

Tab 1 **CS/SB 542** by **IS, Brandes**; (Compare to CS/CS/H 00453) Mobility Devices and Motorized Scooters

Tab 2 **CS/SB 676** by **IS, Hooper**; (Similar to CS/CS/CS/1ST ENG/H 00475) Certificates of Title for Vessels
545880 A S RCS ATD, Hooper btw L.1073 - 1074: 04/11 04:47 PM

Tab 3 **CS/CS/SB 892** by **JU, CM, Passidomo**; (Similar to CS/H 01009) Business Organizations

Tab 4 **CS/SB 1054** by **CA, Lee**; (Similar to CS/H 00009) Community Redevelopment Agencies

Tab 5 **SB 1306** by **Book (CO-INTRODUCERS) Pizzo**; (Similar to H 01359) Women's Suffrage Centennial
Commemoration Committee
285186 D S RCS ATD, Book Delete everything after 04/11 04:20 PM

Tab 6 **SB 7096** by **JU**; (Similar to H 07111) Constitutional Amendments
400932 A S RCS ATD, Simmons Delete L.45 - 51: 04/11 04:26 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

**APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION, TOURISM, AND ECONOMIC
DEVELOPMENT**

Senator Hutson, Chair
Senator Thurston, Vice Chair

MEETING DATE: Tuesday, April 9, 2019
TIME: 4:00—6:00 p.m.
PLACE: *Toni Jennings Committee Room, 110 Senate Building*

MEMBERS: Senator Hutson, Chair; Senator Thurston, Vice Chair; Senators Brandes, Lee, Perry, Simpson, Taddeo, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 542 Infrastructure and Security / Brandes (Similar CS/H 453)	Mobility Devices and Motorized Scooters; Defining the term "micromobility device"; revising the definition of the term "motorized scooter"; providing that the operator of a motorized scooter or micromobility device has all of the rights and duties applicable to the rider of a bicycle, except the duties imposed by specified provisions that by their nature do not apply; exempting electric personal assistive mobility devices and motorized scooters from certain emblem requirements, etc. IS 03/26/2019 Fav/CS ATD 04/09/2019 Favorable AP	Favorable Yeas 7 Nays 0
2	CS/SB 676 Infrastructure and Security / Hooper (Similar CS/CS/CS/H 475)	Certificates of Title for Vessels; Designating the "Uniform Certificate of Title for Vessels Act"; revising requirements for application for, and information to be included in, a certificate of title for a vessel; requiring the Department of Highway Safety and Motor Vehicles to retain certain information relating to ownership and titling of vessels; providing duties of the department relating to creation, issuance, refusal to issue, or cancellation of a certificate of title; providing for the rights of a purchaser of a vessel who is not a secured party; providing requirements for the transfer of ownership in a vessel, etc. IS 03/20/2019 Temporarily Postponed IS 03/26/2019 Fav/CS ATD 04/09/2019 Fav/CS AP	Fav/CS Yeas 6 Nays 0

COMMITTEE MEETING EXPANDED AGENDAAppropriations Subcommittee on Transportation, Tourism, and Economic Development
Tuesday, April 9, 2019, 4:00—6:00 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	CS/CS/SB 892 Judiciary / Commerce and Tourism / Passidomo (Similar CS/H 1009, Compare H 615, S 272)	Business Organizations; Providing requirements, authorizations, and prohibitions relating to when the terms of a plan or a filed document may be dependent on facts objectively ascertainable outside of the plan or filed document; revising the process authorizing a domestic or foreign corporation to correct a document filed by the Department of State; requiring certain certificates to be taken by certain entities as prima facie evidence of the facts stated; revising requirements and authorizations for the contents of articles of incorporation, etc. CM 03/11/2019 Fav/CS JU 03/25/2019 Fav/CS ATD 04/09/2019 Favorable AP	Favorable Yeas 6 Nays 0
4	CS/SB 1054 Community Affairs / Lee (Similar CS/H 9)	Community Redevelopment Agencies; Requiring ethics training for community redevelopment agency commissioners; requiring a community redevelopment agency to publish certain digital boundary maps on its website; requiring the Department of Economic Opportunity to declare inactive community redevelopment agencies that have reported no financial activity for a specified number of years; specifying the level of tax increment financing that a governing body may establish for funding the redevelopment trust fund, etc. CA 03/26/2019 Fav/CS ATD 04/09/2019 Favorable AP	Favorable Yeas 6 Nays 1
5	SB 1306 Book (Similar H 1359)	Women's Suffrage Centennial Commemoration Committee; Creating the committee adjunct to the Department of State; prescribing duties of the committee in order to ensure a suitable statewide observance of the centennial of women's suffrage; requiring the Division of Historical Resources of the department to provide administrative and staff support, etc. GO 04/02/2019 Favorable ATD 04/09/2019 Fav/CS AP	Fav/CS Yeas 7 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Tuesday, April 9, 2019, 4:00—6:00 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
6	SB 7096 Judiciary (Similar H 7111)	Constitutional Amendments; Requiring a compensated petition gatherer to register with the Secretary of State and to attest that he or she is a Florida resident for a specified period before obtaining signatures on petition forms; requiring the name of the sponsor of an initiative to appear on the ballot with the percentage of donations received from certain in-state donors; prohibiting compensation for initiative petition gatherers or entities based on the number of petitions gathered, etc. ATD 04/09/2019 Fav/CS AP	Fav/CS Yeas 5 Nays 3

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/SB 542

INTRODUCER: Infrastructure and Security Committee and Senator Brandes

SUBJECT: Micromobility Devices and Motorized Scooters

DATE: April 8, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Miller	IS	Fav/CS
2.	Wells	Hrdlicka	ATD	Recommend: Favorable
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 542 sets up a regulatory framework for authorizing the operation of micromobility devices and motorized scooters. The bill:

- Defines “micromobility device” and revises the definition of “motorized scooter.”
- Grants certain rights and applies certain duties to the operator of a micromobility device or motorized scooter that are the same as those of a bicycle rider.
- Specifies that a local government is not prevented from exercising its regulatory authority with respect to streets, highways, and sidewalks under its jurisdiction.
- Allows operation of a micromobility device or motorized scooter without a valid driver license.
- Excludes micromobility devices and motorized scooters from compliance with vehicle registration, licensing, and insurance requirements; equipment requirements for slow moving vehicles; and motor vehicle provisions related to licensing and license-plate display.
- Requires a person who offers motorized scooters or micromobility devices for hire to secure all such devices located in any area of the state where an active tropical storm or hurricane warning has been issued.

The bill has no fiscal impact on state expenditures or revenues.

The bill takes effect upon becoming a law.

II. Present Situation:

Share Programs

Some local governments across the country and in Florida have entered into agreements with bicycle and motorized scooter share programs to make bicycles and scooters available to the public. Some advocate that bicycles and scooters are additional modes of transportation that increase personal mobility, particularly for shorter urban trips. Others have urged local governments to ban them, citing safety concerns.¹

These share programs allow the public to rent and ride bicycles and motorized scooters on a short-term basis within designated geographical areas.²

Docked Bicycle Share Programs

Companies offering “docked” bicycles require their bicycles to be rented from and returned to designated, unmanned docking stations.³ Rental options vary by program, but generally allow some combination of a single use rate for a flat fee, or a weekly, monthly, or annual subscription allowing the member to rent a bicycle for either an unlimited number of rides or a certain number of minutes per day during the subscription period.⁴

Dockless Bicycle Share Programs

Companies offering “dockless” bicycles do not have stations located at fixed positions from where their bicycles must be rented and returned. The operator unlocks the bicycle using information provided by or transmitted from the program’s mobile application on his or her mobile phone, and the bicycle is used according to the terms of the program agreement. The program agreement may require the operator to sign a waiver of liability prior to using the bicycle, including waiver of liability by parents who rent a bicycle for their minor children.⁵

The absence of designated bicycle racks, stations, or hubs to dock the bicycles when not in use distinguishes the dockless bicycle sharing model from the docked bicycle sharing models.

Motorized Scooter Share Programs

In many of the business models, riders can use the motorized scooter share program’s app to locate and reserve a motorized scooter for a fee (typically \$1) plus a per-minute fare. Within the

¹ See Tallahassee Democrat, *E-scooters in Tallahassee? Not right now say commissioners*, Etters, C., March 7, 2019, available at <https://www.tallahassee.com/story/news/2019/03/07/e-scooters-tallahassee-not-right-now-say-commissioners/3089813002/> (last viewed April 2, 2019).

² Some programs use “geofencing,” “a virtual boundary that triggers an action when crossed by a mobile device,” such as slowing the vehicle down or stopping it. See Route Fifty, *One operator, Bird, expressed displeasure with the 12 mph speed limit the city imposed*, Nyczepir, D., December 19, 2018, available at <https://www.route fifty.com/smart-cities/2018/12/san-jose-moves-forward-scooter-geofencing-rule/153682/> (last viewed April 2, 2019).

³ See, e.g., Citibike, *How it Works*, available at <http://citibikemiami.com/how-it-works> (last viewed April 2, 2019).

⁴ See, e.g., *How AvMed Rides Powered by Broward B-cycle Works*, available at <https://broward.bicycle.com/how-it-works> and Juice Orlando Bike Share, *How it Works*, available at <https://juicebikeshare.com/#about> (last viewed April 2, 2019).

⁵ See, e.g., Lime, available at <https://www.li.me/> and the Lime user agreement, available at <https://www.li.me/user-agreement> (last viewed April 2, 2019).

app, the rider can see locations of the motorized scooters available in the surrounding area as well as the battery charge and range of miles available on each motorized scooter. Once the motorized scooter is located, the rider can capture a barcode located on the motorized scooter via a cell phone camera to reserve and start the ride. The rider ends the ride by parking the motorized scooter and selecting to end the ride on the app. The rider receives a summary of the ride with the total amount of the fare. These motorized scooters are dockless and riders are able to leave the motorized scooters in a location of their choosing when they end their rides.⁶

Bicycle and motorized scooter share programs are not currently regulated by the state.

Safety and Other Concerns

The Center for Disease Control recently partnered with Austin, Texas, to conduct its first study of emergency services calls and injuries related to dockless electric scooters. In Austin, which has one of the oldest and biggest dockless scooter programs in the country, six scooter companies were operating a combined 11,000 vehicles in the city as of December of 2018.⁷ The study will examine 37 scooter-related emergency medical services calls and 68 scooter injuries reported at local hospitals in just a two-month period from September to November of 2018.⁸

There have been reports of riders in Florida being injured⁹ but reports of injuries are inconsistent or minimal.¹⁰ Some doctors' point to the need for useful data that will be produced only by the development of "a classification schema that does not currently exist: Was the scooter shared or privately owned? Was the user wearing a helmet? ... Doctors are hoping more specific data will inform safety regulations..."¹¹ Further, the frequency of injuries can be based upon a broad variation of factors such as traffic density, geography, weather conditions, the number of scooters deployed in a given local jurisdiction, the number and length of trips, or local laws.

Other concerns have been cited with respect to dockless motorized scooters related to riders being able to leave the scooters in a location of their choosing. Parking of dockless scooters has caused concerns relating to:

- Crowding and obstruction of sidewalks for pedestrians;
- Restricting the use of sidewalks for people with disabilities; and
- Scooters being left in the travel lanes of roadways.¹²

⁶ American Association of Motor Vehicle Administrators, *Electric Dockless Scooters Whitepaper*, 2019, at p. 3, available at <https://www.aamva.org/ElectricDocklessScootersWhitepaper/> (last visited April 2, 2019).

⁷ See Next City, *Federal Agency to Study Dockless Scooter Health Risks*, Kaufman, R., December 13, 2018, available at <https://nextcity.org/daily/entry/federal-agency-to-study-dockless-scooter-health-risks> (last viewed April 2, 2019).

⁸ See Quartz, *Austin is calling in the CDC to study the public health risk of scooters*, Griswold, A., December 12, 2018, available at <https://qz.com/1492227/cdc-will-study-public-health-risk-of-electric-scooters-in-austin/> (last viewed April 2, 2019).

⁹ See, e.g., Newser, *Family to Sue After E-Scooter Accident Leaves Woman in Coma*, Quinn, R., February 12, 2019, available at <http://www.newser.com/story/271183/family-to-sue-after-e-scooter-accident-leaves-woman-in-coma.html> (last viewed April 2, 2019). Hollywood, Florida banned scooters "citing an uptick in emergency room visits as they flood sidewalks. ..." *Supra* note 1.

¹⁰ *Supra* note 8.

¹¹ *Id.*

¹² *Supra* note 6.

Similar concerns have been raised with respect to the bicycle share programs, including bicycles being thrown into bodies of water, stranded in trees or on rooftops, and left in other undesirable locations.¹³

Florida Uniform Traffic Control Law

The Florida Uniform Traffic Control Law is codified in ch. 316, F.S. Unless expressly authorized, it is unlawful for any local government to pass or attempt to enforce any ordinance on a matter that is covered by state traffic control laws.¹⁴

Bicycle Regulation

Section 316.003(4), F.S., defines a “bicycle” as:

Every vehicle propelled solely by human power, and every *motorized bicycle* propelled by a combination of human power and an electric helper motor capable of propelling the vehicle at a speed of not more than 20 miles per hour on level ground upon which any person may ride, having two tandem wheels, and including any device generally recognized as a bicycle though equipped with two front or two rear wheels. The term does not include such a vehicle with a seat height of no more than 25 inches from the ground when the seat is adjusted to its highest position or a scooter or similar device. A person under the age of 16 may not operate or ride upon a motorized bicycle.

Under state traffic control laws bicyclists are considered vehicle operators and are generally required to obey the same rules of the road as other vehicle operators, including traffic signs, signals, and lane markings.¹⁵ Section 316.2065, F.S., governs the operation of bicycles in Florida and provides for a number of bicycle-specific regulations, including:

- A bicycle rider or passenger who is under 16 years of age must wear a bicycle helmet.¹⁶
- A person may not knowingly rent or lease any bicycle to be ridden by a child who is under the age of 16 years unless:
 - The child possesses a bicycle helmet; or
 - The lessor provides a bicycle helmet for the child to wear.¹⁷
- Every bicycle in use between sunset and sunrise shall be equipped with a lamp on the front exhibiting a white light visible from a distance of at least 500 feet to the front and a lamp and reflector on the rear each exhibiting a red light visible from a distance of 600 feet to the rear.¹⁸

¹³ See Next City, *Seattle Test Will Lead to Regulating Dockless Bike-Share*, Cohen, J., December 21, 2017, available at <https://nextcity.org/daily/entry/seattle-dockless-bikeshare-pilot-regulation> (last viewed April 2, 2019).

¹⁴ Sections 316.002 and 316.007, F.S.

¹⁵ Section 316.2065(1), F.S.

¹⁶ Section 316.2065(3)(d), F.S.

¹⁷ Section 316.2065(15)(a), F.S.

¹⁸ Section 316.2065(7), F.S.

- A person operating a bicycle on a sidewalk, or across a roadway on a crosswalk, must yield the right-of-way to any pedestrian and must give an audible signal before overtaking and passing the pedestrian.¹⁹

A person operating a bicycle on a roadway must ride in the bicycle lane, but if there is no bicycle lane, the bicycle operator must ride as close to the right-hand curb as practicable. However, a bicycle operator may move to the center of the lane when:

- Overtaking and passing another bicycle or vehicle proceeding in the same direction;
- Preparing for a left turn at an intersection or into a private road or driveway; or
- Reasonably necessary to avoid any condition or potential conflict, including, but not limited to, a fixed or moving object, parked or moving vehicle, bicycle, pedestrian, animal, surface hazard, turn lane, or substandard-width lane, which makes it unsafe to continue along the right-hand curb or edge or within a bicycle lane.²⁰

A substandard width lane is any lane that is too narrow for a bicycle and another vehicle to travel safely side by side within the lane.²¹ Bicycle operators operating a bicycle on a one-way highway with two or more marked traffic lanes may ride as near to the left-hand curb as practicable²² and bicycle operators may not ride more than two abreast on a roadway.²³

Motorized Scooters Regulation

A “motorized scooter” is any vehicle that doesn’t have a seat or saddle for the rider, is designed to travel on 3 wheels or less, and is not capable of going over 30 miles per hour on level ground.²⁴

Section 316.2128, F.S., requires a commercial seller of motorized scooters and miniature motorcycles to give notice that the vehicles are not legal to operate on public roads, may not be registered as motor vehicles, and may not be operated on sidewalks unless authorized by a local ordinance.²⁵ The notice must be displayed at the place of business, appear in all forms of advertising offering the vehicles for sale, and be provided to a consumer prior to purchase.

Local Traffic Control Authority

State traffic control laws allow local authorities to exercise some discretion over matters relating to bicycle safety and operation. Section 316.008, F.S., grants local authorities a reasonable exercise of police power to regulate a number of traffic-related activities within their jurisdictions, including:

- The operation of bicycles;
- Restricting the use of streets;
- Establishing speed limits for vehicles in public parks;
- Regulating or prohibiting stopping, standing, or parking;

¹⁹ Section 316.2065(10), F.S.

²⁰ Section 316.2065(5)(a), F.S.

²¹ *Id.*

²² Section 316.2065(5)(b), F.S.

²³ Section 316.2065(6), F.S.

²⁴ Section 316.003(44), F.S.

²⁵ Local ordinance enacted under ss. 316.008(7) or 316.212(8), F.S.

- Prohibiting or regulating the use of heavily traveled streets by any class or kind of traffic found to be incompatible with the normal and safe movement of traffic;
- Regulating, restricting, or monitoring traffic by security devices or personnel on public streets and highway;
- Designating and regulating traffic on play streets;
- Regulating, restricting, or prohibiting traffic within the boundary of any airport owned by the state, a county, a municipality, or a political subdivision; and
- Adopting and enforcing such temporary or experimental regulations as may be necessary to cover emergencies or special conditions.

Section 316.008(7), F.S., authorizes a county or municipality to enact an ordinance to permit, control, or regulate the operation of vehicles, golf carts, mopeds, *motorized scooters*, and electric personal assistive mobility devices on sidewalks or sidewalk areas when such use is permissible under federal law²⁶ and under certain conditions. Local authorities, in conjunction with the Department of Transportation, are authorized to determine when overtaking and passing or driving to the left of the roadway would be especially hazardous and may require signs and markings to be placed to designate a no-passing zone.²⁷

Driving on Sidewalks or Bicycle Paths

Section 316.1995, F.S., prohibits a person from driving any vehicle other than by human power upon a bicycle path, sidewalk, or sidewalk area, except upon a permanent or duly authorized temporary driveway, except:

- Pursuant to a local ordinance as authorized in s. 316.008, F.S., discussed above, or
- As provided in s. 316.212(8), F.S., relating to golf carts.

Additional Equipment Required on Certain Vehicles

Section 316.2225(7), F.S., requires in part that every slow-moving vehicle or equipment, animal-drawn vehicle, or other machinery designed for use and speeds less than 25 miles per hour being operated on a public highway to display a triangular slow-moving vehicle emblem.

III. Effect of Proposed Changes:

The bill sets up a regulatory framework for authorizing the operation of micromobility devices and motorized scooters.

Section 1 of the bill amends s. 316.003, F.S., to define the term “micromobility device” to mean “any motorized transportation device made available for private use by reservation through an online application, website, or software for point-to-point trips, which is incapable of traveling at

²⁶ 23 U.S.C. s. 217 authorizes a state to expend certain funds for construction of pedestrian walkways (sidewalks) and bicycle transportation facilities and for carrying out non-construction projects related to safe bicycle use. 23 U.S.C. s. 217(h) specifically prohibits motorized vehicles on trails and pedestrian walkways if such funds are used by the state to construct them, except for maintenance purposes; when snow conditions and state or local regulations permit, snowmobiles; motorized wheelchairs; when state or local regulations permit, electric bicycles; and such other circumstances as the US Department of Transportation Secretary deems appropriate. Failure to comply can result in the state’s loss of those federal funds.

²⁷ Section 316.0875, F.S.

speeds greater than 20 miles per hour on level ground. This term includes motorized scooters and bicycles.”

The bill also revises the current definition of “motorized scooter” to include any vehicle²⁸ or micromobility device powered by a motor with or without a seat or saddle for the use of the rider. The definition is also revised to reduce the maximum allowable speed of such vehicles or devices on level ground from 30 miles per hour to 20 miles per hour.

The reduced speed may increase safety for other users of sidewalks where bicycles and motorized scooters use the same sidewalks. However, this result may be offset to the extent that the bill results in increased use of the sidewalks by bicycles and motorized scooters.

Section 2 amends s. 316.1995, F.S., to allow a driver of a micromobility device or motorized scooter to drive upon sidewalks or bicycle paths, as provided in the amendments to s. 316.2128, F.S., by the bill.

Section 3 amends s. 316.2128, F.S., relating to the operation and sales of motorized scooters and miniature motorcycles. With respect to the operation of micromobility devices or motorized scooters, the bill:

- Grants the operator of a micromobility device or motorized scooter all of the rights and duties applicable to the rider of a bicycle under s. 316.2065, F.S., except those imposed by s. 316.2065(2), (3)(b), and (3)(c), F.S., which by their nature do not apply.²⁹
- Excludes a micromobility device or motorized scooter from compliance with the vehicle registration and insurance requirements of s. 320.02, F.S.,³⁰ and the vehicle licensing requirements of s. 316.605, F.S.³¹
- Allows a person without a valid driver license to operate a micromobility device or motorized scooter.

Because riders of micromobility devices and motorized scooters would have the same rights and duties of bicycle riders under s. 316.2065, F.S. (with the identified exceptions that do not apply by their nature), riders of micromobility devices and motorized scooters would be bound by the provisions of that section of law. For example:

- A person under the age of 16 would be prohibited from operating or riding upon a micromobility device or motorized scooter.
- A rider or passenger under 16 on a micromobility device or motorized scooter would be required to wear a helmet.

²⁸ Section 316.003(99), F.S., defines “vehicle” to mean “every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, except personal delivery devices, mobile carriers, and devices used exclusively upon stationary rails or tracks.”

²⁹ These duties include: A person operating a bicycle must ride upon or astride a permanent and regular seat attached thereto; must carry any passenger who is a child under four years of age, or who weighs 40 pounds or less, in a seat or carrier that is designed to carry a child of that age or size that secures and protects the child from the moving parts of the bicycle; and must remain in immediate control of the bicycle when a passenger is in a child seat or carrier.

³⁰ Section 320.02, F.S., generally requires every owner or person in charge of a motor vehicle that is operated or driven on the roads of this state to register the vehicle in this state

³¹ Section 316.605, F.S., generally requires every vehicle to be licensed in the name of the owner and provides requirements for display of the vehicle license plate.

- A rider of a micromobility device or motorized scooter on a roadway would be required to ride in the bicycle lane, but if there is no bicycle lane, as close to the right-hand curb as practicable.
- A rider of a micromobility device or motorized scooter on a sidewalk, or across a roadway on a crosswalk, would be required to yield the right-of-way to any pedestrian.

The bill specifies that s. 316.2128, F.S., may not be construed to prevent a local government, through the exercise of its powers under s. 316.008, F.S., from adopting an ordinance governing the operation of micromobility devices and motorized scooters on streets, highways, sidewalks, and sidewalk areas under the local government's jurisdiction. Thus, except with respect to specific requirements in the bill, a local government retains its authority under s. 316.008, F.S., to regulate the operation of micromobility devices and motorized scooters in these areas. A local government could not, for example, require a person to have a valid driver license but could set a minimum age requirement for rentals of these devices. Alternatively, a local government could limit the areas where the devices could be operated or potentially prohibit operation of these devices completely.

The bill requires a person who offers micromobility devices or motorized scooters for hire to be responsible for securing all such devices located in any area of the state where the National Weather Service issues an active tropical storm or hurricane warning.

This section of the bill also removes references to motorized scooters in the consumer notice provisions currently contained in s. 316.2128, F.S.

Section 4 amends s. 316.2225(7), F.S., to exclude micromobility devices and motorized scooters from equipment requirements related to display of a triangular slow-moving vehicle emblem for certain slow-moving vehicles.

Section 5 amends s. 320.01, F.S., to exclude motorized scooters and micromobility devices from the definition of "motor vehicle" in ch. 320, F.S., relating to motor vehicle licensing provisions.

Section 6 amends s. 655.960(1), F.S., to revise a cross-reference to conform to changes made by the bill.

Section 7 provides that the bill is effective upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Public access to micromobility devices and motorized scooters may increase if the bill results in additional local markets being opened to businesses offering these services. This may provide individuals with cheaper transportation options.

The bill may result in increased use of micromobility devices or motorized scooters, which could in turn increase the interactions of these devices with “conventional” traffic in roadways or with pedestrians on sidewalks. Increased interactions may result in outcomes of injuries or accidents.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Advocates point to the advantages of additional transportation options for shorter urban trips, thereby facilitating personal mobility as well as the potential for decreased congestion on urban roadways.³² Micromobility devices and motorized scooters have the potential to facilitate the “first-mile, last-mile, problem experienced by public transportation users who need help getting to and from the nearest bus stop.³³ Opportunities for private investment in providing public

³² See WFSU, *State Could Clear the Path for E-Scooters*, McCarthy, R., March 8, 2019, available at <https://news.wfsu.org/post/state-could-clear-path-e-scooters> (last viewed April 2, 2019).

³³ *Id.*

transportation options may assist local governments in providing transportation services to typically under-served populations. They enable a car-free lifestyle, and a majority of people view scooters positively.³⁴

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 316.003, 316.1995, 316.2128, 316.2225, 320.01 and 655.960.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Infrastructure and Security on March 26, 2019:

The committee substitute removed the following provisions from the bill:

- Allowing county and municipal regulation of micromobility devices and motorized scooters if the regulation is not in conflict with ch. 316, F.S., and is no more restrictive than the regulation of bicycles.
- Establishing exclusive state and federal control of regulation of such devices and scooters.
- Authorizing counties and municipalities to require licensure of persons offering micromobility devices or motorized scooters for hire and requiring counties and municipalities to grant licenses if specified proof of insurance is provided.
- Authorizing a person to park such devices or scooters on sidewalks under certain conditions.

The committee substitute also provides:

- A local government is not prevented from exercising its traffic-related statutory powers with respect to streets, highways, and sidewalks under local government jurisdiction.
- A person who offers motorized scooters or micromobility devices for hire is responsible for securing all such devices in any area of the state where an active tropical storm or hurricane warning has been issued.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³⁴ See Populus, *The Micro-Mobility Revolution*, Clewlow, R., July 24, 2018, available at <https://medium.com/populus-ai/the-micro-mobility-revolution-95e396db3754> (last viewed April 2, 2019).

By the Committee on Infrastructure and Security; and Senator Brandes

596-03530-19

2019542c1

1 A bill to be entitled
 2 An act relating to mobility devices and motorized
 3 scooters; amending s. 316.003, F.S.; defining the term
 4 "micromobility device"; revising the definition of the
 5 term "motorized scooter"; conforming a cross-
 6 reference; amending s. 316.1995, F.S.; conforming a
 7 provision to changes made by the act; amending s.
 8 316.2128, F.S.; providing that the operator of a
 9 motorized scooter or micromobility device has all of
 10 the rights and duties applicable to the rider of a
 11 bicycle, except the duties imposed by specified
 12 provisions that by their nature do not apply;
 13 providing for construction; exempting a motorized
 14 scooter or micromobility device from certain
 15 registration, insurance, and licensing requirements;
 16 providing that a person is not required to have a
 17 driver license to operate a motorized scooter or
 18 micromobility device; requiring a person who offers
 19 motorized scooters or micromobility devices for hire
 20 to be responsible for securing all such devices
 21 located in any area of the state where a certain
 22 warning has been issued by the National Weather
 23 Service; deleting specified requirements for the sale
 24 of motorized scooters; amending s. 316.2225, F.S.;
 25 exempting electric personal assistive mobility devices
 26 and motorized scooters from certain emblem
 27 requirements; amending s. 320.01, F.S.; revising the
 28 definition of the term "motor vehicle"; amending s.
 29 655.960, F.S.; conforming a cross-reference; providing

Page 1 of 6

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

596-03530-19

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30 an effective date.
 31
 32 Be It Enacted by the Legislature of the State of Florida:
 33
 34 Section 1. Present subsections (38) through (101) of
 35 section 316.003, Florida Statutes, are redesignated as
 36 subsections (39) through (102), respectively, a new subsection
 37 (38) is added to that section, and present subsections (44) and
 38 (59) of that section are amended, to read:
 39 316.003 Definitions.—The following words and phrases, when
 40 used in this chapter, shall have the meanings respectively
 41 ascribed to them in this section, except where the context
 42 otherwise requires:
 43 (38) MICROMOBILITY DEVICE.—Any motorized transportation
 44 device made available for private use by reservation through an
 45 online application, website, or software for point-to-point
 46 trips and which is not capable of traveling at a speed greater
 47 than 20 miles per hour on level ground. This term includes
 48 motorized scooters and bicycles as defined in this chapter.
 49 (45)(44) MOTORIZED SCOOTER.—Any vehicle or micromobility
 50 device that is powered by a motor with or without ~~not having~~ a
 51 seat or saddle for the use of the rider, which is designed to
 52 travel on not more than three wheels, and which is not capable
 53 of propelling the vehicle at a speed greater than 20 ~~30~~ miles
 54 per hour on level ground.
 55 (60)(59) PRIVATE ROAD OR DRIVEWAY.—Except as otherwise
 56 provided in paragraph (82)(b) (81)(b), any privately owned way
 57 or place used for vehicular travel by the owner and those having
 58 express or implied permission from the owner, but not by other

Page 2 of 6

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 persons.

60 Section 2. Section 316.1995, Florida Statutes, is amended
61 to read:

62 316.1995 Driving upon sidewalk or bicycle path.-

63 (1) Except as provided in s. 316.008, ~~or~~ s. 316.212(8), or
64 s. 316.2128, a person may not drive any vehicle other than by
65 human power upon a bicycle path, sidewalk, or sidewalk area,
66 except upon a permanent or duly authorized temporary driveway.

67 (2) A violation of this section is a noncriminal traffic
68 infraction, punishable as a moving violation as provided in
69 chapter 318.

70 (3) This section does not apply to motorized wheelchairs.

71 Section 3. Section 316.2128, Florida Statutes, is amended
72 to read:

73 316.2128 ~~Operation of~~ Micromobility devices, motorized
74 scooters, and miniature motorcycles; requirements ~~for sales~~.-

75 (1) The operator of a motorized scooter or micromobility
76 device has all of the rights and duties applicable to the rider
77 of a bicycle under s. 316.2065, except the duties imposed by s.
78 316.2065(2), (3) (b), and (3) (c), which by their nature do not
79 apply. However, this section may not be construed to prevent a
80 local government, through the exercise of its powers under s.
81 316.008, from adopting an ordinance governing the operation of
82 micromobility devices and motorized scooters on streets,
83 highways, sidewalks, and sidewalk areas under the local
84 government's jurisdiction.

85 (2) A motorized scooter or micromobility device is not
86 required to satisfy the registration and insurance requirements
87 of s. 320.02 or the licensing requirements of s. 316.605.

596-03530-19

2019542c1

88 (3) A person is not required to have a driver license to
89 operate a motorized scooter or micromobility device.

90 (4) A person who offers motorized scooters or micromobility
91 devices for hire is responsible for securing all such devices
92 located in any area of the state where an active tropical storm
93 or hurricane warning has been issued by the National Weather
94 Service.

95 ~~(5)(1)~~ A person who engages in the business of, serves in
96 the capacity of, or acts as a commercial seller of ~~motorized~~
97 ~~scooters or~~ miniature motorcycles in this state must prominently
98 display at his or her place of business a notice that such
99 vehicles are not legal to operate on public roads, may not be
100 registered as motor vehicles, and may not be operated on
101 sidewalks unless authorized by an ordinance enacted pursuant to
102 s. 316.008(7) (a) or s. 316.212(8). The required notice must also
103 appear in all forms of advertising offering ~~motorized scooters~~
104 ~~or~~ miniature motorcycles for sale. The notice and a copy of this
105 section must also be provided to a consumer prior to the
106 consumer's purchasing or becoming obligated to purchase a
107 ~~motorized scooter or~~ a miniature motorcycle.

108 ~~(6)(2)~~ Any person selling or offering a ~~motorized scooter~~
109 ~~or~~ a miniature motorcycle for sale in violation of this section
110 commits an unfair and deceptive trade practice as defined in
111 part II of chapter 501.

112 Section 4. Subsection (7) of section 316.2225, Florida
113 Statutes, is amended to read:

114 316.2225 Additional equipment required on certain
115 vehicles.-In addition to other equipment required in this
116 chapter, the following vehicles shall be equipped as herein

596-03530-19

2019542c1

117 stated under the conditions stated in s. 316.217.

118 (7) On every slow-moving vehicle or equipment, animal-drawn
 119 vehicle, or other machinery designed for use and speeds less
 120 than 25 miles per hour, excluding electric personal assistive
 121 mobility devices and motorized scooters, but including all road
 122 construction and maintenance machinery except when engaged in
 123 actual construction or maintenance work either guarded by a
 124 flagger or a clearly visible warning sign, which normally
 125 travels or is normally used at a speed of less than 25 miles per
 126 hour and which is operated on a public highway, there must be:

127 ~~(a)~~ a triangular slow-moving vehicle emblem SMV as
 128 described in, and displayed as provided in, this subsection
 129 paragraph (b).

130 (a) The requirement of the emblem shall be in addition to
 131 any other equipment required by law. The emblem shall not be
 132 displayed on objects which are customarily stationary in use
 133 except while being transported on the roadway of any public
 134 highway of this state.

135 (b) The Department of Highway Safety and Motor Vehicles
 136 shall adopt such rules and regulations as are required to carry
 137 out the purpose of this section. The requirements of such rules
 138 and regulations shall incorporate the current specifications for
 139 SMV emblems of the American Society of Agricultural Engineers.

140 Section 5. Paragraph (a) of subsection (1) of section
 141 320.01, Florida Statutes, is amended to read:

142 320.01 Definitions, general.—As used in the Florida
 143 Statutes, except as otherwise provided, the term:

144 (1) "Motor vehicle" means:

145 (a) An automobile, motorcycle, truck, trailer, semitrailer,

596-03530-19

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146 truck tractor and semitrailer combination, or any other vehicle
 147 operated on the roads of this state, used to transport persons
 148 or property, and propelled by power other than muscular power,
 149 but the term does not include traction engines, road rollers,
 150 motorized scooters, micromobility devices, personal delivery
 151 devices and mobile carriers as defined in s. 316.003, special
 152 mobile equipment as defined in s. 316.003, vehicles that run
 153 only upon a track, bicycles, swamp buggies, or mopeds.

154 Section 6. Subsection (1) of section 655.960, Florida
 155 Statutes, is amended to read:

156 655.960 Definitions; ss. 655.960-655.965.—As used in this
 157 section and ss. 655.961-655.965, unless the context otherwise
 158 requires:

159 (1) "Access area" means any paved walkway or sidewalk which
 160 is within 50 feet of any automated teller machine. The term does
 161 not include any street or highway open to the use of the public,
 162 as defined in s. 316.003(82) (a) or (b) ~~s. 316.003(81) (a) or (b)~~,
 163 including any adjacent sidewalk, as defined in s. 316.003.

164 Section 7. This act shall take effect upon becoming a law.



The Florida Senate

Committee Agenda Request

To: Senator Travis Hutson
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development

Subject: Committee Agenda Request

Date: March 27, 2019

I respectfully request that **Senate Bill #542**, relating to **Micro-mobility Devices and Motorized Scooters**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", written over a horizontal line.

Senator Jeff Brandes
Florida Senate, District 24

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/19/19

Meeting Date

542

Bill Number (if applicable)

Topic Mobility Devices

Amendment Barcode (if applicable)

Name Javier Correo

Job Title

Address 80 SW 8th St Suite 1230

Phone 305-495-1101

Street

Miami

FL

33130

Email JCorreo@Uber.com

City

State

Zip

Speaking: [X] For [] Against [] Information

Waive Speaking: [X] In Support [] Against (The Chair will read this information into the record.)

Representing Uber Technologies

Appearing at request of Chair: [] Yes [] No

Lobbyist registered with Legislature: [X] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

HB 542

Bill Number (if applicable)

Topic

Amendment Barcode (if applicable)

Name Chris Scoonover

Job Title

Address 101 E. College Ave Ste 502

Phone 850-222-9075

Tallahassee FL 32301

Email chris@cccfla.com

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against (The Chair will read this information into the record.)

Representing Lime

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

9 April 2019
Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 542
Bill Number (if applicable)

Topic Micro mobility Devices & Motorized Scooters

Amendment Barcode (if applicable)

Name Diego Echeverri "Dee-yay-goh Etch-uh-vay-ree"

Job Title Director of Coalitions

Address 200 West College Ave

Phone 813-767-2084

Tallahassee FL
City State Zip

Email decheverri@afphq.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Americans For Prosperity

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: PCS/CS/SB 676 (566294)

INTRODUCER: Appropriations Subcommittee on Transportation, Tourism, and Economic Development; Infrastructure and Security Committee and Senator Hooper

SUBJECT: Certificates of Title for Vessels

DATE: April 11, 2019 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Miller	IS	Fav/CS
2.	Wells	Hrdlicka	ATD	Recommend: Fav/CS
3.			AP	

Please see Section IX. for Additional Information:
 COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/CS/SB 676 incorporates the Uniform Certificate of Title for Vessels Act into Florida’s existing vessel titling and lien law. The bill contains numerous revisions to current title application requirements, revises information that must be included on a certificate of title for a vessel, provides for the perfection of security interests in a vessel and for the rights of a secured party, provides requirements for the transfer of ownership in a vessel, and revises various duties and responsibilities of the Department of Highway Safety and Motor Vehicles (DHSMV) with respect to titling of vessels.

Generally, the bill:

- Provides requirements for applications for certificates of titles for vessels, including their detailed content, and provides exceptions from the requirement to apply for a certificate.
- Provides responsibilities of an owner and insurer of a hull-damaged vessel and of the DHSMV when creating a certificate of title.
- Specifies that possession of a certificate of title does not by itself provide a right to obtain possession of a vessel, but nothing prohibits enforcement of a security interest in, levy on, or foreclosure of a statutory or common-law lien on a vessel.
- Provides the DHSMV with duties relating to the creation, issuance, refusal to issue, or cancellation of a certificate of title, and provides additional requirements for obtaining a duplicate certificate of title.

- Sets out requirements for the determination and perfection of a security interest in a vessel and for the delivery of a statement of the termination of a security interest.
- Provides for the rights of a purchaser of a vessel who is not a secured party and for the rights of a purchaser who is a secured party.
- Specifies circumstances by which the DHSMV may create a new certificate of title after the receipt of an application for a transfer of ownership or termination of a security interest, without the applicant providing a certificate of title.
- Provides requirements for the voluntary transfer of vessel title ownership, transfer by a secured party, and transfer by operation of law.
- Applies the bill to any transaction, certificate of title, or record relating to a vessel entered into or created before July 1, 2023, but provides for certain exceptions.

The bill will have an insignificant fiscal impact on the DHSMV, which will be absorbed within existing resources. The bill has an indeterminate, but possibly neutral impact to the Marine Resources Conservation Trust Fund of the Fish and Wildlife Conservation Commission.

The bill takes effect July 1, 2023.

II. Present Situation:

Uniform Law Commission

The Uniform Law Commission (ULC), also known as the National Conference of Commissioners on Uniform State Laws, is a body “appointed by state governments as well as the District of Columbia, Puerto Rico[,] and the U.S. Virgin Islands to research, draft[,] and promote enactment of uniform state laws in areas of state law where uniformity is desirable and practical.”¹ The ULC aims to strengthen the federal system by providing rules and procedures that are consistent from state to state.

Uniform Certificate of Title for Vessels Act

The Uniform Certificate of Title for Vessels Act was drafted by the ULC in 2011.² The principal objectives of the act are to:

- Qualify as a state titling law that the Coast Guard will approve;
- Facilitate transfers of ownership of a vessel;
- Deter and impede the theft of vessels by making information about the ownership of vessels available to both government officials and those interested in acquiring an interest in a vessel;
- Accommodate existing financing arrangements for vessels;
- Work seamlessly with the Uniform Commercial Code;
- Manage, to the extent possible, the complications that can arise from a vessel’s transition in or out of federal documentation;
- Provide clear rules on the consequences of compliance or noncompliance;

¹ Uniform Law Commission, *About Us*, available at <http://www.uniformlaws.org/aboutulc/overview> (last viewed March 28, 2019).

² See National Conference of Commissioners on Uniform State Laws, *Uniform Certificate of Title for Vessels Act*, at p. 2, available at http://www.lawrev.state.nj.us/UCOTVA/UCOTVA_FinalAct_2011.pdf (last viewed March 28, 2019).

- Impose minimal or no new burdens or costs on state titling offices; and
- Protect buyers and others acquiring an interest in an undocumented vessel by requiring that the title for the vessel be branded if a casualty or sinking has caused significant damage to the vessel's hull integrity.

The uniform act has been enacted in Virginia (2013), Connecticut (2014), Washington D.C. (2015), and Hawaii (2018).³

Vessel Titling in Florida

The bill substantially revises part I of ch. 328, F.S., related to titling for vessels. For ease of organization and readability, the present situation for each section of the bill is discussed in conjunction with the effect of proposed changes.

III. Effect of Proposed Changes:

The bill revises current law by enacting the Uniform Certificate of Title for Vessels Act. **Section 1** of the bill creates s. 328.001, F.S., providing the short title for part I of ch. 328, F.S., the "Uniform Certificate of Title for Vessels Act." **Section 2** of the bill creates s. 328.0015, F.S., to establish definitions for terms used in the uniform act.

The bill defines a "vessel" to mean a watercraft used or capable of being used as a means of transportation on water, *except*:

- A seaplane;
- An amphibious vehicle for which a certificate of title is issued pursuant to chapter 319, F.S. or a similar statute of another state;
- Watercraft less than 16 feet in length and propelled solely by sail, paddle, oar, or an engine of less than 10 horsepower;
- Watercraft that operate only on a permanently fixed, manufactured course and the movement of which is restricted to or guided by means of a mechanical device to which the watercraft is attached or by which the watercraft is controlled;
- A stationary floating structure that:
 - Does not have and is not designed to have a mode of propulsion of its own;
 - Is dependent for utilities upon a continuous utility hookup to a source originating on shore; and
 - Has a permanent, continuous hookup to a shoreside sewage system.
- Watercraft owned by the United States, a state, or a foreign government, or a political subdivision of either; and
- Watercraft used solely as a lifeboat on another watercraft.

³ See Uniform Law Commission, *Certificate of Title for Vessels Act*, table entitled "Legislation," available at <https://www.uniformlaws.org/committees/community-home?CommunityKey=61fb3255-092e-4e91-982b-6fa1ae66fd82> (last viewed March 29, 2019).

Application for Certificate of Title

Present Situation

An owner of a vessel that is required to be titled must apply to the DHSMV or county tax collector for a certificate of title. The application⁴ must be signed by the owner and include the:

- True name of the owner;
- Address of the owner;
- Hull identification number; and
- Complete description of the vessel.

The owner must provide valid identification and pay the prescribed fee.⁵

An original copy of the manufacturer's statement of origin for the vessel must be submitted with the application for title of a manufactured vessel sold in Florida. The owner of a manufactured vessel initially sold outside of Florida must provide an original copy of the manufacturer's statement of origin, or the original copy of the executed bill of sale, and the most recent certificate of registration for the vessel.⁶

The owner of a homemade vessel must establish proof of ownership by submitting with the application a notarized statement of the builder (if the vessel is less than 16 feet in length) or a certificate of inspection from the Fish and Wildlife Conservation Commission and a notarized statement of the builder (if the vessel is 16 feet or more in length).⁷

The owner of a non-titled vessel registered outside of Florida must establish proof of ownership by surrendering the original copy of the most current certificate of registration issued by the other state or country.⁸ If a vessel is titled in another state or country, the DHSMV will not issue a Florida title until all existing titles are surrendered to the DHSMV.⁹

In making application for a title upon transfer of ownership of a vessel, the new owner must surrender a properly executed last title document issued for that vessel. If a lien exists and the application for transfer of title is based upon a contractual default, the recorded lienholder must establish proof of right to ownership by submitting with the application the original certificate of title and a copy of the applicable contract upon which the claim of ownership is made. If the claim is based upon a court order or judgment, a copy of such document must accompany the application for transfer of title. If there appears to be any other lien on the vessel, the certificate of title must contain a statement of such a lien.¹⁰

In making application for transfer of title from a deceased titled owner, the new owner or surviving co-owner must establish proof of ownership by submitting with the application the

⁴ Department of Highway Safety and Motor Vehicles, *Application for Certificate of Title With/Without Registration*, HSMV 82040, Revised November 2015, available at <https://www.flhsmv.gov/dmv/forms/btr/82040.pdf> (last viewed March 28, 2019).

⁵ Section 328.01(1)(a), F.S.

⁶ Section 328.01(2)(a) and (b), F.S.

⁷ Section 328.01(2)(c), F.S.

⁸ Section 328.01(2)(d), F.S.

⁹ Section 328.01(2)(e), F.S.

¹⁰ Section 328.01(3)(a) and (b), F.S.

original certificate of title and the decedent's probated last will or letters of administration appointing the personal representative of the decedent. In lieu of a probated last will and testament or letters of administration, a copy of the decedent's death certificate, a copy of the decedent's last will and testament, and an affidavit by the decedent's surviving spouse or heirs affirming rights of ownership may be accepted by the DHSMV.¹¹

An owner who has made a valid sale or transfer of a vessel and has delivered possession to a purchaser will not be considered the owner of the vessel and subject to civil liability for the operation of the vessel as long as the owner has surrendered the properly endorsed certificate of title to the DHSMV.¹²

Effect of Proposed Changes

Section 3 amends s. 328.01, F.S., providing that with certain newly created and amended statutory exceptions (discussed below), only an owner ("a person who has legal title to a vessel") may apply for a certificate of title.

The bill requires that an application for certificate of title must be signed by the applicant and contain the following information:

- The applicant's name, street address, and, if different, mailing address;
- The name and mailing address of each other owner of the vessel;
- The hull identification number for the vessel or, if none, an application for the issuance of a hull identification number for the vessel;
- The vessel number for the vessel or, if none issued by the DHSMV, an application for a vessel number;
- A description of the vessel, which must include:
 - The official number for the vessel, if any, assigned by the United States Coast Guard;
 - The name of the manufacturer, builder, or maker;
 - The model year or in which year the vessel was completed;
 - The overall length of the vessel;
 - The vessel type;
 - The hull material;
 - The propulsion type;
 - The engine drive type, if any; and
 - The fuel type, if any;
- The name and mailing address of any party with a security interest in the vessel;
- A statement that the vessel is not a documented vessel or a foreign-documented vessel;
- Any title brand¹³ known to the applicant and, if known, the jurisdiction under whose law the title brand was created;
- A statement that the vessel is hull damaged,¹⁴ if applicable;

¹¹ Section 328.01(3)(c), F.S.

¹² Section 328.01(3)(d), F.S.

¹³ The bill defines "title brand" as a designation of previous damage, use, or condition that must be indicated on a certificate of title.

¹⁴ The bill defines "hull damaged" as compromised with respect to the integrity of a vessel's hull by a collision, allision, lightning strike, fire, explosion, running aground, or similar occurrence, or the sinking of a vessel in a manner that creates a significant risk to the integrity of the vessel's hull.

- If the application is made in connection with a transfer of ownership, the transferor's name, street address, and, if different, mailing address, the sales price if any, and the date of the transfer; and
- If the vessel was previously registered or titled in another jurisdiction, a statement identifying each jurisdiction known to the applicant in which the vessel was registered or titled.

Additionally, the application may include an electronic address for the owner, transferor, or secured party.

The application for certificate of title must be accompanied by:

- A certificate of title signed by the owner shown on the certificate and that:
 - Identifies the applicant as the owner of the vessel; or
 - Is accompanied by a record that identifies the applicant as the owner; or
- If there is no certificate of title:
 - If the vessel was a documented vessel, a record issued by the United States Coast Guard which shows the vessel is no longer a documented vessel and identifies the applicant as the owner;
 - If the vessel was a foreign-documented vessel, a record issued by the foreign country which shows the vessel is no longer a foreign-documented vessel and identifies the applicant as the owner; or
 - In all other cases, a certificate of origin,¹⁵ bill of sale, or other record that to the satisfaction of the DHSMV identifies the applicant as the owner.

The bill requires the DHSMV to maintain any records submitted in connection with an application, and authorizes the DHSMV to require an application for a certificate of title to be accompanied by payment of all fees and taxes by the applicant.

The bill repeals provisions related to registration of homemade vessels. The bill also repeals provisions related to nontitled vessels, vessels titled in other jurisdictions, vessels documented by the federal government, and transfer of ownership, including from a deceased owner, that may be covered by the more extensive application requirements created by the bill.

DHSMV Records

Effect of Proposed Changes

Section 4 creates s. 328.015, F.S., to require the DHSMV to retain the evidence used to establish the accuracy of the information in its files relating to the current ownership of a vessel and the information on the certificate of title. The DHSMV must retain all information, by hull identification number, regarding a security interest in a vessel for at least 10 years after the DHSMV receives a termination statement regarding the security interest.

¹⁵ The bill defines "certificate of origin" as a record created by a manufacturer or importer as the manufacturer's or importer's proof of identity of a vessel. The term includes a manufacturer's certificate or statement of origin and an importer's certificate or statement of origin. The term does not include a builder's certificate.

A person¹⁶ who submits a record to the DHSMV may request an acknowledgement of the filing by the DHSMV. The acknowledgment from the DHSMV must show the hull identification number, the information in the filed record, and the date and time the record was received by or the submission was accepted by the DHSMV.

The DHSMV must send the following information to any person who requests it and pays a fee:¹⁷

- Whether the DHSMV's files indicate, as of the a date specified by the DHSMV but no earlier than three days before the request is received, a copy of any certificate of title, security interest, termination statement, or title brand that relates to a vessel;
 - Identified by a hull identification number designated in the request;
 - Identified by a vessel number designated in the request; or
 - Owned by a person designated in the request.
- With respect to the vessel:
 - The name and address of any owner and the secured party as indicated in the DHSMV's files;
 - A copy of any termination statement indicated in the DHSMV's files and the statement's effective date; and
 - A copy of any certificate of origin, secured party transfer statement, transfer-by-law statement, and other evidence of previous or current transfers of ownership.

The DHSMV must, upon request, send the requested information in a record that is self-authenticating.

Governing Vessel Law

Effect of Proposed Changes

Section 5 creates s. 328.02, F.S., providing that the law of the state under whose certificate of title a vessel is covered governs all issues relating to the certificate from the time the vessel becomes covered by the certificate until the vessel becomes covered by another certificate, or becomes a documented vessel, even if no relationship exists between the jurisdiction and the vessel or its owner. A vessel becomes covered when an application and the applicable fee are delivered to the DHSMV or to the governmental agency that creates a certificate in another jurisdiction.

Certificate of Title Required

Present Situation

All vessels operated, used, or stored on the waters of Florida must be titled by the DHSMV unless the vessel is:

- A vessel operated, used, or stored exclusively on private lakes and ponds;

¹⁶ The bill defines the term "person" more broadly than under s. 1.01, F.S., to mean an individual, corporation, business trust, estate, trust, statutory trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

¹⁷ Currently, s. 320.05(3)(b), F.S., sets forth fees for photocopied and certified copies of records (ranging from 50 cents to \$3 per record, or \$1 per page). Fees are deposited into the Highway Safety Operating Trust Fund.

- A vessel owned by the United States Government;
- A non-motor-powered vessel less than 16 feet in length;
- A federally documented vessel;
- A vessel already covered by a registration number, if the vessel is not located in this state for a period in excess of 90 consecutive days;
- A vessel from a country other than the United States temporarily used, operated, or stored on the waters of this state for a period that is not in excess of 90 days;
- An amphibious vessel for which a vehicle title is issued by the DHSMV;
- A vessel used solely for demonstration, testing, or sales promotional purposes by the manufacturer or dealer; or
- A vessel owned and operated by the state or a political subdivision.¹⁸

A person may not operate, use, or store a vessel in Florida if the vessel has no certificate of title. However, a vessel may be operated, used, or stored for up to 180 days after the date of application for a certificate of title while the application is pending.¹⁹

When selling, assigning, or transferring a titled vessel, the seller must deliver a valid certificate of title to the purchaser. The purchaser has 30 days to file with the county tax collector an application for title transfer. The purchaser will be charged a \$10 fee for filing a transfer application after the 30-day period.²⁰ A certificate of title is prima facie evidence of the ownership of the vessel.²¹

Effect of Proposed Changes

Section 6 amends s. 328.03, F.S., requiring a vessel owner to deliver an application and fee for certificate of title for the vessel, not later than 30 days from the date of ownership or the date Florida becomes the state of principal use.

The bill creates new exceptions for titling vessels in Florida. An application for a certificate is not required for:

- A documented vessel;²²
- A foreign-documented vessel;
- A barge;
- A vessel before delivery if the vessel is under construction or completed pursuant to contract;
- A vessel held by a dealer for sale or lease; and
- A vessel used solely for demonstration, testing, or sales promotional purposes by the manufacturer or dealer.

The bill repeals other current law exceptions because the definition of “vessel” created under the bill excludes certain vessels from the definition, and thus part I of ch. 328, F.S., no longer applies to them. This includes non-motor-powered vessels less than 16 feet in length; amphibious vessels

¹⁸ Section 328.03(1), F.S.

¹⁹ Section 328.03(2), F.S.

²⁰ Section 328.03(3), F.S.

²¹ Section 328.03(4), F.S.

²² The bill defines “documented vessel” as a vessel covered by a certificate of documentation issued pursuant to 46 USC 12105 by the federal government.

for which a vehicle title is issued by the DHSMV; and vessels owned and operated by the state or political subdivisions.

Additionally, the bill provides requirements for issuing, transferring, or renewing a certificate of number of an undocumented vessel issued under federal law.

The bill repeals the provisions providing that a vessel may be operated, used, or stored for up to 180 days after the date of application for a certificate of title while the application is pending; and the provisions providing that when selling, assigning, or transferring a titled vessel, the seller must deliver a valid certificate of title to the purchaser.

Lastly, the bill specifies that a certificate of title is not only prima facie evidence of the ownership of the vessel, but also of the accuracy of the information in the record that constitutes the certificate.

Content of the Certificate of Title

Effect of Proposed Changes

Section 7 creates s. 328.04, F.S., to provide requirements for the content of a certificate of title. A certificate must contain:

- The date the certificate was created;
- The name of the owner of record and, if not all owners are listed, an indication that there are additional owners indicated in the DHSMV's files;
- The mailing address of the owner of record;
- The hull identification number;
- A description of the vessel as required in s. 328.01(2)(e), F.S. (see above in discussion of Section 3 of the bill);
- The name and mailing address of the secured party of record, when applicable;
- All title brands indicated in the DHSMV's files, including identification of the jurisdiction under whose law the title brand was created; and
- Previous registration or title in a foreign county, if applicable.

The written certificate of title must contain a form and certification that all owners can sign, subject to penalties of perjury, to consent to a transfer of an ownership interest to another person. The written certificate of title must also contain a form for the owner of record to indicate that the vessel is hull damaged.

Title Brands for Hull-Damaged Vehicles

Effect of Proposed Changes

Section 8 creates s. 328.045, F.S., providing responsibilities of an owner and insurer of a hull-damaged vessel. If damage occurred to a vessel while the individual was the owner of the vessel and the owner has notice of the damage at the time of the transfer, the owner must:

- Deliver to the DHSMV an application for a new certificate and include the "Hull Damaged" title brand designation; or

- Indicate on the certificate that the vessel is hull damaged and deliver the certificate to the transferee.

Before an insurer transfers an ownership interest in a hull-damaged vessel that is covered by a certificate of title created by the DHSMV, the insurer must deliver an application to the DHSMV and include the title brand “Hull Damaged.”

Once the DHSMV receives the above information from an owner, transferee, or insurer, the DHSMV has 30 days to create a new certificate that includes the title brand designation “Hull Damaged.” An owner or insurer who fails to comply with the above disclosures or a person who solicits or colludes in a failure by an owner commits a noncriminal infraction under s. 327.73, F.S.,²³ for which the penalty is:

- \$5,000 for the first offense,
- \$15,000 for a second offense, and
- \$25,000 for each subsequent offense.

Maintenance and Access to Vessel Title Files

Effect of Proposed Changes

Section 9 creates s. 328.055, F.S., requiring the DHSMV to maintain the information contained in all certificates of title and the information submitted with the application. Specifically, the DHSMV must:

- Ascertain or assign the hull identification number for the vessel.
- Maintain the hull identification number and all the information submitted with the application, including the date and time the record was delivered to the DHSMV.
- Maintain in its files for each vessel:
 - All title brands;
 - The name of each secured party known to the DHSMV;
 - The name of each person known to the DHSMV to be claiming an ownership interest in the vessel; and
 - All stolen property reports received by the DHSMV.
- Index the files of the DHSMV by hull identification number, vessel number, name of the owner of record, and any other method used by the DHSMV.

The DHSMV is required to release the information in its files to federal, state, or local governments. The bill specifies that information contained on the certificate of title is a public record and that all records relating to a certificate of title must be maintained by the DHSMV for public inspection.

²³ This section of current law provides penalties for violations of the state’s vessel laws. All fees and civil penalties assessed and collected pursuant to s. 327.73, F.S., are remitted by the clerk of court to the Department of Revenue to be deposited into the Marine Resources Conservation Trust Fund for boating safety education purposes.

Creation of Certificate of Title

Effect of Proposed Changes

Section 10 creates s. 328.06, F.S., setting forth responsibilities of the DHSMV when creating a certificate of title. On creation of a written or electronic certificate of title, the DHSMV must promptly send the certificate or record evidencing the certificate to the secured party or owner of record.

If the DHSMV creates a written certificate of title, any electronic certificate of title for the vessel is canceled and replaced by the written certificate.

Before the DHSMV creates an electronic certificate of title, any written certificate must be surrendered to the department. If the DHSMV creates an electronic certificate, the DHSMV must destroy the written certificate or provide on the face of the certificate that it has been canceled.

The DHSMV must maintain in its files the date and time of cancellation of the electronic certificate or destruction or cancellation of the written certificate.

Effect of Possession of Certificate of Title

Effect of Proposed Changes

Section 11 creates s. 328.065, F.S., specifying that possession of a certificate of title does not by itself provide a right to obtain possession of a vessel. Nothing prohibits enforcement of a security interest in, levy on, or foreclosure of a statutory or common-law lien on a vessel. Absence of an indication of such a lien on a certificate does not invalidate the lien.

Duties Relating to Refusal to Issue/Authority to Cancel a Certificate of Title or Registration

Present Situation

The DHSMV may refuse to issue a certificate of title or registration to any applicant who provides a false statement pertaining to the application for a certificate of title. If the DHSMV determines that an owner or dealer named in a certificate of title provided a false statement in applying for the certificate of title, the DHSMV may cancel the certificate.

The DHSMV may cancel any pending application or certificate of title if the DHSMV determines that any title or registration fee or sales tax pertaining to such registration has not been paid, upon reasonable notice. The DHSMV may not issue a certificate of title to any applicant for any vessel that has been deemed derelict by a law enforcement officer under s. 823.11, F.S.²⁴

Effect of Proposed Changes

Section 12 substantially amends s. 328.09, F.S., providing the DHSMV with duties relating to the creation, issuance, refusal to issue, or cancellation of a certificate of title. Unless an

²⁴ Section 328.09, F.S.

application for a certificate of title is rejected, the DHSMV must create a certificate for the vessel no later than 30 days after delivery of the application to the DHSMV. If the DHSMV creates electronic certificates of title, then the DHSMV must create an electronic certificate of title unless the owner requests a written certificate.

The DHSMV may reject an application for a certificate of title only if:

- The application is not in compliance;
- The application does not contain sufficient documentation for the DHSMV to determine whether the applicant is entitled to a certificate;
- There is a reasonable basis for concluding that the application is fraudulent or issuance of a certificate would facilitate a fraudulent or illegal act; or
- The application does not comply with Florida law.

The DHSMV must reject an application for a certificate of title for a vessel that is a documented vessel or a foreign-documented vessel.

The DHSMV may cancel a created certificate of title only if the DHSMV:

- Could have rejected the application for the certificate;
- Is required to cancel the certificate under another provision of part I of ch. 328, F.S.; or
- Receives satisfactory evidence that the vessel is a documented vessel or a foreign-documented vessel.

Lastly, a DHSMV decision to reject an application for a certificate of title under this new section of law is subject to an administrative hearing during which the owner and any other interested person may present evidence in support of or opposition to the rejection of application for a certificate of title or the cancellation of a certificate of title.

Effect of Missing or Incorrect Information

Effect of Proposed Changes

Section 13 creates s. 328.101, F.S., specifying that a certificate of title is effective even if it contains unintended scrivener's errors or does not contain required information if the DHSMV determines the missing information to be inconsequential to the issuance of a certificate of title. This also applies to other records required or authorized by part I of ch. 328, F.S.

Duplicate Certificate of Title

Present Situation

The DHSMV may issue a duplicate certificate of title if it receives an application from the person entitled to hold such a certificate and if the DHSMV is satisfied that the original certificate has been lost, destroyed, or mutilated. The fee for issuing a duplicate certificate is \$6 and additional \$5 for expedited service to issue a duplicate certificate of title.²⁵ The expedited service must issue the certificate within 5 working days after receipt of a proper application or the \$5 additional fee will be refunded upon written request of the applicant.

²⁵ Section 328.11(1) and (2), F.S.

If the certificate is lost in transit and is not delivered to the addressee, the owner of the vessel or the holder of a lien may, within 180 days after the date of issuance of the title, apply to the DHSMV for reissuance of the certificate of title. An additional fee may not be charged by the DHSMV for this reissuance. If the address shown on the application is different from the address on record with the department for the applicant, then the DHSMV will verify that the certificate is delivered to an authorized receiver.²⁶

Effect of Proposed Changes

Section 14 amends s. 328.11, F.S., to provide additional requirements for obtaining a duplicate certificate of title. The bill also allows the owner of record to apply for a duplicate certificate of title if the document is stolen or otherwise becomes unavailable or illegible.

The secured party, or if there is no secured party indicated in the DHSMV files then the owner of record, may apply for a duplicate certificate of title and, by furnishing information satisfactory to the DHSMV, obtain a duplicate certificate in the name of the owner of record.

An applicant for a duplicate certificate of title must sign the application and comply with all requirements for title application. The application must include the existing certificate unless the certificate is lost, stolen, mutilated, destroyed, or otherwise unavailable.

The bill provides that a duplicate certificate of title created by the DHSMV must comply with all the requirements for the contents of a certificate of title and must state on its face that it is a “duplicate.” If a person receiving a duplicate certificate of title finds the original certificate, the person must destroy the original certificate.

The bill does not change the fees for a duplicate certificate of title or for expedited service.

Lastly, the bill repeals the provision allowing an applicant for duplicate certificate of title to apply for reissuance of the certificate if the applicant has not received the duplicate title from the DHSMV within 180 days after the date of issuance of the certificate.

Perfection of Security Interest

Effect of Proposed Changes

Section 15 creates s. 328.12, F.S., providing requirements for the determination and perfection of a security interest in a vessel. A security interest in a vessel can be perfected by delivery of an application for a certificate of title to the DHSMV that identifies the secured party and otherwise complies with all application requirements.²⁷ An application identifies a person as a secured party if a person named as an owner, lessor, consignor, or bailor in an application for a certificate of title has a security interest. The bill includes the Department of Revenue as a secured party when collecting unpaid child support.

²⁶ Section 328.11(3) and (4), F.S.

²⁷ The security interest may also be perfected upon attachment under s. 679.2031, F.S.

The bill provides that if the DHSMV has created a certificate of title for a vessel, a security interest in the vessel may be perfected by delivery to the DHSMV of an application to have the security interest added to the certificate. The application must be signed by an owner of the vessel or by the secured party and must include:

- The name of the owner of record;
- The name and mailing address of the secured party;
- The hull identification number for the vessel; and
- The written certificate, if the DHSMV created a written certificate of title for the vessel.

On delivery of an application and payment of fees, the DHSMV must create a new certificate of title and deliver the new certificate or a record evidencing an electronic certificate. The DHSMV must maintain in its files the date and time of delivery of the application.

If a secured party assigns a perfected security interest in a vessel, the receipt by the DHSMV of a statement providing the name of the assignee as secured party is not required to continue the perfected status of the security interest. A purchaser of a vessel subject to a security interest who obtains a release from the secured party takes free of the security interest and of the rights of a transferee, unless the transfer is indicated in the files of the DHSMV or on the certificate.

Section 328.12, F.S., expressly does not apply to a security interest:

- Created in a vessel by a person during any period in which the vessel is inventory held for sale or lease by the person or is leased by the person as lessor if the person is in the business of selling vessels;
- In a barge for which no application for a certificate of title has been delivered to the DHSMV; or
- In a vessel before delivery if the vessel is under construction, or completed, pursuant to a contract and for which no application for a certificate has been delivered to the DHSMV.

However, the new section does apply if a certificate of documentation for a documented vessel is deleted or canceled. If such a security interest was valid immediately before the deletion or cancellation, then the security interest remains perfected until the earlier of 4 months after cancellation of the certificate or becomes perfected under this law.

The bill also contains provisions specifying when perfected security interests attach, depending on the law under which the security interest arises.

Termination Statement of a Security Interest

Effect of Proposed Changes

Section 16 creates s. 328.125, F.S., providing requirements for the delivery of a statement of the termination of a security interest. A secured party must deliver a termination statement to the DHSMV and, on the debtor's request, to the debtor, by the earlier of:

- Twenty days after the secured party receives a signed demand from an owner for a termination statement if there is no obligation secured by the vessel and no commitment to make an advance, incur an obligation, or otherwise give value secured by the vessel; or
- If the vessel is consumer goods, 30 days after there is no obligation secured by the vessel under the same conditions.

If a written certificate of title has been created and delivered to a secured party and a termination statement is required, the secured party must deliver the certificate to the debtor or to the DHSMV with the termination statement.

The security interest ceases to be perfected upon delivery to the DHSMV of a termination statement authorized by the secured party. If the security interest is indicated on the certificate of title, the DHSMV must create and deliver a new certificate. Additionally, the DHSMV must maintain in its files the date and time of delivery of the termination statement to the DHSMV.

Lastly, the bill provides that a secured party that fails to comply with the new section of law is liable for any loss that the secured party had reason to know might result from its lack of compliance and for the cost of an application for certificate of title.

Rights of a Purchaser Other Than Secured Party

Effect of Proposed Changes

Section 17, creates s. 328.14, F.S., providing rights of a purchaser of a vessel who is not a secured party. A buyer in the ordinary course of business is afforded protection under state law even if an existing certificate of title was not signed and delivered to the buyer or a new certificate listing the buyer as owner of record was not created.

Rights of Secured Party

Effect of Proposed Changes

Section 18 creates s. 328.145, F.S., providing rights of a secured party. The effect of a security interest on the rights of a purchaser or creditor, including a lien creditor, are governed by the Uniform Commercial Code.

If a security interest in a vessel is perfected and the DHSMV creates a certificate of title that does not indicate that the vessel is subject to, or may be subject to, the security interest:

- A buyer of the vessel takes free of the security interest if the buyer, without knowledge of the security interest, acts in good faith and pays for and receives possession of the vessel; and

- The security interest is subordinate to a conflicting security interest in the vessel that is perfected after creation of the certificate and without the conflicting secured party's knowledge of the security interest.

Notice of Lien on Vessel and Recording

Present Situation

A lien for purchase money or as security for a debt in the form of a retain-title contract, conditional bill of sale, chattel mortgage, or otherwise on a vessel, is not enforceable unless a sworn notice of such lien is recorded. The lien certificate must contain the following information:

- Name and address of the registered owner;
- Date of lien;
- Description of the vessel, including make, type, motor, and serial number; and
- Name and address of lienholder.

The lien shall be recorded by the DHSMV.²⁸

The DHSMV will not record a lien unless the official certificate of title is furnished with the notice of lien. Once the lien is recorded, the certificate of title will be held by the first lien holder until the lien is paid in full.²⁹

When a vessel is registered in the names of two or more people by the use of the word “or” each person has the right to place a lien or notice of lien with only his or her signature. When the vessel is registered by the use of the word “and,” the signature of each co-owner is required in order to place a lien on the vessel.³⁰

If the owner of the vessel or the director of the state child support enforcement program desires to place a second or subsequent lien against the vessel when the title certificate is in the possession of the first lienholder, the owner must send a written request to the first lienholder by certified mail and the first lienholder must forward the certificate to the DHSMV for endorsement.³¹

Once the lien is paid in full, the lienholder must provide the owner with a satisfaction of lien, which will be filed with the DHSMV.³² The DHSMV may promulgate rules to substitute the formal satisfaction of liens.³³

The DHSMV may collect a fee of \$1 for the recording of each notice of lien, but no fee may be collected for recording the satisfaction of a lien. The revenues from this fee are deposited into the Marine Resources Conservation Trust Fund.³⁴

²⁸ Section 328.15(1), F.S.

²⁹ Section 328.15(2)(a), F.S.

³⁰ Section 328.15(2)(b), F.S.

³¹ Section 328.15(2)(c), F.S.

³² Section 328.15(3), F.S.

³³ Section 328.15(4), F.S.

³⁴ Section 328.15(6), F.S.

A lienholder holding a satisfied lien who fails to issue a satisfaction of the lien within 30 days of satisfaction will be held liable for all costs, damages, and expenses of the registered owner of the vessel. If the certificate of title shows a subsequent lien that has not been discharged, an executed satisfaction of the first lien must be delivered by the lienholder to the owner and the certificate of title showing satisfaction of the first lien must be forwarded by the lienholder to the DHSMV within 10 days after satisfaction of the lien.³⁵ A lienholder who is noncompliant with the 10-day time period commits a misdemeanor of the second degree.³⁶ If the original certificate of title cannot be returned to the DHSMV by the lienholder, and all liens have been satisfied, upon application by the owner, a duplicate copy of the certificate of title without lien will be issued to the owner.³⁷ If the original lienholder assigns his or her lien to another person, the new lienholder may have his or her name substituted as lienholder.³⁸

Effect of Proposed Changes

Section 19 amends s. 328.15, F.S., to repeal provisions, some of which are modified in new statutes created by the bill, including the following:

- Requirements relating to enforceable liens and the content of lien certificates;
- Direction to the DHSMV regarding entry of a lien in its records;
- Provisions specifying the result of vessel registration in the names of two or more persons as co-owners using the conjunctives “or” and “and.”
- The process for second or subsequent liens placed on a vessel by the owner or by the state child support enforcement program.
- The \$1 fee to the DHSMV for recording each notice of lien.

The bill sunsets the following provisions of s. 328.15, F.S., on October 1, 2026:

- Authorization of a debtor or registered owner to demand and receive a satisfaction of lien.
- Provisions allowing the DHSMV to adopt rules permitting the use of other methods of lien satisfaction, such as a stamp.
- Assessment of liability for costs and attorney fees for failure to furnish a debtor or registered owner of a vessel a satisfaction of lien and related provisions governing satisfaction of liens.
- Authorization for duplicate certificates of title.
- Misdemeanor penalty for failure to return a certificate of title after demand by the DHSMV or for failure to forward satisfactions of lien after such demand.
- Requirement that the DHSMV use the last known address of record when sending any required notice.
- Provisions for substitution of an original lienholder’s name on the certificate of title by an assignee.

³⁵ Section 328.15(7), F.S.

³⁶ Section 328.15(9), F.S. A second degree misdemeanor is punishable by a term of jail up to 60 days and a fine of up to \$500. Sections 775.082 and 775.083, F.S.

³⁷ Section 328.15(8), F.S.

³⁸ Section 328.15(11), F.S.

Transfer of Ownership or Termination of Security Interest Without Certain Records

Effect of Proposed Changes

Section 22 creates s. 328.215, F.S., specifying circumstances by which the DHSMV may create a new certificate of title after the receipt of an application for a transfer of ownership or termination of a security interest, without the applicant providing a signed certificate of title or a termination statement.

If the DHSMV receives an application for a new certificate of title unaccompanied by a signed certificate of title or termination statement, the DHSMV may create a new certificate of title if:

- The requirements for application for and information to be included in a certificate of title as well as the requirements for fraud prevention are met.
- The applicant provides an affidavit stating facts showing the applicant is entitled to a transfer of ownership or termination statement.
- The applicant provides the DHSMV with evidence that:
 - Proper notification of the application has been sent to the owner of record and anyone with a security interest indicated in the DHSMV records;
 - At least 45 days have passed since the notification was sent; and
 - The DHSMV has not received an object from the owner or anyone with a security interest.
- The applicant submits any other information required by the DHSMV as evidence of the applicant's ownership or right to terminate the security interest.
- The DHSMV has no credible information indicating theft, fraud, or an undisclosed or unsatisfied security interest, lien, or other claim to an interest in the vessel.

The DHSMV may indicate in the certificate of title that the certificate was created without submission of a signed certificate or termination statement. If after one year, the DHSMV has not received any credible information indicating theft, fraud, unsatisfied security interest, or lien on the vessel, the DHSMV must remove the indication from the certificate if requested by the applicant.

The bill authorizes the DHSMV to require the applicant to post a reasonable bond or provide an equivalent source of indemnity or security to receive a certificate of title under this new section. Unless the DHSMV receives a claim for indemnity within one year after creation of the certificate of title, the DHSMV must release any bond, indemnity, or other security at the request of the applicant.

The DHSMV is not liable to a person or entity for creating a certificate under this new section when the DHSMV issues the certificate in good faith based on the information provided by the applicant. An applicant that submits erroneous or fraudulent information with intent to mislead the DHSMV is subject, in addition to any other criminal or civil penalties provided by law, to the following penalties:

- \$5,000 for the first offense,
- \$15,000 for a second offense, and
- \$25,000 for each subsequent offense.

Transfer of Ownership

Effect of Proposed Changes

Section 23 creates s. 328.22, F.S., providing requirements for the transfer of ownership in a vessel:

- If the transferor's interest is noted on the written certificate, the transferor must promptly sign the certificate and deliver it to the transferee. If the transferor does not have possession of the certificate, the person in possession of the certificate has a duty to facilitate the transfer.
- If the certificate of title is an electronic certificate, the transferor must promptly sign by hand, or electronically if available, and deliver to the transferee a record evidencing the transfer of ownership to the transferee.
- The transferee has a right to enforce, by specific performance, the transfer of the certificate of title from the transferor.

Failure to comply with the above requirements does not render the transfer of ownership of a vessel ineffective between the parties; however, the transfer may not be effective against another person claiming an interest in the vessel. A transferor who complies with the above requirements is not liable as owner of the vessel for an event occurring after the transfer.

Transfer of Ownership by Secured Party

Effect of Proposed Changes

Section 24 creates s. 328.23, F.S., providing requirements for the transfer of ownership based upon a secured party's transfer statement.

A "secured party's transfer statement" is defined as a record signed by the secured party of record stating:

- That there has been a default on an obligation secured by the vessel;
- That the secured party of record is exercising or has exercised post-default remedies with respect to the vessel;
- That by reason of the exercise, the secured party of record has the right to transfer the ownership interest of an owner;
- The name and last known mailing address of the owner of record and the secured party of record;
- The name of the transferee;
- Other information required in the application for certificate of title; and
- One of the following:
 - That the certificate of title is an electronic certificate;
 - That the secured party does not have possession of the written certificate of title created in the name of the owner of record; or
 - That the secured party is delivering the written certificate of title to the DHSMV with the secured party's transfer statement.

Unless the DHSMV has cause to reject a secured party's transfer statement, within 30 days after delivery of the statement and payment of all fees and taxes the department must:

- Accept the statement;
- Amend its files to reflect the transfer; and
- If the name of the owner whose interest is being transferred is indicated on the certificate:
 - Cancel the certificate even if the certificate has not been delivered to the DHSMV;
 - Create a new certificate indicating the transferee as owner; and
 - Deliver the new certificate or a record evidencing an electronic certificate.

The secured party still must meet the duties under the Uniform Commercial Code for secured transactions.

Transfer by Operation of Law

Effect of Proposed Changes

Section 25 creates s. 328.24, F.S., providing requirements for a transfer of ownership by operation of law.

“By operation of law” is defined as pursuant to a law or judicial order affecting ownership of a vessel:

- Because of death, divorce, or other family law proceeding, merger, consolidation, dissolution, or bankruptcy;
- Through the exercise of the rights of a lien creditor or a person having a lien created by statute or rule of law; or
- Through other legal process.

A transfer-by-law statement must contain:

- The name and last known mailing address of the owner of record and the transferee;
- Other information required in the application for certificate of title;
- Documentation sufficient to establish the transferee's ownership interest or right to acquire the ownership interest;
- A statement that:
 - The certificate of title is an electronic certificate of title;
 - The transferee does not have possession of the written certificate of title created in the name of the owner of record; or
 - The transferee is delivering the written certificate to the DHSMV with the transfer-by-law statement; and
- Evidence that notification of the transfer and the intent to file the transfer-by-law statement has been sent to all persons indicated in the DHSMV's files as having an interest, including a security interest, in the vessel (for transfer other than because of death, divorce, family law proceeding, merger, consolidation, dissolution, or bankruptcy).

Unless the DHSMV has cause to reject the transfer, within 30 days after delivery of the statement and payment of all fees and taxes the department must:

- Accept the statement;
- Amend its files to reflect the transfer; and
- If the name of the owner whose interest is being transferred is indicated on the certificate:
 - Cancel the certificate even if the certificate has not been delivered to the DHSMV;
 - Create a new certificate indicating the transferee as owner;
 - Indicate on the new certificate any security interest indicated on the canceled certificate, unless a court order provides otherwise; and
 - Deliver the new certificate or a record evidencing an electronic certificate.

Transfer-by-law does not apply to defaults under the Uniform Commercial Code.

Supplemental Principles of Law and Equity

Section 26 creates s. 328.25, F.S., to provide that the principles of law and equity supplement the provisions of the bill.

Rulemaking

Section 27 creates s. 328.41, F.S., authorizing the DHSMV to adopt rules to implement part I of ch. 328, F.S.

“Grandfather” Provisions

Sections 31 creates an undesignated section of law providing that the rights, duties, and interests flowing from a transaction, certificate of title, or record relating to a vessel which was validly entered into or created before the effective date of the bill, July 1, 2023, remains valid.

The bill does not affect an action or proceeding commenced before July 1, 2023.

A security interest that is enforceable immediately before July 1, 2023, that would have priority over the rights of a lien creditor at that time, is deemed a perfected security interest. A security interest perfected immediately before the same date remains perfected until the earlier of:

- The time perfection would have ceased under the law under which the security interest was perfected; or
- July 1, 2026.

The bill does not affect the priority of a security interest in a vessel if immediately before July 1, 2023, the security interest is enforceable and perfected, and that priority is established.

Retroactive Application

Section 31 creates an undesignated section of law, subject to the provisions relating to transfer of ownership by law described above, applying the bill to any transaction, certificate of title, or

record relating to a vessel, even if the transaction, certificate, or record was entered into or created before July 1, 2023.

Technical Revisions

Sections 20, 21, 28, 29, and 30 of the bill amend ss. 328.16, 328.165, 409.2575, 705.103, and 721.08, F.S., conforming provisions and cross-references to changes made by the bill.

Effective Date

Section 32 provides that the bill takes effect July 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill requires owners of vessels that become hull-damaged and insurers that transfer ownership in hull-damaged vessels to apply to the DHSMV for a new certificate of title that includes the title brand, "Hull Damaged." The existing fee for issuance of each vessel certificate of title is \$5.25, of which \$3.75 is retained by the tax collector.³⁹ An owner transferring ownership of a vessel has the option to simply indicate on the certificate at the time of transfer that the hull is damaged and could avoid paying the fee for a new certificate of title.

³⁹ However, if the vessel was previously registered outside the state, the DHSMV is directed to charge an additional fee of \$4. Section 328.03(6) and (7), F.S.

While the bill does not impose any new fee, the bill may result in an existing fee applying to a new transaction (application for a branded title). Article VII, s. 19 of the Florida Constitution requires the imposition, authorization, or raising of a state tax or fee be contained in a separate bill that contains no other subject and be approved by two-thirds of the membership of each house of the Legislature. As such, Article VII, s. 19 of the Florida Constitution may apply if the provisions in the bill relating to applications for new branded title certificates are interpreted to be new transactions requiring payment of an existing title fee.

