

SENATE BILL No. 424

By Committee on Commerce

2-12

1 AN ACT concerning business entities; relating to series of a limited
2 liability company; certain business filing provisions and requirements;
3 business name, electronic signature, addresses for partnerships;
4 statutory citation revisions; blanket music licenses; amending K.S.A.
5 17-2711, 56-1a151 and 56a-101 and K.S.A. 2019 Supp. 17-6014, 17-
6 7675, 17-7679, 17-7680, 17-76,136, 17-76,139, 17-76,139, as amended
7 by section 7 of this act, 17-76,143, 17-76,143a, 17-76,146, 17-76,146,
8 as amended by section 11 of this act, 17-76,147, 17-78-601, 17-7904,
9 17-7910, 17-7918, 17-7923, 17-7933, 45-229, 56a-1001, 84-1-201 and
10 84-9-102 and repealing the existing sections; also repealing K.S.A. 57-
11 205, 57-206, 57-207, 84-1-201, as amended by section 51 of chapter 47
12 of the 2019 Session Laws of Kansas, and 84-9-102 as amended by
13 section 52 of chapter 47 of the 2019 Session Laws of Kansas and
14 K.S.A. 2018 Supp. 17-7675, as amended by section 17 of chapter 47 of
15 the 2019 Session Laws of Kansas, 17-7679, as amended by section 19
16 of chapter 47 of the 2019 Session Laws of Kansas, 17-7680, as
17 amended by section 21 of chapter 47 of the 2019 Session Laws of
18 Kansas, 17-76,136, as amended by section 36 of chapter 47 of the 2019
19 Session Laws of Kansas, 17-76,139, as amended by section 38 of
20 chapter 47 of the 2019 Session Laws of Kansas, 17-76,143, as amended
21 by section 39 of chapter 47 of the 2019 Session Laws of Kansas, 17-
22 76,146, as amended by section 41 of chapter 47 of the 2019 Session
23 Laws of Kansas, 17-7904, as amended by section 43 of chapter 47 of
24 the 2019 Session Laws of Kansas, 17-7918, as amended by section 46
25 of chapter 47 of the 2019 Session Laws of Kansas, 17-7923, as
26 amended by section 47 of chapter 47 of the 2019 Session Laws of
27 Kansas, and 17-7933, as amended by section 49 of chapter 47 of the
28 2019 Session Laws of Kansas.

29

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

31 Section 1. K.S.A. 17-2711 is hereby amended to read as follows: 17-
32 2711. The corporate name of a corporation organized and operating
33 hereunder may be any name not contrary to law or the ethics of the
34 profession involved. Such name may include any name set forth in K.S.A.
35 17-6002, but in all cases the corporate name shall end with the word
36 "chartered" or "professional association" or the abbreviation "P.A." or

1 "PA". The abbreviations "P.A." and "PA" shall be considered to be
2 identical.

3 Sec. 2. K.S.A. 2019 Supp. 17-6014 is hereby amended to read as
4 follows: 17-6014. (a) Except as otherwise provided in subsections (b) and
5 (c), the provisions of the Kansas general corporation code shall apply to
6 nonstock corporations in the manner specified in this subsection:

7 (1) All references to stockholders of the corporation shall be deemed
8 to refer to members of the corporation;

9 (2) all references to the board of directors of the corporation shall be
10 deemed to refer to the governing body of the corporation;

11 (3) all references to directors or to members of the board of directors
12 of the corporation shall be deemed to refer to members of the governing
13 body of the corporation; and

14 (4) all references to stock, capital stock, or shares thereof of a
15 corporation authorized to issue capital stock shall be deemed to refer to
16 memberships of a nonprofit nonstock corporation and to membership
17 interests of any other nonstock corporation.

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

19 (1) K.S.A. 17-6002(a)(4), (b)(1) and (b)(2), 17-6009(a), 17-6301, 17-
20 6404, 17-6505, 17-6518, 17-6520(b), 17-6601, 17-6602, 17-6703, 17-
21 6705, 17-6706, 17-6707, 17-6708, 17-6801, 17-6805, 17-6805a, 17-7001,
22 17-7002, 17-7503(a)(4) and (b)(4), 17-7504, 17-7505(a)(4) and (b)(4) and
23 17-7514(c), and amendments thereto, and K.S.A. 2019 Supp. 17-6014, and
24 amendments thereto, ~~which~~ that apply to nonstock corporations by their
25 terms;

26 (2) K.S.A. 17-6002(e), the last sentence of 17-6009(b), 17-6401, 17-
27 6402, 17-6403, 17-6405, 17-6406, 17-6407(d), 17-6408, 17-6411, 17-
28 6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6417, 17-6418, 17-6501,
29 17-6502, 17-6503, 17-6504, 17-6506, 17-6509, 17-6512, 17-6521, 17-
30 6603, 17-6604, 17-6701, 17-6702, 17-6803 and 17-6804, and amendments
31 thereto, and K.S.A. 2019 Supp. 17-6427, 17-6428, 17-6429 and 17-72a04,
32 and amendments thereto; and

33 (3) article 72 and article 73 of chapter 17 of the Kansas Statutes
34 Annotated, and amendments thereto.

35 (c) In the case of a nonprofit nonstock corporation, subsection (a)
36 shall not apply to:

37 (1) The sections and articles listed in subsection (b);

38 (2) K.S.A. 17-6002(b)(3), 17-6304(a)(2), 17-6507, 17-6508, 17-6712,
39 17-7503, 17-7505, 17-7509; and ~~17-7511 and 17-7514~~, and amendments
40 thereto, and K.S.A. 2019 Supp. 17-6011(a)(2) and (a)(3), and amendments
41 thereto; and

42 (3) article 64 of chapter 17 of the Kansas Statutes Annotated, and
43 amendments thereto, and K.S.A. 2019 Supp. 17-72a01 through 17-72a09,

1 and amendments thereto.

2 (d) For purposes of the Kansas general corporation code:

3 (1) A "charitable nonstock corporation" is any nonprofit nonstock
4 corporation that is exempt from taxation under § 501(c)(3) of the federal
5 internal revenue code of 1986, 26 U.S.C. § 501(c)(3);

6 (2) a "membership interest" is, unless otherwise provided in a
7 nonstock corporation's articles of incorporation, a member's share of the
8 profits and losses of a nonstock corporation, or a member's right to receive
9 distributions of the nonstock corporation's assets, or both;

10 (3) a "nonprofit nonstock corporation" is a nonstock corporation that
11 does not have membership interests; and

12 (4) a "nonstock corporation" is any corporation organized under the
13 Kansas general corporation code that is not authorized to issue capital
14 stock.

15 Sec. 3. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7675 is
16 hereby amended to read as follows: 17-7675. (a) Articles of organization
17 shall be canceled upon the dissolution and the completion of winding up of
18 a limited liability company, or as provided in K.S.A. 17-76,117 or 17-
19 76,139, *and amendments thereto*, or K.S.A. 2019 Supp. 17-7926(b) or 17-
20 7929(b), and amendments thereto, or upon the filing of a certificate of
21 merger or consolidation if the limited liability company is not the
22 surviving or resulting entity in a merger or consolidation, or upon the
23 future effective date of a certificate of merger or consolidation if the
24 limited liability company is not the surviving or resulting entity in a
25 merger or consolidation, or upon the filing of a certificate of division if the
26 limited liability company is a dividing company that is not a surviving
27 company, or upon the future effective date of a certificate of division if the
28 limited liability company is a dividing company that is not a surviving
29 company. A certificate of cancellation shall be filed with the secretary of
30 state to accomplish the cancellation of articles of organization upon the
31 dissolution and the completion of winding up of a limited liability
32 company. The certificate shall set forth:

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

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

35 (3) *if the limited liability company has formed one or more series and*
36 *the certificate of designation has not been canceled for such series prior to*
37 *the filing of the certificate of cancellation, the name of each such series;*

38 (4) the future effective date or time of cancellation if it is not to be
39 effective upon the filing of the certificate; and

40 ~~(4)~~(5) any other information the person filing the certificate of
41 cancellation determines.

42 (b) A certificate of cancellation that is filed with the secretary of state
43 prior to the dissolution or the completion of winding up of a limited

1 liability company may be corrected as an erroneously executed certificate
2 of cancellation by filing with the secretary of state a certificate of
3 correction of such certificate of cancellation in accordance with K.S.A.
4 2019 Supp. 17-7912, and amendments thereto.

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

8 Sec. 4. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7679 is
9 hereby amended to read as follows: 17-7679. The fact that articles of
10 organization, or amendments thereto, are on file with the secretary of state
11 is notice that the entity formed in connection with the filing of the articles
12 of organization is a limited liability company formed under the laws of the
13 state of Kansas and is notice of all other facts set forth therein which are
14 required to be set forth in articles of organization by K.S.A. 17-7673(a)(1),
15 (a)(2), (a)(4) and (a)(5), and amendments thereto, and K.S.A. 2019 Supp.
16 17-76,149, and amendments thereto. *The fact that a certificate of*
17 *designation is on file in the office of the secretary of state is notice that the*
18 *series named in such certificate of designation has been formed pursuant*
19 *to K.S.A. 2019 Supp. 17-76,143, and amendments thereto, and is notice of*
20 *all other facts set forth therein that are required to be set forth in a*
21 *certificate of designation by K.S.A. 2019 Supp. 17-76,143(d), and*
22 *amendments thereto.*

23 Sec. 5. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7680 is
24 hereby amended to read as follows: 17-7680. (a) *Restated articles of*
25 *organization.*

26 (1) A limited liability company may, whenever desired, integrate into
27 a single instrument all of the provisions of its articles of organization
28 which are then in effect and operative as a result of there having
29 previously been filed with the secretary of state one or more certificates or
30 other instruments pursuant to K.S.A. 17-7673 through 17-7683, and
31 amendments thereto, the business entity standard treatment act, K.S.A.
32 2019 Supp. 17-7901 et seq., and amendments thereto, and K.S.A. 2019
33 Supp. 17-7685a and 17-76,143a, and amendments thereto, and it may at
34 the same time also further amend its articles of organization by adopting
35 restated articles of organization.

36 (b)(2) If restated articles of organization merely restate and integrate
37 but do not further amend the initial articles of organization, as previously
38 amended or supplemented by any certificate or instrument that was
39 executed and filed pursuant to K.S.A. 17-7673 through 17-7683, and
40 amendments thereto, and the business entity standard treatment act, K.S.A.
41 2019 Supp. 17-7901 et seq., and amendments thereto, they shall be
42 specifically designated in their heading as "restated articles of
43 organization" together with such other words as the limited liability

1 company may deem appropriate and shall be executed by an authorized
2 person and filed with the secretary of state as provided in K.S.A. 2019
3 Supp. 17-7910, and amendments thereto. If restated articles of
4 organization restate and integrate and also further amend in any respect the
5 articles of organization, as previously amended or supplemented, they
6 shall be specifically designated in their heading as "amended and restated
7 articles of organization" together with such other words as the limited
8 liability company may deem appropriate and shall be executed by at least
9 one authorized person and filed as provided in K.S.A. 2019 Supp. 17-
10 7910, and amendments thereto.

