and 17-76,138 and K.S.A. 2018 Supp. 17-1762, 17-7662, 17-7663, 17-7673, 17-7675, 17-7679, 17-7680, 17-7681, 17-7687, 17-7689, 17-7690, 17-7695, 17-7698, 17-76,106, 17-76,112, 17-76,113, 17-76,114, 17-76,116, 17-76,118, 17-76,136, 17-76,145, 17-7904, 17-7915, 17-7916, 17-7929 and 60-304 are hereby repealed.

Sec. 55. On and after July 1, 2020, K.S.A. 2018 Supp. 17-7675, as amended by section 16 of this act, 17-7679, as amended by section 18 of this act, 17-7680, as amended by section 20 of this act, 17-76,136, as amended by section 35 of this act, 17-76,139, 17-76,143, 17-76,146, 17-7904, as amended by section 42 of this act, 17-7918, 17-7923, 17-7933, 84-1-201 and 84-9-102 are hereby repealed.

Sec. 56. 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.