The tax collector offices could see an increase in vessel certificate of title applications and application fees. However, the number of additional transactions is unknown.

B. Private Sector Impact:

The bill may improve the integrity of the vessel titling process by requiring a more detailed description of the vessel on the title and requiring the DHSMV to maintain the information contained in certificates of title and title applications.

C. Government Sector Impact:

All funds collected by the DHSMV under ch. 328, F.S., are deposited into the Marine Resources Conservation Trust Fund of the Fish and Wildlife Conservation Commission.⁴⁰

The DHSMV estimates an insignificant, but negative impact on the Marine Resource Conservation Trust Fund due to the elimination of the \$1 recording of lien fee.⁴¹ In addition, the DHSMV also estimates an insignificant, but positive impact in the Marine Resource Conservation Trust Fund due to the potential increase in the number of transactions related to hull-damaged vessel titling. The number of additional title transactions is unknown.⁴²

The bill creates two noncriminal infractions punishable by a civil penalty for failure to provide proper notice of hull damage (s. 328.045(4), F.S.) and for submitting a fraudulent or misleading application for transfer of title or termination of a security interest without certificate the title (s. 328.215(4), F.S.). The first offense is \$5,000; the second offense is \$15,000; and each subsequent offense is \$25,000. These penalties would be remitted by the clerk of court to the Department of Revenue to be deposited into the Marine Resources Conservation Trust Fund for boating safety education purposes. The number of penalties that would be assessed and collected under either provision is indeterminate.

Section 19 of the bill repeals subsection (2) of s. 328.15, F.S., effective July 1, 2023. Paragraph (c) of subsection (2) deals with attachment of child support enforcement liens on vessel titles. Repeal of s. 328.15(2)(c), F.S., could impact the state's eligibility for funding pursuant to Title IV-D of the Social Security Act because after July 1, 2023,

⁴⁰ Sections 328.20 and 379.208, F.S.

⁴¹ The DHSMV collects about \$2,300 per year for this fee. Email from DHSMV staff dated April 2, 2019 (On file in the Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee).

⁴² See email from DHSMV staff dated March 18, 2019 (On file in the Senate Infrastructure and Security Committee).

Florida would no longer have a procedure for filing liens against this type of personal property to collect child support enforcement liens. The state is required to have a procedure for filing liens against all personal property to collect unpaid child support. See Section VII. The Department of Revenue's Child Support Program's State Fiscal Year 2017-2018 appropriation for Title IV-D matching funds and federal performance incentives are \$156.7 million and \$33.5 million respectively. Further, failure to comply with Title IV-D requirements could result in a penalty being assessed to the Title IV-A TANF (Temporary Assistance to Needy Families) grant. For the first year of noncompliance, the penalty is 1-2 percent of TANF funds; for the second year, the penalty is 2-3 percent of TANF funds; and for subsequent years, the penalty is 3-5 percent of the amounts otherwise payable to the state. Florida's TANF grant is \$559.1 million for Federal Fiscal Year 2017-2018. The penalty would be applied to all or part of the grant.⁴³

The bill will require the DHSMV to implement changes to vessel titling procedures and databases. However, with a delayed effective date of July 1, 2023, the DHSMV can incorporate the required changes utilizing existing resources.⁴⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill authorizes the DHSMV to adopt rules to implement part I of ch. 328, F.S.

On lines 898 and 899 of the bill, the provision seems to imply that the DHSMV has the *option* of creating electronic certificates of title. The bill states "if the department creates electronic certificates of title..." Section 328.15, F.S., requires the DHSMV to establish and administer an electronic titling program.

Section 19 of the bill amends s. 328.15, F.S., F.S., deleting current subsections (1), (2), and (6) and re-designating the remaining subsections. A new subsection (9) included in the revisions to s. 328.15, F.S., provides that re-designated subsections (1), (2), and (4)-(8) expire on October 1, 2026. The remaining provision requires the DHSMV to adopt rules to administer "this section," including rules about notarization of satisfaction of liens and forms; allow the DHSMV to provide copies of satisfactions of liens for \$1, which are admissible in court; and directs the DHSMV to establish and administer an electronic titling program.

4

⁴³ Email from the Department of Revenue to Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee staff, *CS/SB 676*, April 8, 2019. (On files in the Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee.)

⁴⁴ *Id.*

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 328.01, 328.03, 328.09, 328.11, 328.15, 328.16, 328.165, 409.2575, 705.103, and 721.08.

This bill creates the following sections of the Florida Statutes: 328.001, 328.0015, 328.015, 328.02, 328.04, 328.045, 328.055, 328.06, 328.065, 328.101, 328.12, 328.125, 328.14, 328.145, 328.215, 328.22, 328.23, 328.24, 328.25, and 328.41.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS/CS by Appropriations Subcommittee on Transportation, Tourism, and Economic Development on April 9, 2019:

The committee substitute provides that for the purpose of perfecting a security interest, the Department of Revenue shall be treated as a secured party when collecting unpaid child support.

CS by Infrastructure and Security on March 20, 2019:

The committee substitute:

- Increases the penalties for an owner or insurer who fails to comply with the required disclosures relating to a hull-damaged-branded certificate of title, or a person who solicits or colludes in such a failure by an owner, or an insurer that fails to apply for a new, branded certificate.
- Expands the DHSMV's rulemaking authorization from just one section in the bill to the entire part I, ch. 328, F.S.
- Removes provisions relating to creation of a certificate of title for a vessel valued at less than \$5,000, and removes a limitation on the bond amount the DHSMV is authorized to require, in connection with an application for transfer of ownership or termination of security interest without a certificate of title.
- Provides the DHSMV is not liable to a person or entity for creating a certificate of title when the certificate is issued in good faith based on information provided by an applicant, and specified penalties for an applicant that submits erroneous or fraudulent information with intent to mislead the DHSMV.
- Provides 30-day periods within which to take specified actions, rather than 20-day periods in the as-filed bill, in various sections of the bill.
- Revises the effective date of the act from October 1, 2019, to July 1, 2023.
- Delays the expiration of the specified subsections of s. 328.15, F.S., until October 1, 2026.
- Makes numerous non-substantive editorial revisions.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/11/2019	.	
	.	
	.	
	.	

Appropriations Subcommittee on Transportation, Tourism, and
Economic Development (Hooper) recommended the following:

Senate Amendment

Between lines 1073 and 1074

insert:

(12) For purposes of this section and this part, the
Department of Revenue shall be treated as a secured party when
collecting unpaid support.

By the Committee on Infrastructure and Security; and Senator
Hooper

596-03527-19

2019676c1

1 A bill to be entitled
2 An act relating to certificates of title for vessels;
3 creating s. 328.001, F.S.; providing a short title;
4 creating s. 328.0015, F.S.; providing definitions;
5 amending s. 328.01, F.S.; revising requirements for
6 application for, and information to be included in, a
7 certificate of title for a vessel; creating s.
8 328.015, F.S.; requiring the Department of Highway
9 Safety and Motor Vehicles to retain certain
10 information relating to ownership and titling of
11 vessels; requiring the department to furnish certain
12 information upon request; creating s. 328.02, F.S.;
13 providing that the law of the state under which a
14 vessel's certificate of title is covered governs all
15 issues relating to a certificate of title; specifying
16 when a vessel becomes covered by such certificate;
17 amending s. 328.03, F.S.; requiring a vessel owner to
18 deliver an application for certificate of title to the
19 department by a specified time; revising circumstances
20 under which a vessel must be titled by this state;
21 providing requirements for issuing, transferring, or
22 renewing the number of an undocumented vessel issued
23 under certain federal provisions; deleting provisions
24 relating to operation, use, or storage of a vessel;
25 deleting provisions relating to selling, assigning, or
26 transferring a vessel; specifying that a certificate
27 of title is prima facie evidence of the accuracy of
28 the information in the record that constitutes the
29 certificate; creating s. 328.04, F.S.; providing

Page 1 of 74

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596-03527-19

2019676c1

30 requirements for the contents of a certificate of
31 title; creating s. 328.045, F.S.; providing
32 responsibilities of an owner and insurer of a hull-
33 damaged vessel when transferring an ownership interest
34 in the vessel; requiring the department to create a
35 new certificate indicating such damage; providing
36 civil penalties; creating s. 328.055, F.S.; requiring
37 the department to maintain certain information in its
38 files and to provide certain information to
39 governmental entities; specifying that certain
40 information is a public record; creating s. 328.06,
41 F.S.; providing responsibilities of the department
42 when creating a certificate of title; creating s.
43 328.065, F.S.; specifying effect of possession of a
44 certificate of title; providing construction; amending
45 s. 328.09, F.S.; providing duties of the department
46 relating to creation, issuance, refusal to issue, or
47 cancellation of a certificate of title; providing for
48 a hearing; creating s. 328.101, F.S.; specifying that
49 a certificate of title and certain other records are
50 effective despite missing or incorrect information;
51 amending s. 328.11, F.S.; providing requirements for
52 obtaining a duplicate certificate of title; creating
53 s. 328.12, F.S.; providing requirements for
54 determination and perfection of a security interest in
55 a vessel; providing applicability; creating s.
56 328.125, F.S.; providing requirements for the delivery
57 of a statement of termination of a security interest;
58 providing duties of the department; providing

Page 2 of 74

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596-03527-19

2019676c1

59 liability for noncompliance; creating s. 328.14, F.S.;

60 providing for the rights of a purchaser of a vessel

61 who is not a secured party; creating s. 328.145, F.S.;

62 providing for the rights of a secured party; amending

63 s. 328.15, F.S.; deleting certain provisions relating

64 to notice of a lien; providing for future expiration

65 of certain provisions; amending ss. 328.16 and

66 328.165, F.S.; conforming provisions to changes made

67 by the act; creating s. 328.215, F.S.; specifying

68 circumstances under which the department may create a

69 new certificate of title after receipt of an

70 application for a transfer of ownership or termination

71 of a security interest unaccompanied by a certificate

72 of title; authorizing the department to indicate

73 certain information on the new certificate;

74 authorizing the department to require a bond,

75 indemnity, or other security; providing for the

76 release of such bond, indemnity, or other security;

77 providing that the department is not liable for

78 creating a certificate of title based on erroneous or

79 fraudulent information; providing penalties; creating

80 s. 328.22, F.S.; providing requirements for the

81 transfer of ownership in a vessel; providing effect of

82 noncompliance; creating s. 328.23, F.S.; providing a

83 definition; providing duties of the department upon

84 receipt of a secured party's transfer statement;

85 providing construction; creating s. 328.24, F.S.;

86 providing a definition; providing requirements for a

87 transfer of ownership by operation of law; providing

Page 3 of 74

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596-03527-19

2019676c1

88 duties of the department; providing applicability;

89 creating s. 328.25, F.S.; providing that the

90 principles and law of equity supplement the provisions

91 of the act; creating s. 328.41, F.S.; authorizing the

92 department to adopt rules to implement vessel

93 registration provisions; amending ss. 409.2575,

94 705.103, and 721.08, F.S.; conforming provisions and

95 cross-references to changes made by the act; providing

96 construction and applicability regarding transactions,

97 certificates of title, and records entered into or

98 created, actions or proceedings commenced, and

99 security interests perfected before the effective date

100 of the act; providing applicability; providing an

101 effective date.

102

103 Be It Enacted by the Legislature of the State of Florida:

104

105 Section 1. Section 328.001, Florida Statutes, is created to

106 read:

107 328.001 Short title.—This part may be cited as the "Uniform

108 Certificate of Title for Vessels Act."

109 Section 2. Section 328.0015, Florida Statutes, is created

110 to read:

111 328.0015 Definitions.—

112 (1) As used in this part, the term:

113 (a) "Barge" means a vessel that is not self-propelled or

114 fitted for propulsion by sail, paddle, oar, or a similar device.

115 (b) "Builder's certificate" means a certificate of the

116 facts of build of a vessel described in 46 C.F.R. s. 67.99.

Page 4 of 74

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596-03527-19

2019676c1

- 117 (c) "Buyer" means a person who buys or contracts to buy a
 118 vessel.
- 119 (d) "Cancel," with respect to a certificate of title, means
 120 to make the certificate ineffective.
- 121 (e) "Certificate of origin" means a record created by a
 122 manufacturer or an importer as the manufacturer's or importer's
 123 proof of identity of a vessel. The term includes a
 124 manufacturer's certificate or statement of origin and an
 125 importer's certificate or statement of origin. The term does not
 126 include a builder's certificate.
- 127 (f) "Certificate of title" means a record, created by the
 128 department or by a governmental agency of another jurisdiction
 129 under the law of that jurisdiction, that is designated as a
 130 certificate of title by the department or agency and is evidence
 131 of ownership of a vessel.
- 132 (g) "Dealer" means a person, including a manufacturer, in
 133 the business of selling vessels.
- 134 (h) "Department" means the Department of Highway Safety and
 135 Motor Vehicles.
- 136 (i) "Documented vessel" means a vessel covered by a
 137 certificate of documentation issued pursuant to 46 U.S.C. s.
 138 12105. The term does not include a foreign-documented vessel.
- 139 (j) "Electronic" means relating to technology having
 140 electrical, digital, magnetic, wireless, optical,
 141 electromagnetic, or similar capabilities.
- 142 (k) "Electronic certificate of title" means a certificate
 143 of title consisting of information that is stored solely in an
 144 electronic medium and is retrievable in perceivable form.
- 145 (l) "Foreign-documented vessel" means a vessel the

596-03527-19

2019676c1

- 146 ownership of which is recorded in a registry maintained by a
 147 country other than the United States which identifies each
 148 person who has an ownership interest in the vessel and includes
 149 a unique alphanumeric designation for the vessel.
- 150 (m) "Good faith" means honesty in fact and the observance
 151 of reasonable commercial standards of fair dealing.
- 152 (n) "Hull damaged" means compromised with respect to the
 153 integrity of a vessel's hull by a collision, allision, lightning
 154 strike, fire, explosion, running aground, or similar occurrence,
 155 or the sinking of a vessel in a manner that creates a
 156 significant risk to the integrity of the vessel's hull.
- 157 (o) "Hull identification number" means the alphanumeric
 158 designation assigned to a vessel pursuant to 33 C.F.R. part 181.
- 159 (p) "Lien creditor," with respect to a vessel, means:
- 160 1. A creditor that has acquired a lien on the vessel by
 161 attachment, levy, or the like;
 - 162 2. An assignee for benefit of creditors from the time of
 163 assignment;
 - 164 3. A trustee in bankruptcy from the date of the filing of
 165 the petition; or
 - 166 4. A receiver in equity from the time of appointment.
- 167 (q) "Owner" means a person who has legal title to a vessel.
- 168 (r) "Owner of record" means the owner indicated in the
 169 files of the department or, if the files indicate more than one
 170 owner, the one first indicated.
- 171 (s) "Person" means an individual, a corporation, a business
 172 trust, an estate, a trust, a statutory trust, a partnership, a
 173 limited liability company, an association, a joint venture, a
 174 public corporation, a government or governmental subdivision, an

596-03527-19

2019676c1

175 agency, an instrumentality, or any other legal or commercial
 176 entity.

177 (t) "Purchase" means to take by sale, lease, mortgage,
 178 pledge, consensual lien, security interest, gift, or any other
 179 voluntary transaction that creates an interest in a vessel.

180 (u) "Purchaser" means a person who takes by purchase.

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

184 (w) "Secured party," with respect to a vessel, means a
 185 person:

186 1. In whose favor a security interest is created or
 187 provided for under a security agreement, regardless of whether
 188 any obligation to be secured is outstanding;

189 2. Who is a consignor as defined under chapter 679; or

190 3. Who holds a security interest arising under s. 672.401,
 191 s. 672.505, s. 672.711(3), or s. 680.508(5).

192 (x) "Secured party of record" means the secured party whose
 193 name is indicated as the name of the secured party in the files
 194 of the department or, if the files indicate more than one
 195 secured party, the one first indicated.

196 (y) "Security interest" means an interest in a vessel which
 197 secures payment or performance of an obligation if the interest
 198 is created by contract or arises under s. 672.401, s. 672.505,
 199 s. 672.711(3), or s. 680.508(5). The term includes any interest
 200 of a consignor in a vessel in a transaction that is subject to
 201 chapter 679. The term does not include the special property
 202 interest of a buyer of a vessel on identification of that vessel
 203 to a contract for sale under s. 672.501, but a buyer also may

596-03527-19

2019676c1

204 acquire a security interest by complying with chapter 679.

205 Except as otherwise provided in s. 672.505, the right of a
 206 seller or lessor of a vessel under chapter 672 or chapter 680 to
 207 retain or acquire possession of the vessel is not a security
 208 interest, but a seller or lessor also may acquire a security
 209 interest by complying with chapter 679. The retention or
 210 reservation of title by a seller of a vessel notwithstanding
 211 shipment or delivery to the buyer under s. 672.401 is limited in
 212 effect to a reservation of a security interest. Whether a
 213 transaction in the form of a lease creates a security interest
 214 is determined as provided in part II of chapter 671.

215 (z) "Sign" means, with present intent to authenticate or
 216 adopt a record, to:

217 1. Make or adopt a tangible symbol; or

218 2. Attach to or logically associate with the record an
 219 electronic symbol, sound, or process.

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

224 (bb) "State of principal use" means the state on the waters
 225 of which a vessel is or will be used, operated, navigated, or
 226 employed more than on the waters of any other state during a
 227 calendar year.

228 (cc) "Title brand" means a designation of previous damage,
 229 use, or condition that must be indicated on a certificate of
 230 title.

231 (dd) "Transfer of ownership" means a voluntary or
 232 involuntary conveyance of an interest in a vessel.

596-03527-19

2019676c1

233 (ee) "Vessel" means a watercraft used or capable of being
 234 used as a means of transportation on water, except:
 235 1. A seaplane;
 236 2. An amphibious vehicle for which a certificate of title
 237 is issued pursuant to chapter 319 or a similar statute of
 238 another state;
 239 3. A watercraft less than 16 feet in length and propelled
 240 solely by sail, paddle, oar, or an engine of less than 10
 241 horsepower;
 242 4. A watercraft that operates only on a permanently fixed,
 243 manufactured course and the movement of which is restricted to
 244 or guided by means of a mechanical device to which the
 245 watercraft is attached or by which the watercraft is controlled;
 246 5. A stationary floating structure that:
 247 a. Does not have and is not designed to have a mode of
 248 propulsion of its own;
 249 b. Is dependent for utilities upon a continuous utility
 250 hookup to a source originating on shore; and
 251 c. Has a permanent, continuous hookup to a shoreside sewage
 252 system;
 253 6. Watercraft owned by the United States, a state, or a
 254 foreign government or a political subdivision of any of them;
 255 and
 256 7. A watercraft used solely as a lifeboat on another
 257 watercraft.
 258 (ff) "Vessel number" means the alphanumeric designation for
 259 a vessel issued pursuant to 46 U.S.C. s. 12301.
 260 (gg) "Written certificate of title" means a certificate of
 261 title consisting of information inscribed on a tangible medium.

Page 9 of 74

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596-03527-19

2019676c1

262 (2) The following definitions and terms also apply to this
 263 part:
 264 (a) "Agreement" as defined in s. 671.201(3).
 265 (b) "Buyer in ordinary course of business" as defined in s.
 266 671.201(9).
 267 (c) "Conspicuous" as defined in s. 671.201(10).
 268 (d) "Consumer goods" as defined in s. 679.1021(1)(w).
 269 (e) "Debtor" as defined in s. 679.1021(1)(bb).
 270 (f) "Knowledge" as defined in s. 671.209.
 271 (g) "Lease" as defined in s. 680.1031(1)(j).
 272 (h) "Lessor" as defined in 680.1031(1)(p).
 273 (i) "Notice" as defined s. 671.209.
 274 (j) "Representative" as defined in s. 671.201(36).
 275 (k) "Sale" as defined in s. 672.106(1).
 276 (l) "Security agreement" as defined in s. 679.1021(1)(uuu).
 277 (m) "Seller" as defined in s. 672.103(1)(d).
 278 (n) "Send" as defined in s. 671.201(39).
 279 (o) "Value" as defined in s. 671.211.
 280 Section 3. Section 328.01, Florida Statutes, is amended to
 281 read:
 282 328.01 Application for certificate of title.—
 283 (1)~~(a)~~ The owner of a vessel which is required to be titled
 284 shall apply to the county tax collector for a certificate of
 285 title. Except as otherwise provided in ss. 328.045, 328.11,
 286 328.12, 328.215, 328.23, and 328.24, only an owner may apply for
 287 a certificate of title.
 288 (2) An application for a certificate of title must be
 289 signed by the applicant and contain:
 290 (a) The applicant's name, the street address of the

Page 10 of 74

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596-03527-19 2019676c1

291 applicant's principal residence, and, if different, the
 292 applicant's mailing address;
 293 (b) The name and mailing address of each other owner of the
 294 vessel;
 295 (c) The hull identification number for the vessel or, if
 296 none, an application for the issuance of a hull identification
 297 number for the vessel;
 298 (d) The vessel number for the vessel or, if none is issued
 299 by the department, an application for a vessel number;
 300 (e) A description of the vessel as required by the
 301 department, which must include:
 302 1. The official number for the vessel, if any, assigned by
 303 the United States Coast Guard;
 304 2. The name of the manufacturer, builder, or maker;
 305 3. The model year or the year in which the manufacture or
 306 build of the vessel was completed;
 307 4. The overall length of the vessel;
 308 5. The vessel type;
 309 6. The hull material;
 310 7. The propulsion type;
 311 8. The engine drive type, if any; and
 312 9. The fuel type, if any;
 313 (f) An indication of all security interests in the vessel
 314 known to the applicant and the name and mailing address of each
 315 secured party;
 316 (g) A statement that the vessel is not a documented vessel
 317 or a foreign-documented vessel;
 318 (h) Any title brand known to the applicant and, if known,
 319 the jurisdiction under whose law the title brand was created;

596-03527-19 2019676c1

320 (i) If the applicant knows that the vessel is hull damaged,
 321 a statement that the vessel is hull damaged;
 322 (j) If the application is made in connection with a
 323 transfer of ownership, the transferor's name, street address,
 324 and, if different, mailing address, the sales price, if any, and
 325 the date of the transfer; and
 326 (k) If the vessel was previously registered or titled in
 327 another jurisdiction, a statement identifying each jurisdiction
 328 known to the applicant in which the vessel was registered or
 329 titled.
 330 (3) In addition to the information required by subsection
 331 (2), an application for a certificate of title may contain an
 332 electronic address of the owner, transferor, or secured party.
 333 (4) Except as otherwise provided in s. 328.11, s. 328.215,
 334 s. 328.23, or s. 328.24, an application for a certificate of
 335 title must be accompanied by:
 336 (a) A certificate of title signed by the owner shown on the
 337 certificate and which:
 338 1. Identifies the applicant as the owner of the vessel; or
 339 2. Is accompanied by a record that identifies the applicant
 340 as the owner; or
 341 (b) If there is no certificate of title:
 342 1. If the vessel was a documented vessel, a record issued
 343 by the United States Coast Guard which shows the vessel is no
 344 longer a documented vessel and identifies the applicant as the
 345 owner;
 346 2. If the vessel was a foreign-documented vessel, a record
 347 issued by the foreign country which shows the vessel is no
 348 longer a foreign-documented vessel and identifies the applicant

596-03527-19

2019676c1

349 as the owner; or

350 3. In all other cases, a certificate of origin, bill of
 351 sale, or other record that to the satisfaction of the department
 352 identifies the applicant as the owner.

353 (5) A record submitted in connection with an application is
 354 part of the application. The department shall maintain the
 355 record in its files.

356 (6) The department may require that an application for a
 357 certificate of title be accompanied by payment or evidence of
 358 payment of all fees and taxes payable by the applicant under the
 359 laws of this state, other than this part, in connection with the
 360 application or the acquisition or use of the vessel. The
 361 application shall include the true name of the owner, the
 362 residence or business address of the owner, and the complete
 363 description of the vessel, including the hull identification
 364 number, except that an application for a certificate of title
 365 for a homemade vessel shall state all the foregoing information
 366 except the hull identification number.

367 (7) (a) The application shall be signed by the owner and
 368 shall be accompanied by personal or business identification and
 369 the prescribed fee. An individual applicant must provide a valid
 370 driver license or identification card issued by this state or
 371 another state or a valid passport. A business applicant must
 372 provide a federal employer identification number, if applicable,
 373 verification that the business is authorized to conduct business
 374 in the state, or a Florida city or county business license or
 375 number.

376 (b) The owner of an undocumented vessel that is exempt from
 377 titling may apply to the county tax collector for a certificate

596-03527-19

2019676c1

378 of title by filing an application accompanied by the prescribed
 379 fee.

380 ~~(2) (a) The owner of a manufactured vessel that was~~
 381 ~~initially sold in this state for which vessel an application for~~
 382 ~~an initial title is made shall establish proof of ownership by~~
 383 ~~submitting with the application the original copy of the~~
 384 ~~manufacturer's statement of origin for that vessel.~~

385 ~~(b) The owner of a manufactured vessel that was initially~~
 386 ~~sold in another state or country for which vessel an application~~
 387 ~~for an initial title is made shall establish proof of ownership~~
 388 ~~by submitting with the application:~~

389 ~~1. The original copy of the manufacturer's statement of~~
 390 ~~origin if the vessel was initially sold or manufactured in a~~
 391 ~~state or country requiring the issuance of such a statement or~~
 392 ~~the original copy of the executed bill of sale if the vessel was~~
 393 ~~initially sold or manufactured in a state or country not~~
 394 ~~requiring the issuance of a manufacturer's statement of origin;~~
 395 ~~and~~

396 ~~2. The most recent certificate of registration for the~~
 397 ~~vessel, if such a certificate was issued.~~

398 ~~(c) In making application for an initial title, the owner~~
 399 ~~of a homemade vessel shall establish proof of ownership by~~
 400 ~~submitting with the application:~~

401 ~~1. A notarized statement of the builder or its equivalent,~~
 402 ~~whichever is acceptable to the Department of Highway Safety and~~
 403 ~~Motor Vehicles, if the vessel is less than 16 feet in length; or~~

404 ~~2. A certificate of inspection from the Fish and Wildlife~~
 405 ~~Conservation Commission and a notarized statement of the builder~~
 406 ~~or its equivalent, whichever is acceptable to the Department of~~

596-03527-19

2019676c1

407 Highway Safety and Motor Vehicles, if the vessel is 16 feet or
408 more in length.

409 ~~(d) The owner of a nontitled vessel registered or~~
410 ~~previously registered in another state or country for which an~~
411 ~~application for title is made in this state shall establish~~
412 ~~proof of ownership by surrendering, with the submission of the~~
413 ~~application, the original copy of the most current certificate~~
414 ~~of registration issued by the other state or country.~~

415 ~~(e) The owner of a vessel titled in another state or~~
416 ~~country for which an application for title is made in this state~~
417 ~~shall not be issued a title unless and until all existing titles~~
418 ~~to the vessel are surrendered to the Department of Highway~~
419 ~~Safety and Motor Vehicles. The department shall retain the~~
420 ~~evidence of title which is presented by the applicant and on the~~
421 ~~basis of which the certificate of title is issued. The~~
422 ~~department shall use reasonable diligence in ascertaining~~
423 ~~whether the facts in the application are true; and, if satisfied~~
424 ~~that the applicant is the owner of the vessel and that the~~
425 ~~application is in the proper form, the department shall issue a~~
426 ~~certificate of title.~~

427 ~~(f) In making application for the titling of a vessel~~
428 ~~previously documented by the Federal Government, the current~~
429 ~~owner shall establish proof of ownership by submitting with the~~
430 ~~application a copy of the canceled documentation papers or a~~
431 ~~properly executed release from documentation certificate~~
432 ~~provided by the United States Coast Guard. In the event such~~
433 ~~documentation papers or certification are in the name of a~~
434 ~~person other than the current owner, the current owner shall~~
435 ~~provide the original copy of all subsequently executed bills of~~

Page 15 of 74

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596-03527-19

2019676c1

436 sale applicable to the vessel.

437 ~~(3) (a) In making application for a title upon transfer of~~
438 ~~ownership of a vessel, the new owner shall surrender to the~~
439 ~~Department of Highway Safety and Motor Vehicles the last title~~
440 ~~document issued for that vessel. The document shall be properly~~
441 ~~executed. Proper execution includes, but is not limited to, the~~
442 ~~previous owner's signature and certification that the vessel to~~
443 ~~be transferred is debt-free or is subject to a lien. If a lien~~
444 ~~exists, the previous owner shall furnish the new owner, on forms~~
445 ~~supplied by the Department of Highway Safety and Motor Vehicles,~~
446 ~~the names and addresses of all lienholders and the dates of all~~
447 ~~liens, together with a statement from each lienholder that the~~
448 ~~lienholder has knowledge of and consents to the transfer of~~
449 ~~title to the new owner.~~

450 ~~(b) If the application for transfer of title is based upon~~
451 ~~a contractual default, the recorded lienholder shall establish~~
452 ~~proof of right to ownership by submitting with the application~~
453 ~~the original certificate of title and a copy of the applicable~~
454 ~~contract upon which the claim of ownership is made. If the claim~~
455 ~~is based upon a court order or judgment, a copy of such document~~
456 ~~shall accompany the application for transfer of title. If, on~~
457 ~~the basis of departmental records, there appears to be any other~~
458 ~~lien on the vessel, the certificate of title must contain a~~
459 ~~statement of such a lien, unless the application for a~~
460 ~~certificate of title is either accompanied by proper evidence of~~
461 ~~the satisfaction or extinction of the lien or contains a~~
462 ~~statement certifying that any lienholder named on the last-~~
463 ~~issued certificate of title has been sent notice by certified~~
464 ~~mail, at least 5 days before the application was filed, of the~~

Page 16 of 74

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596-03527-19

2019676c1

465 applicant's intention to seek a repossessed title. If such
 466 notice is given and no written protest to the department is
 467 presented by a subsequent lienholder within 15 days after the
 468 date on which the notice was mailed, the certificate of title
 469 shall be issued showing no liens. If the former owner or any
 470 subsequent lienholder files a written protest under oath within
 471 the 15-day period, the department shall not issue the
 472 repossessed certificate for 10 days thereafter. If, within the
 473 10-day period, no injunction or other order of a court of
 474 competent jurisdiction has been served on the department
 475 commanding it not to deliver the certificate, the department
 476 shall deliver the repossessed certificate to the applicant, or
 477 as is otherwise directed in the application, showing no other
 478 liens than those shown in the application.

479 (e) In making application for transfer of title from a
 480 deceased titled owner, the new owner or surviving coowner shall
 481 establish proof of ownership by submitting with the application
 482 the original certificate of title and the decedent's probated
 483 last will and testament or letters of administration appointing
 484 the personal representative of the decedent. In lieu of a
 485 probated last will and testament or letters of administration, a
 486 copy of the decedent's death certificate, a copy of the
 487 decedent's last will and testament, and an affidavit by the
 488 decedent's surviving spouse or heirs affirming rights of
 489 ownership may be accepted by the department. If the decedent
 490 died intestate, a court order awarding the ownership of the
 491 vessel or an affidavit by the decedent's surviving spouse or
 492 heirs establishing or releasing all rights of ownership and a
 493 copy of the decedent's death certificate shall be submitted to

Page 17 of 74

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596-03527-19

2019676c1

494 ~~the department.~~

495 (c)(d) An owner or coowner who has made a bona fide sale or
 496 transfer of a vessel and has delivered possession thereof to a
 497 purchaser shall not, by reason of any of the provisions of this
 498 chapter, be considered the owner or coowner of the vessel so as
 499 to be subject to civil liability for the operation of the vessel
 500 thereafter by another if the owner or coowner has fulfilled
 501 either of the following requirements:

502 1. The owner or coowner has delivered to the department, or
 503 has placed in the United States mail, addressed to the
 504 department, either the certificate of title, properly endorsed,
 505 or a notice in the form prescribed by the department; or

506 2. The owner or coowner has made proper endorsement and
 507 delivery of the certificate of title as provided by this
 508 chapter. As used in this subparagraph, the term "proper
 509 endorsement" means:

510 a. The signature of one coowner if the vessel is held in
 511 joint tenancy, signified by the vessel's being registered in the
 512 names of two or more persons as coowners in the alternative by
 513 the use of the word "or." In a joint tenancy, each coowner is
 514 considered to have granted to each of the other coowners the
 515 absolute right to dispose of the title and interest in the
 516 vessel, and, upon the death of a coowner, the interest of the
 517 decedent in the jointly held vessel passes to the surviving
 518 coowner or coowners. This sub-subparagraph is applicable even if
 519 the coowners are husband and wife; or

520 b. The signatures of every coowner or of the respective
 521 personal representatives of the coowners if the vessel is
 522 registered in the names of two or more persons as coowners in

Page 18 of 74

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596-03527-19

2019676c1

523 the conjunctive by the use of the word "and."
524

525 The department shall adopt suitable language that must appear
526 upon the certificate of title to effectuate the manner in which
527 the interest in or title to the vessel is held.

528 ~~(8)(4)~~ If the owner cannot furnish the department ~~of~~
529 ~~Highway Safety and Motor Vehicles~~ with all the required
530 ownership documentation, the department may, at its discretion,
531 issue a title conditioned on the owner's agreement to indemnify
532 the department and its agents and defend the title against all
533 claims or actions arising out of such issuance.

534 (9)(5)(a) An application for an initial title or a title
535 transfer shall include payment of the applicable state sales tax
536 or proof of payment of such tax.

537 (b) An application for a title transfer between
538 individuals, which transfer is not exempt from the payment of
539 sales tax, shall include payment of the appropriate sales tax
540 payable on the selling price for the complete vessel rig, which
541 includes the vessel and its motor, trailer, and accessories, if
542 any. If the applicant submits with his or her application an
543 itemized, properly executed bill of sale which separately
544 describes and itemizes the prices paid for each component of the
545 rig, only the vessel and trailer will be subject to the sales
546 tax.

547 (10)(6) The department ~~of Highway Safety and Motor Vehicles~~
548 shall prescribe and provide suitable forms for applications,
549 certificates of title, notices of security interests, and other
550 notices and forms necessary to carry out the provisions of this
551 chapter.

Page 19 of 74

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596-03527-19

2019676c1

552 Section 4. Section 328.015, Florida Statutes, is created to
553 read:

554 328.015 Duties and operation of the department.—
555 (1) The department shall retain the evidence used to
556 establish the accuracy of the information in its files relating
557 to the current ownership of a vessel and the information on the
558 certificate of title.

559 (2) The department shall retain in its files all
560 information regarding a security interest in a vessel for at
561 least 10 years after the department receives a termination
562 statement regarding the security interest. The information must
563 be accessible by the hull identification number for the vessel
564 and any other methods provided by the department.

565 (3) If a person submits a record to the department, or
566 submits information that is accepted by the department, and
567 requests an acknowledgment of the filing or submission, the
568 department shall send to the person an acknowledgment showing
569 the hull identification number of the vessel to which the record
570 or submission relates, the information in the filed record or
571 submission, and the date and time the record was received or the
572 submission was accepted. A request under this section must
573 contain the hull identification number and be delivered by means
574 authorized by the department.

575 (4) The department shall send or otherwise make available
576 in a record the following information to any person who requests
577 it and pays the applicable fee:

578 (a) Whether the files of the department indicate, as of a
579 date and time specified by the department, but not a date
580 earlier than 3 days before the department received the request,

Page 20 of 74

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596-03527-19 2019676c1

581 any certificate of title, security interest, termination
 582 statement, or title brand that relates to a vessel:
 583 1. Identified by a hull identification number designated in
 584 the request;
 585 2. Identified by a vessel number designated in the request;
 586 or
 587 3. Owned by a person designated in the request;
 588 (b) With respect to the vessel:
 589 1. The name and address of any owner as indicated in the
 590 files of the department or on the certificate of title;
 591 2. The name and address of any secured party as indicated
 592 in the files of the department or on the certificate, and the
 593 effective date of the information; and
 594 3. A copy of any termination statement indicated in the
 595 files of the department and the effective date of the
 596 termination statement; and
 597 (c) With respect to the vessel, a copy of any certificate
 598 of origin, secured party transfer statement, transfer-by-law
 599 statement under s. 328.24, and other evidence of previous or
 600 current transfers of ownership.
 601 (5) In responding to a request under this section, the
 602 department may provide the requested information in any medium.
 603 On request, the department shall send the requested information
 604 in a record that is self-authenticating.
 605 Section 5. Section 328.02, Florida Statutes, is created to
 606 read:
 607 328.02 Law governing vessel covered by certificate of
 608 title.-
 609 (1) The law of the state under which a vessel's certificate

Page 21 of 74

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596-03527-19 2019676c1

610 of title is covered governs all issues relating to the
 611 certificate from the time the vessel becomes covered by the
 612 certificate until the vessel becomes covered by another
 613 certificate or becomes a documented vessel, even if no other
 614 relationship exists between the state and the vessel or its
 615 owner.
 616 (2) A vessel becomes covered by a certificate of title when
 617 an application for the certificate and the applicable fee are
 618 delivered to the department in accordance with this part or to
 619 the governmental agency that creates a certificate in another
 620 jurisdiction in accordance with the law of that jurisdiction.
 621 Section 6. Section 328.03, Florida Statutes, is amended to
 622 read:
 623 328.03 Certificate of title required.-
 624 (1) Except as otherwise provided in subsections (2) and
 625 (3), each vessel that is operated, used, or stored on the waters
 626 of this state must be titled by this state pursuant to this
 627 part, and the owner of a vessel for which this state is the
 628 state of principal use shall deliver to the department an
 629 application for a certificate of title for the vessel, with the
 630 applicable fee, not later than 30 days after the later of:
 631 (a) The date of a transfer of ownership; or
 632 (b) The date this state becomes the state of principal use.
 633 (2) An application for a certificate of title is not
 634 required for ~~chapter~~, unless it is:
 635 (a) A documented vessel;
 636 (b) A foreign-documented vessel;
 637 (c) A barge;
 638 (d) A vessel before delivery if the vessel is under

Page 22 of 74

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596-03527-19

2019676c1

639 construction or completed pursuant to contract;
 640 (e) A vessel held by a dealer for sale or lease;
 641 (f) A vessel used solely for demonstration, testing, or
 642 sales promotional purposes by the manufacturer or dealer;
 643 (g)(a) A vessel operated, used, or stored exclusively on
 644 private lakes and ponds;
 645 (h)(b) A vessel owned by the United States Government;
 646 ~~(c) A non-motor-powered vessel less than 16 feet in length;~~
 647 ~~(d) A federally documented vessel;~~
 648 (i)(c) A vessel already covered by a registration number in
 649 full force and effect which was awarded to it pursuant to a
 650 federally approved numbering system of another state or by the
 651 United States Coast Guard in a state without a federally
 652 approved numbering system, if the vessel is not located in this
 653 state for a period in excess of 90 consecutive days; or
 654 (j)(f) A vessel from a country other than the United States
 655 temporarily used, operated, or stored on the waters of this
 656 state for a period that is not in excess of 90 days;
 657 ~~(g) An amphibious vessel for which a vehicle title is~~
 658 ~~issued by the Department of Highway Safety and Motor Vehicles;~~
 659 ~~(h) A vessel used solely for demonstration, testing, or~~
 660 ~~sales promotional purposes by the manufacturer or dealer; or~~
 661 ~~(i) A vessel owned and operated by the state or a political~~
 662 ~~subdivision thereof.~~
 663 (3) The department may not issue, transfer, or renew a
 664 number issued to a vessel pursuant to the requirements of 46
 665 U.S.C. s. 12301 unless the department has created a certificate
 666 of title for the vessel or an application for a certificate for
 667 the vessel and the applicable fee have been delivered to the

Page 23 of 74

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596-03527-19

2019676c1

668 department.
 669 ~~(2) A person shall not operate, use, or store a vessel for~~
 670 ~~which a certificate of title is required unless the owner has~~
 671 ~~received from the Department of Highway Safety and Motor~~
 672 ~~Vehicles a valid certificate of title for such vessel. However,~~
 673 ~~such vessel may be operated, used, or stored for a period of up~~
 674 ~~to 180 days after the date of application for a certificate of~~
 675 ~~title while the application is pending.~~
 676 ~~(3) A person shall not sell, assign, or transfer a vessel~~
 677 ~~titled by the state without delivering to the purchaser or~~
 678 ~~transferee a valid certificate of title with an assignment on it~~
 679 ~~showing the transfer of title to the purchaser or transferee. A~~
 680 ~~person shall not purchase or otherwise acquire a vessel required~~
 681 ~~to be titled by the state without obtaining a certificate of~~
 682 ~~title for the vessel in his or her name. The purchaser or~~
 683 ~~transferee shall, within 30 days after a change in vessel~~
 684 ~~ownership, file an application for a title transfer with the~~
 685 ~~county tax collector.~~
 686 (4) An additional \$10 fee shall be charged against the
 687 purchaser or transferee if he or she files a title transfer
 688 application after the 30-day period. The county tax collector
 689 shall be entitled to retain \$5 of the additional amount.
 690 (5)(4) A certificate of title is prima facie evidence of
 691 the accuracy of the information in the record that constitutes
 692 the certificate and of the ownership of the vessel. A
 693 certificate of title is good for the life of the vessel so long
 694 as the certificate is owned or held by the legal holder. If a
 695 titled vessel is destroyed or abandoned, the owner, with the
 696 consent of any recorded lienholders, shall, within 30 days after

Page 24 of 74

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596-03527-19 2019676c1

697 the destruction or abandonment, surrender to the department for
 698 cancellation any and all title documents. If a titled vessel is
 699 insured and the insurer has paid the owner for the total loss of
 700 the vessel, the insurer shall obtain the title to the vessel
 701 and, within 30 days after receiving the title, forward the title
 702 to the department ~~of Highway Safety and Motor Vehicles~~ for
 703 cancellation. The insurer may retain the certificate of title
 704 when payment for the loss was made because of the theft of the
 705 vessel.

706 ~~(6)~~(5) The department ~~of Highway Safety and Motor Vehicles~~
 707 shall provide labeled places on the title where the seller's
 708 price shall be indicated when a vessel is sold and where a
 709 selling dealer shall record his or her valid sales tax
 710 certificate of registration number.

711 ~~(7)~~(6)(a) The department ~~of Highway Safety and Motor~~
 712 ~~Vehicles~~ shall charge a fee of \$5.25 for issuing each
 713 certificate of title. The tax collector shall be entitled to
 714 retain \$3.75 of the fee.

715 (b) ~~Beginning July 1, 1996,~~ The department ~~of Highway~~
 716 ~~Safety and Motor Vehicles~~ shall use security procedures,
 717 processes, and materials in the preparation and issuance of each
 718 certificate of title to prohibit, to the extent possible, a
 719 person's ability to alter, counterfeit, duplicate, or modify the
 720 certificate.

721 ~~(8)~~(7) The department ~~of Highway Safety and Motor Vehicles~~
 722 shall charge a fee of \$4 in addition to that charged in
 723 subsection ~~(7)~~ (6) for each initial certificate of title issued
 724 for a vessel previously registered outside this state.

725 ~~(9)~~(8) The department ~~of Highway Safety and Motor Vehicles~~

596-03527-19 2019676c1

726 shall make regulations necessary and convenient to carry out the
 727 provisions of this chapter.

728 Section 7. Section 328.04, Florida Statutes, is created to
 729 read:

730 328.04 Content of certificate of title.-

731 (1) A certificate of title must contain:

732 (a) The date the certificate was created;

733 (b) The name of the owner of record and, if not all owners
 734 are listed, an indication that there are additional owners
 735 indicated in the files of the department;

736 (c) The mailing address of the owner of record;

737 (d) The hull identification number;

738 (e) The information listed in s. 328.01(2)(e);

739 (f) Except as otherwise provided in s. 328.12(2), the name
 740 and mailing address of the secured party of record, if any, and
 741 if not all secured parties are listed, an indication that there
 742 are other security interests indicated in the files of the
 743 department; and

744 (g) All title brands indicated in the files of the
 745 department covering the vessel, including brands indicated on a
 746 certificate created by a governmental agency of another
 747 jurisdiction and delivered to the department.

748 (2) This part does not preclude the department from noting
 749 on a certificate of title the name and mailing address of a
 750 secured party that is not a secured party of record.

751 (3) For each title brand indicated on a certificate of
 752 title, the certificate must identify the jurisdiction under
 753 whose law the title brand was created or the jurisdiction that
 754 created the certificate on which the title brand was indicated.

596-03527-19

2019676c1

755 If the meaning of a title brand is not easily ascertainable or
 756 cannot be accommodated on the certificate, the certificate may
 757 state: "Previously branded in (insert the jurisdiction under
 758 whose law the title brand was created or whose certificate of
 759 title previously indicated the title brand)."

760 (4) If the files of the department indicate that a vessel
 761 was previously registered or titled in a foreign country, the
 762 department shall indicate on the certificate of title that the
 763 vessel was registered or titled in that country.

764 (5) A written certificate of title must contain a form that
 765 all owners indicated on the certificate may sign to evidence
 766 consent to a transfer of an ownership interest to another
 767 person. The form must include a certification, signed under
 768 penalty of perjury, that the statements made are true and
 769 correct to the best of each owner's knowledge, information, and
 770 belief.

771 (6) A written certificate of title must contain a form for
 772 the owner of record to indicate, in connection with a transfer
 773 of an ownership interest, that the vessel is hull damaged.

774 Section 8. Section 328.045, Florida Statutes, is created to
 775 read:

776 328.045 Title brands.-

777 (1) Unless subsection (3) applies, at or before the time
 778 the owner of record transfers an ownership interest in a hull-
 779 damaged vessel that is covered by a certificate of title created
 780 by the department, if the damage occurred while that person was
 781 an owner of the vessel and the person has notice of the damage
 782 at the time of the transfer, the owner shall:

783 (a) Deliver to the department an application for a new

Page 27 of 74

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596-03527-19

2019676c1

784 certificate that complies with s. 328.01 and includes the title
 785 brand designation "Hull Damaged"; or

786 (b) Indicate on the certificate in the place designated for
 787 that purpose that the vessel is hull damaged and deliver the
 788 certificate to the transferee.

789 (2) Not later than 30 days after delivery of the
 790 application under paragraph (1) (a) or the certificate of title
 791 under paragraph (1) (b), the department shall create a new
 792 certificate that indicates that the vessel is branded "Hull
 793 Damaged."

794 (3) Before an insurer transfers an ownership interest in a
 795 hull-damaged vessel that is covered by a certificate of title
 796 created by the department, the insurer shall deliver to the
 797 department an application for a new certificate that complies
 798 with s. 328.01 and includes the title brand designation "Hull
 799 Damaged." Not later than 30 days after delivery of the
 800 application to the department, the department shall create a new
 801 certificate that indicates that the vessel is branded "Hull
 802 Damaged."

803 (4) An owner of record who fails to comply with subsection
 804 (1), a person who solicits or colludes in a failure by an owner
 805 of record to comply with subsection (1), or an insurer that
 806 fails to comply with subsection (3) commits a noncriminal
 807 infraction under s. 327.73(1) for which the penalty is \$5,000
 808 for the first offense, \$15,000 for a second offense, and \$25,000
 809 for each subsequent offense.

810 Section 9. Section 328.055, Florida Statutes, is created to
 811 read:

812 328.055 Maintenance of and access to files.-

Page 28 of 74

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596-03527-19

2019676c1

813 (1) For each record relating to a certificate of title
 814 submitted to the department, the department shall:
 815 (a) Ascertain or assign the hull identification number for
 816 the vessel;
 817 (b) Maintain the hull identification number and all the
 818 information submitted with the application pursuant to s.
 819 328.01(2) to which the record relates, including the date and
 820 time the record was delivered to the department;
 821 (c) Maintain the files for public inspection subject to
 822 subsection (5); and
 823 (d) Index the files of the department as required by
 824 subsection (2).
 825 (2) The department shall maintain in its files the
 826 information contained in all certificates of title created under
 827 this part. The information in the files of the department must
 828 be searchable by the hull identification number of the vessel,
 829 the vessel number, the name of the owner of record, and any
 830 other method used by the department.
 831 (3) The department shall maintain in its files, for each
 832 vessel for which it has created a certificate of title, all
 833 title brands known to the department, the name of each secured
 834 party known to the department, the name of each person known to
 835 the department to be claiming an ownership interest, and all
 836 stolen property reports the department has received.
 837 (4) Upon request, for safety, security, or law enforcement
 838 purposes, the department shall provide to federal, state, or
 839 local government the information in its files relating to any
 840 vessel for which the department has issued a certificate of
 841 title.

Page 29 of 74

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596-03527-19

2019676c1

842 (5) Except as otherwise provided by the laws of this state,
 843 other than this part, the information required under s. 328.04
 844 is a public record.
 845 Section 10. Section 328.06, Florida Statutes, is created to
 846 read:
 847 328.06 Action required on creation of certificate of
 848 title.-
 849 (1) On creation of a written certificate of title, the
 850 department shall promptly send the certificate to the secured
 851 party of record or, if none, to the owner of record at the
 852 address indicated for that person in the files of the
 853 department. On creation of an electronic certificate of title,
 854 the department shall promptly send a record evidencing the
 855 certificate to the owner of record and, if there is one, to the
 856 secured party of record at the address indicated for each person
 857 in the files of the department. The department may send the
 858 record to the person's mailing address or, if indicated in the
 859 files of the department, an electronic address.
 860 (2) If the department creates a written certificate of
 861 title, any electronic certificate of title for the vessel is
 862 canceled and replaced by the written certificate. The department
 863 shall maintain in the files of the department the date and time
 864 of cancellation.
 865 (3) Before the department creates an electronic certificate
 866 of title, any written certificate for the vessel must be
 867 surrendered to the department. If the department creates an
 868 electronic certificate, the department shall destroy or
 869 otherwise cancel the written certificate for the vessel which
 870 has been surrendered to the department and maintain in the files

Page 30 of 74

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596-03527-19

2019676c1

871 of the department the date and time of destruction or other
 872 cancellation. If a written certificate being canceled is not
 873 destroyed, the department shall indicate on the face of the
 874 certificate that it has been canceled.

875 Section 11. Section 328.065, Florida Statutes, is created
 876 to read:

877 328.065 Effect of possession of certificate of title;
 878 judicial process.—Possession of a certificate of title does not
 879 by itself provide a right to obtain possession of a vessel.
 880 Garnishment, attachment, levy, replevin, or other judicial
 881 process against the certificate is not effective to determine
 882 possessory rights to the vessel. This part does not prohibit
 883 enforcement under the laws of this state of a security interest
 884 in, levy on, or foreclosure of a statutory or common-law lien on
 885 a vessel. Absence of an indication of a statutory or common-law
 886 lien on a certificate does not invalidate the lien.

887 Section 12. Section 328.09, Florida Statutes, is amended to
 888 read:

889 (Substantial rewording of section. See
 890 s. 328.09, F.S., for present text.)

891 328.09 Refusal to issue and authority to cancel a
 892 certificate of title or registration.—

893 (1) Unless an application for a certificate of title is
 894 rejected under subsection (3) or subsection (4), the department
 895 shall create a certificate for the vessel in accordance with
 896 subsection (2) not later than 30 days after delivery to the
 897 department of an application that complies with s. 328.01.

898 (2) If the department creates electronic certificates of
 899 title, the department shall create an electronic certificate

596-03527-19

2019676c1

900 unless in the application the secured party of record or, if
 901 none, the owner of record requests that the department create a
 902 written certificate.

903 (3) Except as otherwise provided in subsection (4), the
 904 department may reject an application for a certificate of title
 905 only if:

906 (a) The application does not comply with s. 328.01;

907 (b) The application does not contain documentation
 908 sufficient for the department to determine whether the applicant
 909 is entitled to a certificate;

910 (c) There is a reasonable basis for concluding that the
 911 application is fraudulent or issuance of a certificate would
 912 facilitate a fraudulent or illegal act; or

913 (d) The application does not comply with the laws of this
 914 state other than this part.

915 (4) The department shall reject an application for a
 916 certificate of title for a vessel that is a documented vessel or
 917 a foreign-documented vessel.

918 (5) The department may cancel a certificate of title
 919 created by it only if the department:

920 (a) Could have rejected the application for the certificate
 921 under subsection (3);

922 (b) Is required to cancel the certificate under another
 923 provision of this part; or

924 (c) Receives satisfactory evidence that the vessel is a
 925 documented vessel or a foreign-documented vessel.

926 (6) The decision by the department to reject an application
 927 for a certificate of title or cancel a certificate of title
 928 pursuant to this section is subject to a hearing pursuant to ss.

596-03527-19 2019676c1

929 120.569 and 120.57 at which the owner and any other interested
 930 party may present evidence in support of or opposition to the
 931 rejection of the application for a certificate of title or the
 932 cancellation of a certificate of title.

933 Section 13. Section 328.101, Florida Statutes, is created
 934 to read:

935 328.101 Effect of missing or incorrect information.—Except
 936 as otherwise provided in s. 679.337, a certificate of title or
 937 other record required or authorized by this part is effective
 938 even if it contains unintended scrivener's errors or does not
 939 contain certain required information if such missing information
 940 is determined by the department to be inconsequential to the
 941 issuing of a certificate of title or other record.

942 Section 14. Section 328.11, Florida Statutes, is amended to
 943 read:

944 328.11 Duplicate certificate of title.—

945 (1) If a written certificate of title is lost, stolen,
 946 mutilated, destroyed, or otherwise becomes unavailable or
 947 illegible, the secured party of record or, if no secured party
 948 is indicated in the files of the department, the owner of record
 949 may apply for and, by furnishing information satisfactory to the
 950 department, obtain a duplicate certificate in the name of the
 951 owner of record.

952 (2) An applicant for a duplicate certificate of title must
 953 sign the application, and, except as otherwise permitted by the
 954 department, the application must comply with s. 328.01. The
 955 application must include the existing certificate unless the
 956 certificate is lost, stolen, mutilated, destroyed, or otherwise
 957 unavailable.

596-03527-19 2019676c1

958 (3) A duplicate certificate of title created by the
 959 department must comply with s. 328.04 and indicate on the face
 960 of the certificate that it is a duplicate certificate.

961 (4) If a person receiving a duplicate certificate of title
 962 subsequently obtains possession of the original written
 963 certificate, the person shall promptly destroy the original
 964 certificate of title.

965 ~~(5)(1) The Department of Highway Safety and Motor Vehicles~~
 966 ~~may issue a duplicate certificate of title upon application by~~
 967 ~~the person entitled to hold such a certificate if the department~~
 968 ~~is satisfied that the original certificate has been lost,~~
 969 ~~destroyed, or mutilated. The department shall charge a fee of \$6~~
 970 ~~for issuing a duplicate certificate.~~

971 (6)(2) In addition to the fee imposed by subsection (5)
 972 ~~(1), the department of Highway Safety and Motor Vehicles shall~~
 973 ~~charge a fee of \$5 for expedited service in issuing a duplicate~~
 974 ~~certificate of title. Application for such expedited service may~~
 975 ~~be made by mail or in person. The department shall issue each~~
 976 ~~certificate of title applied for under this subsection within 5~~
 977 ~~working days after receipt of a proper application or shall~~
 978 ~~refund the additional \$5 fee upon written request by the~~
 979 ~~applicant.~~

980 ~~(3) If, following the issuance of an original, duplicate,~~
 981 ~~or corrected certificate of title by the department, the~~
 982 ~~certificate is lost in transit and is not delivered to the~~
 983 ~~addressee, the owner of the vessel or the holder of a lien~~
 984 ~~thereon may, within 180 days after the date of issuance of the~~
 985 ~~title, apply to the department for reissuance of the certificate~~
 986 ~~of title. An additional fee may not be charged for reissuance~~

596-03527-19

2019676c1

987 ~~under this subsection.~~

988 (7)(4) The department shall implement a system to verify
 989 that the application is signed by a person authorized to receive
 990 a duplicate title certificate under this section if the address
 991 shown on the application is different from the address shown for
 992 the applicant on the records of the department.

993 Section 15. Section 328.12, Florida Statutes, is created to
 994 read:

995 328.12 Perfection of security interest.-

996 (1) Except as otherwise provided in this section, a
 997 security interest in a vessel may be perfected only by delivery
 998 to the department of an application for a certificate of title
 999 that identifies the secured party and otherwise complies with s.
 1000 328.01. The security interest is perfected on the later of
 1001 delivery to the department of the application and the applicable
 1002 fee or attachment of the security interest under s. 679.2031.

1003 (2) If the interest of a person named as owner, lessor,
 1004 consignor, or bailor in an application for a certificate of
 1005 title delivered to the department is a security interest, the
 1006 application sufficiently identifies the person as a secured
 1007 party. Identification on the application for a certificate of a
 1008 person as owner, lessor, consignor, or bailor is not by itself a
 1009 factor in determining whether the person's interest is a
 1010 security interest.

1011 (3) If the department has created a certificate of title
 1012 for a vessel, a security interest in the vessel may be perfected
 1013 by delivery to the department of an application, on a form the
 1014 department may require, to have the security interest added to
 1015 the certificate. The application must be signed by an owner of

Page 35 of 74

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596-03527-19

2019676c1

1016 the vessel or by the secured party and must include:

1017 (a) The name of the owner of record;
 1018 (b) The name and mailing address of the secured party;
 1019 (c) The hull identification number for the vessel; and
 1020 (d) If the department has created a written certificate of
 1021 title for the vessel, the certificate.

1022 (4) A security interest perfected under subsection (3) is
 1023 perfected on the later of delivery to the department of the
 1024 application and all applicable fees or attachment of the
 1025 security interest under s. 679.2031.

1026 (5) On delivery of an application that complies with
 1027 subsection (3) and payment of all applicable fees, the
 1028 department shall create a new certificate of title pursuant to
 1029 s. 328.09 and deliver the new certificate or a record evidencing
 1030 an electronic certificate pursuant to s. 328.06. The department
 1031 shall maintain in the files of the department the date and time
 1032 of delivery of the application to the department.

1033 (6) If a secured party assigns a perfected security
 1034 interest in a vessel, the receipt by the department of a
 1035 statement providing the name of the assignee as secured party is
 1036 not required to continue the perfected status of the security
 1037 interest against creditors of and transferees from the original
 1038 debtor. A purchaser of a vessel subject to a security interest
 1039 who obtains a release from the secured party indicated in the
 1040 files of the department or on the certificate takes free of the
 1041 security interest and of the rights of a transferee unless the
 1042 transfer is indicated in the files of the department or on the
 1043 certificate.

1044 (7) This section does not apply to a security interest:

Page 36 of 74

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596-03527-19

2019676c1

1045 (a) Created in a vessel by a person during any period in
 1046 which the vessel is inventory held for sale or lease by the
 1047 person or is leased by the person as lessor if the person is in
 1048 the business of selling vessels;
 1049 (b) In a barge for which no application for a certificate
 1050 of title has been delivered to the department; or
 1051 (c) In a vessel before delivery if the vessel is under
 1052 construction, or completed, pursuant to contract and for which
 1053 no application for a certificate has been delivered to the
 1054 department.
 1055 (8) This subsection applies if a certificate of
 1056 documentation for a documented vessel is deleted or canceled. If
 1057 a security interest in the vessel was valid immediately before
 1058 deletion or cancellation against a third party as a result of
 1059 compliance with 46 U.S.C. s. 31321, the security interest is and
 1060 remains perfected until the earlier of 4 months after
 1061 cancellation of the certificate or the time the security
 1062 interest becomes perfected under this part.
 1063 (9) A security interest in a vessel arising under s.
 1064 672.401, s. 672.505, s. 672.711(3), or s. 680.508(5) is
 1065 perfected when it attaches but becomes unperfected when the
 1066 debtor obtains possession of the vessel, unless the security
 1067 interest is perfected pursuant to subsection (1) or subsection
 1068 (3) before the debtor obtains possession.
 1069 (10) A security interest in a vessel as proceeds of other
 1070 collateral is perfected to the extent provided in s. 679.3151.
 1071 (11) A security interest in a vessel perfected under the
 1072 law of another jurisdiction is perfected to the extent provided
 1073 in s. 679.3161(4).

Page 37 of 74

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596-03527-19

2019676c1

1074 Section 16. Section 328.125, Florida Statutes, is created
 1075 to read:
 1076 328.125 Termination statement.—
 1077 (1) A secured party indicated in the files of the
 1078 department as having a security interest in a vessel shall
 1079 deliver a termination statement to the department and, on the
 1080 debtor's request, to the debtor, by the earlier of:
 1081 (a) Twenty days after the secured party receives a signed
 1082 demand from an owner for a termination statement and there is no
 1083 obligation secured by the vessel subject to the security
 1084 interest and no commitment to make an advance, incur an
 1085 obligation, or otherwise give value secured by the vessel; or
 1086 (b) If the vessel is consumer goods, 30 days after there is
 1087 no obligation secured by the vessel and no commitment to make an
 1088 advance, incur an obligation, or otherwise give value secured by
 1089 the vessel.
 1090 (2) If a written certificate of title has been created and
 1091 delivered to a secured party and a termination statement is
 1092 required under subsection (1), the secured party, not later than
 1093 the date required by subsection (1), shall deliver the
 1094 certificate to the debtor or to the department with the
 1095 statement. If the certificate is lost, stolen, mutilated,
 1096 destroyed, or is otherwise unavailable or illegible, the secured
 1097 party shall deliver with the statement, not later than the date
 1098 required by subsection (1), an application for a duplicate
 1099 certificate meeting the requirements of s. 328.11.
 1100 (3) On delivery to the department of a termination
 1101 statement authorized by the secured party, the security interest
 1102 to which the statement relates ceases to be perfected. If the

Page 38 of 74

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596-03527-19

2019676c1

1103 security interest to which the statement relates was indicated
 1104 on the certificate of title, the department shall create a new
 1105 certificate and deliver the new certificate or a record
 1106 evidencing an electronic certificate. The department shall
 1107 maintain in its files the date and time of delivery to the
 1108 department of the statement.

1109 (4) A secured party that fails to comply with this section
 1110 is liable for any loss that the secured party had reason to know
 1111 might result from its failure to comply and which could not
 1112 reasonably have been prevented and for the cost of an
 1113 application for a certificate of title under s. 328.01 or s.
 1114 328.11.

1115 Section 17. Section 328.14, Florida Statutes, is created to
 1116 read:

1117 328.14 Rights of purchaser other than secured party.-

1118 (1) A buyer in ordinary course of business has the
 1119 protections afforded by ss. 672.403(2) and 679.320(1) even if an
 1120 existing certificate of title was not signed and delivered to
 1121 the buyer or a new certificate listing the buyer as owner of
 1122 record was not created.

1123 (2) Except as otherwise provided in ss. 328.145 and 328.22,
 1124 the rights of a purchaser of a vessel who is not a buyer in
 1125 ordinary course of business or a lien creditor are governed by
 1126 the Uniform Commercial Code.

1127 Section 18. Section 328.145, Florida Statutes, is created
 1128 to read:

1129 328.145 Rights of secured party.-

1130 (1) Subject to subsection (2), the effect of perfection and
 1131 nonperfection of a security interest and the priority of a

596-03527-19

2019676c1

1132 perfected or unperfected security interest with respect to the
 1133 rights of a purchaser or creditor, including a lien creditor, is
 1134 governed by the Uniform Commercial Code.

1135 (2) If, while a security interest in a vessel is perfected
 1136 by any method under this part, the department creates a
 1137 certificate of title that does not indicate that the vessel is
 1138 subject to the security interest or contain a statement that it
 1139 may be subject to security interests not indicated on the
 1140 certificate:

1141 (a) A buyer of the vessel, other than a person in the
 1142 business of selling or leasing vessels of that kind, takes free
 1143 of the security interest if the buyer, acting in good faith and
 1144 without knowledge of the security interest, gives value and
 1145 receives possession of the vessel; and

1146 (b) The security interest is subordinate to a conflicting
 1147 security interest in the vessel that is perfected under s.
 1148 328.12 after creation of the certificate and without the
 1149 conflicting secured party's knowledge of the security interest.

1150 Section 19. Section 328.15, Florida Statutes, is amended to
 1151 read:

1152 328.15 Notice of lien on vessel; recording.-

1153 ~~(1) No lien for purchase money or as security for a debt in~~
 1154 ~~the form of retain title contract, conditional bill of sale,~~
 1155 ~~chattel mortgage, or otherwise on a vessel shall be enforceable~~
 1156 ~~in any of the courts of this state against creditors or~~
 1157 ~~subsequent purchasers for a valuable consideration and without~~
 1158 ~~notice unless a sworn notice of such lien is recorded. The lien~~
 1159 ~~certificate shall contain the following information:~~

1160 ~~(a) Name and address of the registered owner;~~

596-03527-19

2019676c1

1161 ~~(b) Date of lien;~~
 1162 ~~(c) Description of the vessel to include make, type, motor~~
 1163 ~~and serial number; and~~
 1164 ~~(d) Name and address of lienholder.~~

1166 ~~The lien shall be recorded by the Department of Highway Safety~~
 1167 ~~and Motor Vehicles and shall be effective as constructive notice~~
 1168 ~~when filed. The date of filing of the notice of lien is the date~~
 1169 ~~of its receipt by the department's central office in~~
 1170 ~~Tallahassee, if first filed there, or otherwise by the office of~~
 1171 ~~a county tax collector or of the tax collector's agent.~~

1172 ~~(2)(a) The Department of Highway Safety and Motor Vehicles~~
 1173 ~~shall not enter any lien upon its lien records, whether it is a~~
 1174 ~~first lien or a subordinate lien, unless the official~~
 1175 ~~certificate of title issued for the vessel is furnished with the~~
 1176 ~~notice of lien, so that the record of lien, whether original or~~
 1177 ~~subordinate, may be noted upon the face thereof. After the~~
 1178 ~~department records the lien, it shall send the certificate of~~
 1179 ~~title to the holder of the first lien who shall hold such~~
 1180 ~~certificate until the lien is satisfied in full.~~

1181 ~~(b) When a vessel is registered in the names of two or more~~
 1182 ~~persons as coowners in the alternative by the use of the word~~
 1183 ~~"or," whether or not the coowners are husband and wife, each~~
 1184 ~~coowner is considered to have granted to any other coowner the~~
 1185 ~~absolute right to place a lien or encumbrance on the vessel, and~~
 1186 ~~the signature of one coowner constitutes proper execution of the~~
 1187 ~~notice of lien. When a vessel is registered in the names of two~~
 1188 ~~or more persons as coowners in the conjunctive by the use of the~~
 1189 ~~word "and," the signature of each coowner is required in order~~

Page 41 of 74

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596-03527-19

2019676c1

1190 ~~to place a lien or encumbrance on the vessel.~~

1191 ~~(c) If the owner of the vessel as shown on the title~~
 1192 ~~certificate or the director of the state child support~~
 1193 ~~enforcement program desires to place a second or subsequent lien~~
 1194 ~~or encumbrance against the vessel when the title certificate is~~
 1195 ~~in the possession of the first lienholder, the owner shall send~~
 1196 ~~a written request to the first lienholder by certified mail and~~
 1197 ~~such first lienholder shall forward the certificate to the~~
 1198 ~~department for endorsement. The department shall return the~~
 1199 ~~certificate to the first lienholder, as indicated in the notice~~
 1200 ~~of lien filed by the first lienholder, after endorsing the~~
 1201 ~~second or subsequent lien on the certificate and on the~~
 1202 ~~duplicate. If the first lienholder fails, neglects, or refuses~~
 1203 ~~to forward the certificate of title to the department within 10~~
 1204 ~~days after the date of the owner's or the director's request,~~
 1205 ~~the department, on written request of the subsequent lienholder~~
 1206 ~~or an assignee thereof, shall demand of the first lienholder the~~
 1207 ~~return of such certificate for the notation of the second or~~
 1208 ~~subsequent lien or encumbrance.~~

1209 ~~(1)(3) Upon the payment of a any such lien, the debtor or~~
 1210 ~~the registered owner of the motorboat shall be entitled to~~
 1211 ~~demand and receive from the lienholder a satisfaction of the~~
 1212 ~~lien which shall likewise be filed with the Department of~~
 1213 ~~Highway Safety and Motor Vehicles.~~

1214 ~~(2)(4) The Department of Highway Safety and Motor Vehicles~~
 1215 ~~under precautionary rules and regulations to be promulgated by~~
 1216 ~~it may permit the use, in substitution of the formal~~
 1217 ~~satisfaction of lien, of other methods of satisfaction, such as~~
 1218 ~~perforation, appropriate stamp, or otherwise, as it deems~~

Page 42 of 74

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596-03527-19

2019676c1

1219 reasonable and adequate.

1220 (3)~~(5)~~(a) The Department of Highway Safety and Motor
 1221 Vehicles shall adopt rules to administer this section. The
 1222 department may by rule require that a notice of satisfaction of
 1223 a lien be notarized. The department shall prepare the forms of
 1224 the notice of lien and the satisfaction of lien to be supplied,
 1225 at a charge not to exceed 50 percent more than cost, to
 1226 applicants for recording the liens or satisfactions and shall
 1227 keep a record of such notices of lien and satisfactions
 1228 available for inspection by the public at all reasonable times.
 1229 The division may furnish certified copies of such satisfactions
 1230 for a fee of \$1, which are admissible in evidence in all courts
 1231 of this state under the same conditions and to the same effect
 1232 as certified copies of other public records.

1233 (b) The department shall establish and administer an
 1234 electronic titling program that requires the recording of vessel
 1235 title information for new, transferred, and corrected
 1236 certificates of title. Lienholders shall electronically transmit
 1237 liens and lien satisfactions to the department in a format
 1238 determined by the department. Individuals and lienholders who
 1239 the department determines are not normally engaged in the
 1240 business or practice of financing vessels are not required to
 1241 participate in the electronic titling program.

1242 ~~(6) The Department of Highway Safety and Motor Vehicles is~~
 1243 ~~entitled to a fee of \$1 for the recording of each notice of~~
 1244 ~~lien. No fee shall be charged for recording the satisfaction of~~
 1245 ~~a lien. All of the fees collected shall be paid into the Marine~~
 1246 ~~Resources Conservation Trust Fund.~~

1247 (4)~~(7)~~(a) Should any person, firm, or corporation holding

Page 43 of 74

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596-03527-19

2019676c1

1248 such lien, which has been recorded by the Department of Highway
 1249 Safety and Motor Vehicles, upon payment of such lien and on
 1250 demand, fail or refuse, within 30 days after such payment and
 1251 demand, to furnish the debtor or the registered owner of such
 1252 vessel a satisfaction of the lien, then, in that event, such
 1253 person, firm, or corporation shall be held liable for all costs,
 1254 damages, and expenses, including reasonable attorney ~~attorney's~~
 1255 fees, lawfully incurred by the debtor or the registered owner of
 1256 such vessel in any suit which may be brought in the courts of
 1257 this state for the cancellation of such lien.

1258 (b) Following satisfaction of a lien, the lienholder shall
 1259 enter a satisfaction thereof in the space provided on the face
 1260 of the certificate of title. If there are no subsequent liens
 1261 shown thereon, the certificate shall be delivered by the
 1262 lienholder to the person satisfying the lien or encumbrance and
 1263 an executed satisfaction on a form provided by the department
 1264 shall be forwarded to the department by the lienholder within 10
 1265 days after satisfaction of the lien.

1266 (c) If the certificate of title shows a subsequent lien not
 1267 then being discharged, an executed satisfaction of the first
 1268 lien shall be delivered by the lienholder to the person
 1269 satisfying the lien and the certificate of title showing
 1270 satisfaction of the first lien shall be forwarded by the
 1271 lienholder to the department within 10 days after satisfaction
 1272 of the lien.

1273 (d) If, upon receipt of a title certificate showing
 1274 satisfaction of the first lien, the department determines from
 1275 its records that there are no subsequent liens or encumbrances
 1276 upon the vessel, the department shall forward to the owner, as

Page 44 of 74

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596-03527-19 2019676c1

1277 shown on the face of the title, a corrected certificate showing
 1278 no liens or encumbrances. If there is a subsequent lien not
 1279 being discharged, the certificate of title shall be reissued
 1280 showing the second or subsequent lienholder as the first
 1281 lienholder and shall be delivered to the new first lienholder.
 1282 The first lienholder shall be entitled to retain the certificate
 1283 of title until his or her lien is satisfied. Upon satisfaction
 1284 of the lien, the lienholder shall be subject to the procedures
 1285 required of a first lienholder in this subsection ~~and in~~
 1286 subsection (2).

1287 (5)(8) When the original certificate of title cannot be
 1288 returned to the department by the lienholder and evidence
 1289 satisfactory to the department is produced that all liens or
 1290 encumbrances have been satisfied, upon application by the owner
 1291 for a duplicate copy of the certificate of title, upon the form
 1292 prescribed by the department, accompanied by the fee prescribed
 1293 in this chapter, a duplicate copy of the certificate of title
 1294 without statement of liens or encumbrances shall be issued by
 1295 the department and delivered to the owner.

1296 (6)(9) Any person who fails, within 10 days after receipt
 1297 of a demand by the department by certified mail, to return a
 1298 certificate of title to the department ~~as required by paragraph~~
 1299 ~~(2)(e)~~ or who, upon satisfaction of a lien, fails within 10 days
 1300 after receipt of such demand to forward the appropriate document
 1301 to the department as required by paragraph (4)(b) ~~(7)(b)~~ or
 1302 paragraph (4)(c) ~~(7)(e)~~ commits a misdemeanor of the second
 1303 degree, punishable as provided in s. 775.082 or s. 775.083.

1304 (7)(10) The department shall use the last known address as
 1305 shown by its records when sending any notice required by this

596-03527-19 2019676c1

1306 section.

1307 ~~(8)(11)~~ If the original lienholder sells and assigns his or
 1308 her lien to some other person, and if the assignee desires to
 1309 have his or her name substituted on the certificate of title as
 1310 the holder of the lien, he or she may, after delivering the
 1311 original certificate of title to the department and providing a
 1312 sworn statement of the assignment, have his or her name
 1313 substituted as a lienholder. Upon substitution of the assignee's
 1314 name as lienholder, the department shall deliver the certificate
 1315 of title to the assignee as the first lienholder.

1316 (9) Subsections (1), (2), and (4)-(8) shall expire October
 1317 1, 2026.

1318 Section 20. Section 328.16, Florida Statutes, is amended to
 1319 read:

1320 328.16 Issuance in duplicate; delivery; liens, security
 1321 interests, and encumbrances.—

1322 (1) The department shall assign a number to each
 1323 certificate of title and shall issue each certificate of title
 1324 and each corrected certificate in duplicate. The database record
 1325 shall serve as the duplicate title certificate.

1326 (2) An authorized person must sign the original certificate
 1327 of title and each corrected certificate and, if there are no
 1328 liens, security interests, or encumbrances on the vessel, as
 1329 shown in the records of the department or as shown in the
 1330 application, must deliver the certificate to the applicant or to
 1331 another person as directed by the applicant or person, agent, or
 1332 attorney submitting the application. If there are one or more
 1333 liens, security interests, or encumbrances on the vessel, the
 1334 department must deliver the certificate to the first lienholder

596-03527-19

2019676c1

1335 or secured party as shown by department records. The department
 1336 shall deliver to the first lienholder or secured party, along
 1337 with the certificate, a form to be subsequently used by the
 1338 lienholder or secured party as a satisfaction. If the
 1339 application for certificate of title shows the name of a first
 1340 lienholder or secured party which is different from the name of
 1341 the first lienholder or secured party as shown by the records of
 1342 the department, the certificate shall not be issued to any
 1343 person until after the department notifies all parties who
 1344 appear to hold a lien or a security interest and the applicant
 1345 for the certificate, in writing by certified mail. If the
 1346 parties do not amicably resolve the conflict within 10 days
 1347 after the date the notice was mailed, the department shall serve
 1348 notice in writing by certified mail on all persons that appear
 1349 to hold liens or security interests on that particular vessel,
 1350 including the applicant for the certificate, to show cause
 1351 within 15 days after the date the notice is mailed why it should
 1352 not issue and deliver the certificate to the secured party of
 1353 record or person indicated in the notice of lien filed by the
 1354 lienholder whose name appears in the application as the first
 1355 lienholder without showing any lien or liens as outstanding
 1356 other than those appearing in the application or those filed
 1357 subsequent to the filing of the application for the certificate
 1358 of title. If, within the 15-day period, any person other than
 1359 the lienholder or secured party of record shown in the
 1360 application or a party filing a subsequent lien or security
 1361 interest, in answer to the notice to show cause, appears in
 1362 person or by a representative, or responds in writing, and files
 1363 a written statement under oath that his or her lien or security

Page 47 of 74

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596-03527-19

2019676c1

1364 interest on that particular vessel is still outstanding, the
 1365 department shall not issue the certificate to anyone until after
 1366 the conflict has been settled by the lien or security interest
 1367 claimants involved or by a court of competent jurisdiction. If
 1368 the conflict is not settled amicably within 10 days after the
 1369 final date for filing an answer to the notice to show cause, the
 1370 complaining party shall have 10 days to obtain a ruling, or a
 1371 stay order, from a court of competent jurisdiction. If a ruling
 1372 or stay order is not issued and served on the department within
 1373 the 10-day period, the department shall issue the certificate
 1374 showing no liens or security interests, except those shown in
 1375 the application or thereafter filed, to the original applicant
 1376 if there are no liens or security interests shown in the
 1377 application and none are thereafter filed, or to the person
 1378 indicated as the secured party of record or in the notice of
 1379 lien filed by the lienholder whose name appears in the
 1380 application as the first lienholder if there are liens shown in
 1381 the application or thereafter filed. A duplicate certificate or
 1382 corrected certificate must show only such security interest or
 1383 interests or lien or liens as were shown in the application and
 1384 subsequently filed liens or security interests that may be
 1385 outstanding.

1386 (3) ~~Except as provided in s. 328.15(11),~~ The certificate of
 1387 title shall be retained by the first lienholder or secured party
 1388 of record. The first lienholder or secured party of record is
 1389 entitled to retain the certificate until the first lien or
 1390 security interest is satisfied.

1391 (4) Notwithstanding any requirements in this section ~~or in~~
 1392 ~~s. 328.15~~ indicating that a lien or security interest on a

Page 48 of 74

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596-03527-19

2019676c1

1393 vessel shall be noted on the face of the Florida certificate of
 1394 title, if there are one or more liens, security interests, or
 1395 encumbrances on a vessel, the department shall electronically
 1396 transmit the lien or security interest to the first lienholder
 1397 or secured party and notify the first lienholder or secured
 1398 party of any additional liens or security interests. Subsequent
 1399 lien or security interest satisfactions shall be electronically
 1400 transmitted to the department and must include the name and
 1401 address of the person or entity satisfying the lien or security
 1402 interest. When electronic transmission of liens or security
 1403 interests and lien satisfactions or security interests are used,
 1404 the issuance of a certificate of title may be waived until the
 1405 last lien or security interest is satisfied and a clear
 1406 certificate of title is issued to the owner of the vessel.

1407 (5) The owner of a vessel, upon which a lien or security
 1408 interest has been filed with the department or noted upon a
 1409 certificate of title for a period of 5 years, may apply to the
 1410 department in writing for such lien or security interest to be
 1411 removed from the department files or from the certificate of
 1412 title. The application must be accompanied by evidence
 1413 satisfactory to the department that the applicant has notified
 1414 the lienholder or secured party by certified mail, not less than
 1415 20 days ~~before~~ ~~prior~~ to the date of the application, of his or
 1416 her intention to apply to the department for removal of the lien
 1417 or security interest. Ten days after receipt of the application,
 1418 the department may remove the lien or security interest from its
 1419 files or from the certificate of title, as the case may be, if
 1420 no statement in writing protesting removal of the lien or
 1421 security interest is received by the department from the

Page 49 of 74

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596-03527-19

2019676c1

1422 lienholder or secured party within the 10-day period. However,
 1423 if the lienholder or secured party files with the department,
 1424 within the 10-day period, a written statement that the lien or
 1425 security interest is still outstanding, the department may not
 1426 remove the lien or security interest until the lienholder or
 1427 secured party presents a satisfaction of lien or satisfaction of
 1428 security interest to the department.

1429 Section 21. Subsection (1) of section 328.165, Florida
 1430 Statutes, is amended to read:

1431 328.165 Cancellation of certificates.—

1432 (1) If it appears that a certificate of title has been
 1433 improperly issued, the department shall cancel the certificate.
 1434 Upon cancellation of any certificate of title, the department
 1435 shall notify the person to whom the certificate of title was
 1436 issued, and any lienholders or secured parties appearing
 1437 thereon, of the cancellation and shall demand the surrender of
 1438 the certificate of title; however, the cancellation does not
 1439 affect the validity of any lien or security interest noted
 1440 thereon. The holder of the certificate of title shall
 1441 immediately return it to the department. If a certificate of
 1442 registration has been issued to the holder of a certificate of
 1443 title so canceled, the department shall immediately cancel the
 1444 certificate of registration and demand the return of the
 1445 certificate of registration, and the holder of such certificate
 1446 of registration shall immediately return it to the department.