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

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

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

38 *(b) Restated certificate of designation.*

39 *(1) A series of a limited liability company may, whenever desired,*
40 *integrate into a single instrument all of the provisions of its certificate of*
41 *designation that are then in effect and operative as a result of there having*
42 *previously been filed with the secretary of state one or more certificates or*
43 *other instruments pursuant to K.S.A. 17-7673 through 17-7681, and*

1 *amendments thereto, K.S.A. 2019 Supp. 17-7685a, 17-76,143a and the*
2 *business entity standard treatment act, K.S.A. 2019 Supp. 17-7901 et seq.,*
3 *and amendments thereto, and it may at the same time further amend its*
4 *certificate of designation by adopting a restated certificate of designation.*

5 (2) *If a restated certificate of designation merely restates and*
6 *integrates but does not further amend the initial certificate of designation,*
7 *as previously amended or supplemented by any instrument that was*
8 *executed and filed pursuant to K.S.A. 17-7673 through 17-7681, and*
9 *amendments thereto, K.S.A. 2019 Supp. 17-7685a, 17-76,143a and the*
10 *business entity standard treatment act, K.S.A. 2019 Supp. 17-7901 et seq.,*
11 *and amendments thereto, it shall be specifically designated in its heading*
12 *as a "restated certificate of designation" together with such other words as*
13 *the series may deem appropriate and shall be executed by an authorized*
14 *person and filed as provided in K.S.A. 2019 Supp. 17-7910, and*
15 *amendments thereto. If a restated certificate restates and integrates and*
16 *also further amends in any respect the certificate of designation as*
17 *previously amended or supplemented, it shall be specifically designated in*
18 *its heading as an "amended and restated certificate of designation"*
19 *together with such other words as the series may deem appropriate and*
20 *shall be executed by at least one authorized person and filed as provided*
21 *in K.S.A. 2019 Supp. 17-7910, and amendments thereto.*

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

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

42 (5) *Any amendment or change effected in connection with the*
43 *restatement and integration of a certificate of designation shall be subject*

1 *to any other provision of the Kansas revised limited liability company act,*
2 *not inconsistent with this section, that would apply if a separate certificate*
3 *of amendment were filed to effect such amendment or change.*

4 Sec. 6. On and after July 1, 2022, K.S.A. 2019 Supp. 17-76,136 is
5 hereby amended to read as follows: 17-76,136. (a) The secretary of state
6 shall charge each domestic and foreign limited liability company the
7 following fees:

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

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

11 (B) restated articles of organization;

12 (C) a certificate of cancellation *which fee shall be multiplied by the*
13 *number of series of the limited liability company named in the certificate*
14 *of cancellation;*

15 (D) a certificate of change of location of registered office or resident
16 agent;

17 (E) a certificate of merger or consolidation;

18 (F) a certificate of division; and

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

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

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

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

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

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

43 (c) At the time of filing its application to do business, every foreign

1 limited liability company shall pay to the secretary of state an application
2 and recording fee of \$150.

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

6 Sec. 7. K.S.A. 2019 Supp. 17-76,139 is hereby amended to read as
7 follows: 17-76,139. (a) Every limited liability company organized under
8 the laws of this state shall make an annual report in writing to the secretary
9 of state, stating the prescribed information concerning the limited liability
10 company at the close of business on the last day of its tax period next
11 preceding the date of filing. If the limited liability company's tax period is
12 other than the calendar year, it shall give notice of its different tax period
13 in writing to the secretary of state prior to December 31 of the year it
14 commences the different tax period. The annual report shall be filed at the
15 time prescribed by law for filing the limited liability company's annual
16 Kansas income tax return. The annual report shall be made on a form
17 prescribed by the secretary of state. The report shall contain the following
18 information:

19 (1) The name of the limited liability company; and

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

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

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

42 (d) The provisions of K.S.A. 17-7509, and amendments thereto,
43 relating to penalties for failure of a corporation to file an annual report or

1 pay the required annual report fee, and the provisions of K.S.A. 17-
2 7510(a), and amendments thereto, relating to penalties for failure of a
3 corporation to file an annual report or pay the required annual report fee,
4 shall be applicable to the articles of organization of any domestic limited
5 liability company or to the authority of any foreign limited liability
6 company which fails to file its annual report or pay the annual report fee
7 within 90 days of the time prescribed in this section for filing and paying
8 the same or, in the case of an annual report filing and fee received by mail,
9 postmarked within 90 days of the time for filing and paying the same.
10 Whenever the articles of organization of a domestic limited liability
11 company or the authority of any foreign limited liability company are
12 forfeited for failure to file an annual report or to pay the required annual
13 report fee, the domestic limited liability company or the authority of a
14 foreign limited liability company may be reinstated by filing a certificate
15 of reinstatement, pursuant to K.S.A. 2019 Supp. 17-76,146, and
16 amendments thereto, and paying to the secretary of state all fees, including
17 any penalties thereon, due to the state.

18 (e) No limited liability company shall be required to file its first
19 annual report under this act, or pay any annual report fee required to
20 accompany such report, unless such limited liability company has filed its
21 articles of organization or application for authority at least six months
22 prior to the last day of its tax period.

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

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

34 Sec. 8. On and after July 1, 2022, K.S.A. 2019 Supp. 17-76,139, as
35 amended by section 7 of this act, is hereby amended to read as follows: 17-
36 76,139. (a) Every limited liability company organized *and, on and after*
37 *July 1, 2022, each series thereof formed or in existence* under the laws of
38 this state shall make an annual report in writing to the secretary of state,
39 stating the prescribed information concerning the limited liability company
40 *or series, as applicable*, at the close of business on the last day of its tax
41 period next preceding the date of filing. If the limited liability company's
42 *or series'* tax period is other than the calendar year, it shall give notice of
43 its different tax period in writing to the secretary of state prior to

1 December 31 of the year it commences the different tax period. The annual
2 report shall be filed at the time prescribed by law for filing the limited
3 liability company's *or series'* annual Kansas income tax return, *or if*
4 *applicable law does not prescribe a time for filing an annual Kansas*
5 *income tax return for a series, the annual report for the series shall be*
6 *filed at, and for purposes of this section its tax period shall be deemed to*
7 *be, the time prescribed by law for filing the annual Kansas income tax*
8 *return for the limited liability company to which the series is associated.*
9 The annual report shall be made on a form prescribed by the secretary of
10 state. The report shall contain the following information:

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

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

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

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

36 (d) The provisions of K.S.A. 17-7509, and amendments thereto,
37 relating to penalties for failure of a corporation to file an annual report or
38 pay the required annual report fee, and the provisions of K.S.A. 17-
39 7510(a), and amendments thereto, relating to penalties for failure of a
40 corporation to file an annual report or pay the required annual report fee,
41 shall be applicable to the articles of organization of any domestic limited
42 liability company, *the certificate of designation of any series thereof*, or to
43 the authority of any foreign limited liability company which fails to file its

1 annual report or pay the annual report fee within 90 days of the time
2 prescribed in this section for filing and paying the same or, in the case of
3 an annual report filing and fee received by mail, postmarked within 90
4 days of the time for filing and paying the same. Whenever the articles of
5 organization of a domestic limited liability company, *the certificate of*
6 *designation of any series thereof*, or the authority of any foreign limited
7 liability company are forfeited *or canceled* for failure to file an annual
8 report or to pay the required annual report fee, the domestic limited
9 liability company or the authority of a foreign limited liability company
10 may be reinstated by filing a certificate of reinstatement, pursuant to
11 K.S.A. 2019 Supp. 17-76,146, and amendments thereto, and *the certificate*
12 *of designation may be reinstated by filing a certificate of reinstatement,*
13 *pursuant to K.S.A. 2019 Supp. 17-76,147, and amendments thereto, and in*
14 *each case*, paying to the secretary of state all fees, including any penalties
15 thereon, due to the state.

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

22 Sec. 9. On and after July 1, 2022, K.S.A. 2019 Supp. 17-76,143 is
23 hereby amended to read as follows: 17-76,143. (a) An operating agreement
24 may establish or provide for the establishment of one or more designated
25 series of members, managers ~~or~~, limited liability company interests ~~having~~
26 *or assets. If an operating agreement so provides for the establishment or*
27 *formation of one or more series, then a series may be formed by*
28 *complying with this section. Any such series may have separate rights,*
29 *powers or duties with respect to specified property or obligations of the*
30 *limited liability company or profits and losses associated with specified*
31 *property or obligations, and to the extent provided in the operating*
32 *agreement, any such series may have a separate business purpose or*
33 *investment objective. A series is formed by the filing of a certificate of*
34 *designation in the office of the secretary of state. Other than pursuant to*
35 *K.S.A. 2019 Supp. 17-76,143a, and amendments thereto, a series may not*
36 *merge, convert, or consolidate pursuant to any section of the Kansas*
37 *revised limited liability company act, the business entity transactions act,*
38 *K.S.A. 2019 Supp. 17-78-101 et seq., and amendments thereto, or any*
39 *other statute of this state.*

40 (b) *Notice of the limitation on liabilities of a series as referenced in*
41 *subsection (c) shall be set forth in the articles of organization of the*
42 *limited liability company. Notice in articles of organization of the*
43 *limitation on liabilities of a series as referenced in subsection (c) shall be*

1 *sufficient for all purposes of this subsection whether or not the limited*
2 *liability company has formed any series when such notice is included in*
3 *the articles of organization, and there shall be no requirement that any*
4 *specific series of the limited liability company be referenced in such*
5 *notice. The fact that articles of organization that contain the foregoing*
6 *notice of the limitation on liabilities of a series is on file in the office of the*
7 *secretary of state shall constitute notice of such limitation on liabilities of*
8 *a series.*

9 (b)(c) Notwithstanding anything to the contrary set forth in ~~this~~
10 ~~section~~ *the Kansas revised limited liability act* or under other applicable
11 law, in the event that an operating agreement establishes or provides for
12 the establishment of one or more series, and if *to the extent* the records
13 maintained for any ~~such~~ series account for the assets associated with such
14 series separately from the other assets of the limited liability company, or
15 any other series thereof, and if the operating agreement so provides, and if
16 notice of the limitation on liabilities of a series as referenced in this
17 subsection is set forth in the articles of organization of the limited liability
18 company and if the limited liability company has filed a certificate of
19 designation for each series which is to have limited liability under this
20 section, then the debts, liabilities, obligations and expenses incurred,
21 contracted for or otherwise existing with respect to ~~a particular~~ *such* series
22 shall be enforceable against the assets of such series only, and not against
23 the assets of the limited liability company generally or any other series
24 thereof, and, unless otherwise provided in the operating agreement, none
25 of the debts, liabilities, obligations and expenses incurred, contracted for
26 or otherwise existing with respect to the limited liability company
27 generally or any other series thereof shall be enforceable against the assets
28 of such series. ~~The fact that the articles of organization contain the~~
29 ~~foregoing notice of the limitation on liabilities of a series and a certificate~~
30 ~~of designation for a series is on file in the office of the secretary of state~~
31 ~~shall constitute notice of such limitation on liabilities of a series. A series~~
32 ~~with limited liability shall be treated as a separate entity to the extent set~~
33 ~~forth in the articles of organization. Each series with limited liability may,~~
34 ~~in its own name, contract, hold title to assets, grant security interests, sue~~
35 ~~and be sued and otherwise conduct business and exercise the powers of a~~
36 ~~limited liability company under this act. The limited liability company and~~
37 ~~any of its series may elect to consolidate their operations as a single~~
38 ~~taxpayer to the extent permitted under applicable law, elect to work~~
39 ~~cooperatively, elect to contract jointly or elect to be treated as a single~~
40 ~~business for purposes of qualification to do business in this or any other~~
41 ~~state. Such elections shall not affect the limitation of liability set forth in~~
42 ~~this section except to the extent that the series have specifically accepted~~
43 ~~joint liability by contract.~~

1 ~~(e) Except in the case of a foreign limited liability company that has
2 adopted an assumed name pursuant to K.S.A. 2019 Supp. 17-7933, and
3 amendments thereto, the name of the series with limited liability must
4 contain the entire name of the limited liability company and be
5 distinguishable from the names of the other series set forth in the articles
6 of organization. In the case of a foreign limited liability company that has
7 adopted an assumed name pursuant to K.S.A. 2019 Supp. 17-7933, and
8 amendments thereto, the name of the series with limited liability must
9 contain the entire name under which the foreign limited liability company
10 has been admitted to transact business in this state.~~

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

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

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

38 ~~(g) An operating agreement may provide for classes or groups of
39 members or managers associated with a series having such relative rights,
40 powers and duties as the operating agreement may provide, and may make
41 provision for the future creation of additional classes or groups of
42 members or managers associated with the series having such relative
43 rights, powers and duties as may from time to time be established,~~

1 including rights, powers and duties senior to existing classes and groups of
2 members or managers associated with the series.

