

2012 Kansas Statutes

17-6602. Amendment of articles of incorporation after receipt of payment for stock; amendment of articles by nonstock corporation; abandonment of proposed amendment. (a) After a corporation has received payment for any of its capital stock, it may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of the filing of the amendment. If a change in stock or the rights of stockholders, or an exchange, reclassification or cancellation of stock or rights of stockholders is to be made, the amendment to the articles of incorporation shall contain such provisions as may be necessary to effect such change, exchange, reclassification or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

- (1) To change its corporate name;
- (2) to change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes;
- (3) to increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares;
- (4) to cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared;
- (5) to create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) to change the period of its duration. Any or all such changes or alterations may be effected by one certificate of amendment.

(b) Notwithstanding the provisions of subsection (c), the board of directors of a corporation that is registered or intends to register as an open-end investment company under the investment company act of 1940, 15 U.S.C. 80a-1 et seq., after the registration takes effect, by resolution, may approve the amendment of the articles of incorporation of the corporation to: (1) Increase or decrease the aggregate number of shares of stock or the number of shares of any class of stock that the corporation has authority to issue; or (2) authorize the issuance of an indefinite number of shares of any such stock, unless a provision has been included in the charter of the corporation after July 1, 1995, prohibiting such action by the board of directors without stockholder approval. A certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed, and shall become effective, in accordance with K.S.A. 17-6003, and amendments thereto. If the board of directors authorizes the issuance of an indefinite number of shares of any class of stock of the corporation pursuant to this subsection, such authorization shall be disclosed wherever the corporation would otherwise be required by law to disclose the total number of authorized shares of any such class of stock of the corporation.

(c) Except as provided in subsection (b), every amendment authorized by subsection (a) shall be made and effected in the following manner:

(1) If the corporation has capital stock, its board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders. Such special or annual meeting shall be called and held upon notice in accordance with K.S.A. 17-6512, and amendments thereto. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting a vote of the stockholders entitled to vote shall be taken for and against the proposed amendment. If a majority of the outstanding stock entitled to vote, and a majority of the outstanding stock of each class entitled to vote as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed, and shall become effective, in accordance with K.S.A. 17-6003, and amendments thereto.

(2) The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote by the provisions of the articles of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but does not affect the entire class, then only the shares of the series affected by the amendment shall be considered a separate class for the purposes of this subsection. The number of authorized shares of any such class or classes of stock may be increased or decreased, but not below the number of shares then outstanding, by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote, if so provided in the original articles of incorporation or in any amendment which created such class or classes of stock or in any amendment which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of a majority of such class or classes of stock.

(3) If the corporation has no capital stock, then the governing body of the corporation shall adopt a resolution setting forth the amendment proposed and declaring its advisability. If at a subsequent meeting, held not earlier than 15 days and not later than 60 days from the meeting at which such resolution has been passed, a majority of all the members of the governing body shall vote in favor of such amendment, a certificate thereof shall be executed and filed, and shall become effective, in accordance with K.S.A. 17-6003, and amendments thereto. The articles of incorporation of any such corporation without capital stock may contain a provision requiring any amendment to be approved by a specified number or percentage of the members or of any specified class of members of such corporation, in which event only one meeting of the governing body thereof shall be necessary, and such proposed amendment shall be submitted to the members or to any specified class of members of such corporation without capital stock in the same manner, so far as applicable, as is provided in this section for an amendment to the articles of incorporation of a stock corporation. In the event of the adoption of such amendment, a certificate evidencing such amendment shall be executed and filed and shall become effective in accordance with K.S.A. 17-6003, and amendments thereto.

(4) Whenever the articles of incorporation shall require for action by the board of directors, by the holders of any class or series of shares or by the holders of any other securities having voting power the vote of a greater number or proportion than is required by any section of this act, the provision of the articles of incorporation requiring such greater vote shall not be altered, amended or repealed except by such greater vote.

(d) The resolution authorizing a proposed amendment to the articles of incorporation may provide that at any time prior to the filing of the amendment with the secretary of state, notwithstanding authorization of the proposed amendment by the stockholders of the corporation or by the members of a nonstock corporation, the board of directors or governing body may abandon such proposed amendment without further action by the stockholders or members.

History: L. 1972, ch. 52, § 75; L. 1973, ch. 100, § 6; L. 1988, ch. 99, § 35; Revived and amend., L. 1988, ch. 100, § 35; L. 1992, ch. 270, § 14; L. 1995, ch. 85, § 1; L. 1999, ch. 39, § 12; L. 2000, ch. 39, § 25; July 1.