1447 Section 22. Section 328.215, Florida Statutes, is created
 1448 to read:

1449 328.215 Application for transfer of ownership or
 1450 termination of security interest without certificate of title.—

Page 50 of 74

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596-03527-19

2019676c1

1451 (1) Except as otherwise provided in s. 328.23 or s. 328.24,
 1452 if the department receives, unaccompanied by a signed
 1453 certificate of title, an application for a new certificate that
 1454 includes an indication of a transfer of ownership or a
 1455 termination statement, the department may create a new
 1456 certificate under this section only if:

1457 (a) All other requirements under ss. 328.01 and 328.09 are
 1458 met;

1459 (b) The applicant provides an affidavit stating facts
 1460 showing the applicant is entitled to a transfer of ownership or
 1461 termination statement;

1462 (c) The applicant provides the department with satisfactory
 1463 evidence that notification of the application has been sent to
 1464 the owner of record and all persons indicated in the files of
 1465 the department as having an interest, including a security
 1466 interest, in the vessel; at least 45 days have passed since the
 1467 notification was sent; and the department has not received an
 1468 objection from any of those persons; and

1469 (d) The applicant submits any other information required by
 1470 the department as evidence of the applicant's ownership or right
 1471 to terminate the security interest, and the department has no
 1472 credible information indicating theft, fraud, or an undisclosed
 1473 or unsatisfied security interest, lien, or other claim to an
 1474 interest in the vessel.

1475 (2) The department may indicate in a certificate of title
 1476 created under subsection (1) that the certificate was created
 1477 without submission of a signed certificate or termination
 1478 statement. Unless credible information indicating theft, fraud,
 1479 or an undisclosed or unsatisfied security interest, lien, or

596-03527-19

2019676c1

1480 other claim to an interest in the vessel is delivered to the
 1481 department not later than 1 year after creation of the
 1482 certificate, on request in a form and manner required by the
 1483 department, the department shall remove the indication from the
 1484 certificate.

1485 (3) Before the department creates a certificate of title
 1486 under subsection (1), the department may require the applicant
 1487 to post a reasonable bond or provide an equivalent source of
 1488 indemnity or security. The bond, indemnity, or other security
 1489 must be in a form required by the department and provide for
 1490 indemnification of any owner, purchaser, or other claimant for
 1491 any expense, loss, delay, or damage, including reasonable
 1492 attorney fees and costs, but not including incidental or
 1493 consequential damages, resulting from creation or amendment of
 1494 the certificate.

1495 (4) Unless the department receives a claim for indemnity
 1496 not later than 1 year after creation of a certificate of title
 1497 under subsection (1), on request in a form and manner required
 1498 by the department, the department shall release any bond,
 1499 indemnity, or other security. The department is not liable to a
 1500 person or entity for creating a certificate of title under this
 1501 section when the department issues the certificate of title in
 1502 good faith based on the information provided by an applicant. An
 1503 applicant that submits erroneous or fraudulent information with
 1504 the intent to mislead the department into issuing a certificate
 1505 of title under this section is subject to the penalties
 1506 established in s. 328.045(4) in addition to any other criminal
 1507 or civil penalties provided by law.

1508 Section 23. Section 328.22, Florida Statutes, is created to

596-03527-19

2019676c1

1509 read:

1510 328.22 Transfer of ownership.-

1511 (1) On voluntary transfer of an ownership interest in a
 1512 vessel covered by a certificate of title, the following
 1513 requirements apply:

1514 (a) If the certificate is a written certificate of title
 1515 and the transferor's interest is noted on the certificate, the
 1516 transferor shall promptly sign the certificate and deliver it to
 1517 the transferee. If the transferor does not have possession of
 1518 the certificate, the person in possession of the certificate has
 1519 a duty to facilitate the transferor's compliance with this
 1520 paragraph. A secured party does not have a duty to facilitate
 1521 the transferor's compliance with this paragraph if the proposed
 1522 transfer is prohibited by the security agreement.

1523 (b) If the certificate of title is an electronic
 1524 certificate of title, the transferor shall promptly sign by
 1525 hand, or electronically if available, and deliver to the
 1526 transferee a record evidencing the transfer of ownership to the
 1527 transferee.

1528 (c) The transferee has a right enforceable by specific
 1529 performance to require the transferor to comply with paragraph
 1530 (a) or paragraph (b).

1531 (2) The creation of a certificate of title identifying the
 1532 transferee as owner of record satisfies subsection (1).

1533 (3) A failure to comply with subsection (1) or to apply for
 1534 a new certificate of title does not render a transfer of
 1535 ownership of a vessel ineffective between the parties. Except as
 1536 otherwise provided in s. 328.101, s. 328.14(1), s. 328.145, or
 1537 s. 328.23, a transfer of ownership without compliance with

Page 53 of 74

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596-03527-19

2019676c1

1538 subsection (1) is not effective against another person claiming
 1539 an interest in the vessel.

1540 (4) A transferor that complies with subsection (1) is not
 1541 liable as owner of the vessel for an event occurring after the
 1542 transfer, regardless of whether the transferee applies for a new
 1543 certificate of title.

1544 Section 24. Section 328.23, Florida Statutes, is created to
 1545 read:

1546 328.23 Transfer of ownership by secured party's transfer
 1547 statement.-

1548 (1) For the purposes of this section, "secured party's
 1549 transfer statement" means a record signed by the secured party
 1550 of record stating:

1551 (a) That there has been a default on an obligation secured
 1552 by the vessel;

1553 (b) That the secured party of record is exercising or has
 1554 exercised post-default remedies with respect to the vessel;

1555 (c) That by reason of the exercise, the secured party of
 1556 record has the right to transfer the ownership interest of an
 1557 owner, and the name of the owner;

1558 (d) The name and last known mailing address of the owner of
 1559 record and the secured party of record;

1560 (e) The name of the transferee;

1561 (f) Other information required by s. 328.01(2); and

1562 (g) One of the following:

1563 1. The certificate of title is an electronic certificate.

1564 2. The secured party does not have possession of the
 1565 written certificate of title created in the name of the owner of
 1566 record.

Page 54 of 74

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596-03527-19

2019676c1

1567 3. The secured party is delivering the written certificate
 1568 of title to the department with the secured party's transfer
 1569 statement.

1570 (2) Unless the department rejects a secured party's
 1571 transfer statement for a reason stated in s. 328.09(3), not
 1572 later than 30 days after delivery to the department of the
 1573 statement and payment of fees and taxes payable under the laws
 1574 of this state, other than this part, in connection with the
 1575 statement or the acquisition or use of the vessel, the
 1576 department shall:

1577 (a) Accept the statement;
 1578 (b) Amend the files of the department to reflect the
 1579 transfer; and

1580 (c) If the name of the owner whose ownership interest is
 1581 being transferred is indicated on the certificate of title:

1582 1. Cancel the certificate even if the certificate has not
 1583 been delivered to the department;

1584 2. Create a new certificate indicating the transferee as
 1585 owner; and

1586 3. Deliver the new certificate or a record evidencing an
 1587 electronic certificate.

1588 (3) An application under subsection (1) or the creation of
 1589 a certificate of title under subsection (2) is not by itself a
 1590 disposition of the vessel and does not by itself relieve the
 1591 secured party of its duties under chapter 679.

1592 Section 25. Section 328.24, Florida Statutes, is created to
 1593 read:

1594 328.24 Transfer by operation of law.—
 1595 (1) For the purposes of this section, "by operation of law"

Page 55 of 74

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596-03527-19

2019676c1

1596 means pursuant to a law or judicial order affecting ownership of
 1597 a vessel:

1598 (a) Because of death, divorce, or other family law
 1599 proceeding, merger, consolidation, dissolution, or bankruptcy;

1600 (b) Through the exercise of the rights of a lien creditor
 1601 or a person having a lien created by statute or rule of law; or
 1602 (c) Through other legal process.

1603 (2) A transfer-by-law statement must contain:

1604 (a) The name and last known mailing address of the owner of
 1605 record and the transferee and the other information required by
 1606 s. 328.01;

1607 (b) Documentation sufficient to establish the transferee's
 1608 ownership interest or right to acquire the ownership interest;

1609 (c) A statement that:

1610 1. The certificate of title is an electronic certificate of
 1611 title;

1612 2. The transferee does not have possession of the written
 1613 certificate of title created in the name of the owner of record;
 1614 or

1615 3. The transferee is delivering the written certificate to
 1616 the department with the transfer-by-law statement; and

1617 (d) Except for a transfer described in paragraph (1)(a),
 1618 evidence that notification of the transfer and the intent to
 1619 file the transfer-by-law statement has been sent to all persons
 1620 indicated in the files of the department as having an interest,
 1621 including a security interest, in the vessel.

1622 (3) Unless the department rejects a transfer-by-law
 1623 statement for a reason stated in s. 328.09(3) or because the
 1624 statement does not include documentation satisfactory to the

Page 56 of 74

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596-03527-19 2019676c1

1625 department as to the transferee's ownership interest or right to
 1626 acquire the ownership interest, not later than 30 days after
 1627 delivery to the department of the statement and payment of fees
 1628 and taxes payable under the law of this state, other than this
 1629 part, in connection with the statement or with the acquisition
 1630 or use of the vessel, the department shall:

1631 (a) Accept the statement;

1632 (b) Amend the files of the department to reflect the
 1633 transfer; and

1634 (c) If the name of the owner whose ownership interest is
 1635 being transferred is indicated on the certificate of title:

1636 1. Cancel the certificate even if the certificate has not
 1637 been delivered to the department;

1638 2. Create a new certificate indicating the transferee as
 1639 owner;

1640 3. Indicate on the new certificate any security interest
 1641 indicated on the canceled certificate, unless a court order
 1642 provides otherwise; and

1643 4. Deliver the new certificate or a record evidencing an
 1644 electronic certificate.

1645 (4) This section does not apply to a transfer of an
 1646 interest in a vessel by a secured party under part VI of chapter
 1647 679.

1648 Section 26. Section 328.25, Florida Statutes, is created to
 1649 read:

1650 328.25 Supplemental principles of law and equity.—Unless
 1651 displaced by a provision of this part, the principles of law and
 1652 equity supplement its provisions.

1653 Section 27. Section 328.41, Florida Statutes, is created to

596-03527-19 2019676c1

1654 read:

1655 328.41 Rulemaking.—The department may adopt rules pursuant
 1656 to ss. 120.536(1) and 120.54 to implement this part.

1657 Section 28. Section 409.2575, Florida Statutes, is amended
 1658 to read:

1659 409.2575 Liens on motor vehicles and vessels.—

1660 (1) The director of the state IV-D program, or the
 1661 director's designee, may cause a lien for unpaid and delinquent
 1662 support to be placed upon motor vehicles, as defined in chapter
 1663 320, and upon vessels, as defined in chapter 327, that are
 1664 registered in the name of an obligor who is delinquent in
 1665 support payments, if the title to the property is held by a
 1666 lienholder, in the manner provided in chapter 319 or, if
 1667 applicable in accordance with s. 328.15(9), chapter 328. Notice
 1668 of lien shall not be mailed unless the delinquency in support
 1669 exceeds \$600.

1670 (2) If the first lienholder fails, neglects, or refuses to
 1671 forward the certificate of title to the appropriate department
 1672 as requested pursuant to s. 319.24 or, if applicable in
 1673 accordance with s. 328.15(9), s. 328.15, the director of the IV-
 1674 D program, or the director's designee, may apply to the circuit
 1675 court for an order to enforce the requirements of s. 319.24 or
 1676 s. 328.15, whichever applies.

1677 Section 29. Subsection (2) of section 705.103, Florida
 1678 Statutes, is amended to read:

1679 705.103 Procedure for abandoned or lost property.—

1680 (2) Whenever a law enforcement officer ascertains that an
 1681 article of lost or abandoned property is present on public
 1682 property and is of such nature that it cannot be easily removed,

596-03527-19

2019676c1

1683 the officer shall cause a notice to be placed upon such article
1684 in substantially the following form:

1685
1686 NOTICE TO THE OWNER AND ALL PERSONS INTERESTED IN THE ATTACHED
1687 PROPERTY. This property, to wit: ...(setting forth brief
1688 description)... is unlawfully upon public property known as
1689 ...(setting forth brief description of location)... and must be
1690 removed within 5 days; otherwise, it will be removed and
1691 disposed of pursuant to chapter 705, Florida Statutes. The owner
1692 will be liable for the costs of removal, storage, and
1693 publication of notice. Dated this: ...(setting forth the date of
1694 posting of notice)..., signed: ...(setting forth name, title,
1695 address, and telephone number of law enforcement officer)...
1696 Such notice shall be not less than 8 inches by 10 inches and
1697 shall be sufficiently weatherproof to withstand normal exposure
1698 to the elements. In addition to posting, the law enforcement
1699 officer shall make a reasonable effort to ascertain the name and
1700 address of the owner. If such is reasonably available to the
1701 officer, she or he shall mail a copy of such notice to the owner
1702 on or before the date of posting. If the property is a motor
1703 vehicle as defined in s. 320.01(1) or a vessel as defined in s.
1704 327.02, the law enforcement agency shall contact the Department
1705 of Highway Safety and Motor Vehicles in order to determine the
1706 name and address of the owner and any person who has filed a
1707 lien on the vehicle or vessel as provided in s. 319.27(2) or (3)
1708 ~~or s. 328.15(1)~~. On receipt of this information, the law
1709 enforcement agency shall mail a copy of the notice by certified
1710 mail, return receipt requested, to the owner and to the
1711 lienholder, if any, except that a law enforcement officer who

Page 59 of 74

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596-03527-19

2019676c1

1712 has issued a citation for a violation of s. 823.11 to the owner
1713 of a derelict vessel is not required to mail a copy of the
1714 notice by certified mail, return receipt requested, to the
1715 owner. If, at the end of 5 days after posting the notice and
1716 mailing such notice, if required, the owner or any person
1717 interested in the lost or abandoned article or articles
1718 described has not removed the article or articles from public
1719 property or shown reasonable cause for failure to do so, the
1720 following shall apply:

1721 (a) For abandoned property, the law enforcement agency may
1722 retain any or all of the property for its own use or for use by
1723 the state or unit of local government, trade such property to
1724 another unit of local government or state agency, donate the
1725 property to a charitable organization, sell the property, or
1726 notify the appropriate refuse removal service.

1727 (b) For lost property, the officer shall take custody and
1728 the agency shall retain custody of the property for 90 days. The
1729 agency shall publish notice of the intended disposition of the
1730 property, as provided in this section, during the first 45 days
1731 of this time period.

1732 1. If the agency elects to retain the property for use by
1733 the unit of government, donate the property to a charitable
1734 organization, surrender such property to the finder, sell the
1735 property, or trade the property to another unit of local
1736 government or state agency, notice of such election shall be
1737 given by an advertisement published once a week for 2
1738 consecutive weeks in a newspaper of general circulation in the
1739 county where the property was found if the value of the property
1740 is more than \$100. If the value of the property is \$100 or less,

Page 60 of 74

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596-03527-19

2019676c1

1741 notice shall be given by posting a description of the property
 1742 at the law enforcement agency where the property was turned in.
 1743 The notice must be posted for not less than 2 consecutive weeks
 1744 in a public place designated by the law enforcement agency. The
 1745 notice must describe the property in a manner reasonably
 1746 adequate to permit the rightful owner of the property to claim
 1747 it.

1748 2. If the agency elects to sell the property, it must do so
 1749 at public sale by competitive bidding. Notice of the time and
 1750 place of the sale shall be given by an advertisement of the sale
 1751 published once a week for 2 consecutive weeks in a newspaper of
 1752 general circulation in the county where the sale is to be held.
 1753 The notice shall include a statement that the sale shall be
 1754 subject to any and all liens. The sale must be held at the
 1755 nearest suitable place to that where the lost or abandoned
 1756 property is held or stored. The advertisement must include a
 1757 description of the goods and the time and place of the sale. The
 1758 sale may take place no earlier than 10 days after the final
 1759 publication. If there is no newspaper of general circulation in
 1760 the county where the sale is to be held, the advertisement shall
 1761 be posted at the door of the courthouse and at three other
 1762 public places in the county at least 10 days prior to sale.
 1763 Notice of the agency's intended disposition shall describe the
 1764 property in a manner reasonably adequate to permit the rightful
 1765 owner of the property to identify it.

1766 Section 30. Paragraph (c) of subsection (2) of section
 1767 721.08, Florida Statutes, is amended to read:

1768 721.08 Escrow accounts; nondisturbance instruments;
 1769 alternate security arrangements; transfer of legal title.-

596-03527-19

2019676c1

1770 (2) One hundred percent of all funds or other property
 1771 which is received from or on behalf of purchasers of the
 1772 timeshare plan or timeshare interest prior to the occurrence of
 1773 events required in this subsection shall be deposited pursuant
 1774 to an escrow agreement approved by the division. The funds or
 1775 other property may be released from escrow only as follows:

1776 (c) *Compliance with conditions.*-

1777 1. Timeshare licenses.-If the timeshare plan is one in
 1778 which timeshare licenses are to be sold and no cancellation or
 1779 default has occurred, the escrow agent may release the escrowed
 1780 funds or other property to or on the order of the developer upon
 1781 presentation of:

1782 a. An affidavit by the developer that all of the following
 1783 conditions have been met:

1784 (I) Expiration of the cancellation period.

1785 (II) Completion of construction.

1786 (III) Closing.

1787 (IV) Either:

1788 (A) Execution, delivery, and recordation by each
 1789 interestholder of the nondisturbance and notice to creditors
 1790 instrument, as described in this section; or

1791 (B) Transfer by the developer of legal title to the subject
 1792 accommodations and facilities, or all use rights therein, into a
 1793 trust satisfying the requirements of subparagraph 4. and the
 1794 execution, delivery, and recordation by each other
 1795 interestholder of the nondisturbance and notice to creditors
 1796 instrument, as described in this section.

1797 b. A certified copy of each recorded nondisturbance and
 1798 notice to creditors instrument.

596-03527-19

2019676c1

1799 c. One of the following:

1800 (I) A copy of a memorandum of agreement, as defined in s.
1801 721.05, together with satisfactory evidence that the original
1802 memorandum of agreement has been irretrievably delivered for
1803 recording to the appropriate official responsible for
1804 maintaining the public records in the county in which the
1805 subject accommodations and facilities are located. The original
1806 memorandum of agreement must be recorded within 180 days after
1807 the date on which the purchaser executed her or his purchase
1808 agreement.

1809 (II) A notice delivered for recording to the appropriate
1810 official responsible for maintaining the public records in each
1811 county in which the subject accommodations and facilities are
1812 located notifying all persons of the identity of an independent
1813 escrow agent or trustee satisfying the requirements of
1814 subparagraph 4. that shall maintain separate books and records,
1815 in accordance with good accounting practices, for the timeshare
1816 plan in which timeshare licenses are to be sold. The books and
1817 records shall indicate each accommodation and facility that is
1818 subject to such a timeshare plan and each purchaser of a
1819 timeshare license in the timeshare plan.

1820 2. Timeshare estates.—If the timeshare plan is one in which
1821 timeshare estates are to be sold and no cancellation or default
1822 has occurred, the escrow agent may release the escrowed funds or
1823 other property to or on the order of the developer upon
1824 presentation of:

1825 a. An affidavit by the developer that all of the following
1826 conditions have been met:

1827 (I) Expiration of the cancellation period.

Page 63 of 74

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596-03527-19

2019676c1

1828 (II) Completion of construction.

1829 (III) Closing.

1830 b. If the timeshare estate is sold by agreement for deed, a
1831 certified copy of the recorded nondisturbance and notice to
1832 creditors instrument, as described in this section.

1833 c. Evidence that each accommodation and facility:

1834 (I) Is free and clear of the claims of any interestholders,
1835 other than the claims of interestholders that, through a
1836 recorded instrument, are irrevocably made subject to the
1837 timeshare instrument and the use rights of purchasers made
1838 available through the timeshare instrument;

1839 (II) Is the subject of a recorded nondisturbance and notice
1840 to creditors instrument that complies with subsection (3) and s.
1841 721.17; or

1842 (III) Has been transferred into a trust satisfying the
1843 requirements of subparagraph 4.

1844 d. Evidence that the timeshare estate:

1845 (I) Is free and clear of the claims of any interestholders,
1846 other than the claims of interestholders that, through a
1847 recorded instrument, are irrevocably made subject to the
1848 timeshare instrument and the use rights of purchasers made
1849 available through the timeshare instrument; or

1850 (II) Is the subject of a recorded nondisturbance and notice
1851 to creditors instrument that complies with subsection (3) and s.
1852 721.17.

1853 3. Personal property timeshare interests.—If the timeshare
1854 plan is one in which personal property timeshare interests are
1855 to be sold and no cancellation or default has occurred, the
1856 escrow agent may release the escrowed funds or other property to

Page 64 of 74

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596-03527-19

2019676c1

1857 or on the order of the developer upon presentation of:

1858 a. An affidavit by the developer that all of the following

1859 conditions have been met:

1860 (I) Expiration of the cancellation period.

1861 (II) Completion of construction.

1862 (III) Closing.

1863 b. If the personal property timeshare interest is sold by

1864 agreement for transfer, evidence that the agreement for transfer

1865 complies fully with s. 721.06 and this section.

1866 c. Evidence that one of the following has occurred:

1867 (I) Transfer by the owner of the underlying personal

1868 property of legal title to the subject accommodations and

1869 facilities or all use rights therein into a trust satisfying the

1870 requirements of subparagraph 4.; or

1871 (II) Transfer by the owner of the underlying personal

1872 property of legal title to the subject accommodations and

1873 facilities or all use rights therein into an owners' association

1874 satisfying the requirements of subparagraph 5.

1875 d. Evidence of compliance with the provisions of

1876 subparagraph 6., if required.

1877 e. If a personal property timeshare plan is created with

1878 respect to accommodations and facilities that are located on or

1879 in an oceangoing vessel, including a "documented vessel" or a

1880 "foreign vessel," as defined and governed by 46 U.S.C. chapter

1881 301:

1882 (I) In making the transfer required in sub-subparagraph c.,

1883 the developer shall use as its transfer instrument a document

1884 that establishes and protects the continuance of the use rights

1885 in the subject accommodations and facilities in a manner that is

Page 65 of 74

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596-03527-19

2019676c1

1886 enforceable by the trust or owners' association.

1887 (II) The transfer instrument shall comply fully with the

1888 provisions of this chapter, shall be part of the timeshare

1889 instrument, and shall contain specific provisions that:

1890 (A) Prohibit the vessel owner, the developer, any manager

1891 or operator of the vessel, the owners' association or the

1892 trustee, the managing entity, or any other person from incurring

1893 any liens against the vessel except for liens that are required

1894 for the operation and upkeep of the vessel, including liens for

1895 fuel expenditures, repairs, crews' wages, and salvage, and

1896 except as provided in sub-sub-subparagraphs 4.b.(III) and

1897 5.b.(III). All expenses, fees, and taxes properly incurred in

1898 connection with the creation, satisfaction, and discharge of any

1899 such permitted lien, or a prorated portion thereof if less than

1900 all of the accommodations on the vessel are subject to the

1901 timeshare plan, shall be common expenses of the timeshare plan.

1902 (B) Grant a lien against the vessel in favor of the owners'

1903 association or trustee to secure the full and faithful

1904 performance of the vessel owner and developer of all of their

1905 obligations to the purchasers.

1906 (C) Establish governing law in a jurisdiction that

1907 recognizes and will enforce the timeshare instrument and the

1908 laws of the jurisdiction of registry of the vessel.

1909 (D) Require that a description of the use rights of

1910 purchasers be posted and displayed on the vessel in a manner

1911 that will give notice of such rights to any party examining the

1912 vessel. This notice must identify the owners' association or

1913 trustee and include a statement disclosing the limitation on

1914 incurring liens against the vessel described in sub-sub-sub-

Page 66 of 74

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596-03527-19

2019676c1

1915 subparagraph (A).

1916 (E) Include the nondisturbance and notice to creditors
1917 instrument for the vessel owner and any other interestholders.

1918 (F) The owners' association created under subparagraph 5.
1919 or trustee created under subparagraph 4. shall have access to
1920 any certificates of classification in accordance with the
1921 timeshare instrument.

1922 (III) If the vessel is a foreign vessel, the vessel must be
1923 registered in a jurisdiction that permits a filing evidencing
1924 the use rights of purchasers in the subject accommodations and
1925 facilities, offers protection for such use rights against
1926 unfiled and inferior claims, and recognizes the document or
1927 instrument creating such use rights as a lien against the
1928 vessel.

1929 (IV) In addition to the disclosures required by s.
1930 721.07(5), the public offering statement and purchase contract
1931 must contain a disclosure in conspicuous type in substantially
1932 the following form:

1933
1934 *The laws of the State of Florida govern the offering of this*
1935 *timeshare plan in this state. There are inherent risks in*
1936 *purchasing a timeshare interest in this timeshare plan because*
1937 *the accommodations and facilities of the timeshare plan are*
1938 *located on a vessel that will sail into international waters and*
1939 *into waters governed by many different jurisdictions. Therefore,*
1940 *the laws of the State of Florida cannot fully protect your*
1941 *purchase of an interest in this timeshare plan. Specifically,*
1942 *management and operational issues may need to be addressed in*
1943 *the jurisdiction in which the vessel is registered, which is*

Page 67 of 74

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596-03527-19

2019676c1

1944 *(insert jurisdiction in which vessel is registered). Concerns of*
1945 *purchasers may be sent to (insert name of applicable regulatory*
1946 *agency and address).*

1947
1948 4. Trust.-

1949 a. If the subject accommodations or facilities, or all use
1950 rights therein, are to be transferred into a trust in order to
1951 comply with this paragraph, such transfer shall take place
1952 pursuant to this subparagraph. If the accommodations or
1953 facilities included in such transfer are subject to a lease, the
1954 unexpired term of the lease must be disclosed as the term of the
1955 timeshare plan pursuant to s. 721.07(5)(f)4.

1956 b. Prior to the transfer of the subject accommodations and
1957 facilities, or all use rights therein, to a trust, any lien or
1958 other encumbrance against such accommodations and facilities, or
1959 use rights therein, shall be made subject to a nondisturbance
1960 and notice to creditors instrument pursuant to subsection (3).
1961 No transfer pursuant to this subparagraph shall become effective
1962 until the trustee accepts such transfer and the responsibilities
1963 set forth herein. A trust established pursuant to this
1964 subparagraph shall comply with the following provisions:

1965 (I) The trustee shall be an individual or a business entity
1966 authorized and qualified to conduct trust business in this
1967 state. Any corporation authorized to do business in this state
1968 may act as trustee in connection with a timeshare plan pursuant
1969 to this chapter. The trustee must be independent from any
1970 developer or managing entity of the timeshare plan or any
1971 interestholder of any accommodation or facility of such plan.

1972 (II) The trust shall be irrevocable so long as any

Page 68 of 74

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2019676c1

1973 purchaser has a right to occupy any portion of the timeshare
1974 property pursuant to the timeshare plan.

1975 (III) The trustee shall not convey, hypothecate, mortgage,
1976 assign, lease, or otherwise transfer or encumber in any fashion
1977 any interest in or portion of the timeshare property with
1978 respect to which any purchaser has a right of use or occupancy
1979 unless the timeshare plan is terminated pursuant to the
1980 timeshare instrument, or such conveyance, hypothecation,
1981 mortgage, assignment, lease, transfer, or encumbrance is
1982 approved by a vote of two-thirds of all voting interests of the
1983 timeshare plan. Subject to s. 721.552, a vote of the voting
1984 interests of the timeshare plan is not required for substitution
1985 or automatic deletion of accommodations or facilities.

1986 (IV) All purchasers of the timeshare plan or the owners'
1987 association of the timeshare plan shall be the express
1988 beneficiaries of the trust. The trustee shall act as a fiduciary
1989 to the beneficiaries of the trust. The personal liability of the
1990 trustee shall be governed by ss. 736.08125, 736.08163, 736.1013,
1991 and 736.1015. The agreement establishing the trust shall set
1992 forth the duties of the trustee. The trustee shall be required
1993 to furnish promptly to the division upon request a copy of the
1994 complete list of the names and addresses of the owners in the
1995 timeshare plan and a copy of any other books and records of the
1996 timeshare plan required to be maintained pursuant to s. 721.13
1997 that are in the possession, custody, or control of the trustee.
1998 All expenses reasonably incurred by the trustee in the
1999 performance of its duties, together with any reasonable
2000 compensation of the trustee, shall be common expenses of the
2001 timeshare plan.

Page 69 of 74

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596-03527-19

2019676c1

2002 (V) The trustee shall not resign upon less than 90 days'
2003 prior written notice to the managing entity and the division. No
2004 resignation shall become effective until a substitute trustee,
2005 approved by the division, is appointed by the managing entity
2006 and accepts the appointment.

2007 (VI) The documents establishing the trust arrangement shall
2008 constitute a part of the timeshare instrument.

2009 (VII) For trusts holding property in a timeshare plan
2010 located outside this state, the trust and trustee holding such
2011 property shall be deemed in compliance with the requirements of
2012 this subparagraph if such trust and trustee are authorized and
2013 qualified to conduct trust business under the laws of such
2014 jurisdiction and the agreement or law governing such trust
2015 arrangement provides substantially similar protections for the
2016 purchaser as are required in this subparagraph for trusts
2017 holding property in a timeshare plan in this state.

2018 (VIII) The trustee shall have appointed a registered agent
2019 in this state for service of process. In the event such a
2020 registered agent is not appointed, service of process may be
2021 served pursuant to s. 721.265.

2022 5. Owners' association.—

2023 a. If the subject accommodations or facilities, or all use
2024 rights therein, are to be transferred into an owners'
2025 association in order to comply with this paragraph, such
2026 transfer shall take place pursuant to this subparagraph.

2027 b. Before the transfer of the subject accommodations and
2028 facilities, or all use rights therein, to an owners'
2029 association, any lien or other encumbrance against such
2030 accommodations and facilities, or use rights therein, shall be

Page 70 of 74

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2031 made subject to a nondisturbance and notice to creditors
 2032 instrument pursuant to subsection (3). No transfer pursuant to
 2033 this subparagraph shall become effective until the owners'
 2034 association accepts such transfer and the responsibilities set
 2035 forth herein. An owners' association established pursuant to
 2036 this subparagraph shall comply with the following provisions:

2037 (I) The owners' association shall be a business entity
 2038 authorized and qualified to conduct business in this state.
 2039 Control of the board of directors of the owners' association
 2040 must be independent from any developer or managing entity of the
 2041 timeshare plan or any interestholder.

2042 (II) The bylaws of the owners' association shall provide
 2043 that the corporation may not be voluntarily dissolved without
 2044 the unanimous vote of all owners of personal property timeshare
 2045 interests so long as any purchaser has a right to occupy any
 2046 portion of the timeshare property pursuant to the timeshare
 2047 plan.

2048 (III) The owners' association shall not convey,
 2049 hypothecate, mortgage, assign, lease, or otherwise transfer or
 2050 encumber in any fashion any interest in or portion of the
 2051 timeshare property with respect to which any purchaser has a
 2052 right of use or occupancy, unless the timeshare plan is
 2053 terminated pursuant to the timeshare instrument, or unless such
 2054 conveyance, hypothecation, mortgage, assignment, lease,
 2055 transfer, or encumbrance is approved by a vote of two-thirds of
 2056 all voting interests of the association and such decision is
 2057 declared by a court of competent jurisdiction to be in the best
 2058 interests of the purchasers of the timeshare plan. The owners'
 2059 association shall notify the division in writing within 10 days

Page 71 of 74

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596-03527-19

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2060 after receiving notice of the filing of any petition relating to
 2061 obtaining such a court order. The division shall have standing
 2062 to advise the court of the division's interpretation of the
 2063 statute as it relates to the petition.

2064 (IV) All purchasers of the timeshare plan shall be members
 2065 of the owners' association and shall be entitled to vote on
 2066 matters requiring a vote of the owners' association as provided
 2067 in this chapter or the timeshare instrument. The owners'
 2068 association shall act as a fiduciary to the purchasers of the
 2069 timeshare plan. The articles of incorporation establishing the
 2070 owners' association shall set forth the duties of the owners'
 2071 association. All expenses reasonably incurred by the owners'
 2072 association in the performance of its duties, together with any
 2073 reasonable compensation of the officers or directors of the
 2074 owners' association, shall be common expenses of the timeshare
 2075 plan.

2076 (V) The documents establishing the owners' association
 2077 shall constitute a part of the timeshare instrument.

2078 (VI) For owners' associations holding property in a
 2079 timeshare plan located outside this state, the owners'
 2080 association holding such property shall be deemed in compliance
 2081 with the requirements of this subparagraph if such owners'
 2082 association is authorized and qualified to conduct owners'
 2083 association business under the laws of such jurisdiction and the
 2084 agreement or law governing such arrangement provides
 2085 substantially similar protections for the purchaser as are
 2086 required in this subparagraph for owners' associations holding
 2087 property in a timeshare plan in this state.

2088 (VII) The owners' association shall have appointed a

Page 72 of 74

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596-03527-19 2019676c1

2089 registered agent in this state for service of process. In the
2090 event such a registered agent cannot be located, service of
2091 process may be made pursuant to s. 721.265.

2092 6. Personal property subject to certificate of title.—If
2093 any personal property that is an accommodation or facility of a
2094 timeshare plan is subject to a certificate of title in this
2095 state pursuant to chapter 319 or chapter 328, the following
2096 notation must be made on such certificate of title pursuant to
2097 s. 319.27(1) or s. 328.15 ~~s. 328.15(1)~~:

2098
2099 *The further transfer or encumbrance of the property subject to*
2100 *this certificate of title, or any lien or encumbrance thereon,*
2101 *is subject to the requirements of section 721.17, Florida*
2102 *Statutes, and the transferee or lienor agrees to be bound by all*
2103 *of the obligations set forth therein.*

2104
2105 7. If the developer has previously provided a certified
2106 copy of any document required by this paragraph, she or he may
2107 for all subsequent disbursements substitute a true and correct
2108 copy of the certified copy, provided no changes to the document
2109 have been made or are required to be made.

2110 8. In the event that use rights relating to an
2111 accommodation or facility are transferred into a trust pursuant
2112 to subparagraph 4. or into an owners' association pursuant to
2113 subparagraph 5., all other interestholders, including the owner
2114 of the underlying fee or underlying personal property, must
2115 execute a nondisturbance and notice to creditors instrument
2116 pursuant to subsection (3).

2117 Section 31. (1) The rights, duties, and interests flowing

596-03527-19 2019676c1

2118 from a transaction, certificate of title, or record relating to
2119 a vessel which was validly entered into or created before the
2120 effective date of this act and would be subject to this act if
2121 it had been entered into or created on or after the effective
2122 date of this act remain valid on and after the effective date of
2123 this act.

2124 (2) This act does not affect an action or a proceeding
2125 commenced before the effective date of this act.

2126 (3) Except as otherwise provided in subsection (4), a
2127 security interest that is enforceable immediately before the
2128 effective date of this act and would have priority over the
2129 rights of a person who becomes a lien creditor at that time is a
2130 perfected security interest under this act.

2131 (4) A security interest perfected immediately before the
2132 effective date of this act remains perfected until the earlier
2133 of:

2134 (a) The time perfection would have ceased under the law
2135 under which the security interest was perfected; or

2136 (b) Three years after the effective date of this act.

2137 (5) This act does not affect the priority of a security
2138 interest in a vessel if immediately before the effective date of
2139 this act the security interest is enforceable and perfected, and
2140 that priority is established.

2141 Section 32. Subject to section 25, this act applies to any
2142 transaction, certificate of title, or record relating to a
2143 vessel, even if the transaction, certificate of title, or record
2144 was entered into or created before the effective date of this
2145 act.

2146 Section 33. This act shall take effect July 1, 2023.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Governmental Oversight and Accountability, Chair
Appropriations Subcommittee on Agriculture, Environment, and General Government
Appropriations Subcommittee on Health and Human Services
Health Policy
Infrastructure and Security
Joint Select Committee on Collective Bargaining, Alternating Chair
Joint Administrative Procedures Committee

SENATOR ED HOOPER
16th District

March 27th, 2019

The Honorable Travis Hutson, Chair
Appropriations Subcommittee on Transportation, Tourism, and Economic Development
201 The Capitol
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Hutson:

I am writing to request that Senate Bill 676, Certificates of Title for Vessels, be placed on the agenda of the next Appropriations Subcommittee on Transportation, Tourism, and Economic Development meeting.

Should you have any questions regarding this bill, please do not hesitate to reach out to me. Thank you for your time and consideration.

Warm regards,

Ed Hooper

Cc: Jennifer Hrdlicka, Staff Director
Tempie Sailors, Administrative Assistant

SENATE APPROPRIATIONS
RECEIVED
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STAFF DIR. _____
STAFF _____

REPLY TO:

- 3450 East Lake Road, Suite 305, Palm Harbor, Florida 34685-2411 (727) 771-2102
- 326 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5016

Senate's Website: www.flsenate.gov

BILL GALVANO
President of the Senate

DAVID SIMMONS
President Pro Tempore

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

April 9, 2019

Meeting Date

676

Bill Number (if applicable)

Topic Vessel tieing

Amendment Barcode (if applicable)

Name David Childs

Job Title Consul

Address 119 So Marine St Suite 300

Phone 850 222 7500

Street

Ft. Lauderdale FL 32301

Email DAVID@HOLM.COM

City

State

Zip

Speaking: [] For [] Against [] Information

Waive Speaking: [x] In Support [] Against (The Chair will read this information into the record.)

Representing National Marine Manufacturers Association

Appearing at request of Chair: [] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

Hrdlicka, Jennifer

From: Carey, Susan (Suzie) <SusanCarey@flhsmv.gov>
Sent: Tuesday, April 2, 2019 1:08 PM
To: Hrdlicka, Jennifer
Subject: Fwd: Quick check on fiscal for the strike-all to SB 676, please?

Sent from my iPhone

Begin forwarded message:

From: "Callaway, Pace" <PaceCallaway@flhsmv.gov>
Date: April 2, 2019 at 12:52:28 PM EDT
To: "Carey, Susan (Suzie)" <SusanCarey@flhsmv.gov>
Subject: Re: Quick check on fiscal for the strike-all to SB 676, please?

Yeah it's about \$2,300

Get [Outlook for iOS](#)

From: Carey, Susan (Suzie) <susancarey@flhsmv.gov>
Sent: Tuesday, April 2, 2019 12:30 PM
To: Callaway, Pace
Subject: FW: Quick check on fiscal for the strike-all to SB 676, please?

Pace,

Do you already have this information – it seems like this is the one we talked about that was very low...

From: Hrdlicka, Jennifer <Jennifer.Hrdlicka@LASPBS.STATE.FL.US>
Sent: Tuesday, April 02, 2019 12:24 PM
To: Carey, Susan (Suzie) <SusanCarey@flhsmv.gov>; Callaway, Pace <PaceCallaway@flhsmv.gov>
Subject: [EXT] RE: Quick check on fiscal for the strike-all to SB 676, please?

Hi!

One more question – how much does you collect in a year for the \$1 recording of lien fee that the bill repeals?

Thanks!
Jennifer

From: Carey, Susan (Suzie) <SusanCarey@flhsmv.gov>
Sent: Monday, April 1, 2019 2:57 PM
To: Hrdlicka, Jennifer <Jennifer.Hrdlicka@LASPBS.STATE.FL.US>
Subject: FW: Quick check on fiscal for the strike-all to SB 676, please?

Here you go. Thanks.

From: Carey, Susan (Suzie)
Sent: Wednesday, March 20, 2019 2:54 PM
To: Langston, Jennifer <JenniferLangston@flhsmv.gov>
Cc: Callaway, Pace <PaceCallaway@flhsmv.gov>; Jacobs, Kevin <KevinJacobs@flhsmv.gov>
Subject: Re: Quick check on fiscal for the strike-all to SB 676, please?

Pace can you take care of this

Sent from my iPhone

On Mar 20, 2019, at 10:38 AM, Langston, Jennifer <JenniferLangston@flhsmv.gov> wrote:

You ok with this?

From: Price, Cindy <PRICE.CINDY@flsenate.gov>
Sent: Wednesday, March 20, 2019 10:35 AM
To: Langston, Jennifer <JenniferLangston@flhsmv.gov>; Jacobs, Kevin <KevinJacobs@flhsmv.gov>
Subject: [EXT] Quick check on fiscal for the strike-all to SB 676, please?

Hi, Jennifer and Kevin: Pulled these fiscal comments from the CS/HB 475 staff analysis. I think the comments apply to the strike-all for SB 676, as well, and I just want to check to make sure I'm safe in using the same comments for the 676 strike:

DHSMV estimates an insignificant, but negative impact on the Marine Resource Conservation Trust Fund due to the elimination of the \$1 recording of lien fee. In addition, DHSMV also estimates an insignificant, but positive impact in the Marine Resource Conservation Trust Fund due to the potential increase in the number of transactions related to hull-damaged vessel titling. The number of additional title transactions is unknown.

The bill will require DHSMV to implement changes to vessel titling procedures and databases. However, with a delayed effective date of July 1, 2022, DHSMV can incorporate the required changes utilizing existing resources. (Of course, in the 676 strike, the effective date is July 1, 2023.)

To the extent the bill results in additional vessel titling transactions, Tax Collectors could experience an insignificant increase in title application fees. Tax Collectors retain \$3.75 for new and duplicate titles transactions. In addition, Tax Collectors may collect a service charge of \$2.25 per visit. The number of additional title transactions is unknown.

Thanks!

Cindy

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Hrdlicka, Jennifer

From: Debbie Longman <Debbie.Longman@floridarevenue.com>
Sent: Monday, April 8, 2019 8:49 AM
To: Hrdlicka, Jennifer; Betta, Gino
Cc: Jamie Peate; Lynne Moeller; Andrea Moreland; Debbie Longman
Subject: RE: CS/SB 676

Jennifer:

Having an approved Title IV-D State Plan is a condition of receiving federal IV-D funding (66% match rate) and a condition of the state's Title IV-A TANF Block Grant. Failure to have an approved Title IV-D State Plan would result in the state's ineligibility to receive Title IV-D matching funds and federal performance incentives as these funds are only available to carry out an approved state plan. The Child Support Program's State Fiscal Year 2017-18 appropriations for these funds are \$156.7 million and \$33.5 million respectively.

As previously noted, failure to comply with Title IV-D requirements results in a penalty to the Title IV-A TANF (Temporary Assistance to Needy Families) grant. For the first year of non-compliance, the penalty is 1-2% of TANF funds; for the second year, the penalty is 2-3 % of TANF funds and for the third and subsequent years, the penalty is 3-5% of the amounts otherwise payable to the state. Florida's TANF Grant is \$559.1 million for FFY 2017/18. The penalty would be applied to all or part of the grant.

Lastly, the Department would have the opportunity to correct the noncompliance before penalties were enforced.

Please let me know if you need additional information.

Thank you,
Debbie



Debra Longman, Director
Office of Legislative and Cabinet Services
Department of Revenue
(850) 717-7422
Debbie.Longman@floridarevenue.com

From: Hrdlicka, Jennifer [mailto:Jennifer.Hrdlicka@LASPBS.STATE.FL.US]
Sent: Sunday, April 7, 2019 12:37 PM
To: Debbie Longman <Debbie.Longman@floridarevenue.com>; Betta, Gino <Gino.Betta@LASPBS.STATE.FL.US>
Subject: Re: CS/SB 676

Hi Debbie!

Is there a number that you could give me to use that would the potential loss of federal funds if we were found out of compliance?

I tried to find the federal law and it looked to me like it was loss or they'd charge a penalty. And I figure this is like UC where you get like a year or more to comply.

But anyway, just a big giant number will satisfy the people asking me

Thanks!
Jennifer

Jennifer Hrdlicka
Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee

Sent while away from my office.

----- Original message -----

From: Debbie Longman <Debbie.Longman@floridarevenue.com>
Date: 4/1/19 11:29 AM (GMT-05:00)
To: "Hrdlicka, Jennifer" <Jennifer.Hrdlicka@LASPBS.STATE.FL.US>
Subject: CS/SB 676

Good speaking with you earlier. Attached is a draft amendment that would address the child support issue we spoke about. It's identical to what was added to the companion, CS/HB 475.

Hope we can work out dinner this weekend. Hang in there, nearly halfway!

Debbie



Debra Longman, Director
Office of Legislative and Cabinet Services
Department of Revenue
(850) 717-7422
Debbie.Longman@floridarevenue.com

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The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/CS/SB 892

INTRODUCER: Judiciary Committee; Commerce and Tourism Committee and Senator Passidomo

SUBJECT: Business Organizations

DATE: April 8, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harmsen</u>	<u>McKay</u>	<u>CM</u>	<u>Fav/CS</u>
2.	<u>Tulloch</u>	<u>Cibula</u>	<u>JU</u>	<u>Fav/CS</u>
3.	<u>Wells</u>	<u>Hrdlicka</u>	<u>ATD</u>	<u>Recommend: Favorable</u>
4.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 892 is a comprehensive amendment to the Florida Business Corporation Act (FBCA), ch. 607, F.S. Representatives of the Florida Bar's Business Law Section recommend these revisions to modernize the FBCA, incorporate updates from the Model Business Corporation Act (Model Act), and harmonize the FBCA with the recently updated Florida Revised Limited Liability Corporate Act (FRLCA), ch. 605, F.S.

The bill modifies and creates several provisions regarding corporate governance. Significantly, these provisions of the bill:

- Modify the process for the correction of documents filed by a corporation;
- Authorize articles of incorporation and bylaws to include exclusive forum provisions in limited circumstances;
- Permit proxy access provisions in a corporation's bylaws;
- Modernize service of process provisions for corporations;
- Allow remote participation at shareholder meetings;
- Modify how a vacancy on a corporation's board of directors is filled;
- Update provisions regarding shareholder agreements;
- Clarify the prescribed composition, operation, and authority of boards and committees;
- Reorganize sections regarding derivative action and indemnification;
- Amend burdens of proof in provisions regarding director conflict of interest;

- Modify the processes of judicial dissolution of a corporation and appointment of receivers and custodians made in the process thereof;
- Update and modernize laws regarding mergers, share exchanges, and conversions;
- Expand corporate domestication under additional circumstances;
- Clarify appraisal rights provisions; and
- Make conforming changes to mirror the FRLUCA provisions regarding corporate names, registered agent appointments and successorships, and qualifications to transact business in Florida.

The bill has a minimal fiscal impact to the Department of State.

The bill takes effect on January 1, 2020.

II. Present Situation:

Florida generally follows the revised Model Act as a basis for its laws that govern for-profit corporations.¹ The Corporate Laws Committee of the American Bar Association's Business Law Section (ABA) promulgates the Model Act, and most recently re-worked the Model Act in its entirety in 2016.² The Florida Business Corporation Act (FBCA)³ was last updated as a whole in 1989, and therefore does not best reflect the modern state of corporate law.⁴

Further discussion of the present situation is discussed below in conjunction with the Effect of Proposed Changes.

III. Effect of Proposed Changes:

The bill's proposed changes to the FBCA generally derive from or conform to three sources:

- (1) The ABA's Model Act.⁵
- (2) The Delaware General Corporation Law.⁶
- (3) Florida's Revised Limited Liability Company Act, ch. 605, F.S.⁷

Filing of Records and General Provisions (Sections 1-15)

The FBCA requires domestic and foreign corporations that seek to transact business in Florida to register and file annual reports and other notices with the Department of State (department).

These documents must be executed by an officer, incorporator, or fiduciary and contain

¹ 8A Fla. Jur 2d *Business Relationships* 4 (2018).

² American Bar Association, *Model Business Corporation Act* (2016), available at https://www.americanbar.org/content/dam/aba/administrative/business_law/corplaws/2016_mbca.pdf (last visited Mar. 27, 2019).

³ Section 607.0101, F.S. (providing for short title); ch. 607, F.S.

⁴ Ch. 89-154, Laws of Fla.

⁵ *See* n. 2, *supra*.

⁶ Delaware's corporate law statutes are considered the "gold standard" for corporate law. *See generally* Michael B. Dorff, *Why Public Benefit Corporations?*, 42 DEL. J. CORP. L. 77, 80 (2017) ("Delaware has found a formula that has attracted a clear majority of the major corporations in the U.S. Delaware law is the gold standard.") (footnote omitted).

⁷ The Florida Bar Business Law Section, *Proposed Modifications to Chapter 607 (Florida Business Corporation Act)*, Jan. 24, 2019 (on file with Senate Judiciary Committee).

information as prescribed by law. The department determines whether submitted filings and forms meet the pertinent statutory requirements and then records and indexes those filings in its database of records.⁸ If the department refuses to file a document, the filing corporation may seek to remedy the defect, or may appeal the matter to a court of competent jurisdiction.

Section 1 amends s. 607.0101, F.S., to divide the FBCA into three parts and clarifies that the provisions of Part I, ch. 607, F.S., apply generally to all corporations, including social purpose and benefit corporations.⁹

Section 3 amends s. 607.0120, F.S., to allow a corporation to make its articles of incorporation or amendments thereto, terms of shares, mergers, share exchanges, domestications, or conversion transactions dependent on extrinsic facts.¹⁰ The corporation must state both the fact and the effect it will have on the document. This section prohibits specific terms from being made dependent on extrinsic facts, including the identity of a corporation's registered agent and the effective date of a document.

Section 6 amends s. 607.0123, F.S., to clarify the determination of the effective date and effective time a document is filed, as follows:

- A corporation may make the effective date of its initial article of incorporation retroactive up to five business days before the date of filing;
- No document, subject to provisions otherwise in law, may include a delayed effective date of more than 90 days from the date of filing;
- The default effective time of a document is changed from the “start of business” to “12:01 am;” and
- The default time zone is that of the location where the document was filed.

Section 7 also creates a process for the withdrawal of a filing delivered to the department. This withdrawal statement must be signed by or, pursuant to an agreement, signed on behalf of each person who signed the underlying document and must be filed with the department prior to the effective date of the document to be withdrawn. A withdrawal statement may not be filed with a delayed effective date.

⁸ Florida Department of State, Division of Corporations, *About Us*, <https://dos.myflorida.com/sunbiz/about-us/> (last visited Mar. 27, 2019). *See also*, s. 607.0125(4), F.S.

⁹ Parts II and III contain additional provisions that specifically apply to social purpose corporations, s. 607.504, F.S., and benefit corporations, s. 607.604, F.S., respectively. The changes to Parts II and III are technical, conforming changes. *See* discussion of bill sections 231-291, *infra*.

¹⁰ Extrinsic facts refer to information available from credible public sources upon which terms in the filed document or plan may be dependent. *See* ABA, *Model Business Corporation Act* (2016), p. 5, available at https://www.americanbar.org/content/dam/aba/administrative/business_law/corplaws/2016_mbca.pdf (last visited Mar. 27, 2019). “Common examples” of extrinsic facts “are references to an interest rate such as the federal funds rate or to securities market prices.” *Id.* The Commentary to the Model Act notes that the purpose for changes to the filing requirements “are intended to minimize both the number of documents to be processed by the secretary of state and the number of disputes between persons seeking to file documents and the secretary of state as to the legal efficacy of documents.” *Id.* However, the bill does not permit a foreign corporation to make its certificate of authority dependent on extrinsic facts.

Section 7 eliminates the 30-day statute of limitations to correct a document filed by a corporation. A corporation may now correct a document at any time.¹¹

Section 8 amends s. 607.0125, F.S., to clarify that the department files a document by “stamping or otherwise endorsing the document as filed.” Prior law only required to the department to “record it as filed” Additionally, the section permits the department to send a notice of filing by electronic mail, but limits the department to sending a copy of the actual filed document through the U.S. mail.

Section 9 amends s. 607.0126, F.S., to limit a corporation’s venue for appeal of the department’s refusal to file a document to the Leon County Circuit Court. Previously, a corporation could pursue an appeal in either Leon County or the county in which its principal office is located. Additionally, section 9 eliminates the 30-day statute of limitations for appealing the department’s refusal to file a document.

Section 10 amends s. 607.0127, F.S., to require that certified copies of documents bear the secretary of state’s signature in either original or facsimile form, and bear the state seal. Prior language did not require any specific mark. This section adds language that requires certificates issued by the department to be received by all courts, public offices, and official bodies as prima facie evidence of the facts stated therein.

Section 11 addresses a certificate of status which is a summary prepared by the department about a corporation’s activity, especially related to timely reporting and payment of fees. Section 11 amends s. 607.0128, F.S., to clarify the information required on a certificate of status, and that the department may require the requisite fee to be paid prior to its issuance.

Section 12 amends s. 607.0130, F.S., to make a technical change that eliminates certain express powers of the department. The amendment does not, however, reduce the department’s authority or power to administer the act.

Sections 13 and 15 amend s. 607.01401, F.S., and create s. 607.01403, F.S., respectively, to add definitions for use in ch. 607, F.S., including the definition of “department,” which replaces the term “State” throughout the act when referring to the Florida Department of State.

Section 14 amends s. 607.0141, F.S., to permit electronic forms of notice, specifically requiring individual shareholder and director consent to send notice by e-mail. The section allows a corporation’s articles of incorporation or bylaws to override the consent requirement for electronic notice to directors only. Additionally, the bill incorporates terms from the federal “E-Sign Act”¹² and requires that the act will control to the extent permitted under federal law.¹³

Section 15 defines “qualified director,” which is used in updated provisions relating to derivative actions, transactions that involve a director conflict of interest, and indemnification. A qualified

¹¹ However, the bill retains the provision that filing fees may apply to articles of correction not filed within 15 days after the notice of filing was sent.

¹² See 15 U.S.C. s. 7001, et seq. (“Electronic Signatures in Global and National Commerce Act”).

¹³ 15 U.S.C. s. 7002(a)(2) (exempting from federal preemption state laws that expressly adopt and modify, limit, or supersede the “E-sign Act.”).

director is one who has neither a material interest nor relationship with any of the interests at issue, and therefore is truly independent in his or her determinations.

Sections 2, 4, and 5 make conforming changes to ss. 607.0102, 607.0121, and 607.0122, F.S., respectively.

Incorporation (Sections 16-23)

A corporation must file articles of incorporation with the department before it may transact business in the state. Generally, s. 607.0202, F.S., requires articles of incorporation to include the corporation's name and address, the number of shares it is authorized to issue, and information about the registered agent.

Section 19 amends s. 607.0204, F.S., to hold persons liable who act or transact business on behalf of a corporation "knowing" that the corporation has not yet been formed under the act. The term "knowing" replaces "having actual knowledge" and may be read by the courts more broadly to hold someone liable if he or she "knew or should have known" the corporation was not yet incorporated. **Section 19** also repeals the liability exemption for others having actual knowledge that the corporation had not yet been formed.

Section 20 amends s. 607.0205, F.S., to reduce the amount of time (from 3 to 2 days before the meeting) that a director must receive notice of a corporation's organizational meeting.

Sections 17 and 21 amend ss. 607.0202 and 607.0206, F.S., and **section 23** creates s. 607.0208, F.S., to allow articles of incorporation and bylaws to include exclusive forum¹⁴ provisions relating to the resolution of internal corporate claims. However, **section 23** prohibits articles of incorporation or bylaws from including forced arbitration clauses relating to the resolution of an internal corporate claim.

Sections 17 and 21 limit the adoption of articles of incorporation and bylaws provisions that make shareholders liable for fees related to internal corporate claims they institute or participate in. However, **section 71**, *infra*, amends s. 607.0732, F.S., to allow such provisions pursuant to a shareholder agreement.

Section 21 continues to allow a corporation to include any provision in its bylaws that is consistent with law and its articles of incorporation, but now explicitly allows provisions that permit or limit proxy access provisions.

Section 23 creates s. 607.0208, F.S., which defines an "internal corporate claim" as:

- Any claim based on a director's, officer's, or shareholder's violation of duty;
- Any derivative action or proceeding brought on the corporation's behalf;
- Any action that asserts a claim arising pursuant to the articles of incorporation, bylaws, or ch. 607, F.S.; or

¹⁴ BLACK'S LAW DICTIONARY (10th ed. 2014) (defining "forum" in applicable part as "[a] court or other judicial body; a place of jurisdiction.>").

- Any action asserting a claim governed by the internal affairs doctrine not otherwise included in the forgoing actions.

Sections 16, 18, and 22 amend ss. 607.0201, 607.0203, and 607.0207, F.S., to make clarifying and conforming changes that do not substantively change existing law.

Purposes and Powers (Sections 24-27)

Section 24 amends s. 607.0301, F.S., to set a default corporate purpose of “engaging in any lawful business” unless a more limited purpose is stated in a corporation’s articles of incorporation. It also limits corporations that engage in a regulated business under another Florida statute from incorporating under ch. 607, F.S., unless the underlying regulating chapter expressly permits.

Section 27 amends s. 607.0304, F.S., to correct a term, replacing “Attorney General” with “Department of Legal Affairs.” The title has also been changed to mirror the ABA model act.

Sections 25 and 26 amend ss. 607.0302 and 607.0303, F.S., to make clarifying and conforming changes that do not substantively change existing law.

Corporate Names (Sections 28-30)

Section 607.0401, F.S., requires corporations to file a corporate name that is distinguishable and clearly indicates that the corporation is not a natural person.

Section 28 amends s. 607.0401, F.S., to permit corporations to register under a name that is indistinguishable from another entity’s name if it files the written consent of the similarly named entity with its registration.

Section 29 creates s. 607.04021, F.S., to restore a practice that allows a corporation to reserve its name for 120 days prior to its incorporation.¹⁵ The owner of a reserved corporate name is also permitted to transfer the reservation to another person.

Section 30 amends s. 607.0403, F.S., to make clarifying and conforming changes that do not substantively change existing law.

Office and Agent (Sections 31-37)

A corporation transacting business in Florida must designate and maintain a registered agent and registered office that is located in Florida.¹⁶ Currently, either a Florida resident or a corporation authorized to do business in Florida may serve as a corporation’s registered agent. **Section 31** updates these qualifications in s. 607.0501, F.S., to allow any business entity (e.g., LLCs, partnerships, etc.) authorized to do business in Florida to serve as a registered agent.

¹⁵ Chapter 98-101, s. 15, Laws of Fla., repealing s. 607.0402, F.S.

¹⁶ Section 607.0501, F.S.

Section 31 also explicitly provides a registered agent's duties, including forwarding documents served to the corporation and providing proper notice of its resignation as the registered agent. This section also clarifies that a corporation that has failed to comply with this subsection may defend itself in Florida court actions, but may not prosecute or otherwise maintain such actions until it has appointed a registered agent.

Section 32 amends s. 607.0502, F.S., to require a corporation's designation of a successor registered agent to include a written statement of acceptance from the successor registered agent which operates to designate the new registered agent at the same moment of its acceptance of the position.

Sections 33 and 34 create ss. 607.0503 and 607.05031, F.S., to re-designate current law regarding a registered agent's resignation¹⁷ or change of name or address,¹⁸ respectively.

Section 35 creates s. 607.05032, F.S., to subject delivery of notice to the department to a different standard than the standard set forth in s. 607.0141, F.S. (providing that receipt of notice is when notice is actually received by the department). Under s. 607.05032, F.S., a check sent to the department for annual report or supplemental fees is deemed received as of the postmark on the transmitting envelope or package.

Section 36 amends s. 607.0504, F.S., to update methods of service of process for corporations in the event the corporation ceases to have a registered agent or the registered agent cannot be served, requiring attempts to be made on certain parties before others may be served.

Section 37 makes a clarifying change in s. 607.0505, F.S., that does not substantively affect existing law.

Shares and Distribution (Sections 38-51)

A corporation's articles of incorporation must prescribe the classes of shares and the number of each class that the corporation is authorized to issue.¹⁹ At least one class of shares must have unlimited voting rights, and one (which may be the same as the voting class) that is entitled to the corporation's net assets. The corporation may issue the number of shares as detailed in its articles of incorporation. Shareholder and corporate rights regarding the shares are laid out in statute, but may also be defined in the corporation's articles of incorporation, bylaws, or agreement.

Section 38 amends s. 607.0601, F.S., to clarify that a corporation may define both series and classes of shares that the corporation will issue. This section also defines the preferences, limits, and rights assigned to classes or series of shares as "terms," and, as in **section 1**, *supra*, permits such terms to be based on extrinsic facts, such as interest rates.

Sections 39 amends s. 607.0602, F.S., to grant boards authority to reclassify the class or series of any unissued shares, and to determine the shares' terms without shareholder approval. Likewise,

¹⁷ Section 607.0502(2), F.S.

¹⁸ Section 607.0502(3), F.S.

¹⁹ Section 607.0601, F.S.

section 50 amends s. 607.0631, F.S., to allow a board, without shareholder approval, to reacquire its issued shares in order to effectuate a reduction in its overall shares. However, any shares the corporation holds in a fiduciary capacity for the benefit of another may not be considered the corporation's property for the purpose of reducing its number of shares.

Section 40 repeals requirements in s. 607.0604, F.S., that the board authorize the issuance of a scrip²⁰ only when considered desirable, and that the board's good faith judgment of the fair value of fractions of a share is conclusive.

Section 41 amends the duration of time provided for in s. 607.0620, F.S., that a corporation must wait to sell shares to satisfy the debt incurred as the result of a subscription share from 20 days after demand is *sent* to 20 days after its *delivery*.

Section 45 amends s. 607.0624, F.S., to authorize boards of directors to delegate to committees and officers the ability to issue equity compensation awards.

Section 51 amends s. 607.06401, F.S., to clarify that a board may fix a record date to determine shareholders eligible for distributions made pursuant to the terms of their shares, but that date may not be retroactive. Additionally, this section excludes liquidations pursuant to ss. 607.1401-607.14401, F.S., from its application.

Sections 42-44 and 46-49 make clarifying changes to ss. 607.0621, 607.0622, 607.0623 and 607.0625, 607.0626, 607.0627, 607.0630, F.S., respectively, that do not substantively affect existing law.

Shareholders (Sections 52-81)

Shareholder Meetings

Corporations are required to hold an annual shareholders meeting to elect directors and transact business. A board of directors, persons authorized to call such a meeting, or a specified percentage of shareholders may call a special meeting for an express, limited purpose.

Sections 52 and 53 amend ss. 607.0701 and 607.0702, F.S., respectively, to clarify that shareholders may participate in meetings by remote communication. Additionally, portions of existing ss. 607.0701 and 607.0702, F.S. were moved to **section 59**, which creates s. 607.0709, F.S., and outlines limits on participation in a meeting by remote communication. **Section 56** amends s. 607.0705, F.S., to require a corporation's board of directors to give notice of the types of remote communication that a shareholder can use to participate in a meeting.

If a corporation fails to hold an annual or special meeting in a timely manner, a court may order a meeting. **Section 54** amends s. 607.0703, F.S., to lengthen from 13 to 15 months the amount of time a corporation has to hold its annual meeting or undertake action by written consent before a

²⁰ BLACK'S LAW DICTIONARY (10th ed. 2014) (defining a "scrip issue" as synonymous with a "bonus issue"; defining a "bonus issue" as a corporation's "offer of free shares to existing shareholders, usually in proportion to their holdings and especially as an alternative to dividend payout.").

court may order a meeting or other action. **Section 54** also recognizes a court's ability to establish quorum requirements for separate voting groups at a meeting held upon its call.

Sections 56 and 57 make clarifying changes to ss. 607.0705 and 607.0706, F.S., respectively, that do not substantively affect existing law.

Voting Rights

Current law allows certain shareholders to instigate a vote by written consent. If the shareholders deliver a sufficient number of votes by written consent to the corporation within a 60-day timeframe, the matter is adopted and the corporation must give notice of the action to all shareholders who did not give written consent. **Section 55** updates s. 607.0704, F.S., to allow a corporation to delay the effectiveness of a written consent vote for a reasonable time to allow it to count the votes delivered by written consent, and also clarifies that a corporation's failure to give notice of the outcome of a written consent vote does not affect the vote's outcome.

A corporation must compile a list of shareholders eligible to participate in the corporation's meetings on the record date at a fixed period prior to the meeting. Any shareholder may inspect and copy this list.

Section 58 amends s. 607.0707, F.S., to expressly allow a corporation's bylaws to establish more than one record date, or bifurcated record dates, to establish separate issues, e.g., which shareholders may vote at or are entitled notice to a meeting, who may demand a special meeting, or who may take other specified actions. This section also sets certain default record dates if the corporation does not establish them in their bylaws.

Sections 59 creates s. 607.0709, F.S., and **Section 60** amends s. 607.0720, F.S., to adopt language to further implement bifurcated record dates, explicitly exclude shareholders' electronic mail addresses from the shareholder list, and repeal a required \$5,000 civil penalty for the improper sale or distribution of a shareholder's list. The Florida Bar Business Law Section's commentary on the proposed bill states that the removal of the required penalty gives courts judicial discretion in determining a penalty for improper disclosure of the shareholder list.²¹

A shareholder with voting shares is entitled to at least one vote per share on matters that are subject to a vote. However, if a corporation holds its own shares indirectly through a second corporation that it controls, those shares do not entitle their corporation owner to a vote. **Section 61** amends s. 607.0721, F.S., to further preclude a corporation from using shares it owns either directly or indirectly as a source of voting rights.

Section 63 clarifies by amendment to s. 607.0723, F.S., the process required to create a beneficial ownership certificate, which is a designation of a third party who is treated as the record shareholder when the shares are actually held by an intermediate party. Specifically, the section requires a beneficial ownership certificate to be signed by or assented to by the record shareholder and the person on behalf of whom the shares are held.

²¹ See n. 7, *Supra*.

Section 68 creates inspectors of election in s. 607.0729, F.S. A public corporation must, and any other corporation may, appoint one or more inspectors of elections to determine voting results at shareholder meetings. An inspector of elections generally determines the validity and number of votes cast and makes a written report. The inspector must be strictly impartial, and should the inspector's activities be challenged, determinations of law by an inspector are reviewed by the court *de novo*. **Section 64** incorporates the role of an inspector of elections in s. 607.0724, F.S., and expands corporations' or inspector of elections' scope of scrutiny to include ballots and shareholder demands in addition to votes, consents, waivers, or proxy appointments. Determinations by an inspector of election are controlling under this section.

Sections 70 and 71 amend ss. 607.0731 and 607.0732, F.S., to distinguish voting agreements from shareholder agreements. A voting agreement is one between shareholders that provides how they will vote on a particular subject. A shareholder agreement is a written agreement among shareholders regarding specific matters outlined in s. 607.0732(1), F.S. This bill expands matters that may be subject to a shareholder agreement to include the:

- Imposition of shareholder liability for participation in an internal corporate claim; and
- Establishment of a mechanism for breaking deadlock between the corporation's directors or shareholders or to address an oppressive action that a shareholder in a judicial dissolution proceeding asserts to exist.

Section 67 amends the definition of a public company in s. 607.0728, F.S., to mean corporations with shares registered pursuant to section 12 of the Securities Exchange Act of 1934, rather than corporations with shares listed on the national securities exchange. **Section 71** amends s. 607.0732(4), F.S., to make a conforming reference, providing that shareholder agreements cease to be valid when shares of a corporation are registered pursuant to section 12 of the Securities Exchange Act of 1934, rather than when listed on the national securities exchange or other national securities association.

Sections 62, 65, 66, and 69 make clarifying changes to ss. 607.0722, 607.0725, 607.0726, and 607.0730, F.S., that do not substantively affect existing law.

Derivative Actions

A shareholder derivative action is a proceeding brought by a shareholder on behalf of a corporation to assert a claim that the corporation has not (or will not) itself raise and prosecute.²² Under current Florida law, s. 607.07401(2), F.S., a shareholder may not pursue a derivative action in court before he or she demands that the corporation take specific action and permits the corporation 90 days to investigate and respond, *unless* irreparable injury to the corporation would result from waiting 90 days. If the corporation refuses to act, or ignores the shareholder's demand for at least 90 days, then the shareholder may file a complaint, initiating a lawsuit.

Section 72 repeals s. 607.07401, F.S., which is currently the single statutory section governing shareholders' derivative actions. However, **sections 73-79** break out the substance of s. 607.07401, F.S., and divides its procedural aspects among seven newly created statutory provisions, conforming it to the ABA Model Act. These procedural aspects, respectively, are:

²² Deborah DeMott, *Shareholder Derivative Actions: Law and Practice*, s. 1:1 (Nov. 2018).

(1) standing, s. 607.0741, F.S.; (2) pleading requirements, s. 607.0742, F.S.; (3) stay of proceedings, s. 607.0743, F.S., (4) dismissal of action, s. 607.0744, F.S.; (5) discontinuance or settlement, s. 607.0745, F.S.; (6) proceeds and expenses following termination of action, s. 607.0746, F.S.; and (7) applicability to foreign corporations, s. 607.0747, F.S.

In **section 74** creating s. 607.0742, F.S., the pleading requirements for a shareholder's derivative action are expanded. The shareholder may initiate a derivative action without waiting 90 days for the corporation to respond to his or her demand if the shareholder alleges with particularity that irreparable injury to the corporation would result from waiting the 90 days, *or that misapplication or waste of corporate assets causing material injury to the corporation* would result by waiting the 90 days. Further, the shareholder may initiate a derivative action without first making a demand when the shareholder alleges with particularity the reasons the demand was not made, i.e., a demand would have been futile.

Additionally, **sections 73-79**:

- Remove the requirement that a shareholder maintain his or her shares in the corporation during the entirety of the derivative action that the shareholder initiated (**Section 73**);
- Replace the term “independent director” with “qualified director,” which is defined in s. 607.0143(a), F.S., in **section 15** of the bill, as a director who has neither a material interest in the outcome of the proceeding, nor a material relationship with a person who has a material interest in the proceeding (**Section 76**);
- Permit a court to order the plaintiff in a derivative action to pay the defendant's expenses and attorney fees if the court finds that the plaintiff began or maintained the action without reasonable cause or for an improper purpose; (**Section 78**) and
- In order not to implicate the internal affairs doctrine,²³ provide that a derivative proceeding may be filed on behalf of a foreign corporation but the procedural matters outlined in ss. 607.0743 (stays), 607.0745 (discontinuance or settlement), and 607.0746, F.S. (proceeds and expenses), are governed by the substantive laws of the jurisdiction where the foreign corporation is incorporated (**Section 79**).

Alternatives to Judicial Dissolution

When harm is threatened to or incurred by a corporation as a result of either (1) a deadlock between its directors or (2) a director's fraudulent activity, a shareholder may petition a court to appoint a receiver or custodian to manage the corporation's business and affairs. However, a shareholder's only procedural option under current law for the appointment of a receiver or custodian in these two situations, or to appoint a provisional director in the case of deadlock between the directors, is to seek judicial dissolution of the corporation under s. 607.1430, F.S. **Sections 80 and 81** create separate, alternative procedures to a judicial dissolution proceeding for the appointment of a custodian, receiver, or provisional director.

Specifically, **section 80** creates s. 607.0748, F.S., establishing an alternative procedure to judicial dissolution when one of the two situations above arises (injury resulting from deadlock between directors or director fraud). Section 607.0748, F.S., authorizes a court to appoint a receiver or custodian to manage a corporation's business and other affairs when a shareholder establishes

²³ “The internal affairs doctrine is a conflict of laws principle which recognizes that only one State should have the authority to regulate a corporation's internal affairs[.]” *Edgar v. Mite Corp*, 457 U.S. 624, 645 (1982).

one of these two situations during a full, properly noticed hearing. If the court appoints a custodian or receiver or both, it must specify the powers of each in its order. A custodian exercises all powers of the corporation in place of the board of directors; whereas a receiver may dispose of corporate assets and defend or bring suit on the corporation's behalf.

Similarly, **section 81** creates s. 607.0749, F.S., establishing a separate, alternative procedure to judicial dissolution, allowing a shareholder to petition a court to appoint a provisional director to break a deadlock between the directors that cannot be broken by shareholder action. The court has discretion to appoint an impartial provisional director who is neither a shareholder nor a creditor of the corporation to report back to the court on the status of the deadlock. The provisional director is vested with all the powers of an elected director, may be held liable as would any other director under s. 607.0831, F.S., and is subject to removal by a shareholder vote or court action.

Directors and Officers (Sections 82-114)

A corporation is managed by and subject to the oversight of its board of directors. Florida law requires a director to be a natural person who is at least 18 years of age, but other qualifications, if any, may be set by the corporation's articles of incorporation or bylaws.

Section 83 clarifies s. 607.0802, F.S., to distinguish qualifications for nominees for directors from qualifications for current directors and when newly prescribed qualifications apply.

Sections 86 and 87 amend ss. 607.0805 and 607.0806, F.S., respectively, to clarify the effect of staggering directors' terms of service and when a staggered term expires.

Section 90 creates s. 607.08081, F.S., to allow a court to remove a director and order other relief, such as barring reelection of the director for a certain time, in a proceeding initiated by or on behalf of a corporation. This remedy is limited to cases in which the court finds:

- The director acted fraudulently with respect to the corporation or its shareholders, grossly abused his or her position, or intentionally inflicted harm on the corporation; and
- Removal of the director is in the best interests of the corporation and other remedies are inadequate or unavailable.

Section 91 modifies s. 607.0809, F.S., governing how vacancies created by directors who were elected by a particular voting group will be filled. Section 607.0809(2), F.S., provides that when a particular director is to be elected by a particular voting group, any remaining directors elected by that particular voting group will vote to fill the vacancy; if there are no remaining directors, then only the shareholders in that voting group will vote to fill the vacancy.

A board of directors or members of a committee may act without meeting, even if the action is otherwise required to be taken at a meeting, by way of a written consent signed by all members of the board or committee. **Section 93** amends s. 607.0821, F.S., to clarify that a written consent is only effective upon delivery to the corporation.

Section 94 amends s. 607.0823, F.S., to require a director who objects to holding the meeting or to the business transacted at the meeting to both state an objection at the beginning of the

meeting and to refuse to vote on any action taken at the meeting. If the director fails to do both, his or her presence constitutes a waiver of notice of the meeting and of all objections to the date, time, place, or purpose of the meeting. Previously, a director was required only to register his or her objection at the beginning of the meeting.

Section 607.0825, F.S., currently allows a board of directors to delegate many of its functions to a board committee. **Section 96** amends s. 607.0825, F.S., to permit a board committee to be comprised of one person rather than two (unless otherwise required by law or the corporation's articles of incorporation or bylaws) and to allow the board to replace or fill any absent or disqualified committee members during his or her absence or disqualification. Additionally, the bill removes some of the restrictions on board committees and permits committees to issue or sell shares, or to designate a voting group's rights, preferences, and limitations.

Section 97 creates s. 607.0826, F.S., to authorize a board of directors to enter into an agreement that contains a "force the vote" provision. Such provisions, often used in merger agreements, require the board to submit a matter to a shareholder vote even if the board no longer wants to pursue or enter into the agreement.

Sections 98 and 99 concern Florida's business judgment rule.²⁴ **Section 98** amends s. 607.0830, F.S., to clarify a director's fiduciary duties. Specifically, the prudent person standard of care is modified to require a director to act as an "ordinary prudent person in a like position would reasonably believe appropriate under similar circumstances." This section expands guidance of whom a board member may rely upon in discharging his or her duties. **Section 99** makes mostly technical and conforming amendments to s. 607.0831, F.S., the business judgment rule,²⁵ but removes the limitation that decisions made or nonaction by directors must relate to "corporate management or policy." This change potentially provides both a greater shield for the decisions of directors from liability, as well as a larger sword for holding them liable for self-interested decisions.

Section 100 amends s. 607.0832, F.S., relating to a director's conflict of interest. The bill retains the requirement that any director's conflict of interest transaction must be fair to the corporation at the time authorized by the director to withstand challenge, but adds explicit definitions for "director's conflict of interest transaction,"²⁶ "fair to the corporation,"²⁷ and other related terms. Additionally, the bill creates a shifting burden of proof in challenges to the validity of a director's conflict of transaction: approval by a disinterested majority of directors or shareholders who received advanced notice of the conflict places the burden on the person challenging the

²⁴ The business judgment rule limits the liability of a corporate director by creating a limited presumption of correctness for their decisions. *Aerospace Accessory Serv., Inc. v. Abiseid*, 943 So. 2d 866, 867 (Fla. 3d DCA 2006) (noting that s. 607.0831, F.S., codifies the "business judgment rule").

²⁵ *Id.*

²⁶ The bill defines a "director's conflict of interest transaction" in s. 607.0832(1)(a), F.S., as "a transaction between a corporation and one or more of its directors, or another entity in which one or more of the corporation's directors is directly or indirectly a party to the transaction, other than being an indirect party as a result of being a shareholder of the corporation, and has a direct or indirect material financial interest or other material interest."

²⁷ The bill defines the term "fair to the corporation" in s. 607.0832(1)(b), F.S., as a "transaction that, as a whole, is beneficial to the corporation and its shareholders, taking into appropriate account whether it is: (1) fair in terms of the director's dealing with the corporation in connection with that transaction and (2) comparable to what might have been obtainable in an arm's length transaction."

transaction; however, the lack of any such approval places the burden on the person defending the transaction.

Section 102 clarifies the statute of limitations for a director's liability for unlawful distributions in s. 607.0834, F.S.

Section 104 creates s. 607.08411, F.S., which provides standards of conduct for officers that parallel a director's fiduciary duties. Generally, the bill requires an officer to act in good faith and in a manner the officer reasonably believes to be in the best interests of the corporation. This section requires an officer to report or inform superior officers or other appropriate persons within the corporation of (1) material information about the corporation's affairs, and (2) actual or probable material violations of law that involve the corporation or actual or probable breaches of duty to the corporation. Lastly, this section creates guidance regarding those persons an officer may rely upon in reasonably discharging his or her duties.

Sections 82, 84, 85, 88, 89, 92, 95, 101, and 103 make clarifying changes or add clarifying language to ss. 607.0801, 607.0803, 607.0804, 607.0807, 607.0808, 607.0820, 607.0824, 607.0833, and 607.08401, F.S., which do not substantively affect existing law.

Indemnification and Advancement of Expenses

Indemnification is the duty to make good any loss, damage, or liability incurred by another.²⁸ Florida law allows corporate directors, officers, employees, and agents who act in good faith and in a manner reasonably believed to be in the best interests of the corporation (and reasonably believed to be lawful) to be indemnified by the corporation.

Sections 106-114 revises Florida's current indemnification law, s. 607.0850, F.S., by relocating provisions to newly created sections, ss. 607.0851, 607.0852, 607.0853, 607.0854, 607.0855, 607.0857, 607.0858, and 607.0859, F.S. These sections also include the following changes:

- Excludes employees and agents from the indemnification provisions but specifies that a corporation may indemnify its employees or agents under agency law or in its articles of incorporation, bylaws, or other agreement (**Section 113**);
- Establishes a process for the board of directors to determine whether and to what extent an officer or director may be indemnified in connection with a proceeding by or in the right of the corporation (**Section 107**);
- Sets a new, broader standard for mandatory indemnification triggered when an officer or director involved in a proceeding in his or her official capacity is "wholly successful"²⁹ in the action, whether based on a procedural defense or the merits, rather than just "successful on the merits" (**Section 108**);
- Outlines how an advancement of expenses is authorized by either the board of directors or shareholders (**Section 109**); and
- Clarifies a corporation's ability to obligate itself to indemnify officers and directors, as well as employees and agents, above and beyond that required by law (**Section 113**).

²⁸ BLACK'S LAW DICTIONARY, 837 (9th Ed. 2009).

²⁹ Commentary to s. 8.52 of the Model Act provides that "A defendant is 'wholly successful' only if the entire proceeding is disposed of on a basis which does not involve a finding of liability."

Section 105 makes clarifying changes to s. 607.0842, F.S., which do not substantively affect existing law.

Anti-Takeover Laws (Sections 115-116)

Florida's affiliated transaction statute is intended to deter hostile takeovers. It protects minority shareholders in merger offers by ensuring that specific transactions are either approved by an appropriate number of disinterested directors or shareholders, or result in a fair price to all shareholders.³⁰

Section 115 amends s. 607.0901, F.S., to define an "interested shareholder" as a person who owns 15 percent or more of a public corporation's shares. This section requires any affiliated transaction with an interested shareholder receive approval from either disinterested directors or a supermajority vote of disinterested shareholders. If neither of the first two are possible, this section requires a fair price to be paid to shareholders in the transaction.