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

8 ~~(i) An operating agreement may grant to all or certain identified~~
9 ~~members or managers or a specified class or group of the members or~~
10 ~~managers associated with a series the right to vote separately or with all or~~
11 ~~any class or group of the members or managers associated with the series,~~
12 ~~on any matter. An operating agreement may provide that any member or~~
13 ~~class or group of members associated with a series shall have no voting~~
14 ~~rights.~~

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

19 ~~(k) Except as otherwise provided in an operating agreement, any~~
20 ~~event under this act or in an operating agreement that causes a manager to~~
21 ~~cease to be a manager with respect to a series shall not, in itself, cause~~
22 ~~such manager to cease to be a manager of the limited liability company or~~
23 ~~with respect to any other series thereof.~~

24 ~~(l) Except as otherwise provided in an operating agreement, any event~~
25 ~~under this act or an operating agreement that causes a member to cease to~~
26 ~~be associated with a series shall not, in itself, cause such member to cease~~
27 ~~to be associated with any other series or terminate the continued~~
28 ~~membership of a member in the limited liability company or cause the~~
29 ~~termination of the series, regardless of whether such member was the last~~
30 ~~remaining member associated with such series.~~

31 ~~(m) Except to the extent otherwise provided in the operating~~
32 ~~agreement, a series may be dissolved and its affairs wound up without~~
33 ~~causing the dissolution of the limited liability company. The dissolution of~~
34 ~~a series established in accordance with subsection (b) shall not affect the~~
35 ~~limitation on liabilities of such series provided by subsection (b). A series~~
36 ~~is terminated and its affairs shall be wound up upon the dissolution of the~~
37 ~~limited liability company under article 76 of chapter 17 of the Kansas~~
38 ~~Statutes Annotated, and amendments thereto.~~

39 ~~(n) If a limited liability company with the ability to establish a series~~
40 ~~does not register to do business in a foreign jurisdiction for itself and~~
41 ~~certain of its series, a series of a limited liability company may itself~~
42 ~~register to do business as a limited liability company in the foreign~~
43 ~~jurisdiction in accordance with the laws of the foreign jurisdiction. *Neither*~~

1 *the preceding sentences nor any provision pursuant thereto in an*
2 *operating agreement, articles of organization or certificate of designation*
3 *shall: Restrict a series or limited liability company on behalf of a series*
4 *from agreeing in the operating agreement or otherwise that any or all of*
5 *the debts, liabilities, obligations, and expenses incurred, contracted for, or*
6 *otherwise existing with respect to the limited liability company generally*
7 *or any other series thereof shall be enforceable against the assets of such*
8 *series; or restrict a limited liability company from agreeing in the*
9 *operating agreement or otherwise that any or all of the debts, liabilities,*
10 *obligations, and expenses incurred, contracted for, or otherwise existing*
11 *with respect to a series shall be enforceable against the assets of the*
12 *limited liability company generally. Assets associated with a series may be*
13 *held directly or indirectly, including in the name of such series, in the*
14 *name of the limited liability company, through a nominee or otherwise.*
15 *Records maintained for a series that reasonably identify its assets,*
16 *including by specific listing, category, type, quantity, computational, or*
17 *allocational formula or procedure, including a percentage or share of any*
18 *asset or assets, or by any other method where the identity of such assets is*
19 *objectively determinable, will be deemed to account for the assets*
20 *associated with such series separately from the other assets of the limited*
21 *liability company, or any other series thereof. As used in the Kansas*
22 *revised limited liability company act, a reference to assets of a series*
23 *includes assets associated with such series, a reference to assets to assets*
24 *associated with a series includes assets of such series, a reference to*
25 *members or managers of a series includes members or managers*
26 *associated with such series, and a reference to members or managers*
27 *associated with a series includes members or managers of such series.*
28 *The following shall apply to a series:*

29 (1) *A series may carry on any lawful business, purpose or activity,*
30 *whether or not for profit, with the exception of the business of granting*
31 *policies of insurance, assuming insurance risks, or banking as defined in*
32 *K.S.A. 2019 Supp. 9-701, and amendments thereto. Unless otherwise*
33 *provided in an operating agreement, a series shall have the power and*
34 *capacity to, in its own name, contract, hold title to assets, including real,*
35 *personal, and intangible property, grant liens and security interests, and*
36 *sue and be sued.*

37 (2) *Except as otherwise provided by the Kansas revised limited*
38 *liability company act, no member or manager of a series shall be*
39 *obligated personally for any debt, obligation or liability of such series,*
40 *whether arising in contract, tort or otherwise, solely by reason of being a*
41 *member or acting as manager of such series. Notwithstanding the*
42 *preceding sentence, under an operating agreement or under another*
43 *agreement, a member or manager may agree to be obligated personally*

1 *for any or all of the debts, obligations and liabilities of one or more series.*

2 *(3) An operating agreement may provide for classes or groups of*
3 *members or managers associated with a series having such relative rights,*
4 *powers and duties as the operating agreement may provide, and may make*
5 *provision for the future creation in the manner provided in the operating*
6 *agreement of additional classes or groups of members or managers*
7 *associated with such series having such relative rights, powers and duties*
8 *as may from time to time be established, including rights, powers and*
9 *duties senior to existing classes and groups of members or managers*
10 *associated with such series. An operating agreement may provide for the*
11 *taking of an action, including the amendment of the operating agreement,*
12 *without the vote, consent or approval of any member or manager or class*
13 *or group of members or managers, including an action to create under the*
14 *provisions of the operating agreement a class or group of a series of*
15 *limited liability company interests that was not previously outstanding. An*
16 *operating agreement may provide that any member or class or group of*
17 *members associated with a series shall have no voting rights.*

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

25 *(5) Unless otherwise provided in an operating agreement, the*
26 *management of a series shall be vested in the members associated with*
27 *such series in proportion to the then-current percentage or other interest*
28 *of members in the profits of such series owned by all of the members*
29 *associated with such series, the decision of members owning more than*
30 *50% of such percentage or other interest in the profits controlling, except*
31 *that if an operating agreement provides for the management of a series, in*
32 *whole or in part, by a manager, the management of such series, to the*
33 *extent so provided, shall be vested in the manager who shall be chosen in*
34 *the manner provided in the operating agreement. The manager of a series*
35 *shall also hold the offices and have the responsibilities accorded to the*
36 *manager as set forth in an operating agreement. A series may have more*
37 *than one manager. Subject to K.S.A. 17-76,105, and amendments thereto,*
38 *a manager shall cease to be a manager with respect to a series as*
39 *provided in an operating agreement. Except as otherwise provided in an*
40 *operating agreement, any event under the Kansas revised limited liability*
41 *company act or in an operating agreement that causes a manager to cease*
42 *to be a manager with respect to a series shall not, in itself, cause such*
43 *manager to cease to be a manager of the limited liability company or with*

1 *respect to any other series thereof.*

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

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

37 *(8) Unless otherwise provided in the operating agreement, a member*
38 *shall cease to be associated with a series and to have the power to*
39 *exercise any rights or powers of a member with respect to such series*
40 *upon the assignment of all of the member's limited liability company*
41 *interest with respect to such series. Except as otherwise provided in an*
42 *operating agreement, any event under the Kansas revised limited liability*
43 *company act or an operating agreement that causes a member to cease to*

1 *be associated with a series shall not, in itself, cause such member to cease*
2 *to be associated with any other series or terminate the continued*
3 *membership of a member in the limited liability company or cause the*
4 *dissolution of the series, regardless of whether such member was the last*
5 *remaining member associated with such series.*

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

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

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

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

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

23 *(10) Notwithstanding K.S.A. 17-76,118(a), and amendments thereto,*
24 *unless otherwise provided in the operating agreement, a manager*
25 *associated with a series who has not wrongfully dissolved such series or, if*
26 *none, the members associated with such series or a person consented to or*
27 *approved by the members associated with such series, in either case, by*
28 *members who own more than 50% of the then-current percentage or other*
29 *interest in the profits of such series owned by all of the members*
30 *associated with such series, may wind up the affairs of such series, but the*
31 *district court, upon cause shown, may wind up the affairs of a series upon*
32 *application of any member or manager associated with such series, or the*
33 *member's personal representative or assignee, and in connection*
34 *therewith, may appoint a liquidating trustee. The persons winding up the*
35 *affairs of a series may, in the name of the limited liability company and for*
36 *and on behalf of the limited liability company and such series, take all*
37 *actions with respect to such series as are permitted under K.S.A. 17-*
38 *76,118(b), and amendments thereto. The persons winding up the affairs of*
39 *a series shall provide for the claims and obligations of such series and*
40 *distribute the assets of such series as provided in K.S.A. 17-76,119, and*
41 *amendments thereto, which section shall apply to the winding up and*
42 *distribution of assets of a series. Actions taken in accordance with this*
43 *subsection shall not affect the liability of members and shall not impose*

1 liability on a liquidating trustee.

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

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

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

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

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

13 (ii) the name of the series.

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

16 (C) A certificate of designation properly filed with the secretary of
17 state prior to July 1, 2022, shall be deemed to comply with the
18 requirements of this paragraph.

19 (2) A certificate of designation shall be executed in accordance with
20 K.S.A. 2019 Supp. 17-7908(b), and amendments thereto, and shall be filed
21 in the office of the secretary of state in accordance with K.S.A. 2019 Supp.
22 17-7910, and amendments thereto. A certificate of designation is not an
23 amendment to the articles of organization of the limited liability company.

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

26 (A) The certificate of amendment shall set forth:

27 (i) The name of the limited liability company;

28 (ii) the name of the series; and

29 (iii) the amendment to the certificate of designation.

30 (B) A certificate of designation properly filed with the secretary of
31 state prior to July 1, 2022, that changed a previously filed certificate of
32 designation shall be deemed to be a certificate of amendment thereto for
33 purposes of this paragraph.

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

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

42 (6) Unless otherwise provided in the Kansas revised limited liability
43 company act or unless a later effective date or time, which shall be a date

1 or time certain, is provided for in the certificate of amendment, a
2 certificate of amendment shall be effective at the time of its filing with the
3 secretary of state.

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

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

21 (i) The name of the limited liability company;

22 (ii) the name of the series;

23 (iii) the future effective date or time, which shall be a date or time
24 certain, of cancellation if it is not to be effective upon the filing of the
25 certificate of cancellation; and

26 (iv) any other information the person filing the certificate of
27 cancellation of the certificate of designation determines.

28 (B) A certificate of designation properly filed with the secretary of
29 state prior to July 1, 2022, that dissolved a series shall be deemed to be a
30 certificate of cancellation thereto for purposes of this paragraph.

31 (8) A certificate of cancellation of the certificate of designation that
32 is filed in the office of the secretary of state prior to the dissolution or the
33 completion of winding up of a series may be corrected as an erroneously
34 executed certificate of cancellation of the certificate of designation by
35 filing with the office of the secretary of state a certificate of correction of
36 such certificate of cancellation of the certificate of designation in
37 accordance with K.S.A. 2019 Supp. 17-7912, and amendments thereto.

