

17-7668. Nature of business permitted; powers. (a) Unless otherwise specifically prohibited by law, a limited liability company may carry on any lawful business, purpose or activity, whether or not for profit with the exception of the business of granting policies of insurance, or assuming insurance risks or banking as defined in K.S.A. 9-702, and amendments thereto.

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

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

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

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

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

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

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

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

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

(f) Nothing in this act shall restrict or limit in any manner the authority and duty of any licensing body, as defined in K.S.A. 74-146, and amendments thereto, for the licensing of individual persons rendering a professional service or the practice of the profession which is within the jurisdiction of the licensing body, notwithstanding that the person is an officer, manager, member or employee of a limited liability company organized to exercise powers of a professional association or professional corporation. Each licensing body may adopt rules and regulations governing the practice of each profession as are necessary to enforce and comply with this act and the law applicable to each profession.

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

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

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

History: L. 1999, ch. 119, § 7; L. 2014, ch. 40, § 5; July 1.