Section 115 also amends the definition of an affiliated transaction to include those that constitute the sale of 10 percent or more of the corporation's assets, net income, or fair market value of the corporation's outstanding shares.

Section 116 makes a conforming change in s. 607.0902, F.S., that does not substantively affect existing law.

Amendment of Articles of Incorporation and Bylaws (Sections 118-130)

A board of directors may amend the corporation's articles of incorporation without shareholder approval in limited, usually administrative, circumstances. **Section 118** amends s. 607.1002, F.S., to allow a board to make amendments that reflect a reduction in authorized shares and to delete an extinct class of shares when no shares of that class remain.

Section 119 repeals a provision in s. 607.10025, F.S., that permitted board approval of share splits or combinations without shareholder approval only in corporations with more than 35 shareholders. The effect is to now permit all corporations to take such action without shareholder approval.

Section 120 amends s. 607.1003, F.S., to require a full copy, as compared to the summary provided for in current law, of a proposed amendment to a corporation's articles of incorporation to be provided to shareholders prior to their meeting for approval of the amendment.

Additionally, **section 120** requires that a board must obtain written consent of all shareholders who will be subject to new interest holder liability as a result of the board's amendment to the articles of incorporation. **Section 126** amends s. 607.1009, F.S., which governs the effect of interest holder liability imposed as a result of amendment to articles of incorporation for both

³⁰ Daniel Nunn, Jr., *The Wolf at the Door: Florida's Takeover Laws Revisited*, Florida Bar Journal Vol. 83, No. 3, p. 10 (Mar. 2009), available at <https://www.floridabar.org/the-florida-bar-journal/the-wolf-at-the-door-floridas-takeover-laws-revisited/> (last visited Mar. 28, 2019).

parties who incurred new interest holder liability and those whose interest holder liability is affected.

Section 130 creates s. 607.1023, F.S., to adopt language from the Model Act that provides a method of voting for directors, though a corporation must elect to be governed by this section in its bylaws for the section to have effect.

Sections 117, 121-125, and 127-129 make clarifying or conforming changes to ss. 607.1001, 607.1004, 607.1005, 607.1006, 607.1007, 607.1008, and 607.1020, 607.1021, 607.1022, F.S., that do not substantively affect existing law.

Mergers and Share Exchanges (Sections 131-146)

Section 131 makes several changes to s. 607.1101, F.S., to accommodate mergers of a domestic corporation with one or more domestic or foreign entities, or mergers of other entities into a domestic corporation.

Similarly, **section 132** expands language in s. 607.1102, F.S., regarding share exchanges to accommodate such transactions between a Florida corporation and a non-corporate domestic entity or a foreign entity. A share exchange is a method by which a corporation acquires the equity interests of an acquired entity in exchange for its own equity interest or other consideration. This results in the acquired entity being wholly owned by the acquiring entity, but continuing to exist as a distinct entity.³¹

Section 133 provides a clearer process under s. 607.1103, F.S., for shareholder approval of a merger or share exchange where a domestic corporation either is a party to the merger, or is the acquired entity in the share exchange.

This section also allows the newly formed entity's articles of incorporation to eliminate or limit separate voting rights, except when:

- The merger or share exchange includes an amendment to the new corporation's articles of incorporation that requires voting by separate groups or classes, and
- The transaction will not affect a substantive business combination.

A domestic corporation that acquires another in a share exchange is not required to seek its shareholders' approval. Conversely, shareholders that do not have voting rights tied to their shares in a corporation that is acquired under a share exchange may not seek to vote on the plan.

Section 134 creates provisions in s. 607.11035, F.S., that permit the merger of corporations without a shareholder vote if a tender offer is first made to shareholders and ultimately results in the offeror's acquisition of a large enough interest in the corporation to satisfy the shareholder approval that would otherwise be required. This form of merger is often called a "two-step

³¹ Duane Morris, *Florida Legislature Unanimously Approves New Limited Liability Company Act*, (Jan. 31, 2014), available at <https://www.duanemorris.com/alerts/florida-legislature-unanimously-approves-new-LLC-act-5106.html> (last visited Mar. 28, 2019).

merger.”³² In order to prevent predatory share devaluation of the shares held by (now minority) shareholders who did not sell in response to the tender offer, this section implements a guarantee that the unsold shares retain their right to receive the same payment offered in the initial tender offer after their shares have been converted to the stock of the new entity created as a result of the two-step merger.

Section 135 amends s. 607.1104, F.S., to subject mergers between a parent corporation and its subsidiary, or between a parent corporation’s two subsidiaries, to the general merger provisions in ss. 607.1101-607.1107, F.S. Additionally, a parent corporation must give notice of a successful merger to each of the subsidiary’s shareholders within 10 days of the merger’s effective date. This notice requirement replaces a provision that required the parent company to wait 30 days after it sent notice of the merger to shareholders to file its notice of merger with the department.

Section 137 provides for the formalization of articles of mergers and articles of share exchanges, the content required in the articles, the method of filing the articles with the department, and the effective date of the articles by amendment to s. 607.1105, F.S.

Section 138 amends s. 607.1106, F.S., to clarify the effect of mergers or share exchanges on domestic and foreign corporations, especially to accommodate the inclusion of non-corporate business entities and foreign corporations in these transactions. Section 138 addresses the merger’s or share exchange’s effect on its parties’:

- Corporate existence;
- Property ownership;
- Debt obligations, other liabilities, and creditor rights;
- Ongoing proceedings;
- Articles of incorporation, bylaws, or organic rules; and
- Shareholders’ rights and interest holder liability.

Section 139 conforms s. 607.1107, F.S., regarding the abandonment of a merger or share exchange, to the Model Act by allowing a statement of abandonment that is signed by all the parties to result in an abandonment after articles of merger have been filed with the department, but before they have become effective. Section 607.1107, F.S., currently only permits abandonment before the articles have been filed with the department.

Section 136 amends s. 607.11045, F.S., to make clarifying and conforming changes.

Sections 140-146 repeal ss. 607.1108-607.1115, F.S., governing mergers and conversions. These subjects are re-organized and re-written by sections 131-139 (mergers, *supra*) and 152-157 (conversions, *infra*) of the bill.

³² Daniel Nunn, *The Wolf at the Door: Florida’s Takeover Laws Revisited*, 83 Fla. B.J. 10, (Mar. 2009), available at <https://www.floridabar.org/the-florida-bar-journal/the-wolf-at-the-door-floridas-takeover-laws-revisited/> (last visited Mar. 28, 2019).

Domestication (Sections 147-151)

Current law allows a non-U.S. corporation to become a Florida domestic corporation by the process of domestication. **Section 147** creates s. 607.11920, F.S., to expand the types of domestications permitted in Florida to include in-bound domestications by foreign corporations and out-bound domestications by Florida corporations into foreign corporations. Specifically, this section allows Florida corporations to domesticate into foreign corporations organized in other U.S. states and foreign corporations organized in other U.S. states to become Florida domestic corporations, if the organic law of the foreign corporation allows it.

Sections 148-150 create ss. 607.11921, 607.11922, and 607.11923, F.S., to establish the formalization of a plan of domestication of a domestic corporation into a foreign jurisdiction, govern the effectiveness and contents of articles of domestication, and permit the amendment or abandonment of the plan under certain circumstances.

Section 151 creates s. 607.11924, F.S., to outline the effect of the domestication on the domesticating corporation, including the ultimate ownership of property, debt and other obligations, shares between the two corporations, ultimate locus of governance, and overall duties.

Conversions (Sections 152-157)

Section 152 creates s. 607.11930, F.S., to generally address all conversion actions (conversion of domestic corporations into domestic or foreign entities and domestic or foreign entities into domestic corporations), and require the adoption of a plan of conversion to effectuate such actions. **Sections 153 and 154** create ss. 607.11931 and 607.11932, F.S., to outline the information required in a plan of conversion and the method of adoption of the plan of conversion by the subsumed corporation's board of directors and shareholders. Additionally, **Section 154** provides for notice requirements to shareholders of the subsumed corporation, shareholders affected by interest holder liability because of the conversion, and shareholders who may become a general partner of the converted partnership or limited partnership.

Sections 155 creates in s. 607.11933, F.S., the method for filing the articles of conversion and their effective date, as well as the effect of such filing on the business governance structure of the subsumed corporation or entity in. **Section 157** more specifically addresses the transfer of property, debt, records and rules, and other specific rights or duties to the converted entity with the creation of s. 607.11935, F.S. **Section 156** creates s. 607.11934, F.S., to allow a converting entity to amend or abandon its plan of conversion.

Sale of Assets (Sections 158-159)

A corporation may sell its assets in the regular course of business without approval by shareholders, unless otherwise required by its articles of incorporation. **Section 158** amends s. 607.1201, F.S., to permit a corporation to distribute its assets pro rata to shareholders, without shareholder approval except when part of a dissolution. **Section 159** amends s. 607.1202, F.S., to provide that if a board wishes to dispose of all, or substantially all, of its property not in the usual

course of business, then it must submit such proposal to a shareholder vote with a resolution that recommends the sale, unless specific factors apply.

Appraisal Rights (Sections 160-173)

Minority shareholders may choose to sell their shares in a corporation by asserting appraisal rights, which triggers a fair payout for their shares. This right is limited to situations where a material change in the relationship between the corporation and the shareholder is proposed, e.g., a merger or share exchange, and applies whether or not the shareholder has the right to vote on the proposed action.

Section 160 defines “interested transaction” and related terms in s. 607.1301, F.S., for purposes of an appraisal of a corporation’s shares. This section also deletes language in s. 607.1301(5)(c), F.S., to clarify that an appraisal of fair value of a share should be determined without any discount for the share’s lack of marketability or minority status.

Section 161 expands by amendment to s. 607.1302, F.S., the transactions pursuant to which a shareholder may exercise his or her appraisal rights to include conversion and domestication transactions. This section also updates definitions of public companies that are exempt from the exercise of shareholder appraisal rights.

Section 163 amends s. 607.1320, F.S., which requires corporations to notify shareholders of proposed actions that trigger appraisal rights under s. 607.1302, F.S. Specifically, this section requires a statement of possible appraisal rights and appropriate law to be sent with notice of the meeting at which shareholder consent is solicited for specific transactions. If approval of a corporate action that would trigger appraisal rights is sought by written consent, then notice of the appraisal rights must be sent to any nonconsenting or nonvoting shareholders at least 10 days before the corporate action becomes effective. Additionally, this section requires the corporation to send pertinent financial documents to its shareholders with the notice of appraisal rights.

Section 164 amends s. 607.1321, F.S., regarding a shareholder’s assertion of his or her appraisal rights. If a shareholder ultimately decides to assert appraisal rights, he or she must deliver notice of intent before the proposed transaction is effectuated and abstain from voting on the matter, as described in section 164 of the bill. Additionally, the bill dictates that a shareholder who wishes to assert appraisal rights pursuant to a proposed two-step merger in which there is no shareholder vote, can assert appraisal rights by delivery of his or her shares to the corporation with intent to demand payment if the transaction occurs and holding back any of his or her shares from the tender offer.

Section 173 limits, via creation of s. 607.1340, F.S., a shareholder from challenging a corporate transaction under which he or she could have asserted appraisal rights, except on the basis of fraud, material misrepresentation, omission of fact, or illegal approval.

Sections 162, 165-172 make clarifying and conforming changes to ss. 607.1303, 607.1322, 607.1323, 607.1324, 607.1326, 607.1330, 607.1331, 607.1332, and 607.1333, F.S., that do not substantively affect existing law.

Dissolution (Sections 174-195)

Sections 174-177 update ss. 607.1401-607.1404, F.S., which allow a corporation to dissolve at the action of its board and, if applicable, shareholders. The bill makes several conforming changes relating to the articles of dissolution a corporation must file to formalize the dissolution, and adds a grace period that allows the corporation to revoke its dissolution within 120 days of the effective date of its articles of dissolution.

Section 178 clarifies that a “dissolved corporation,” as defined in s. 607.1405, F.S., is one whose articles of dissolution are effective and includes a “successor entity” that may exist solely for the purpose of prosecuting and defending suits on behalf of the dissolved corporation. This permits the dissolved corporation to wind up and fully liquidate its assets in an appropriate manner. This section also adds language allowing a dissolved corporation to fix a new record date for purposes of liquidation of assets to its shareholders.

Section 179 updates the process for disposition of known claims against a dissolved corporation in s. 607.1406, F.S., requiring the dissolved corporation to give written notice to such claimants no later than 270 days before the date that is 3 years after the effect of the articles of dissolution. This section also removes contingent claims and those claims that are effective upon an event that may occur after dissolution from the definition of known claims that must receive notice from the dissolved corporation.

Sections 181 and 182 create new ss. 607.1408 and 607.1409, F.S., to provide for the enforcement of a claim against a dissolved corporation and for a procedure for handling unknown and contingent claims against a dissolved corporation.

Section 183 creates s. 607.1410, F.S., to add to a director’s duties the payment of claims and distribution of assets during a corporation’s dissolution or liquidation. This section also shields directors from liability against claims of breach of these duties if the corporation was properly dissolved.

Section 180 makes clarifying and conforming changes to s. 607.1407, F.S., that do not substantively affect existing law.

Administrative Dissolution

Sections 184-187 amend ss. 607.1420, 607.1421, 607.1422, and 607.1423, F.S., to add failure to pay a fee or penalty to the department as basis for the administrative dissolution of a corporation by the department. These sections also clarify that an administratively dissolved corporation may wind up its affairs and liquidate its assets. If a corporation wants to be reinstated pursuant to administrative dissolution, it may file the appropriate forms and fees with the department. The department may deny reinstatement and the corporation may appeal its denial to Leon County Circuit Court. Current law allows the corporation to file such a petition where the involved state agency or corporation resides.

Judicial Dissolution

A shareholder may request that a court dissolve a corporation in which he or she owns shares for several reasons ranging from fraud to ineffectiveness. **Section 188** amends s. 607.1430, F.S., to add oppressive conduct by the corporation as grounds for dissolution, but limit it as a valid claim only for those who own at least 10 percent of the corporation's outstanding shares. This section clarifies how a shareholder agreement alternative to judicial dissolution takes effect.

Section 189 amends s. 607.1431, F.S., to require a corporation defendant in a judicial dissolution proceeding to notify all shareholders, other than the petitioner of the proceeding, that they may avoid dissolution by electing to purchase the petitioner's shares. This remedy exists in current law but the required notice is new. **Section 192** grants, by amendment to s. 607.1434, F.S., a court in a judicial dissolution proceeding broader discretion to order remedies other than those outlined in statute to avoid dissolution.

Section 194 amends s. 607.1436, to require as a matter of public policy that a corporation that elects to purchase its shares instead of dissolving to follow through on that transaction and prohibit the corporation from ultimately dissolving to avoid the purchase.

Section 195 removes a requirement from s. 607.14401, F.S., that a dissolved corporation deposit funds owed to a missing or incompetent shareholder with the Department of Financial Services *within 6 months* of the final liquidating distribution.

Sections 190, 191, and 193 make clarifying and conforming changes to ss. 607.1432-607.1433, and 607.1435, F.S., that do not substantively affect existing law.

Foreign Corporations (Sections 196-216)

Foreign corporations operate under a certificate of authority issued by the department and like domestic corporations must notify the department of their registered agent, principal office, and other pertinent information. A foreign corporation must amend its certificate of authority to reflect any change in its operating document within 90 days of the occurrence. If a foreign corporation attempts to file for a certificate of authority under a name that is already in use by another business entity it must find a distinguishable alternative or, pursuant to changes made to s. 607.1506, F.S., in **Section 202** it may register under a name that is not distinguishable with the written consent of the other entity.

Section 197 creates s. 607.15015, F.S., to clarify that a foreign corporation's organic law governs its organization, internal affairs, and shareholders' interest holder liability. **Section 198** further provides by amendment to s. 607.1502, F.S., that a foreign corporation's organic law applies when the corporation fails to have a certificate of authority to transact business in Florida and the Florida Secretary of State is the designated agent for the corporation should any unauthorized transactions occur in Florida.

Sections 203-206 amends or creates ss. 607.1507-607.15091, F.S., to parallel the requirements regarding a foreign corporation's registered agent to those of a domestic corporation's registered agent.

Sections 207 creates a new notice delivery requirement in s. 607.15092, F.S., to reflect electronic communication. **Section 208** implements in s. 607.15101, F.S., a specific order for alternative service if a foreign corporation's registered agent is unavailable for service.

Sections 210 and 211 create ss. 607.1521 and 607.1522, F.S., respectively, to specify that a converting, merging, or dissolving foreign corporation must give specific notice to the department of the transaction and the effect thereof on its certificate of authority.

Section 212 amends s. 607.1523, F.S., to grant the Florida Department of Legal Affairs authority to maintain an action to enjoin a foreign corporation from transacting business in violation of ch. 607, F.S.

Section 213 makes clarifying and conforming changes to s. 607.1530, F.S., and adopts the substance of s. 607.1531, F.S., which is deleted by **Section 214**.

Section 215 amends s. 607.15315, F.S., to permit the reinstatement of a foreign corporation's certificate of authority following its revocation but removes as a basis for reinstatement that the grounds for revocation did not or no longer exist. **Section 216** amends s. 607.1532, F.S., to designate Leon County Circuit Court as the proper venue for appeals of the department's denial of a foreign corporation's petition for reinstatement.

Records and Reports (Sections 217-224)

Section 217 replaces a corporation's duty to "keep as permanent records" with a duty to "maintain" certain documents in s. 607.1601, F.S. This section is also updated to explicitly include financial statements and notices required under s. 607.0120(11), F.S., within the record of documents that a corporation must maintain.

Sections 218-221 amend ss. 607.1602-607.1605, F.S., to reduce the number of days a corporation has to produce *certain records* upon shareholder request from 15 to 5, and permit such production by electronic format. A new extension of a shareholder right to inspect corporate documents of a corporation's subsidiary has been added. The bill further entitles a shareholder who must resort to court action to enforce his or her right of inspection to reimbursement of attorney fees and reasonable expenses expended in the proceeding. Lastly, these sections clarify a court's right to impose reasonable confidentiality requirements on any court-ordered right to inspection and copy of a corporation's documents.

Section 222 revises s. 607.1620, F.S., regarding the corporation's requirement to provide *financial statements* and any related public accountant report or audit to its shareholders. Currently, a corporation must furnish shareholders with its annual financial report within 120 days of the close of each fiscal year. This section now requires a corporation to furnish such financial information to a shareholder within 5 days of his or her request. If the shareholder's initial request so specifies, the corporation must also give notice to all other shareholders of the financial information's availability. The corporation may provide the requested documents by posting them on its website, place reasonable confidentiality restrictions on their distribution, and decline the request if the corporation determines that it was made in bad faith or for an improper purpose.

A shareholder may enforce his or her right to review the corporation's financial documents in a circuit court in the applicable county. The corporation has the burden of demonstrating that its refusal to furnish its financial documents to a shareholder and its restrictions placed on the distribution of its financial documents are reasonable or made in good faith. Reimbursement of attorney fees and costs is available to a prevailing shareholder in these proceedings.

Section 223 deletes s. 607.1621, F.S., which requires a corporation to notify shareholders when it provides indemnification or an advance of funds to any director, officer, employee, or agent.

Section 224 makes conforming changes to the corporate annual reporting requirements in s. 607.1622, F.S. This section also:

- Removes a requirement that the corporation include in its annual report language permitting a voluntary contribution to be transferred into the Election Campaign Financing Trust Fund;
- Deletes a provision requiring each report to be executed by a corporate officer or director;
- Clarifies the effect of multiple submissions of an annual report in one year—that any subsequent is treated as an amended report for that calendar year;
- Confirms the corporation's right to defend itself in an action in this state but re-asserts that it may not prosecute or maintain an action if it has failed to timely file an annual report and related fees; and
- Requires as a condition of merger, conversion, share exchange, or domestication of any corporation active under ch. 607, F.S., that the corporation is active and current in its filings with the department.

Sections 196, 199-201, and 209 make clarifying and conforming changes to ss. 607.1501, 607.1503-607.1505, and 607.1520, F.S., that do not substantively affect existing law.

Miscellaneous

The bill makes several changes throughout, including:

- Updating the language used to identify public companies from those “listed on a national securities exchange” to those “registered pursuant to s. 12 of the Securities Act of 1934;”
- Replacing “act” with “chapter” to refer to the FBCA, ch. 607, F.S.;
- Replacing “executed” with “signed;”
- Ensuring the consistent use of “department” to refer to the Florida Department of State; and
- Including Limited Liability Companies as a type of eligible entity throughout the chapter.

Sections 225 and 226 provide that ch. 607, F.S., applies to all corporations registered or authorized to do business in Florida on January 1, 2020. **Section 229** is a savings provision that permits any pending action, proceeding, or right accrued prior to January 1, 2020, to be completed as though the amendments pursuant to this act had not become effective. **Section 230** is a severability clause that ensures provisions in the bill remain valid if any other provision is held invalid.

Sections 231-291 make non-substantive, conforming changes to parts II and III of ch. 607, F.S., as well as chs. 331, 339, 605, 617, 620, 621, 631, 658, 662, 663, and 694, F.S.

Section 292 provides an effective date of January 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Corporations and those wishing to incorporate will need to familiarize themselves with the extensive updates to ch. 607, F.S.

C. Government Sector Impact:

The Department of State will need to make minimal updates to its computer system and moderate updates to its intermediary and cloud systems. This can be done within existing resources.

VI. Technical Deficiencies:

It is unclear what filing fee applies to an article of amendment filed pursuant to s. 607.0102, F.S.

Section 607.0742(2), F.S., regarding notice required to institute a shareholder derivative action, may be clearer if it included guidance for shareholders who make a demand of a corporation as required, but such demand is ignored for the entire duration of the required 90-day waiting

period. Lines 4000-4001 require a shareholder to show that his or her demand was “refused, rejected, or ignored by the board of directors *prior* to the expiration of 90 days.”

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 607.0101, 607.0102, 607.0120, 607.0121, 607.0122, 607.0123, 607.0124, 607.0125, 607.0126, 607.0127, 607.0128, 607.0130, 607.01401, 607.0141, 607.0201, 607.0202, 607.0203, 607.0204, 607.0205, 607.0206, 607.0207, 607.0301, 607.0302, 607.0303, 607.0304, 607.0401, 607.0403, 607.0501, 607.0502, 607.0504, 607.0505, 607.0601, 607.0602, 607.0604, 607.0620, 607.0621, 607.0622, 607.0623, 607.0624, 607.0625, 607.0626, 607.0627, 607.0630, 607.0631, 607.06401, 607.0701, 607.0702, 607.0703, 607.0704, 607.0705, 607.0706, 607.0707, 607.0720, 607.0721, 607.0722, 607.0723, 607.0724, 607.0725, 607.0726, 607.0728, 607.0730, 607.0731, 607.0732, 607.0801, 607.0802, 607.0803, 607.0804, 607.0805, 607.0806, 607.0807, 607.0808, 607.0809, 607.0820, 607.0821, 607.0823, 607.0824, 607.0825, 607.0830, 607.0831, 607.0832, 607.0833, 607.0834, 607.08401, 607.0842, 607.0850, 607.0901, 607.0902, 607.1001, 607.1002, 607.10025, 607.1003, 607.1004, 607.1005, 607.1006, 607.1007, 607.1008, 607.1009, 607.1020, 607.1021, 607.1022, 607.1101, 607.1102, 607.1103, 607.1104, 607.11045, 607.1105, 607.1106, 607.1107, 607.1201, 607.1202, 607.1301, 607.1302, 607.1303, 607.1320, 607.1321, 607.1322, 607.1323, 607.1324, 607.1326, 607.1330, 607.1331, 607.1332, 607.1333, 607.1401, 607.1402, 607.1403, 607.1404, 607.1405, 607.1406, 607.1407, 607.1420, 607.1422, 607.1423, 607.1430, 607.1431, 607.1432, 607.1433, 607.1434, 607.1435, 607.1436, 607.14401, 607.1501, 607.1502, 607.1503, 607.1504, 607.1505, 607.1506, 607.1507, 607.1508, 607.1509, 607.15101, 607.1520, 607.1530, 607.15315, 607.1532, 607.1601, 607.1602, 607.1603, 607.1604, 607.1605, 607.1620, 607.1622, 607.1701, 607.1702, 607.1711, 607.1907, 607.504, 607.604, 605.0102, 605.0105, 605.0112, 605.0113, 605.0114, 605.0115, 605.0116, 605.0117, 605.0118, 605.0207, 605.0209, 605.0210, 605.0211, 605.0215, 605.04092, 605.0410, 605.0702, 605.0706, 605.0715, 605.0716, 605.0803, 605.0903, 605.0904, 605.0906, 605.0907, 605.0908, 605.0910, 605.0911, 605.0912, 605.1025, 605.1035, 605.1061, 605.1063, 605.1072, 617.0302, 617.0501, 617.0831, 617.1102, 617.1108, 617.1507, 620.1108, 620.2104, 620.2108, 620.8918, 621.12, 865.09, 662.150, 331.355, 339.12, 628.530, 631.0515, 658.44, 663.03, 663.403, and 694.16.

This bill creates the following sections of the Florida Statutes: 607.0143, 607.0208, 607.04021, 607.0503, 607.05031, 607.05032, 607.0709, 607.0729, 607.0741, 607.0742, 607.0742, 607.0744, 607.0745, 607.0746, 607.0747, 607.0748, 607.0749, 607.08081, 607.0826, 607.08411, 607.0851, 607.0852, 607.0853, 607.0854, 607.0855, 607.0857, 607.0858, 607.0859, 607.1023, 607.11035, 607.11920, 607.11921, 607.11922, 607.11923, 607.11924, 607.11930, 607.11931, 607.11932, 607.11933, 607.11934, 607.11935, 607.1340, 607.1408, 607.1409, 607.1410, 607.15015, 607.15091, 607.15092, 607.1521, 607.1522, 607.1523, 607.1908, 605.01125, 605.09091, 617.05015, and 620.11085.

This bill repeals the following sections of the Florida Statutes: 607.07401, 607.1108, 607.1109, 607.11101, 607.1112, 607.1113, 607.1114, 607.1115, 607.1421, 607.1531, 607.1621, and 607.1801.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Judiciary on March 25, 2019:

The committee substitute:

- Reinstates s. 605.0907(d)(1), F.S. concerning amendments to certificates of authority by deleting the amendment to s. 607.0907(d)(1), F.S. in section 258.
- Makes technical and conforming changes to sections 27, 115, and 132:
 - Section 27 – adding the term “director” to s. 607.0304(2)(b), F.S. conforming to changes elsewhere in the bill distinguishing between a “director” and an “officer.”
 - Section 115 – amending s. 607.0901(4)(c), F.S., changing the period of 80 percent beneficial ownership from 5 years to 3 years, conforming this period of time with other changes to the affiliated transaction statute in the bill.
 - Section 132 – adding the term “right to acquire shares” to new subsection (7) to conform with the rest of the changes to s. 607.1102, F.S. made by the bill.

CS by Commerce and Tourism on March 11, 2019:

The committee substitute reverts to current law to allow corporations to provide notice of dissolution to unknown claimants by either newspaper publication or filing with the Department of State.

- B. **Amendments:**

None.

By the Committees on Judiciary; and Commerce and Tourism; and
Senator Passidomo

590-03467A-19

2019892c2

1 A bill to be entitled
2 An act relating to business organizations; amending s.
3 607.0101, F.S.; providing applicability; amending s.
4 607.0102, F.S.; making technical changes; amending s.
5 607.0120, F.S.; making technical changes; providing
6 requirements, authorizations, and prohibitions
7 relating to when the terms of a plan or a filed
8 document may be dependent on facts objectively
9 ascertainable outside of the plan or filed document;
10 defining the terms "filed document" and "plan";
11 amending s. 607.0121, F.S.; making technical changes;
12 conforming provisions to changes made by the act;
13 amending s. 607.0122, F.S.; conforming provisions to
14 changes made by the act; amending s. 607.0123, F.S.;
15 revising provisions, requirements, and authorizations
16 relating to the effective time and date of a document;
17 amending s. 607.0124, F.S.; revising the process
18 authorizing a domestic or foreign corporation to
19 correct a document filed by the Department of State;
20 authorizing a filing to be withdrawn before it takes
21 effect if certain requirements are met; amending s.
22 607.0125, F.S.; revising the filing duties of the
23 department; amending s. 607.0126, F.S.; revising the
24 appeals process relating to the department's refusal
25 to file a document; amending s. 607.0127, F.S.;
26 requiring certain certificates to be taken by certain
27 entities as prima facie evidence of the facts stated;
28 revising when a certificate and a copy of a document
29 are conclusive evidence that the original document is

Page 1 of 458

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590-03467A-19

2019892c2

30 on file with the department; amending s. 607.0128,
31 F.S.; revising provisions relating to department-
32 issued certificates of status; amending s. 607.0130,
33 F.S.; deleting provisions relating to the powers of
34 the department; amending s. 607.01401, F.S.; defining
35 and redefining terms; amending s. 607.0141, F.S.;
36 revising provisions relating to written and oral
37 notice under ch. 607, F.S.; providing construction;
38 creating s. 607.0143, F.S.; defining the terms
39 "qualified director," "material relationship," and
40 "material interest"; providing for circumstances under
41 which a director is not automatically prevented from
42 being a qualified director; amending s. 607.0201,
43 F.S.; conforming provisions to changes made by the
44 act; amending s. 607.0202, F.S.; revising requirements
45 and authorizations for the contents of articles of
46 incorporation; authorizing provisions of the articles
47 of incorporation to be made dependent upon facts
48 objectively ascertainable outside of the articles of
49 incorporation; prohibiting the articles of
50 incorporation from containing certain provisions;
51 amending s. 607.0203, F.S.; conforming provisions to
52 changes made by the act; amending s. 607.0204, F.S.;
53 deleting an exemption from liability related to
54 persons who have actual knowledge that there is no
55 incorporation when purporting to act as or on behalf
56 of a corporation; making a technical change; amending
57 s. 607.0205, F.S.; making technical changes; requiring
58 directors or incorporators calling an organizational

Page 2 of 458

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590-03467A-19

2019892c2

59 meeting to give at least 2, rather than 3, days'
60 notice; amending s. 607.0206, F.S.; revising
61 provisions relating to the contents of the bylaws of a
62 corporation; amending s. 607.0207, F.S.; making
63 technical changes; creating s. 607.0208, F.S.;
64 authorizing provisions of the articles of
65 incorporation or the bylaws to create exclusive
66 jurisdiction for certain claims; providing
67 applicability for such provisions; prohibiting the
68 articles or bylaws from prohibiting certain actions;
69 defining the term "internal corporate claim"; amending
70 s. 607.0301, F.S.; revising purposes and
71 applicability; amending s. 607.0302, F.S.; making
72 technical changes; amending s. 607.0303, F.S.;
73 revising the requirements relating to the liability of
74 certain persons acting in accordance with emergency
75 bylaws; making technical changes; amending s.
76 607.0304, F.S.; revising when a corporation's power to
77 act may be challenged; amending s. 607.0401, F.S.;
78 authorizing a corporation to register under a name
79 that is not otherwise distinguishable on the records
80 of the department under certain circumstances;
81 providing applicability; creating s. 607.04021, F.S.;
82 authorizing a person to reserve the exclusive use of a
83 corporate name and to transfer the reservation;
84 authorizing the department to revoke a reservation
85 under certain circumstances; amending s. 607.0403,
86 F.S.; making technical changes; conforming a cross-
87 reference; amending s. 607.0501, F.S.; revising

Page 3 of 458

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590-03467A-19

2019892c2

88 requirements for registered offices and registered
89 agents; providing for the duties of a registered
90 agent; authorizing a court to stay a proceeding until
91 a corporation is compliant with requirements relating
92 to registered agents and registered offices; making
93 technical changes; amending s. 607.0502, F.S.;
94 revising the procedures relating to a corporation
95 changing its registered agent or its registered
96 office; creating s. 607.0503, F.S.; revising
97 procedures and requirements relating to the
98 resignation of a registered agent; creating s.
99 607.05031, F.S.; revising procedures and requirements
100 relating to the change of name or address by a
101 registered agent; creating s. 607.05032, F.S.;
102 providing for the delivery of notice or other
103 communication; amending s. 607.0504, F.S.; revising
104 the procedures for service of process, notice, or
105 demand on a corporation; amending s. 607.0505, F.S.;
106 conforming provisions to changes made by the act;
107 amending s. 607.0601, F.S.; revising provisions
108 relating to shares authorized by articles of
109 incorporation; amending s. 607.0602, F.S.; revising
110 provisions relating to the determination of the board
111 of directors to classify or reclassify certain shares;
112 amending s. 607.0604, F.S.; deleting a provision
113 relating to the good faith judgment of the board of
114 directors as to the fair value of fractions of a
115 share; making technical changes; amending s. 607.0620,
116 F.S.; revising provisions relating to subscriptions

Page 4 of 458

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590-03467A-19

2019892c2

117 for shares; amending s. 607.0621, F.S.; expanding the
 118 circumstances in which shares that are escrowed or
 119 restricted and distributions that are credited may be
 120 canceled; amending s. 607.0622, F.S.; making a
 121 technical change; amending s. 607.0623, F.S.;
 122 authorizing the board to fix a record date for
 123 determining shareholders entitled to a share dividend;
 124 amending s. 607.0624, F.S.; revising provisions
 125 relating to rights, options, warrants, and awards for
 126 the purchase of shares of the corporation; defining
 127 the term "shares"; amending ss. 607.0625, 607.0626,
 128 and 607.0627, F.S.; making technical changes; amending
 129 s. 607.0630, F.S.; revising provisions relating to
 130 shareholders' preemptive rights; amending s. 607.0631,
 131 F.S.; revising provisions relating to a corporation's
 132 acquisition of its own shares; amending s. 607.06401,
 133 F.S.; revising provisions relating to distributions to
 134 shareholders; providing applicability; making
 135 technical changes; amending s. 607.0701, F.S.;
 136 revising provisions relating to a corporation's annual
 137 meeting; amending s. 607.0702, F.S.; revising
 138 provisions relating to a corporation's special meeting
 139 of the shareholders; amending s. 607.0703, F.S.;
 140 revising provisions relating to court-ordered
 141 meetings; amending s. 607.0704, F.S.; revising
 142 provisions relating to actions by shareholders without
 143 a meeting; making technical changes; amending s.
 144 607.0705, F.S.; revising provisions relating to
 145 notices of meetings; amending s. 607.0706, F.S.;

Page 5 of 458

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590-03467A-19

2019892c2

146 relocating and revising requirements for a shareholder
 147 to waive certain required notice; amending s.
 148 607.0707, F.S.; revising provisions relating to record
 149 dates; creating s. 607.0709, F.S.; relocating and
 150 revising provisions relating to remote participation
 151 in the annual and special meetings of shareholders;
 152 amending s. 607.0720, F.S.; revising provisions
 153 relating to shareholders' lists for meetings; amending
 154 s. 607.0721, F.S.; revising provisions relating to
 155 when certain shares are entitled to vote; defining the
 156 term "voting power"; amending s. 607.0722, F.S.;
 157 revising provisions relating to the appointment of a
 158 proxy; amending s. 607.0723, F.S.; revising provisions
 159 relating to shares held by intermediaries and nominees
 160 being treated as the record shareholder; amending s.
 161 607.0724, F.S.; revising provisions relating to the
 162 acceptance of votes and other instruments; requiring
 163 that ballots and shareholder demands be accepted under
 164 certain circumstances; amending s. 607.0725, F.S.;
 165 making technical changes; providing applicability for
 166 provisions that provide for voting of classes or
 167 series as separate voting groups; amending s.
 168 607.0726, F.S.; making clarifying changes; amending s.
 169 607.0728, F.S.; requiring that certain corporations
 170 have shares registered pursuant to s. 12 of the
 171 Securities Exchange Act of 1934 rather than pursuant
 172 to a list on a national securities exchange, for the
 173 purposes of certain voting requirements; creating s.
 174 607.0729, F.S.; requiring certain corporations to

Page 6 of 458

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590-03467A-19

2019892c2

175 appoint one or more inspectors to determine voting
 176 results; authorizing the inspectors to appoint or
 177 retain certain persons for specific reasons; providing
 178 requirements for inspectors; authorizing the
 179 inspectors to take certain actions; providing for
 180 review of determinations of law by the inspectors;
 181 providing for the closing of polls for elections;
 182 amending s. 607.0730, F.S.; making technical changes;
 183 amending s. 607.0731, F.S.; making clarifying changes;
 184 expanding the circumstances under which a transferee
 185 is deemed to have notice of a voting agreement;
 186 amending s. 607.0732, F.S.; revising provisions
 187 relating to shareholder agreements; providing
 188 construction; repealing s. 607.07401, F.S., relating
 189 to Shareholders' derivative actions; creating s.
 190 607.0741, F.S.; providing standing requirements for a
 191 shareholder commencing a derivative proceeding;
 192 defining the term "shareholder"; creating s. 607.0742,
 193 F.S.; relocating and revising provisions relating to a
 194 complaint brought in a proceeding in the right of a
 195 corporation; creating s. 607.0743, F.S.; authorizing a
 196 court to stay a derivative proceeding under certain
 197 circumstances; creating s. 607.0744, F.S.; relocating
 198 and revising provisions relating to the dismissal of a
 199 derivative proceeding; creating s. 607.0745, F.S.;
 200 relocating a provision relating to the discontinuance
 201 or settlement of a derivative action; creating s.
 202 607.0746, F.S.; relocating and revising provisions
 203 relating to proceeds and expenses after the

590-03467A-19

2019892c2

204 termination of a derivative proceeding; creating s.
 205 607.0747, F.S.; providing applicability relating to
 206 foreign corporations; creating s. 607.0748, F.S.;
 207 authorizing a circuit court to appoint one or more
 208 persons to be custodians or receivers of and for a
 209 corporation for certain proceedings; providing
 210 guidance to the court for appointing such custodians
 211 and receivers; creating s. 607.0749, F.S.; authorizing
 212 a provisional director to be appointed at the
 213 discretion of the court in a proceeding by a
 214 shareholder and under certain circumstances; providing
 215 requirements for the provisional director; requiring
 216 the court to allow reasonable compensation paid by the
 217 corporation to the provisional director for certain
 218 services; amending s. 607.0801, F.S.; making technical
 219 changes; amending s. 607.0802, F.S.; revising
 220 provisions relating to the qualifications of
 221 directors; amending s. 607.0803, F.S.; making
 222 clarifying changes; amending s. 607.0804, F.S.;
 223 providing applicability; amending s. 607.0805, F.S.;
 224 revising provisions relating to terms of directors;
 225 amending s. 607.0806, F.S.; revising provisions
 226 relating to staggered terms for directors; amending s.
 227 607.0807, F.S.; revising provisions relating to the
 228 resignation of directors; amending s. 607.0808, F.S.;
 229 revising provisions relating to the removal of
 230 directors by shareholders; creating s. 607.08081,
 231 F.S.; authorizing circuit courts to remove a director
 232 from office and order certain relief under certain

590-03467A-19

2019892c2

233 circumstances; amending s. 607.0809, F.S.; revising
 234 provisions relating to vacancies on a board of
 235 directors; amending s. 607.0820, F.S.; making
 236 technical changes; amending s. 607.0821, F.S.;
 237 revising provisions relating to action by directors
 238 without a meeting; amending s. 607.0823, F.S.;
 239 revising provisions relating to the waiver of notice
 240 of a meeting of a board of directors; amending s.
 241 607.0824, F.S.; revising provisions relating to what
 242 constitutes a quorum of the board of directors;
 243 amending s. 607.0825, F.S.; revising provisions
 244 relating to the establishment and the powers of
 245 executive and board committees; creating s. 607.0826,
 246 F.S.; authorizing a corporation to agree to submit a
 247 matter that the board of directors determines it no
 248 longer recommends to a vote of the corporation's
 249 shareholders; amending s. 607.0830, F.S.; revising the
 250 general standards for directors; amending s. 607.0831,
 251 F.S.; revising provisions relating to the liability of
 252 directors; amending s. 607.0832, F.S.; defining terms;
 253 revising provisions relating to directors' conflicts
 254 of interest; amending s. 607.0833, F.S.; making a
 255 technical change; amending s. 607.0834, F.S.; revising
 256 provisions relating to liability for unlawful
 257 distributions; amending s. 607.08401, F.S.;
 258 authorizing the board of directors to appoint one or
 259 more individuals to act as officers of the
 260 corporation; specifying which records must be
 261 authenticated by an officer; creating s. 607.08411,

590-03467A-19

2019892c2

262 F.S.; providing general standards for officers of the
 263 corporation; amending s. 607.0842, F.S.; revising
 264 provisions relating to the resignation and removal of
 265 officers; amending s. 607.0850, F.S.; defining terms;
 266 deleting provisions relating to the indemnification of
 267 officers, directors, employees, and agents; creating
 268 s. 607.0851, F.S.; relocating and revising provisions
 269 relating to the permissible indemnification of certain
 270 persons by a corporation; creating s. 607.0852, F.S.;
 271 relocating and revising provisions relating to the
 272 mandatory indemnification of certain persons by a
 273 corporation; creating s. 607.0853, F.S.; authorizing a
 274 corporation to advance funds to pay for or reimburse
 275 certain expenses; providing requirements for the
 276 authorization of advanced funds; creating s. 607.0854,
 277 F.S.; relocating and revising provisions related to
 278 court-ordered indemnification and advance for
 279 expenses; creating s. 607.0855, F.S.; relocating and
 280 revising provisions relating to the determination and
 281 authorization of indemnification; creating s.
 282 607.0857, F.S.; relocating and revising provisions
 283 relating to a corporation purchasing and maintaining
 284 certain insurance; creating s. 607.0858, F.S.;
 285 relocating and revising provisions relating to
 286 indemnification by a corporation which is not
 287 specifically provided for by law; providing
 288 applicability; creating s. 607.0859, F.S.; relocating
 289 and revising provisions relating to overriding
 290 restrictions on indemnification; amending s. 607.0901,

590-03467A-19

2019892c2

291 F.S.; revising defined terms; revising provisions
 292 related to affiliated transactions; revising
 293 applicability; amending s. 607.0902, F.S.; conforming
 294 a cross-reference; amending s. 607.1001, F.S.; making
 295 a technical change; amending s. 607.1002, F.S.;
 296 expanding the list of types of amendments a
 297 corporation's board of directors may adopt without
 298 shareholder approval; making technical changes;
 299 amending s. 607.10025, F.S.; making technical changes;
 300 conforming a cross-reference; deleting a provision
 301 exempting corporations with less than a specified
 302 number of shareholders of record from applicability;
 303 amending s. 607.1003, F.S.; revising provisions
 304 relating to amendments to the articles of
 305 incorporation; amending s. 607.1004, F.S.; revising
 306 provisions relating to voting on amendments by voting
 307 groups; amending s. 607.1005, F.S.; requiring that a
 308 corporation have no board of directors for a majority
 309 of its incorporators to be authorized to adopt
 310 amendments to the corporation's articles of
 311 incorporation; amending s. 607.1006, F.S.; revising
 312 provisions relating to articles of amendment; amending
 313 s. 607.1007, F.S.; revising provisions relating to
 314 restated articles of incorporation; amending s.
 315 607.1008, F.S.; revising provisions relating to an
 316 amendment pursuant to reorganization; amending s.
 317 607.1009, F.S.; specifying when new interest holder
 318 liability as a result of an amendment takes effect;
 319 amending s. 607.1020, F.S.; revising provisions

Page 11 of 458

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590-03467A-19

2019892c2

320 relating to amendments of the bylaws by boards of
 321 directors or shareholders; amending s. 607.1021, F.S.;
 322 making a technical change; amending s. 607.1022, F.S.;
 323 revising provisions relating to bylaws that increase a
 324 quorum or voting requirement for directors; creating
 325 s. 607.1023, F.S.; authorizing a corporation to elect
 326 in its bylaws to be governed in the election of
 327 directors under certain circumstances; providing
 328 applicability; authorizing certain bylaws to be
 329 repealed by the board of directors or shareholders
 330 under certain circumstances; amending s. 607.1101,
 331 F.S.; revising provisions relating to the merger of
 332 certain corporations and eligible entities; amending
 333 s. 607.1102, F.S.; revising provisions relating to
 334 plans of share exchange; amending s. 607.1103, F.S.;
 335 revising provisions relating to actions on a plan of
 336 merger or a plan of share exchange; creating s.
 337 607.11035, F.S.; specifying when shareholder approval
 338 of a plan of merger or a plan of share exchange is not
 339 required; defining terms; amending s. 607.1104, F.S.;
 340 revising provisions relating to the mergers involving
 341 subsidiary corporations; amending s. 607.11045, F.S.;
 342 revising applicability; amending s. 607.1105, F.S.;
 343 revising provisions relating to articles of merger or
 344 share exchange; amending s. 607.1106, F.S.; revising
 345 provisions relating to the effectiveness of a merger
 346 or share exchange; amending s. 607.1107, F.S.;
 347 revising provisions relating to the abandonment of a
 348 merger or share exchange; deleting provisions relating

Page 12 of 458

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590-03467A-19

2019892c2

349 to mergers or share exchanges with foreign
 350 corporations; repealing s. 607.1108, F.S., relating to
 351 merger of domestic corporation and other business
 352 entity; repealing s. 607.1109, F.S., relating to
 353 articles of merger; repealing s. 607.11101, F.S.,
 354 relating to the effect of a merger of domestic
 355 corporation and other business entity; repealing s.
 356 607.1112, F.S., relating to the conversion of a
 357 domestic corporation into another business entity;
 358 repealing s. 607.1113, F.S., relating to certificates
 359 of conversion; repealing s. 607.1114, F.S., relating
 360 to the effect of the conversion of a domestic
 361 corporation into another business entity; repealing s.
 362 607.1115, F.S., relating to the conversion of another
 363 business entity into a domestic corporation; creating
 364 s. 607.11920, F.S.; authorizing a foreign corporation
 365 to become a domestic corporation under certain
 366 circumstances; authorizing a domestic corporation to
 367 become a foreign corporation under certain
 368 circumstances; requiring that a plan of domestication
 369 include certain information; authorizing a
 370 domestication to include certain provisions;
 371 authorizing a plan of domestication to be made
 372 dependent upon facts objectively ascertainable outside
 373 of the plan; providing applicability; creating s.
 374 607.11921, F.S.; requiring a plan of domestication to
 375 be adopted in a certain manner; creating s. 607.11922,
 376 F.S.; requiring a domesticating corporation to sign
 377 articles of domestication under certain circumstances;

Page 13 of 458

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590-03467A-19

2019892c2

378 requiring that the articles of domestication contain
 379 certain information; providing procedures and
 380 requirements relating to the filing of the articles of
 381 domestication and the effectiveness of the
 382 domestication; providing that certain domesticating
 383 corporations' certificates of authority are
 384 automatically canceled upon the domestication becoming
 385 effective; providing that a copy of the articles of
 386 domestication may be filed in certain official
 387 records; creating s. 607.11923, F.S.; providing for
 388 the amendment of a plan of domestication; providing
 389 for the abandonment of a plan of domestication;
 390 creating s. 607.11924, F.S.; specifying the effects of
 391 a domestication; specifying that a domestication does
 392 not constitute or cause the dissolution of the
 393 domesticating corporation; prohibiting certain
 394 property from being diverted as a result of a
 395 domestication unless certain requirements are met;
 396 providing applicability; creating ss. 607.11930 and
 397 607.11931, F.S.; relocating and revising provisions
 398 relating to the conversion of corporations; creating
 399 s. 607.11932, F.S.; relocating and revising provisions
 400 relating to actions on plans of conversion; providing
 401 applicability; creating s. 607.11933, F.S.; relocating
 402 and revising provisions relating to articles of
 403 conversion and the effectiveness of such articles;
 404 creating s. 607.11934, F.S.; relocating and revising
 405 provisions relating to amendments to plans of
 406 conversion; creating s. 607.11935, F.S.; relocating

Page 14 of 458

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590-03467A-19

2019892c2

407 and revising provisions relating to the effectiveness
 408 of a conversion; amending s. 607.1201, F.S.; revising
 409 provisions relating to the disposition of assets not
 410 requiring shareholder approval; amending s. 607.1202,
 411 F.S.; revising provisions relating to shareholder
 412 approval of certain dispositions; amending s.
 413 607.1301, F.S.; defining, deleting, and revising
 414 terms; amending s. 607.1302, F.S.; revising provisions
 415 relating to appraisal rights of shareholders; amending
 416 s. 607.1303, F.S.; making technical changes; amending
 417 s. 607.1320, F.S.; revising provisions relating to
 418 notice of appraisal rights; amending s. 607.1321,
 419 F.S.; revising provisions relating to notice of intent
 420 to demand payment; amending s. 607.1322, F.S.;
 421 revising provisions relating to appraisal notice and
 422 form; amending s. 607.1323, F.S.; making technical
 423 changes; amending s. 607.1324, F.S.; specifying that a
 424 shareholder ceases to have certain rights upon payment
 425 of an agreed value; amending s. 607.1326, F.S.; making
 426 technical changes; amending s. 607.1330, F.S.;
 427 revising provisions relating to court action to
 428 determine the fair value of shares and accrued
 429 interest; amending ss. 607.1331, 607.1332, and
 430 607.1333, F.S.; making technical changes; creating s.
 431 607.1340, F.S.; relocating provisions relating to
 432 certain shareholders challenging certain actions;
 433 making technical changes; amending s. 607.1401, F.S.;
 434 revising provisions relating to incorporators or
 435 directors dissolving a corporation; amending s.

Page 15 of 458

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590-03467A-19

2019892c2

436 607.1402, F.S.; revising provisions relating to the
 437 dissolution of a corporation by the board of directors
 438 and the shareholders; amending s. 607.1403, F.S.;
 439 revising provisions relating to articles of
 440 dissolution; defining the terms "dissolved
 441 corporation" and "successor entity"; amending s.
 442 607.1404, F.S.; revising provisions relating to
 443 revocation of dissolution; amending s. 607.1405, F.S.;
 444 revising provisions relating to the effect of
 445 dissolution; amending s. 607.1406, F.S.; revising
 446 provisions relating to known claims against a
 447 dissolved corporation; defining the term "known
 448 claims"; deleting the term "successor entity";
 449 amending s. 607.1407, F.S.; revising provisions
 450 relating to unknown claims against a dissolved
 451 corporation; creating s. 607.1408, F.S.; relocating
 452 provisions relating to claims against dissolved
 453 corporations; creating s. 607.1409, F.S.; authorizing
 454 certain dissolved corporations to file an application
 455 with the circuit court for a certain determination;
 456 providing guidelines for the proceedings; creating s.
 457 607.1410, F.S.; providing duties for directors of
 458 dissolved corporations; amending s. 607.1420, F.S.;
 459 revising provisions relating to the administrative
 460 dissolution of a corporation; repealing s. 607.1421,
 461 F.S., relating to the procedure for and effect of
 462 administrative dissolution; amending s. 607.1422,
 463 F.S.; revising provisions relating to reinstatement
 464 following administrative dissolution; amending s.

Page 16 of 458

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590-03467A-19

2019892c2

465 607.1423, F.S.; revising provisions relating to
 466 judicial review of denials of reinstatement; amending
 467 s. 607.1430, F.S.; revising provisions relating to
 468 grounds for judicial dissolution; defining the term
 469 "shareholder"; amending s. 607.1431, F.S.; revising
 470 provisions relating to procedures for judicial
 471 dissolution; amending s. 607.1432, F.S.; revising
 472 provisions relating to receivership and custodianship;
 473 amending s. 607.1433, F.S.; revising provisions
 474 relating to judgment of dissolution; amending s.
 475 607.1434, F.S.; revising provisions relating to
 476 alternative remedies to judicial dissolution; amending
 477 s. 607.1435, F.S.; revising provisions relating to
 478 court-appointed provisional directors; amending s.
 479 607.1436, F.S.; revising provisions relating to
 480 elections to purchase instead of dissolution; amending
 481 s. 607.14401, F.S.; revising provisions relating to
 482 deposits associated with a dissolved corporation;
 483 amending s. 607.1501, F.S.; revising provisions
 484 relating to the authority of a foreign corporation to
 485 transact business in this state; creating s.
 486 607.15015, F.S.; providing for applicability of
 487 certain laws for a foreign corporation; providing that
 488 a foreign corporation may not be denied a certificate
 489 of authority for certain reasons; specifying that a
 490 certificate of authority does not authorize a foreign
 491 corporation to take certain actions; amending s.
 492 607.1502, F.S.; revising provisions relating to
 493 transacting business in this state without a

Page 17 of 458

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590-03467A-19

2019892c2

494 certificate of authority; providing applicability;
 495 amending s. 607.1503, F.S.; revising provisions
 496 relating to applications for a certificate of
 497 authority; amending s. 607.1504, F.S.; revising
 498 provisions relating to amendments to certificates of
 499 authority; amending s. 607.1505, F.S.; revising
 500 provisions relating to the effect of a certificate of
 501 authority; amending s. 607.1506, F.S.; revising
 502 provisions relating to the corporate name of a foreign
 503 corporation; amending s. 607.1507, F.S.; revising
 504 provisions relating to the registered offices and
 505 registered agents of foreign corporations; providing a
 506 civil penalty; amending s. 607.1508, F.S.; revising
 507 provisions relating to changing the names of
 508 registered offices and registered agents of foreign
 509 corporations; amending s. 607.1509, F.S.; revising
 510 provisions relating to resignations of registered
 511 agents of foreign corporations; creating s. 607.15091,
 512 F.S.; revising provisions relating to name and address
 513 changes for registered agents of foreign corporations;
 514 creating s. 607.15092, F.S.; providing requirements
 515 for delivery of notice or other communication;
 516 amending s. 607.15101, F.S.; revising provisions
 517 relating to service of process, notice, or demand on a
 518 foreign corporation; amending s. 607.1520, F.S.;
 519 revising provisions relating to the withdrawal of a
 520 certificate of authority for a foreign corporation;
 521 requiring a foreign corporation to take certain
 522 actions to cancel its certificate of authority;

Page 18 of 458

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590-03467A-19

2019892c2

523 creating s. 607.1521, F.S.; specifying that certain
 524 foreign corporations are deemed to have withdrawn
 525 their certificate of authority under certain
 526 circumstances; creating s. 607.1522, F.S.; requiring a
 527 foreign corporation to deliver a notice of withdrawal
 528 of a certificate of authority under certain
 529 circumstances; providing for effective service of
 530 process on such foreign corporations; creating s.
 531 607.1523, F.S.; authorizing the Department of Legal
 532 Affairs to maintain certain actions and to enjoin a
 533 foreign corporation under certain circumstances;
 534 amending s. 607.1530, F.S.; revising provisions
 535 relating to revocation of a foreign corporation's
 536 certificate of authority; repealing s. 607.1531, F.S.,
 537 relating to the procedure for and effect of
 538 revocation; amending s. 607.15315, F.S.; revising
 539 provisions relating to reinstatement of a foreign
 540 corporation's certificate of authority; amending s.
 541 607.1532, F.S.; revising provisions relating to
 542 judicial review of a denial of reinstatement; amending
 543 s. 607.1601, F.S.; revising provisions relating to the
 544 maintenance of corporate records; amending s.
 545 607.1602, F.S.; revising provisions relating to
 546 inspection of records by shareholders; revising the
 547 definition of the term "shareholder"; amending s.
 548 607.1603, F.S.; revising provisions relating to the
 549 scope of shareholders' inspection rights; amending s.
 550 607.1604, F.S.; revising provisions relating to court-
 551 ordered inspections; amending s. 607.1605, F.S.;

590-03467A-19

2019892c2

552 revising provisions relating to directors' inspection
 553 rights; amending s. 607.1620, F.S.; revising
 554 provisions relating to financial statements for
 555 shareholders; repealing s. 607.1621, F.S., relating to
 556 other reports to shareholders; amending s. 607.1622,
 557 F.S.; revising provisions relating to annual reports
 558 that are required to be filed with the Department of
 559 State; amending s. 607.1701, F.S.; making a technical
 560 change; revising applicability; amending s. 607.1702,
 561 F.S.; revising applicability; amending s. 607.1711,
 562 F.S.; making a technical change; repealing s.
 563 607.1801, F.S., relating to domestication of foreign
 564 corporations; amending s. 607.1907, F.S.; revising
 565 provisions relating to savings provisions; creating s.
 566 607.1908, F.S.; providing for severability; amending
 567 s. 607.504, F.S.; revising provisions relating to an
 568 election of social purpose corporation status;
 569 amending s. 607.604, F.S.; revising provisions
 570 relating to an election of benefit corporation status;
 571 conforming a cross-reference; amending s. 605.0102,
 572 F.S.; conforming a cross-reference; revising the
 573 definitions of the terms "private organic rules" and
 574 "public organic record"; amending s. 605.0105, F.S.;
 575 revising provisions relating to operating agreements;
 576 amending s. 605.0112, F.S.; revising provisions
 577 relating to names of limited liability companies;
 578 creating s. 605.01125, F.S.; authorizing a person to
 579 reserve the exclusive use of the name of a limited
 580 liability company; providing requirements for

590-03467A-19

2019892c2

581 reserving the name; authorizing the department to
 582 revoke reservations under certain circumstances;
 583 amending s. 605.0113, F.S.; revising provisions
 584 relating to registered agents of limited liability
 585 companies; defining the term "authorized entity";
 586 amending s. 605.0114, F.S.; revising provisions
 587 relating to changes of a registered agent or
 588 registered office; amending s. 605.0115, F.S.;
 589 requiring a registered agent to promptly mail a copy
 590 of a statement of resignation to a limited liability
 591 company's or foreign limited liability company's
 592 current mailing address; amending s. 605.0116, F.S.;
 593 making clarifying changes; amending s. 605.0117, F.S.;
 594 revising provisions relating to service of process,
 595 notice, and demand on limited liability companies and
 596 registered foreign limited liability companies;
 597 amending s. 605.0118, F.S.; conforming a provision to
 598 changes made by the act; amending s. 605.0207, F.S.;
 599 revising provisions relating to effective dates and
 600 times for records filed with the Department of State;
 601 amending s. 605.0209, F.S.; revising what a statement
 602 of correction must contain; amending s. 605.0210,
 603 F.S.; revising provisions relating to the department's
 604 refusal to file a record; amending s. 605.0211, F.S.;
 605 revising provisions relating to certificates of status
 606 for foreign limited liability companies; amending s.
 607 605.0215, F.S.; specifying that a copy of a document
 608 filed by the department must bear the signature of the
 609 Secretary of State and the seal of this state in order

Page 21 of 458

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590-03467A-19

2019892c2

610 to be conclusive evidence that the original document
 611 is on file with the department; amending s. 605.04092,
 612 F.S.; defining terms; revising provisions relating to
 613 conflict of interest transactions; amending s.
 614 605.0410, F.S.; conforming a cross-reference; amending
 615 s. 605.0702, F.S.; revising provisions relating to
 616 grounds for judicial dissolution of a limited
 617 liability company; amending s. 605.0706, F.S.;
 618 revising provisions relating to an election to
 619 purchase the entire interest of a petitioner instead
 620 of dissolving the limited liability company; amending
 621 s. 605.0715, F.S.; conforming a provision to changes
 622 made by the act; requiring a dissolved limited
 623 liability company to amend its articles of
 624 organization to change its name under certain
 625 circumstances; amending s. 605.0716, F.S.; revising
 626 provisions relating to judicial review of denial of
 627 reinstatement; amending ss. 605.0803 and 605.0903,
 628 F.S.; making clarifying changes; amending s. 605.0904,
 629 F.S.; revising provisions relating to a foreign
 630 limited liability company's failure to have a
 631 certificate of authority; amending s. 605.0906, F.S.;
 632 requiring, rather than authorizing, certain foreign
 633 limited liability companies to use an alternate name
 634 to transact business in this state; amending s.
 635 605.0907, F.S.; revising provisions relating to
 636 foreign limited liability companies' amendments to
 637 certificates of authority; amending s. 605.0908, F.S.;
 638 making technical changes; creating s. 605.09091, F.S.;

Page 22 of 458

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590-03467A-19

2019892c2

639 providing requirements relating to the judicial review
 640 of denial of reinstatement for foreign limited
 641 liability companies; amending ss. 605.0910 and
 642 605.0911, F.S.; revising provisions relating to the
 643 withdrawal or cancellation of a foreign limited
 644 liability company's certificate of authority; amending
 645 s. 605.0912, F.S.; revising provisions relating to a
 646 foreign limited liability company's withdrawal on the
 647 dissolution, merger, or conversion to a nonfiling
 648 entity; amending ss. 605.1025 and 605.1035, F.S.;
 649 conforming cross-references; amending s. 605.1061,
 650 F.S.; making a technical change; amending s. 605.1063,
 651 F.S.; providing requirements for when an appraisal
 652 event is required to be approved by written consent of
 653 members; amending s. 605.1072, F.S.; revising
 654 provisions relating to other remedies for a member to
 655 challenge certain completed appraisal events;
 656 providing construction; amending s. 617.0302, F.S.;
 657 conforming provisions to changes made by the act;
 658 conforming a cross-reference; amending s. 617.0501,
 659 F.S.; revising provisions relating to registered
 660 offices and registered agents of corporations not for
 661 profit; defining the term "authorized entity";
 662 creating s. 617.05015, F.S.; authorizing a person to
 663 reserve the exclusive use of the name of a corporation
 664 not for profit; providing requirements for such
 665 reservation; amending s. 617.0831, F.S.; conforming
 666 cross-references; amending ss. 617.1102 and 617.1108,
 667 F.S.; conforming provisions to changes made by the

Page 23 of 458

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590-03467A-19

2019892c2

668 act; conforming cross-references; amending s.
 669 617.1507, F.S.; revising provisions relating to
 670 registered offices and registered agents of foreign
 671 corporations not for profit; defining the term
 672 "authorized entity"; amending s. 620.1108, F.S.;
 673 revising provisions relating to the names of certain
 674 limited partnerships; creating s. 620.11085, F.S.;
 675 authorizing a person to reserve the exclusive use of
 676 the name of a limited partnership; providing
 677 requirements for such reservation; amending ss.
 678 620.2104, 620.2108, and 620.8918, F.S.; conforming
 679 cross-references; amending s. 621.12, F.S.; revising
 680 provisions relating to the names of certain
 681 corporations and limited liability companies; amending
 682 s. 865.09, F.S.; prohibiting certain fictitious names
 683 from containing "PA"; amending s. 662.150, F.S.;
 684 conforming a provision to changes made by the act;
 685 conforming cross-references; amending ss. 331.355,
 686 339.12, 628.530, 631.0515, 658.44, 663.03, 663.403,
 687 and 694.16, F.S.; conforming cross-references;
 688 providing an effective date.

689
 690 Be It Enacted by the Legislature of the State of Florida:

691
 692 Section 1. Section 607.0101, Florida Statutes, is amended
 693 to read:

694 607.0101 Short title; applicability.-

695 (1) This chapter may be cited as the "Florida Business
 696 Corporation Act."

Page 24 of 458

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590-03467A-19

2019892c2

697 (2) Part I of this chapter contains provisions of general
698 applicability to corporations.

699 (3) Part II of this chapter applies to social purpose
700 corporations.

701 (4) Part III of this chapter applies to benefit
702 corporations.

703 Section 2. Section 607.0102, Florida Statutes, is amended
704 to read:

705 607.0102 Reservation of power to amend or repeal.—The
706 Legislature has power to amend or repeal all or part of this
707 chapter ~~act~~ at any time, and all domestic and foreign
708 corporations subject to this chapter ~~act~~ shall be governed by
709 the amendment or repeal.

710 Section 3. Subsections (1), (2), (3), (6), (8), (9), and
711 (10) of section 607.0120, Florida Statutes, are amended, and
712 subsection (11) is added to that section, to read:

713 607.0120 Filing requirements.—

714 (1) A document must satisfy the requirements of this
715 section and of any other section that adds to or varies these
716 requirements to be entitled to filing by the department ~~of~~
717 State.

718 (2) This chapter ~~act~~ must require or permit filing the
719 document in the office of the department ~~of State.~~

720 (3) The document must contain the information required by
721 this chapter and act. ~~It~~ may contain other information as well.

722 (6) The document must be signed ~~executed~~:

723 (a) By a director of a domestic or foreign corporation, or
724 by its president or by another of its officers;

725 (b) If directors or officers have not been selected or the

590-03467A-19

2019892c2

726 corporation has not been formed, by an incorporator; or

727 (c) If the corporation is in the hands of a receiver,
728 trustee, or other court-appointed fiduciary, by that fiduciary.

729 (8) If the department ~~of State~~ has prescribed a mandatory
730 form for the document under s. 607.0121, the document must be in
731 or on the prescribed form.

732 (9) The document must be delivered to the office of the
733 department ~~of State~~ for filing. Delivery may be made by
734 electronic transmission if and to the extent permitted by the
735 department ~~of State~~. If it is filed in typewritten or printed
736 form and not transmitted electronically, the department ~~of State~~
737 may require one exact or conformed copy, to be delivered with
738 the document, ~~(except as provided in s. 607.1509).~~

739 (10) When the document is delivered to the department ~~of~~
740 State for filing, the correct filing fee, and any other tax,
741 license fee, or penalty required to be paid by this act or other
742 law shall be paid or provision for payment made in a manner
743 permitted by the department ~~of State.~~

744 (11) Whenever this chapter allows any of the terms of a
745 plan or a filed document to be dependent on facts objectively
746 ascertainable outside the plan or filed document, the following
747 provisions apply:

748 (a) The plan or filed document must set forth the manner in
749 which the facts will operate upon the terms of the plan or filed
750 document.

751 (b) The facts may include, but are not limited to:

752 1. Any of the following that are available in a nationally
753 recognized news or information medium either in print or
754 electronically:

590-03467A-19

2019892c2

755 a. Statistical or market indices;
 756 b. Market prices of any security or group of securities;
 757 c. Interest rates;
 758 d. Currency exchange rates; and
 759 e. Similar economic or financial data;
 760 2. A determination or action by any person or body,
 761 including the corporation or any other party to a plan or filed
 762 document; or
 763 3. The terms of, or actions taken under, an agreement to
 764 which the corporation is a party, or any other agreement or
 765 document.
 766 (c) The following provisions of a plan or filed document
 767 may not be made dependent on facts outside the plan or filed
 768 document:
 769 1. The name and address of any person required in a filed
 770 document;
 771 2. The registered office of any entity required in a filed
 772 document;
 773 3. The registered agent of any entity required in a filed
 774 document;
 775 4. The number of authorized shares and designation of each
 776 class or series of shares;
 777 5. The effective date of a filed document; and
 778 6. Any required statement in a filed document of the date
 779 on which the underlying transaction was approved or the manner
 780 in which that approval was given.
 781 (d) If a provision of a filed document is made dependent on
 782 a fact ascertainable outside of the filed document, and that
 783 fact is not ascertainable by reference to a source described in

Page 27 of 458

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590-03467A-19

2019892c2

784 subparagraph (b)1. or a document that is a matter of public
 785 record, and the affected shareholders have not received notice
 786 of the fact from the corporation, then the corporation must file
 787 with the department articles of amendment to the filed document
 788 setting forth the fact promptly after the time when the fact
 789 referred to is first ascertainable or thereafter changes.
 790 Articles of amendment under this paragraph are deemed to be
 791 authorized by the authorization of the original filed document
 792 to which they relate and may be filed by the corporation without
 793 further action by the board of directors or the shareholders.
 794 (e) As used in this subsection, the term "filed document"
 795 means a document filed with the department pursuant to this
 796 chapter, except for a document filed pursuant to ss. 607.1501-
 797 607.1532; and the term "plan" means a plan of merger, a plan of
 798 share exchange, a plan of conversion, or a plan of
 799 domestication.
 800 Section 4. Section 607.0121, Florida Statutes, is amended
 801 to read:
 802 607.0121 Forms.—
 803 (1) The department ~~of State~~ may prescribe and furnish on
 804 request forms for:
 805 (a) An application for certificate of status,
 806 (b) A foreign corporation's application for certificate of
 807 authority to transact business in the state,
 808 (c) A foreign corporation's notice of withdrawal of
 809 certificate of authority ~~application for certificate of~~
 810 ~~withdrawal~~, and
 811 (d) The annual report, for which the department may
 812 prescribe the use of the uniform business report, pursuant to s.

Page 28 of 458

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590-03467A-19

2019892c2

813 606.06.

814 ~~(2)~~ If the department of State so requires, the use of
815 these forms shall be mandatory.

816 ~~(3)(2)~~ The department of State may prescribe and furnish on
817 request forms for other documents required or permitted to be
818 filed by this chapter act, but their use is not shall not be
819 mandatory.

820 Section 5. Section 607.0122, Florida Statutes, is amended
821 to read:

822 607.0122 Fees for filing documents and issuing
823 certificates.—The department of State shall collect the
824 following fees when the documents described in this section are
825 delivered to the department for filing:

- 826 (1) Articles of incorporation: \$35.
827 (2) Application for registered name: \$87.50.
828 (3) Application for renewal of registered name: \$87.50.
829 (4) Corporation's statement of change of registered agent
830 or registered office or both if not included on the annual
831 report: \$35.
832 (5) Designation of and acceptance by registered agent: \$35.
833 (6) Agent's statement of resignation from active
834 corporation: \$87.50.
835 (7) Agent's statement of resignation from an inactive
836 corporation: \$35.
837 (8) Amendment of articles of incorporation: \$35.
838 (9) Restatement of articles of incorporation with amendment
839 of articles: \$35.
840 (10) Articles of merger or share exchange for each party
841 thereto: \$35.

Page 29 of 458

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590-03467A-19

2019892c2

842 (11) Articles of dissolution: \$35.

843 (12) Articles of revocation of dissolution: \$35.

844 (13) Application for reinstatement following administrative
845 dissolution: \$600.

846 (14) Application for certificate of authority to transact
847 business in this state by a foreign corporation: \$35.

848 (15) Application for amended certificate of authority: \$35.

849 (16) Application for certificate of withdrawal by a foreign
850 corporation: \$35.

851 (17) Annual report: \$61.25.

852 (18) Articles of correction: \$35.

853 (19) Application for certificate of status: \$8.75.

854 (20) Certificate of domestication of a foreign corporation:
855 \$50.

856 (21) Certified copy of document: \$52.50.

857 (22) Serving as agent for substitute service of process:
858 \$87.50.

859 (23) Supplemental corporate fee: \$88.75.

860 (24) Any other document required or permitted to be filed
861 by this chapter act: \$35.

862 Section 6. Section 607.0123, Florida Statutes, is amended
863 to read:

864 607.0123 Effective time and date of document.—Except as
865 otherwise provided in s. 607.0124(5), and subject to s.
866 607.0124(4), any document delivered to the department for filing
867 under this chapter may specify an effective time and a delayed
868 effective date. In the case of initial articles of
869 incorporation, a prior effective date may be specified in the
870 articles of incorporation if such date is within 5 business days

Page 30 of 458

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590-03467A-19

2019892c2

871 before the date of filing.872 (1) Subject to s. 607.0124, a document accepted for filing
873 is effective:874 (a) If the filing does not specify an effective time and
875 does not specify a prior or a delayed effective date, on the
876 date and at the time the filing is accepted, as evidenced by the
877 department's endorsement of the date and time on the filing;878 (b) If the filing specifies an effective time, but not a
879 prior or delayed effective date, on the date the filing is filed
880 at the time specified in the filing;881 (c) If the filing specifies a delayed effective date, but
882 not an effective time, at 12:01 a.m. on the earlier of:883 1. The specified date; or884 2. The 90th day after the date of the filing.885 (d) If the filing specifies a delayed effective date and an
886 effective time, at the specified time on the earlier of:887 1. The specified date; or888 2. The 90th day after the date of the filing.889 (e) If the filing is of initial articles of incorporation
890 and specifies an effective date before the date of the filing,
891 but no effective time, at 12:01 a.m. on the later of:892 1. The specified date; or893 2. The 5th business day before the date of the filing.894 (f) If the filing is of initial articles of incorporation
895 and specifies an effective time and an effective date before the
896 date of the filing, at the specified time on the later of:897 1. The specified date; or898 2. The 5th business day before the date of the filing.899 (2) If a filed document does not specify the time zone or

590-03467A-19

2019892c2

900 place at which the date or time, or both, is to be determined,
901 the date or time, or both, at which it becomes effective shall
902 be those prevailing at the place of filing in this state.903 ~~(1) Except as provided in subsections (2) and (4) and in s.~~
904 ~~607.0124(3), a document accepted for filing is effective on the~~
905 ~~date and at the time of filing, as evidenced by such means as~~
906 ~~the Department of State may use for the purpose of recording the~~
907 ~~date and time of filing.~~908 ~~(2) A document may specify a delayed effective date and, if~~
909 ~~desired, a time on that date, and if it does the document shall~~
910 ~~become effective on the date and at the time, if any, specified.~~
911 ~~If a delayed effective date is specified without specifying a~~
912 ~~time on that date, the document shall become effective at the~~
913 ~~start of business on that date. Unless otherwise permitted by~~
914 ~~this act, a delayed effective date for a document may not be~~
915 ~~later than the 90th day after the date on which it is filed.~~916 (3) If a document is determined by the department of State
917 to be incomplete and inappropriate for filing, the department of
918 State may return the document to the person or corporation
919 filing it, together with a brief written explanation of the
920 reason for the refusal to file, in accordance with s.
921 607.0125(3). If the applicant returns the document with
922 corrections in accordance with the rules of the department
923 within 60 days after it was mailed to the applicant by the
924 department and if at the time of return the applicant so
925 requests in writing, the filing date of the document will be the
926 filing date that would have been applied had the original
927 document not been deficient, except as to persons who relied on
928 the record before correction and were adversely affected

590-03467A-19

2019892c2

929 thereby.

930 ~~(4) Corporate existence may predate the filing date,~~
 931 ~~pursuant to s. 607.0203(1).~~

932 Section 7. Section 607.0124, Florida Statutes, is amended
 933 to read:

934 607.0124 Correcting filed document; withdrawal of filed
 935 record before effectiveness.—

936 (1) A domestic or foreign corporation may correct a
 937 document filed by the department ~~of State within 30 days after~~
 938 ~~filing~~ if:

939 (a) The document contains an inaccuracy;

940 (b) The document contains false, misleading, or fraudulent
 941 information;

942 (c) The document was defectively signed ~~executed~~, attested,
 943 sealed, verified, or acknowledged; or

944 (d) The electronic transmission of the document to the
 945 department was defective.

946 (2) A document is corrected:

947 (a) By preparing articles of correction that:

948 1. Describe the document (including its filing date) or
 949 attach a copy of the document to the articles of correction;

950 2. Specify the inaccuracy or defect to be corrected; and

951 3. Correct the inaccuracy or defect; and

952 (b) By delivering the articles of correction to the
 953 department ~~of State~~ for filing, signed ~~executed~~ in accordance
 954 with s. 607.0120.

955 (3) Articles of correction are effective on the effective
 956 date of the document they correct except as to persons relying
 957 on the uncorrected document and adversely affected by the

590-03467A-19

2019892c2

958 correction. As to those persons, articles of correction are
 959 effective when filed.

960 (4) Articles of correction may not contain a delayed
 961 effective date for the correction.

962 (5) Unless otherwise provided for in s. 607.1107(2), s.
 963 607.11923(3), or s. 607.11934(3), a filing delivered to the
 964 department may be withdrawn before it takes effect by delivering
 965 a withdrawal statement to the department for filing.

966 (a) A withdrawal statement must:

967 1. Be signed by each person who signed the filing being
 968 withdrawn, except as otherwise agreed to by such persons;

969 2. Identify the filing to be withdrawn; and

970 3. If not signed by all persons who signed the filing being
 971 withdrawn, state that the filing is withdrawn in accordance with
 972 the agreement of all persons who signed the filing.

973 (b) On the filing by the department of a withdrawal
 974 statement, the action or transaction evidenced by the original
 975 filing does not take effect.

976 (6)(4) Articles of correction that are filed to correct
 977 false, misleading, or fraudulent information are not subject to
 978 a fee of the department ~~of State~~ if the articles of correction
 979 are delivered to the department ~~of State~~ within 15 days after
 980 the notification of filing sent pursuant to s. 607.0125(2).

981 Section 8. Section 607.0125, Florida Statutes, is amended
 982 to read:

983 607.0125 Filing duties of the department ~~of State~~.—

984 (1) If a document delivered to the department ~~of State~~ for
 985 filing satisfies the requirements of s. 607.0120, the department
 986 ~~of State~~ shall file it.

590-03467A-19

2019892c2

987 (2) The department ~~of State~~ files a document by stamping or
 988 otherwise endorsing the document as filed, together with the
 989 department's official title and recording it as filed on the
 990 date and time of receipt. After filing a document, the
 991 department ~~of State~~ shall send a notice of the filing or a copy
 992 of the filing to the electronic mail address on file for the
 993 domestic or foreign corporation or its authorized representative
 994 or a copy of the filed document to the mailing address of such
 995 corporation or its authorized representative. If the record
 996 changes the electronic mail address of the corporation, the
 997 department ~~of State~~ must send such notice to the new electronic
 998 mail address and to the most recent prior electronic mail
 999 address. If the record changes the mailing address of the
 1000 corporation, the department ~~of State~~ must send such notice to
 1001 the new mailing address and to the most recent prior mailing
 1002 address.

1003 (3) If the department ~~of State~~ refuses to file a document,
 1004 the department ~~it~~ shall return the document ~~it~~ to the domestic
 1005 or foreign corporation or its representative within 15 days
 1006 after the document was received for filing, together with a
 1007 brief, written explanation of the reason for refusal.

1008 (4) The department's ~~Department of State's~~ duty to file
 1009 documents under this section is ministerial. The filing or
 1010 refusing to file a document does not:

1011 (a) Affect the validity or invalidity of the document in
 1012 whole or part;

1013 (b) Relate to the correctness or incorrectness of
 1014 information contained in the document;

1015 (c) Create a presumption that the document does or does not

590-03467A-19

2019892c2

1016 conform to the requirements of this chapter or that the ~~is valid~~
 1017 or invalid or that information contained in the document is
 1018 correct or incorrect.

1019 (5) If not otherwise provided by law and the provisions of
 1020 this chapter act, the department ~~of State~~ shall determine, by
 1021 rule, the appropriate format for, number of copies of, manner of
 1022 execution of, method of electronic transmission of, and amount
 1023 of and method of payment of fees for, any document placed under
 1024 its jurisdiction.

1025 Section 9. Section 607.0126, Florida Statutes, is amended
 1026 to read:

1027 607.0126 Appeal from department's ~~Department of State's~~
 1028 refusal to file document.-If the department ~~of State~~ refuses to
 1029 file a document delivered to its office for filing, the person
 1030 who submitted the document for filing may petition the Circuit
 1031 Court of Leon County to compel filing of the document. The
 1032 document and the explanation from the department of the refusal
 1033 to file must be attached to the petition. The court may decide
 1034 the matter in a summary proceeding and within 30 days after
 1035 return of the document by the department by mail, as evidenced
 1036 by the postmark, the domestic or foreign corporation may:

1037 (1) Appeal the refusal pursuant to s. 120.68; or

1038 (2) Appeal the refusal to the circuit court of the county
 1039 where the corporation's principal office (or, if none in this
 1040 state, its registered office) is or will be located. The appeal
 1041 is commenced by petitioning the court to compel filing the
 1042 document and by attaching to the petition the document and the
 1043 Department of State's explanation of its refusal to file. The
 1044 matter shall promptly be tried de novo by the court without a

590-03467A-19

2019892c2

1045 ~~jury.~~ the court may summarily order the department ~~of State~~ to
 1046 file the document or take other action the court considers
 1047 appropriate. The court's final decision may be appealed as in
 1048 other civil proceedings.

1049 Section 10. Section 607.0127, Florida Statutes, is amended
 1050 to read:

1051 607.0127 Certificates to be received in evidence;
 1052 evidentiary effect of certified copy of filed document.—All
 1053 certificates issued by the department pursuant to this chapter
 1054 must be taken and received in all courts, public offices, and
 1055 official bodies as prima facie evidence of the facts stated. A
 1056 certificate ~~the department~~ from the ~~Department of State~~
 1057 delivered with a copy of a document filed by the department,
 1058 bearing the signature of the secretary of state, which may be in
 1059 facsimile, and the seal of the state, ~~Department of State~~ is
 1060 conclusive evidence that the original document is on file with
 1061 the department.