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

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

1 (1) *Shall include the name of the limited liability company, including*
2 *any word, abbreviation or designation required by K.S.A. 2019 Supp. 17-*
3 *7920, and amendments thereto;*

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

5 (3) *must comply with the requirements of K.S.A. 2019 Supp. 17-7918,*
6 *and amendments thereto, to the same extent as a covered entity; and*

7 (4) *may contain any word permitted by K.S.A. 2019 Supp. 17-7920,*
8 *and amendments thereto, and may not contain any word prohibited to be*
9 *included in the name of a limited liability company under Kansas law.*

10 ~~(e)(f) If a foreign limited liability company, as permitted in the~~
11 ~~jurisdiction of its organization, has established a series having separate~~
12 ~~rights, powers or duties and has limited the liabilities of such series so that~~
13 ~~is registered to do business in this state in accordance with K.S.A. 2019~~
14 ~~Supp. 17-7931, and amendments thereto, is governed by an operating~~
15 ~~agreement that establishes or provides for the establishment of a series of~~
16 ~~members, managers, limited liability company interests or assets having~~
17 ~~separate rights, powers or duties with respect to specified property or~~
18 ~~obligations of the foreign limited liability company or profits and losses~~
19 ~~associated with specified property or obligations, that fact shall be so~~
20 ~~stated on the application for registration as a foreign limited liability~~
21 ~~company. In addition, the foreign limited liability company shall state on~~
22 ~~such application whether the debts, liabilities and obligations incurred,~~
23 ~~contracted for or otherwise existing with respect to a particular series, if~~
24 ~~any are enforceable against the assets of such series only, and not against~~
25 ~~the assets of the foreign limited liability company generally or any other~~
26 ~~series thereof, or so that and whether any of the debts, liabilities,~~
27 ~~obligations and expenses incurred, contracted for or otherwise existing~~
28 ~~with respect to the limited liability company generally or any other series~~
29 ~~thereof are not shall be enforceable against the assets of such series, then~~
30 ~~the limited liability company, on behalf of itself or any of its series, or any~~
31 ~~of its series on their own behalf may register to do business in the state in~~
32 ~~accordance with the provisions of K.S.A. 2019 Supp. 17-7931, and~~
33 ~~amendments thereto. The limitation of liability shall be so stated on the~~
34 ~~application for admission as a foreign limited liability company and a~~
35 ~~certificate of designation shall be filed for each series being registered to~~
36 ~~do business in the state by the limited liability company. Unless otherwise~~
37 ~~provided in the operating agreement, the debts, liabilities and obligations~~
38 ~~incurred, contracted for or otherwise existing with respect to a particular~~
39 ~~series of such a foreign limited liability company shall be enforceable~~
40 ~~against the assets of such series only, and not against the assets of the~~
41 ~~foreign limited liability company generally or any other series thereof and~~
42 ~~none of the debts, liabilities, obligations and expenses incurred, contracted~~
43 ~~for or otherwise existing with respect to such a foreign limited liability~~

1 ~~company generally or any other series thereof shall be enforceable against~~
2 ~~the assets of such series.~~

3 Sec. 10. K.S.A. 2019 Supp. 17-76,143a is hereby amended to read as
4 follows: 17-76,143a. (a) Pursuant to an agreement of merger or
5 consolidation, one or more series may merge or consolidate with or into
6 one or more other series of the same limited liability company with such
7 series as the agreement shall provide being the surviving or resulting
8 series. Unless otherwise provided in the operating agreement, an
9 agreement of merger or consolidation shall be consented to or approved by
10 each series that is to merge or consolidate by members of such series who
11 own more than 50% of the then-current percentage or other interest in the
12 profits of such series owned by all of the members of such series. In
13 connection with a merger or consolidation hereunder, rights or securities
14 of, or interests in, a series which is a constituent party to the merger or
15 consolidation may be exchanged for or converted into cash, property,
16 rights, or securities of, or interests in, the surviving or resulting series or, in
17 addition to or in lieu thereof, may be exchanged for or converted into cash,
18 property, rights, or securities of, or interests in, an entity as defined in
19 K.S.A. 2019 Supp. 17-78-102, and amendments thereto, that is not the
20 surviving or resulting series in the merger or consolidation, may remain
21 outstanding or may be canceled. Notwithstanding prior consent or
22 approval, an agreement of merger or consolidation may be terminated or
23 amended pursuant to a provision for such termination or amendment
24 contained in the agreement of merger or consolidation.

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

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

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

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

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

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

43 (6) that the agreement of merger or consolidation is on file at a place

1 of business of the surviving or resulting series or the limited liability
2 company that formed such series and shall state the address thereof; and

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

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

10 (d) A certificate of merger or consolidation shall act as a certificate of
11 cancellation of the certificate of designation of the series that is not the
12 surviving or resulting series in the merger or consolidation. A certificate of
13 merger or consolidation that sets forth any amendment in accordance with
14 subsection (b)(4) shall be deemed to be an amendment to the certificate of
15 designation of the surviving or resulting series, and no further action shall
16 be required to amend the certificate of designation of the surviving or
17 resulting series under K.S.A. 2019 Supp. 17-76,143, and amendments
18 thereto, with respect to such amendments set forth in the certificate of
19 merger or consolidation. Whenever this section requires the filing of a
20 certificate of merger or consolidation, such requirement shall be deemed
21 satisfied by the filing of an agreement of merger or consolidation
22 containing the information required by this section to be set forth in the
23 certificate of merger or consolidation.

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

42 (f) (1) (A) When any merger or consolidation shall have become
43 effective under this section, for all purposes of the laws of the state of

1 Kansas, all of the rights, privileges and powers of each of the series that
2 have merged or consolidated, and all property, real, personal and mixed,
3 and all debts due to any of such series, as well as all other things and
4 causes of action belonging to each of such series, shall be vested in the
5 surviving or resulting series, and shall thereafter be the property of the
6 surviving or resulting series as they were of each of the series that have
7 merged or consolidated, and the title to any real property vested by deed or
8 otherwise, under the laws of the state of Kansas, in any of such series,
9 shall not revert or be in any way impaired by reason of the Kansas revised
10 limited liability company act.

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

17 (2) Unless otherwise agreed, a merger or consolidation of a series that
18 is not the surviving or resulting series in the merger or consolidation, shall
19 not require such series to wind up its affairs under K.S.A. 2019 Supp. 17-
20 76,143, and amendments thereto, or pay its liabilities and distribute its
21 assets under K.S.A. 2019 Supp. 17-76,143, and amendments thereto, and
22 the merger or consolidation shall not constitute a dissolution of such series.

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

26 (h) This section shall take effect on and after July 1, ~~2020~~ 2022.

27 Sec. 11. K.S.A. 2019 Supp. 17-76,146 is hereby amended to read as
28 follows: 17-76,146. (a) A domestic limited liability company whose
29 articles of organization or a foreign limited liability company whose
30 authority to do business has been canceled or forfeited pursuant to K.S.A.
31 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934~~(b)~~(d), and amendments
32 thereto, or whose articles of organization or authority to do business has
33 been forfeited pursuant to K.S.A. 17-76,139(d), and amendments thereto,
34 may be reinstated by filing with the secretary of state a certificate of
35 reinstatement accompanied by the payment of the fee required by K.S.A.
36 17-76,136(d), and amendments thereto, and payment of the annual report
37 fees due under K.S.A. 17-76,139(c), and amendments thereto, and all
38 penalties and interest thereon due at the time of the cancellation or
39 forfeiture of its articles of organization or authority to do business. The
40 certificate of reinstatement shall set forth:

41 (1) The name of the limited liability company at the time its articles
42 of organization or authority to do business was canceled or forfeited and, if
43 such name is not available at the time of reinstatement, the name under

1 which the limited liability company is to be reinstated;

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

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

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

10 (b) The certificate of reinstatement shall be deemed to be an
11 amendment to the articles of organization or application for registration of
12 the limited liability company, and the limited liability company shall not
13 be required to take any further action to amend its articles of organization
14 or application for registration under K.S.A. 17-7674 or K.S.A. 2019 Supp.
15 17-7935, and amendments thereto, with respect to the matters set forth in
16 the certificate of reinstatement.

17 (c) Upon the filing of a certificate of reinstatement, a limited liability
18 company shall be reinstated with the same force and effect as if its articles
19 of organization or authority to do business had not been canceled or
20 forfeited pursuant to K.S.A. 17-76,139(d) or K.S.A. 2019 Supp. 17-
21 7926(b), 17-7929(b) or 17-7934~~(f)~~(d), and amendments thereto. Such
22 reinstatement shall validate all contracts, acts, matters and things made,
23 done and performed by the limited liability company, its members,
24 managers, employees and agents during the time when its articles of
25 organization or authority to do business was canceled or forfeited pursuant
26 to K.S.A. 17-76,139(d) or K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or
27 17-7934~~(f)~~(d), and amendments thereto, with the same force and effect and
28 to all intents and purposes as if the articles of organization or authority to
29 do business had remained in full force and effect. All real and personal
30 property, and all rights and interests, which belonged to the limited
31 liability company at the time its articles of organization or authority to do
32 business was canceled or forfeited pursuant to K.S.A. 17-76,139(d) or
33 K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934~~(f)~~(d), and
34 amendments thereto, or which were acquired by the limited liability
35 company following the cancellation or forfeiture of its articles of
36 organization or authority to do business pursuant to K.S.A. 17-76,139(d)
37 or K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934~~(f)~~(d), and
38 amendments thereto, and which were not disposed of prior to the time of
39 its reinstatement, shall be vested in the limited liability company after its
40 reinstatement as fully as they were held by the limited liability company
41 at, and after, as the case may be, the time its articles of organization or
42 authority to do business was canceled or forfeited pursuant to K.S.A 17-
43 76,139(d) or K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934~~(f)~~(d),

1 and amendments thereto. After its reinstatement, the limited liability
2 company shall be as exclusively liable for all contracts, acts, matters and
3 things made, done or performed in its name and on its behalf by its
4 members, managers, employees and agents prior to its reinstatement as if
5 its articles of organization or authority to do business had at all times
6 remained in full force and effect.

7 Sec. 12. On and after July 1, 2022, K.S.A. 2019 Supp. 17-76,146, as
8 amended by section 11 of this act, is hereby amended to read as follows:
9 17-76,146. (a) A domestic limited liability company whose articles of
10 organization or a foreign limited liability company whose authority to do
11 business has been canceled or forfeited pursuant to K.S.A. 2019 Supp. 17-
12 7926(b), 17-7929(b) or 17-7934(d), and amendments thereto, or whose
13 articles of organization or authority to do business has been forfeited
14 pursuant to K.S.A. 17-76,139(d), and amendments thereto, may be
15 reinstated by filing with the secretary of state a certificate of reinstatement
16 accompanied by the payment of the fee required by K.S.A. 17-76,136(d),
17 and amendments thereto, and payment of the annual report fees due under
18 K.S.A. 17-76,139(c), and amendments thereto, and all penalties and
19 interest thereon due at the time of the cancellation or forfeiture of its
20 articles of organization or authority to do business. The certificate of
21 reinstatement shall set forth:

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

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

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

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

34 (b) The certificate of reinstatement shall be deemed to be an
35 amendment to the articles of organization or application for registration of
36 the limited liability company, and the limited liability company shall not
37 be required to take any further action to amend its articles of organization
38 or application for registration under K.S.A. 17-7674 or K.S.A. 2019 Supp.
39 17-7935, and amendments thereto, with respect to the matters set forth in
40 the certificate of reinstatement.

41 (c) Upon the filing of a certificate of reinstatement, a limited liability
42 company *and all series thereof that have been formed and have not had*
43 *their certificate of designation canceled prior to the cancellation of the*

1 *articles of organization* shall be reinstated with the same force and effect
2 as if its articles of organization or authority to do business had not been
3 canceled or forfeited pursuant to K.S.A. 17-76,139(d) or K.S.A. 2019
4 Supp. 17-7926(b), 17-7929(b) or 17-7934(d), and amendments thereto.
5 Such reinstatement shall validate all contracts, acts, matters and things
6 made, done and performed by the limited liability company, its members,
7 managers, employees and agents during the time when its articles of
8 organization or authority to do business was canceled or forfeited pursuant
9 to K.S.A. 17-76,139(d) or K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or
10 17-7934(d), and amendments thereto, with the same force and effect and to
11 all intents and purposes as if the articles of organization or authority to do
12 business had remained in full force and effect. All real and personal
13 property, and all rights and interests, which belonged to the limited
14 liability company at the time its articles of organization or authority to do
15 business was canceled or forfeited pursuant to K.S.A. 17-76,139(d) or
16 K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934(d), and
17 amendments thereto, or which were acquired by the limited liability
18 company following the cancellation or forfeiture of its articles of
19 organization or authority to do business pursuant to K.S.A. 17-76,139(d)
20 or K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934(d), and
21 amendments thereto, and which were not disposed of prior to the time of
22 its reinstatement, shall be vested in the limited liability company after its
23 reinstatement as fully as they were held by the limited liability company
24 at, and after, as the case may be, the time its articles of organization or
25 authority to do business was canceled or forfeited pursuant to K.S.A. 17-
26 76,139(d) or K.S.A. 2019 Supp. 17-7926(b), 17-7929(b) or 17-7934(d),
27 and amendments thereto. After its reinstatement, the limited liability
28 company shall be as exclusively liable for all contracts, acts, matters and
29 things made, done or performed in its name and on its behalf by its
30 members, managers, employees and agents prior to its reinstatement as if
31 its articles of organization or authority to do business had at all times
32 remained in full force and effect.

33 Sec. 13. K.S.A. 2019 Supp. 17-76,147 is hereby amended to read as
34 follows: 17-76,147. (a) A series whose certificate of designation has been
35 canceled pursuant to K.S.A. 17-76,139, and amendments thereto, may be
36 reinstated by filing in the office of the secretary of state a certificate of
37 reinstatement accompanied by the payment of the fee required by K.S.A.
38 17-76,136(d), and amendments thereto, and payment of the annual report
39 fee due under K.S.A. 17-76,139(c), and amendments thereto, and all
40 penalties and interest thereon due at the time of the cancellation of its
41 certificate of designation. The certificate of reinstatement shall set forth:

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

1 name of the limited liability company at the time of reinstatement of the
2 series;

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

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

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

11 (b) The certificate of reinstatement shall be deemed to be an
12 amendment to the certificate of designation, and no further actions shall be
13 required to amend its certificate of designation under K.S.A. 2019 Supp.
14 17-76,143(d)(3), and amendments thereto, with respect to the matters set
15 forth in the certificate of reinstatement.

16 (c) Upon the filing of a certificate of reinstatement, a series shall be
17 reinstated with the same force and effect as if its certificate of designation
18 had not been canceled pursuant to K.S.A. 17-76,139, and amendments
19 thereto. Such reinstatement shall validate all contracts, acts, matters and
20 things made, done and performed by the series, its members, managers,
21 employees and agents during the time when its certificate of designation
22 was canceled pursuant to K.S.A. 17-76,139, and amendments thereto, with
23 the same force and effect and to all intents and purposes as if the certificate
24 of designation had remained in full force and effect. All real and personal
25 property, and all rights and interests, that belonged to the series at the time
26 its certificate of designation was canceled pursuant to K.S.A. 17-76,139,
27 and amendments thereto, or were acquired by the series following the
28 cancellation of its certificate of designation pursuant to K.S.A. 17-76,139,
29 and amendments thereto, and were not disposed of prior to the time of its
30 reinstatement, shall be vested in the series after its reinstatement as fully as
31 they were held by the series at, and after, as the case may be, the time its
32 certificate of designation was canceled pursuant to K.S.A. 17-76,139, and
33 amendments thereto. After its reinstatement, the series shall be as
34 exclusively liable for all contracts, acts, matters and things made, done or
35 performed in its name and on its behalf by its members, managers,
36 employees and agents prior to its reinstatement as if its certificate of
37 designation had at all times remained in full force and effect.

38 (d) This section shall take effect on and after July 1, ~~2020~~ 2022.

39 Sec. 14. K.S.A. 2019 Supp. 17-78-601 is hereby amended to read as
40 follows: 17-78-601. (a) When any provision of this act requires any
41 instrument to be filed with the secretary of state, such instrument shall be
42 filed in accordance with this section:

43 (1) The document shall contain the information required by this act;

1 (2) the document shall be in a record;

2 (3) the document shall be in the English language, but the name of an
3 entity need not be in English if written in English letters or Arabic or
4 Roman numerals;

5 (4) the document shall be signed:

6 (A) By an officer of a domestic or foreign corporation;

7 (B) by a person authorized by a domestic or foreign entity that is not
8 a corporation; or

9 (C) if the entity is in the hands of a receiver, trustee or other court-
10 appointed fiduciary, by that person;

11 (5) the instrument shall state the name and capacity of the person that
12 signed it;

13 (6) any signature on instruments authorized to be filed with the
14 secretary of state under this act may be a facsimile, *an electronic*
15 *signature*, a conformed signature or an electronically transmitted signature.
16 The execution of any instrument required to be filed with the secretary of
17 state shall constitute an oath or affirmation, under the penalties of perjury,
18 that the facts stated in the instrument are true; and

19 (7) the instrument shall be delivered to the office of the secretary of
20 state for filing. Delivery may be made by electronic transmission if and to
21 the extent permitted by the secretary of state.

22 (b) When a document is delivered to the office of the secretary of
23 state for filing, the correct filing fee and any tax, fee or penalty required to
24 be paid by this act or other law shall be paid. The secretary of state shall
25 establish by rule and regulation the filing fees for instruments filed
26 pursuant to this act.

27 (c) Upon delivery of the instrument and upon tender of the required
28 fees and any taxes:

29 (1) The secretary of state shall certify that the instrument has been
30 filed in the office of secretary of state by endorsing upon the original
31 signed instrument the word "Filed" and the date and hour of its filing. This
32 endorsement is the "filing date" of the instrument and is conclusive of the
33 date and time of its filing in the absence of actual fraud. The secretary of
34 state shall thereupon record the endorsed instrument in an electronic
35 medium; and

36 (2) the secretary of state shall return a certified copy of the recorded
37 instrument.

38 (d) Any instrument filed in accordance with this section shall be
39 effective upon its filing date unless a later effective date, not to exceed 90
40 days from the date of filing, was specified in the instrument.

41 (e) If any instrument authorized to be filed with the secretary of state
42 is filed and is inaccurately, defectively or erroneously executed or
43 otherwise defective in any respect, the secretary of state shall not be liable

1 to any person for the preclearance for filing, the acceptance for filing or
2 the filing and indexing such instrument.

3 (f) Whenever a provision of this act permits any of the terms of an
4 agreement or a filed document to be dependent on facts objectively
5 ascertainable outside the agreement or filed document, the following rules
6 apply:

7 (1) The manner in which the facts will operate upon the terms of the
8 agreement or filed document must be set forth in the agreement or filed
9 document;

10 (2) the facts may include, but are not limited to:

11 (A) Any of the following that is available in a nationally recognized
12 news or information medium either in print or electronically, statistical or
13 market indices, market prices of any security or group of securities,
14 interest rates, currency exchange rates or similar economic or financial
15 data;

16 (B) a determination or action by any person or body, including the
17 entity or any other party to an agreement or filed document; or

18 (C) the terms of, or actions taken under, an agreement to which the
19 entity is a party or any other agreement or document;

20 (3) in this subsection, "filed document" means a document filed with
21 the secretary of state under this act. The following provisions of an
22 agreement or filed document may not be made dependent on facts outside
23 the agreement or filed document:

24 (A) The name and address of any person required in a filed
25 document;

26 (B) the registered office of any entity required in a filed document;

27 (C) the resident agent of any entity required in a filed document;

28 (D) the number of authorized shares and designation of each class or
29 series of shares of a corporation;

30 (E) the effective date of a filed document; and

31 (F) any required statement in a filed document of the manner in
32 which that approval was given;

33 (4) if a provision of a filed document is made dependent on a fact
34 ascertainable outside of the filed document and that fact is not
35 ascertainable by reference to a source described in subsection (c)(2)(A) or
36 a document that is a matter of public record, or if the affected interest
37 holders have not received notice of the fact from the entity, the entity shall
38 file with the secretary of state a certificate of amendment setting forth the
39 fact promptly after the fact referred to is first ascertainable or thereafter
40 changes.

41 Sec. 15. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7904 is
42 hereby amended to read as follows: 17-7904. The following documents
43 related to limited liability companies shall be filed with the secretary of

1 state:

- 2 (a) Articles of organization as set forth in K.S.A. 17-7673 and K.S.A.
3 2019 Supp. 17-7673a, and amendments thereto;
- 4 (b) professional articles of organization as set forth in K.S.A. 17-7673
5 and K.S.A. 2019 Supp. 17-7673a, and amendments thereto;
- 6 (c) series limited liability company articles of organization as set
7 forth in K.S.A. 2019 Supp. 17-76,143, and amendments thereto;
- 8 (d) foreign limited liability company application for authority as set
9 forth in K.S.A. 2019 Supp. 17-7931, and amendments thereto;
- 10 (e) foreign series limited liability company application for admission
11 to transact business as set forth in K.S.A. 2019 Supp. 17-7931 and K.S.A.
12 2019 Supp. 17-76,143, and amendments thereto;
- 13 (f) annual report as set forth in K.S.A. 17-76,139, and amendments
14 thereto;
- 15 (g) certificate of amendment as set forth in K.S.A. 17-7674 and
16 K.S.A. 2019 Supp. 17-7674a *and* 17-76,143, and amendments thereto;
- 17 (h) restated articles of organization as set forth in K.S.A. 17-7680,
18 and amendments thereto;
- 19 (i) series certificate of designation as set forth in K.S.A. 2019 Supp.
20 17-76,143, and amendments thereto;
- 21 (j) certificate of amendment or termination to certificate of merger or
22 consolidation as set forth in K.S.A. 17-7681 *or* K.S.A. 2019 Supp. 17-
23 76,143a, and amendments thereto;
- 24 (k) certificate of correction as set forth in K.S.A. 2019 Supp. 17-
25 7912, and amendments thereto;
- 26 (l) foreign certificate of correction as set forth in K.S.A. 2019 Supp.
27 17-7912, and amendments thereto;
- 28 (m) change of registered office or resident agent as set forth in K.S.A.
29 2019 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments
30 thereto;
- 31 (n) mergers *or consolidations* as set forth in K.S.A. 17-7681 *or*
32 K.S.A. 2019 Supp. 17-76,143a, and amendments thereto;
- 33 (o) reinstatement as set forth in K.S.A. 17-76,139 *or* K.S.A. 2019
34 Supp. 17-76,147, and amendments thereto;
- 35 (p) certificate of cancellation as set forth in K.S.A. 17-7675 *or* K.S.A.
36 2019 Supp. 17-76,143, and amendments thereto;
- 37 (q) foreign cancellation of registration as set forth in K.S.A. 2019
38 Supp. 17-7936, and amendments thereto; and
- 39 (r) certificate of division as set forth in K.S.A. 2019 Supp.17-7685a,
40 and amendments thereto.
- 41 Sec. 16. K.S.A. 2019 Supp. 17-7910 is hereby amended to read as
42 follows: 17-7910. When any document is required by this act to be filed
43 with the secretary of state, such requirement means that:

1 (a) The original signed document shall be delivered to the office of
2 the secretary of state, where the document shall be recorded in an
3 electronic medium. Any signature on documents authorized to be filed
4 with the secretary of state under the provisions of this act may be a
5 facsimile, a conformed signature, *an electronic signature* or an
6 electronically transmitted signature;

7 (b) all taxes and fees authorized by law to be collected by the
8 secretary of state in connection with the filing of the document shall be
9 tendered to the secretary of state;

10 (c) upon delivery of the document, and upon tender of the required
11 taxes and fees, the secretary of state shall, if the secretary of state finds
12 that the document conforms to law, certify that the document has been
13 filed in the office of the secretary of state by endorsing upon the
14 ~~electronically-recorded~~ *electronically recorded* document the word "Filed"
15 and the date and hour of its filing. This endorsement is the "filing date" of
16 the document and is conclusive of the date and time of its filing in the
17 absence of actual fraud. The secretary of state shall thereupon record the
18 endorsed document in an electronic medium and that electronic document
19 shall become the original document; and

20 (d) the secretary of state shall return a certified copy of the recorded
21 document to the person who filed the document or that person's
22 representative, except this provision shall not apply to annual reports.