1062 Section 11. Section 607.0128, Florida Statutes, is amended
 1063 to read:

1064 607.0128 Certificate of status.—

1065 (1) The department, upon request and payment of the
 1066 requisite fee, shall issue a certificate of status for a
 1067 corporation if the records filed in the department show that the
 1068 department has accepted and filed the corporation's articles of
 1069 incorporation. A certificate of status must state the following:

1070 (a) The corporation's name.

1071 (b) That the corporation was organized under the laws of
 1072 this state and the date of organization.

1073 (c) Whether all fees due to the department under this

590-03467A-19

2019892c2

1074 chapter have been paid.

1075 (d) Whether the corporation's most recent annual report
 1076 required under s. 607.1622 has been filed by the department.

1077 (e) Whether the department has administratively dissolved
 1078 the corporation or received a record notifying the department
 1079 that the corporation has been dissolved by judicial action
 1080 pursuant to s. 607.1433.

1081 (f) Whether the department has filed articles of
 1082 dissolution for the corporation.

1083 (2) The department, upon request and payment of the
 1084 requisite fee, shall furnish a certificate of status for a
 1085 foreign corporation if the records filed show that the
 1086 department has filed a certificate of authority. A certificate
 1087 of status for a foreign corporation must state the following:

1088 (a) The foreign corporation's name and any current
 1089 alternate name adopted pursuant to s. 607.1506 for use in this
 1090 state.

1091 (b) That the foreign corporation is authorized to transact
 1092 business in this state.

1093 (c) Whether all fees and penalties due to the department
 1094 under this chapter or other law have been paid.

1095 (d) Whether the foreign corporation's most recent annual
 1096 report required under s. 607.1622 has been filed by the
 1097 department.

1098 (e) Whether the department has:

1099 1. ~~Revoked~~ the foreign corporation's certificate of

1100 authority; or

1101 2. Filed a notice of withdrawal of certificate of authority

1102 ~~(1) Anyone may apply to the Department of State to furnish~~

590-03467A-19

2019892c2

1103 a ~~certificate of status for a domestic corporation or a~~
 1104 ~~certificate of authorization for a foreign corporation.~~
 1105 ~~(2) A certificate of status or authorization sets forth:~~
 1106 ~~(a) The domestic corporation's corporate name or the~~
 1107 ~~foreign corporation's corporate name used in this state;~~
 1108 ~~(b)1. That the domestic corporation is duly incorporated~~
 1109 ~~under the law of this state and the date of its incorporation,~~
 1110 ~~or~~
 1111 ~~2. That the foreign corporation is authorized to transact~~
 1112 ~~business in this state;~~
 1113 ~~(c) That all fees and penalties owed to the department have~~
 1114 ~~been paid, if:~~
 1115 ~~1. Payment is reflected in the records of the department,~~
 1116 ~~and~~
 1117 ~~2. Nonpayment affects the existence or authorization of the~~
 1118 ~~domestic or foreign corporation;~~
 1119 ~~(d) That its most recent annual report required by s.~~
 1120 ~~607.1622 has been delivered to the department; and~~
 1121 ~~(e) That articles of dissolution have not been filed.~~
 1122 (3) Subject to any qualification stated in the certificate,
 1123 a certificate of status ~~or authorization~~ issued by the
 1124 department is ~~may be relied upon as~~ conclusive evidence that the
 1125 domestic ~~or foreign~~ corporation is in existence and is of active
 1126 status in this state or that the foreign corporation is
 1127 authorized to transact business in this state and is of active
 1128 status in this state.
 1129 Section 12. Section 607.0130, Florida Statutes, is amended
 1130 to read:
 1131 607.0130 Powers of department ~~of State.~~-

Page 39 of 458

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590-03467A-19

2019892c2

1132 (1) The Department of State may propound to any corporation
 1133 subject to the provisions of this act, and to any officer or
 1134 director thereof, such interrogatories as may be reasonably
 1135 necessary and proper to enable it to ascertain whether the
 1136 corporation has complied with all applicable provisions of this
 1137 act. Such interrogatories must be answered within 30 days after
 1138 mailing or within such additional time as fixed by the
 1139 department. Answers to interrogatories must be full and
 1140 complete, in writing, and under oath. Interrogatories directed
 1141 to an individual must be answered by the individual, and
 1142 interrogatories directed to a corporation must be answered by
 1143 the president, vice president, secretary, or assistant
 1144 secretary.
 1145 (2) The Department of State is not required to file any
 1146 document.
 1147 (a) To which interrogatories, as propounded pursuant to
 1148 subsection (1), relate, until the interrogatories are answered
 1149 in full;
 1150 (b) When interrogatories or other relevant evidence
 1151 discloses that such document is not in conformity with the
 1152 provisions of this act; or
 1153 (c) When the department has determined that the parties to
 1154 such document have not paid all fees, taxes, and penalties due
 1155 and owing this state.
 1156 (3) The Department of State may, based upon its findings
 1157 hereunder or as provided in s. 213.053(15), bring an action in
 1158 circuit court to collect any penalties, fees, or taxes
 1159 determined to be due and owing the state and to compel any
 1160 filing, qualification, or registration required by law. In

Page 40 of 458

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590-03467A-19

2019892c2

1161 connection with such proceeding the department may, without
 1162 prior approval by the court, file a lis pendens against any
 1163 property owned by the corporation and may further certify any
 1164 findings to the Department of Legal Affairs for the initiation
 1165 of any action permitted pursuant to s. 607.0505 which the
 1166 Department of Legal Affairs may deem appropriate.

1167 ~~(4)~~The department ~~has the~~ of State shall have the power
 1168 and authority reasonably necessary to enable it to administer
 1169 this chapter act efficiently, to perform the duties herein
 1170 imposed upon it, and to adopt promulgate reasonable rules
 1171 necessary to carry out its duties and functions under this
 1172 chapter act.

1173 Section 13. Section 607.01401, Florida Statutes, is amended
 1174 to read:

1175 607.01401 Definitions.—As used in this chapter act, unless
 1176 the context otherwise requires, the term:

1177 (1) "Acquired eligible entity" means a domestic or foreign
 1178 eligible entity that will have all of one or more classes or
 1179 series of its shares or eligible interests acquired in a share
 1180 exchange.

1181 (2) "Acquiring eligible entity" means a domestic or foreign
 1182 eligible entity that will acquire all of one or more classes or
 1183 series of shares or eligible interests of the acquired eligible
 1184 entity in a share exchange.

1185 (3) "Applicable county" means: the county in this state in
 1186 which a corporation's principal office is located or was located
 1187 when an action is or was commenced; if the corporation has, and
 1188 at the time of such action had, no principal office in this
 1189 state, then in the county in which the corporation has, or at

590-03467A-19

2019892c2

1190 the time of such action had, an office in this state; or if the
 1191 corporation does not have an office in this state, then in the
 1192 county in which the corporation's registered office is or was
 1193 last located.

1194 (4) "Articles of incorporation" includes original, amended,
 1195 and restated articles of incorporation, articles of share
 1196 exchange, and articles of merger, and all amendments thereto.
 1197 When used with respect to a foreign corporation, the term means
 1198 the document of the foreign corporation that is equivalent to
 1199 the articles of incorporation of a domestic corporation.

1200 (5) "Authorized entity" means:

1201 (a) A corporation for profit;

1202 (b) A limited liability company;

1203 (c) A limited liability partnership; or

1204 (d) A limited partnership, including a limited liability
 1205 limited partnership.

1206 (6) (2) "Authorized shares" means the shares of all classes
 1207 a domestic or foreign corporation is authorized to issue.

1208 (7) "Beneficial shareholder" means a person who owns the
 1209 beneficial interest in shares. Such person may be a record
 1210 shareholder or a person on whose behalf shares are registered in
 1211 the name of an intermediary or nominee.

1212 (8) (3) "Business day" means Monday through Friday,
 1213 excluding any day a national banking association is not open for
 1214 normal business transactions.

1215 (9) (4) "Conspicuous" means so written, displayed, or
 1216 presented that a reasonable person against whom the writing is
 1217 to operate should have noticed it. For example, text printing in
 1218 italics, boldface, or a contrasting color, or typing in

590-03467A-19

2019892c2

1219 capitals, or underlined text, is conspicuous.

1220 (10) "Conversion" means a transaction pursuant to ss.

1221 607.11930-607.11935.

1222 (11) "Converted eligible entity" means the converting
 1223 eligible entity as it continues in existence after a conversion.

1224 (12) "Converting eligible entity" means the domestic
 1225 corporation that approves a plan of conversion pursuant to s.
 1226 607.11932, or a foreign eligible entity that approves a
 1227 conversion pursuant to the organic law of the foreign eligible
 1228 entity.

1229 (13)~~(5)~~ "Corporation" or "domestic corporation" means a
 1230 corporation for profit, which is not a foreign corporation,
 1231 incorporated under this chapter or subject to the provisions of
 1232 this act.

1233 (14)~~(6)~~ "Day" means a calendar day.

1234 (15)~~(7)~~ "Deliver" or "delivery" means any method of
 1235 delivery used in conventional commercial practice, including
 1236 delivery by hand, mail, commercial delivery, and, if authorized
 1237 under s. 607.0141, electronic transmission.

1238 (16) "Department" means the Florida Department of State.

1239 (17) "Derivative proceeding" means a civil suit in the
 1240 right of a domestic corporation or, to the extent provided in s.
 1241 607.0747, in the right of a foreign corporation.

1242 (18)~~(8)~~ "Distribution" means a direct or indirect transfer
 1243 of money or other property (except its own shares) or incurrence
 1244 of indebtedness by a corporation to or for the benefit of its
 1245 shareholders in respect of any of its shares. A distribution may
 1246 be in the form of: a declaration or payment of a dividend; a
 1247 purchase, redemption, or other acquisition of shares; a

Page 43 of 458

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590-03467A-19

2019892c2

1248 distribution of indebtedness; a distribution in liquidation; or
 1249 otherwise.

1250 (19) "Document" means:

1251 (a) Any tangible medium on which information is inscribed,
 1252 and includes any writing or written instrument; or

1253 (b) An electronic record.

1254 (20) "Domestic" means, with respect to an entity, an entity
 1255 governed as to its internal affairs by the laws of this state.

1256 (21) "Domesticated corporation" means the domesticating
 1257 corporation as it continues in existence after a domestication.

1258 (22) "Domesticating corporation" means a domestic
 1259 corporation that approves a plan of domestication pursuant to s.
 1260 607.11921, or a foreign corporation that approves a
 1261 domestication pursuant to the organic law of the foreign
 1262 corporation.

1263 (23) "Domestication" means a transaction pursuant to ss.
 1264 607.11920-607.11924.

1265 (24) "Effective date" means, when referring to a document
 1266 accepted for filing by the department, the date and time
 1267 determined in accordance with s. 607.0123.

1268 (25) "Electronic" means relating to technology having
 1269 electrical, digital, magnetic, wireless, optical,
 1270 electromagnetic, or similar capabilities.

1271 (26) "Electronic record" means information that is stored
 1272 in an electronic or other medium and is retrievable in paper
 1273 form through an automated process used in conventional
 1274 commercial practice, unless otherwise authorized under s.
 1275 607.0141.

1276 (27)~~(9)~~ "Electronic transmission" or "electronically

Page 44 of 458

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590-03467A-19

2019892c2

1277 transmitted" means any form or process of communication not
 1278 directly involving the physical transfer of paper or another
 1279 tangible medium, which:

1280 (a) ~~that~~ Is suitable for the retention, retrieval, and
 1281 reproduction of information by the recipient; and

1282 (b) Is retrievable in paper form by the recipient through
 1283 an automated process used in conventional commercial practice,
 1284 unless otherwise authorized under s. 607.0141.

1285

1286 For purposes of proxy voting in accordance with ss. 607.0721,
 1287 607.0722, and 607.0724, the term includes, but is not limited
 1288 to, telegrams, cablegrams, telephone transmissions, and
 1289 transmissions through the Internet.

1290 (28) (a) "Eligible entity" means:

1291 1. A domestic corporation;

1292 2. A foreign corporation;

1293 3. A non-profit corporation;

1294 4. A general partnership, including a limited liability
 1295 partnership;

1296 5. A limited partnership, including a limited liability
 1297 limited partnership;

1298 6. A limited liability company;

1299 7. A real estate investment trust; or

1300 8. Any other foreign or domestic entity that is organized
 1301 under an organic law.

1302 (b) The term does not include:

1303 1. An individual;

1304 2. A trust with a predominantly donative purpose or a
 1305 charitable trust;

590-03467A-19

2019892c2

1306 3. An association or relationship that is not a partnership
 1307 solely by reason of s. 620.8202(2) or a similar provision of the
 1308 law of another jurisdiction;

1309 4. A decedent's estate; or

1310 5. A government or a governmental subdivision, agency or
 1311 instrumentality.

1312 (29) "Eligible interests" means interests or memberships.

1313 (30)-(10) "Employee" includes an officer but not a director.

1314 A director may accept duties that make him or her also an
 1315 employee.

1316 (31)-(11) "Entity" includes corporation and foreign
 1317 corporation; unincorporated association; business trust, estate,
 1318 limited liability company, partnership, trust, and two or more
 1319 persons having a joint or common economic interest; and state,
 1320 United States, and foreign governments.

1321 (32) "Expenses" means reasonable expenses of any kind that
 1322 are incurred in connection with a matter.

1323 (33) The phrase "facts objectively ascertainable outside
 1324 the plan or filed document" shall be interpreted as set forth in
 1325 s. 607.0120(11).

1326 (34) "Filing entity" means an entity, other than a limited
 1327 liability partnership, that is of a type that is created by
 1328 filing a public organic record or is required to file a public
 1329 organic record that evidences its creation.

1330 (35) "Foreign" means, with respect to an entity, an entity
 1331 governed as to its internal affairs by the organic law of a
 1332 jurisdiction other than this state.

1333 (36)-(12) "Foreign corporation" means an entity incorporated
 1334 or organized under laws other than the laws of this state which

590-03467A-19

2019892c2

1335 ~~would be~~ a corporation for profit if incorporated under laws
 1336 ~~other than~~ the laws of this state.

1337 (37) "Foreign nonprofit corporation" means an entity
 1338 incorporated or organized under laws other than the laws of this
 1339 state which would be a nonprofit corporation if incorporated
 1340 under the laws of this state.

1341 ~~(38)-(13)~~ "Governmental subdivision" includes authority,
 1342 county, district, and municipality.

1343 (39) "Governor" means:

1344 (a) A director of a corporation for profit;

1345 (b) A director or trustee of a nonprofit corporation;

1346 (c) A general partner of a general partnership;

1347 (d) A general partner of a limited partnership;

1348 (e) A manager of a manager-managed limited liability
 1349 company;

1350 (f) A member of a member-managed limited liability company;

1351 (g) A director or a trustee of a real estate investment
 1352 trust; or

1353 (h) Any other person under whose authority the powers of an
 1354 entity are exercised and under whose direction the activities
 1355 and affairs of the entity are managed pursuant to the organic
 1356 law and organic rules of the entity.

1357 ~~(40)-(14)~~ "Includes" "or including" denotes a partial
 1358 definition or a non-exclusive list.

1359 ~~(41)-(15)~~ "Individual" includes the estate of an incompetent
 1360 or deceased individual.

1361 ~~(42)-(16)~~ "Insolvent" means either:

1362 (a) The inability of a corporation to pay its debts as they
 1363 become due in the usual course of its business; or

590-03467A-19

2019892c2

1364 (b) The value of the corporation's total assets are less
 1365 than the sum of its total liabilities, at fair valuation.

1366 (43) "Interest" means:

1367 (a) A share in a corporation for profit;

1368 (b) A membership in a nonprofit corporation;

1369 (c) A partnership interest in a general partnership,
 1370 including a limited liability partnership;

1371 (d) A partnership interest in a limited partnership,
 1372 including a limited liability limited partnership;

1373 (e) A membership interest in a limited liability company;

1374 (f) A share or beneficial interest in a real estate
 1375 investment trust;

1376 (g) A member's interest in a limited cooperative
 1377 association;

1378 (h) A beneficial interest in a statutory trust, business
 1379 trust, or common law business trust; or

1380 (i) A governance interest or distributional interest in
 1381 another entity.

1382 (44) "Interest holder" means:

1383 (a) A shareholder of a corporation for profit;

1384 (b) A member of a nonprofit corporation;

1385 (c) A general partner of a general partnership;

1386 (d) A general partner of a limited partnership;

1387 (e) A limited partner of a limited partnership;

1388 (f) A member of a limited liability company;

1389 (g) A shareholder or beneficial owner of a real estate
 1390 investment trust;

1391 (h) A beneficiary or beneficial owner of a statutory trust,
 1392 business trust, or common law business trust; or

590-03467A-19

2019892c2

1393 (i) Another direct holder of an interest.
 1394 (45) "Interest holder liability" means:
 1395 (a) Personal liability for a liability of an entity which
 1396 is imposed on a person:
 1397 1. Solely by reason of the status of the person as an
 1398 interest holder; or
 1399 2. By the organic rules of the entity which make one or
 1400 more specified interest holders or categories of interest
 1401 holders liable in their capacity as interest holders for all or
 1402 specified liabilities of the entity.
 1403 (b) An obligation of an interest holder under the organic
 1404 rules of an entity to contribute to the entity.
 1405
 1406 For purposes of this subsection, except as otherwise provided in
 1407 the articles of incorporation of a domestic corporation or the
 1408 organic law or organic rules of an entity, interest holder
 1409 liability arises under paragraph (a) when the corporation or
 1410 entity, as applicable, incurs the liability.
 1411 (46) "Jurisdiction of formation" means, with respect to an
 1412 entity:
 1413 (a) The jurisdiction under whose organic law the entity is
 1414 formed, incorporated, or created or otherwise comes into being;
 1415 however, for these purposes, if an entity exists under the law
 1416 of a jurisdiction different from the jurisdiction under which
 1417 the entity originally was formed, incorporated, or created or
 1418 otherwise came into being, then the jurisdiction under which the
 1419 entity then exists is treated as the jurisdiction of formation;
 1420 or
 1421 (b) In the case of a limited liability partnership or

Page 49 of 458

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590-03467A-19

2019892c2

1422 foreign limited liability partnership, the jurisdiction in which
 1423 the partnership's statement of qualification or equivalent
 1424 document is filed.
 1425 (47)-(17) "Mail" means the United States mail, facsimile
 1426 transmissions, and private mail carriers handling nationwide
 1427 mail services.
 1428 (48)-(18) "Means" denotes an exhaustive definition.
 1429 (49) "Membership" means the rights of a member in a
 1430 domestic or foreign nonprofit corporation.
 1431 (50) "Merger" means a transaction pursuant to s. 607.1101.
 1432 (51) "New interest holder liability," in the context of a
 1433 merger or share exchange, means interest holder liability of a
 1434 person resulting from a merger or share exchange that is:
 1435 (a) In respect of an eligible entity which is different
 1436 from the eligible entity and not the same eligible entity in
 1437 which the person held shares or eligible interests, immediately
 1438 before the merger or share exchange became effective; or
 1439 (b) In respect of the same eligible entity as the one in
 1440 which the person held shares or eligible interests, immediately
 1441 before the merger or share exchange became effective if:
 1442 1. The person did not have interest holder liability
 1443 immediately before the merger or share exchange became
 1444 effective; or
 1445 2. The person had interest holder liability immediately
 1446 before the merger or share exchange became effective, the terms
 1447 and conditions of which were changed when the merger or share
 1448 exchange became effective.
 1449 (52) "Nonprofit corporation" or "domestic nonprofit
 1450 corporation" means a corporation incorporated under the laws of

Page 50 of 458

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590-03467A-19

2019892c2

1451 this state and subject to the provisions of chapter 617.
 1452 (53) "Organic law" means the laws of the jurisdiction in
 1453 which the entity was formed.
 1454 (54) "Organic rules" means the public organic record and
 1455 private organic rules of an entity.
 1456 (55) "Party to a merger" means any domestic or foreign
 1457 entity that will merge under a plan of merger. The term does not
 1458 include a survivor created by the merger.
 1459 (56)(19) "Person" includes an individual and an entity.
 1460 (57)(20) "Principal office" means the office (in or out of
 1461 this state) where the principal executive offices of a domestic
 1462 or foreign corporation are located as designated in the articles
 1463 of incorporation or other initial filing until an annual report
 1464 has been filed, and thereafter as designated in the annual
 1465 report.
 1466 (58) "Private organic rules" means the rules, whether or
 1467 not in a record, which govern the internal affairs of an entity,
 1468 are binding on all its interest holders, and are not part of its
 1469 public organic record, if any. If the private organic rules are
 1470 amended or restated, the term means the private organic rules as
 1471 last amended or restated. The term includes:
 1472 (a) The bylaws of a corporation for profit;
 1473 (b) The bylaws of a nonprofit corporation;
 1474 (c) The partnership agreement of a general partnership;
 1475 (d) The partnership agreement of a limited partnership;
 1476 (e) The operating agreement, limited liability company
 1477 agreement, or similar agreement of a limited liability company;
 1478 (f) The bylaws, trust instrument, or similar rules of a
 1479 real estate investment trust; and

Page 51 of 458

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590-03467A-19

2019892c2

1480 (g) The trust instrument of a statutory trust or similar
 1481 rules of a business trust or common law business trust.
 1482 (59)(21) "Proceeding" includes a civil suit, a criminal
 1483 action, an administrative action, and an ~~and criminal,~~
 1484 ~~administrative,~~ and investigatory action.
 1485 (60) "Protected agreement" means:
 1486 (a) A record evidencing indebtedness and any related
 1487 agreement in effect on January 1, 2020;
 1488 (b) An agreement that is binding on an entity on January 1,
 1489 2020;
 1490 (c) The organic rules of an entity in effect on January 1,
 1491 2020; or
 1492 (d) An agreement that is binding on any of the governors or
 1493 interest holders of an entity on January 1, 2020.
 1494 (61) "Public organic record" means a record, the filing of
 1495 which by a governmental body is required to form an entity, or
 1496 an amendment to or restatement of such record. Where a public
 1497 organic record has been amended or restated, the term means the
 1498 public organic record as last amended or restated. The term
 1499 includes the following:
 1500 (a) The articles of incorporation of a corporation for
 1501 profit;
 1502 (b) The articles of incorporation of a nonprofit
 1503 corporation;
 1504 (c) The certificate of limited partnership of a limited
 1505 partnership;
 1506 (d) The articles of organization, certificate of
 1507 organization, or certificate of formation of a limited liability
 1508 company;

Page 52 of 458

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590-03467A-19

2019892c2

1509 (e) The articles of incorporation of a general cooperative
 1510 association or a limited cooperative association;
 1511 (f) The certificate of trust of a statutory trust or
 1512 similar record of a business trust; or
 1513 (g) The articles of incorporation of a real estate
 1514 investment trust.
 1515 (62) "Record," if used as a noun, means information that is
 1516 inscribed on a tangible medium or that is stored in an
 1517 electronic or other medium and is retrievable in perceivable
 1518 form.
 1519 (63)-(22) "Record date" means the date fixed for determining
 1520 on which a corporation determines the identity of the
 1521 corporation's its shareholders and their share holdings for
 1522 purposes of this chapter. Unless another time is specified when
 1523 the record date is fixed, ~~act.~~ the determination shall be made
 1524 as of the close of the business at the principal office of the
 1525 corporation on the date so on the record date unless another
 1526 time is fixed.
 1527 (64) "Record shareholder" means:
 1528 (a) The person in whose name shares are registered in the
 1529 records of the corporation; or
 1530 (b) The person identified as a beneficial owner of shares
 1531 in the beneficial ownership certificate under s. 607.0723 on
 1532 file with the corporation to the extent of the rights granted by
 1533 such certificate.
 1534 (65)-(23) "Secretary" means the corporate officer to whom
 1535 the board of directors has delegated responsibility under s.
 1536 607.08401 to maintain ~~for custody of~~ the minutes of the meetings
 1537 of the board of directors and of the shareholders and for

Page 53 of 458

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590-03467A-19

2019892c2

1538 authenticating records of the corporation.
 1539 (66) "Secretary of state" means the Secretary of State of
 1540 the State of Florida.
 1541 (67)-(24) "Shareholder" ~~or "stockholder"~~ means a record
 1542 shareholder ~~one who is a holder of record of shares in a~~
 1543 corporation or the beneficial owner of shares to the extent of
 1544 the rights granted by a nominee certificate on file with a
 1545 corporation.
 1546 (68)-(25) "Shares" means the units into which the
 1547 proprietary interests in a corporation are divided.
 1548 (69) "Share exchange" means a transaction pursuant to s.
 1549 607.1102.
 1550 (70)-(26) "Sign" or "signature" means, with present intent
 1551 to authenticate or adopt a document:
 1552 (a) To execute or adopt a tangible symbol on a document,
 1553 which includes any manual facsimile or conformed signature; or
 1554 (b) To attach or to logically associate with an electronic
 1555 transmission an electronic sound, symbol, or process, which
 1556 includes an electronic signature in an electronic transmission
 1557 any symbol, manual, facsimile, conformed, or electronic
 1558 signature adopted by a person with the intent to authenticate a
 1559 document.
 1560 (71)-(27) "State," when referring to a part of the United
 1561 States, includes a state and commonwealth (and their agencies
 1562 and governmental subdivisions) and a territory and insular
 1563 possession (and their agencies and governmental subdivisions) of
 1564 the United States.
 1565 (72)-(28) "Subscriber" means a person who subscribes for
 1566 shares in a corporation, whether before or after incorporation.

Page 54 of 458

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590-03467A-19

2019892c2

1567 (73) "Survivor," in a merger, means the domestic or foreign
 1568 eligible entity into which one or more other eligible entities
 1569 are merged.

1570 ~~(74)(29)~~ "Treasury shares" means shares of a corporation
 1571 that belong to the issuing corporation, which shares are
 1572 authorized and issued shares that are not outstanding, are not
 1573 canceled, and have not been restored to the status of authorized
 1574 but unissued shares.

1575 (75) "Type of entity" means a generic form of entity
 1576 either:

1577 (a) Recognized at common law; or

1578 (b) Formed under an organic law, regardless of whether some
 1579 entities formed under that organic law are subject to provisions
 1580 of that law that create different categories of the form of
 1581 entity.

1582 ~~(76)(30)~~ "United States" includes district, authority,
 1583 bureau, commission, department, and any other agency of the
 1584 United States.

1585 (77) "Unrestricted voting trust beneficial owner" means,
 1586 with respect to any shareholder rights, a voting trust
 1587 beneficial owner whose entitlement to exercise the shareholder
 1588 right in question is not inconsistent with the voting trust
 1589 agreement.

1590 ~~(78)(31)~~ "Voting group" means all shares of one or more
 1591 classes or series that under the articles of incorporation or
 1592 this chapter ~~act~~ are entitled to vote and be counted together
 1593 collectively on a matter at a ~~the~~ meeting of shareholders. All
 1594 shares entitled by the articles of incorporation or this chapter
 1595 ~~act~~ to vote generally on the matter are for that purpose a

Page 55 of 458

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590-03467A-19

2019892c2

1596 single voting group.

1597 (79) "Voting trust beneficial owner" means an owner of a
 1598 beneficial interest in shares of the corporation held in a
 1599 voting trust established pursuant to s. 607.0730(1).

1600 (80) "Writing" means printing, typewriting, electronic
 1601 communication, or other communication that is reducible to a
 1602 tangible form. The term "written" has the corresponding meaning.

1603 Section 14. Section 607.0141, Florida Statutes, is amended
 1604 to read:

1605 607.0141 Notice.—

1606 (1) (a) Notice under this chapter ~~act~~ must be in writing,
 1607 unless oral notice is:

1608 1. ~~(a)~~ Expressly authorized by the articles of incorporation
 1609 or the bylaws; ~~r~~ and

1610 2. ~~(b)~~ Reasonable under the circumstances.

1611 (b) Unless otherwise agreed upon between the sender and the
 1612 recipient, words in a notice or other communication under this
 1613 chapter must be in English.

1614 (c) Notice by electronic transmission is written notice.

1615 (2) ~~A~~ notice or other communication may be given by any
 1616 method of delivery, including voice mail where oral notice is
 1617 allowed, except that electronic transmissions must be in
 1618 accordance with this section ~~Notice may be communicated in~~
 1619 ~~person; by telephone, voice mail (where oral notice is~~
 1620 ~~permitted), or other electronic means; or by mail or other~~
 1621 ~~method of delivery.~~

1622 (3) (a) Written notice by a domestic or foreign corporation
 1623 authorized to transact business in this state to its
 1624 shareholder, if in a comprehensible form, is effective:

Page 56 of 458

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590-03467A-19

2019892c2

1625 1. Upon deposit into the United States mail, if mailed
 1626 postpaid and correctly addressed to the shareholder's address
 1627 shown in the corporation's current record of shareholders; or
 1628 2. When electronically transmitted to the shareholder in a
 1629 manner authorized by the shareholder.

1630 (b) Unless otherwise provided in the articles of
 1631 incorporation or bylaws, and without limiting the manner by
 1632 which notice otherwise may be given effectively to shareholders,
 1633 any notice to shareholders given by the corporation under any
 1634 provision of this chapter, the articles of incorporation, or the
 1635 bylaws shall be effective if given by a single written notice to
 1636 shareholders who share an address if consented to by the
 1637 shareholders at that address to whom such notice is given. Any
 1638 such consent shall be revocable by a shareholder by written
 1639 notice to the corporation, and if a written notice of revocation
 1640 is delivered to the corporation, the corporation must begin
 1641 providing individual notices, reports, and other statements to
 1642 the revoking shareholder no later than 30 days after delivery of
 1643 the written notice of revocation.

1644 (c) Any shareholder who fails to object in writing to the
 1645 corporation, within 60 days after having been given written
 1646 notice by the corporation of its intention to send the single
 1647 notice permitted under paragraph (b), shall be deemed to have
 1648 consented to receiving such single written notice.

1649 ~~(d) This subsection shall not apply to s. 607.0620, s.~~
 1650 ~~607.1402, or s. 607.1404.~~

1651 (4) Written notice to a domestic corporation or to a
 1652 foreign corporation authorized to transact business in this
 1653 state may be addressed:

Page 57 of 458

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590-03467A-19

2019892c2

1654 (a) To its registered agent at the corporation's ~~its~~
 1655 registered office; or
 1656 (b) To the corporation or the corporation's ~~its~~ secretary
 1657 at the corporation's ~~its~~ principal office or electronic mail
 1658 address as authorized and shown in its most recent annual report
 1659 or, in the case of a corporation that has not yet delivered an
 1660 annual report, in a domestic corporation's articles of
 1661 incorporation or in a foreign corporation's application for
 1662 certificate of authority.

1663 (5) (a) Except as provided in subsection (3) or elsewhere in
 1664 this chapter ~~act~~, written notice, if in a comprehensible form,
 1665 is effective at the earliest date of the following:

1666 1. ~~(a)~~ When received;

1667 2. ~~(b)~~ Five days after its deposit in the United States
 1668 mail, if mailed postpaid and correctly addressed; ~~or~~

1669 3. ~~(c)~~ On the date shown on the return receipt, if sent by
 1670 registered or certified mail, return receipt requested, and the
 1671 receipt is signed by or on behalf of the addressee; or

1672 4. When it enters an information processing system that the
 1673 recipient has designated or uses for the purposes of receiving
 1674 electronic transmissions or information of the type sent, and
 1675 from which the recipient is able to retrieve the electronic
 1676 transmission, and it is in a form capable of being processed by
 1677 that system.

1678 (b) Except as provided elsewhere in this chapter, oral
 1679 notice is effective when communicated directly to the person to
 1680 be notified in a comprehensible manner.

1681 (6) Except with respect to notice to directors by the
 1682 corporation, notice or other communications may be delivered by

Page 58 of 458

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590-03467A-19

2019892c2

1683 electronic transmission if consented to by the recipient or if
 1684 authorized by subsection (7). Notice or other communication to
 1685 directors by the corporation may be delivered by electronic
 1686 transmission if consented to by the recipient director; however,
 1687 if the articles or bylaws require or authorize electronic
 1688 transmission of notice or other communication to a director by
 1689 the corporation, then no consent by the director recipient is
 1690 required for the corporation to deliver notice or other
 1691 communications to the director by electronic transmission.

1692 (7) A notice or other communication may be in the form of
 1693 an electronic transmission that cannot be directly reproduced in
 1694 paper form by the recipient through an automated process used in
 1695 conventional commercial practice only if:

1696 (a) The electronic transmission is otherwise retrievable in
 1697 perceivable form; and

1698 (b) The sender and the recipient have consented in writing
 1699 to the use of such form of electronic transmission.

1700 (8) Any consent under subsection (7) may be revoked by the
 1701 person who consented by written or electronic notice to the
 1702 person to whom the consent was delivered. Any such consent shall
 1703 be deemed revoked if:

1704 (a) The corporation is unable to deliver two consecutive
 1705 electronic transmissions given by the corporation in accordance
 1706 with such consent; and

1707 (b) Such inability becomes known to the secretary or
 1708 assistant secretary of the corporation or to the transfer agent,
 1709 or other person responsible for the giving of notice or other
 1710 communications; provided, however, that the inadvertent failure
 1711 to treat such inability as a revocation does not invalidate any

Page 59 of 458

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590-03467A-19

2019892c2

1712 meeting or other action.

1713 (9) Receipt of an electronic acknowledgment from an
 1714 information processing system described in paragraph (5) (d)
 1715 establishes that an electronic transmission was received, but,
 1716 by itself, does not establish that the content sent corresponds
 1717 to the content received.

1718 (10) An electronic transmission is received under this
 1719 section even if no person is aware of its receipt ~~Oral notice is~~
 1720 effective when communicated if communicated directly to the
 1721 person to be notified in a comprehensible manner.

1722 (11)(7) If this act prescribes ~~notice~~ requirements for
 1723 notices or other communications in particular circumstances,
 1724 those requirements govern. If articles of incorporation or
 1725 bylaws prescribe ~~notice~~ requirements for notices or other
 1726 communications not less stringent than the requirements of this
 1727 section or other provisions of this act, those requirements
 1728 govern. The articles of incorporation or bylaws may authorize or
 1729 require delivery of notices of meetings of directors by
 1730 electronic transmission.

1731 (12) In the event that any provisions of this chapter are
 1732 deemed to modify, limit, or supersede the federal Electronic
 1733 Signatures in Global and National Commerce Act, 15 U.S.C. s.
 1734 7001 et seq., the provisions of this chapter shall control to
 1735 the maximum extent permitted by section 102(a)(2) of that
 1736 federal act.

1737 Section 15. Section 607.0143, Florida Statutes, is created
 1738 to read:

1739 607.0143 Qualified director.-

1740 (1) A "qualified director" is a director who, at the time

Page 60 of 458

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590-03467A-19

2019892c2

1741 action is to be taken under:

1742 (a) Section 607.0744, does not have a material interest in
 1743 the outcome of the proceeding or a material relationship with a
 1744 person who has such an interest;

1745 (b) Section 607.0832, is not a director as to whom the
 1746 transaction is a director's conflict of interest transaction, or
 1747 who has a material relationship with another director as to whom
 1748 the transaction is a director's conflict of interest
 1749 transaction; or

1750 (c) Section 607.0853 or s. 607.0855:

1751 1. Is not a party to the proceeding;

1752 2. Is not a director as to whom a transaction is a
 1753 director's conflict of interest transaction, which transaction
 1754 is challenged in the proceeding; and

1755 3. Does not have a material relationship with a director
 1756 who is disqualified by virtue of not meeting the requirements of
 1757 subparagraph 1. or subparagraph 2.

1758 (2) For purposes of this section:

1759 (a) "Material relationship" means a familial, financial,
 1760 professional, employment, or other relationship that would
 1761 reasonably be expected to impair the objectivity of the
 1762 director's judgment when participating in the action to be
 1763 taken.

1764 (b) "Material interest" means an actual or potential
 1765 benefit or detriment, other than one which would devolve on the
 1766 corporation or the shareholders generally, that would reasonably
 1767 be expected to impair the objectivity of the director's judgment
 1768 when participating in the action to be taken.

1769 (3) The presence of one or more of the following

Page 61 of 458

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590-03467A-19

2019892c2

1770 circumstances does not automatically prevent a director from
 1771 being a qualified director:

1772 (a) Nomination or election of the director to the current
 1773 board by any director who is not a qualified director with
 1774 respect to the matter, or by any person that has a material
 1775 relationship with that director, acting alone or participating
 1776 with others;

1777 (b) Service as a director of another corporation of which a
 1778 director who is not a qualified director with respect to the
 1779 matter, or any individual who has a material relationship with
 1780 that director, is or was also a director; or

1781 (c) With respect to action pursuant to s. 607.0744, status
 1782 as a named defendant, as a director against whom action is
 1783 demand, or as a director who approved the conduct being
 1784 challenged.

1785 Section 16. Section 607.0201, Florida Statutes, is amended
 1786 to read:

1787 607.0201 Incorporators.—One or more persons may act as the
 1788 incorporator or incorporators of a corporation by delivering
 1789 articles of incorporation to the department ~~of State~~ for filing.

1790 Section 17. Section 607.0202, Florida Statutes, is amended
 1791 to read:

1792 607.0202 Articles of incorporation; content.—

1793 (1) The articles of incorporation must set forth:

1794 (a) A corporate name for the corporation that satisfies the
 1795 requirements of s. 607.0401;

1796 (b) The street address of the initial principal office and,
 1797 if different, the mailing address of the corporation;

1798 (c) The number of shares the corporation is authorized to

Page 62 of 458

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590-03467A-19

2019892c2

1799 issue;

1800 ~~(d) If any preemptive rights are to be granted to~~
 1801 ~~shareholders, the provision therefor;~~

1802 ~~(d)(e)~~ The street address of the corporation's initial
 1803 registered office and the name of its initial registered agent
 1804 at that office together with a written acceptance as required in
 1805 s. 607.0501(3); and

1806 ~~(e)(f)~~ The name and address of each incorporator.

1807 (2) The articles of incorporation may set forth:

1808 (a) The names and addresses of the individuals who are to
 1809 serve as the initial directors;

1810 (b) Provisions not inconsistent with law regarding:

1811 1. The purpose or purposes for which the corporation is
 1812 organized;

1813 2. Managing the business and regulating the affairs of the
 1814 corporation;

1815 3. Defining, limiting, and regulating the powers of the
 1816 corporation and its board of directors and shareholders;

1817 4. A par value for authorized shares or classes of shares;

1818 5. The imposition of personal liability on shareholders for
 1819 the debts of the corporation to a specified extent and upon
 1820 specified conditions; and

1821 6. Exclusive forum provisions to the extent allowed by s.
 1822 607.0208;

1823 (c) Provisions for granting any preemptive rights to
 1824 shareholders; and

1825 (d) Any provision that under this chapter act is required
 1826 or permitted to be set forth in the bylaws.

1827 (3) The articles of incorporation need not set forth any of

Page 63 of 458

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590-03467A-19

2019892c2

1828 the corporate powers enumerated in this chapter act.

1829 (4) Provisions of the articles of incorporation may be made
 1830 dependent upon facts objectively ascertainable outside the
 1831 articles of incorporation in accordance with s. 607.0120(11).

1832 (5) The articles of incorporation may not contain any
 1833 provision that would impose liability on a shareholder for the
 1834 attorney fees or expenses of the corporation or any other party
 1835 in connection with an internal corporate claim, as defined in s.
 1836 607.0208.

1837 Section 18. Subsection (2) of section 607.0203, Florida
 1838 Statutes, is amended to read:

1839 607.0203 Incorporation.—

1840 (2) The ~~department's~~ Department of State's filing of the
 1841 articles of incorporation is conclusive proof that the
 1842 incorporators satisfied all conditions precedent to
 1843 incorporation except in a proceeding by the state to cancel or
 1844 revoke the incorporation or administratively involuntarily
 1845 dissolve the corporation.

1846 Section 19. Section 607.0204, Florida Statutes, is amended
 1847 to read:

1848 607.0204 Liability for preincorporation transactions.—All
 1849 persons purporting to act as or on behalf of a corporation,
 1850 ~~knowing having actual knowledge~~ that there was no incorporation
 1851 under this chapter, are jointly and severally liable for all
 1852 liabilities created while so acting ~~except for any liability to~~
 1853 ~~any person who also had actual knowledge that there was no~~
 1854 ~~incorporation.~~

1855 Section 20. Subsections (1), (2), and (3) of section
 1856 607.0205, Florida Statutes, are amended to read:

Page 64 of 458

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590-03467A-19

2019892c2

1857 607.0205 Organizational meeting of directors.-

1858 (1) After incorporation:

1859 (a) If initial directors are named in the articles of
1860 incorporation, the initial directors shall hold an
1861 organizational meeting, at the call of a majority of the
1862 directors, to complete the organization of the corporation by
1863 appointing officers, adopting bylaws, and carrying on any other
1864 business brought before the meeting;

1865 (b) If initial directors are not named in the articles of
1866 incorporation, the incorporators shall hold an organizational
1867 meeting at the call of a majority of the incorporators:

1868 1. To elect directors and complete the organization of the
1869 corporation; or

1870 2. To elect a board of directors who shall complete the
1871 organization of the corporation.

1872 (2) Action required or permitted by this chapter ~~act~~ to be
1873 taken by incorporators or directors at an organizational meeting
1874 may be taken without a meeting if the action taken is evidenced
1875 by one or more written consents describing the action taken and
1876 signed by each incorporator or director.

1877 (3) The directors or incorporators calling the
1878 organizational meeting shall give at least 2 ~~3~~ days' notice
1879 thereof to each director or incorporator so named, stating the
1880 time and place of the meeting.

1881 Section 21. Subsection (2) of section 607.0206, Florida
1882 Statutes, is amended, and subsections (3) through (6) are added
1883 to that section, to read:

1884 607.0206 Bylaws.-

1885 (2) The bylaws of a corporation may contain any provision

Page 65 of 458

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590-03467A-19

2019892c2

1886 that is not inconsistent with law or the articles of
1887 incorporation, including the provisions described in subsections
1888 (3) and (4) for managing the business and regulating the affairs
1889 of the corporation that is not inconsistent with law or the
1890 articles of incorporation.

1891 (3) The bylaws of a corporation may contain one or both of
1892 the following provisions:

1893 (a) A requirement that if the corporation solicits proxies
1894 or consents with respect to an election of directors, the
1895 corporation include in its proxy statement and any form of its
1896 proxy or consent, to the extent and subject to such procedures
1897 or conditions as are provided in the bylaws, one or more
1898 individuals nominated by a shareholder in addition to
1899 individuals nominated by the board of directors.

1900 (b) A requirement that the corporation reimburse the
1901 expenses incurred by a shareholder in soliciting proxies or
1902 consents in connection with an election of directors, to the
1903 extent and subject to such procedures and conditions as are
1904 provided in the bylaws, provided that no bylaw so adopted shall
1905 apply to elections for which any record date precedes its
1906 adoption.

1907 (4) The bylaws of a corporation may contain exclusive forum
1908 provisions to the extent allowed by s. 607.0208.

1909 (5) Notwithstanding s. 607.1020(1)(b), the shareholders in
1910 amending, repealing, or adopting a bylaw described in subsection
1911 (3) may not limit the authority of the board of directors to
1912 amend or repeal any condition or procedure set forth in, or to
1913 add any procedure or condition to, such a bylaw to provide for a
1914 reasonable, practical, and orderly process.

Page 66 of 458

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590-03467A-19

2019892c2

1915 (6) The bylaws may not contain any provision that would
 1916 impose liability on a shareholder for the attorney fees or
 1917 expenses of the corporation or any other party in connection
 1918 with an internal corporate claim, as defined in s. 607.0208.

1919 Section 22. Subsections (1), (3), (4), and (5) of section
 1920 607.0207, Florida Statutes, are amended to read:

1921 607.0207 Emergency bylaws.—

1922 (1) Unless the articles of incorporation provide otherwise,
 1923 the board of directors ~~of a corporation~~ may adopt bylaws to be
 1924 effective only in an emergency defined in subsection (5). The
 1925 emergency bylaws, which are subject to amendment or repeal by
 1926 the shareholders, may make all provisions necessary for managing
 1927 the corporation during an emergency, including:

1928 (a) Procedures for calling a meeting of the board of
 1929 directors;

1930 (b) Quorum requirements for the meeting; and

1931 (c) Designation of additional or substitute directors.

1932 (3) All provisions of the regular bylaws not inconsistent
 1933 ~~consistent~~ with the emergency bylaws remain effective during the
 1934 emergency. The emergency bylaws are not effective after the
 1935 emergency ends.

1936 (4) Corporate action taken in good faith in accordance with
 1937 the emergency bylaws:

1938 (a) Binds the corporation; and

1939 (b) May not be used to impose liability on a ~~corporate~~
 1940 director, officer, employee, or agent of the corporation.

1941 (5) An emergency exists for purposes of this section if a
 1942 quorum of the board of corporation's ~~corporation's~~ directors cannot readily be
 1943 assembled because of some catastrophic event.

Page 67 of 458

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590-03467A-19

2019892c2

1944 Section 23. Section 607.0208, Florida Statutes, is created
 1945 to read:

1946 607.0208 Forum selection.—

1947 (1) The articles of incorporation or the bylaws may require
 1948 that any or all internal corporate claims be brought exclusively
 1949 in any specified court or courts of this state and, if so
 1950 specified, in any additional courts in this state or in any
 1951 other jurisdictions with which the corporation has a reasonable
 1952 relationship.

1953 (2) A provision of the articles of incorporation or bylaws
 1954 adopted under subsection (1) does not have the effect of
 1955 conferring jurisdiction on any court or over any person or
 1956 claim, and does not apply if none of the courts specified by
 1957 such provision has the requisite personal and subject matter
 1958 jurisdiction. If the court or courts in this state specified in
 1959 a provision adopted under subsection (1) do not have the
 1960 requisite personal and subject matter jurisdiction and another
 1961 court in this state does have such jurisdiction, then the
 1962 internal corporate claim may be brought in such other court,
 1963 notwithstanding that such other court is not specified in such
 1964 provision, or in any other court outside the state specified in
 1965 such provision that has the requisite jurisdiction.

1966 (3) No provision of the articles of incorporation or the
 1967 bylaws may prohibit bringing an internal corporate claim in all
 1968 courts in this state or require such claims to be determined by
 1969 arbitration.

1970 (4) For the purposes of this section, "Internal corporate
 1971 claim" means:

1972 (a) Any claim that is based upon a violation of a duty

Page 68 of 458

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590-03467A-19

2019892c2

1973 under the laws of this state by a current or former director,
 1974 officer, or shareholder in such capacity;

1975 (b) Any derivative action or proceeding brought on behalf
 1976 of the corporation;

1977 (c) Any action asserting a claim arising pursuant to this
 1978 chapter or the articles of incorporation or bylaws; or

1979 (d) Any action asserting a claim governed by the internal
 1980 affairs doctrine that is not included in paragraphs (a), (b), or
 1981 (c).

1982 Section 24. Section 607.0301, Florida Statutes, is amended
 1983 to read:

1984 607.0301 Purposes and application.—

1985 (1) Every corporation incorporated under this chapter has
 1986 the purpose of engaging in any lawful business unless a more
 1987 limited purpose is set forth in the articles of incorporation.

1988 (2) A corporation engaging in a business that is subject to
 1989 regulation under another statute of this state may incorporate
 1990 under this chapter only if permitted by, and subject to all
 1991 limitations of, the other statute.

1992 (3) Corporations may be organized under this act for any
 1993 lawful purpose or purposes, and The provisions of this chapter
 1994 act extend to all corporations, whether chartered by special
 1995 acts or general laws, except that special statutes for the
 1996 regulation and control of types of business and corporations
 1997 shall control when in conflict herewith.

1998 Section 25. Section 607.0302, Florida Statutes, is amended
 1999 to read:

2000 607.0302 General powers.—Unless its articles of
 2001 incorporation provide otherwise, every corporation has perpetual

Page 69 of 458

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590-03467A-19

2019892c2

2002 duration and succession in its corporate name and has the same
 2003 powers as an individual to do all things necessary or convenient
 2004 to carry out its business and affairs, including ~~without~~
 2005 ~~limitation~~ power:

2006 (1) To sue and be sued, complain, and defend in its
 2007 corporate name;

2008 (2) To have a corporate seal, which may be altered at will
 2009 and to use it or a facsimile of it, by impressing or affixing it
 2010 or in any other manner reproducing it;

2011 (3) To purchase, receive, lease, or otherwise acquire, and
 2012 own, hold, improve, use, and otherwise deal with real or
 2013 personal property or any legal or equitable interest in property
 2014 wherever located;

2015 (4) To sell, convey, mortgage, pledge, create a security
 2016 interest in, lease, exchange, and otherwise dispose of all or
 2017 any part of its property;

2018 (5) To lend money to, and use its credit to assist, its
 2019 officers and employees in accordance with s. 607.0833;

2020 (6) To purchase, receive, subscribe for, or otherwise
 2021 acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or
 2022 otherwise dispose of; and deal in and with shares or other
 2023 interests in, or obligations of, any other entity;

2024 (7) To make contracts and guarantees, incur liabilities,
 2025 borrow money, issue its notes, bonds, and other securities and
 2026 obligations (which may be convertible into or include the option
 2027 to purchase other securities of the corporation), and secure any
 2028 of its obligations by mortgage or pledge of any of its property,
 2029 franchises, or and income and make contracts of guaranty and
 2030 suretyship which are necessary or convenient to the conduct,

Page 70 of 458

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590-03467A-19

2019892c2

2031 promotion, or attainment of the business of a corporation the
 2032 majority of the outstanding shares ~~steek~~ of which is owned,
 2033 directly or indirectly, by the contracting corporation; a
 2034 corporation which owns, directly or indirectly, a majority of
 2035 the outstanding shares ~~steek~~ of the contracting corporation; or
 2036 a corporation the majority of the outstanding shares ~~steek~~ of
 2037 which is owned, directly or indirectly, by a corporation which
 2038 owns, directly or indirectly, the majority of the outstanding
 2039 shares ~~steek~~ of the contracting corporation, which contracts of
 2040 guaranty and suretyship shall be deemed to be necessary or
 2041 convenient to the conduct, promotion, or attainment of the
 2042 business of the contracting corporation, and make other
 2043 contracts of guaranty and suretyship which are necessary or
 2044 convenient to the conduct, promotion, or attainment of the
 2045 business of the contracting corporation;

2046 (8) To lend money, invest and reinvest its funds, and
 2047 receive and hold real and personal property as security for
 2048 repayment;

2049 (9) To conduct its business, locate offices, and exercise
 2050 the powers granted by this chapter ~~act~~ within or without this
 2051 state;

2052 (10) To elect directors and appoint officers, employees,
 2053 and agents of the corporation and define their duties, fix their
 2054 compensation, and lend them money and credit;

2055 (11) To make and amend bylaws, not inconsistent with its
 2056 articles of incorporation or with the laws of this state, for
 2057 managing the business and regulating the affairs of the
 2058 corporation;

2059 (12) To make donations for the public welfare or for

Page 71 of 458

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590-03467A-19

2019892c2

2060 charitable, scientific, or educational purposes;

2061 (13) To transact any lawful business that will aid
 2062 governmental policy;

2063 (14) To make payments or donations or do any other act not
 2064 inconsistent with law that furthers the business and affairs of
 2065 the corporation;

2066 (15) To pay pensions and establish pension plans, pension
 2067 trusts, profit-sharing plans, share bonus plans, share option
 2068 plans, and benefit or incentive plans for any or all of its
 2069 current or former directors, officers, employees, and agents and
 2070 for any or all of the current or former directors, officers,
 2071 employees, and agents of its subsidiaries;

2072 (16) To provide insurance for its benefit on the life of
 2073 any of its directors, officers, or employees, or on the life of
 2074 any shareholder for the purpose of acquiring at his or her death
 2075 shares of its stock owned by the shareholder or by the spouse or
 2076 children of the shareholder; and

2077 (17) To be a promoter, incorporator, partner, member,
 2078 associate, or manager of any corporation, partnership, joint
 2079 venture, trust, or other entity.

2080 Section 26. Subsections (3), (4), and (5) of section
 2081 607.0303, Florida Statutes, are amended to read:
 2082 607.0303 Emergency powers.—
 2083 (3) Corporate action taken in good faith during an
 2084 emergency under this section to further the ordinary business
 2085 affairs of the corporation:

2086 (a) Binds the corporation; and
 2087 (b) May not be used to impose liability on a ~~corporate~~
 2088 director, officer, employee, or agent of the corporation.

Page 72 of 458

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590-03467A-19

2019892c2

2089 (4) No officer, director, or employee acting in accordance
2090 with any emergency bylaws shall be liable except for willful or
2091 intentional misconduct.

2092 (5) An emergency exists for purposes of this section if a
2093 quorum of the board of corporation's directors cannot readily be
2094 assembled because of some catastrophic event.

2095 Section 27. Section 607.0304, Florida Statutes, is amended
2096 to read:

2097 607.0304 Lack of power to act Ultra vires.—

2098 (1) Except as provided in subsection (2), the validity of
2099 corporate action, including, but not limited to, any conveyance,
2100 transfer, or encumbrance of real or personal property to or by a
2101 corporation, may not be challenged on the ground that the
2102 corporation lacks or lacked power to act.

2103 (2) A corporation's power to act may be challenged:

2104 (a) In a proceeding by a shareholder against the
2105 corporation to enjoin the act;

2106 (b) In a proceeding by the corporation, directly,
2107 derivatively, or through a receiver, trustee, or other legal
2108 representative, or through shareholders in a representative
2109 suit, against an incumbent or former director, officer,
2110 employee, or agent of the corporation; or

2111 (c) In a proceeding by the Department of Legal Affairs
2112 pursuant to s. 607.1403 or Attorney General, as provided in this
2113 act, to dissolve the corporation or in a proceeding by the
2114 Attorney General to enjoin the corporation from the transaction
2115 of unauthorized business.

2116 (3) In a shareholder's proceeding under paragraph (2) (a) to
2117 enjoin an unauthorized corporate act, the court may enjoin or

590-03467A-19

2019892c2

2118 set aside the act, if equitable and if all affected persons are
2119 parties to the proceeding, and may award damages for loss (other
2120 than anticipated profits) suffered by the corporation or another
2121 party because of enjoining the unauthorized act.

2122 Section 28. Section 607.0401, Florida Statutes, is amended
2123 to read:

2124 607.0401 Corporate name.—

2125 (1) A corporate name:

2126 (a) ~~(1)~~ Must contain the word "corporation," "company," or
2127 "incorporated" or the abbreviation "Corp.," or "Inc.," or "Co.,"
2128 or the designation "Corp.," or "Inc.," or "Co.," as will clearly
2129 indicate that it is a corporation instead of a natural person,
2130 partnership, or other eligible business entity.

2131 (b) ~~(2)~~ May not contain language stating or implying that
2132 the corporation is organized for a purpose other than that
2133 permitted in this chapter act and its articles of incorporation.

2134 (c) ~~(3)~~ May not contain language stating or implying that
2135 the corporation is connected with a state or federal government
2136 agency or a corporation or other entity chartered under the laws
2137 of the United States.

2138 (d) ~~(4)~~ Must be distinguishable from the names of all other
2139 entities or filings that are on file with the department
2140 Division of Corporations, except fictitious name registrations
2141 pursuant to s. 865.09, general partnership registrations
2142 pursuant to s. 620.8105, and limited liability partnership
2143 statements pursuant to s. 620.9001 which are organized,
2144 registered, or reserved under the laws of this state. A name
2145 that is different from the name of another entity or filing due
2146 to any of the following is not considered distinguishable:

590-03467A-19

2019892c2

2147 1.(a) A suffix.

2148 2.(b) A definite or indefinite article.

2149 3.(c) The word "and" and the symbol "&."

2150 4.(d) The singular, plural, or possessive form of a word.

2151 ~~(e) A recognized abbreviation of a root word.~~

2152 5.(f) A punctuation mark or a symbol.

2153 (2) Notwithstanding the foregoing, a corporation may

2154 register under a name that is not otherwise distinguishable on

2155 the records of the department with the written consent of the

2156 other entity if the consent is filed with the department at the

2157 time of registration of such name and if such name is not

2158 identical to the name of the other entity.

2159 ~~(3)(5) A corporate name~~ as filed with the department ~~of~~

2160 ~~state,~~ is for public notice only and does not alone create any

2161 presumption of ownership beyond that which is created under the

2162 common law.

2163 (4) This chapter does not control the use of fictitious

2164 names.

2165 Section 29. Section 607.04021, Florida Statutes, is created

2166 to read:

2167 607.04021 Reserved name.—

2168 (1) A person may reserve the exclusive use of a corporate

2169 name, including an alternate name for a foreign corporation

2170 whose corporate name is not available, by delivering an

2171 application to the department for filing. The application must

2172 set forth the name and address of the applicant and the name

2173 proposed to be reserved. If the department finds that the

2174 corporate name applied for is available, it shall reserve the

2175 name for the exclusive use of the applicant for a nonrenewable

Page 75 of 458

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590-03467A-19

2019892c2

2176 120-day period.

2177 (2) The owner of a reserved corporate name may transfer the

2178 reservation to another person by delivering to the department a

2179 signed notice of the transfer that states the name and address

2180 of the transferee.

2181 (3) The department may revoke any reservation if, after a

2182 hearing, it finds that the application therefor or any transfer

2183 thereof was not made in good faith.

2184 Section 30. Subsections (1), (2), (5), and (6) of section

2185 607.0403, Florida Statutes, are amended to read:

2186 607.0403 Registered name; application; renewal;

2187 revocation.—

2188 (1) A foreign corporation may register its corporate name,

2189 or its corporate name with the any addition of any word or

2190 abbreviation required by s. 607.1506, if the name is

2191 distinguishable upon the records of the department ~~of State~~ from

2192 the corporate names that are not available under s.

2193 607.0401(1)(d) ~~s. 607.0401(4).~~

2194 (2) A foreign corporation registers its corporate name, or

2195 its corporate name with any addition allowed ~~required~~ by s.

2196 607.1506, by delivering to the department ~~of State~~ for filing an

2197 application:

2198 (a) Setting forth such name ~~its corporate name, or its~~

2199 ~~corporate name with any addition required by s. 607.1506, the~~

2200 state or country and date of its incorporation, and a brief

2201 description of the nature of the business that is to be

2202 conducted in this state in which it is engaged; and

2203 (b) Accompanied by a certificate of existence, or a

2204 certificate setting forth that such corporation is in good

Page 76 of 458

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590-03467A-19 2019892c2

2205 standing under the laws of the state or country wherein it is
2206 organized (or a document of similar import), from the state or
2207 country of incorporation.

2208 (5) A foreign corporation the registration of which is
2209 effective may thereafter qualify as a foreign corporation under
2210 the registered name or consent in writing to the use of that
2211 name by a corporation thereafter incorporated under this chapter
2212 ~~act~~ or by another foreign corporation thereafter authorized to
2213 transact business in this state. The registration terminates
2214 when the domestic corporation is incorporated or the foreign
2215 corporation qualifies or consents to the qualification of
2216 another foreign corporation under the registered name.

2217 (6) The department ~~of State~~ may revoke any registration if,
2218 after a hearing, it finds that the application therefor or any
2219 renewal thereof was not made in good faith.

2220 Section 31. Subsections (1), (3), (4), and (5) of section
2221 607.0501, Florida Statutes, are amended, and subsection (7) is
2222 added to that section, to read:

2223 607.0501 Registered office and registered agent.—

2224 (1) Each corporation shall designate ~~have~~ and continuously
2225 maintain in this state:

2226 (a) A registered office which may be the same as its place
2227 of business in this state; and

2228 (b) A registered agent, which must be who may be either:

2229 1. An individual who resides in this state whose business
2230 address ~~office~~ is identical to the address of the ~~with such~~
2231 registered office;

2232 2. Another domestic entity that is an authorized entity and
2233 whose business address is identical to the address of the

590-03467A-19 2019892c2

2234 registered office; or

2235 3. A foreign entity authorized to transact business in this
2236 state which is an authorized entity and whose business address
2237 is identical to the address of the registered office ~~Another~~
2238 ~~corporation or not for profit corporation as defined in chapter~~
2239 ~~617, authorized to transact business or conduct its affairs in~~
2240 ~~this state, having a business office identical with the~~
2241 ~~registered office; or~~

2242 ~~3. A foreign corporation or not for profit foreign~~
2243 ~~corporation authorized pursuant to this chapter or chapter 617~~
2244 ~~to transact business or conduct its affairs in this state,~~
2245 ~~having a business office identical with the registered office.~~

2246 (3) Each initial A registered agent, and each appointed
2247 pursuant to this section or a successor registered agent that is
2248 appointed, shall pursuant to s. 607.0502 on whom process may be
2249 served shall each file a statement in writing with the
2250 department, in the form and manner of State, in such form and
2251 manner as shall be prescribed by the department, accepting the
2252 appointment as a registered agent while simultaneously with his
2253 or her being designated as the registered agent. The. Such
2254 statement of acceptance must provide shall state that the
2255 registered agent is familiar with, and accepts, the obligations
2256 of that position.

2257 (4) The duties of a registered agent are:

2258 (a) To forward to the corporation at the address most
2259 recently supplied to the registered agent by the corporation, a
2260 process, notice, or demand pertaining to the corporation which
2261 is served on or received by the registered agent; and

2262 (b) If the registered agent resigns, to provide the notice

590-03467A-19

2019892c2

2263 required under s. 607.0503 to the corporation at the address
 2264 most recently supplied to the registered agent by the
 2265 corporation.

2266 (5) The department of State shall maintain an accurate
 2267 record of the registered agents and registered office for
 2268 offices for the service of process and shall promptly furnish
 2269 any information disclosed thereby promptly upon request and
 2270 payment of the required fee.

2271 (6)(5) A corporation may not prosecute or maintain an any
 2272 action in a court in this state until the corporation complies
 2273 with this section, pays to the department any amounts required
 2274 under this chapter, and, to the extent ordered by a court of
 2275 competent jurisdiction, with the provisions of this section or
 2276 s. 607.1507, as applicable, and pays to the department of State
 2277 a penalty of \$5 for each day it has failed to so comply or \$500,
 2278 whichever is less.

2279 (7) A court may stay a proceeding commenced by a
 2280 corporation until the corporation complies with this section.

2281 Section 32. Section 607.0502, Florida Statutes, is amended
 2282 to read:

2283 607.0502 Change of registered office or registered agent;
 2284 ~~resignation of registered agent.~~

2285 (1) In order to change its registered agent or registered
 2286 office address, a corporation may deliver to the department for
 2287 filing change its registered office or its registered agent upon
 2288 filing with the Department of State a statement of change
 2289 containing the following setting forth:

2290 (a) The name of the corporation;

2291 (b) The name of its current registered agent. ~~The street~~

590-03467A-19

2019892c2

2292 ~~address of its current registered office;~~

2293 (c) If the current registered agent is to be changed, the
 2294 name of the new registered agent. If the current registered
 2295 office is to be changed, the street address of the new
 2296 registered office;

2297 (d) The street address of its current registered office for
 2298 its current registered agent. The name of its current registered
 2299 agent;

2300 (e) If the street address of the current registered office
 2301 is to be changed, the new street address of the registered
 2302 office in this state If its current registered agent is to be
 2303 changed, the name of the new registered agent and the new
 2304 agent's written consent (either on the statement or attached to
 2305 it) to the appointment;

2306 ~~(f) That the street address of its registered office and~~
 2307 ~~the street address of the business office of its registered~~
 2308 ~~agent, as changed, will be identical;~~

2309 ~~(g) That such change was authorized by resolution duly~~
 2310 ~~adopted by its board of directors or by an officer of the~~
 2311 ~~corporation so authorized by the board of directors.~~

2312 (2) If the registered agent is changed, the written
 2313 acceptance of the successor registered agent described in s.
 2314 607.0501(3) must also be included in or attached to the
 2315 statement of change.

2316 (3) A statement of change is effective when filed by the
 2317 department.

2318 (4) The changes described in this section may also be made
 2319 on the corporation's annual report, in an application for
 2320 reinstatement filed with the department under s. 607.1622, or in

590-03467A-19

2019892c2

2321 ~~an amendment to or restatement of a company's articles of~~
 2322 ~~incorporation in accordance with s. 607.1006 or s. 607.1007. Any~~
 2323 ~~registered agent may resign his or her agency appointment by~~
 2324 ~~signing and delivering for filing with the Department of State a~~
 2325 ~~statement of resignation and mailing a copy of such statement to~~
 2326 ~~the corporation at its principal office address shown in its~~
 2327 ~~most recent annual report or, if none, filed in the articles of~~
 2328 ~~incorporation or other most recently filed document. The~~
 2329 ~~statement of resignation shall state that a copy of such~~
 2330 ~~statement has been mailed to the corporation at the address so~~
 2331 ~~stated. The agency is terminated as of the 31st day after the~~
 2332 ~~date on which the statement was filed and unless otherwise~~
 2333 ~~provided in the statement, termination of the agency acts as a~~
 2334 ~~termination of the registered office.~~

2335 ~~(3) If a registered agent changes his or her business name~~
 2336 ~~or business address, he or she may change such name or address~~
 2337 ~~and the address of the registered office of any corporation for~~
 2338 ~~which he or she is the registered agent by:~~

2339 ~~(a) Notifying all such corporations in writing of the~~
 2340 ~~change,~~

2341 ~~(b) Signing (either manually or in facsimile) and~~
 2342 ~~delivering to the Department of State for filing a statement~~
 2343 ~~that substantially complies with the requirements of paragraphs~~
 2344 ~~(1)(a)-(f), setting forth the names of all such corporations~~
 2345 ~~represented by the registered agent, and~~

2346 ~~(c) Reciting that each corporation has been notified of the~~
 2347 ~~change.~~

2348 ~~(4) Changes of the registered office or registered agent~~
 2349 ~~may be made by a change on the corporation's annual report form~~

Page 81 of 458

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590-03467A-19

2019892c2

2350 ~~filed with the Department of State.~~

2351 ~~(5) The Department of State shall collect a fee pursuant to~~
 2352 ~~s. 15.09(2) for the filings authorized under this section.~~

2353 Section 33. Section 607.0503, Florida Statutes, is created
 2354 to read:

2355 607.0503 Resignation of registered agent.—

2356 (1) A registered agent may resign as agent for a
 2357 corporation by delivering to the department for filing a signed
 2358 statement of resignation containing the name of the corporation.

2359 (2) After delivering the statement of resignation to the
 2360 department for filing, the registered agent must promptly mail a
 2361 copy to the corporation at its current mailing address.

2362 (3) A registered agent is terminated upon the earlier of:

2363 (a) The 31st day after the department files the statement
 2364 of resignation; or

2365 (b) When a statement of change or other record designating
 2366 a new registered agent is filed by the department.

2367 (4) When a statement of resignation takes effect, the
 2368 registered agent ceases to have responsibility for a matter
 2369 thereafter tendered to it as agent for the corporation. The
 2370 resignation does not affect contractual rights that the
 2371 corporation has against the agent or that the agent has against
 2372 the corporation.

2373 (5) A registered agent may resign from a corporation
 2374 regardless of whether the corporation has active status.

2375 Section 34. Section 607.05031, Florida Statutes, is created
 2376 to read:

2377 607.05031 Change of name or address by registered agent.—

2378 (1) If a registered agent changes its name or address, the

Page 82 of 458

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590-03467A-19

2019892c2

2379 agent may deliver to the department for filing a statement of
 2380 change that provides the following:

2381 (a) The name of the corporation represented by the
 2382 registered agent.

2383 (b) The name of the registered agent as currently shown in
 2384 the records of the department for the corporation.

2385 (c) If the name of the registered agent has changed, its
 2386 new name.

2387 (d) If the address of the registered agent has changed, the
 2388 new address.

2389 (e) A statement that the registered agent has given the
 2390 notice required under subsection (2).

2391 (2) A registered agent shall promptly furnish notice of the
 2392 statement of change and the changes made by the statement filed
 2393 with the department to the represented corporation.

2394 Section 35. Section 607.05032, Florida Statutes, is created
 2395 to read:

2396 607.05032 Delivery of notice or other communication.—

2397 (1) Except as otherwise provided in this chapter,
 2398 permissible means of delivery of a notice or other communication
 2399 includes delivery by hand, the United States Postal Service, a
 2400 commercial delivery service, and electronic transmission, all as
 2401 more particularly described in s. 607.0141.

2402 (2) Except as provided in subsection (3), delivery to the
 2403 department is effective only when a notice or other
 2404 communication is received by the department.

2405 (3) If a check is mailed to the department for payment of
 2406 an annual report fee or the annual supplemental fee required
 2407 under s. 607.193 and the check is received by the department,

590-03467A-19

2019892c2

2408 the check shall be deemed to have been received by the
 2409 department as of the postmark date appearing on the envelope or
 2410 package transmitting the check.

2411 Section 36. Section 607.0504, Florida Statutes, is amended
 2412 to read:

2413 607.0504 Service of process, notice, or demand on a
 2414 corporation.—

2415 (1) A corporation may be served with process required or
 2416 authorized by law by serving on its registered agent.

2417 (2) If a corporation ceases to have a registered agent or
 2418 if its registered agent cannot with reasonable diligence be
 2419 served, the process required or permitted by law may instead be
 2420 served on the chair of the board, the president, any vice
 2421 president, the secretary, or the treasurer of the corporation at
 2422 the principal office of the corporation in this state.

2423 (3) If the process cannot be served on a corporation
 2424 pursuant to subsection (1) or subsection (2), the process may be
 2425 served on the secretary of state as an agent of the corporation.

2426 (4) Service of process on the secretary of state shall be
 2427 made by delivering to and leaving with the department duplicate
 2428 copies of the process.

2429 (5) Service is effectuated under subsection (3) on the date
 2430 shown as received by the department.

2431 (6) The department shall keep a record of each process
 2432 served on the secretary of state pursuant to this subsection and
 2433 record the time of and the action taken regarding the service.

2434 (7) Any notice or demand on a corporation under this
 2435 chapter may be given or made to the chair of the board, the
 2436 president, any vice president, the secretary, or the treasurer

590-03467A-19

2019892c2

2437 of the corporation; to the registered agent of the corporation
 2438 at the registered office of the corporation in this state; or to
 2439 any other address in this state that is in fact the principal
 2440 office of the corporation in this state.

2441 (8) This section does not affect the right to serve
 2442 process, give notice, or make a demand in any other manner
 2443 provided by law. Process against any corporation may be served in
 2444 accordance with chapter 48 or chapter 49.

2445 ~~(2) Any notice to or demand on a corporation under this act~~
 2446 ~~may be made to the chair of the board, the president, any vice~~
 2447 ~~president, the secretary, or the treasurer; to the registered~~
 2448 ~~agent of the corporation at the registered office of the~~
 2449 ~~corporation in this state; or to any other address in this state~~
 2450 ~~that is in fact the principal office of the corporation in this~~
 2451 ~~state.~~

2452 ~~(3) This section does not prescribe the only means, or~~
 2453 ~~necessarily the required means, of serving notice or demand on a~~
 2454 ~~corporation.~~

2455 Section 37. Paragraph (a) of subsection (1) and subsections
 2456 (5), (6), (10), and (12) of section 607.0505, Florida Statutes,
 2457 are amended to read:

2458 607.0505 Registered agent; duties.—

2459 (1) (a) Each corporation, foreign corporation, or alien
 2460 business organization that owns real property located in this
 2461 state, that owns a mortgage on real property located in this
 2462 state, or that transacts business in this state shall have and
 2463 continuously maintain in this state a registered office and a
 2464 registered agent and shall file with the department ~~of State~~
 2465 notice of the registered office and registered agent as provided

590-03467A-19

2019892c2

2466 in ss. 607.0501 and 607.0502. The appointment of a registered
 2467 agent in compliance with s. 607.0501 or s. 607.1507 is
 2468 sufficient for purposes of this section provided the registered
 2469 agent so appointed files, in such form and manner as prescribed
 2470 by the department ~~of State~~, an acceptance of the obligations
 2471 provided for in this section.

2472 (5) If a corporation, foreign corporation, or alien
 2473 business organization fails without lawful excuse to comply
 2474 timely or fully with a subpoena issued pursuant to subsection
 2475 (2), the Department of Legal Affairs may file an action in the
 2476 circuit court for the judicial circuit in which the corporation,
 2477 foreign corporation, or alien business organization is found or
 2478 transacts business or in which real property belonging to the
 2479 corporation, foreign corporation, or alien business organization
 2480 is located, for an order compelling compliance with the
 2481 subpoena. The failure without a lawful excuse to comply timely
 2482 or fully with an order compelling compliance with the subpoena
 2483 will result in a civil penalty of not more than \$1,000 for each
 2484 day of noncompliance with the order. In connection with such
 2485 proceeding, the Department of Legal Affairs may, without prior
 2486 approval by the court, file a lis pendens against real property
 2487 owned by the corporation, foreign corporation, or alien business
 2488 organization, which lis pendens shall set forth the legal
 2489 description of the real property and shall be filed in the
 2490 public records of the county where the real property is located.
 2491 If the lis pendens is filed in any county other than the county
 2492 in which the action is pending, the lis pendens which is filed
 2493 must be a certified copy of the original lis pendens. A judgment
 2494 or an order of payment entered pursuant to this subsection will

590-03467A-19

2019892c2

2495 become a judgment lien against any real property owned by the
 2496 corporation, foreign corporation, or alien business organization
 2497 when a certified copy of the judgment or order is recorded as
 2498 required by s. 55.10. The Department of Legal Affairs will be
 2499 able to avail itself of, and is entitled to use, any provision
 2500 of law or of the Florida Rules of Civil Procedure to further the
 2501 collecting or obtaining of payment pursuant to a judgment or
 2502 order of payment. The state, through the Attorney General, may
 2503 bid, at any judicial sale to enforce its judgment lien, an
 2504 amount up to the amount of the judgment or lien obtained
 2505 pursuant to this subsection. All moneys recovered under this
 2506 subsection shall be treated as forfeitures under ss. 895.01-
 2507 895.09 and used or distributed in accordance with the procedure
 2508 set forth in s. 895.09.

2509 (6) Information provided to, and records and transcriptions
 2510 of testimony obtained by, the Department of Legal Affairs
 2511 pursuant to this section are confidential and exempt from the
 2512 provisions of s. 119.07(1) while the investigation is active.
 2513 For purposes of this section, an investigation shall be
 2514 considered "active" while such investigation is being conducted
 2515 with a reasonable, good faith belief that it may lead to the
 2516 filing of an administrative, civil, or criminal proceeding. An
 2517 investigation does not cease to be active so long as the
 2518 Department of Legal Affairs is proceeding with reasonable
 2519 dispatch and there is a good faith belief that action may be
 2520 initiated by the Department of Legal Affairs or other
 2521 administrative or law enforcement agency. Except for active
 2522 criminal intelligence or criminal investigative information, as
 2523 defined in s. 119.011, and information which, if disclosed,

Page 87 of 458

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590-03467A-19

2019892c2

2524 would reveal a trade secret, as defined in s. 688.002, or would
 2525 jeopardize the safety of an individual, all information,
 2526 records, and transcriptions become public record when the
 2527 investigation is completed or ceases to be active. The
 2528 Department of Legal Affairs shall not disclose confidential
 2529 information, records, or transcriptions of testimony except
 2530 pursuant to the authorization by the Attorney General in any of
 2531 the following circumstances:

2532 (a) To a law enforcement agency participating in or
 2533 conducting a civil investigation under chapter 895, or
 2534 participating in or conducting a criminal investigation.

2535 (b) In the course of filing, participating in, or
 2536 conducting a judicial proceeding instituted pursuant to this
 2537 section or chapter 895.

2538 (c) In the course of filing, participating in, or
 2539 conducting a judicial proceeding to enforce an order or judgment
 2540 entered pursuant to this section or chapter 895.

2541 (d) In the course of a criminal or civil proceeding.

2542
 2543 A person or law enforcement agency which receives any
 2544 information, record, or transcription of testimony that has been
 2545 made confidential by this subsection shall maintain the
 2546 confidentiality of such material and shall not disclose such
 2547 information, record, or transcription of testimony except as
 2548 provided for herein. Any person who willfully discloses any
 2549 information, record, or transcription of testimony that has been
 2550 made confidential by this subsection, except as provided for
 2551 herein, is guilty of a misdemeanor of the first degree,
 2552 punishable as provided in s. 775.082 or s. 775.083. If any

Page 88 of 458

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590-03467A-19

2019892c2

2553 information, record, or testimony obtained pursuant to
 2554 subsection (2) is offered in evidence in any judicial
 2555 proceeding, the court may, in its discretion, seal that portion
 2556 of the record to further the policies of confidentiality set
 2557 forth herein.

2558 (10) The designation of a registered agent and a registered
 2559 office as required by subsection (1) for a corporation, foreign
 2560 corporation, or alien business organization which owns real
 2561 property in this state or a mortgage on real property in this
 2562 state is solely for the purposes of this chapter act; and,
 2563 notwithstanding s. 48.181, s. 607.1502, s. 607.1503, or any
 2564 other relevant section of the Florida Statutes, such designation
 2565 shall not be used in determining whether the corporation,
 2566 foreign corporation, or alien business organization is actually
 2567 doing business in this state.

2568 (12) Any alien business organization may withdraw its
 2569 registered agent designation by delivering an application for
 2570 certificate of withdrawal to the department ~~of State~~ for filing.
 2571 Such application shall set forth:

2572 (a) The name of the alien business organization and the
 2573 jurisdiction under the law of which it is incorporated or
 2574 organized.

2575 (b) That it is no longer required to maintain a registered
 2576 agent in this state.

2577 Section 38. Section 607.0601, Florida Statutes, is amended
 2578 to read:

2579 607.0601 Authorized shares.—

2580 (1) The articles of incorporation must set forth any
 2581 ~~prescribe the~~ classes of shares and series of shares within a

590-03467A-19

2019892c2

2582 class, and the number of shares of each class and series, that
 2583 the corporation is authorized to issue. If more than one class
 2584 or series of shares is authorized, the articles of incorporation
 2585 must prescribe a distinguishing designation for each class or
 2586 series, and ~~before~~ prior to the issuance of shares of a class or
 2587 series, describe the terms, including the preferences,
 2588 limitations, and relative rights of that class or series ~~must be~~
 2589 ~~described in the articles of incorporation~~. All shares of a
 2590 class or series must have terms, including preferences,
 2591 limitations, and relative rights, identical with those of other
 2592 shares of the same class or series, except to the extent
 2593 otherwise permitted by this section, s. 607.0602, or s.
 2594 607.0624.

2595 (2) The articles of incorporation must authorize:

2596 (a) One or more classes or series of shares that together
 2597 have unlimited voting rights, and

2598 (b) One or more classes or series of shares (which may be
 2599 the same class or classes or series as those with voting rights)
 2600 that together are entitled to receive the net assets of the
 2601 corporation upon dissolution.

2602 (3) The articles of incorporation may authorize one or more
 2603 classes or series of shares that:

2604 (a) Have special, conditional, or limited voting rights, or
 2605 no right to vote, except to the extent otherwise provided
 2606 ~~prohibited~~ by this chapter act;

2607 (b) Are redeemable or convertible as specified in the
 2608 articles of incorporation:

2609 1. At the option of the corporation, the shareholder, or
 2610 another person or upon the occurrence of a specified designated

590-03467A-19

2019892c2

2611 event;

2612 2. For cash, indebtedness, securities, or other property;

2613 or

2614 3. At prices and in an amount specified, or determined, in
 2615 accordance with a formula in a designated amount or in an amount
 2616 determined in accordance with a designated formula or by
 2617 reference to extrinsic data or events;

2618 (c) Entitle the holders to distributions calculated in any
 2619 manner, including dividends that may be cumulative,
 2620 noncumulative, or partially cumulative;

2621 (d) Have preference over any other class or series of
 2622 shares with respect to distributions, including ~~dividends and~~
 2623 distributions upon the dissolution of the corporation.

2624 (4) The description of the designations, preferences,
 2625 limitations, and relative rights of share classes or series in
 2626 subsection (3) is not exhaustive.

2627 (5) The terms of shares may be made dependent on facts
 2628 ascertainable outside the articles of incorporation in
 2629 accordance with s. 607.0120(11).

2630 ~~(6)(5)~~ Shares which are entitled to preference in the
 2631 distribution of dividends or assets shall not be designated as
 2632 common shares. Shares which are not entitled to preference in
 2633 the distribution of dividends or assets shall be common shares
 2634 and shall not be designated as preferred shares.

2635 Section 39. Section 607.0602, Florida Statutes, is amended
 2636 to read:

2637 607.0602 Terms of class or series determined by board of
 2638 directors.-

2639 (1) If the articles of incorporation so provide, the board

Page 91 of 458

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590-03467A-19

2019892c2

2640 of directors is authorized, without shareholder approval, to may
 2641 determine, in whole or part, the preferences, limitations, and
 2642 relative rights (within the limits set forth in s. 607.0601) of:

2643 (a) Classify any unissued class of shares into one or more
 2644 classes or into one or more series within a class; before the
 2645 issuance of any shares of that class, or

2646 (b) Reclassify any unissued shares of any class into one or
 2647 more classes or into one or more series within one or more
 2648 classes; or

2649 (c) Reclassify any unissued shares of any series of any
 2650 class into one or more classes or into one or more series within
 2651 a class before the issuance of any shares of that series.

2652 (2) If the board of directors acts pursuant to subsection
 2653 (1), it shall determine the terms, including the preferences,
 2654 limitations, and relative rights, to the extent allowed under s.
 2655 607.0601, of:

2656 (a) Any class of shares before the issuance of any shares
 2657 of that class; or

2658 (b) Any series within a class before the issuance of any
 2659 shares of that series.

2660 (3) Each class and each series of a class must be given a
 2661 distinguishing designation.

2662 ~~(4)(3)~~ All shares of a series must have preferences,
 2663 limitations, and relative rights identical with those of other
 2664 shares of the same series and, except to the extent otherwise
 2665 provided in the description of the series, of those of other
 2666 series of the same class.

2667 ~~(5)(4)~~ Before issuing any shares of a class or series
 2668 created under this section, the corporation shall ~~must~~ deliver

Page 92 of 458

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590-03467A-19

2019892c2

2669 to the department ~~of State~~ for filing articles of amendment,
 2670 which are effective without shareholder action, that set forth:

2671 (a) The name of the corporation;

2672 (b) The text of the amendment determining the terms of the
 2673 class or series of shares;

2674 (c) The date the amendment was adopted; and

2675 (d) A statement that the amendment was duly adopted by the
 2676 board of directors.

2677 Section 40. Subsections (1), (2), (4), and (5) of section
 2678 607.0604, Florida Statutes, are amended to read:

2679 607.0604 Fractional shares.—

2680 (1) A corporation may:

2681 (a) Issue fractions of a share or, in lieu of doing so, pay
 2682 in money the fair value of fractions of a share;

2683 (b) Make arrangements, or provide reasonable opportunity,
 2684 for any person entitled to or holding a fractional interest in a
 2685 share to sell such fractional interest or to purchase such
 2686 additional fractional interests as may be necessary to acquire a
 2687 full share;

2688 (c) Issue scrip in registered or bearer form, over the
 2689 manual or facsimile signature of an officer of the corporation
 2690 or its agent, entitling the holder to receive a full share upon
 2691 surrendering enough scrip to equal a full share.

2692 (2) The board of directors may authorize the issuance of
 2693 scrip subject to any condition ~~considered desirable~~, including
 2694 that:

2695 (a) ~~That~~ The scrip will become void if not exchanged for
 2696 full shares before a specified date; and

2697 (b) ~~That~~ The shares for which the scrip is exchangeable may

Page 93 of 458

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590-03467A-19

2019892c2

2698 be sold and the proceeds paid to the scripholders.

2699 (4) The holder of a fractional share is entitled to
 2700 exercise the rights of a shareholder, including the rights right
 2701 to vote, to receive dividends, and to receive distributions upon
 2702 dissolution ~~participate in the assets of the corporation upon~~
 2703 ~~liquidation~~. The holder of scrip is not entitled to any of these
 2704 rights unless the scrip provides for them.

2705 ~~(5) When a corporation is to pay in money the value of~~
 2706 ~~fractions of a share, the good faith judgment of the board of~~
 2707 ~~directors as to the fair value shall be conclusive.~~

2708 Section 41. Subsections (2) and (5) of section 607.0620,
 2709 Florida Statutes, are amended, and subsection (6) is added to
 2710 that section, to read:

2711 607.0620 Subscriptions for shares.—

2712 (2) A subscription for shares, whether made before or after
 2713 incorporation, is not enforceable against the subscriber unless
 2714 in writing and signed by the subscriber.

2715 (5) If a subscriber defaults in payment of money or
 2716 property under a subscription agreement entered into before
 2717 incorporation, the corporation may collect the amount owed as
 2718 any other debt. Alternatively, unless the subscription agreement
 2719 provides otherwise, the corporation may rescind the agreement
 2720 and may sell the shares if the debt remains unpaid more than 20
 2721 days after the corporation delivers ~~sends~~ written demand for
 2722 payment to the subscriber. If the subscription agreement is
 2723 rescinded and the shares sold, then, notwithstanding the
 2724 rescission, if mailed, such written demand shall be deemed to be
 2725 made when deposited in the United States mail in a sealed
 2726 envelope addressed to the subscriber at his or her last post

Page 94 of 458

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590-03467A-19

2019892c2

2727 ~~office address known to the corporation, with first class~~
 2728 ~~postage thereon prepaid.~~ the defaulting subscriber or his or her
 2729 legal representative shall be entitled to be paid the excess of
 2730 the sale proceeds over the sum of the amount due and unpaid on
 2731 the subscription and the reasonable expenses incurred in selling
 2732 the shares, but in no event shall the defaulting subscriber or
 2733 his or her legal representative be entitled to be paid an amount
 2734 greater than the amount paid by the subscriber on the
 2735 subscription.

2736 (6) A subscription agreement entered into after
 2737 incorporation is also subject to s. 607.0621.

2738 Section 42. Subsection (5) of section 607.0621, Florida
 2739 Statutes, is amended to read:

2740 607.0621 Issuance of shares.—

2741 (5) The corporation may place in escrow shares issued for a
 2742 contract for future services or benefits or a promissory note,
 2743 or make other arrangements to restrict the transfer of the
 2744 shares, and may credit distributions in respect of the shares
 2745 against their purchase price, until the services are performed,
 2746 the note is paid, or the benefits received. If the services are
 2747 not performed, the note is not paid, or the benefits are not
 2748 received, the shares escrowed or restricted and the
 2749 distributions credited may be canceled in whole or part.

2750 Section 43. Subsection (5) of section 607.0622, Florida
 2751 Statutes, is amended to read:

2752 607.0622 Liability for shares issued before payment.—

2753 (5) No liability under this section may be asserted more
 2754 than 5 years after the earlier of:

2755 (a) The issuance of the shares ~~stock~~, or

590-03467A-19

2019892c2

2756 (b) The date of the subscription upon which the assessment
 2757 is sought.

2758 Section 44. Subsections (1) and (3) of section 607.0623,
 2759 Florida Statutes, are amended to read:

2760 607.0623 Share dividends.—

2761 (1) Unless the articles of incorporation provide otherwise,
 2762 shares may be issued pro rata and without consideration to the
 2763 corporation's shareholders or to the shareholders of one or more
 2764 classes or series or shares. An issuance of shares under this
 2765 subsection is a share dividend.

2766 (3) The board of directors may fix the record date for
 2767 determining shareholders entitled to a share dividend, but the
 2768 date may not be retroactive. If the board of directors does not
 2769 fix the record date for determining shareholders entitled to a
 2770 share dividend, the record date ~~is~~ is the date the board of
 2771 directors authorizes the share dividend.

2772 Section 45. Section 607.0624, Florida Statutes, is amended
 2773 to read:

2774 607.0624 Share rights, options, warrants, and awards.—

2775 (1) Unless the articles of incorporation provide otherwise,
 2776 a corporation may issue rights, options, or warrants for the
 2777 purchase of shares of the corporation of any class or series,
 2778 whether authorized but unissued shares of the corporation,
 2779 treasury shares, or shares of the corporation to be purchased or
 2780 acquired by the corporation. The board of directors shall
 2781 determine the terms and conditions upon which the rights,
 2782 options, or warrants are issued, including the consideration for
 2783 which the shares are to be issued. The authorization by the
 2784 board of directors for the corporation to issue such rights,

590-03467A-19

2019892c2

2785 options, or warrants constitutes authorization for the issuance
 2786 of the shares for which the rights, options, or warrants are
 2787 exercisable their form and content, and the consideration for
 2788 which the shares are to be issued.

2789 (2) The terms and conditions of such ~~stock~~ rights, and
 2790 options, or warrants, including those outstanding on January 1,
 2791 2020, may include restrictions or conditions that:

2792 (a) Preclude or limit the exercise, transfer, or receipt of
 2793 such rights, options, or warrants by any person or persons
 2794 owning or offering to acquire a specified number or percentage
 2795 of the outstanding shares of the corporation or by any
 2796 transferee or transferees of any such person or persons; or

2797 (b) which are created and issued by a corporation formed
 2798 under this chapter, or its successor, and which entitle the
 2799 holders thereof to purchase from the corporation shares of any
 2800 class or classes, whether authorized but unissued shares,
 2801 treasury shares, or shares to be purchased or acquired by the
 2802 corporation, may include, without limitation, restrictions, or
 2803 conditions that preclude or limit the exercise, transfer,
 2804 receipt, or holding of such rights or options by any person or
 2805 persons, including any person or persons owning or offering to
 2806 acquire a specified number or percentage of the outstanding
 2807 common shares or other securities of the corporation, or any
 2808 transferee or transferees of any such person or persons, or that
 2809 invalidate or void such rights, ~~or~~ options, or warrants held by
 2810 any such person or persons or any such transferee or
 2811 transferees.

2812 (3) The board of directors may authorize a board committee
 2813 or the board of directors may authorize one or more officers, or

Page 97 of 458

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590-03467A-19

2019892c2

2814 a board committee so authorized by the board of directors may
 2815 authorize one or more officers, to:

2816 (a) Designate the recipients of rights, options, warrants,
 2817 or other equity compensation awards that involve the issuance of
 2818 shares; and

2819 (b) Determine, within an amount and subject to any other
 2820 limitations established by the board of directors, a board
 2821 committee, and, if applicable, the shareholders, the number of
 2822 such rights, options, warrants, or other equity compensation
 2823 awards and the terms and conditions of such rights, options,
 2824 warrants, or awards to be received by the recipients, provided
 2825 that an officer may not use such authority to designate himself
 2826 or herself or any other persons as the board of directors or a
 2827 committee of the board may specify as a recipient of such
 2828 rights, options, warrants, or other equity compensation awards.

2829 (4) For purposes of this section, the term "shares"
 2830 includes a security convertible into or carrying a right to
 2831 subscribe for or acquire shares.

2832 Section 46. Subsections (1), (2), and (3) of section
 2833 607.0625, Florida Statutes, are amended to read:

2834 607.0625 Form and content of certificates.—

2835 (1) Shares may but need not be represented by certificates.
 2836 Unless this chapter ~~act~~ or another statute expressly provides
 2837 otherwise, the rights and obligations of shareholders are
 2838 identical, regardless of whether ~~or not~~ their shares are
 2839 represented by certificates.

2840 (2) At a minimum, each share certificate must state on its
 2841 face:

2842 (a) The name of the ~~issuing~~ corporation and that the

Page 98 of 458

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590-03467A-19

2019892c2

2843 corporation is organized under the laws of this state;

2844 (b) The name of the person to whom issued; and

2845 (c) The number and class of shares and the designation of
2846 the series, if any, the certificate represents.

2847 (3) If the ~~issuing~~ corporation is authorized to issue
2848 different classes of shares or different series of shares within
2849 a class, the designations, relative rights, preferences, and
2850 limitations applicable to each class and the variations in
2851 rights, preferences, and limitations determined for each series
2852 (and the authority of the board of directors to determine
2853 variations for future series) must be summarized on the front or
2854 back of each certificate. Alternatively, each certificate may
2855 state conspicuously on its front or back that the corporation
2856 will furnish the shareholder a full statement of this
2857 information on request and without charge.

2858 Section 47. Section 607.0626, Florida Statutes, is amended
2859 to read:

2860 607.0626 Shares without certificates.—

2861 (1) Unless the articles of incorporation or bylaws provide
2862 otherwise, the board of directors of a corporation may authorize
2863 the issuance ~~issue~~ of some or all of the shares of any or all of
2864 its classes or series without certificates. The authorization
2865 does not affect shares already represented by certificates until
2866 they are surrendered to the corporation.

2867 (2) Within a reasonable time after the issuance ~~issue~~ or
2868 transfer of shares without certificates, the corporation shall
2869 deliver to send the shareholder a written statement of the
2870 information required on certificates by s. 607.0625(2) and (3),
2871 and, if applicable, s. 607.0627.

Page 99 of 458

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590-03467A-19

2019892c2

2872 Section 48. Subsection (4) of section 607.0627, Florida
2873 Statutes, is amended to read:

2874 607.0627 Restriction on transfer of shares and other
2875 securities.—

2876 (4) A restriction on the transfer or registration of
2877 transfer of shares may:

2878 (a) Obligate the shareholder first to offer the corporation
2879 or other persons (separately, consecutively, or simultaneously)
2880 an opportunity to acquire the restricted shares;

2881 (b) Obligate the corporation or other persons (separately,
2882 consecutively, or simultaneously) to acquire the restricted
2883 shares;

2884 (c) Require the corporation, the holders of any class or
2885 series of its shares, or other persons ~~another person~~ to approve
2886 the transfer of the restricted shares, if the requirement is not
2887 manifestly unreasonable; or

2888 (d) Prohibit the transfer of the restricted shares to
2889 designated persons or classes of persons, if the prohibition is
2890 not manifestly unreasonable.

2891 Section 49. Paragraphs (c), (d), and (e) of subsection (2)
2892 of section 607.0630, Florida Statutes, are amended to read:

2893 607.0630 Shareholders' preemptive rights.—

2894 (2) A statement included in the articles of incorporation
2895 that "the corporation elects to have preemptive rights" (or
2896 words of similar import) means that the following principles
2897 apply except to the extent the articles of incorporation
2898 expressly provide otherwise:

2899 (c) There is no preemptive right with respect to:

2900 1. Shares issued as compensation to directors, officers,

Page 100 of 458

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590-03467A-19

2019892c2

2901 agents, or employees of the corporation, ~~or~~ its subsidiaries, ~~or~~
 2902 affiliates;

2903 2. Shares issued to satisfy conversion or option rights
 2904 created to provide compensation to directors, officers, agents,
 2905 or employees of the corporation, ~~or~~ its subsidiaries, ~~or~~
 2906 affiliates;

2907 3. Shares authorized in the articles of incorporation that
 2908 are issued within 6 months from the effective date of
 2909 incorporation;

2910 4. Shares issued pursuant to a plan of reorganization
 2911 approved by a court of competent jurisdiction pursuant to a law
 2912 of this state or of the United States; or

2913 5. Shares issued for consideration other than money.

2914 (d) Holders of shares of any class or series without
 2915 general voting rights but with preferential rights to
 2916 distributions to receive the ~~or~~ net assets upon dissolution ~~and~~
 2917 ~~liquidation~~ have no preemptive rights with respect to shares of
 2918 any class or series.

2919 (e) Holders of shares of any class or series with general
 2920 voting rights but without preferential rights to distributions
 2921 ~~or net assets~~ upon dissolution ~~or liquidation~~ have no preemptive
 2922 rights with respect to shares of any class or series with
 2923 preferential rights to receive the net assets of the corporation
 2924 upon dissolution ~~distributions or assets~~ unless the shares with
 2925 preferential rights are convertible into or carry a right to
 2926 subscribe for or acquire the shares without preferential rights.

2927 Section 50. Subsections (3) and (5) of section 607.0631,
 2928 Florida Statutes, are amended, and subsection (6) is added to
 2929 that section, to read:

Page 101 of 458

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590-03467A-19

2019892c2

2930 607.0631 Corporation's acquisition of its own shares.-

2931 (3) Articles of amendment to effectuate a reduction in the
 2932 authorized shares by the number of shares acquired by the
 2933 corporation may be adopted by the board of directors without
 2934 shareholder action, shall be delivered to the department ~~of~~
 2935 ~~State~~ for filing, and shall set forth:

2936 (a) The name of the corporation;

2937 (b) The reduction in the number of authorized shares,
 2938 itemized by class and series; and

2939 (c) The total number of authorized shares, itemized by
 2940 class and series, remaining after reduction of the shares.

2941 (5) A corporation that has shares of any class or series
 2942 which are ~~either~~ registered on a national securities exchange ~~or~~
 2943 ~~designated as a national market system security on an~~
 2944 ~~interdealer quotation system by the National Association of~~
 2945 ~~Securities Dealers, Inc.,~~ may acquire such shares and designate,
 2946 either in the bylaws or in the resolutions of its board, that
 2947 shares so acquired by the corporation shall constitute treasury
 2948 shares.

2949 (6) Shares that a corporation acquires in a fiduciary
 2950 capacity for the benefit of any person other than the
 2951 corporation directly or indirectly through an entity controlled
 2952 by the corporation may not be deemed to have been acquired by
 2953 the corporation for purposes of this section.

2954 Section 51. Subsections (2), (3), (4), (6), (7), and (8) of
 2955 section 607.06401, Florida Statutes, are amended, and subsection
 2956 (9) is added to that section, to read:

2957 607.06401 Distributions to shareholders.-

2958 (2) The board of directors may fix the record date for

Page 102 of 458

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590-03467A-19

2019892c2

2959 determining shareholders entitled to a distribution, but the
 2960 date may not be retroactive. If the board of directors does not
 2961 fix the record date for determining shareholders entitled to a
 2962 distribution (other than one involving a purchase, redemption,
 2963 or other acquisition of the corporation's shares), the record
 2964 date ~~it~~ is the date the board of directors authorizes the
 2965 distribution.

(3) No distribution may be made if, after giving it effect:

(a) The corporation would not be able to pay its debts as
 2968 they become due in the usual course of the corporation's
 2969 activities and affairs ~~business~~; or

(b) The corporation's total assets would be less than the
 2971 sum of its total liabilities plus (unless the articles of
 2972 incorporation permit otherwise) the amount that would be needed,
 2973 if the corporation were to be dissolved and wound up at the time
 2974 of the distribution, to satisfy the preferential rights upon
 2975 dissolution and winding up of shareholders whose preferential
 2976 rights are superior to those receiving the distribution.

(4) The board of directors may base a determination that a
 2978 distribution is not prohibited under subsection (3) on:

(a) ~~either on~~ Financial statements prepared on the basis of
 2980 accounting practices and principles that are reasonable under ~~in~~
 2981 the circumstances; or

(b) ~~en~~ A fair valuation or other method that is reasonable
 2983 under ~~in~~ the circumstances. In the case of any distribution
 2984 based upon such a valuation, each such distribution shall be
 2985 identified as a distribution based upon a current valuation of
 2986 assets, and the amount per share paid on the basis of such
 2987 valuation shall be disclosed to the shareholders concurrent with

Page 103 of 458

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590-03467A-19

2019892c2

2988 their receipt of the distribution.

2989 (6) Except as provided in subsection (8), the effect of a
 2990 distribution under subsection (3) is measured:

2991 (a) In the case of a distribution by purchase, redemption,
 2992 or other acquisition of the corporation's shares, as of the
 2993 earlier of the date on which:

2994 1. ~~The date~~ Money or other property is transferred or the
 2995 debt to a shareholder is incurred by the corporation, or

2996 2. ~~The date~~ the shareholder ceases to be a shareholder with
 2997 respect to the acquired shares;

2998 (b) In the case of a ~~any other~~ distribution of
 2999 indebtedness, as of the date on which the indebtedness is
 3000 distributed;

(c) In all other cases, as of the date on which:

3001 1. ~~The date~~ the distribution is authorized if the payment
 3002 occurs within 120 days after that date; ~~the date of~~
 3003 authorization, or

3004 2. ~~The date~~ the payment is made if the payment ~~it~~ occurs
 3005 more than 120 days after the date the distribution is authorized
 3006 of authorization.

3007 (7) A corporation's indebtedness to a shareholder incurred
 3008 by reason of a distribution made in accordance with this section
 3009 is at parity with the corporation's indebtedness to its general,
 3010 unsecured creditors except to the extent provided otherwise
 3011 subordinated by agreement. The obligation to pay such
 3012 indebtedness may be secured by a lien on assets of the
 3013 corporation if not prohibited by a law other than this chapter.

3014 (8) Indebtedness of a corporation, including indebtedness
 3015 issued as a distribution, is not considered a liability for
 3016

Page 104 of 458

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590-03467A-19

2019892c2

3017 purposes of determinations under subsection (3) if the terms of
 3018 the indebtedness its terms provide that payment of principal and
 3019 interest ~~is are~~ made only if and to the extent that ~~payment of~~ a
 3020 distribution to shareholders could then be made under this
 3021 section. If ~~such the~~ indebtedness is issued as a distribution,
 3022 and by its terms provides that the payments each payment of
 3023 principal or interest are made only to the extent is treated as
 3024 a distribution could be made under this section, then each
 3025 payment of principal and interest of that indebtedness is
 3026 treated as a distribution, the effect of which is measured on
 3027 the date the payment is actually made.

3028 (9) This section does not apply to distributions in
 3029 liquidation under ss. 607.1401-607.14401.

3030 Section 52. Section 607.0701, Florida Statutes, is amended
 3031 to read:

3032 607.0701 Annual meeting.-

3033 (1) Unless directors are elected by written consent in lieu
 3034 of an annual meeting pursuant to s. 607.0704, a corporation
 3035 shall hold a meeting of shareholders annually, for the election
 3036 of directors and for the transaction of any proper business, at
 3037 a time stated in or fixed in accordance with the bylaws.

3038 (2) Annual ~~shareholders'~~ meetings of shareholders may be
 3039 held in or out of this state at a place stated in or fixed in
 3040 accordance with the bylaws or, when not inconsistent with the
 3041 bylaws, stated in the notice of the annual meeting. If no place
 3042 is stated in or fixed in accordance with the bylaws, or stated
 3043 in the notice of the annual meeting, annual meetings shall be
 3044 held at the corporation's principal office.

3045 (3) The failure to hold the annual meeting at the time

Page 105 of 458

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590-03467A-19

2019892c2

3046 stated in or fixed in accordance with a corporation's bylaws or
 3047 pursuant to this chapter ~~act~~ does not affect the validity of any
 3048 corporate action and shall not work a forfeiture of or
 3049 dissolution of the corporation.

3050 (4) Participation of shareholders and proxy holders at an
 3051 annual meeting of shareholders by remote communication shall be
 3052 governed by and subject to the provisions of s. 607.0709 ~~If~~
 3053 ~~authorized by the board of directors, and subject to such~~
 3054 ~~guidelines and procedures as the board of directors may adopt,~~
 3055 ~~shareholders and proxy holders not physically present at an~~
 3056 ~~annual meeting of shareholders may, by means of remote~~
 3057 ~~communication;~~

3058 ~~(a) Participate in an annual meeting of shareholders.~~

3059 ~~(b) Be deemed present in person and vote at an annual~~
 3060 ~~meeting of shareholders, whether such meeting is to be held at a~~
 3061 ~~designated place or solely by means of remote communication,~~
 3062 ~~provided that;~~

3063 ~~1. The corporation shall implement reasonable measures to~~
 3064 ~~verify that each person deemed present and permitted to vote at~~
 3065 ~~the annual meeting by means of remote communication is a~~
 3066 ~~shareholder or proxy holder;~~

3067 ~~2. The corporation shall implement reasonable measures to~~
 3068 ~~provide such shareholders or proxy holders a reasonable~~
 3069 ~~opportunity to participate in the annual meeting and to vote on~~
 3070 ~~matters submitted to the shareholders, including, without~~
 3071 ~~limitation, an opportunity to communicate and to read or hear~~
 3072 ~~the proceedings of the annual meeting substantially concurrently~~
 3073 ~~with such proceedings; and~~

3074 ~~3. If any shareholder or proxy holder votes or takes other~~

Page 106 of 458

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590-03467A-19

2019892c2

3075 ~~action at the annual meeting by means of remote communication, a~~
 3076 ~~record of such vote or other action shall be maintained by the~~
 3077 ~~corporation.~~

3078 Section 53. Section 607.0702, Florida Statutes, is amended
 3079 to read:

3080 607.0702 Special meeting.—

3081 (1) A corporation shall hold a special meeting of
 3082 shareholders:

3083 (a) On call of its board of directors or the person or
 3084 persons authorized to do so by the articles of incorporation or
 3085 bylaws; or

3086 (b) If shareholders holding the holders of not less than 10
 3087 percent, unless a greater percentage not to exceed 50 percent is
 3088 required by the articles of incorporation, of all the votes
 3089 entitled to be cast on any issue proposed to be considered at
 3090 the proposed special meeting sign, date, and deliver to the
 3091 corporation's secretary one or more written demands for the
 3092 meeting describing the purpose or purposes for which it is to be
 3093 held. Unless otherwise provided in the articles of
 3094 incorporation, a written demand for a special meeting may be
 3095 revoked by a writing to that effect received by the corporation
 3096 prior to the receipt by the corporation of demands sufficient in
 3097 number to require the holding of a special meeting.

3098 (2) Special meetings of shareholders ~~shareholders' meetings~~
 3099 may be held in or out of the state at a place stated in or fixed
 3100 in accordance with the bylaws or, when not inconsistent with the
 3101 bylaws, in the notice of the special meeting. If no place is
 3102 stated in or fixed in accordance with the bylaws or in the
 3103 notice of the special meeting, special meetings shall be held at

Page 107 of 458

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590-03467A-19

2019892c2

3104 the corporation's principal office.

3105 (3) Only business within the purpose or purposes described
 3106 in the special meeting notice required by s. 607.0705 may be
 3107 conducted at a special meeting of shareholders ~~shareholders'~~
 3108 ~~meeting.~~

3109 (4) Participation of shareholders and proxy holders at a
 3110 special meeting of shareholders by remote communication shall be
 3111 governed by and subject to the provisions of s. 607.0709 ~~If~~
 3112 ~~authorized by the board of directors, and subject to such~~
 3113 ~~guidelines and procedures as the board of directors may adopt,~~
 3114 ~~shareholders and proxy holders not physically present at a~~
 3115 ~~special meeting of shareholders may, by means of remote~~
 3116 ~~communication:~~

3117 ~~(a) Participate in a special meeting of shareholders.~~

3118 ~~(b) Be deemed present in person and vote at a special~~
 3119 ~~meeting of shareholders, whether such meeting is to be held at a~~
 3120 ~~designated place or solely by means of remote communication,~~
 3121 ~~provided that:~~

3122 1. ~~The corporation shall implement reasonable measures to~~
 3123 ~~verify that each person deemed present and permitted to vote at~~
 3124 ~~the special meeting by means of remote communication is a~~
 3125 ~~shareholder or proxy holder;~~

3126 2. ~~The corporation shall implement reasonable measures to~~
 3127 ~~provide such shareholders or proxy holders a reasonable~~
 3128 ~~opportunity to participate in the special meeting and to vote on~~
 3129 ~~matters submitted to the shareholders, including, without~~
 3130 ~~limitation, an opportunity to communicate and to read or hear~~
 3131 ~~the proceedings of the special meeting substantially~~
 3132 ~~concurrently with such proceedings; and~~

Page 108 of 458

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590-03467A-19

2019892c2

3133 ~~3. If any shareholder or proxy holder votes or takes other~~
 3134 ~~action at the special meeting by means of remote communication,~~
 3135 ~~a record of such vote or other action shall be maintained by the~~
 3136 ~~corporation.~~

3137 Section 54. Section 607.0703, Florida Statutes, is amended
 3138 to read:

3139 607.0703 Court-ordered meeting.—

3140 (1) The circuit court in the applicable county may
 3141 ~~summarily of the county where a corporation's principal office~~
 3142 ~~is located, if located in this state, or where a corporation's~~
 3143 ~~registered office is located if its principal office is not~~
 3144 ~~located in this state, may, after notice to the corporation,~~
 3145 order a meeting to be held:

3146 (a) On application of any shareholder ~~of the corporation~~
 3147 entitled to vote ~~at an~~ annual meeting if neither an annual
 3148 meeting has ~~not~~ been held nor an action by written consent in
 3149 lieu thereof has become effective within any 15-month ~~13-month~~
 3150 period; or

3151 (b) On application of one or more shareholders a
 3152 ~~shareholder~~ who signed a demand for a special meeting valid
 3153 under s. 607.0702, if:

3154 1. Notice of the special meeting was not given within 60
 3155 days after the first day on which the requisite number of
 3156 demands have been ~~date the demand was~~ delivered to the
 3157 corporation's secretary; or

3158 2. The special meeting was not held in accordance with the
 3159 notice.

3160 (2) The court may fix the time and place of the meeting,
 3161 determine the shares entitled to participate in the meeting,

590-03467A-19

2019892c2

3162 specify a record date or dates for determining shareholders
 3163 entitled to notice of and to vote at the meeting, prescribe the
 3164 form and content of the meeting notice, fix the quorum by voting
 3165 group required for matters to be considered at the meeting (or
 3166 direct that the votes of a voting group represented at the
 3167 meeting constitute a quorum of such voting group for action on
 3168 those matters), and enter other orders necessary to accomplish
 3169 the purpose or purposes of the meeting ~~as may be appropriate.~~

3170 Section 55. Subsections (1), (3), (4), and (5) of section
 3171 607.0704, Florida Statutes, are amended, and subsections (7) and
 3172 (8) are added to that section, to read:

3173 607.0704 Action by shareholders without a meeting.—

3174 (1) Unless otherwise provided in the articles of
 3175 incorporation or in subsection (8), action required or permitted
 3176 by this chapter ~~act~~ to be taken at an annual or special meeting
 3177 of shareholders may be taken without a meeting, without prior
 3178 notice, and without a vote if the action is taken by the holders
 3179 of outstanding shares ~~stock~~ of each voting group entitled to
 3180 vote thereon having not less than the minimum number of votes
 3181 with respect to each voting group that would be necessary to
 3182 authorize or take such action at a meeting at which all voting
 3183 groups and shares entitled to vote thereon were present and
 3184 voted. In order to be effective the action must be evidenced by
 3185 one or more written consents describing the action taken, dated
 3186 and signed by approving shareholders having the requisite number
 3187 of votes of each voting group entitled to vote thereon, and
 3188 delivered to the corporation by delivery to its principal office
 3189 in this state, its principal place of business, the corporate
 3190 secretary, or another officer or agent of the corporation having

590-03467A-19

2019892c2

3191 custody of the book in which proceedings of meetings of
 3192 shareholders are recorded. No written consent shall be effective
 3193 to take the corporate action referred to therein unless, within
 3194 60 days of the date of the earliest dated consent delivered in
 3195 the manner required by this section, written consents signed by
 3196 shareholders owning a sufficient number of shares ~~the number of~~
 3197 ~~holders~~ required to authorize or take the action have been ~~are~~
 3198 delivered to the corporation by delivery as set forth in this
 3199 section.

3200 (3) Within 10 days after either written consents sufficient
 3201 to authorize or take the action have been delivered to the
 3202 corporation or such later date that tabulation of consents is
 3203 completed pursuant to an authorization under subsection (4)
 3204 obtaining such authorization by written consent, notice must be
 3205 given to those shareholders who have not consented in writing or
 3206 who are not entitled to vote on the action. The notice shall
 3207 fairly summarize the material features of the authorized action
 3208 and, if the action be such for which appraisal dissenters'
 3209 rights are provided under this chapter ~~act~~, the notice shall
 3210 contain a clear statement of the right of shareholders entitled
 3211 to assert appraisal rights under this chapter with respect to
 3212 the action dissenting therefrom to be paid the fair value of
 3213 their shares upon compliance with further provisions of this
 3214 chapter ~~act~~ regarding the rights of ~~dissenting~~ shareholders
 3215 entitled to assert appraisal rights under this chapter with
 3216 respect to the action.

3217 (4) A consent signed under this section has the effect of a
 3218 meeting vote and may be described as such in any document.
 3219 Unless the articles of incorporation, bylaws, or a resolution of

Page 111 of 458

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590-03467A-19

2019892c2

3220 the board of directors provides for a reasonable delay to permit
 3221 tabulation of written consents, the action taken by written
 3222 consent shall be effective when written consents signed by
 3223 shareholders owning a sufficient number of shares required to
 3224 authorize or take the action have been delivered to the
 3225 corporation.

3226 (5) In the event that the action to which the shareholders
 3227 consent is such as would have required the filing of a
 3228 certificate under any other section of this chapter ~~act~~ if such
 3229 action had been voted on by shareholders at a meeting thereof,
 3230 the certificate filed under such other section shall state that
 3231 written consent has been given in accordance with the provisions
 3232 of this section.

3233 (7) The notice requirements in subsection (3) do not delay
 3234 the effectiveness of actions taken by written consent, and a
 3235 failure to comply with such notice requirement does not
 3236 invalidate actions taken by written consent. This subsection may
 3237 not be deemed to limit judicial power to fashion any appropriate
 3238 remedy in favor of a shareholder adversely affected by a failure
 3239 to give such notice within the required time period.

3240 (8) If a corporation's articles of incorporation authorize
 3241 shareholders to cumulate their votes when electing directors
 3242 pursuant to s. 607.0728, directors may not be elected by written
 3243 consent of the shareholders unless the consent is unanimous.

3244 Section 56. Section 607.0705, Florida Statutes, is amended
 3245 to read:

3246 607.0705 Notice of meeting.—

3247 (1) A corporation shall notify shareholders of the date,
 3248 time, and place of each annual and special shareholders' meeting

Page 112 of 458

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590-03467A-19

2019892c2

3249 no fewer than 10 or more than 60 days before the meeting date.
 3250 The notice must include the record date for determining the
 3251 shareholders entitled to vote at the meeting if the record date
 3252 for determining the shareholders entitled to vote at the meeting
 3253 is different than the record date for determining shareholders
 3254 entitled to notice of the meeting. If the board of directors has
 3255 authorized participation by means of remote communication
 3256 pursuant to s. 607.0709 for any class or series of shares, the
 3257 notice to the holders of such class or series must describe the
 3258 means of remote communication to be used. Unless this ~~chapter~~
 3259 ~~act~~ or the articles of incorporation require otherwise, the
 3260 corporation is required to give notice only to shareholders
 3261 entitled to vote at the meeting as of the record date for
 3262 determining the shareholders entitled to notice of the meeting.
 3263 Notice shall be given in the manner provided in s. 607.0141, by
 3264 or at the direction of the president, the secretary, or the
 3265 officer or persons calling the meeting. If the notice is mailed
 3266 at least 30 days before the date of the meeting, it may be done
 3267 by a class of United States mail other than first class.
 3268 Notwithstanding s. 607.0141, if mailed, such notice shall be
 3269 deemed to be delivered when deposited in the United States mail
 3270 addressed to the shareholder at her or his address as it appears
 3271 in the record of shareholders of the corporation, maintained in
 3272 accordance with s. 607.1601(4) on the stock transfer books of
 3273 the corporation, with postage thereon prepaid.
 3274 (2) Unless this ~~chapter act~~ or the articles of
 3275 incorporation require otherwise, notice of an annual meeting of
 3276 shareholders need not include a description of the purpose or
 3277 purposes for which the meeting is called.

Page 113 of 458

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590-03467A-19

2019892c2

3278 (3) Notice of a special meeting of shareholders must
 3279 include a description of the purpose or purposes for which the
 3280 meeting is called.
 3281 (4) Unless the bylaws require otherwise, if an annual or
 3282 special ~~shareholders'~~ meeting of shareholders is adjourned to a
 3283 different date, time, or place, or to add or modify the terms of
 3284 participation by remote communication, notice need not be given
 3285 of the new date, time, ~~or~~ place, or terms of participation by
 3286 remote communication if the new date, time, ~~or~~ terms
 3287 of participation by remote communication is announced at the
 3288 meeting before an adjournment is taken, and any business may be
 3289 transacted at the adjourned meeting that might have been
 3290 transacted on the original date of the meeting. If a new record
 3291 date for the adjourned meeting is or must be fixed under s.
 3292 607.0707, however, notice of the adjourned meeting must be given
 3293 under this section to persons who are shareholders as of the new
 3294 record date who are entitled to notice of the meeting.
 3295 (5) Notwithstanding the foregoing, whenever notice is
 3296 required to be given to any shareholder under this chapter or
 3297 the articles of incorporation or bylaws of any corporation to
 3298 whom no notice of a shareholders' meeting need be given to a
 3299 shareholder if:
 3300 (a) Notice of two consecutive annual meetings, and all
 3301 notices of meetings or the taking of action by written consent
 3302 without a meeting to such person during the period between such
 3303 two consecutive annual meetings; An annual report and proxy
 3304 statements for two consecutive annual meetings of shareholders
 3305 or
 3306 (b) All, and at least two checks in payment of dividends or

Page 114 of 458

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590-03467A-19

2019892c2

3307 interest on securities during a 12-month period,
 3308
 3309 have been sent by first-class United States mail, addressed to
 3310 the shareholder at such person's her or his address as it
 3311 appears in the record of shareholders on the share transfer
 3312 books of the corporation, maintained in accordance with s.
 3313 607.1601(4), and returned undeliverable, then the giving of such
 3314 notice to such person shall not be required. Any action or
 3315 meeting which is taken or held without notice to such person has
 3316 the same force and effect as if such notice has been duly given.
 3317 If any such person delivers to the corporation a written notice
 3318 setting forth such person's then current address, the
 3319 requirement that a notice be given to such person with respect
 3320 to future notices shall be reinstated. The obligation of the
 3321 corporation to give notice of a shareholders' meeting to any
 3322 such shareholder shall be reinstated once the corporation has
 3323 received a new address for such shareholder for entry on its
 3324 share transfer books.

3325 Section 57. Subsection (1) of section 607.0706, Florida
 3326 Statutes, is amended to read:

3327 607.0706 Waiver of notice.—

3328 (1) A shareholder may waive any notice required by this
 3329 chapter act, the articles of incorporation, or bylaws before or
 3330 after the date and time stated in the notice. The waiver must be
 3331 in writing, be signed by the shareholder entitled to the notice,
 3332 and be delivered to the corporation for filing by the
 3333 corporation with inclusion in the minutes or filing with the
 3334 corporate records. Neither the business to be transacted at nor
 3335 the purpose of any regular or special meeting of the

Page 115 of 458

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590-03467A-19

2019892c2

3336 shareholders need be specified in any written waiver of notice
 3337 unless so required by the articles of incorporation or the
 3338 bylaws.

3339 Section 58. Subsections (1), (3), (4), (6), and (7) of
 3340 section 607.0707, Florida Statutes, are amended, and subsections
 3341 (8), (9), and (10) are added to that section, to read:

3342 607.0707 Record date.—

3343 (1) The bylaws may fix or provide the manner of fixing the
 3344 record date or dates for one or more voting groups ~~in order~~ to
 3345 determine the shareholders entitled to notice of a shareholders'
 3346 meeting, to demand a special meeting, to vote, or to take any
 3347 other action. If the bylaws do not fix or provide for fixing
 3348 such a record date, the board of directors ~~of the corporation~~
 3349 may fix the record date. In no event may a record date fixed by
 3350 the board of directors be a date preceding the date upon which
 3351 the resolution fixing the record date is adopted.

3352 (3) The bylaws may fix or provide the manner of fixing the
 3353 record date for determining shareholders entitled to take action
 3354 by the written consent of shareholders. If not otherwise
 3355 provided by or pursuant to the bylaws, the board of directors of
 3356 the corporation may set a record date for determining
 3357 shareholders entitled to take action by the written consent of
 3358 shareholders. In no event may a record date fixed by the board
 3359 of directors be a date preceding the date upon which the
 3360 resolution fixing the record date is adopted. If the bylaws do
 3361 not fix or provide for the manner of fixing such a record date
 3362 and if no such record date is fixed by the board of directors,
 3363 the record date for determining shareholders entitled to take
 3364 such action shall be the date that the first signed written

Page 116 of 458

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590-03467A-19

2019892c2

3365 ~~consent is delivered to the corporation pursuant to s. 607.0704~~
 3366 ~~If not otherwise provided by or pursuant to the bylaws and no~~
 3367 ~~prior action is required by the board of directors pursuant to~~
 3368 ~~this act, the record date for determining shareholders entitled~~
 3369 ~~to take action without a meeting is the date the first signed~~
 3370 ~~written consent is delivered to the corporation under s.~~
 3371 ~~607.0704. If not otherwise fixed, and prior action is required~~
 3372 ~~by the board of directors pursuant to this chapter, the record~~
 3373 ~~date for determining shareholders entitled to take action~~
 3374 ~~without a meeting is at the close of business on the day on~~
 3375 ~~which the board of directors adopts the resolution taking such~~
 3376 ~~prior action.~~

3377 (4) If not otherwise provided by or pursuant to the bylaws,
 3378 or by a court order pursuant to s. 607.0703, the record date for
 3379 determining shareholders entitled to notice of and to vote at an
 3380 annual or special shareholders' meeting is the close of business
 3381 on the day before the first notice is delivered to shareholders.

3382 (6) A determination of shareholders entitled to notice of
 3383 or to vote at a shareholders' meeting is effective for any
 3384 adjournment of the meeting unless the board of directors fixes a
 3385 new record date or dates, which it must do if the meeting is
 3386 adjourned to a date more than 120 days after the date fixed for
 3387 the original meeting.

3388 (7) If a court orders a meeting adjourned to a date more
 3389 than 120 days after the date fixed for the original meeting, it
 3390 may provide that the original record date or dates continues in
 3391 effect or it may fix a new record date or dates.

3392 (8) The record date for a shareholders' meeting fixed by or
 3393 in the manner provided in the bylaws or by the board of

Page 117 of 458

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590-03467A-19

2019892c2

3394 directors shall be the record date for determining shareholders
 3395 entitled both to notice of and to vote at the shareholders'
 3396 meeting, unless in the case of a record date fixed by the board
 3397 of directors and to the extent not prohibited by the bylaws, the
 3398 board of directors, at the time it fixes the record date for
 3399 shareholders entitled to notice of the meeting, fixes a later
 3400 record date on or before the date of the meeting to determine
 3401 the shareholders entitled to vote at the meeting.

3402 (9) Shares of a corporation's own stock acquired by the
 3403 corporation between the record date for determining shareholders
 3404 entitled to notice of or to vote at a meeting of shareholders
 3405 and the time of the meeting may be voted on at the meeting by
 3406 the holder of record as of the record date and shall be counted
 3407 in determining the total number of outstanding shares entitled
 3408 to be voted at the meeting.

3409 (10) If not otherwise fixed under s. 607.0703, the record
 3410 date for determining shareholders entitled to demand a special
 3411 meeting is the earliest date on which a signed shareholder
 3412 demand is delivered to the corporation. A written demand for a
 3413 special meeting is not effective unless, within 60 days of the
 3414 earliest date on which such a demand delivered to the
 3415 corporation as required by s. 607.0702 was signed, written
 3416 demands signed by shareholders holding at least the percentage
 3417 of votes specified in or fixed in accordance with s.
 3418 607.0702(1)(b) have been delivered to the corporation.

3419 Section 59. Section 607.0709, Florida Statutes, is created
 3420 to read:

3421 607.0709 Remote participation in annual and special
 3422 meetings of shareholders.-

Page 118 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

3423 (1) Shareholders of any voting group, other persons
 3424 entitled to vote on behalf of shareholders pursuant to s.
 3425 607.0721, attorneys in fact for shareholders, and holders of
 3426 proxies appointed pursuant to s. 607.0722 may participate in any
 3427 annual or special meeting of shareholders by means of remote
 3428 communication to the extent the board of directors authorizes
 3429 such participation for such voting group. Participation by means
 3430 of remote communication is subject to such guidelines and
 3431 procedures as the board of directors adopts, and must be in
 3432 conformity with subsection (2).

3433 (2) Shareholders, other persons entitled to vote on behalf
 3434 of shareholders pursuant to s. 607.0721, attorneys in fact for
 3435 shareholders, and holders of proxies appointed pursuant to s.
 3436 607.0722 participating in a shareholders' meeting by means of
 3437 remote communication authorized under subsection (1) shall be
 3438 deemed present in person and may vote at such a meeting, whether
 3439 such meeting is to be held at a designated place or solely by
 3440 means of remote communication, if the corporation has
 3441 implemented reasonable measures:

3442 (a) To verify that each person participating remotely as a
 3443 shareholder is a shareholder, is another person entitled to vote
 3444 on behalf of a shareholder pursuant to s. 607.0721, is an
 3445 attorney in fact for a shareholder, or is a holder of a proxy
 3446 appointed pursuant to s. 607.0722; and

3447 (b) To provide such shareholders, such other persons
 3448 entitled to vote on behalf of shareholders pursuant to s.
 3449 607.0721, such attorneys in fact for shareholders, and such
 3450 holders of proxies appointed pursuant to s. 607.0722, a
 3451 reasonable opportunity to participate in the meeting and to vote

Page 119 of 458

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590-03467A-19

2019892c2

3452 on matters submitted to the shareholders, including an
 3453 opportunity to communicate, and to read or hear the proceedings
 3454 of the meeting, substantially concurrently with such
 3455 proceedings.

3456 (3) If any shareholder, any other person entitled to vote
 3457 on behalf of a shareholder pursuant to s. 607.0721, any attorney
 3458 in fact for a shareholder, or any holder of a proxy appointed
 3459 pursuant to s. 607.0722, votes or takes action at a
 3460 shareholder's meeting by means of remote communication
 3461 authorized under this section, a record of such vote or other
 3462 action shall be maintained by the corporation.

3463 (4) If the board of directors is authorized to determine
 3464 the place of a shareholders' meeting, the board of directors
 3465 may, in its sole discretion, determine that the meeting shall be
 3466 held solely by means of remote communication.

3467 Section 60. Subsections (1), (2), (3), (5), and (7) of
 3468 section 607.0720, Florida Statutes, are amended to read:

3469 607.0720 Shareholders' list for meeting.—

3470 (1) After fixing a record date for a meeting, a corporation
 3471 shall prepare an alphabetical list of the names of all its
 3472 shareholders who are entitled to notice of a shareholders'
 3473 meeting. If the board of directors fixes a different record date
 3474 under s. 607.0707(8) to determine the shareholders entitled to
 3475 vote at the meeting, the corporation must also prepare an
 3476 alphabetical list of the names of all its shareholders who are
 3477 entitled to vote at the meeting. Each list must be arranged by
 3478 voting group, and within each voting group by class or series of
 3479 shares, and show the address of and number of shares held by
 3480 each shareholder. This subsection does not require the

Page 120 of 458

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590-03467A-19

2019892c2

3481 corporation to include on such list the electronic mail address
 3482 or other electronic contact information of a shareholder,
 3483 ~~arranged by voting group with the address of, and the number and~~
 3484 ~~class and series, if any, of shares held by, each.~~

3485 (2) The shareholders' list for notice must be available for
 3486 inspection by any shareholder for a period of 10 days prior to
 3487 the meeting or such shorter time as exists between the record
 3488 date and the meeting and continuing through the meeting at the
 3489 corporation's principal office, at a place identified in the
 3490 meeting notice in the city where the meeting will be held, or at
 3491 the office of the corporation's transfer agent or registrar. Any
 3492 separate shareholders' list for voting, if different, must be
 3493 similarly available for inspection promptly after the record
 3494 date for voting. A shareholder or the shareholder's agent or
 3495 attorney is entitled on written demand to inspect and, the list
 3496 ~~(subject to the requirements of s. 607.1602(3)),~~ copy a list
 3497 during regular business hours and at his or her expense, during
 3498 the period it is available for inspection.

3499 (3) The corporation shall make the ~~shareholders'~~ list of
 3500 shareholders entitled to vote available at the meeting, and any
 3501 shareholder or the shareholder's agent or attorney is entitled
 3502 to inspect the list at any time during the meeting or any
 3503 adjournment.

3504 (5) If the requirements of this section have not been
 3505 substantially complied with or if the corporation refuses to
 3506 allow a shareholder or the shareholder's agent or attorney to
 3507 inspect ~~a the~~ shareholders' list, or copy a list pursuant to
 3508 subsection (2), before or at the meeting, the meeting shall be
 3509 adjourned until such requirements are complied with on the

Page 121 of 458

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590-03467A-19

2019892c2

3510 demand of any shareholder in person or by proxy who failed to
 3511 get such access, or, if not adjourned upon such demand and such
 3512 requirements are not complied with, the circuit court in the
 3513 applicable county of the county where a corporation's principal
 3514 ~~office (or, if none in this state, its registered office) is~~
 3515 ~~located,~~ on application of the shareholder, may summarily order
 3516 the inspection or copying at the corporation's expense and may
 3517 postpone the meeting for which the list was prepared until the
 3518 inspection or copying is complete.

3519 (7) A shareholder may not sell or otherwise distribute any
 3520 information or records inspected under this section, except to
 3521 the extent that such use is for a proper purpose as defined in
 3522 s. 607.1602(3). ~~Any person who violates this provision shall be~~
 3523 ~~subject to a civil penalty of \$5,000.~~

3524 Section 61. Subsections (1), (2), (3), and (4) of section
 3525 607.0721, Florida Statutes, are amended to read:

3526 607.0721 Voting entitlement of shares.—

3527 (1) Except as provided in subsections (2), (3), and (4) or
 3528 unless the articles of incorporation or this chapter act
 3529 provides otherwise, each outstanding share, regardless of class
 3530 or series, is entitled to one vote on each matter submitted to a
 3531 vote at a meeting of shareholders. Only shares are entitled to
 3532 vote. If the articles of incorporation provide for more or less
 3533 than one vote for any share on any matter, every reference in
 3534 this chapter act to a majority or other proportion of shares
 3535 shall refer to such a majority or other proportion of votes
 3536 entitled to be cast.

3537 (2) ~~The~~ Shares of a corporation are not entitled to vote if
 3538 they are owned by or otherwise belong to the corporation

Page 122 of 458

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590-03467A-19

2019892c2

3539 ~~directly, or indirectly through an entity of which a majority of~~
 3540 ~~the voting power is held directly or indirectly by the~~
 3541 ~~corporation or which is otherwise controlled by the, directly or~~
 3542 ~~indirectly, by a second corporation, domestic or foreign, and~~
 3543 ~~the first corporation owns, directly or indirectly, a majority~~
 3544 ~~of the shares entitled to vote for directors of the second~~
 3545 ~~corporation.~~

3546 (3) Shares held by the corporation in a fiduciary capacity
 3547 for the benefit of any person are entitled to vote unless they
 3548 are held for the benefit of, or otherwise belong to, the
 3549 corporation directly, or indirectly through an entity of which a
 3550 majority of the voting power is held directly or indirectly by
 3551 the corporation or which is otherwise controlled by the
 3552 corporation. For the purposes of this subsection, "voting power"
 3553 means the current power to vote in the election of directors of
 3554 a corporation or to elect, select, or appoint those persons who
 3555 will govern another entity ~~Subsection (2) does not limit the~~
 3556 ~~power of a corporation to vote any shares, including its own~~
 3557 ~~shares, held by it in a fiduciary capacity.~~

3558 (4) Redeemable shares are not entitled to vote on any
 3559 matter, and shall not be deemed to be outstanding, after
 3560 delivery of a written notice of redemption is effective mailed
 3561 ~~to the holders thereof~~ and a sum sufficient to redeem such
 3562 shares has been deposited with a bank, trust company, or other
 3563 financial institution upon an irrevocable obligation to pay the
 3564 holders the redemption price upon surrender of the shares.

3565 Section 62. Subsections (3) and (7) of section 607.0722,
 3566 Florida Statutes, are amended, and subsection (5) of that
 3567 section is republished, to read:

Page 123 of 458

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590-03467A-19

2019892c2

3568 607.0722 Proxies.—

3569 (3) An appointment of a proxy is effective when a signed
 3570 appointment form or an electronic transmission of the
 3571 appointment is received by the inspector of election or by the
 3572 secretary or other officer or agent authorized to count tabulate
 3573 votes. An appointment is valid for the term up to 11 months
 3574 unless a longer period is expressly provided in the appointment
 3575 form and, if no term is provided, is valid for 11 months unless
 3576 the appointment is irrevocable under subsection (5).

3577 (5) An appointment of a proxy is revocable by the
 3578 shareholder unless the appointment form or electronic
 3579 transmission conspicuously states that it is irrevocable and the
 3580 appointment is coupled with an interest. Appointments coupled
 3581 with an interest include the appointment of:

3582 (a) A pledgee;

3583 (b) A person who purchased or agreed to purchase the
3584 shares;3585 (c) A creditor of the corporation who extended credit to
3586 the corporation under terms requiring the appointment;3587 (d) An employee of the corporation whose employment
3588 contract requires the appointment; or3589 (e) A party to a voting agreement created under s.
3590 607.0731.

3591 (7) Unless the appointment otherwise provides, an
 3592 appointment made irrevocable under subsection (5) continues in
 3593 effect after a transfer of the shares and a transferee takes
 3594 subject to the appointment, except that a transferee for value
 3595 of shares subject to an irrevocable appointment may revoke the
 3596 appointment if the transferee did not know of its existence when

Page 124 of 458

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590-03467A-19

2019892c2

3597 ~~the transferee~~ ~~he or she~~ acquired the shares and the existence
3598 of the irrevocable appointment was not noted conspicuously on
3599 the certificate representing the shares or on the information
3600 statement for shares without certificates.

3601 Section 63. Section 607.0723, Florida Statutes, is amended
3602 to read:

3603 607.0723 Shares held by intermediaries and nominees.—

3604 (1) A corporation's board of directors ~~corporation~~ may
3605 establish a procedure under ~~by~~ which a person on whose behalf
3606 ~~the beneficial owner~~ of shares that are registered in the name
3607 of an intermediary or a nominee may elect to be treated ~~is~~
3608 ~~recognized~~ by the corporation as the record shareholder by
3609 filing with the corporation a beneficial ownership certificate.
3610 The terms, conditions, and limitations of such treatment shall
3611 be specified in the procedure. To the extent such person is
3612 treated under such procedure as having rights or privileges that
3613 the record shareholder otherwise would have, the record
3614 shareholder may not have those rights or privileges. The extent
3615 of this recognition may be determined in the procedure.

3616 (2) The procedure must specify ~~may set forth~~:

3617 (a) The types of intermediaries or nominees to which it
3618 applies;

3619 (b) The rights or privileges that the corporation
3620 recognizes in a person with respect to whom a beneficial
3621 ownership certificate is filed ~~beneficial owner~~;

3622 (c) The manner in which the procedure is selected, which
3623 shall include that the beneficial ownership certificate be
3624 signed or assented to by or on behalf of the record shareholder
3625 and the person or persons on whose behalf the shares are held ~~by~~

Page 125 of 458

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590-03467A-19

2019892c2

3626 ~~the nominee~~;

3627 (d) The information that must be provided when the
3628 procedure is selected;

3629 (e) The period for which selection of the procedure is
3630 effective; ~~and~~

3631 (f) Requirements for notice to the corporation with respect
3632 to the arrangement; and

3633 (g) The form and contents of the beneficial ownership
3634 certificate.

3635 (3) The procedure may specify any other aspects of the
3636 rights and duties created by the filing of a beneficial
3637 ownership certificate.

3638 Section 64. Section 607.0724, Florida Statutes, is amended
3639 to read:

3640 607.0724 ~~Corporation's~~ Acceptance of votes and other
3641 instruments.—

3642 (1) If the name signed on a vote, ballot, consent, waiver,
3643 shareholder demand, or proxy appointment corresponds to the name
3644 of a shareholder, the corporation if acting in good faith is
3645 entitled to accept the vote, ballot, consent, waiver,
3646 shareholder demand, or proxy appointment and give it effect as
3647 the act of the shareholder.

3648 (2) If the name signed on a vote, ballot, consent, waiver,
3649 shareholder demand, or proxy appointment does not correspond to
3650 the name of its shareholder, the corporation if acting in good
3651 faith is nevertheless entitled to accept the vote, ballot,
3652 consent, waiver, shareholder demand, or proxy appointment and
3653 give it effect as the act of the shareholder if:

3654 (a) The shareholder is an entity and the name signed

Page 126 of 458

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590-03467A-19

2019892c2

3655 purports to be that of an officer or agent of the entity;

3656 (b) The name signed purports to be that of an
3657 administrator, executor, guardian, personal representative, or
3658 conservator representing the shareholder and, if the corporation
3659 requests, evidence of fiduciary status acceptable to the
3660 corporation has been presented with respect to the vote, ballot,
3661 consent, waiver, shareholder demand, or proxy appointment;

3662 (c) The name signed purports to be that of a receiver,
3663 trustee in bankruptcy, or assignee for the benefit of creditors
3664 of the shareholder and, if the corporation requests, evidence of
3665 this status acceptable to the corporation has been presented
3666 with respect to the vote, ballot, consent, waiver, shareholder
3667 demand, or proxy appointment;

3668 (d) The name signed purports to be that of a pledgee,
3669 beneficial owner, or attorney in fact of the shareholder and, if
3670 the corporation requests, evidence acceptable to the corporation
3671 of the signatory's authority to sign for the shareholder has
3672 been presented with respect to the vote, ballot, consent,
3673 waiver, shareholder demand, or proxy appointment; or

3674 (e) Two or more persons are the shareholder as cotenants or
3675 fiduciaries and the name signed purports to be the name of at
3676 least one of the co_owners and the person signing appears to be
3677 acting on behalf of all the co_owners.

3678 (3) The corporation is entitled to reject a vote, ballot,
3679 consent, waiver, shareholder demand, or proxy appointment if the
3680 person authorized to accept or reject such instrument ~~secretary~~
3681 ~~or other officer or agent authorized to tabulate votes,~~ acting
3682 in good faith, has reasonable basis for doubt about the validity
3683 of the signature on it or about the signatory's authority to

Page 127 of 458

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590-03467A-19

2019892c2

3684 sign for the shareholder.

3685 (4) Neither the corporation or any person authorized by it,
3686 nor any inspector of election under s. 607.0729, that ~~The~~
3687 ~~corporation and its officer or agent who~~ accepts or rejects a
3688 vote, ballot, consent, waiver, shareholder demand, or proxy
3689 appointment in good faith and in accordance with the standards
3690 of this section ~~is are not~~ liable in damages to the shareholder
3691 for the consequences of the acceptance or rejection.

3692 (5) Corporate action based on the acceptance or rejection
3693 of a vote, ballot, consent, waiver, shareholder demand, or proxy
3694 appointment under this section is valid unless a court of
3695 competent jurisdiction determines otherwise.

3696 (6) If an inspector of election has been appointed under s.
3697 607.0729, the inspector of election may request information and
3698 make determinations under subsections (1), (2), and (3). Any
3699 determination made by the inspector of election under those
3700 subsections is controlling.

3701 Section 65. Subsections (1), (2), (3), and (5) of section
3702 607.0725, Florida Statutes, are amended, and subsection (8) is
3703 added to that section, to read:

3704 607.0725 Quorum and voting requirements for voting groups.-

3705 (1) Shares entitled to vote as a separate voting group may
3706 take action on a matter at a meeting only if a quorum of those
3707 shares exists with respect to that matter. Unless the articles
3708 of incorporation or this chapter ~~act~~ provides otherwise, a
3709 majority of the votes entitled to be cast on the matter by the
3710 voting group constitutes a quorum of that voting group for
3711 action on that matter.

3712 (2) Once a share is represented for any purpose at a

Page 128 of 458

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590-03467A-19

2019892c2

3713 meeting, it is deemed present for quorum purposes for the
 3714 remainder of the meeting and for any adjournment of that meeting
 3715 unless a new record date is or must be fixed ~~set~~ for that
 3716 adjourned meeting.

3717 (3) If a quorum exists, action on a matter (other than the
 3718 election of directors) by a voting group is approved if the
 3719 votes cast within the voting group favoring the action exceed
 3720 the votes cast opposing the action, unless the articles of
 3721 incorporation or this chapter ~~act~~ requires a greater number of
 3722 affirmative votes.

3723 (5) The articles of incorporation may provide for a greater
 3724 voting requirement or a greater or lesser quorum requirement for
 3725 shareholders, or voting groups of shareholders, than is provided
 3726 by this chapter ~~act~~, but in no event shall a quorum consist of
 3727 less than one-third of the shares entitled to vote.

3728 (8) Whenever a provision of this chapter provides for
 3729 voting of classes or series as separate voting groups, the rules
 3730 provided in s. 607.1004 for amendments of articles of
 3731 incorporation apply to that provision.

3732 Section 66. Section 607.0726, Florida Statutes, is amended
 3733 to read:

3734 607.0726 Action by single and multiple voting groups.—

3735 (1) If the articles of incorporation or this chapter ~~act~~
 3736 provides for voting by a single voting group on a matter, action
 3737 on that matter is taken when voted upon by that voting group as
 3738 provided in s. 607.0725.

3739 (2) If the articles of incorporation or this chapter ~~act~~
 3740 provides for voting by two or more voting groups on a matter,
 3741 action on that matter is taken only when voted upon by each of

590-03467A-19

2019892c2

3742 those voting groups counted separately as provided in s.
 3743 607.0725. Action may be taken by different voting groups ~~one~~
 3744 ~~voting group~~ on a matter at different times even though no
 3745 ~~action is taken by another voting group entitled to vote on the~~
 3746 ~~matter.~~

3747 Section 67. Subsection (1) of section 607.0728, Florida
 3748 Statutes, is amended to read:

3749 607.0728 Voting for directors; cumulative voting.—

3750 (1) Unless otherwise provided in the articles of
 3751 incorporation, or in a bylaw that fixes a greater voting
 3752 requirement for the election of directors and that is adopted by
 3753 the board of directors or shareholders of a corporation having
 3754 shares registered pursuant to s. 12 of the Securities Exchange
 3755 Act of 1934 listed on a national securities exchange at the time
 3756 of adoption, directors are elected by a plurality of the votes
 3757 cast by the shares entitled to vote in the election at a meeting
 3758 at which a quorum is present. A bylaw provision or amendment
 3759 adopted by shareholders which specifies the votes necessary for
 3760 the election of directors may not be further amended or repealed
 3761 by the board of directors.

3762 Section 68. Section 607.0729, Florida Statutes, is created
 3763 to read:

3764 607.0729 Voting procedures; inspectors of election.—

3765 (1) A corporation that has a class of shares registered
 3766 pursuant to s. 12 of the Securities Exchange Act of 1934 shall,
 3767 and any other corporation may, appoint one or more inspectors to
 3768 act at a meeting of shareholders in connection with determining
 3769 voting results. Each inspector will faithfully execute the
 3770 duties of inspector with strict impartiality and according to

590-03467A-19

2019892c2

3771 the best of the inspector's ability. An inspector may be an
 3772 officer or employee of the corporation. The inspectors may
 3773 appoint or retain other persons to assist the inspectors in the
 3774 performance of the duties of inspector under subsection (2) and
 3775 may rely on information provided by such persons and other
 3776 persons, including those appointed to count votes, unless the
 3777 inspectors believe reliance is unwarranted.

3778 (2) The inspectors shall:

3779 (a) Ascertain the number of shares outstanding and the
 3780 voting power of each;

3781 (b) Determine the shares represented at a meeting;

3782 (c) Determine the validity of proxy appointments and
 3783 ballots;

3784 (d) Count the votes; and

3785 (e) Make a written report of the results.

3786 (3) In performing their duties, the inspectors may examine:

3787 (a) The proxy appointment forms and any other information
 3788 provided in accordance with s. 607.0722(2);

3789 (b) Any envelope or related writing submitted with those
 3790 appointment forms;

3791 (c) Any ballots;

3792 (d) Any evidence or other information specified in s.
 3793 607.0724; and

3794 (e) The relevant books and records of the corporation
 3795 relating to its shareholders and their entitlement to vote,
 3796 including any securities position list provided by a depository
 3797 clearing agency.

3798 (4) The inspectors also may consider other information that
 3799 they believe is relevant and reliable for the purpose of

Page 131 of 458

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590-03467A-19

2019892c2

3800 performing any of the duties assigned to them pursuant to
 3801 subsection (2), including, for the purpose of evaluating
 3802 inconsistent, incomplete, or erroneous information and
 3803 reconciling information submitted on behalf of banks, brokers,
 3804 their nominees, or similar persons that indicates more votes
 3805 being cast than a proxy is authorized by the record shareholder
 3806 to cast or more votes being cast than the record shareholder is
 3807 entitled to cast. If the inspectors consider other information
 3808 allowed by this subsection, they must, in their report under
 3809 subsection (2), specify the information considered by them,
 3810 including the purpose or purposes for which the information was
 3811 considered, the person or persons from whom they obtained the
 3812 information, when the information was obtained, the means by
 3813 which the information was obtained, and the basis for the
 3814 inspectors' belief that such information is relevant and
 3815 reliable.

3816 (5) Determinations of law by the inspectors of election are
 3817 subject to de novo review by a court in a judicial proceeding
 3818 challenging the inspector's activities under this section.

3819 (6) The chair of the meeting shall announce at the meeting
 3820 when the polls close for each matter voted upon. If no
 3821 announcement is made, the polls shall be deemed to have closed
 3822 upon the final adjournment of the meeting. After the polls
 3823 close, no ballots, proxies, or votes, or any revocations or
 3824 changes thereto, may be accepted.

3825 Section 69. Subsection (1) of section 607.0730, Florida
 3826 Statutes, is amended to read:

3827 607.0730 Voting trusts.—

3828 (1) One or more shareholders may create a voting trust,

Page 132 of 458

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590-03467A-19

2019892c2

3829 conferring on a trustee the right to vote or otherwise act for
 3830 him or her or for them, by signing an agreement setting out the
 3831 provisions of the trust (which may include anything consistent
 3832 with its purpose) and transferring their shares to the trustee.
 3833 When a voting trust agreement is signed, the trustee shall
 3834 prepare a list of the names and addresses of all voting trust
 3835 beneficial owners ~~of beneficial interests in the trust~~, together
 3836 with the number and class of shares each transferred to the
 3837 trust, and deliver copies of the list and agreement to the
 3838 corporation at its ~~corporation's~~ principal office. After filing
 3839 a copy of the list and agreement in the corporation's principal
 3840 office, such copy shall be open to inspection by any shareholder
 3841 of the corporation (subject to the requirements of s.
 3842 607.1602(3)) or by any beneficiary of the trust under the
 3843 agreement during business hours.

3844 Section 70. Section 607.0731, Florida Statutes, is amended
 3845 to read:

3846 607.0731 Voting Shareholders' agreements.-

3847 (1) Two or more shareholders may provide for the manner in
 3848 which they will vote their shares by signing an agreement for
 3849 that purpose. A voting shareholders' agreement created under
 3850 this section is not subject to the provisions of s. 607.0730.

3851 (2) A voting shareholders' agreement created under this
 3852 section is specifically enforceable.

3853 (3) A transferee of shares in a corporation the
 3854 shareholders of which have entered into an agreement authorized
 3855 by subsection (1) shall be bound by such agreement if the
 3856 transferee takes shares subject to such agreement with notice
 3857 thereof. A transferee shall be deemed to have notice of any such

Page 133 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

3858 agreement or any ~~such~~ renewal thereof if the existence of such
 3859 agreement ~~thereof~~ is noted on the face or back of the
 3860 certificate or certificates representing such shares or on the
 3861 information statement for uncertified shares required by s.
 3862 607.0626(2).

3863 Section 71. Subsections (1) through (5) of section
 3864 607.0732, Florida Statutes, are amended, and subsection (8) is
 3865 added to that section, to read:

3866 607.0732 Shareholder agreements.-

3867 (1) An agreement among the shareholders of a corporation
 3868 ~~with 100 or fewer shareholders at the time of the agreement,~~
 3869 that complies with this section, is effective among the
 3870 shareholders and the corporation, even though it is inconsistent
 3871 with one or more other provisions of this chapter, if it:

3872 (a) Eliminates the board of directors or limits or
 3873 restricts the discretion or powers of the board of directors;

3874 (b) Governs the authorization or making of distributions
 3875 regardless of whether they are ~~or not~~ in proportion to ownership
 3876 of shares, subject to the limitations in s. 607.06401;

3877 (c) Establishes who shall be directors or officers of the
 3878 corporation, or their terms of office or manner of selection or
 3879 removal;

3880 (d) Governs, in general or in regard to specific matters,
 3881 the exercise or division of voting power by the shareholders and
 3882 directors or among any of them, including use of weighted voting
 3883 rights or director proxies;

3884 (e) Establishes the terms and conditions of any agreement
 3885 for the transfer or use of property or the provision of services
 3886 between the corporation and any shareholder, director, officer,

Page 134 of 458

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590-03467A-19

2019892c2

3887 or employee of the corporation or among any of them;

3888 (f) Transfers to any shareholder or other person any
3889 authority to exercise the corporate powers or to manage the
3890 business and affairs of the corporation, including the
3891 resolution of any issue about which there exists a deadlock
3892 among directors or shareholders; ~~or~~

3893 (g) Requires dissolution of the corporation at the request
3894 of one or more of the shareholders or upon the occurrence of a
3895 specified event or contingency; ~~-~~

3896 (h) Imposes a liability on a shareholder for the attorney
3897 fees or expenses of the corporation or any other party in
3898 connection with an internal corporate claim, as defined in s.
3899 607.0208;

3900 (i) Establishes, including in lieu of a judicial
3901 dissolution, a mechanism for breaking a deadlock among the
3902 directors or shareholders of the corporation or for addressing
3903 the occurrence or existence of a shareholder asserted oppressive
3904 action; or

3905 (j) ~~(h)~~ Otherwise governs the exercise of the corporate
3906 powers or the management of the business and affairs of the
3907 corporation or the relationship between the shareholders, the
3908 directors, and ~~or~~ the corporation, or among any of them, and is
3909 not contrary to public policy. ~~For purposes of this paragraph,~~
3910 ~~agreements contrary to public policy include, but are not~~
3911 ~~limited to, agreements that reduce the duties of care and~~
3912 ~~loyalty to the corporation as required by ss. 607.0830 and~~
3913 ~~607.0832, exculpate directors from liability that may be imposed~~
3914 ~~under s. 607.0831, adversely affect shareholders' rights to~~
3915 ~~bring derivative actions under s. 607.07401, or abrogate~~

Page 135 of 458

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590-03467A-19

2019892c2

3916 ~~dissenters' rights under ss. 607.1301-607.1320.~~

3917 (2) An agreement authorized by this section shall be:

3918 (a)1. Set forth or referenced in the articles of
3919 incorporation or bylaws and approved by all persons who are
3920 shareholders at the time the agreement; or

3921 2. Set forth in a written agreement that is signed by all
3922 persons who are shareholders at the time of the agreement and
3923 such written agreement is made known to the corporation; ~~and-~~

3924 (b) Subject to termination or amendment only by all persons
3925 who are shareholders at the time of the termination or
3926 amendment, unless the agreement provides otherwise ~~with respect~~
3927 ~~to termination and with respect to amendments that do not change~~
3928 ~~the designation, rights, preferences, or limitations of any of~~
3929 ~~the shares of a class or series.~~

3930 (3) The existence of an agreement authorized by this
3931 section shall be noted conspicuously on the front or back of
3932 each certificate for outstanding shares or on the information
3933 statement required with respect to uncertified shares by s.
3934 607.0626(2). If at the time of the agreement the corporation has
3935 shares outstanding which are represented by certificates, the
3936 corporation shall recall such certificates and issue substitute
3937 certificates that comply with this subsection. The failure to
3938 note the existence of the agreement on the certificate or
3939 information statement shall not affect the validity of the
3940 agreement or any action taken pursuant to it. Any purchaser of
3941 shares who, at the time of purchase, did not have knowledge of
3942 the existence of the agreement shall be entitled to rescission
3943 of the purchase. A purchaser shall be deemed to have knowledge
3944 of the existence of the agreement if its existence is noted on

Page 136 of 458

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590-03467A-19

2019892c2

3945 the certificate or information statement for the shares in
 3946 compliance with this subsection and, if the shares are not
 3947 represented by a certificate, the information statement is
 3948 delivered to the purchaser at or ~~before~~ ~~prior~~ to the time of the
 3949 purchase of the shares. An action to enforce the right of
 3950 rescission authorized by this subsection must be commenced
 3951 within the earlier of 90 days after discovery of the existence
 3952 of the agreement or 2 years after the time of purchase of the
 3953 shares.

3954 (4) An agreement authorized by this section shall cease to
 3955 be effective when shares of the corporation are registered
 3956 pursuant to s. 12 of the Securities Exchange Act of 1934 listed
 3957 on a national securities exchange or regularly quoted in a
 3958 market maintained by one or more members of a national or
 3959 affiliated securities association. If the agreement ceases to be
 3960 effective for any reason, the board of directors may, if the
 3961 agreement is contained or referred to in the corporation's
 3962 articles of incorporation or bylaws, adopt an amendment to the
 3963 articles of incorporation or bylaws, without shareholder action,
 3964 to delete the agreement and any references to it.

3965 (5) An agreement authorized by this section that limits or
 3966 restricts the discretion or powers of the board of directors
 3967 shall relieve the directors of, and impose upon the person or
 3968 persons in whom such discretion or powers are vested, liability
 3969 for acts or omissions imposed by law on directors to the extent
 3970 that the discretion or powers of the directors are limited by
 3971 the agreement.

3972 (8) This section does not limit or invalidate agreements
 3973 that are otherwise valid or authorized without regard to this

Page 137 of 458

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590-03467A-19

2019892c2

3974 section, including shareholder agreements between or among some
 3975 or all of the shareholders or agreements between or among the
 3976 corporation and one or more shareholders.

3977 Section 72. Section 607.07401, Florida Statutes, is
 3978 repealed.

3979 Section 73. Section 607.0741, Florida Statutes, is created
 3980 to read:

3981 607.0741 Standing.—

3982 (1) A shareholder may not commence a derivative proceeding
 3983 unless the shareholder is a shareholder at the time the action
 3984 is commenced and:

3985 (a) Was a shareholder when the conduct giving rise to the
 3986 action occurred; or

3987 (b) Whose status as a shareholder devolved on the person
 3988 through transfer or by operation of law from one who was a
 3989 shareholder when the conduct giving rise to the action occurred.

3990 (2) In ss. 607.0741-607.0747, the term "shareholder" means
 3991 a record shareholder, a beneficial shareholder, or an
 3992 unrestricted voting trust beneficial owner.

3993 Section 74. Section 607.0742, Florida Statutes, is created
 3994 to read:

3995 607.0742 Complaint; demand and excuse.—A complaint in a
 3996 proceeding brought in the right of a corporation must be
 3997 verified and allege with particularity:

3998 (1) The demand, if any, made to obtain the action desired
 3999 by the shareholder from the board of directors; and

4000 (2) Either:

4001 (a) If such a demand was made, that the demand was refused,
 4002 rejected, or ignored by the board of directors prior to the

Page 138 of 458

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590-03467A-19

2019892c2

4003 expiration of 90 days from the date the demand was made;
 4004 (b) If such a demand was made, why irreparable injury to
 4005 the corporation or misapplication or waste of corporate assets
 4006 causing material injury to the corporation would result by
 4007 waiting for the expiration of a 90-day period from the date the
 4008 demand was made; or
 4009 (c) The reason or reasons the shareholder did not make the
 4010 effort to obtain the desired action from the board of directors
 4011 or comparable authority.
 4012 Section 75. Section 607.0743, Florida Statutes, is created
 4013 to read:
 4014 607.0743 Stay of proceedings.—If the corporation commences
 4015 an inquiry into the allegations made in the demand or complaint,
 4016 the court may stay any derivative proceeding for such period as
 4017 the court deems appropriate.
 4018 Section 76. Section 607.0744, Florida Statutes, is created
 4019 to read:
 4020 607.0744 Dismissal.—
 4021 (1) A derivative proceeding may be dismissed, in whole or
 4022 in part, by the court on motion by the corporation if a group
 4023 specified in subsection (2) or subsection (3) has determined in
 4024 good faith, after conducting a reasonable inquiry upon which its
 4025 conclusions are based, that the maintenance of the derivative
 4026 proceeding is not in the best interests of the corporation. In
 4027 all such cases, the corporation has the burden of proof
 4028 regarding the qualifications, good faith, and reasonable inquiry
 4029 of the group making the determination.
 4030 (2) Unless a panel is appointed pursuant to subsection (3),
 4031 the determination required in subsection (1) shall be made by:

Page 139 of 458

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590-03467A-19

2019892c2

4032 (a) A majority of qualified directors present at a meeting
 4033 of the board of directors if the qualified directors constitute
 4034 a quorum; or
 4035 (b) A majority vote of a committee consisting of two or
 4036 more qualified directors appointed by majority vote of qualified
 4037 directors present at a meeting of the board of directors,
 4038 regardless of whether such qualified directors constitute a
 4039 quorum.
 4040 (3) Upon motion by the corporation, the court may appoint a
 4041 panel consisting of one or more disinterested and independent
 4042 individuals to make a determination required in subsection (1).
 4043 (4) This section does not prevent the court from:
 4044 (a) Enforcing a person's rights under the corporation's
 4045 articles of incorporation, bylaws or this chapter, including the
 4046 person's rights to information under s. 607.1602; or
 4047 (b) Exercising its equitable or other powers, including
 4048 granting extraordinary relief in the form of a temporary
 4049 restraining order or preliminary injunction.
 4050 Section 77. Section 607.0745, Florida Statutes, is created
 4051 to read:
 4052 607.0745 Discontinuance or settlement; notice.—
 4053 (1) A derivative action on behalf of a corporation may not
 4054 be discontinued or settled without the court's approval.
 4055 (2) If the court determines that a proposed discontinuance
 4056 or settlement will substantially affect the interest of the
 4057 corporation's shareholders or a class, series, or voting group
 4058 of shareholders, the court shall direct that notice be given to
 4059 the shareholders affected. The court may determine which party
 4060 or parties to the derivative action shall bear the expense of

Page 140 of 458

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590-03467A-19

2019892c2

4061 giving the notice.

4062 Section 78. Section 607.0746, Florida Statutes, is created
4063 to read:

4064 607.0746 Proceeds and expenses.—On termination of the
4065 derivative proceeding the court may:

4066 (1) Order the corporation to pay from the amount recovered
4067 in the derivative proceeding by the corporation the plaintiff's
4068 reasonable expenses, including reasonable attorney fees and
4069 costs, incurred in the derivative proceeding if it finds that,
4070 in the derivative proceeding, the plaintiff was successful in
4071 whole or in part; or

4072 (2) Order the plaintiff to pay any of the defendant's
4073 reasonable expenses, including reasonable attorney fees and
4074 costs, incurred in defending the proceeding if it finds that the
4075 proceeding was commenced or maintained without reasonable cause
4076 or for an improper purpose.

4077 Section 79. Section 607.0747, Florida Statutes, is created
4078 to read:

4079 607.0747 Applicability to foreign corporations.—In any
4080 derivative proceeding in the right of a foreign corporation
4081 brought in the courts of this state, the matters covered by ss.
4082 607.0741-607.0747 shall be governed by the laws of the
4083 jurisdiction of incorporation of the foreign corporation except
4084 for ss. 607.0743, 607.0745, and 607.0746.

4085 Section 80. Section 607.0748, Florida Statutes, is created
4086 to read:

4087 607.0748 Shareholder action to appoint custodians or
4088 receivers.—

4089 (1) A circuit court may appoint one or more persons to be

Page 141 of 458

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590-03467A-19

2019892c2

4090 custodians or receivers of and for a corporation in a proceeding
4091 by a shareholder where it is established that:

4092 (a) The directors are deadlocked in the management of the
4093 corporate affairs, the shareholders are unable to break the
4094 deadlock, and irreparable injury to the corporation is
4095 threatened or being suffered; or

4096 (b) The directors or those in control of the corporation
4097 are acting fraudulently and irreparable injury to the
4098 corporation is threatened or being suffered.

4099 (2) The court:

4100 (a) May issue injunctions, appoint one or more temporary
4101 custodians or temporary receivers with all the powers and duties
4102 the court directs, take other action to preserve the corporate
4103 assets wherever located, and carry on the business of the
4104 corporation until a full hearing is held;

4105 (b) Shall hold a full hearing, after notifying all parties
4106 to the proceeding and any interested persons designated by the
4107 court, before appointing a custodian or receiver; and

4108 (c) Has jurisdiction over the corporation and all of its
4109 property, wherever located.

4110 (3) The court may appoint a natural person, a domestic
4111 eligible entity, or a foreign eligible entity authorized to
4112 transact business in this state as a custodian or receiver and
4113 may require the custodian or receiver to post bond, with or
4114 without sureties, in an amount the court directs.

4115 (4) The court shall describe the powers and duties of the
4116 custodian or receiver in its appointing order, which may be
4117 amended. Among other powers:

4118 (a) A custodian may exercise all of the powers of the

Page 142 of 458

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590-03467A-19

2019892c2

4119 corporation, through or in place of its board of directors, to
 4120 the extent necessary to manage the business and affairs of the
 4121 corporation; and

4122 (b) A receiver may dispose of all or any part of the assets
 4123 of the corporation, wherever located, at a public or private
 4124 sale, if authorized by the court, and may sue and defend in the
 4125 receiver's own name as receiver in all courts of this state.