23 (e) A person who executes any document required by this act to be
24 filed with the secretary of state, including a person who executes such
25 document as an agent or fiduciary, shall not be required to exhibit evidence
26 of the person's authority as a prerequisite to filing such documents with the
27 secretary of state.

28 Sec. 17. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7918 is
29 hereby amended to read as follows: 17-7918. (a) Except as otherwise
30 provided in subsection (b), the names of all covered entities, except for
31 banks, savings and loan associations and savings banks, must be
32 distinguishable on the records of the office of the secretary of state from:

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

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

38 (3) any entity name reserved pursuant to K.S.A. 2019 Supp. 17-7923,
39 and amendments thereto; and

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

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

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

11 Sec. 18. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7923 is
 12 hereby amended to read as follows: 17-7923. (a) The exclusive right to the
 13 use of an entity name *or, as applicable, the name of a series of a limited*
 14 *liability company*, may be reserved by:

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

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

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

24 ~~(3)~~(4) any foreign covered entity intending to make application for a
 25 certificate of authority to transact business in this state;

26 ~~(4)~~(5) any foreign covered entity authorized to transact business in
 27 this state, and intending to change its name; and

28 ~~(5)~~(6) any person intending to organize a foreign covered entity, and
 29 intending to have such entity make application for a certificate of authority
 30 to transact business in this state.

31 (b) The reservation shall be made by filing with the secretary of state
 32 an application to reserve a specific covered entity name *or the name of a*
 33 *series of a domestic limited liability company*, executed by the applicant.
 34 The reservation may be filed by telefacsimile communication as prescribed
 35 by K.S.A. 2019 Supp. 17-7914, and amendments thereto. If the secretary
 36 of state finds that the name is available, the secretary of state shall reserve
 37 the same for the exclusive use of the applicant for a period of 120 days.

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

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

2 Sec. 19. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7933 is
3 hereby amended to read as follows: 17-7933. (a) Except as otherwise
4 provided in subsection (b), the names of all foreign covered entities must
5 be distinguishable on the records of the office of the secretary of state
6 from:

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

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

12 (3) any entity name reserved pursuant to K.S.A. 2019 Supp. 17-7923,
13 and amendments thereto; and

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

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

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

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

27 Sec. 20. K.S.A. 2019 Supp. 45-229 is hereby amended to read as
28 follows: 45-229. (a) It is the intent of the legislature that exceptions to
29 disclosure under the open records act shall be created or maintained only
30 if:

31 (1) The public record is of a sensitive or personal nature concerning
32 individuals;

33 (2) the public record is necessary for the effective and efficient
34 administration of a governmental program; or

35 (3) the public record affects confidential information.

36 The maintenance or creation of an exception to disclosure must be
37 compelled as measured by these criteria. Further, the legislature finds that
38 the public has a right to have access to public records unless the criteria in
39 this section for restricting such access to a public record are met and the
40 criteria are considered during legislative review in connection with the
41 particular exception to disclosure to be significant enough to override the
42 strong public policy of open government. To strengthen the policy of open
43 government, the legislature shall consider the criteria in this section before

1 enacting an exception to disclosure.

2 (b) Subject to the provisions of subsections (g) and (h), any new
3 exception to disclosure or substantial amendment of an existing exception
4 shall expire on July 1 of the fifth year after enactment of the new
5 exception or substantial amendment, unless the legislature acts to continue
6 the exception. A law that enacts a new exception or substantially amends
7 an existing exception shall state that the exception expires at the end of
8 five years and that the exception shall be reviewed by the legislature
9 before the scheduled date.

10 (c) For purposes of this section, an exception is substantially
11 amended if the amendment expands the scope of the exception to include
12 more records or information. An exception is not substantially amended if
13 the amendment narrows the scope of the exception.

14 (d) This section is not intended to repeal an exception that has been
15 amended following legislative review before the scheduled repeal of the
16 exception if the exception is not substantially amended as a result of the
17 review.

18 (e) In the year before the expiration of an exception, the revisor of
19 statutes shall certify to the president of the senate and the speaker of the
20 house of representatives, by July 15, the language and statutory citation of
21 each exception that will expire in the following year that meets the criteria
22 of an exception as defined in this section. Any exception that is not
23 identified and certified to the president of the senate and the speaker of the
24 house of representatives is not subject to legislative review and shall not
25 expire. If the revisor of statutes fails to certify an exception that the revisor
26 subsequently determines should have been certified, the revisor shall
27 include the exception in the following year's certification after that
28 determination.

29 (f) "Exception" means any provision of law that creates an exception
30 to disclosure or limits disclosure under the open records act pursuant to
31 K.S.A. 45-221, and amendments thereto, or pursuant to any other
32 provision of law.

33 (g) A provision of law that creates or amends an exception to
34 disclosure under the open records law shall not be subject to review and
35 expiration under this act if such provision:

36 (1) Is required by federal law;

37 (2) applies solely to the legislature or to the state court system;

38 (3) has been reviewed and continued in existence twice by the
39 legislature; or

40 (4) has been reviewed and continued in existence by the legislature
41 during the 2013 legislative session and thereafter.

42 (h) (1) The legislature shall review the exception before its scheduled
43 expiration and consider as part of the review process the following:

- 1 (A) What specific records are affected by the exception;
2 (B) whom does the exception uniquely affect, as opposed to the
3 general public;
4 (C) what is the identifiable public purpose or goal of the exception;
5 (D) whether the information contained in the records may be obtained
6 readily by alternative means and how it may be obtained;

7 (2) an exception may be created or maintained only if it serves an
8 identifiable public purpose and may be no broader than is necessary to
9 meet the public purpose it serves. An identifiable public purpose is served
10 if the legislature finds that the purpose is sufficiently compelling to
11 override the strong public policy of open government and cannot be
12 accomplished without the exception and if the exception:

13 (A) Allows the effective and efficient administration of a
14 governmental program that would be significantly impaired without the
15 exception;

16 (B) protects information of a sensitive personal nature concerning
17 individuals, the release of such information would be defamatory to such
18 individuals or cause unwarranted damage to the good name or reputation
19 of such individuals or would jeopardize the safety of such individuals.
20 Only information that would identify the individuals may be excepted
21 under this paragraph; or

22 (C) protects information of a confidential nature concerning entities,
23 including, but not limited to, a formula, pattern, device, combination of
24 devices, or compilation of information that is used to protect or further a
25 business advantage over those who do not know or use it, if the disclosure
26 of such information would injure the affected entity in the marketplace.

27 (3) Records made before the date of the expiration of an exception
28 shall be subject to disclosure as otherwise provided by law. In deciding
29 whether the records shall be made public, the legislature shall consider
30 whether the damage or loss to persons or entities uniquely affected by the
31 exception of the type specified in paragraph (2)(B) or (2)(C) would occur
32 if the records were made public.

33 (i) (1) Exceptions contained in the following statutes as continued in
34 existence in section 2 of chapter 126 of the 2005 Session Laws of Kansas
35 and that have been reviewed and continued in existence twice by the
36 legislature as provided in subsection (g) are hereby continued in existence:
37 1-401, 2-1202, 5-512, 9-1137, 9-1712, 9-2217, 10-630, 11-306, 12-189,
38 12-1,108, 12-1694, 12-1698, 12-2819, 12-4516, 16-715, 16a-2-304, 17-
39 1312e, 17-2227, 17-5832, 17-7511, ~~17-7514~~, 17-76,139, 19-4321, 21-
40 2511, 22-3711, 22-4707, 22-4909, 22a-243, 22a-244, 23-605, 23-9,312,
41 25-4161, 25-4165, 31-405, 34-251, 38-2212, 39-709b, 39-719e, 39-934,
42 39-1434, 39-1704, 40-222, 40-2,156, 40-2c20, 40-2c21, 40-2d20, 40-2d21,
43 40-409, 40-956, 40-1128, 40-2807, 40-3012, 40-3304, 40-3308, 40-3403b,

1 40-3421, 40-3613, 40-3805, 40-4205, 44-510j, 44-550b, 44-594, 44-635,
 2 44-714, 44-817, 44-1005, 44-1019, 45-221(a)(1) through (43), 46-256, 46-
 3 259, 46-2201, 47-839, 47-844, 47-849, 47-1709, 48-1614, 49-406, 49-427,
 4 55-1,102, 58-4114, 59-2135, 59-2802, 59-2979, 59-29b79, 60-3333, 60-
 5 3336, 65-102b, 65-118, 65-119, 65-153f, 65-170g, 65-177, 65-1,106, 65-
 6 1,113, 65-1,116, 65-1,157a, 65-1,163, 65-1,165, 65-1,168, 65-1,169, 65-
 7 1,171, 65-1,172, 65-436, 65-445, 65-507, 65-525, 65-531, 65-657, 65-
 8 1135, 65-1467, 65-1627, 65-1831, 65-2422d, 65-2438, 65-2836, 65-2839a,
 9 65-2898a, 65-3015, 65-3447, 65-34,108, 65-34,126, 65-4019, 65-4922,
 10 65-4925, 65-5602, 65-5603, 65-6002, 65-6003, 65-6004, 65-6010, 65-
 11 67a05, 65-6803, 65-6804, 66-101c, 66-117, 66-151, 66-1,190, 66-1,203,
 12 66-1220a, 66-2010, 72-996, 72-4311, 72-4452, 72-5214, 72-53,106, 72-
 13 5427, 72-8903, 73-1228, 74-2424, 74-2433f, 74-4905, 74-4909, 74-
 14 50,131, 74-5515, 74-7308, 74-7338, 74-8104, 74-8307, 74-8705, 74-8804,
 15 74-9805, 75-104, 75-712, 75-7b15, 75-1267, 75-2943, 75-4332, 75-4362,
 16 75-5133, 75-5266, 75-5665, 75-5666, 75-7310, 76-355, 76-359, 76-493,
 17 76-12b11, 76-3305, 79-1119, 79-1437f, 79-3234, 79-3395, 79-3420, 79-
 18 3499, 79-34,113, 79-3614, 79-3657, 79-4301 and 79-5206.

19 (2) Exceptions contained in the following statutes as certified by the
 20 revisor of statutes to the president of the senate and the speaker of the
 21 house of representatives pursuant to subsection (e) and that have been
 22 reviewed during the 2015 legislative session and continued in existence by
 23 the legislature as provided in subsection (g) are hereby continued in
 24 existence: 17-2036, 40-5301, 45-221(a)(45), (46) and (49), 48-16a10, 58-
 25 4616, 60-3351, 72-972a, 74-50,217 and 75-53,105.

26 (j) (1) Exceptions contained in the following statutes as continued in
 27 existence in section 1 of chapter 87 of the 2006 Session Laws of Kansas
 28 and that have been reviewed and continued in existence twice by the
 29 legislature as provided in subsection (g) are hereby continued in existence:
 30 1-501, 9-1303, 12-4516a, 39-970, 65-525, 65-5117, 65-6016, 65-6017 and
 31 74-7508.