4126 (5) During a custodianship, the court may redesignate the
 4127 custodian a receiver and, during a receivership, the court may
 4128 redesignate the receiver a custodian, in each case if doing so
 4129 is in the best interests of the corporation.

4130 (6) The court from time to time during the custodianship or
 4131 receivership may order compensation paid and expense
 4132 disbursements or reimbursements made to any custodian or
 4133 receiver from the assets of the corporation or proceeds from the
 4134 sale of its assets.

4135 Section 81. Section 607.0749, Florida Statutes, is created
 4136 to read:

4137 607.0749 Provisional director.—

4138 (1) In a proceeding by a shareholder, a provisional
 4139 director may be appointed in the discretion of the court if it
 4140 appears that such action by the court will remedy a situation in
 4141 which the directors are deadlocked in the management of the
 4142 corporate affairs and the shareholders are unable to break the
 4143 deadlock. A provisional director may be appointed
 4144 notwithstanding the absence of a vacancy on the board of
 4145 directors, and such director shall have all the rights and
 4146 powers of a duly elected director, including the right to notice
 4147 of and to vote at meetings of directors, until such time as the

Page 143 of 458

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590-03467A-19

2019892c2

4148 provisional director is removed by order of the court or, unless
 4149 otherwise ordered by a court, removed by a vote of the
 4150 shareholders sufficient either to elect a majority of the board
 4151 of directors or, if greater than majority voting is required by
 4152 the articles of incorporation or the bylaws, to elect the
 4153 requisite number of directors needed to take action. A
 4154 provisional director shall be an impartial person who is neither
 4155 a shareholder nor a creditor of the corporation or of any
 4156 subsidiary or affiliate of the corporation, and whose further
 4157 qualifications, if any, may be determined by the court.

4158 (2) A provisional director shall report from time to time
 4159 to the court concerning the matter complained of, or the status
 4160 of the deadlock, if any, and of the status of the corporation's
 4161 business, as the court shall direct. No provisional director
 4162 shall be liable for any action taken or decision made, except as
 4163 directors may be liable under s. 607.0831. In addition, the
 4164 provisional director shall submit to the court, if so directed,
 4165 recommendations as to the appropriate disposition of the action.
 4166 Whenever a provisional director is appointed, any officer or
 4167 director of the corporation may, from time to time, petition the
 4168 court for instructions clarifying the duties and
 4169 responsibilities of such officer or director.

4170 (3) In any proceeding under this section, the court shall
 4171 allow reasonable compensation to the provisional director for
 4172 services rendered and reimbursement or direct payment of
 4173 reasonable costs and expenses, which amounts shall be paid by
 4174 the corporation.

4175 Section 82. Section 607.0801, Florida Statutes, is amended
 4176 to read:

Page 144 of 458

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590-03467A-19

2019892c2

4177 607.0801 Requirement for and duties of board of directors.-

4178 (1) Except as may be provided in an agreement authorized
 4179 pursuant to s. 607.0732(1), each corporation must have a board
 4180 of directors.

4181 (2) All corporate powers shall be exercised by or under the
 4182 authority of the board of directors of the corporation, and the
 4183 business and affairs of the corporation shall be managed by or
 4184 under the direction of, and subject to the oversight of, its
 4185 board of directors, subject to any limitation set forth in the
 4186 articles of incorporation or in an agreement authorized under s.
 4187 607.0732.

4188 Section 83. Section 607.0802, Florida Statutes, is amended
 4189 to read:

4190 607.0802 Qualifications of directors.-

4191 (1) Directors must be natural persons who are 18 years of
 4192 age or older but need not be residents of this state or
 4193 shareholders of the corporation unless the articles of
 4194 incorporation or bylaws so require. The articles of
 4195 incorporation or bylaws may prescribe additional qualifications
 4196 for directors or nominees for directors.

4197 (2) A qualification for nomination for director prescribed
 4198 before a person's nomination shall apply to such person at the
 4199 time of nomination. A qualification for nomination for director
 4200 prescribed after a person's nomination does not apply to such
 4201 person with respect to such nomination.

4202 (3) A qualification for director prescribed before a
 4203 director has been elected or appointed may apply only at the
 4204 time an individual becomes a director or may apply during a
 4205 director's term. A qualification prescribed after a director has

Page 145 of 458

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590-03467A-19

2019892c2

4206 been elected or appointed does not apply to that director before
 4207 the end of that director's term.

4208 ~~(4)(2)~~ In the event that the eligibility to serve as a
 4209 member of the board of directors of a condominium association,
 4210 cooperative association, homeowners' association, or mobile home
 4211 owners' association is restricted to membership in such
 4212 association and membership is appurtenant to ownership of a
 4213 unit, parcel, or mobile home, a grantor of a trust described in
 4214 s. 733.707(3), or a qualified beneficiary as defined in s.
 4215 736.0103 of a trust which owns a unit, parcel, or mobile home
 4216 shall be deemed a member of the association and eligible to
 4217 serve as a director of the condominium association, cooperative
 4218 association, homeowners' association, or mobile home owners'
 4219 association, provided that said beneficiary occupies the unit,
 4220 parcel, or mobile home.

4221 Section 84. Subsection (3) of section 607.0803, Florida
 4222 Statutes, is amended to read:

4223 607.0803 Number of directors.-

4224 (3) Directors are elected at the first annual shareholders'
 4225 meeting and at each annual shareholders' meeting thereafter,
 4226 unless elected by written consent in lieu of an annual
 4227 shareholders' meeting pursuant to s. 607.0704 or unless their
 4228 terms are staggered under s. 607.0806.

4229 Section 85. Section 607.0804, Florida Statutes, is amended
 4230 to read:

4231 607.0804 Election of directors by certain voting groups;
 4232 special voting rights of certain directors.-The articles of
 4233 incorporation may confer upon holders of any voting group the
 4234 right to elect one or more directors who shall serve for such

Page 146 of 458

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590-03467A-19

2019892c2

4235 term and have such voting powers as are stated in the articles
 4236 of incorporation. The terms of office and voting powers of the
 4237 directors elected in the manner provided in the articles of
 4238 incorporation may be greater than or less than those of any
 4239 other director or class of directors. If the articles of
 4240 incorporation provide that directors elected by the holders of a
 4241 voting group shall have more or less than one vote per director
 4242 on any matter, every reference in this chapter ~~act~~ to a majority
 4243 or other proportion of directors shall refer to a majority or
 4244 other proportion of the votes of such directors. If a
 4245 shareholders' agreement meeting the requirements of s. 607.0732,
 4246 or articles of incorporation or bylaws meeting the requirements
 4247 of s. 607.0732, provide that directors shall have more or less
 4248 than one vote per director on any matter, every reference in
 4249 this chapter to a majority or other proportion of directors
 4250 shall refer to a majority or other proportion of the votes of
 4251 such directors.

4252 Section 86. Subsections (2) and (5) of section 607.0805,
 4253 Florida Statutes, are amended to read:

4254 607.0805 Terms of directors generally.-

4255 (2) The terms of all other directors expire at the next
 4256 annual shareholders' meeting following their election, except to
 4257 the extent:

4258 (a) Provided in s. 607.0806;

4259 (b) Provided in s. 607.1023 if a bylaw electing to be
 4260 governed by that section is in effect; or

4261 (c) That a shorter term is specified in the articles of
 4262 incorporation in the event of a director nominee failing to
 4263 receive a specified vote for election unless their terms are

Page 147 of 458

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590-03467A-19

2019892c2

4264 ~~staggered under s. 607.0806.~~

4265 (5) Except to the extent otherwise provided in the articles
 4266 of incorporation or under s. 607.1023, if a bylaw electing to be
 4267 governed by that section is in effect, despite the expiration of
 4268 a director's term, the director continues to serve until his or
 4269 her successor is elected and qualifies or until there is a
 4270 decrease in the number of directors.

4271 Section 87. Section 607.0806, Florida Statutes, is amended
 4272 to read:

4273 607.0806 Staggered terms for directors.-

4274 (1) ~~The directors of any corporation organized under this~~
 4275 ~~act may, by the articles of incorporation, the initial bylaws or~~
 4276 ~~by an initial bylaw, or by a bylaw adopted by a vote of the~~
 4277 ~~shareholders, may provide for staggering the terms of directors~~
 4278 ~~by dividing the total number of directors into two or three~~
 4279 ~~groups, with each group containing half or one-third of the~~
 4280 ~~total, as near as may be practicable. In that event, the terms~~
 4281 ~~of the first group expire at the first annual shareholders'~~
 4282 ~~meeting after their election, the terms of the second group~~
 4283 ~~expire at the second annual shareholders' meeting after their~~
 4284 ~~election, and the terms of the third group, if any, expire at~~
 4285 ~~the third annual shareholders' meeting after their election. At~~
 4286 ~~each annual shareholders' meeting held thereafter, directors~~
 4287 ~~shall be elected for a term of two years or three years be~~
 4288 ~~divided into one, two, or three classes with the number of~~
 4289 ~~directors in each class being as nearly equal as possible; the~~
 4290 ~~term of office of those of the first class to expire at the~~
 4291 ~~annual meeting next ensuing; of the second class 1 year~~
 4292 ~~thereafter; of the third class 2 years thereafter; and at each~~

Page 148 of 458

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590-03467A-19

2019892c2

4293 ~~annual election held after such classification and election,~~
 4294 ~~directors shall be chosen for a full term,~~ as the case may be,
 4295 to succeed those whose terms expire. If the directors have
 4296 staggered terms, then any increase or decrease in the number of
 4297 directors shall be so apportioned among the classes as to make
 4298 all classes as nearly equal in number as possible.

4299 (2) In the case of any Florida corporation in existence
 4300 prior to July 1, 1990, directors of such corporation divided
 4301 into four classes may continue to serve staggered terms as the
 4302 articles of incorporation or bylaws of such corporation provided
 4303 immediately prior to July 1, 1990 ~~the effective date of this~~
 4304 ~~act,~~ unless and until the articles of incorporation or bylaws
 4305 are amended to alter or terminate such classes.

4306 Section 88. Section 607.0807, Florida Statutes, is amended
 4307 to read:

4308 607.0807 Resignation of directors.—

4309 (1) A director may resign at any time by delivering written
 4310 notice of resignation to the board of directors or its chair or
 4311 to the secretary of the corporation.

4312 (2) A resignation is effective when the notice of
 4313 resignation is delivered unless the notice of resignation
 4314 specifies a later effective date or an effective date determined
 4315 upon the subsequent happening of an event or events. If a
 4316 resignation is made effective at a later date or upon the
 4317 subsequent happening of an event or events, the board of
 4318 directors may fill the pending vacancy before the effective date
 4319 occurs if the board of directors provides that the successor
 4320 does not take office until the effective date.

4321 (3) A resignation that specifies a later effective date or

Page 149 of 458

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590-03467A-19

2019892c2

4322 that is conditioned upon the subsequent happening of an event or
 4323 events or upon failing to receive a specified vote for election
 4324 as a director may provide that the resignation is irrevocable.

4325 Section 89. Subsections (3) and (4) of section 607.0808,
 4326 Florida Statutes, are amended to read:

4327 607.0808 Removal of directors by shareholders.—

4328 (3) A director may be removed if the number of votes cast
 4329 to remove the director exceeds the number of votes cast not to
 4330 remove the director, except to the extent the articles of
 4331 incorporation or bylaws require a greater number; provided that
 4332 if cumulative voting is authorized, a director may not be
 4333 removed if, in the case of a meeting, the number of votes
 4334 sufficient to elect the director under cumulative voting is
 4335 voted against his or her removal and, if action is taken by less
 4336 than unanimous written consent, voting shareholders entitled to
 4337 the number of votes sufficient to elect the director under
 4338 cumulative voting do not consent to the removal. If cumulate
 4339 voting is not authorized, a director may be removed only if the
 4340 number of votes cast to remove the director exceeds the number
 4341 of votes cast not to remove him or her.

4342 (4) A director may be removed by the shareholders only at a
 4343 meeting of shareholders called for the purpose of removing the
 4344 director and the meeting notice must state that the, provided
 4345 the notice of the meeting states that the purpose, or one of the
 4346 purposes, of the meeting is removal of the director is the
 4347 purpose of the meeting.

4348 Section 90. Section 607.08081, Florida Statutes, is created
 4349 to read:

4350 607.08081 Removal of directors by judicial proceedings.—

Page 150 of 458

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590-03467A-19

2019892c2

4351 (1) The circuit court in the applicable county may remove a
 4352 director from office, and may order other relief, including
 4353 barring the director from reelection for a period prescribed by
 4354 the court, in a proceeding commenced by or in the right of the
 4355 corporation if the court finds that:

4356 (a) The director engaged in fraudulent conduct with respect
 4357 to the corporation or its shareholders, grossly abused the
 4358 position of director, or intentionally inflicted harm on the
 4359 corporation; and

4360 (b) Considering the director's course of conduct and the
 4361 inadequacy of other available remedies, removal or such other
 4362 relief would be in the best interest of the corporation.

4363 (2) A shareholder proceeding on behalf of the corporation
 4364 under paragraph (1)(a) shall comply with all of the requirements
 4365 of ss. 607.0741-607.0747, except s. 607.0741(1).

4366 Section 91. Section 607.0809, Florida Statutes, is amended
 4367 to read:

4368 607.0809 Vacancy on board.—

4369 (1) Unless the articles of incorporation provide otherwise,
 4370 if ~~Whenever~~ a vacancy occurs on a board of directors, including
 4371 a vacancy resulting from an increase in the number of
 4372 directors; ~~it may be filled by the affirmative vote of a~~
 4373 ~~majority of the remaining directors, though less than a quorum~~
 4374 ~~of the board of directors, or by the shareholders, unless the~~
 4375 ~~articles of incorporation provide otherwise~~

4376 (a) The shareholders may fill the vacancy;

4377 (b) The board of directors may fill the vacancy; or

4378 (c) If the directors remaining in office are less than a
 4379 quorum, the vacancy may be filled by the affirmative vote of a

Page 151 of 458

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590-03467A-19

2019892c2

4380 majority of all the directors then remaining in office.

4381 (2) If the vacant office was held by a director elected by
 4382 a voting group of shareholders, only the holders of shares of
 4383 that voting group are entitled to vote to fill the vacancy if it
 4384 is filled by the shareholders, and only the remaining directors
 4385 elected by that voting group, even if less than a quorum, are
 4386 entitled to fill the vacancy if it is filled by the directors
 4387 ~~Whenever the holders of shares of any voting group are entitled~~
 4388 ~~to elect a class of one or more directors by the provisions of~~
 4389 ~~the articles of incorporation, vacancies in such class may be~~
 4390 ~~filled by holders of shares of that voting group or by a~~
 4391 ~~majority of the directors then in office elected by such voting~~
 4392 ~~group or by a sole remaining director so elected. If no director~~
 4393 ~~elected by such voting group remains in office, unless the~~
 4394 ~~articles of incorporation provide otherwise, directors not~~
 4395 ~~elected by such voting group may fill vacancies as provided in~~
 4396 ~~subsection (1).~~

4397 (3) A vacancy that will ~~may~~ occur at a specified later date
 4398 ~~(under s. 607.0807(2) by reason of a resignation effective at a~~
 4399 ~~later date under s. 607.0807(2) or otherwise or upon the~~
 4400 ~~subsequent happening of an event) may be filled before the~~
 4401 ~~vacancy occurs, but the new director may not take office until~~
 4402 ~~the vacancy occurs.~~

4403 Section 92. Subsection (4) of section 607.0820, Florida
 4404 Statutes, is amended to read:

4405 607.0820 Meetings.—

4406 (4) Unless the articles of incorporation or bylaws provide
 4407 otherwise, the board of directors may permit any or all
 4408 directors to participate in any meeting of the board of

Page 152 of 458

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590-03467A-19

2019892c2

4409 ~~directors a regular or special meeting by, or conduct the~~
 4410 ~~meeting~~ through the use of, any means of communication by which
 4411 all directors participating may simultaneously hear each other
 4412 during the meeting. A director participating in a meeting by
 4413 this means is deemed to be present in person at the meeting.

4414 Section 93. Subsections (1) and (2) of section 607.0821,
 4415 Florida Statutes, are amended to read:

4416 607.0821 Action by directors without a meeting.—

4417 (1) Unless the articles of incorporation or bylaws provide
 4418 otherwise, action required or permitted by this chapter ~~act~~ to
 4419 be taken at a board of directors' meeting or committee meeting
 4420 may be taken without a meeting if the action is taken by all
 4421 members of the board or of the committee. The action must be
 4422 evidenced by one or more written consents describing the action
 4423 taken and signed by each director or committee member and
 4424 delivered to the corporation.

4425 (2) Action taken under this section is effective when the
 4426 last director signs the consent and delivers the consent to the
 4427 corporation, unless the consent specifies a different effective
 4428 date. A director's consent may be withdrawn by a revocation
 4429 signed by the director and delivered to the corporation prior to
 4430 delivery to the corporation of unrevoked written consents signed
 4431 by all the directors.

4432 Section 94. Section 607.0823, Florida Statutes, is amended
 4433 to read:

4434 607.0823 Waiver of notice.—Notice of a meeting of the board
 4435 of directors need not be given to any director who signs a
 4436 waiver of notice either before or after the meeting. Attendance
 4437 of a director at a meeting shall constitute a waiver of notice

Page 153 of 458

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590-03467A-19

2019892c2

4438 of such meeting and a waiver of any and all objections to the
 4439 date, time, place, or purpose of the meeting, ~~the time of the~~
 4440 ~~meeting~~, or the manner in which it has been called or convened,
 4441 except when a director states, at the beginning of the meeting
 4442 or promptly upon arrival at the meeting, any objection to
 4443 holding the meeting or to the transaction of business because
 4444 the meeting is not lawfully called or convened and if the
 4445 director, after objection, does not vote for or consent to
 4446 action taken at the meeting.

4447 Section 95. Subsections (1), (2), and (3) of section
 4448 607.0824, Florida Statutes, are amended, present subsection (4)
 4449 of that section is redesignated as subsection (5), and a new
 4450 subsection (4) is added to that section, to read:

4451 607.0824 Quorum and voting.—

4452 (1) Unless the articles of incorporation or bylaws provide
 4453 for a greater or lesser number, or unless otherwise expressly
 4454 provided in this chapter ~~require a different number~~, a quorum of
 4455 a board of directors consists of a majority of the number of
 4456 directors specified in or fixed in accordance with ~~prescribed by~~
 4457 the articles of incorporation or the bylaws.

4458 (2) The quorum of the board of directors specified in or
 4459 fixed in accordance with the articles of incorporation or bylaws
 4460 ~~may not consist of less than may authorize a quorum of a board~~
 4461 ~~of directors to consist of less than a majority but no fewer~~
 4462 ~~than~~ one-third of the specified or fixed ~~prescribed~~ number of
 4463 directors ~~determined under the articles of incorporation or the~~
 4464 ~~bylaws.~~

4465 (3) If a quorum is present when a vote is taken, the
 4466 affirmative vote of a majority of directors present is the act

Page 154 of 458

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590-03467A-19

2019892c2

4467 of the board of directors unless the articles of incorporation
4468 or bylaws require the vote of a greater number of directors or
4469 unless otherwise expressly provided for in this chapter.

4470 (4) If any directors have special voting rights in
4471 compliance with the provisions of s. 607.0804, the quorum and
4472 voting requirements of this section shall be determined
4473 consistent with the provisions of s. 607.0804.

4474 Section 96. Section 607.0825, Florida Statutes, is amended
4475 to read:

4476 607.0825 Committees.—

4477 (1) Unless this chapter, the articles of incorporation, or
4478 the bylaws provide otherwise, the board of directors may
4479 establish provide, the board of directors, by resolution adopted
4480 by a majority of the full board of directors, may designate from
4481 among its members an executive committee and one or more other
4482 board committees to perform functions of the board of directors.
4483 Such committees shall be composed exclusively of one or more
4484 directors committees each of which, to the extent provided in
4485 such resolution or in the articles of incorporation or the
4486 bylaws of the corporation, shall have and may exercise all the
4487 authority of the board of directors, except that no such
4488 committee shall have the authority to:

4489 ~~(a) Approve or recommend to shareholders actions or~~
4490 ~~proposals required by this act to be approved by shareholders.~~

4491 ~~(b) Fill vacancies on the board of directors or any~~
4492 ~~committee thereof.~~

4493 ~~(c) Adopt, amend, or repeal the bylaws.~~

4494 ~~(d) Authorize or approve the reacquisition of shares unless~~
4495 ~~pursuant to a general formula or method specified by the board~~

Page 155 of 458

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590-03467A-19

2019892c2

4496 ~~of directors.~~

4497 ~~(e) Authorize or approve the issuance or sale or contract~~
4498 ~~for the sale of shares, or determine the designation and~~
4499 ~~relative rights, preferences, and limitations of a voting group~~
4500 ~~except that the board of directors may authorize a committee (or~~
4501 ~~a senior executive officer of the corporation) to do so within~~
4502 ~~limits specifically prescribed by the board of directors.~~

4503 (2) Unless this chapter, the articles of incorporation, or
4504 the bylaws provide otherwise, the establishment of a board
4505 committee, the appointment of members to such committee, the
4506 dissolution of a previously created board committee, and the
4507 removal of members from a previously created board committee
4508 must be approved by a majority of all the directors in office
4509 when the action is taken Unless the articles of incorporation or
4510 bylaws provide otherwise, ss. 607.0820, 607.0822, 607.0823, and
4511 607.0824 which govern meetings, notice and waiver of notice, and
4512 quorum and voting requirements of the board of directors apply
4513 to committees and their members as well.

4514 (3) Sections 607.0820-607.0824, which govern meetings,
4515 notice and waiver of notice, and quorum and voting requirements
4516 of the board of directors, apply to board committees and their
4517 members as well.

4518 (4) A board committee may exercise the powers of the board
4519 of directors under s. 607.0801, except that a board committee
4520 may not:

4521 (a) Authorize or approve the reacquisition of shares unless
4522 pursuant to a formula or method, or within limits, prescribed by
4523 the board of directors.

4524 (b) Approve, recommend to shareholders, or propose to

Page 156 of 458

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590-03467A-19

2019892c2

4525 shareholders action that this chapter requires be approved by
4526 shareholders.

4527 (c) Fill vacancies on the board of directors or on any
4528 board committee.

4529 (d) Adopt, amend, or repeal bylaws.

4530 (5) The establishment of, delegation of authority to, or
4531 action by a committee does not alone constitute compliance by a
4532 director with the standards of conduct described in s. 607.0830.

4533 (6) The board of directors may appoint ~~Each committee must~~
4534 ~~have two or more members who serve at the pleasure of the board~~
4535 ~~of directors. The board, by resolution adopted in accordance~~
4536 ~~with subsection (1), may designate one or more directors as~~
4537 ~~alternate members of any board such committee to fill a vacancy~~
4538 ~~on the committee or to replace who may act in the place and~~
4539 ~~stead of any absent or disqualified member of such committee~~
4540 ~~during the member's absence or disqualification. If the articles~~
4541 ~~of incorporation, the bylaws, or the resolution creating the~~
4542 ~~board committee so provide, the member or members present at any~~
4543 ~~board committee meeting and not disqualified from voting, by~~
4544 ~~unanimous action, may appoint another director to act in place~~
4545 ~~of an absent or disqualified member during that member's absence~~
4546 ~~or disqualification or members at any meeting of such committee.~~

4547 ~~(4) Neither the designation of any such committee, the~~
4548 ~~delegation thereto of authority, nor action by such committee~~
4549 ~~pursuant to such authority shall alone constitute compliance by~~
4550 ~~any member of the board of directors not a member of the~~
4551 ~~committee in question with his or her responsibility to act in~~
4552 ~~good faith, in a manner he or she reasonably believes to be in~~
4553 ~~the best interests of the corporation, and with such care as an~~

Page 157 of 458

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590-03467A-19

2019892c2

4554 ~~ordinarily prudent person in a like position would use under~~
4555 ~~similar circumstances.~~

4556 Section 97. Section 607.0826, Florida Statutes, is created
4557 to read:

4558 607.0826 Submission of matters for a shareholder vote.-A
4559 corporation may agree to submit a matter to a vote of its
4560 shareholders even if, after approving the matter, the board of
4561 directors determines it no longer recommends the matter.

4562 Section 98. Section 607.0830, Florida Statutes, is amended
4563 to read:

4564 607.0830 General standards for directors.-

4565 (1) Each member of the board of directors, when discharging
4566 the duties of a director, including in discharging his or her
4567 duties as a member of a board committee, must act ~~A director~~
4568 ~~shall discharge his or her duties as a director, including his~~
4569 ~~or her duties as a member of a committee:~~

4570 (a) In good faith; and

4571 (b) With the care an ordinarily prudent person in a like
4572 ~~position would exercise under similar circumstances; and~~

4573 ~~(c) In a manner he or she reasonably believes to be in the~~
4574 ~~best interests of the corporation.~~

4575 (2) The members of the board of directors or a board
4576 committee, when becoming informed in connection with a
4577 decisionmaking function or devoting attention to an oversight
4578 function, shall discharge their duties with the care that an
4579 ordinary prudent person in a like position would reasonably
4580 believe appropriate under similar circumstances ~~In discharging~~
4581 ~~his or her duties, a director is entitled to rely on~~
4582 ~~information, opinions, reports, or statements, including~~

Page 158 of 458

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590-03467A-19

2019892c2

4583 ~~financial statements and other financial data, if prepared or~~
4584 ~~presented by:~~

4585 ~~(a) One or more officers or employees of the corporation~~
4586 ~~whom the director reasonably believes to be reliable and~~
4587 ~~competent in the matters presented;~~

4588 ~~(b) Legal counsel, public accountants, or other persons as~~
4589 ~~to matters the director reasonably believes are within the~~
4590 ~~persons' professional or expert competence; or~~

4591 ~~(c) A committee of the board of directors of which he or~~
4592 ~~she is not a member if the director reasonably believes the~~
4593 ~~committee merits confidence.~~

4594 (3) In discharging board or board committee duties, a
4595 director who does not have knowledge that makes reliance
4596 unwarranted is entitled to rely on the performance by any of the
4597 persons specified in paragraph (5) (a) or paragraph (5) (b) to
4598 whom the board may have delegated, formally or informally by
4599 course of conduct, the authority or duty to perform one or more
4600 of the board's functions that are delegable under applicable
4601 law.

4602 (4) In discharging board or board committee duties, a
4603 director who does not have knowledge that makes reliance
4604 unwarranted is entitled to rely on information, opinions,
4605 reports, or statements, including financial statements and other
4606 financial data, prepared or presented by any of the persons
4607 specified in subsection (5).

4608 (5) A director is entitled to rely, in accordance with
4609 subsection (3) or subsection (4), on:

4610 (a) One or more officers or employees of the corporation
4611 whom the director reasonably believes to be reliable and

Page 159 of 458

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590-03467A-19

2019892c2

4612 competent in the functions performed or the information,
4613 opinions, reports, or statements provided;

4614 (b) Legal counsel, public accountants, or other persons
4615 retained by the corporation or by a committee of the board of
4616 the corporation as to matters involving skills or expertise the
4617 director reasonably believes are matters:

4618 1. Within the particular person's professional or expert
4619 competence; or

4620 2. As to which the particular person merits confidence; or

4621 (c) A committee of the board of directors of which the
4622 director is not a member if the director reasonably believes the
4623 committee merits confidence.

4624 ~~(6)(3)~~ In discharging board or board committee his or her
4625 duties, a director may consider such factors as the director
4626 deems relevant, including the long-term prospects and interests
4627 of the corporation and its shareholders, and the social,
4628 economic, legal, or other effects of any action on the
4629 employees, suppliers, customers of the corporation or its
4630 subsidiaries, the communities and society in which the
4631 corporation or its subsidiaries operate, and the economy of the
4632 state and the nation.

4633 ~~(4) A director is not acting in good faith if he or she has~~
4634 ~~knowledge concerning the matter in question that makes reliance~~
4635 ~~otherwise permitted by subsection (2) unwarranted.~~

4636 ~~(5) A director is not liable for any action taken as a~~
4637 ~~director, or any failure to take any action, if he or she~~
4638 ~~performed the duties of his or her office in compliance with~~
4639 ~~this section.~~

4640 Section 99. Subsections (1) and (3) of section 607.0831,

Page 160 of 458

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590-03467A-19

2019892c2

4641 Florida Statutes, are amended to read:

4642 607.0831 Liability of directors.—

4643 (1) A director is not personally liable for monetary
4644 damages to the corporation or any other person for any
4645 statement, vote, decision to take or not to take action, or any
4646 failure to take any action, as or failure to act, regarding
4647 ~~corporate management or policy, by~~ a director, unless:

4648 (a) The director breached or failed to perform his or her
4649 duties as a director; and

4650 (b) The director's breach of, or failure to perform, those
4651 duties constitutes any of the following:

4652 1. A violation of the criminal law, unless the director had
4653 reasonable cause to believe his or her conduct was lawful or had
4654 no reasonable cause to believe his or her conduct was unlawful.
4655 A judgment or other final adjudication against a director in any
4656 criminal proceeding for a violation of the criminal law estops
4657 that director from contesting the fact that his or her breach,
4658 or failure to perform, constitutes a violation of the criminal
4659 law; but does not estop the director from establishing that he
4660 or she had reasonable cause to believe that his or her conduct
4661 was lawful or had no reasonable cause to believe that his or her
4662 conduct was unlawful;

4663 2. A circumstance under which the A transaction at issue is
4664 one from which the director derived an improper personal
4665 benefit, either directly or indirectly;

4666 3. A circumstance under which the liability provisions of
4667 s. 607.0834 are applicable;

4668 4. In a proceeding by or in the right of the corporation to
4669 procure a judgment in its favor or by or in the right of a

Page 161 of 458

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590-03467A-19

2019892c2

4670 shareholder, conscious disregard for the best interest of the
4671 corporation, or willful or intentional misconduct; or

4672 5. In a proceeding by or in the right of someone other than
4673 the corporation or a shareholder, recklessness or an act or
4674 omission which was committed in bad faith or with malicious
4675 purpose or in a manner exhibiting wanton and willful disregard
4676 of human rights, safety, or property.

4677 (3) A director is deemed not to have derived an improper
4678 personal benefit from any transaction if the transaction and the
4679 nature of any personal benefit derived by the director are not
4680 prohibited by state or federal law or regulation and, without
4681 further limitation:

4682 (a) In an action other than a derivative suit regarding a
4683 decision by the director to approve, reject, or otherwise affect
4684 the outcome of an offer to purchase the shares stock of, or to
4685 effect a merger of, the corporation, the transaction and the
4686 nature of any personal benefits derived by a director are
4687 disclosed or known to all directors voting on the matter, and
4688 the transaction was authorized, approved, or ratified by at
4689 least two directors who comprise a majority of the disinterested
4690 directors (whether or not such disinterested directors
4691 constitute a quorum); or

4692 (b) The transaction is fair to the corporation at the time
4693 it is authorized, approved, or ratified as determined in
4694 accordance with s. 607.0832 and the nature of any personal
4695 ~~benefits derived by a director are disclosed or known to the~~
4696 ~~shareholders entitled to vote, and the transaction was~~
4697 ~~authorized, approved, or ratified by the affirmative vote or~~
4698 ~~written consent of such shareholders who hold a majority of the~~

Page 162 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

4699 ~~shares, the voting of which is not controlled by directors who~~
 4700 ~~derived a personal benefit from or otherwise had a personal~~
 4701 ~~interest in the transaction; or~~

4702 ~~(e) The transaction was fair and reasonable to the~~
 4703 ~~corporation at the time it was authorized by the board, a~~
 4704 ~~committee, or the shareholders, notwithstanding that a director~~
 4705 ~~received a personal benefit.~~

4706 Section 100. Section 607.0832, Florida Statutes, is amended
 4707 to read:

4708 607.0832 Director conflicts of interest.-

4709 (1) As used in this section, the following terms and
 4710 definitions apply:

4711 (a) "Director's conflict of interest transaction" means a
 4712 transaction between a corporation and one or more of its
 4713 directors, or another entity in which one or more of the
 4714 corporation's directors is directly or indirectly a party to the
 4715 transaction, other than being an indirect party as a result of
 4716 being a shareholder of the corporation, and has a direct or
 4717 indirect material financial interest or other material interest.

4718 (b) "Fair to the corporation" means that the transaction,
 4719 as a whole, is beneficial to the corporation and its
 4720 shareholders, taking into appropriate account whether it is:

4721 1. Fair in terms of the director's dealings with the
 4722 corporation in connection with that transaction; and

4723 2. Comparable to what might have been obtainable in an
 4724 arm's length transaction.

4725 (c) "Family member" includes any of the following:

4726 1. The director's spouse.

4727 2. A child, stepchild, parent, stepparent, grandparent,

590-03467A-19

2019892c2

4728 sibling, step sibling, or half sibling of the director or the
 4729 director's spouse.

4730 (d) A director is "indirectly" a party to a transaction if
 4731 that director has a material financial interest in or is a
 4732 director, officer, member, manager, or partner of a person,
 4733 other than the corporation, who is a party to the transaction.

4734 (e) A director has an "indirect material financial
 4735 interest" if a family member has a material financial interest
 4736 in the transaction, other than having an indirect interest as a
 4737 shareholder of the corporation, or if the transaction is with an
 4738 entity, other than the corporation, which has a material
 4739 financial interest in the transaction and controls, or is
 4740 controlled by, the director or another person specified in this
 4741 subsection.

4742 (f) "Material financial interest" or "other material
 4743 interest" means a financial or other interest in the transaction
 4744 that would reasonably be expected to impair the objectivity of
 4745 the director's judgment when participating in the action on the
 4746 authorization of the transaction.

4747 (2) If a director's conflict of interest transaction is
 4748 fair to the corporation at the time it is authorized, approved,
 4749 effectuated, or ratified:

4750 (a) Such transaction is not void or voidable; and

4751 (b) The fact that the transaction is a director's conflict
 4752 of interest transaction is not grounds for any equitable relief,
 4753 an award of damages, or other sanctions,

4754 because of that relationship or interest, because such director
 4755 or directors are present at the meeting of the board of
 4756 directors.

590-03467A-19

2019892c2

4757 directors or a committee thereof which authorizes, approves, or
 4758 ratifies such transaction, or because his or her or their votes
 4759 are counted for such purpose.

4760 (3) (a) In a proceeding challenging the validity of a
 4761 director's conflict of interest transaction or in a proceeding
 4762 seeking equitable relief, award of damages, or other sanctions
 4763 with respect to a director's conflict of interest transaction,
 4764 the person challenging the validity or seeking equitable relief,
 4765 award of damages, or other sanctions has the burden of proving
 4766 the lack of fairness of the transaction if:

4767 1. The material facts of the transaction and the director's
 4768 interest in the transaction were disclosed or known to the board
 4769 of directors or committee that authorizes, approves, or ratifies
 4770 the transaction and the transaction was authorized, approved, or
 4771 ratified by a vote of a majority of the qualified directors even
 4772 if the qualified directors constitute less than a quorum of the
 4773 board or the committee; however, the transaction cannot be
 4774 authorized, approved, or ratified under this subsection solely
 4775 by a single director; or

4776 2. The material facts of the transaction and the director's
 4777 interest in the transaction were disclosed or known to the
 4778 shareholders who voted upon such transaction and the transaction
 4779 was authorized, approved, or ratified by a majority of the votes
 4780 cast by disinterested shareholders or by the written consent of
 4781 disinterested shareholders representing a majority of the votes
 4782 that could be cast by all disinterested shareholders. Shares
 4783 owned by or voted under the control of a director who has a
 4784 relationship or interest in the director's conflict of interest
 4785 transaction may not be considered shares owned by a

Page 165 of 458

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590-03467A-19

2019892c2

4786 disinterested shareholder and may not be counted in a vote of
 4787 shareholders to determine whether to authorize, approve, or
 4788 ratify a director's conflict of interest transaction under this
 4789 subparagraph. The vote of those shares, however, is counted in
 4790 determining whether the transaction is approved under other
 4791 sections of this chapter. A majority of the shares, whether or
 4792 not present, that are entitled to be counted in a vote on the
 4793 transaction under this subparagraph constitutes a quorum for the
 4794 purpose of taking action under this section.

4795 (b) If neither of the conditions provided in paragraph (a)
 4796 has been satisfied, the person defending or asserting the
 4797 validity of a director's conflict of interest transaction has
 4798 the burden of proving its fairness in a proceeding challenging
 4799 the validity of the transaction.

4800 (4) The presence of or a vote cast by a director with an
 4801 interest in the transaction does not affect the validity of an
 4802 action taken under paragraph (3) (a) if the transaction is
 4803 otherwise authorized, approved, or ratified as provided in
 4804 subsection (3), but the presence or vote of the director may be
 4805 counted for purposes of determining whether the transaction is
 4806 approved under other sections of this chapter.

4807 (5) In addition to other grounds for challenge, a party
 4808 challenging the validity of the transaction is not precluded
 4809 from asserting and proving that a particular director or
 4810 shareholder was not disinterested on grounds of financial or
 4811 other interest for purposes of the vote on, consent to, or
 4812 approval of the transaction.

4813 (6) If directors' action under this section does not
 4814 otherwise satisfy a quorum or voting requirement applicable to

Page 166 of 458

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590-03467A-19

2019892c2

4815 the authorization of the transaction by directors as required by
 4816 the articles of incorporation, the bylaws, this chapter, or any
 4817 other law, an action to satisfy those authorization
 4818 requirements, whether as part of the same action or by way of
 4819 another action, must be taken by the board of directors or a
 4820 committee in order to authorize the transaction. In such action,
 4821 the vote or consent of directors who are not disinterested may
 4822 be counted.

4823 (7) Where shareholders' action under this section does not
 4824 satisfy a quorum or voting requirement applicable to the
 4825 authorization of the transaction by shareholders as required by
 4826 the articles of incorporation, the bylaws, this chapter, or any
 4827 other law, an action to satisfy those authorization
 4828 requirements, whether as part of the same action or by way of
 4829 another action, must be taken by the shareholders in order to
 4830 authorize the transaction. In such action, the vote or consent
 4831 of shareholders who are not disinterested shareholders may be
 4832 counted ~~No contract or other transaction between a corporation~~
 4833 ~~and one or more of its directors or any other corporation, firm,~~
 4834 ~~association, or entity in which one or more of its directors are~~
 4835 ~~directors or officers or are financially interested shall be~~
 4836 ~~either void or voidable because of such relationship or~~
 4837 ~~interest, because such director or directors are present at the~~
 4838 ~~meeting of the board of directors or a committee thereof which~~
 4839 ~~authorizes, approves, or ratifies such contract or transaction,~~
 4840 ~~or because his or her or their votes are counted for such~~
 4841 ~~purpose, if:~~

4842 ~~(a) The fact of such relationship or interest is disclosed~~
 4843 ~~or known to the board of directors or committee which~~

Page 167 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

4844 ~~authorizes, approves, or ratifies the contract or transaction by~~
 4845 ~~a vote or consent sufficient for the purpose without counting~~
 4846 ~~the votes or consents of such interested directors;~~

4847 ~~(b) The fact of such relationship or interest is disclosed~~
 4848 ~~or known to the shareholders entitled to vote and they~~
 4849 ~~authorize, approve, or ratify such contract or transaction by~~
 4850 ~~vote or written consent; or~~

4851 ~~(c) The contract or transaction is fair and reasonable as~~
 4852 ~~to the corporation at the time it is authorized by the board, a~~
 4853 ~~committee, or the shareholders.~~

4854 ~~(2) For purposes of paragraph (1)(a) only, a conflict of~~
 4855 ~~interest transaction is authorized, approved, or ratified if it~~
 4856 ~~receives the affirmative vote of a majority of the directors on~~
 4857 ~~the board of directors, or on the committee, who have no~~
 4858 ~~relationship or interest in the transaction described in~~
 4859 ~~subsection (1), but a transaction may not be authorized,~~
 4860 ~~approved, or ratified under this section by a single director.~~
 4861 ~~If a majority of the directors who have no such relationship or~~
 4862 ~~interest in the transaction vote to authorize, approve, or~~
 4863 ~~ratify the transaction, a quorum is present for the purpose of~~
 4864 ~~taking action under this section. The presence of, or a vote~~
 4865 ~~cast by, a director with such relationship or interest in the~~
 4866 ~~transaction does not affect the validity of any action taken~~
 4867 ~~under paragraph (1)(a) if the transaction is otherwise~~
 4868 ~~authorized, approved, or ratified as provided in that~~
 4869 ~~subsection, but such presence or vote of those directors may be~~
 4870 ~~counted for purposes of determining whether the transaction is~~
 4871 ~~approved under other sections of this act.~~

4872 ~~(3) For purposes of paragraph (1)(b), a conflict of~~

Page 168 of 458

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590-03467A-19

2019892c2

4873 ~~interest transaction is authorized, approved, or ratified if it~~
 4874 ~~receives the vote of a majority of the shares entitled to be~~
 4875 ~~counted under this subsection. Shares owned by or voted under~~
 4876 ~~the control of a director who has a relationship or interest in~~
 4877 ~~the transaction described in subsection (1) may not be counted~~
 4878 ~~in a vote of shareholders to determine whether to authorize,~~
 4879 ~~approve, or ratify a conflict of interest transaction under~~
 4880 ~~paragraph (1)(b). The vote of those shares, however, is counted~~
 4881 ~~in determining whether the transaction is approved under other~~
 4882 ~~sections of this act. A majority of the shares, whether or not~~
 4883 ~~present, that are entitled to be counted in a vote on the~~
 4884 ~~transaction under this subsection constitutes a quorum for the~~
 4885 ~~purpose of taking action under this section.~~

4886 Section 101. Section 607.0833, Florida Statutes, is amended
 4887 to read:

4888 607.0833 Loans to officers, directors, and employees;
 4889 guaranty of obligations.—Any corporation may lend money to,
 4890 guarantee any obligation of, or otherwise assist any officer,
 4891 director, or employee of the corporation or of a subsidiary,
 4892 whenever, in the judgment of the board of directors, such loan,
 4893 guaranty, or assistance may reasonably be expected to benefit
 4894 the corporation. The loan, guaranty, or other assistance may be
 4895 with or without interest and may be unsecured or secured in such
 4896 manner as the board of directors shall approve, including,
 4897 ~~without limitation,~~ a pledge of shares of stock of the
 4898 corporation. Nothing in this section shall be deemed to deny,
 4899 limit, or restrict the powers of guaranty or warranty of any
 4900 corporation at common law or under any statute. Loans,
 4901 guarantees, or other types of assistance are subject to s.

Page 169 of 458

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590-03467A-19

2019892c2

4902 607.0832.

4903 Section 102. Subsections (1) and (3) of section 607.0834,
 4904 Florida Statutes, are amended to read:

4905 607.0834 Liability for unlawful distributions.—

4906 (1) A director who votes for or assents to a distribution
 4907 made in violation of s. 607.06401, s. 607.1410(1), or the
 4908 articles of incorporation is personally liable to the
 4909 corporation for the amount of the distribution that exceeds what
 4910 could have been distributed without violating s. 607.06401, s.
 4911 607.1410(1), or the articles of incorporation if it is
 4912 established that the director did not perform his or her duties
 4913 in compliance with s. 607.0830. In any proceeding commenced
 4914 under this section, a director has all of the defenses
 4915 ordinarily available to a director.

4916 (3) A proceeding under this section is barred unless it is
 4917 commenced:

4918 (a) Within 2 years after the date on which the effect of
 4919 the distribution was measured under s. 607.06401(6) or (8);—

4920 (b) Within 2 years after the date as of which the violation
 4921 of s. 607.06401 occurred as the consequence of disregard of a
 4922 restriction in the articles of incorporation;

4923 (c) Within 2 years after the date on which the distribution
 4924 of assets to shareholders under s. 607.1410(1) was made; or

4925 (d) With regard to contribution or recoupment under
 4926 subsection (2), within 1 year after the liability of the
 4927 claimant has been finally adjudicated under subsection (1).

4928 Section 103. Subsections (2) and (3) of section 607.08401,
 4929 Florida Statutes, are amended to read:

4930 607.08401 Required officers.—

Page 170 of 458

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590-03467A-19

2019892c2

4931 (2) The board of directors may appoint one or more
 4932 individuals to act as the officers of the corporation. A duly
 4933 appointed officer may appoint one or more officers or assistant
 4934 officers if authorized by the bylaws or the board of directors.

4935 (3) The bylaws or the board of directors shall assign
 4936 ~~delegate~~ to one of the officers responsibility for preparing
 4937 minutes of the directors' and shareholders' meetings and for
 4938 authenticating records of the corporation required to be kept
 4939 pursuant to s. 607.1601(1) and (5).

4940 Section 104. Section 607.08411, Florida Statutes, is
 4941 created to read:

4942 607.08411 General standards for officers.-

4943 (1) An officer, when performing in such capacity, shall
 4944 act:

4945 (a) In good faith; and

4946 (b) In a manner the officer reasonably believes to be in
 4947 the best interests of the corporation.

4948 (2) An officer, when becoming informed in connection with a
 4949 decisionmaking function, shall discharge his or her duties with
 4950 the care that an ordinary prudent person in a like position
 4951 would reasonably believe appropriate under similar
 4952 circumstances.

4953 (3) The duty of an officer includes the obligation to:

4954 (a) Inform the superior officer to whom, or the board of
 4955 directors or the committee to which, the officer reports of
 4956 information about the affairs of the corporation known to the
 4957 officer, within the scope of the officer's functions, and known
 4958 or as should be known to the officer to be material to such
 4959 superior officer, board, or committee; and

Page 171 of 458

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590-03467A-19

2019892c2

4960 (b) Inform his or her superior officer, or another
 4961 appropriate person within the corporation, or the board of
 4962 directors, or a committee thereof, of any actual or probable
 4963 material violation of law involving the corporation or material
 4964 breach of duty to the corporation by an officer, employee, or
 4965 agent of the corporation the officer believes has occurred or is
 4966 likely to occur.

4967 (4) In discharging his or her duties, an officer who does
 4968 not have knowledge that makes reliance unwarranted is entitled
 4969 to rely on the performance by any of the persons specified in
 4970 subsection (6) to whom the responsibilities were properly
 4971 delegated, formally or informally, by course of conduct.

4972 (5) In discharging his or her duties, an officer who does
 4973 not have knowledge that makes reliance unwarranted is entitled
 4974 to rely on information, opinions, reports, or statements,
 4975 including financial statements and other financial data,
 4976 prepared or presented by any of the persons specified in
 4977 subsection (6).

4978 (6) An officer is entitled to rely, in accordance with
 4979 subsection (4) or subsection (5), on:

4980 (a) One or more other officers of the corporation or one or
 4981 more employees of the corporation whom the officer reasonably
 4982 believes to be reliable and competent in the functions performed
 4983 or the information, opinions, reports, or statements provided;

4984 (b) Legal counsel, public accountants, or other persons
 4985 retained by the corporation as to matters involving skills or
 4986 expertise the officer reasonably believes are matters within the
 4987 particular person's professional or expert competence or as to
 4988 which the particular person merits confidence.

Page 172 of 458

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590-03467A-19

2019892c2

4989 Section 105. Section 607.0842, Florida Statutes, is amended
4990 to read:

4991 607.0842 Resignation and removal of officers.—

4992 (1) An officer may resign at any time by delivering a
4993 written notice to the corporation. A resignation is effective as
4994 provided in s. 607.0141(5) when the notice is delivered unless
4995 the notice provides for a delayed effectiveness, including
4996 effectiveness determined upon a future event or events specifies
4997 a later effective date. If effectiveness of a resignation is
4998 stated to be delayed and the board of directors or appointing
4999 officer accepts the delay, the made effective at a later date
5000 and the corporation accepts the future effective date, its board
5001 of directors or the appointing officer may fill the pending
5002 vacancy before the delayed effectiveness effective date if the
5003 board of directors or appointing officer provides that the
5004 successor does not take office until the vacancy occurs
5005 effective date.

5006 (2) An officer may be removed at any time with or without
5007 cause by:

5008 (a) The board of directors;

5009 (b) The appointing officer, unless the bylaws or the board
5010 of directors provide otherwise; or

5011 (c) Any other officer, if authorized by the bylaws or the
5012 board of directors.

5013 (3) For the purposes of this section, the term "appointing
5014 officer" means the officer, including any successor to that
5015 officer, who appointed the officer resigning or being removed &
5016 board of directors may remove any officer at any time with or
5017 without cause. Any officer or assistant officer, if appointed by

590-03467A-19

2019892c2

5018 ~~another officer, may likewise be removed by such officer.~~

5019 Section 106. Section 607.0850, Florida Statutes, is amended
5020 to read:

5021 607.0850 Definitions Indemnification of officers,
5022 ~~directors, employees, and agents.—~~In ss. 607.0850-607.0859, the
5023 term:

5024 (1) "Agent" includes a volunteer.

5025 (2) "Corporation" includes, in addition to the resulting
5026 corporation, any constituent corporation (including any
5027 constituent of a constituent) absorbed in a merger, so that any
5028 person who is or was a director or officer of a constituent
5029 corporation, or is or was serving at the request of a
5030 constituent corporation as a director or officer, member,
5031 manager, partner, trustee, employee, or agent of another
5032 domestic or foreign corporation, limited liability company,
5033 partnership, joint venture, trust, employee benefit plan, or
5034 other enterprise or entity, is in the same position under this
5035 section with respect to the resulting or surviving corporation
5036 as he or she would have been with respect to such constituent
5037 corporation if its separate existence had continued.

5038 (3) "Director" or "officer" means an individual who is or
5039 was a director or officer, respectively, of a corporation or
5040 who, while a director or officer of the corporation, is or was
5041 serving at the corporation's request as a director or officer,
5042 manager, partner, trustee, employee, or agent of another
5043 domestic or foreign corporation, limited liability company,
5044 partnership, joint venture, trust, employee benefit plan, or
5045 another enterprise or entity. A director or officer is
5046 considered to be serving an employee benefit plan at the

590-03467A-19

2019892c2

5047 corporation's request if the individual's duties to the
 5048 corporation or such plan also impose duties on, or otherwise
 5049 involve services by, the individual to the plan or to
 5050 participants in or beneficiaries of the plan. The term includes,
 5051 unless the context otherwise requires, the estate, heirs,
 5052 executors, administrators, and personal representatives of a
 5053 director or officer.

5054 (4) "Expenses" includes reasonable attorney fees, including
 5055 those incurred in connection with any appeal.

5056 (5) "Liability" means the obligation to pay a judgment,
 5057 settlement, penalty, fine (including an excise tax assessed with
 5058 respect to an employee benefit plan), or reasonable expenses
 5059 incurred with respect to a proceeding.

5060 (6) "Party" means an individual who was, is, or is
 5061 threatened to be made, a defendant or respondent in a
 5062 proceeding.

5063 (7) "Proceeding" means any threatened, pending, or
 5064 completed action, suit, or proceeding, whether civil, criminal,
 5065 administrative, arbitrative, or investigative and whether formal
 5066 or informal.

5067 (8) "Serving at the corporation's request" includes any
 5068 service as a director, officer, employee, or agent of the
 5069 corporation that imposes duties on such persons, including
 5070 duties relating to an employee benefit plan and its participants
 5071 or beneficiaries.

5072 ~~(1) A corporation shall have power to indemnify any person~~
 5073 ~~who was or is a party to any proceeding (other than an action~~
 5074 ~~by, or in the right of, the corporation), by reason of the fact~~
 5075 ~~that he or she is or was a director, officer, employee, or agent~~

Page 175 of 458

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590-03467A-19

2019892c2

5076 ~~of the corporation or is or was serving at the request of the~~
 5077 ~~corporation as a director, officer, employee, or agent of~~
 5078 ~~another corporation, partnership, joint venture, trust, or other~~
 5079 ~~enterprise against liability incurred in connection with such~~
 5080 ~~proceeding, including any appeal thereof, if he or she acted in~~
 5081 ~~good faith and in a manner he or she reasonably believed to be~~
 5082 ~~in, or not opposed to, the best interests of the corporation~~
 5083 ~~and, with respect to any criminal action or proceeding, had no~~
 5084 ~~reasonable cause to believe his or her conduct was unlawful. The~~
 5085 ~~termination of any proceeding by judgment, order, settlement, or~~
 5086 ~~conviction or upon a plea of nolo contendere or its equivalent~~
 5087 ~~shall not, of itself, create a presumption that the person did~~
 5088 ~~not act in good faith and in a manner which he or she reasonably~~
 5089 ~~believed to be in, or not opposed to, the best interests of the~~
 5090 ~~corporation or, with respect to any criminal action or~~
 5091 ~~proceeding, had reasonable cause to believe that his or her~~
 5092 ~~conduct was unlawful.~~

5093 ~~(2) A corporation shall have power to indemnify any person,~~
 5094 ~~who was or is a party to any proceeding by or in the right of~~
 5095 ~~the corporation to procure a judgment in its favor by reason of~~
 5096 ~~the fact that the person is or was a director, officer,~~
 5097 ~~employee, or agent of the corporation or is or was serving at~~
 5098 ~~the request of the corporation as a director, officer, employee,~~
 5099 ~~or agent of another corporation, partnership, joint venture,~~
 5100 ~~trust, or other enterprise, against expenses and amounts paid in~~
 5101 ~~settlement not exceeding, in the judgment of the board of~~
 5102 ~~directors, the estimated expense of litigating the proceeding to~~
 5103 ~~conclusion, actually and reasonably incurred in connection with~~
 5104 ~~the defense or settlement of such proceeding, including any~~

Page 176 of 458

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590-03467A-19

2019892c2

5105 appeal thereof. Such indemnification shall be authorized if such
 5106 person acted in good faith and in a manner he or she reasonably
 5107 believed to be in, or not opposed to, the best interests of the
 5108 corporation, except that no indemnification shall be made under
 5109 this subsection in respect of any claim, issue, or matter as to
 5110 which such person shall have been adjudged to be liable unless,
 5111 and only to the extent that, the court in which such proceeding
 5112 was brought, or any other court of competent jurisdiction, shall
 5113 determine upon application that, despite the adjudication of
 5114 liability but in view of all circumstances of the case, such
 5115 person is fairly and reasonably entitled to indemnity for such
 5116 expenses which such court shall deem proper.

5117 ~~(3) To the extent that a director, officer, employee, or~~
 5118 ~~agent of a corporation has been successful on the merits or~~
 5119 ~~otherwise in defense of any proceeding referred to in subsection~~
 5120 ~~(1) or subsection (2), or in defense of any claim, issue, or~~
 5121 ~~matter therein, he or she shall be indemnified against expenses~~
 5122 ~~actually and reasonably incurred by him or her in connection~~
 5123 ~~therewith.~~

5124 ~~(4) Any indemnification under subsection (1) or subsection~~
 5125 ~~(2), unless pursuant to a determination by a court, shall be~~
 5126 ~~made by the corporation only as authorized in the specific case~~
 5127 ~~upon a determination that indemnification of the director,~~
 5128 ~~officer, employee, or agent is proper in the circumstances~~
 5129 ~~because he or she has met the applicable standard of conduct set~~
 5130 ~~forth in subsection (1) or subsection (2). Such determination~~
 5131 ~~shall be made.~~

5132 ~~(a) By the board of directors by a majority vote of a~~
 5133 ~~quorum consisting of directors who were not parties to such~~

Page 177 of 458

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590-03467A-19

2019892c2

5134 ~~proceeding;~~

5135 ~~(b) If such a quorum is not obtainable or, even if~~
 5136 ~~obtainable, by majority vote of a committee duly designated by~~
 5137 ~~the board of directors (in which directors who are parties may~~
 5138 ~~participate) consisting solely of two or more directors not at~~
 5139 ~~the time parties to the proceeding;~~

5140 ~~(c) By independent legal counsel:~~

5141 ~~1. Selected by the board of directors prescribed in~~
 5142 ~~paragraph (a) or the committee prescribed in paragraph (b); or~~
 5143 ~~2. If a quorum of the directors cannot be obtained for~~
 5144 ~~paragraph (a) and the committee cannot be designated under~~
 5145 ~~paragraph (b), selected by majority vote of the full board of~~
 5146 ~~directors (in which directors who are parties may participate);~~
 5147 ~~or~~

5148 ~~(d) By the shareholders by a majority vote of a quorum~~
 5149 ~~consisting of shareholders who were not parties to such~~
 5150 ~~proceeding or, if no such quorum is obtainable, by a majority~~
 5151 ~~vote of shareholders who were not parties to such proceeding.~~

5152 ~~(5) Evaluation of the reasonableness of expenses and~~
 5153 ~~authorization of indemnification shall be made in the same~~
 5154 ~~manner as the determination that indemnification is permissible.~~
 5155 ~~However, if the determination of permissibility is made by~~
 5156 ~~independent legal counsel, persons specified by paragraph (4) (c)~~
 5157 ~~shall evaluate the reasonableness of expenses and may authorize~~
 5158 ~~indemnification.~~

5159 ~~(6) Expenses incurred by an officer or director in~~
 5160 ~~defending a civil or criminal proceeding may be paid by the~~
 5161 ~~corporation in advance of the final disposition of such~~
 5162 ~~proceeding upon receipt of an undertaking by or on behalf of~~

Page 178 of 458

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590-03467A-19

2019892c2

5163 such director or officer to repay such amount if he or she is
 5164 ultimately found not to be entitled to indemnification by the
 5165 corporation pursuant to this section. Expenses incurred by other
 5166 employees and agents may be paid in advance upon such terms or
 5167 conditions that the board of directors deems appropriate.

5168 ~~(7) The indemnification and advancement of expenses~~
 5169 ~~provided pursuant to this section are not exclusive, and a~~
 5170 ~~corporation may make any other or further indemnification or~~
 5171 ~~advancement of expenses of any of its directors, officers,~~
 5172 ~~employees, or agents, under any bylaw, agreement, vote of~~
 5173 ~~shareholders or disinterested directors, or otherwise, both as~~
 5174 ~~to action in his or her official capacity and as to action in~~
 5175 ~~another capacity while holding such office. However,~~
 5176 ~~indemnification or advancement of expenses shall not be made to~~
 5177 ~~or on behalf of any director, officer, employee, or agent if a~~
 5178 ~~judgment or other final adjudication establishes that his or her~~
 5179 ~~actions, or omissions to act, were material to the cause of~~
 5180 ~~action so adjudicated and constitute.~~

5181 ~~(a) A violation of the criminal law, unless the director,~~
 5182 ~~officer, employee, or agent had reasonable cause to believe his~~
 5183 ~~or her conduct was lawful or had no reasonable cause to believe~~
 5184 ~~his or her conduct was unlawful;~~

5185 ~~(b) A transaction from which the director, officer,~~
 5186 ~~employee, or agent derived an improper personal benefit;~~

5187 ~~(c) In the case of a director, a circumstance under which~~
 5188 ~~the liability provisions of s. 607.0834 are applicable; or~~

5189 ~~(d) Willful misconduct or a conscious disregard for the~~
 5190 ~~best interests of the corporation in a proceeding by or in the~~
 5191 ~~right of the corporation to procure a judgment in its favor or~~

Page 179 of 458

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590-03467A-19

2019892c2

5192 in a proceeding by or in the right of a shareholder.

5193 ~~(8) Indemnification and advancement of expenses as provided~~
 5194 ~~in this section shall continue as, unless otherwise provided~~
 5195 ~~when authorized or ratified, to a person who has ceased to be a~~
 5196 ~~director, officer, employee, or agent and shall inure to the~~
 5197 ~~benefit of the heirs, executors, and administrators of such a~~
 5198 ~~person, unless otherwise provided when authorized or ratified.~~

5199 ~~(9) Unless the corporation's articles of incorporation~~
 5200 ~~provide otherwise, notwithstanding the failure of a corporation~~
 5201 ~~to provide indemnification, and despite any contrary~~
 5202 ~~determination of the board or of the shareholders in the~~
 5203 ~~specific case, a director, officer, employee, or agent of the~~
 5204 ~~corporation who is or was a party to a proceeding may apply for~~
 5205 ~~indemnification or advancement of expenses, or both, to the~~
 5206 ~~court conducting the proceeding, to the circuit court, or to~~
 5207 ~~another court of competent jurisdiction. On receipt of an~~
 5208 ~~application, the court, after giving any notice that it~~
 5209 ~~considers necessary, may order indemnification and advancement~~
 5210 ~~of expenses, including expenses incurred in seeking court-~~
 5211 ~~ordered indemnification or advancement of expenses, if it~~
 5212 ~~determines that.~~

5213 ~~(a) The director, officer, employee, or agent is entitled~~
 5214 ~~to mandatory indemnification under subsection (3), in which case~~
 5215 ~~the court shall also order the corporation to pay the director~~
 5216 ~~reasonable expenses incurred in obtaining court-ordered~~
 5217 ~~indemnification or advancement of expenses;~~

5218 ~~(b) The director, officer, employee, or agent is entitled~~
 5219 ~~to indemnification or advancement of expenses, or both, by~~
 5220 ~~virtue of the exercise by the corporation of its power pursuant~~

Page 180 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

5221 to subsection (7); or

5222 (e) The director, officer, employee, or agent is fairly and
 5223 reasonably entitled to indemnification or advancement of
 5224 expenses, or both, in view of all the relevant circumstances,
 5225 regardless of whether such person met the standard of conduct
 5226 set forth in subsection (1), subsection (2), or subsection (7).

5227 (10) For purposes of this section, the term "corporation"
 5228 includes, in addition to the resulting corporation, any
 5229 constituent corporation (including any constituent of a
 5230 constituent) absorbed in a consolidation or merger, so that any
 5231 person who is or was a director, officer, employee, or agent of
 5232 a constituent corporation, or is or was serving at the request
 5233 of a constituent corporation as a director, officer, employee,
 5234 or agent of another corporation, partnership, joint venture,
 5235 trust, or other enterprise, is in the same position under this
 5236 section with respect to the resulting or surviving corporation
 5237 as he or she would have with respect to such constituent
 5238 corporation if its separate existence had continued.

5239 (11) For purposes of this section:

5240 (a) The term "other enterprises" includes employee benefit
 5241 plans;

5242 (b) The term "expenses" includes counsel fees, including
 5243 those for appeal;

5244 (c) The term "liability" includes obligations to pay a
 5245 judgment, settlement, penalty, fine (including an excise tax
 5246 assessed with respect to any employee benefit plan), and
 5247 expenses actually and reasonably incurred with respect to a
 5248 proceeding;

5249 (d) The term "proceeding" includes any threatened, pending,

Page 181 of 458

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590-03467A-19

2019892c2

5250 or completed action, suit, or other type of proceeding, whether
 5251 civil, criminal, administrative, or investigative and whether
 5252 formal or informal;

5253 (e) The term "agent" includes a volunteer;

5254 (f) The term "serving at the request of the corporation"
 5255 includes any service as a director, officer, employee, or agent
 5256 of the corporation that imposes duties on such persons,
 5257 including duties relating to an employee benefit plan and its
 5258 participants or beneficiaries; and

5259 (g) The term "not opposed to the best interest of the
 5260 corporation" describes the actions of a person who acts in good
 5261 faith and in a manner he or she reasonably believes to be in the
 5262 best interests of the participants and beneficiaries of an
 5263 employee benefit plan.

5264 (12) A corporation shall have power to purchase and
 5265 maintain insurance on behalf of any person who is or was a
 5266 director, officer, employee, or agent of the corporation or is
 5267 or was serving at the request of the corporation as a director,
 5268 officer, employee, or agent of another corporation, partnership,
 5269 joint venture, trust, or other enterprise against any liability
 5270 asserted against the person and incurred by him or her in any
 5271 such capacity or arising out of his or her status as such,
 5272 whether or not the corporation would have the power to indemnify
 5273 the person against such liability under the provisions of this
 5274 section.

5275 Section 107. Section 607.0851, Florida Statutes, is created
 5276 to read:

5277 607.0851 Permissible indemnification.-

5278 (1) Except as otherwise provided in this section and in s.

Page 182 of 458

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590-03467A-19 2019892c2

5279 607.0859, and not in limitation of indemnification allowed under
 5280 s. 607.0858(1), a corporation may indemnify an individual who is
 5281 a party to a proceeding because the individual is or was a
 5282 director or officer against liability incurred in the proceeding
 5283 if:

5284 (a) The director or officer acted in good faith;

5285 (b) The director or officer acted in a manner he or she
 5286 reasonably believed to be in, or not opposed to, the best
 5287 interests of the corporation; and

5288 (c) In the case of any criminal proceeding, the director or
 5289 officer had no reasonable cause to believe his or her conduct
 5290 was unlawful.

5291 (2) The conduct of a director or officer with respect to an
 5292 employee benefit plan for a purpose the director or officer
 5293 reasonably believed to be in the best interests of the
 5294 participants in, and the beneficiaries of, the plan is conduct
 5295 that satisfies the requirement of paragraph (1)(b).

5296 (3) The termination of a proceeding by judgment, order,
 5297 settlement, or conviction, or upon a plea of nolo contendere or
 5298 its equivalent, does not, of itself, create a presumption that
 5299 the director or officer did not meet the relevant standard of
 5300 conduct described in this section.

5301 (4) Unless ordered by a court under s. 607.0854(1)(c), a
 5302 corporation may not indemnify a director or an officer in
 5303 connection with a proceeding by or in the right of the
 5304 corporation except for expenses and amounts paid in settlement
 5305 not exceeding, in the judgment of the board of directors, the
 5306 estimated expense of litigating the proceeding to conclusion,
 5307 actually and reasonably incurred in connection with the defense

Page 183 of 458

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590-03467A-19 2019892c2

5308 or settlement of such proceeding, including any appeal thereof,
 5309 where such person acted in good faith and in a manner he or she
 5310 reasonably believed to be in, or not opposed to, the best
 5311 interests of the corporation.

5312 Section 108. Section 607.0852, Florida Statutes, is created
 5313 to read:

5314 607.0852 Mandatory indemnification.—A corporation must
 5315 indemnify an individual who is or was a director or officer who
 5316 was wholly successful, on the merits or otherwise, in the
 5317 defense of any proceeding to which the individual was a party
 5318 because he or she is or was a director or officer of the
 5319 corporation against expenses incurred by the individual in
 5320 connection with the proceeding.

5321 Section 109. Section 607.0853, Florida Statutes, is created
 5322 to read:

5323 607.0853 Advance for expenses.—

5324 (1) A corporation may, before final disposition of a
 5325 proceeding, advance funds to pay for or reimburse expenses
 5326 incurred in connection with the proceeding by an individual who
 5327 is a party to the proceeding because that individual is or was a
 5328 director or an officer if the director or officer delivers to
 5329 the corporation a signed written undertaking of the director or
 5330 officer to repay any funds advanced if:

5331 (a) The director or officer is not entitled to mandatory
 5332 indemnification under s. 607.0852; and

5333 (b) It is ultimately determined under s. 607.0854 or s.
 5334 607.0855 that the director or officer has not met the relevant
 5335 standard of conduct described in s. 607.0851 or the director or
 5336 officer is not entitled to indemnification under s. 607.0859.

Page 184 of 458

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590-03467A-19

2019892c2

5337 (2) The undertaking required by paragraph (1)(b) must be an
 5338 unlimited general obligation of the director or officer but need
 5339 not be secured and may be accepted without reference to the
 5340 financial ability of the director or officer to make repayment.

5341 (3) Authorizations under this section must be made:

5342 (a) By the board of directors:

5343 1. If there are two or more qualified directors, by a
 5344 majority vote of all of the qualified directors (a majority of
 5345 whom shall for such purpose constitute a quorum) or by a
 5346 majority of the members of a committee appointed by such vote
 5347 and comprised of two or more qualified directors; or

5348 2. If there are fewer than two qualified directors, by the
 5349 vote necessary for action by the board of directors under s.
 5350 607.0824(3), in which authorization vote directors who are not
 5351 qualified directors may participate; or

5352 (b) By the shareholders, but shares owned by or voted under
 5353 the control of a director or officer who at the time of the
 5354 authorization is not a qualified director or is an officer who
 5355 is a party to the proceeding may not be counted as a vote in
 5356 favor of the authorization.

5357 Section 110. Section 607.0854, Florida Statutes, is created
 5358 to read:

5359 607.0854 Court-ordered indemnification and advance for
 5360 expenses.—

5361 (1) Unless the corporation's articles of incorporation
 5362 provide otherwise, notwithstanding the failure of a corporation
 5363 to provide indemnification, and despite any contrary
 5364 determination of the board of directors or of the shareholders
 5365 in the specific case, a director or officer of the corporation

Page 185 of 458

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590-03467A-19

2019892c2

5366 who is a party to a proceeding because he or she is or was a
 5367 director or officer may apply for indemnification or an advance
 5368 for expenses, or both, to a court having jurisdiction over the
 5369 corporation which is conducting the proceeding, or to a circuit
 5370 court of competent jurisdiction. After receipt of an application
 5371 and after giving any notice it considers necessary, the court
 5372 may:

5373 (a) Order indemnification if the court determines that the
 5374 director or officer is entitled to mandatory indemnification
 5375 under s. 607.0852;

5376 (b) Order indemnification or advance for expenses if the
 5377 court determines that the director or officer is entitled to
 5378 indemnification or advance for expenses pursuant to a provision
 5379 authorized by s. 607.0858(1); or

5380 (c) Order indemnification or advance for expenses if the
 5381 court determines, in view of all the relevant circumstances,
 5382 that it is fair and reasonable to indemnify the director or
 5383 officer or to advance expenses to the director or officer, even
 5384 if he or she has not met the relevant standard of conduct set
 5385 forth in s. 607.0851(1), has failed to comply with s. 607.0853,
 5386 or was adjudged liable in a proceeding referred to in s.
 5387 607.0859. If the director or officer was adjudged liable,
 5388 indemnification shall be limited to expenses incurred in
 5389 connection with the proceeding.

5390 (2) If the court determines that the director or officer is
 5391 entitled to indemnification under paragraph (1)(a) or to
 5392 indemnification or advance for expenses under paragraph (1)(b),
 5393 it shall also order the corporation to pay the director's or
 5394 officer's expenses incurred in connection with obtaining court-

Page 186 of 458

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590-03467A-19

2019892c2

5395 ordered indemnification or advance for expenses. If the court
 5396 determines that the director or officer is entitled to
 5397 indemnification or advance for expenses under paragraph (1) (c),
 5398 it may also order the corporation to pay the director's or
 5399 officer's expenses to obtain court-ordered indemnification or
 5400 advance for expenses.

5401 Section 111. Section 607.0855, Florida Statutes, is created
 5402 to read:

5403 607.0855 Determination and authorization of
 5404 indemnification.—

5405 (1) Unless ordered by a court under s. 607.0854(1) (c), a
 5406 corporation may not indemnify a director or officer under s.
 5407 607.0851 unless authorized for a specific proceeding after a
 5408 determination has been made that indemnification is permissible
 5409 because the director or officer has met the relevant standard of
 5410 conduct set forth in s. 607.0851.

5411 (2) The determination shall be made:

5412 (a) If there are two or more qualified directors, by the
 5413 board of directors by a majority vote of all of the qualified
 5414 directors, a majority of whom shall for such purposes constitute
 5415 a quorum, or by a majority of the members of a committee of two
 5416 or more qualified directors appointed by such a vote; or

5417 (b) By independent special legal counsel:

5418 1. Selected in the manner prescribed by paragraph (a); or
 5419 2. If there are fewer than two qualified directors,
 5420 selected by the board of directors, in which selection directors
 5421 who are not qualified directors may participate; or

5422 (c) By the shareholders, but shares owned by or voted under
 5423 the control of a director or officer who, at the time of the

Page 187 of 458

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590-03467A-19

2019892c2

5424 determination, is not a qualified director or an officer who is
 5425 a party to the proceeding may not be counted as votes in favor
 5426 of the determination.

5427 (3) Authorization of indemnification shall be made in the
 5428 same manner as the determination that indemnification is
 5429 permissible, except that if the determination of permissibility
 5430 has been made by independent special legal counsel under
 5431 paragraph (2) (b), any authorization of indemnification
 5432 associated with such determination shall be made by either such
 5433 independent special legal counsel or by those who otherwise
 5434 would be entitled to select independent special legal counsel
 5435 under paragraph (2) (b).

5436 Section 112. Section 607.0857, Florida Statutes, is created
 5437 to read:

5438 607.0857 Insurance.—A corporation shall have the power to
 5439 purchase and maintain insurance on behalf of and for the benefit
 5440 of an individual who is or was a director or officer of the
 5441 corporation, or who, while a director or officer of the
 5442 corporation, is or was serving at the corporation's request as a
 5443 director, officer, manager, member, partner, trustee, employee,
 5444 or agent of another domestic or foreign corporation, limited
 5445 liability company, partnership, joint venture, trust, employee
 5446 benefit plan, or other enterprise or entity, against liability
 5447 asserted against or incurred by the individual in that capacity
 5448 or arising from his or her status as a director or officer,
 5449 whether or not the corporation would have power to indemnify or
 5450 advance expenses to the individual against the same liability
 5451 under this chapter.

5452 Section 113. Section 607.0858, Florida Statutes, is created

Page 188 of 458

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590-03467A-19

2019892c2

5453 to read:

5454 607.0858 Variation by corporate action; application of
 5455 subchapter.-

5456 (1) The indemnification provided pursuant to ss. 607.0851
 5457 and 607.0852 and the advancement of expenses provided pursuant
 5458 to s. 607.0853 are not exclusive, and a corporation may, by a
 5459 provision in its articles of incorporation, bylaws or any
 5460 agreement, or by vote of shareholders or disinterested
 5461 directors, or otherwise, obligate itself in advance of the act
 5462 or omission giving rise to a proceeding to provide any other or
 5463 further indemnification or advancement of expenses to any of its
 5464 directors or officers. Any such obligatory provision shall be
 5465 deemed to satisfy the requirements for authorization referred to
 5466 in ss. 607.0853(3) and 607.0855(3). Any such provision that
 5467 obligates the corporation to provide indemnification to the
 5468 fullest extent permitted by law shall be deemed to obligate the
 5469 corporation to advance funds to pay for or reimburse expenses in
 5470 accordance with s. 607.0853 to the fullest extent permitted by
 5471 law, unless the provision specifically provides otherwise.

5472 (2) A right of indemnification or to advance for expenses
 5473 created by this chapter or under subsection (1) and in effect at
 5474 the time of an act or omission may not be eliminated or impaired
 5475 with respect to such act or omission by an amendment of the
 5476 articles of incorporation or bylaws or a resolution of the
 5477 directors or shareholders, adopted after the occurrence of such
 5478 act or omission, unless, in the case of a right created under
 5479 subsection (1), the provision creating such right and in effect
 5480 at the time of such act or omission explicitly authorizes such
 5481 elimination or impairment after such act or omission has

Page 189 of 458

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590-03467A-19

2019892c2

5482 occurred.

5483 (3) Any provision pursuant to subsection (1) shall not
 5484 obligate the corporation to indemnify or advance for expenses to
 5485 a director or officer of a predecessor of the corporation,
 5486 pertaining to conduct with respect to the predecessor, unless
 5487 otherwise specifically provided. Any provision for
 5488 indemnification or advance for expenses in the articles of
 5489 incorporation, bylaws, or a resolution of the board of directors
 5490 or shareholders of a predecessor of the corporation in a merger
 5491 or in a contract to which the predecessor is a party, existing
 5492 at the time the merger takes effect, shall be governed by s.
 5493 607.1106(1) (d).

5494 (4) Subject to subsection (2), a corporation may, by a
 5495 provision in its articles of incorporation, limit any of the
 5496 rights to indemnification or advance for expenses created by or
 5497 pursuant to this chapter.

5498 (5) Sections 607.0850-607.0859 do not limit a corporation's
 5499 power to pay or reimburse expenses incurred by a director, an
 5500 officer, an employee, or an agent in connection with appearing
 5501 as a witness in a proceeding at a time when he or she is not a
 5502 party.

5503 (6) Sections 607.0850-607.0859 do not limit a corporation's
 5504 power to indemnify, advance expenses to, or provide or maintain
 5505 insurance on behalf of or for the benefit of an individual who
 5506 is or was an employee or agent.

5507 Section 114. Section 607.0859, Florida Statutes, is created
 5508 to read:

5509 607.0859 Overriding restrictions on indemnification.-

5510 (1) Unless ordered by a court under s. 607.0854(1) (c), a

Page 190 of 458

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590-03467A-19

2019892c2

5511 corporation may not indemnify a director or officer under s.
 5512 607.0851 or s. 607.0858 or advance expenses to a director or
 5513 officer under s. 607.0853 or s. 607.0858 if a judgment or other
 5514 final adjudication establishes that his or her actions, or
 5515 omissions to act, were material to the cause of action so
 5516 adjudicated and constitute:

5517 (a) Willful or intentional misconduct or a conscious
 5518 disregard for the best interests of the corporation in a
 5519 proceeding by or in the right of the corporation to procure a
 5520 judgment in its favor or in a proceeding by or in the right of a
 5521 shareholder;

5522 (b) A transaction in which a director or officer derived an
 5523 improper personal benefit;

5524 (c) A violation of the criminal law, unless the director or
 5525 officer had reasonable cause to believe his or her conduct was
 5526 lawful or had no reasonable cause to believe his or her conduct
 5527 was unlawful; or

5528 (d) In the case of a director, a circumstance under which
 5529 the liability provisions of s. 607.0834 are applicable.

5530 (2) A corporation may provide indemnification or advance
 5531 expenses to a director or an officer only as allowed by ss.
 5532 607.0850-607.0859.

5533 Section 115. Paragraphs (b), (d), (f), (h), (j), and (k) of
 5534 subsection (1) and subsections (2), (4), (5), and (6) of section
 5535 607.0901, Florida Statutes, are amended to read:

5536 607.0901 Affiliated transactions.—

5537 (1) For purposes of this section:

5538 (b) "Affiliated transaction," when used in reference to the
 5539 corporation and any interested shareholder, means:

Page 191 of 458

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590-03467A-19

2019892c2

5540 1. Any merger or consolidation of the corporation or any
 5541 subsidiary of the corporation with:
 5542 a. The interested shareholder; or
 5543 b. Any other corporation, partnership, limited liability
 5544 company, or other entity, in each case, ~~whether or not itself~~
 5545 an interested shareholder, which is, or after such merger or
 5546 consolidation would be, an affiliate or associate of the
 5547 interested shareholder;
 5548 2. Any sale, lease, exchange, mortgage, pledge, transfer,
 5549 or other disposition (in one transaction or a series of
 5550 transactions), except proportionately as a shareholder of such
 5551 corporation, to or with the interested shareholder or any
 5552 affiliate or associate of the interested shareholder, whether as
 5553 part of a dissolution or otherwise, of assets of the corporation
 5554 or any subsidiary of the corporation:
 5555 a. Having an aggregate fair market value equal to 10 %
 5556 percent or more of the aggregate fair market value of all the
 5557 assets, determined on a consolidated basis, of the corporation;
 5558 b. Having an aggregate fair market value equal to 10 %
 5559 percent or more of the aggregate fair market value of all the
 5560 outstanding shares of the corporation; or
 5561 c. Representing 10 % percent or more of the earning power
 5562 or net income, determined on a consolidated basis, of the
 5563 corporation;
 5564 3. The issuance or transfer by the corporation or any
 5565 subsidiary of the corporation (in one transaction or a series of
 5566 transactions) of any shares of the corporation or any subsidiary
 5567 of the corporation which have an aggregate fair market value
 5568 equal to 10 % percent or more of the aggregate fair market value

Page 192 of 458

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590-03467A-19

2019892c2

5569 of all the outstanding shares of the corporation to the
 5570 interested shareholder or any affiliate or associate of the
 5571 interested shareholder except:

5572 a. Pursuant to the exercise, exchange, or conversion of
 5573 securities exercisable for, exchangeable for, or convertible
 5574 into shares of the corporation or any subsidiary of the
 5575 corporation which were outstanding prior to the time that the
 5576 interested shareholder became such;

5577 b. Pursuant to a merger under s. 607.11045;

5578 c. Provided that the interested shareholder's proportionate
 5579 share of the shares of any class or series of the corporation or
 5580 of the voting shares of the corporation has not increased as a
 5581 result thereof:

5582 (I) Pursuant to a dividend or distribution paid or made, or
 5583 the exercise, exchange, or conversion of securities exercisable
 5584 for, exchangeable for, or convertible into, shares of the
 5585 corporation which security is distributed, pro rata to all
 5586 holders of a class or series of shares of such corporation
 5587 subsequent to the time the interested shareholder became such;

5588 (II) Pursuant to an exchange offer by the corporation to
 5589 purchase shares of such corporation made on the same terms to
 5590 all holders of such shares; or

5591 (III) Any issuance or transfer of shares by the
 5592 corporation; ~~of warrants or rights to purchase stock offered, or~~
 5593 ~~a dividend or distribution paid or made, pro rata to all~~
 5594 ~~shareholders of the corporation;~~

5595 4. The adoption of any plan or proposal for the liquidation
 5596 or dissolution of the corporation proposed by, or pursuant to
 5597 any agreement, arrangement, or understanding (whether or not in

590-03467A-19

2019892c2

5598 writing) with, the interested shareholder or any affiliate or
 5599 associate of the interested shareholder;

5600 5. Any reclassification of securities (including, without
 5601 limitation, any stock split, stock dividend, or other
 5602 distribution of shares in respect of shares, or any reverse
 5603 stock split) or recapitalization of the corporation, or any
 5604 merger or consolidation of the corporation with any subsidiary
 5605 of the corporation, or any other transaction (whether or not
 5606 with or into or otherwise involving the interested shareholder),
 5607 with the interested shareholder or any affiliate or associate of
 5608 the interested shareholder, which has the effect, directly or
 5609 indirectly (in one transaction or a series of transactions
 5610 during any 12-month period), of increasing by more than 10 ~~5~~
 5611 percent the percentage of the outstanding voting shares of the
 5612 corporation or any subsidiary of the corporation beneficially
 5613 owned by the interested shareholder; or

5614 6. Any receipt by the interested shareholder or any
 5615 affiliate or associate of the interested shareholder of the
 5616 benefit, directly or indirectly (except proportionately as a
 5617 shareholder of the corporation), of any loans, advances,
 5618 guaranties, pledges, or other financial assistance or any tax
 5619 credits or other tax advantages, other than those expressly
 5620 allowed in subparagraph 3., provided by or through the
 5621 corporation or any subsidiary of the corporation.