32 (2) Exceptions contained in the following statutes as certified by the
 33 revisor of statutes to the president of the senate and the speaker of the
 34 house of representatives pursuant to subsection (e) during 2015 and that
 35 have been reviewed during the 2016 legislative session are hereby
 36 continued in existence: 12-5611, 22-4906, 22-4909, 38-2310, 38-2311, 38-
 37 2326, 40-955, 44-1132, 45-221(a)(10)(F) and (a)(50), 60-3333, 65-4a05,
 38 65-445(g), 65-6154, 71-218, 75-457, 75-712c, 75-723 and 75-7c06.

39 (k) Exceptions contained in the following statutes as certified by the
 40 revisor of statutes to the president of the senate and the speaker of the
 41 house of representatives pursuant to subsection (e) and that have been
 42 reviewed during the 2014 legislative session and continued in existence by
 43 the legislature as provided in subsection (g) are hereby continued in

1 existence: 1-205, 2-2204, 8-240, 8-247, 8-255c, 8-1324, 8-1325, 12-
 2 17,150, 12-2001, 17-12a607, 38-1008, 38-2209, 40-5006, 40-5108, 41-
 3 2905, 41-2906, 44-706, 44-1518, 45-221(a)(44), (45), (46), (47) and (48),
 4 50-6a11, ~~56-1a610, 56a-1204~~, 65-1,243, 65-16,104, 65-3239, 74-50,184,
 5 74-8134, 74-99b06, 77-503a and 82a-2210.

6 (l) Exceptions contained in the following statutes as certified by the
 7 revisor of statutes to the president of the senate and the speaker of the
 8 house of representatives pursuant to subsection (e) during 2016 and that
 9 have been reviewed during the 2017 legislative session are hereby
 10 continued in existence: 12-5711, 21-2511, 22-4909, 38-2313, 45-221(a)
 11 (51) and (52), 65-516, 65-1505, 74-2012, 74-5607, 74-8745, 74-8752, 74-
 12 8772, 75-7d01, 75-7d05, 75-5133, 75-7427 and 79-3234.

13 (m) Exceptions contained in the following statutes as certified by the
 14 revisor of statutes to the president of the senate and the speaker of the
 15 house of representatives pursuant to subsection (e) during 2012 and that
 16 have been reviewed during the 2013 legislative session and continued in
 17 existence by the legislature as provided in subsection (g) are hereby
 18 continued in existence: 12-5811, 40-222, 40-223j, 40-5007a, 40-5009a,
 19 40-5012a, 65-1685, 65-1695, 65-2838a, 66-1251, 66-1805, 72-60c01, 75-
 20 712 and 75-5366.

21 (n) Exceptions contained in the following statutes as certified by the
 22 revisor of statutes to the president of the senate and the speaker of the
 23 house of representatives pursuant to subsection (e) and that have been
 24 reviewed during the 2018 legislative session are hereby continued in
 25 existence: 9-513c(c)(2), 39-709, 45-221(a)(26), (53) and (54), 65-6832,
 26 65-6834, 75-7c06 and 75-7c20.

27 (o) Exceptions contained in the following statutes as certified by the
 28 revisor of statutes to the president of the senate and the speaker of the
 29 house of representatives pursuant to subsection (e) that have been
 30 reviewed during the 2019 legislative session are hereby continued in
 31 existence: 21-2511(h)(2), 21-5905(a)(7), 22-2302(b) and (c), 22-2502(d)
 32 and (e), 40-222(k)(7), 44-714(e), 45-221(a)(55), 46-1106(g) regarding 46-
 33 1106(i), 65-2836(i), 65-2839a(c), 65-2842(d), 65-28a05(n), article 6(d) of
 34 65-6230, 72-6314(a) and 74-7047(b).

35 Sec. 21. K.S.A. 56-1a151 is hereby amended to read as follows: 56-
 36 1a151. (a) In order to form a limited partnership, a certificate of limited
 37 partnership must be executed and filed in the office of the secretary of
 38 state. Such certificate shall set forth:

- 39 (1) The name of the limited partnership;
- 40 (2) the address of the registered office and the name and address of
 41 the resident agent for service of process required to be maintained by
 42 K.S.A. ~~56-1a104~~ 2019 Supp. 17-7925, and amendments thereto;
- 43 (3) the name and the business or residence address of each general

1 partner;

2 (4) the latest date upon which the limited partnership is to dissolve;
3 and

4 (5) any other matters the general partners determine to include in the
5 certificate.

6 (b) A limited partnership is formed at the time of the filing of the
7 initial certificate of limited partnership in the office of the secretary of
8 state or at any later time specified in the certificate of limited partnership
9 if, in either case, there has been substantial compliance with the
10 requirements of this section.

11 Sec. 22. K.S.A. 56a-101 is hereby amended to read as follows: 56a-
12 101. In this act:

13 (a) "Business" includes every trade, occupation, and profession.

14 (b) "Debtor in bankruptcy" means a person who is the subject of:

15 (1) An order for relief under title 11 of the United States code or a
16 comparable order under a successor statute of general application; or

17 (2) a comparable order under federal, state, or foreign law governing
18 insolvency.

19 (c) "Distribution" means a transfer of money or other property from a
20 partnership to a partner in the partner's capacity as a partner or to the
21 partner's transferee.

22 (d) "Foreign limited liability partnership" means a partnership that:

23 (1) Is formed under laws other than the laws of this state; and

24 (2) has the status of a limited liability partnership under those laws.

25 (e) "Limited liability partnership" means a partnership that has filed a
26 statement of qualification under K.S.A. 56a-1001, *and amendments*
27 *thereto*, and does not have a similar statement in effect in any other
28 jurisdiction.

29 (f) "Partnership" means an association of two or more persons to
30 carry on as co-owners a business for profit formed under K.S.A. 56a-202,
31 *and amendments thereto*, predecessor law, or comparable law of another
32 jurisdiction.

33 (g) "Partnership agreement" means the agreement, whether written,
34 oral, or implied, among the partners concerning the partnership, including
35 amendments to the partnership agreement.

36 (h) "Partnership at will" means a partnership in which the partners
37 have not agreed to remain partners until the expiration of a definite term or
38 the completion of a particular undertaking.

39 (i) "Partnership interest" or "partner's interest in the partnership"
40 means all of a partner's interests in the partnership, including the partner's
41 transferable interest and all management and other rights.

42 (j) "Person" means an individual, corporation, business trust, estate,
43 trust, partnership, association, joint venture, government, governmental

1 subdivision, agency, or instrumentality, or any other legal or commercial
2 entity.

3 (k) "Property" means all property, real, personal, or mixed, tangible
4 or intangible, or any interest therein.

5 (l) "State" means a state of the United States, the District of
6 Columbia, the commonwealth of Puerto Rico, or any territory or insular
7 possession subject to the jurisdiction of the United States.

8 (m) "Statement" means a statement of partnership authority under
9 K.S.A. 56a-303, *and amendments thereto*, a statement of denial under
10 K.S.A. 56a-304, *and amendments thereto*, a statement of dissociation
11 under K.S.A. 56a-704, *and amendments thereto*, a statement of dissolution
12 under K.S.A. 56a-805, *and amendments thereto*, a statement of merger
13 under K.S.A. 56a-907, *and amendments thereto*, a statement of
14 qualification under K.S.A. 56a-1001, *and amendments thereto*, a statement
15 of foreign qualification under K.S.A. 56a-1102, *and amendments thereto*,
16 or an amendment or cancellation of any of the foregoing.

17 (n) "*Street address*" means the location with the number, street, city,
18 state and postal code.

19 (o) "Transfer" includes an assignment, conveyance, lease, mortgage,
20 deed, and encumbrance.

21 Sec. 23. K.S.A. 2019 Supp. 56a-1001 is hereby amended to read as
22 follows: 56a-1001. (a) A partnership may become a limited liability
23 partnership pursuant to this section.

24 (b) The terms and conditions on which a partnership becomes a
25 limited liability partnership must be approved by the vote necessary to
26 amend the partnership agreement except, in the case of a partnership
27 agreement that expressly considers contribution obligations, the vote
28 necessary to amend those provisions.

29 (c) After the approval required by subsection (b), a partnership may
30 become a limited liability partnership by filing a statement of qualification.
31 The statement must contain:

32 (1) The name of the partnership;

33 (2) the address of the registered office and the name of the resident
34 agent for service of process required to be maintained pursuant to K.S.A.
35 2019 Supp. ~~56a-1005~~ 17-7925, and amendments thereto;

36 (3) a statement that the partnership elects to be a limited liability
37 partnership; and

38 (4) a deferred effective date, if any.

39 (d) The status of a partnership as a limited liability partnership is
40 effective on the later of the filing of the statement or a date specified in the
41 statement. The status remains effective, regardless of changes in the
42 partnership, until it is canceled pursuant to ~~subsection (d)~~ of K.S.A. 56a-
43 105(d), and amendments thereto, or revoked pursuant to K.S.A. 56a-1201,

1 and amendments thereto.

2 (e) The status of a partnership as a limited liability partnership and
3 the liability of its partners is not affected by errors or later changes in the
4 information required to be contained in the statement of qualification
5 under subsection (c).

6 (f) The filing of a statement of qualification establishes that a
7 partnership has satisfied all conditions precedent to the qualification of the
8 partnership as a limited liability partnership.

9 (g) An amendment or cancellation of a statement of qualification is
10 effective when it is filed or on a deferred effective date specified in the
11 amendment or cancellation.

12 Sec. 24. On and after July 1, 2022, K.S.A. 2019 Supp. 84-1-201 is
13 hereby amended to read as follows: 84-1-201. (a) Unless the context
14 otherwise requires, words or phrases defined in this section, or in the
15 additional definitions contained in other articles of the uniform
16 commercial code that apply to particular articles or parts thereof, have the
17 meanings stated.

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

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

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

24 (3) "Agreement," as distinguished from "contract," means the bargain
25 of the parties in fact, as found in their language or inferred from other
26 circumstances, including course of performance, course of dealing, or
27 usage of trade as provided in K.S.A. 2019 Supp. 84-1-303, and
28 amendments thereto.

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

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

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

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

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

1 nonexistence.

2 (9) "Buyer in ordinary course of business" means a person that buys
3 goods in good faith, without knowledge that the sale violates the rights of
4 another person in the goods, and in the ordinary course from a person,
5 other than a pawnbroker, in the business of selling goods of that kind. A
6 person buys goods in the ordinary course if the sale to the person comports
7 with the usual or customary practices in the kind of business in which the
8 seller is engaged or with the seller's own usual or customary practices. A
9 person that sells oil, gas, or other minerals at the wellhead or minehead is a
10 person in the business of selling goods of that kind. A buyer in ordinary
11 course of business may buy for cash, by exchange of other property, or on
12 secured or unsecured credit, and may acquire goods or documents of title
13 under a preexisting contract for sale. Only a buyer that takes possession of
14 the goods or has a right to recover the goods from the seller under article 2
15 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto,
16 may be a buyer in ordinary course of business. "Buyer in ordinary course
17 of business" does not include a person that acquires goods in a transfer in
18 bulk or as security for or in total or partial satisfaction of a money debt.

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

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

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

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

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

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

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

42 (15) "Delivery," with respect to an electronic document of title means
43 voluntary transfer of control and with respect to an instrument, a tangible

1 document of title, or chattel paper, means voluntary transfer of possession.

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

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

16 (18) "Fungible goods" means:

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

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

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

21 (20) "Good faith," except as otherwise provided in article 5 of chapter
22 84 of the Kansas Statutes Annotated, and amendments thereto, means
23 honesty in fact and the observance of reasonable commercial standards of
24 fair dealing.

25 (21) "Holder" means:

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

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

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

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

36 (23) "Insolvent" means:

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

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

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

41 (24) "Money" means a medium of exchange currently authorized or
42 adopted by a domestic or foreign government. The term includes a
43 monetary unit of account established by an intergovernmental organization

1 or by agreement between two or more countries.

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

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

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

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

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

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

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

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

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

29 (34) "Right" includes remedy.

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

1 seller or lessor may also acquire a "security interest" by complying with
2 article 9 of chapter 84 of the Kansas Statutes Annotated, and amendments
3 thereto. The retention or reservation of title by a seller of goods
4 notwithstanding shipment or delivery to the buyer under K.S.A. 84-2-401,
5 and amendments thereto, is limited in effect to a reservation of a "security
6 interest." Whether a transaction in the form of a lease creates a "security
7 interest" is determined pursuant to K.S.A. 2019 Supp. 84-1-203, and
8 amendments thereto.

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

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

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

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

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

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

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

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

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

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

31 Sec. 25. On and after July 1, 2022, K.S.A. 2019 Supp. 84-9-102 is
32 hereby amended to read as follows: 84-9-102. (a) **Article 9 definitions.** In
33 this article:

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

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

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

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

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

16 (A) Authenticated by a secured party;

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (7) "Authenticate" means:

1 (A) To sign; or

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

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

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

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

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

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

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

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

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

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

40 (A) The claimant is an organization; or

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

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

43 (ii) does not include damages arising out of personal injury to or the

1 death of an individual.

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

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

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

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

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

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

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

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

22 (18) "Communicate" means:

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

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

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

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

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

32 (A) The merchant:

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

35 (ii) is not an auctioneer; and

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

38 (B) with respect to each delivery, the aggregate value of the goods is
39 \$1,000 or more at the time of delivery;

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

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

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

- 1 (34) "Farm products" means goods, other than standing timber, with
2 respect to which the debtor is engaged in a farming operation and which
3 are: (A) Crops grown, growing, or to be grown, including:
4 (i) Crops produced on trees, vines, and bushes; and
5 (ii) aquatic goods produced in aquacultural operations;
6 (B) livestock, born or unborn, including aquatic goods produced in
7 aquacultural operations;
8 (C) supplies used or produced in a farming operation; or
9 (D) products of crops or livestock in their unmanufactured states.
- 10 (35) "Farming operation" means raising, cultivating, propagating,
11 fattening, grazing, or any other farming, livestock, or aquacultural
12 operation.
- 13 (36) "File number" means the number assigned to an initial financing
14 statement pursuant to ~~subsection (a)~~ of K.S.A. 2019 Supp. 84-9-519(a),
15 and amendments thereto.
- 16 (37) "Filing office" means an office designated in K.S.A. 2019 Supp.
17 84-9-501, and amendments thereto, as the place to file a financing
18 statement.
- 19 (38) "Filing-office rule" means a rule adopted pursuant to K.S.A.
20 2019 Supp. 84-9-526, and amendments thereto.
- 21 (39) "Financing statement" means a record or records composed of an
22 initial financing statement and any filed record relating to the initial
23 financing statement.
- 24 (40) "Fixture filing" means the filing of a financing statement
25 covering goods that are or are to become fixtures and satisfying
26 ~~subsections (a) and (b)~~ of K.S.A. 2019 Supp. 84-9-502(a) and (b), and
27 amendments thereto. The term includes the filing of a financing statement
28 covering goods of a transmitting utility which are or are to become
29 fixtures.
- 30 (41) "Fixtures" means goods that have become so related to particular
31 real property that an interest in them arises under real property law.
- 32 (42) "General intangible" means any personal property, including
33 things in action, other than accounts, chattel paper, commercial tort claims,
34 deposit accounts, documents, goods, instruments, investment property,
35 letter-of-credit rights, letters of credit, money, and oil, gas, or other
36 minerals before extraction. The term includes payment intangibles and
37 software.
- 38 (43) Reserved.
- 39 (44) "Goods" means all things that are movable when a security
40 interest attaches. The term includes (A) fixtures, (B) standing timber that is
41 to be cut and removed under a conveyance or contract for sale, (C) the
42 unborn young of animals, (D) crops grown, growing, or to be grown, even
43 if the crops are produced on trees, vines, or bushes, and (E) manufactured

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

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

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

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

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

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

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

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

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

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

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

1 formed or organized.

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

7 (52) "Lien creditor" means:

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

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

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

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

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

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

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

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

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

34 (56) "New debtor" means a person that becomes bound as a debtor
35 under K.S.A. 2019 Supp. 84-9-203(d), and amendments thereto, by a
36 security agreement previously entered into by another person.

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

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

42 (59) "Obligor" means a person that, with respect to an obligation
43 secured by a security interest in or an agricultural lien on the collateral,

1 (A) owes payment or other performance of the obligation, (B) has
2 provided property other than the collateral to secure payment or other
3 performance of the obligation, or (C) is otherwise accountable in whole or
4 in part for payment or other performance of the obligation. The term does
5 not include issuers or nominated persons under a letter of credit.

6 (60) "Original debtor" except as used in K.S.A. 2019 Supp. 84-9-
7 310(c), and amendments thereto, means a person that, as debtor, entered
8 into a security agreement to which a new debtor has become bound under
9 K.S.A. 2019 Supp. 84-9-203(d), and amendments thereto.

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

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

13 (A) The spouse of the individual;

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

15 (C) an ancestor or lineal descendant of the individual or the
16 individual's spouse; or

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

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

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

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

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

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

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

31 (64) "Proceeds" except as used in K.S.A. 2019 Supp. 84-9-609(b),
32 and amendments thereto, means the following property:

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

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

36 (C) rights arising out of collateral;

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

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

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

5 (66) "Proposal" means a record authenticated by a secured party
6 which includes the terms on which the secured party is willing to accept
7 collateral in full or partial satisfaction of the obligation it secures pursuant
8 to K.S.A. 2019 Supp. 84-9-620, 84-9-621 and 84-9-622, and amendments
9 thereto.

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

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

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

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

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

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

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

1 *record of the series be filed with the state.*

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

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

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

7 (72) "Secured party" means:

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

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

12 (C) a consignor;

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

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

18 (F) a person that holds a security interest arising under K.S.A. 84-2-
19 401, 84-2-505, 84-2-711(3), 84-2a-508(5), 84-4-210 and 84-5-118, and
20 amendments thereto.

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

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

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

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

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

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

37 (77) "Statutory lien" means liens created by K.S.A. 2-1319, 2-2608,
38 2-3007, 34-239, 47-836, 58-201, 58-203, 58-204, 58-207, 58-218, 58-220,
39 58-221, 58-241, 58-242, 58-2524, 58-2525, 58-2526, 58-2527 and 58-
40 2528, and K.S.A. 2019 Supp. 84-7-209, and amendments thereto.

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

1 investment property.

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

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

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

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

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

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

14 (B) transmitting communications electrically, electromagnetically, or
15 by light;

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

17 (D) transmitting or producing and transmitting electricity, steam, gas,
18 or water.

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

21 "Applicant"	K.S.A. 84-5-102, 22 and amendments thereto
23 "Beneficiary"	K.S.A. 84-5-102, 24 and amendments thereto
25 "Broker"	K.S.A. 84-8-102, 26 and amendments thereto
27 "Certificated security"	K.S.A. 84-8-102, 28 and amendments thereto
29 "Check"	K.S.A. 84-3-104, 30 and amendments thereto
31 "Clearing corporation"	K.S.A. 84-8-102, 32 and amendments thereto
33 "Contract for sale"	K.S.A. 84-2-106, 34 and amendments thereto
35 "Customer"	K.S.A. 84-4-104, 36 and amendments thereto
37 "Entitlement holder"	K.S.A. 84-8-102, 38 and amendments thereto
39 "Financial asset"	K.S.A. 84-8-102, 40 and amendments thereto
41 "Holder in due course"	K.S.A. 84-3-302, 42 and amendments thereto
43 "Issuer" (with respect to a letter	

1	of credit or letter-of-credit	
2	right)	K.S.A. 84-5-102,
3		and amendments thereto
4	"Issuer" (with respect to	
5	a security)	K.S.A. 84-8-102,
6		and amendments thereto
7	"Issuer" (with respect to	
8	documents of title)	K.S.A. 2019 Supp. 84-7-102,
9		and amendments thereto
10	"Lease"	K.S.A. 84-2a-103,
11		and amendments thereto
12	"Lease agreement"	K.S.A. 84-2a-103,
13		and amendments thereto
14	"Lease contract"	K.S.A. 84-2a-103,
15		and amendments thereto
16	"Leasehold interest"	K.S.A. 84-2a-103,
17		and amendments thereto
18	"Lessee"	K.S.A. 84-2a-103,
19		and amendments thereto
20	"Lessee in ordinary	
21	course of business"	K.S.A. 84-2a-103,
22		and amendments thereto
23	"Lessor"	K.S.A. 84-2a-103,
24		and amendments thereto
25	"Lessor's residual interest"	K.S.A. 84-2a-103,
26		and amendments thereto
27	"Letter of credit"	K.S.A. 84-5-102,
28		and amendments thereto
29	"Merchant"	K.S.A. 84-2-104,
30		and amendments thereto
31	"Negotiable instrument"	K.S.A. 84-3-104,
32		and amendments thereto
33	"Nominated person"	K.S.A. 84-5-102,
34		and amendments thereto
35	"Note"	K.S.A. 84-3-104,
36		and amendments thereto
37	"Proceeds of a letter of credit"	K.S.A. 84-5-114,
38		and amendments thereto
39	"Prove"	K.S.A. 84-3-103,
40		and amendments thereto
41	"Sale"	K.S.A. 84-2-106,
42		and amendments thereto
43	"Securities account"	K.S.A. 84-8-501,

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

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

17 Sec. 26. K.S.A. 17-2711, 56-1a151, 56a-101, 57-205, 57-206 and 57-
 18 207 and K.S.A. 2018 Supp. 17-7675, as amended by section 17 of chapter
 19 47 of the 2019 Session Laws of Kansas, 17-7679, as amended by section
 20 19 of chapter 47 of the 2019 Session Laws of Kansas, 17-7680, as
 21 amended by section 21 of chapter 47 of the 2019 Session Laws of Kansas,
 22 17-76,136, as amended by section 36 of chapter 47 of the 2019 Session
 23 Laws of Kansas, 17-76,139, as amended by section 38 of chapter 47 of the
 24 2019 Session Laws of Kansas, 17-76,143, as amended by section 39 of
 25 chapter 47 of the 2019 Session Laws of Kansas, 17-76,146, as amended by
 26 section 41 of chapter 47 of the 2019 Session Laws of Kansas, 17-7904, as
 27 amended by section 43 of chapter 47 of the 2019 Session Laws of Kansas,
 28 17-7918, as amended by section 46 of chapter 47 of the 2019 Session
 29 Laws of Kansas, 17-7923, as amended by section 47 of chapter 47 of the
 30 2019 Session Laws of Kansas, 17-7933, as amended by section 49 of
 31 chapter 47 of the 2019 Session Laws of Kansas, 84-1-201, as amended by
 32 section 51 of chapter 47 of the 2019 Session Laws of Kansas, 84-9-102, as
 33 amended by section 52 of chapter 47 of the 2019 Session Laws of Kansas,
 34 and K.S.A. 2019 Supp. 17-6014, 17-76,139, 17-76,146, 17-78-601, 17-
 35 7910, 45-229 and 56a-1001 are hereby repealed.

36 Sec. 27. On and after July 1, 2022, K.S.A. 2019 Supp. 17-7675, 17-
 37 7679, 17-7680, 17-76,136, 17-76,139, 17-76,139, as amended by section 7
 38 of this act, 17-76,143, 17-76,143a, 17-76,146, 17-76,146, as amended by
 39 section 11 of this act, 17-76,147, 17-7904, 17-7918, 17-7923, 17-7933, 84-
 40 1-201 and 84-9-102 are hereby repealed.

41 Sec. 28. This act shall take effect and be in force from and after its
 42 publication in the statute book.