5622 (d) "Associate," when used to indicate a relationship with
 5623 any person, means any entity, other than the corporation or any
 5624 of its subsidiaries, of which such person is an officer,
 5625 director, or partner or is, directly or indirectly, the
 5626 beneficial owner of 20 ~~10~~ percent or more of any class of voting

590-03467A-19

2019892c2

5627 shares; any trust or other estate in which such person has at
 5628 least 20 percent ~~a substantial~~ beneficial interest or as to
 5629 which such person serves as trustee or in a similar fiduciary
 5630 capacity; and any relative or spouse of such person, or any
 5631 relative of such spouse, who has the same residence home ~~home~~ as such
 5632 person or who is an officer or director of the corporation or
 5633 any of its affiliates.

5634 (f) "Control," "controlling," "controlled by," and "under
 5635 common control with" means the possession, directly or
 5636 indirectly, through the ownership of voting shares, by contract,
 5637 arrangement, understanding, relationship, or otherwise, of the
 5638 power to direct or cause the direction of the management and
 5639 policies of a person. A person who is the owner of 20 percent or
 5640 more of the outstanding voting shares of any corporation,
 5641 partnership, unincorporated association, or other entity is
 5642 presumed to have control of such entity, in the absence of proof
 5643 by a preponderance of the evidence to the contrary.

5644 Notwithstanding the foregoing, a person shall not be deemed to
 5645 have control of an entity ~~a corporation~~ if such person holds
 5646 voting shares, in good faith and not for the purpose of
 5647 circumventing this section, as an agent, bank, broker, nominee,
 5648 custodian, or trustee for one or more beneficial owners who do
 5649 not individually or as a group have control of such entity
 5650 ~~corporation~~.

5651 (h) Unless otherwise specified in the articles of
 5652 incorporation initially filed with the department ~~of State~~, a
 5653 "disinterested director" means as to any particular interested
 5654 shareholder:

5655 1. Any member of the board of directors of the corporation

Page 195 of 458

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590-03467A-19

2019892c2

5656 who was a member of the board of directors before the later of
 5657 January 1, 1987, or the determination date; and

5658 2. Any member of the board of directors of the corporation
 5659 who was recommended for election by, or was elected to fill a
 5660 vacancy and received the affirmative vote of, a majority of the
 5661 disinterested directors then on the board.

5662 (j) "Fair market value" means:

5663 1. In the case of shares: ~~7~~ the highest closing sale price
 5664 of a share quoted during the 30-day period immediately preceding
 5665 the date in question on the composite tape for shares listed on
 5666 the New York Stock Exchange; or, if such shares are not quoted
 5667 on the composite tape on the New York Stock Exchange, the
 5668 highest closing sale price quoted during such period on the New
 5669 York Stock Exchange; or, if such shares are not listed on such
 5670 exchange, the highest closing sale price quoted during such
 5671 period on the principal United States securities exchange
 5672 registered under the Exchange Act on which such shares are
 5673 listed; or, if such shares are not listed on any such exchange,
 5674 the highest closing bid quotation with respect to a share during
 5675 the 30-day period preceding the date in question on the National
 5676 Association of Securities Dealers, Inc., automated quotations
 5677 system or any other stock price quotation ~~similar~~ system then in
 5678 general use; or, if no such quotations are available, the fair
 5679 market value of a share on the date in question as determined
 5680 by:

5681 a. A majority of disinterested directors; or

5682 b. If at such time there are no disinterested directors, by
 5683 the board of directors of such corporation in good faith; and

5684 2. In the case of property other than cash or shares, the

Page 196 of 458

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590-03467A-19

2019892c2

5685 fair market value of such property on the date in question as
 5686 determined by:

5687 a. A majority of the disinterested directors; or
 5688 b. If at such time there are no disinterested directors, by
 5689 the board of directors of such corporation in good faith.

5690 (k) "Interested shareholder" means any person who is the
 5691 beneficial owner of more than 15 ~~10~~ percent of the outstanding
 5692 voting shares of the corporation. However, the term "interested
 5693 shareholder" shall not include:

5694 1. The corporation or any of its subsidiaries;
 5695 2. Any savings, employee stock ownership, or other employee
 5696 benefit plan of the corporation or any of its subsidiaries, ~~+~~ or
 5697 any fiduciary with respect to any such plan when acting in such
 5698 capacity; or

5699 3. Any person whose ownership of shares in excess of the 15
 5700 percent limitation is the result of action taken solely by the
 5701 corporation; provided that such person shall be an interested
 5702 shareholder if thereafter such person acquires additional shares
 5703 of voting shares of the corporation, except as a result of
 5704 further corporate action not caused, directly or indirectly, by
 5705 such person. For the purpose of determining whether a person is
 5706 an interested shareholder, the number of voting shares deemed to
 5707 be outstanding shall include shares deemed owned by the
 5708 interested shareholder through application of subparagraph (e)3.
 5709 but shall not include any other voting shares that may be
 5710 issuable pursuant to any contract, arrangement, or
 5711 understanding, upon the exercise of conversion rights, exchange
 5712 rights, warrants, or options, or otherwise.

5713 (2) Except to the extent as provided in subsections

Page 197 of 458

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590-03467A-19

2019892c2

5714 ~~subsection (4) and (5), and with respect to such exceptions, in~~
 5715 compliance with other applicable provisions of this chapter, a
 5716 corporation may not engage in any affiliated transaction with
 5717 any interested shareholder for a period of 3 years following the
 5718 time that such shareholder became an interested shareholder,
 5719 unless:

5720 (a) Prior to the time that such shareholder became an
 5721 interested shareholder, the board of directors of the
 5722 corporation approved either the affiliated transaction or the
 5723 transaction which resulted in the shareholder becoming an
 5724 interested shareholder; or

5725 (b) Upon consummation of the transaction that resulted in
 5726 the shareholder becoming an interested shareholder, the
 5727 interested shareholder owned at least 85 percent of the voting
 5728 shares of the corporation outstanding at the time the
 5729 transaction commenced, excluding for purposes of determining the
 5730 voting shares outstanding, but not the outstanding voting shares
 5731 owned by the interested shareholder, those shares owned by
 5732 persons who are directors and also officers and by employee
 5733 stock plans in which employee participants do not have the right
 5734 to determine confidentially whether shares held subject to the
 5735 plan will be tendered in a tender or exchange offer; or

5736 (c) At or subsequent to the time that such shareholder
 5737 became an interested shareholder, the affiliated transaction is
 5738 approved by the board of directors and authorized at an annual
 5739 or special meeting of shareholders, and not by written consent,
 5740 by the affirmative vote of at least two-thirds of the
 5741 outstanding voting shares which are not owned by the interested
 5742 shareholder, in addition to any affirmative vote required by any

Page 198 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

5743 ~~other section of this act or by the articles of incorporation,~~
 5744 ~~an affiliated transaction shall be approved by the affirmative~~
 5745 ~~vote of the holders of two-thirds of the voting shares other~~
 5746 ~~than the shares beneficially owned by the interested~~
 5747 ~~shareholder.~~

5748 (4) The voting requirements set forth in subsection (2) do
 5749 not apply to a particular affiliated transaction if all of the
 5750 conditions specified in any one of the following paragraphs are
 5751 met:

5752 (a) The affiliated transaction has been approved by a
 5753 majority of the disinterested directors;

5754 (b) The corporation has not had more than 300 shareholders
 5755 of record at any time during the 3 years preceding the
 5756 announcement date;

5757 (c) The interested shareholder has been the beneficial
 5758 owner of at least 80 percent of the corporation's outstanding
 5759 voting shares for at least 3 ~~5~~ years preceding the announcement
 5760 date;

5761 (d) The interested shareholder is the beneficial owner of
 5762 at least 90 percent of the outstanding voting shares of the
 5763 corporation, exclusive of shares acquired directly from the
 5764 corporation in a transaction not approved by a majority of the
 5765 disinterested directors;

5766 (e) The corporation is an investment company registered
 5767 under the Investment Company Act of 1940; or

5768 (f) In the affiliated transaction, consideration shall be
 5769 paid to the holders of each class or series of voting shares and
 5770 all of the following conditions shall be met:

5771 1. The aggregate amount of the cash and the fair market

Page 199 of 458

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590-03467A-19

2019892c2

5772 value as of the valuation date of consideration other than cash
 5773 to be received per share by holders of each class or series of
 5774 voting shares in such affiliated transaction are at least equal
 5775 to the highest of the following:

5776 a. If applicable, the highest per share price, including
 5777 any brokerage commissions, transfer taxes, and soliciting
 5778 dealers' fees, paid by the interested shareholder for any shares
 5779 of such class or series acquired by it within the 2-year period
 5780 immediately preceding the announcement date or in the
 5781 transaction in which it became an interested shareholder,
 5782 whichever is higher;

5783 b. The fair market value per share of such class or series
 5784 on the announcement date or on the determination date, whichever
 5785 is higher;

5786 c. If applicable, the price per share equal to the fair
 5787 market value per share of such class or series determined
 5788 pursuant to sub-subparagraph b., multiplied by the ratio of the
 5789 highest per share price, including any brokerage commissions,
 5790 transfer taxes, and soliciting dealers' fees, paid by the
 5791 interested shareholder for any shares of such class or series
 5792 acquired by it within the 2-year period immediately preceding
 5793 the announcement date, to the fair market value per share of
 5794 such class or series on the first day in such 2-year period on
 5795 which the interested shareholder acquired any shares of such
 5796 class or series; and

5797 d. If applicable, the highest preferential amount, if any,
 5798 per share to which the holders of such class or series are
 5799 entitled in the event of any voluntary or involuntary
 5800 dissolution of the corporation;—

Page 200 of 458

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590-03467A-19

2019892c2

5801 2. The consideration to be received by holders of
 5802 outstanding shares shall be in cash or in the same form as the
 5803 interested shareholder has previously paid for shares of the
 5804 same class or series, and if the interested shareholder has paid
 5805 for shares with varying forms of consideration, the form of the
 5806 consideration shall be either cash or the form used to acquire
 5807 the largest number of shares of such class or series previously
 5808 acquired by the interested shareholder;-

5809 3. During such portion of the 3-year period preceding the
 5810 announcement date that such interested shareholder has been an
 5811 interested shareholder, except as approved by a majority of the
 5812 disinterested directors:

5813 a. There shall have been no failure to declare and pay at
 5814 the regular date therefor any full periodic dividends, whether
 5815 or not cumulative, on any outstanding shares of the corporation;

5816 b. There shall have been:

5817 (I) No reduction in the annual rate of dividends paid on
 5818 any class or series of voting shares, except as necessary to
 5819 reflect any subdivision of the class or series; and

5820 (II) An increase in such annual rate of dividends as
 5821 necessary to reflect any reclassification, including any reverse
 5822 stock split, recapitalization, reorganization, or similar
 5823 transaction which has the effect of reducing the number of
 5824 outstanding shares of the class or series; and

5825 c. Such interested shareholder shall not have become the
 5826 beneficial owner of any additional voting shares except as part
 5827 of the transaction which results in such interested shareholder
 5828 becoming an interested shareholder;-

5829 4. During such portion of the 3-year period preceding the

Page 201 of 458

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590-03467A-19

2019892c2

5830 announcement date that such interested shareholder has been an
 5831 interested shareholder, except as approved by a majority of the
 5832 disinterested directors, such interested shareholder shall not
 5833 have received the benefit, directly or indirectly (except
 5834 proportionately as a shareholder), of any loans, advances,
 5835 guaranties, pledges, or other financial assistance or any tax
 5836 credits or other tax advantages provided by the corporation,
 5837 whether in anticipation of or in connection with such affiliated
 5838 transaction or otherwise; and-

5839 5. Except as otherwise approved by a majority of the
 5840 disinterested directors, a proxy or information statement
 5841 describing the affiliated transaction and complying with the
 5842 requirements of the Exchange Act and the rules and regulations
 5843 thereunder has been mailed to holders of voting shares of the
 5844 corporation at least 25 days before the consummation of such
 5845 affiliated transaction, whether or not such proxy or information
 5846 statement is required to be mailed pursuant to the Exchange Act
 5847 or such rules or regulations.

5848 (5) The provisions of this section do not apply:

5849 (a) To any corporation the original articles of
 5850 incorporation of which contain a provision expressly electing
 5851 not to be governed by this section;

5852 (b) To any corporation which adopted an amendment to its
 5853 articles of incorporation prior to July 1, 2018 ~~January 1, 1989~~,
 5854 expressly electing not to be governed by this section, provided
 5855 that such amendment does not apply to any affiliated transaction
 5856 of the corporation with an interested shareholder whose
 5857 determination date is on or prior to the effective date of such
 5858 amendment;

Page 202 of 458

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590-03467A-19

2019892c2

5859 (c) To any corporation which adopts an amendment to its
 5860 articles of incorporation or bylaws, approved by the affirmative
 5861 vote of the holders, other than interested shareholders and
 5862 their affiliates and associates, of a majority of the
 5863 outstanding voting shares of the corporation, excluding the
 5864 voting shares of interested shareholders and their affiliates
 5865 and associates, expressly electing not to be governed by this
 5866 section, provided that such amendment to the articles of
 5867 incorporation or bylaws shall not be effective until 18 months
 5868 after such vote of the corporation's shareholders and shall not
 5869 apply to any affiliated transaction of the corporation with an
 5870 interested shareholder whose determination date is on or prior
 5871 to the effective date of such amendment; or

5872 (d) To any affiliated transaction of the corporation with
 5873 an interested shareholder of the corporation which became an
 5874 interested shareholder inadvertently, if such interested
 5875 shareholder, as soon as practicable, divests itself of a
 5876 sufficient amount of the voting shares of the corporation so
 5877 that it no longer is the beneficial owner, directly or
 5878 indirectly, of 20 ~~10~~ percent or more of the outstanding voting
 5879 shares of the corporation, and would not at any time within the
 5880 3-year ~~5-year~~ period preceding the announcement date with
 5881 respect to such affiliated transaction have been an interested
 5882 shareholder but for such inadvertent acquisition.

5883 (6) Any corporation that elected not to be governed by this
 5884 section, either through a provision in its original articles of
 5885 incorporation or through an amendment to its articles of
 5886 incorporation or bylaws may elect to be bound by the provisions
 5887 of this section by adopting an amendment to its articles of

Page 203 of 458

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590-03467A-19

2019892c2

5888 incorporation or bylaws that repeals the original article or the
 5889 amendment. In addition to any requirements of this chapter act,
 5890 or the articles of incorporation or bylaws of the corporation,
 5891 any such amendment shall be approved by the affirmative vote of
 5892 the holders of two-thirds of the voting shares other than shares
 5893 beneficially owned by any interested shareholder.

5894 Section 116. Paragraph (d) of subsection (2) of section
 5895 607.0902, Florida Statutes, is amended to read:

5896 607.0902 Control-share acquisitions.—

5897 (2) "CONTROL-SHARE ACQUISITION."—

5898 (d) The acquisition of any shares of an issuing public
 5899 corporation does not constitute a control-share acquisition if
 5900 the acquisition is consummated in any of the following
 5901 circumstances:

5902 1. Before July 2, 1987.

5903 2. Pursuant to a contract existing before July 2, 1987.

5904 3. Pursuant to the laws of intestate succession or pursuant
 5905 to a gift or testamentary transfer.

5906 4. Pursuant to the satisfaction of a pledge or other
 5907 security interest created in good faith and not for the purpose
 5908 of circumventing this section.

5909 5. Pursuant to a merger or share exchange effected in
 5910 compliance with s. 607.1101, s. 607.1102, s. 607.1103, s.
 5911 607.1104, or s. 607.1105 ~~s. 607.1107~~, if the issuing public
 5912 corporation is a party to the agreement of merger or plan of
 5913 share exchange.

5914 6. Pursuant to any savings, employee stock ownership, or
 5915 other employee benefit plan of the issuing public corporation or
 5916 any of its subsidiaries or any fiduciary with respect to any

Page 204 of 458

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590-03467A-19 2019892c2

5917 such plan when acting in such fiduciary capacity.

5918 7. Pursuant to an acquisition of shares of an issuing
5919 public corporation if the acquisition has been approved by the
5920 board of directors of such issuing public corporation before
5921 acquisition.

5922 Section 117. Subsection (1) of section 607.1001, Florida
5923 Statutes, is amended to read:

5924 607.1001 Authority to amend the articles of incorporation.—

5925 (1) A corporation may amend its articles of incorporation
5926 at any time to add or change a provision that is required or
5927 permitted in the articles of incorporation or to delete a
5928 provision not required to be contained in the articles of
5929 incorporation. Whether a provision is required or permitted in
5930 the articles of incorporation is determined as of the effective
5931 date of the amendment.

5932 Section 118. Section 607.1002, Florida Statutes, is amended
5933 to read:

5934 607.1002 Amendment by board of directors.—Unless the
5935 articles of incorporation provide otherwise, a corporation's
5936 board of directors may adopt one or more amendments to the
5937 corporation's articles of incorporation without shareholder
5938 approval action:

5939 (1) To extend the duration of the corporation if it was
5940 incorporated at a time when limited duration was required by
5941 law;

5942 (2) To delete the names and addresses of the initial
5943 directors;

5944 (3) To delete the name and address of the initial
5945 registered agent or registered office, if a statement of change

Page 205 of 458

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590-03467A-19 2019892c2

5946 is on file with the department ~~of State~~;

5947 (4) To delete any other information contained in the
5948 articles of incorporation that is solely of historical interest;

5949 (5) To delete the authorization for a class or series of
5950 shares authorized pursuant to s. 607.0602, if no shares of such
5951 class or series are issued;

5952 (6) To change the corporate name by substituting the word
5953 "corporation," "incorporated," or "company," or the abbreviation
5954 "corp.," "Inc.," or "Co.," for a similar word or abbreviation in
5955 the name, or by adding, deleting, or changing a geographical
5956 attribution for the name;

5957 (7) To change the par value for a class or series of
5958 shares;

5959 (8) To provide that if the corporation acquires its own
5960 shares, such shares belong to the corporation and constitute
5961 treasury shares until disposed of or canceled by the
5962 corporation; ~~or~~

5963 (9) To reflect a reduction in authorized shares, as a
5964 result of the operation of s. 607.0631(2), when the corporation
5965 has acquired its own shares and the articles of incorporation
5966 prohibit the reissue of the acquired shares;

5967 (10) To delete a class of shares from the articles of
5968 incorporation, as a result of the operation of s. 607.0631(2),
5969 when there are no remaining shares of the class because the
5970 corporation has acquired all shares of the class and the
5971 articles of incorporation prohibit the reissue of the acquired
5972 shares; or

5973 (11) ~~(9)~~ To make any other change expressly permitted by
5974 this act to be made without shareholder approval action.

Page 206 of 458

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590-03467A-19

2019892c2

5975 Section 119. Subsections (4), (6), and (8) of section
 5976 607.10025, Florida Statutes, are amended to read:
 5977 607.10025 Shares; combination or division.—
 5978 (4) If a division or combination is effected by a board
 5979 action without shareholder approval and includes an amendment to
 5980 the articles of incorporation, there shall be signed ~~executed~~ in
 5981 accordance with s. 607.0120 on behalf of the corporation and
 5982 filed in the office of the department ~~of State~~ articles of
 5983 amendment which shall set forth:
 5984 (a) The name of the corporation.
 5985 (b) The date of adoption by the board of directors of the
 5986 resolution approving the division or combination.
 5987 (c) That the amendment to the articles of incorporation
 5988 does not adversely affect the rights or preferences of the
 5989 holders of outstanding shares of any class or series and does
 5990 not result in the percentage of authorized shares that remain
 5991 unissued after the division or combination exceeding the
 5992 percentage of authorized shares that were unissued before the
 5993 division or combination.
 5994 (d) The class or series and number of shares subject to the
 5995 division or combination and the number of shares into which the
 5996 shares are to be divided or combined.
 5997 (e) The amendment of the articles of incorporation made in
 5998 connection with the division or combination.
 5999 (f) If the division or combination is to become effective
 6000 at a time subsequent to the time of filing, the date, which may
 6001 not exceed 90 days after the date of filing, when the division
 6002 or combination becomes effective.
 6003 (6) If a division or combination is effected by action of

Page 207 of 458

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590-03467A-19

2019892c2

6004 the board and of the shareholders, there shall be signed
 6005 ~~executed~~ on behalf of the corporation and filed with the
 6006 department ~~of State~~ articles of amendment as provided in s.
 6007 607.1006 ~~s. 607.1003~~, which articles shall set forth, in
 6008 addition to the information required by s. 607.1006 ~~s. 607.1003~~,
 6009 the information required in subsection (4).
 6010 ~~(8) This section applies only to corporations with more~~
 6011 ~~than 35 shareholders of record.~~
 6012 Section 120. Section 607.1003, Florida Statutes, is amended
 6013 to read:
 6014 607.1003 Amendment by board of directors and shareholders.—
 6015 If a corporation has issued shares, an amendment to the articles
 6016 of incorporation shall be adopted in the following manner:
 6017 (1) The proposed amendment shall first be adopted by the
 6018 board of directors. A corporation's board of directors may
 6019 propose one or more amendments to the articles of incorporation
 6020 for submission to the shareholders.
 6021 (2) (a) Except as provided in ss. 607.1002, 607.10025, and
 6022 607.1008, and, with respect to restatements that do not require
 6023 shareholder approval, s. 607.1007, the amendment shall then be
 6024 approved by the shareholders.
 6025 (b) In submitting the proposed amendment to the
 6026 shareholders for approval, the board of directors shall
 6027 recommend that the shareholders approve the amendment unless:
 6028 1. The board of directors makes a determination that
 6029 because of a conflict of interest or other special circumstances
 6030 it should not make such a recommendation; or
 6031 2. Section 607.0826 applies.
 6032 (c) If either subparagraph (b)1. or subparagraph (b)2.

Page 208 of 458

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590-03467A-19

2019892c2

6033 applies, the board must inform the shareholders of the basis for
 6034 its so proceeding without such recommendation ~~For the amendment~~
 6035 ~~to be adopted;~~

6036 ~~(a) The board of directors must recommend the amendment to~~
 6037 ~~the shareholders, unless the board of directors determines that~~
 6038 ~~because of conflict of interest or other special circumstances~~
 6039 ~~it should make no recommendation and communicates the basis for~~
 6040 ~~its determination to the shareholders with the amendment; and~~

6041 ~~(b) The shareholders entitled to vote on the amendment must~~
 6042 ~~approve the amendment as provided in subsection (5).~~

6043 (3) The board of directors may set conditions for the
 6044 approval of the amendment by the shareholders or the
 6045 effectiveness of the amendment condition its submission of the
 6046 proposed amendment on any basis.

6047 (4) If the amendment is required to be approved by the
 6048 shareholders, and the approval is to be given at a meeting, the
 6049 corporation must notify each shareholder, whether or not
 6050 entitled to vote, of the meeting of shareholders at which the
 6051 amendment is to be submitted for approval. The notice must be
 6052 given in accordance with s. 607.0705, state that the purpose, or
 6053 one of the purposes, of the meeting is to consider the
 6054 amendment, and must contain or be accompanied by a copy of the
 6055 amendment ~~The corporation shall notify each shareholder, whether~~
 6056 ~~or not entitled to vote, of the proposed shareholders' meeting~~
 6057 ~~in accordance with s. 607.0705. The notice of meeting must also~~
 6058 ~~state that the purpose, or one of the purposes, of the meeting~~
 6059 ~~is to consider the proposed amendment and contain or be~~
 6060 ~~accompanied by a copy or summary of the amendment.~~

6061 (5) Unless this chapter ~~act~~, the articles of incorporation,

Page 209 of 458

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590-03467A-19

2019892c2

6062 or the board of directors, ~~acting pursuant to subsection (3),~~
 6063 requires a greater vote or a greater quorum, the approval of the
 6064 amendment requires the approval of the shareholders at a meeting
 6065 at which a quorum consisting of at least a majority of the
 6066 shares entitled to be cast on the amendment exists, and, if any
 6067 class or series of shares is entitled to vote as a separate
 6068 group on the amendment, except as provided in s. 607.1004(3),
 6069 the approval of each such separate voting group at a meeting at
 6070 which a quorum of the voting group exists consisting of at least
 6071 a majority of the votes entitled to be cast on the amendment by
 6072 that voting group.

6073 (6) If the amendment by any voting group would create
 6074 appraisal rights, approval of the amendment must also require
 6075 the vote of a majority of the votes entitled to be cast by such
 6076 voting group vote by voting groups, the amendment to be adopted
 6077 must be approved by:

6078 ~~(a) A majority of the votes entitled to be cast on the~~
 6079 ~~amendment by any voting group with respect to which the~~
 6080 ~~amendment would create dissenters' rights; and~~

6081 ~~(b) The votes required by ss. 607.0725 and 607.0726 by~~
 6082 ~~every other voting group entitled to vote on the amendment.~~

6083 (7)-(6) Unless otherwise provided in the articles of
 6084 incorporation, the shareholders of a corporation having 35 or
 6085 fewer shareholders may amend the articles of incorporation
 6086 without an act of the directors at a meeting for which notice of
 6087 the changes to be made is given. For purposes of this
 6088 subsection, the term "shareholder" means a record shareholder, a
 6089 beneficial shareholder, or an unrestricted voting trust
 6090 beneficial owner.

Page 210 of 458

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590-03467A-19

2019892c2

6091 (8) If as a result of an amendment of the articles of
 6092 incorporation one or more shareholders of a domestic corporation
 6093 would become subject to new interest holder liability, approval
 6094 of the amendment shall require the signing in connection with
 6095 the amendment, by each such shareholder, of a separate written
 6096 consent to become subject to such new interest holder liability,
 6097 unless in the case of a shareholder that already has interest
 6098 holder liability the terms and conditions of the new interest
 6099 holder liability are substantially identical to those of the
 6100 existing interest holder liability (other than changes that
 6101 eliminate or reduce such interest holder liability).

6102 (9) For purposes of subsection (8) and s. 607.1009, the
 6103 term "new interest holder liability" means interest holder
 6104 liability of a person resulting from an amendment of the
 6105 articles of incorporation if the person did not have interest
 6106 holder liability before the amendment becomes effective, or the
 6107 person had interest holder liability before the amendment
 6108 becomes effective, the terms and conditions of which are changed
 6109 when the amendment becomes effective.

6110 Section 121. Section 607.1004, Florida Statutes, is amended
 6111 to read:

6112 607.1004 Voting on amendments by voting groups.—

6113 (1) If the corporation has more than one class of shares
 6114 outstanding, the holders of the outstanding shares of a class
 6115 are entitled to vote as a separate voting group ~~class~~ (if
 6116 shareholder voting is otherwise required by this chapter act)
 6117 upon a proposed amendment to the articles of incorporation, if
 6118 the amendment would:

6119 (a) Effect an exchange or reclassification of all or part

Page 211 of 458

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590-03467A-19

2019892c2

6120 of the shares of the class into shares of another class.

6121 (b) Effect an exchange or reclassification, or create a
 6122 right of exchange, of all or part of the shares of another class
 6123 into the shares of the class.

6124 (c) Change the designation, rights, preferences, or
 6125 limitations of all or part of the shares of the class.

6126 (d) Change the shares of all or part of the class into a
 6127 different number of shares of the same class.

6128 (e) Create a new class of shares having rights or
 6129 preferences with respect to distributions or to dissolution that
 6130 are prior or superior to the shares of the class.

6131 (f) Increase the rights, preferences, or number of
 6132 authorized shares of any class that, after giving effect to the
 6133 amendment, have rights or preferences with respect to
 6134 distributions or to dissolution that are prior or superior to
 6135 the shares of the class.

6136 (g) Limit or deny an existing preemptive right of all or
 6137 part of the shares of the class.

6138 (h) Cancel or otherwise affect rights to distributions or
 6139 dividends that have accumulated but not yet been declared on all
 6140 or part of the shares of the class.

6141 (2) If a proposed amendment would affect a series of a
 6142 class of shares in one or more of the ways described in
 6143 subsection (1), the shares of that series are entitled to vote
 6144 as a separate voting group ~~class~~ on the proposed amendment.

6145 (3) If a proposed amendment that entitles the holders of
 6146 two or more classes or series of shares to vote as separate
 6147 voting groups under this section would affect those two or more
 6148 classes or series in the same or substantially similar way, the

Page 212 of 458

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590-03467A-19

2019892c2

6149 holders of ~~the~~ shares of all the classes or series so affected
 6150 must vote together as a single voting group on the proposed
 6151 amendment, unless otherwise provided in the articles of
 6152 incorporation or added as a condition by the board of directors
 6153 pursuant to s. 607.1003(3).

6154 (4) A class or series of shares is entitled to the voting
 6155 rights granted by this section even if although the articles of
 6156 incorporation provide that the shares are nonvoting shares.

6157 Section 122. Section 607.1005, Florida Statutes, is amended
 6158 to read:

6159 607.1005 Amendment before issuance of shares.—If a
 6160 corporation has not yet issued shares, its board of directors,
 6161 or a majority of its incorporators if it has no ~~or~~ board of
 6162 directors, may adopt one or more amendments to the corporation's
 6163 articles of incorporation.

6164 Section 123. Section 607.1006, Florida Statutes, is amended
 6165 to read:

6166 607.1006 Articles of amendment.—

6167 (1) After an amendment to the A corporation amending its
 6168 articles of incorporation has been adopted and approved as
 6169 required by this chapter, the corporation shall deliver to the
 6170 department ~~of State~~ for filing articles of amendment which must
 6171 ~~shall~~ be signed executed in accordance with s. 607.0120 and
 6172 which ~~must shall~~ set forth:

6173 (a) ~~(1)~~ The name of the corporation;

6174 (b) ~~(2)~~ The text of each amendment adopted, or the
 6175 information required by s. 607.0120(11) (e), if applicable;

6176 (c) ~~(3)~~ If an amendment provides for an exchange,
 6177 reclassification, or cancellation of issued shares, provisions

Page 213 of 458

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590-03467A-19

2019892c2

6178 for implementing the amendment if not contained in the amendment
 6179 itself, which may be made dependent upon facts objectively
 6180 ascertainable outside of the articles of amendment in accordance
 6181 with s. 607.0120(11);

6182 (d) ~~(4)~~ The date of each amendment's adoption; and

6183 (e) ~~(5)~~ If an amendment:

6184 1. Was adopted by the incorporators or board of directors
 6185 without shareholder approval action, a statement that the
 6186 amendment was duly adopted by the incorporators or by the board
 6187 of directors, as the case may be, to that effect and that
 6188 shareholder approval action was not required;

6189 2. ~~(6)~~ If an amendment was approved Required approval by the
 6190 shareholders, a statement that the number of votes cast for the
 6191 amendment by the shareholders in a manner required by this
 6192 chapter and by the articles of incorporation was sufficient for
 6193 approval and if more than one voting group was entitled to vote
 6194 on the amendment, a statement designating each voting group
 6195 entitled to vote separately on the amendment, and a statement
 6196 that the number of votes cast for the amendment by the
 6197 shareholders in each voting group was sufficient for approval by
 6198 that voting group; or

6199 3. Is being filed pursuant to s. 607.0120(11) (e), a
 6200 statement to that effect.

6201 (2) Articles of amendment shall take effect at the
 6202 effective date determined pursuant to s. 607.0123.

6203 Section 124. Section 607.1007, Florida Statutes, is amended
 6204 to read:

6205 607.1007 Restated articles of incorporation.—

6206 (1) A corporation's board of directors may restate its

Page 214 of 458

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590-03467A-19

2019892c2

6207 articles of incorporation at any time ~~with or~~ without
6208 shareholder approval, subject to subsection (2) ~~action~~.

6209 (2) ~~If the restated articles~~ The restatement may include
6210 one or more new amendments that require to the articles. ~~If the~~
6211 ~~restatement includes an amendment requiring~~ shareholder
6212 approval, the amendments ~~it~~ must be adopted and approved as
6213 provided in s. 607.1003.

6214 (3) Notwithstanding subsection (1), if the board of
6215 directors submits a restatement for shareholder approval, and
6216 the approval is to be given at a meeting ~~action~~, the corporation
6217 must shall notify each shareholder, whether or not entitled to
6218 vote, of the meeting of shareholders at which the restatement is
6219 to be submitted for approval. The notice must be given of the
6220 ~~proposed shareholders' meeting~~ in accordance with s. 607.0705
6221 ~~and must. The notice must also state that the purpose, or one of~~
6222 ~~the purposes, of the meeting is to consider the proposed~~
6223 ~~restatement and must contain or be accompanied by a copy of the~~
6224 ~~restatement that identifies any amendment or other change it~~
6225 ~~would make in the articles.~~

6226 (4) A corporation that restates ~~restating~~ its articles of
6227 incorporation shall execute and deliver to the department ~~of~~
6228 ~~State~~ for filing articles of restatement, that comply with the
6229 provisions of s. 607.0120, and to the extent applicable, s.
6230 607.0202, setting forth:

- 6231 (a) The name of the corporation;
6232 (b) and The text of the restated articles of incorporation;
6233 (c) A statement that the restated articles consolidate all
6234 amendments into a single document; and
6235 (d) If one or more new amendments are included in the

Page 215 of 458

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590-03467A-19

2019892c2

6236 restated articles, the statements required under s. 607.1006
6237 with respect to each new amendment ~~Together with a certificate~~
6238 ~~setting forth:~~

6239 ~~(a) Whether the restatement contains an amendment to the~~
6240 ~~articles requiring shareholder approval and, if it does not,~~
6241 ~~that the board of directors adopted the restatement, or~~

6242 ~~(b) If the restatement contains an amendment to the~~
6243 ~~articles requiring shareholder approval, the information~~
6244 ~~required by s. 607.1006.~~

6245 (5) Duly adopted restated articles of incorporation
6246 supersede the original articles of incorporation and all
6247 amendments to the articles of incorporation ~~them~~.

6248 (6) The department ~~of State~~ may certify restated articles
6249 of incorporation, as the articles of incorporation currently in
6250 effect, without including the statements ~~certificate information~~
6251 required by subsection (4).

6252 Section 125. Subsections (1), (2), and (3) of section
6253 607.1008, Florida Statutes, are amended to read:

6254 607.1008 Amendment pursuant to reorganization.—

6255 (1) A corporation's articles of incorporation may be
6256 amended without action by the board of directors or shareholders
6257 to carry out a plan of reorganization ordered or decreed by a
6258 court of competent jurisdiction under the authority of a law of
6259 the United States or of this state ~~any federal or Florida~~
6260 ~~statute if the articles of incorporation after amendment contain~~
6261 ~~only provisions required or permitted by s. 607.0202.~~

6262 (2) The individual or individuals designated by the court
6263 shall deliver to the department ~~of State~~ for filing articles of
6264 amendment setting forth:

Page 216 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

6265 (a) The name of the corporation;

6266 (b) The text of each amendment approved by the court;

6267 (c) The date of the court's order or decree approving the

6268 articles of amendment;

6269 (d) The title of the reorganization proceeding in which the

6270 order or decree was entered; and

6271 (e) A statement that the court had jurisdiction of the

6272 proceeding under a federal or Florida statute.

6273 (3) Shareholders of a corporation undergoing reorganization

6274 do not have appraisal dissenters' rights except as and to the

6275 extent provided in the reorganization plan.

6276 Section 126. Section 607.1009, Florida Statutes, is amended

6277 to read:

6278 607.1009 Effect of amendment.—

6279 (1) An amendment to articles of incorporation does not

6280 affect a cause of action existing against or in favor of the

6281 corporation, a proceeding to which the corporation is a party,

6282 or the existing rights of persons other than shareholders of the

6283 corporation. An amendment changing a corporation's name does not

6284 affect ~~abate~~ a proceeding brought by or against the corporation

6285 in its former name.

6286 (2) A shareholder who becomes subject to new interest

6287 holder liability in respect of the corporation as a result of an

6288 amendment to the articles of incorporation shall have that new

6289 interest holder liability only in respect of interest holder

6290 liabilities that arise after the amendment becomes effective.

6291 (3) Except as otherwise provided in the articles of

6292 incorporation of the corporation, the interest holder liability

6293 of a shareholder who had interest holder liability in respect of

Page 217 of 458

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590-03467A-19

2019892c2

6294 the corporation before the amendment becomes effective and has

6295 new interest holder liability after the amendment becomes

6296 effective shall be as follows:

6297 (a) The amendment does not discharge that prior interest

6298 holder liability with respect to any interest holder liabilities

6299 that arose before the amendment becomes effective.

6300 (b) The provisions of the articles of incorporation of the

6301 corporation relating to interest holder liability as in effect

6302 immediately prior to the amendment shall continue to apply to

6303 the collection or discharge of any interest holder liabilities

6304 preserved by paragraph (a), as if the amendment had not

6305 occurred.

6306 (c) The shareholder shall have such rights of contribution

6307 from other persons as are provided by the articles of

6308 incorporation relating to interest holder liability as in effect

6309 immediately prior to the amendment with respect to any interest

6310 holder liabilities preserved by paragraph (3) (a), as if the

6311 amendment had not occurred.

6312 (d) The shareholder shall not, by reason of such prior

6313 interest holder liability, have interest holder liability with

6314 respect to any interest holder liabilities that arise after the

6315 amendment becomes effective.

6316 Section 127. Subsection (1) of section 607.1020, Florida

6317 Statutes, is amended, and subsection (3) is added to that

6318 section, to read:

6319 607.1020 Amendment of bylaws by board of directors or

6320 shareholders.—

6321 (1) A corporation's board of directors may amend or repeal

6322 the corporation's bylaws unless:

Page 218 of 458

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590-03467A-19

2019892c2

6323 (a) The articles of incorporation or this chapter ~~act~~
 6324 reserves that power ~~the power to amend the bylaws generally or a~~
 6325 ~~particular bylaw provision~~ exclusively to the shareholders in
 6326 whole or in part; or

6327 (b) Except as provided in s. 607.0206(5), the shareholders,
 6328 in amending, ~~or~~ repealing, or adopting the bylaws generally or a
 6329 particular bylaw provision, ~~provide~~ expressly provide that the
 6330 board of directors may not amend, ~~or~~ repeal, adopt, or reinstate
 6331 the bylaws generally or that particular bylaw provision.

6332 (3) A shareholder does not have a vested property right
 6333 resulting from any provision in the bylaws.

6334 Section 128. Subsection (1) of section 607.1021, Florida
 6335 Statutes, is amended to read:

6336 607.1021 Bylaw increasing quorum or voting requirements for
 6337 shareholders.-

6338 (1) If authorized by the articles of incorporation, the
 6339 shareholders may adopt or amend a bylaw that fixes a greater
 6340 quorum or voting requirement for shareholders (or voting groups
 6341 of shareholders) than is required by this chapter ~~act~~. The
 6342 adoption or amendment of a bylaw that adds, changes, or deletes
 6343 a greater quorum or voting requirement for shareholders must
 6344 meet the same quorum requirement and be adopted by the same vote
 6345 and voting groups required to take action under the quorum and
 6346 voting requirement then in effect or proposed to be adopted,
 6347 whichever is greater.

6348 Section 129. Section 607.1022, Florida Statutes, is amended
 6349 to read:

6350 607.1022 Bylaw increasing quorum or voting requirements for
 6351 directors.-

Page 219 of 458

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590-03467A-19

2019892c2

6352 (1) A bylaw that increases a ~~fixes a greater~~ quorum or
 6353 voting requirement for the board of directors may be amended or
 6354 repealed:

6355 (a) If originally adopted by the shareholders, only by the
 6356 shareholders, unless the bylaw otherwise provides; or

6357 (b) If originally adopted by the board of directors, either
 6358 by the shareholders or by the board of directors.

6359 (2) A bylaw adopted or amended by the shareholders that
 6360 increases a ~~fixes a greater~~ quorum or voting requirement for the
 6361 board of directors may provide that it may be amended or
 6362 repealed only by a specified vote of either the shareholders or
 6363 the board of directors.

6364 (3) Action by the board of directors under subsection (1)
 6365 to amend or repeal ~~paragraph (1)(b) to adopt or amend~~ a bylaw
 6366 that changes the quorum or voting requirement for the board of
 6367 directors must meet the same quorum requirement and be adopted
 6368 by the same vote required to take action under the quorum and
 6369 voting requirement then in effect or proposed to be adopted,
 6370 whichever is greater.

6371 Section 130. Section 607.1023, Florida Statutes, is created
 6372 to read:

6373 607.1023 Bylaw provisions relating to the election of
 6374 directors.-

6375 (1) Unless the articles of incorporation specifically
 6376 prohibit the adoption of a bylaw pursuant to this section, alter
 6377 the vote specified in s. 607.0728(1), or provide for cumulative
 6378 voting, a corporation may elect in its bylaws to be governed in
 6379 the election of directors as follows:

6380 (a) Each vote entitled to be cast may be voted for or

Page 220 of 458

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590-03467A-19

2019892c2

6381 against up to the number of candidates that is equal to the
 6382 number of directors to be elected, or a shareholder may indicate
 6383 an abstention, but without cumulating the votes;

6384 (b) To be elected, a nominee must have received a plurality
 6385 of the votes cast by holders of shares entitled to vote in the
 6386 election at a meeting at which a quorum is present, provided
 6387 that a nominee who is elected but receives more votes against
 6388 than for election shall serve as a director for a term that
 6389 shall terminate on the date that is the earlier of 90 days from
 6390 the date on which the voting results are determined pursuant to
 6391 s. 607.0729(2)(e) or the date on which an individual is selected
 6392 by the board of directors to fill the office held by such
 6393 director, which selection shall be deemed to constitute the
 6394 filling of a vacancy by the board to which s. 607.0809 applies.
 6395 Subject to paragraph (c), a nominee who is elected but receives
 6396 more votes against than for election shall not serve as a
 6397 director beyond the 90-day period referenced above; and

6398 (c) The board of directors may select any qualified
 6399 individual to fill the office held by a director who received
 6400 more votes against than for election.

6401 (2) Subsection (1) does not apply to an election of
 6402 directors by a voting group if:

6403 (a) At the expiration of the time fixed under a provision
 6404 requiring advance notification of director candidates; or

6405 (b) Absent such a provision, at a time fixed by the board
 6406 of directors which is not more than 14 days before notice is
 6407 given of the meeting at which the election is to occur,

6408 there are more candidates for election by the voting group than
 6409

Page 221 of 458

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590-03467A-19

2019892c2

6410 the number of directors to be elected, one or more of whom are
 6411 properly proposed by shareholders. An individual shall not be
 6412 considered a candidate for purposes of this subsection if the
 6413 board of directors determines before the notice of meeting is
 6414 given that such individual's candidacy does not create a bona
 6415 fide election contest.

6416 (3) A bylaw electing to be governed by this section may be
 6417 repealed:

6418 (a) If originally adopted by the shareholders, only by the
 6419 shareholders, unless the bylaw otherwise provides; or

6420 (b) If adopted by the board of directors, by the board of
 6421 directors or the shareholders.

6422 Section 131. Section 607.1101, Florida Statutes, is amended
 6423 to read:

6424 607.1101 Merger.—

6425 (1) By complying with this chapter, including adopting a
 6426 plan of merger in accordance with subsection (3) and complying
 6427 with s. 607.1103:

6428 (a) One or more domestic corporations may merge with one or
 6429 more domestic or foreign eligible entities pursuant to a plan of
 6430 merger, resulting in a survivor; and

6431 (b) Any two or more entities, each of which is either a
 6432 domestic eligible entity or a foreign eligible entity, may
 6433 merge, resulting in a survivor that is a domestic corporation
 6434 created in the merger into another corporation if the board of
 6435 directors of each corporation adopts and its shareholders (if
 6436 required by s. 607.1103) approve a plan of merger.

6437 (2) A domestic eligible entity that is not a corporation
 6438 may be a party to a merger with a domestic corporation, or may

Page 222 of 458

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590-03467A-19

2019892c2

6439 be created as the survivor in a merger in which a domestic
 6440 corporation is a party, but only if the parties to the merger
 6441 comply with the applicable provisions of this chapter and the
 6442 merger is permitted by the organic law of the domestic eligible
 6443 entity that is not a corporation. A foreign eligible entity may
 6444 be a party to a merger with a domestic corporation, or may be
 6445 created as the survivor in a merger in which a domestic
 6446 corporation is a party, but only if the parties to the merger
 6447 comply with the applicable provisions of this chapter and the
 6448 merger is permitted by the organic law of the foreign eligible
 6449 entity.

6450 (3) The plan of merger must shall set forth:

6451 (a) As to each party to the merger, its name, jurisdiction
 6452 of formation, and type of entity;

6453 (b) The survivor's name, jurisdiction of formation, and
 6454 type of entity, and, if the survivor is to be created in the
 6455 merger, a statement to that effect ~~The name of each corporation~~
 6456 ~~planning to merge and the name of the surviving corporation into~~
 6457 ~~which each other corporation plans to merge, which is~~
 6458 ~~hereinafter designated as the surviving corporation;~~

6459 ~~(c)(b) The terms and conditions of the proposed merger; and~~

6460 ~~(d)(e) The manner and basis of converting;~~

6461 1. The shares of each domestic or foreign corporation and
 6462 the eligible interests of each merging domestic or foreign
 6463 eligible entity into:

6464 a. Shares or other securities.

6465 b. Eligible interests.

6466 c. Obligations.

6467 d. Rights to acquire shares, other securities, or eligible

590-03467A-19

2019892c2

6468 interests.

6469 e. Cash.

6470 f. Other property.

6471 g. Any combination of the foregoing; and

6472 2. Rights to acquire shares of each merging domestic or
 6473 foreign corporation and rights to acquire eligible interests of
 6474 each merging domestic or foreign eligible entity into:

6475 a. Shares or other securities.

6476 b. Eligible interests.

6477 c. Obligations.

6478 d. Rights to acquire shares, other securities, or eligible
 6479 interests.

6480 e. Cash.

6481 f. Other property.

6482 g. Any combination of the foregoing;

6483 (e) The articles of incorporation of any domestic or
 6484 foreign corporation, or the public organic record of any other
 6485 domestic or foreign eligible entity to be created by the merger,
 6486 or if a new domestic or foreign corporation or other eligible
 6487 entity is not to be created by the merger, any amendments to, or
 6488 restatements of, the survivor's articles of incorporation or
 6489 other public organic record;

6490 (f) The effective date and time of the merger, which may be
 6491 on or after the filing date of the articles of merger; and

6492 (g) Any other provisions required by the laws under which
 6493 any party to the merger is organized or by which it is governed,
 6494 or by the articles of incorporation or organic rules of any such
 6495 party corporation into shares, obligations, or other securities
 6496 of the surviving corporation or any other corporation or, in

590-03467A-19

2019892c2

6497 ~~whole or in part, into cash or other property and the manner and~~
 6498 ~~basis of converting rights to acquire shares of each corporation~~
 6499 ~~into rights to acquire shares, obligations, or other securities~~
 6500 ~~of the surviving or any other corporation or, in whole or in~~
 6501 ~~part, into cash or other property.~~

6502 (4)(3) In addition to the requirements of subsection (3), a
 6503 The plan of merger may contain any other provision that is not
 6504 prohibited by law set forth:

6505 ~~(a) Amendments to, or a restatement of, the articles of~~
 6506 ~~incorporation of the surviving corporation;~~

6507 ~~(b) The effective date of the merger, which may be on or~~
 6508 ~~after the date of filing the certificate; and~~

6509 ~~(c) Other provisions relating to the merger.~~

6510 (5) Terms of a plan of merger may be made dependent on
 6511 facts objectively ascertainable outside the plan in accordance
 6512 with s. 607.0120(11).

6513 (6) A plan of merger may be amended only with the consent
 6514 of each party to the merger, except as provided in the plan. A
 6515 domestic party to a merger may approve an amendment to a plan:

6516 (a) In the same manner as the plan was approved, if the
 6517 plan does not provide for the manner in which it may be amended;
 6518 or

6519 (b) In the manner provided in the plan, except that
 6520 shareholders, members, or interest holders that were entitled to
 6521 vote on or consent to the approval of the plan are entitled to
 6522 vote on or consent to any amendment to the plan that will
 6523 change:

6524 1. The amount or kind of shares or other securities,
 6525 eligible interests, obligations, rights to acquire shares, other

Page 225 of 458

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590-03467A-19

2019892c2

6526 securities, or eligible interests, cash, other property, or any
 6527 combination of the foregoing, to be received under the plan by
 6528 the shareholders, holders of rights to acquire shares, other
 6529 securities, or eligible interests, members, or interest holders
 6530 of any party to the merger;

6531 2. The articles of incorporation of any domestic
 6532 corporation, or the organic rules of any other type of entity,
 6533 that will be the survivor of the merger, except for changes
 6534 permitted by s. 607.1002 or by comparable provisions of the
 6535 organic law of any other type of entity; or

6536 3. Any of the other terms or conditions of the plan if the
 6537 change would adversely affect such shareholders, members, or
 6538 interest holders in any material respect.

6539 (7) The redomestication of a foreign insurer to this state
 6540 under s. 628.520 shall be deemed a merger of a foreign
 6541 corporation and a domestic corporation, and the surviving
 6542 corporation shall be deemed to be a domestic corporation
 6543 incorporated under the laws of this state. The redomestication
 6544 of a Florida corporation to a foreign jurisdiction under s.
 6545 628.525 shall be deemed a merger of a domestic corporation and a
 6546 foreign corporation, and the surviving corporation shall be
 6547 deemed to be a foreign corporation.

6548 Section 132. Section 607.1102, Florida Statutes, is amended
 6549 to read:

6550 607.1102 Share exchange.—

6551 (1) By complying with this chapter, including adopting a
 6552 plan of share exchange in accordance with subsection (3) and
 6553 complying with s. 607.1103:

6554 (a) A domestic corporation may acquire all of the shares or

Page 226 of 458

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590-03467A-19

2019892c2

6555 rights to acquire shares of one or more classes or series of
 6556 shares or rights to acquire shares of another domestic or
 6557 foreign corporation, or all of the eligible interests of one or
 6558 more classes or series of interests of a domestic or foreign
 6559 eligible entity, or any combination of the foregoing, pursuant
 6560 to a plan of share exchange, in exchange for:

- 6561 1. Shares or other securities.
- 6562 2. Eligible interests.
- 6563 3. Obligations.
- 6564 4. Rights to acquire shares, other securities, or eligible
 6565 interests.
- 6566 5. Cash.
- 6567 6. Other property.
- 6568 7. Any combination of the foregoing; or

6569 (b) All of the shares of one or more classes or series of
 6570 shares or rights to acquire shares of a domestic corporation may
 6571 be acquired by another domestic or foreign eligible entity,
 6572 pursuant to a plan of share exchange, in exchange for:

- 6573 1. Shares or other securities.
- 6574 2. Eligible interests.
- 6575 3. Obligations.
- 6576 4. Rights to acquire shares, other securities, or eligible
 6577 interests.
- 6578 5. Cash.
- 6579 6. Other property.
- 6580 7. Any combination of the foregoing.

6581 (2) A foreign eligible entity may be the acquired eligible
 6582 entity in a share exchange only if the share exchange is
 6583 permitted by the organic law of that eligible entity A

Page 227 of 458

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590-03467A-19

2019892c2

6584 ~~corporation may acquire all of the outstanding shares of one or~~
 6585 ~~more classes or series of another corporation if the board of~~
 6586 ~~directors of each corporation adopts and its shareholders (if~~
 6587 ~~required by s. 607.1103) approve a plan of share exchange.~~

6588 ~~(3)(2)~~ The plan of share exchange must ~~shall~~ set forth:

- 6589 (a) The name of each domestic or foreign eligible entity
 6590 ~~the corporation~~ the shares or eligible interests of which will
 6591 be acquired and the name of the domestic or foreign corporation
 6592 or eligible entity that will acquire those shares or eligible
 6593 interests acquiring corporation;
- 6594 (b) The terms and conditions of the share exchange;
- 6595 (c) The manner and basis of exchanging:
 - 6596 1. The shares of each domestic or foreign corporation, and
 6597 the eligible interests of each domestic or foreign eligible
 6598 entity, the shares or eligible interests that are to be acquired
 6599 in the share exchange, into shares or other securities, eligible
 6600 interests, obligations, rights to acquire shares, other
 6601 securities, or eligible interests, cash, other property, or any
 6602 combination of the foregoing; and
 - 6603 2. Rights to acquire shares of each domestic or foreign
 6604 corporation and rights to acquire eligible interests of each
 6605 domestic or foreign eligible entity, that are to be acquired in
 6606 the share exchange, into shares or other securities, eligible
 6607 interests, obligations, rights to acquire shares, other
 6608 securities, or eligible interests, cash, other property, or any
 6609 combination of the foregoing; and
- 6610 (d) Any other provisions required by the organic law
 6611 governing the acquired eligible entity or its articles of
 6612 incorporation or organic rules ~~the shares to be acquired for~~

Page 228 of 458

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590-03467A-19

2019892c2

6613 ~~shares, obligations, or other securities of the acquiring or any~~
 6614 ~~other corporation or, in whole or in part, for cash or other~~
 6615 ~~property, and the manner and basis of exchanging rights to~~
 6616 ~~acquire shares of the corporation to be acquired for rights to~~
 6617 ~~acquire shares, obligations, or, in whole or in part, other~~
 6618 ~~securities of the acquiring or any other corporation or, in~~
 6619 ~~whole or in part, for cash or other property.~~

6620 (4)(3) In addition to the requirements of subsection (3),
 6621 the plan of share exchange may contain any other provisions that
 6622 are not prohibited by law set forth other provisions relating to
 6623 the exchange.

6624 (5) Terms of a plan of share exchange may be made dependent
 6625 on facts objectively ascertainable outside the plan in
 6626 accordance with s. 607.0120(11).

6627 (6) A plan of share exchange may be amended only with the
 6628 consent of each party to the share exchange, except as provided
 6629 in the plan. A domestic eligible entity may approve an amendment
 6630 to a plan:

6631 (a) In the same manner as the plan was approved, if the
 6632 plan does not provide for the manner in which it may be amended;
 6633 or

6634 (b) In the manner provided in the plan, except that
 6635 shareholders, members, or interest holders that were entitled to
 6636 vote on or consent to approval of the plan are entitled to vote
 6637 on or consent to any amendment of the plan that will change:

6638 1. The amount or kind of shares or other securities,
 6639 eligible interests, obligations, rights to acquire shares, other
 6640 securities, or eligible interests, cash, or other property to be
 6641 received under the plan by the shareholders, members, or

590-03467A-19

2019892c2

6642 interest holders of the acquired eligible entity; or

6643 2. Any of the other terms or conditions of the plan if the
 6644 change would adversely affect such shareholders, members, or
 6645 interest holders in any material respect.

6646 (7)(4) This section does not limit the power of a
 6647 corporation to acquire all or part of the shares, or rights to
 6648 acquire shares, of one or more classes or series of another
 6649 corporation or eligible interests, or rights to acquire eligible
 6650 interests, of any other eligible entity through a voluntary
 6651 exchange or otherwise.

6652 Section 133. Section 607.1103, Florida Statutes, is amended
 6653 to read:

6654 607.1103 Action on a plan of merger or share exchange.—In
 6655 the case of a domestic corporation that is a party to a merger
 6656 or the acquired eligible entity in a share exchange, the plan of
 6657 merger or the plan of share exchange must be adopted in the
 6658 following manner:

6659 (1) The ~~After adopting~~ a plan of merger or the plan of
 6660 share exchange shall first be adopted by, the board of directors
 6661 of such domestic corporation ~~each corporation party to the~~
 6662 merger, and the board of directors of the corporation the shares
 6663 of which will be acquired in the share exchange, shall submit
 6664 the plan of merger ~~(except as provided in subsection (7)) or the~~
 6665 plan of share exchange for approval by its shareholders.

6666 (2) (a) Except as provided in subsections (8), (10), and
 6667 (11), and in ss. 607.11035 and 607.1104, the plan of merger or
 6668 the plan of share exchange shall then be adopted by the
 6669 shareholders.

6670 (b) In submitting the plan of merger or the plan of share

590-03467A-19

2019892c2

6671 exchange to the shareholders for approval, the board of
 6672 directors shall recommend that the shareholders approve the
 6673 plan, or in the case of an offer referred to in s.
 6674 607.11035(1)(b), that the shareholders tender their shares to
 6675 the offeror in response to the offer, unless:
 6676 1. The board of directors makes a determination that
 6677 because of conflicts of interest or other special circumstances,
 6678 it should not make such a recommendation; or
 6679 2. Section 607.0826 applies.
 6680 (c) If either subparagraph (b)1. or subparagraph (b)2.
 6681 applies, the board shall inform the shareholders of the basis
 6682 for its so proceeding without such recommendation For a plan of
 6683 merger or share exchange to be approved:
 6684 (a) The board of directors must recommend the plan of
 6685 merger or share exchange to the shareholders, unless the board
 6686 of directors determines that it should make no recommendation
 6687 because of conflict of interest or other special circumstances
 6688 and communicates the basis for its determination to the
 6689 shareholders with the plan; and
 6690 (b) The shareholders entitled to vote must approve the plan
 6691 as provided in subsection (5).
 6692 (3) The board of directors may set conditions for the
 6693 approval condition its submission of the proposed merger or
 6694 share exchange by the shareholders or the effectiveness of the
 6695 plan of merger or the plan of share exchange on any basis.
 6696 (4) If the plan of merger or the plan of share exchange is
 6697 required to be approved by the shareholders, and if the approval
 6698 is to be given at a meeting, the corporation shall notify each
 6699 shareholder, regardless of whether entitled to vote, of the

Page 231 of 458

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590-03467A-19

2019892c2

6700 meeting of shareholders at which the plan is submitted for
 6701 approval ~~The corporation the shareholders of which are entitled~~
 6702 ~~to vote on the matter shall notify each shareholder, whether or~~
 6703 ~~not entitled to vote, of the proposed shareholders' meeting in~~
 6704 ~~accordance with s. 607.0705. The notice shall also state that~~
 6705 ~~the purpose, or one of the purposes, of the meeting is to~~
 6706 ~~consider the plan of merger or the plan of share exchange,~~
 6707 ~~regardless of whether or not the meeting is an annual or a~~
 6708 ~~special meeting, and contain or be accompanied by a copy ~~or~~~~
 6709 ~~summary of the plan. If the corporation is to be merged into an~~
 6710 ~~existing foreign or domestic eligible entity, the notice must~~
 6711 ~~also include or be accompanied by a copy of the articles of~~
 6712 ~~incorporation and bylaws or the organic rules of that eligible~~
 6713 ~~entity into which the corporation is to be merged. If the~~
 6714 ~~corporation is to be merged with a domestic or foreign eligible~~
 6715 ~~entity and a new domestic or foreign eligible entity is to be~~
 6716 ~~created pursuant to the merger, the notice must include or be~~
 6717 ~~accompanied by a copy of the articles of incorporation and~~
 6718 ~~bylaws or the organic rules of the new eligible entity.~~
 6719 ~~Furthermore, if applicable, the notice shall contain a clear and~~
 6720 ~~concise statement that, if the plan of merger or share exchange~~
 6721 ~~is effected, shareholders dissenting therefrom may be entitled,~~
 6722 ~~if they comply with the provisions of this chapter ~~act~~ regarding~~
 6723 ~~appraisal rights, to be paid the fair value of their shares, and~~
 6724 ~~shall be accompanied by a copy of ss. 607.1301-607.1340 ~~ss-~~~~
 6725 ~~607.1301-607.1333.~~
 6726 (5) Unless this chapter ~~act~~, the articles of incorporation,
 6727 or the board of directors (acting pursuant to subsection (3))
 6728 requires a greater vote or a greater quorum in the respective

Page 232 of 458

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590-03467A-19

2019892c2

6729 ~~case, approval of vote by classes,~~ the plan of merger or the
 6730 plan of share exchange shall require the approval of the
 6731 shareholders at a meeting at which a quorum exists by a majority
 6732 of the votes entitled to be cast on the plan, and, if any class
 6733 or series of shares is entitled to vote as a separate group on
 6734 the plan of merger or the plan of share exchange, the approval
 6735 of each such separate voting group at a meeting at which a
 6736 quorum of the voting group is present by a majority of the votes
 6737 entitled to be cast on the merger or share exchange by that
 6738 voting group ~~to be authorized shall be approved by each class~~
 6739 ~~entitled to vote on the plan by a majority of all the votes~~
 6740 ~~entitled to be cast on the plan by that class.~~

6741 (6) (a) Subject to subsection (7), voting by a class or
 6742 series as a separate voting group is required:

6743 1. (a) By each class or series of shares of the corporation
 6744 that would be entitled to vote as a separate group on any
 6745 provision in the plan which, if such provision had been ~~on a~~
 6746 ~~plan of merger if the plan contains a provision which, if~~
 6747 contained in a proposed amendment to the articles of
 6748 incorporation of a surviving corporation, would have entitled,
 6749 ~~would entitle~~ the class or series to vote as a separate voting
 6750 group on the proposed amendment under s. 607.1004; or

6751 2. If the plan contains a provision that would allow the
 6752 plan to be amended to include the type of amendment to the
 6753 articles of incorporation referenced in subparagraph 1., by each
 6754 class or series of shares of the corporation that would have
 6755 been entitled to vote as a separate group on any such amendment
 6756 to the articles of incorporation; or

6757 3. By each class or series of shares of the corporation

Page 233 of 458

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590-03467A-19

2019892c2

6758 that is to be converted under the plan of merger into shares,
 6759 other securities, eligible interests, obligations, rights to
 6760 acquire shares, other securities, or eligible interests, cash,
 6761 property, or any combination of the foregoing; or

6762 4. If the plan contains a provision that would allow the
 6763 plan to be amended to convert other classes or series of shares
 6764 of the corporation, by each class or series of shares of the
 6765 corporation that would have been entitled to vote as a separate
 6766 group if the plan were to be so amended.

6767 (b) Subject to subsection (7), voting by a class or series
 6768 as a separate voting group is required on a plan of share
 6769 exchange:

6770 1. By each class or series that is to be exchanged in the
 6771 exchange, with each class or series constituting a separate
 6772 voting group; or

6773 2. If the plan contains a provision that would allow the
 6774 plan to be amended to include the type of amendment to the
 6775 articles of incorporation referenced in subparagraph (a)1., by
 6776 each class or series of shares of the corporation that would
 6777 have been entitled to vote as a separate group on any such
 6778 amendment to the articles of incorporation.

6779 (c) Subject to subsection (7), voting by a class or series
 6780 as a separate voting group is required on a plan of merger or a
 6781 plan of share exchange if the group is entitled under the
 6782 articles of incorporation to vote as a voting group to approve
 6783 the plan of merger or the plan of share exchange, respectively.

6784 (7) The articles of incorporation may expressly limit or
 6785 eliminate the separate voting rights provided in subparagraphs
 6786 (6) (a)3. or 4. or subparagraph (6) (b)1. as to any class or

Page 234 of 458

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590-03467A-19

2019892c2

6787 series of shares, except when the plan of merger or the plan for
 6788 share exchange:

6789 (a) Includes what is or would be, in effect, an amendment
 6790 subject to any one or more of subparagraphs (6) (a)1. and 2. and
 6791 subparagraph (6) (b)2.; and

6792 (b) Will not affect a substantive business combination if
 6793 the shares of such class or series of shares are to be converted
 6794 or exchanged under such plan or if the plan contains any
 6795 provisions which, if contained in a proposed amendment to
 6796 articles of incorporation, would entitle the class or series to
 6797 vote as a separate voting group on the proposed amendment under
 6798 s. 607.1004.

6799 (8)(7) Unless the corporation's articles of incorporation
 6800 provide otherwise, approval by the corporation's shareholders of
 6801 Notwithstanding the requirements of this section, unless
 6802 required by its articles of incorporation, action by the
 6803 shareholders of the surviving corporation on a plan of merger is
 6804 not required if:

6805 (a) The corporation will survive the merger;

6806 (b)(a) The articles of incorporation of the surviving
 6807 corporation will not differ (except for amendments enumerated in
 6808 s. 607.1002) from its articles of incorporation before the
 6809 merger; and

6810 (c)(b) Each shareholder of the surviving corporation whose
 6811 shares were outstanding immediately prior to the effective date
 6812 of the merger will hold the same number of shares, with
 6813 identical designations, preferences, rights, and limitations,
 6814 and relative rights, immediately after the effective date of the
 6815 merger.

Page 235 of 458

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590-03467A-19

2019892c2

6816 ~~(8) Any plan of merger or share exchange may authorize the~~
 6817 ~~board of directors of each corporation party to the merger or~~
 6818 ~~share exchange to amend the plan at any time prior to the filing~~
 6819 ~~of the articles of merger or share exchange. An amendment made~~
 6820 ~~subsequent to the approval of the plan by the shareholders of~~
 6821 ~~any corporation party to the merger or share exchange may not:~~

6822 ~~(a) Change the amount or kind of shares, securities, cash,~~
 6823 ~~property, or rights to be received in exchange for or on~~
 6824 ~~conversion of any or all of the shares of any class or series of~~
 6825 ~~such corporation;~~

6826 ~~(b) Change any other terms and conditions of the plan if~~
 6827 ~~such change would materially and adversely affect such~~
 6828 ~~corporation or the holders of the shares of any class or series~~
 6829 ~~of such corporation; or~~

6830 ~~(c) Except as specified in s. 607.1002 or without the vote~~
 6831 ~~of shareholders entitled to vote on the matter, change any term~~
 6832 ~~of the articles of incorporation of any corporation the~~
 6833 ~~shareholders of which must approve the plan of merger or share~~
 6834 ~~exchange.~~

6835
 6836 ~~If articles of merger or share exchange already have been filed~~
 6837 ~~with the Department of State, amended articles of merger or~~
 6838 ~~share exchange shall be filed with the Department of State prior~~
 6839 ~~to the effective date of the merger or share exchange.~~

6840 (9) If as a result of a merger or share exchange one or
 6841 more shareholders of a domestic corporation would become subject
 6842 to new interest holder liability, approval of the plan of merger
 6843 or the plan of share exchange shall require, in connection with
 6844 the transaction, the signing by each such shareholder of a

Page 236 of 458

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590-03467A-19

2019892c2

6845 separate written consent to become subject to such new interest
 6846 holder liability, unless in the case of a shareholder that
 6847 already has interest holder liability with respect to such
 6848 domestic corporation:

6849 (a) The new interest holder liability is with respect to a
 6850 domestic or foreign corporation (which may be a different or the
 6851 same domestic corporation in which the person is a shareholder);
 6852 and

6853 (b) The terms and conditions of the new interest holder
 6854 liability are substantially identical to those of the existing
 6855 interest holder liability (other than for changes that reduce or
 6856 eliminate such interest holder liability).

6857 (10) Unless the articles of incorporation otherwise
 6858 provide, approval of a plan of share exchange by the
 6859 shareholders of a domestic corporation is not required if the
 6860 corporation is the acquiring eligible entity in the share
 6861 exchange.

6862 (11) Unless the articles of incorporation otherwise
 6863 provide, shares in the acquired eligible entity not to be
 6864 exchanged under the plan of share exchange are not entitled to
 6865 vote on the plan ~~Unless a plan of merger or share exchange~~
 6866 ~~prohibits abandonment of the merger or share exchange without~~
 6867 ~~shareholder approval after a merger or share exchange has been~~
 6868 ~~authorized, the planned merger or share exchange may be~~
 6869 ~~abandoned (subject to any contractual rights) at any time prior~~
 6870 ~~to the filing of articles of merger or share exchange by any~~
 6871 ~~corporation party to the merger or share exchange, without~~
 6872 ~~further shareholder action, in accordance with the procedure set~~
 6873 ~~forth in the plan of merger or share exchange or, if none is set~~

Page 237 of 458

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590-03467A-19

2019892c2

6874 ~~forth, in the manner determined by the board of directors of~~
 6875 ~~such corporation.~~

6876 Section 134. Section 607.11035, Florida Statutes, is
 6877 created to read:

6878 607.11035 Shareholder approval of a merger or share
 6879 exchange in connection with a tender offer.—

6880 (1) Unless the articles of incorporation otherwise provide,
 6881 shareholder approval of a plan of merger or a plan of share
 6882 exchange under s. 607.1103(1) (b) is not required if:

6883 (a) The plan of merger or share exchange expressly:

6884 1. Permits or requires the merger or share exchange to be
 6885 effected under this section; and

6886 2. Provides that, if the merger or share exchange is to be
 6887 effected under this section, the merger or share exchange will
 6888 be effected as soon as practicable following the satisfaction of
 6889 the requirement in paragraph (f);

6890 (b) Another party to the merger, the acquiring eligible
 6891 entity in the share exchange, or a parent of another party to
 6892 the merger or the parent of the acquiring eligible entity in the
 6893 share exchange, makes an offer to purchase, on the terms
 6894 provided in the plan of merger or the plan of share exchange,
 6895 any and all of the outstanding shares of the corporation that,
 6896 absent this section, would be entitled to vote on the plan of
 6897 merger or the plan of share exchange, except that the offer may
 6898 exclude shares of the corporation that are owned at the
 6899 commencement of the offer by the corporation, the offeror, or
 6900 any parent of the offeror, or by any wholly owned subsidiary of
 6901 any of the foregoing;

6902 (c) The offer discloses that the plan of merger or the plan

Page 238 of 458

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590-03467A-19

2019892c2

6903 of share exchange provides that the merger or share exchange
 6904 will be effected as soon as practicable following the
 6905 satisfaction of the requirement in paragraph (f) and that the
 6906 shares of the corporation that are not tendered in response to
 6907 the offer will be treated pursuant to paragraph (h);

6908 (d) The offer remains open for at least 10 days;

6909 (e) The offeror purchases all shares properly tendered in
 6910 response to the offer and not properly withdrawn;

6911 (f) The shares listed below are collectively entitled to
 6912 cast at least the minimum number of votes on the merger or share
 6913 exchange that, absent this section, would be required by this
 6914 chapter and by the articles of incorporation for the approval of
 6915 the merger or share exchange by the shareholders and by each
 6916 other voting group entitled to vote on the merger or share
 6917 exchange at a meeting at which all shares entitled to vote on
 6918 the approval were present and voted:

6919 1. Shares purchased by the offeror in accordance with the
 6920 offer;

6921 2. Shares otherwise owned by the offeror or by any parent
 6922 of the offeror or any wholly owned subsidiary of any of the
 6923 foregoing; and

6924 3. Shares subject to an agreement that they are to be
 6925 transferred, contributed, or delivered to the offeror, any
 6926 parent of the offeror, or any wholly owned subsidiary of any of
 6927 the foregoing in exchange for shares or eligible interests in
 6928 such offeror, parent, or subsidiary;

6929 (g) The offeror or a wholly owned subsidiary of the offeror
 6930 merges with or into, or effects a share exchange in which it
 6931 acquires shares of, the corporation; and

Page 239 of 458

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590-03467A-19

2019892c2

6932 (h) Each outstanding share of each class or series of
 6933 shares of the corporation that the offeror is offering to
 6934 purchase in accordance with the offer, and that is not purchased
 6935 in accordance with the offer, is to be converted in the merger
 6936 into, or into the right to receive, or is to be exchanged in the
 6937 share exchange for, or for the right to receive, the same amount
 6938 and kind of securities, eligible interests, obligations, rights,
 6939 cash, other property, or any combination of the foregoing, to be
 6940 paid or exchanged in accordance with the offer for each share of
 6941 that class or series of shares that is tendered in response to
 6942 the offer, except that shares of the corporation that are owned
 6943 by the corporation or that are described in subparagraphs (f)2.
 6944 or 3. need not be converted into or exchanged for the
 6945 consideration described in this paragraph.

6946 (2) As used in this section, the term:

6947 (a) "Offer" means the offer referred to in paragraph
 6948 (1) (b) .

6949 (b) "Offeror" means the person making the offer.

6950 (c) "Parent" of an eligible entity means a person that
 6951 owns, directly or indirectly through one or more wholly owned
 6952 subsidiaries, all of the outstanding shares of or eligible
 6953 interests in that eligible entity.

6954 (d) Shares tendered in response to the offer shall be
 6955 deemed to have been "purchased" in accordance with the terms of
 6956 the offer at the earliest time as of which:

6957 1. The offeror has irrevocably accepted those shares for
 6958 payment; and

6959 2. In the case of shares represented by certificates, the
 6960 offeror, or the offeror's designated depository or other agent,

Page 240 of 458

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590-03467A-19

2019892c2

6961 has physically received the certificates representing those
 6962 shares, or, in the case of shares without certificates, those
 6963 shares have been transferred into the account of the offeror or
 6964 its designated depository or other agent, or an agent's message
 6965 relating to those shares has been received by the offeror or its
 6966 designated depository or other agent.

6967 (e) "Wholly owned subsidiary" of a person means an eligible
 6968 entity of or in which a person owns, directly or indirectly, all
 6969 of the outstanding shares or eligible interests.

6970 Section 135. Section 607.1104, Florida Statutes, is amended
 6971 to read:

6972 607.1104 Merger between parent and subsidiary or between
 6973 subsidiaries of subsidiary corporation.-

6974 (1) (a) A domestic or foreign parent eligible entity that
 6975 owns shares of a domestic corporation which carry corporation
 6976 owning at least 80 percent of the voting power outstanding
 6977 shares of each class and series of the outstanding shares of the
 6978 a subsidiary corporation may:

6979 1. Merge the subsidiary into itself, if it is a domestic or
 6980 foreign eligible entity, or into another domestic or foreign
 6981 eligible entity in which the parent eligible entity owns at
 6982 least 80 percent of the voting power of each class and series of
 6983 the outstanding shares or eligible interests that have voting
 6984 power; or

6985 2. may Merge itself, if it is a domestic or foreign
 6986 eligible entity, into such the subsidiary.

6987 (b) Mergers under subparagraphs (a)1. and (a)2. do not
 6988 require the approval of the board of directors or shareholders
 6989 of the subsidiary unless the articles of incorporation or

Page 241 of 458

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590-03467A-19

2019892c2

6990 organic rules of the parent eligible entity or the articles of
 6991 incorporation of the subsidiary otherwise provide. Section
 6992 607.1103(9) applies to a merger under this section. The articles
 6993 of merger relating to a merger under this section do not need to
 6994 be signed by the subsidiary, or may merge the subsidiary into
 6995 and with another subsidiary in which the parent corporation owns
 6996 at least 80 percent of the outstanding shares of each class of
 6997 the subsidiary without the approval of the shareholders of the
 6998 parent or subsidiary. In a merger of a parent corporation into
 6999 its subsidiary corporation, the approval of the shareholders of
 7000 the parent corporation shall be required if the articles of
 7001 incorporation of the surviving corporation will differ, except
 7002 for amendments enumerated in s. 607.1002, from the articles of
 7003 incorporation of the parent corporation before the merger, and
 7004 the required vote shall be the greater of the vote required to
 7005 approve the merger and the vote required to adopt each change to
 7006 the articles of incorporation as if each change had been
 7007 presented as an amendment to the articles of incorporation of
 7008 the parent corporation.

7009 ~~(b) The board of directors of the parent shall adopt a plan~~
 7010 ~~of merger that sets forth:~~

7011 1. The names of the parent and subsidiary corporations;
 7012 2. The manner and basis of converting the shares of the
 7013 subsidiary or parent into shares, obligations, or other
 7014 securities of the parent or any other corporation or, in whole
 7015 or in part, into cash or other property, and the manner and
 7016 basis of converting rights to acquire shares of each corporation
 7017 into rights to acquire shares, obligations, and other securities
 7018 of the surviving or any other corporation or, in whole or in

Page 242 of 458

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590-03467A-19

2019892c2

7019 ~~part, into cash or other property;~~

7020 ~~3. If the merger is between the parent and a subsidiary~~
 7021 ~~corporation and the parent is not the surviving corporation, a~~
 7022 ~~provision for the pro rata issuance of shares of the subsidiary~~
 7023 ~~to the holders of the shares of the parent corporation upon~~
 7024 ~~surrender of any certificates therefor; and~~

7025 ~~4. A clear and concise statement that shareholders of the~~
 7026 ~~subsidiary who, except for the applicability of this section,~~
 7027 ~~would be entitled to vote and who dissent from the merger~~
 7028 ~~pursuant to s. 607.1321, may be entitled, if they comply with~~
 7029 ~~the provisions of this act regarding appraisal rights, to be~~
 7030 ~~paid the fair value of their shares.~~

7031 ~~(2) The parent shall, within 10 days after the effective~~
 7032 ~~date of a merger approved under subsection (1), notify each of~~
 7033 ~~the subsidiary's shareholders that the merger has become~~
 7034 ~~effective mail a copy or summary of the plan of merger to each~~
 7035 ~~shareholder of the subsidiary who does not waive the mailing~~
 7036 ~~requirement in writing.~~

7037 ~~(3) Except as provided for in subsections (1) and (2), a~~
 7038 ~~merger between a parent eligible entity and a domestic~~
 7039 ~~subsidiary corporation shall be governed by the provisions of~~
 7040 ~~ss. 607.1101-607.1107 that are applicable to mergers generally~~
 7041 ~~The parent may not deliver articles of merger to the Department~~
 7042 ~~of State for filing until at least 30 days after the date it~~
 7043 ~~mailed a copy of the plan of merger to each shareholder of the~~
 7044 ~~subsidiary who did not waive the mailing requirement, or, if~~
 7045 ~~earlier, upon the waiver thereof by the holders of all of the~~
 7046 ~~outstanding shares of the subsidiary.~~

7047 ~~(4) Articles of merger under this section may not contain~~

Page 243 of 458

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590-03467A-19

2019892c2

7048 ~~amendments to the articles of incorporation of the parent~~
 7049 ~~corporation (except for amendments enumerated in s. 607.1002).~~
 7050 ~~(5) Two or more subsidiaries may be merged into the parent~~
 7051 ~~pursuant to this section.~~

7052 Section 136. Subsections (1) and (3) of section 607.11045,
 7053 Florida Statutes, are amended to read:

7054 607.11045 Holding company formation by merger by certain
 7055 corporations.—

7056 (1) This section applies only to a corporation that has
 7057 shares registered pursuant to s. 12 of the Securities Exchange
 7058 Act of 1934 of any class or series which are either registered
 7059 on a national securities exchange or designated as a national
 7060 market system security on an interdealer quotation system by the
 7061 National Association of Securities Dealers, Inc., or held of
 7062 record by not fewer than 2,000 shareholders.

7063 (3) Notwithstanding the requirements of s. 607.1103, unless
 7064 expressly required by its articles of incorporation, no vote of
 7065 shareholders of a corporation is necessary to authorize a merger
 7066 of the corporation with or into a wholly owned subsidiary of
 7067 such corporation if:

7068 (a) Such corporation and wholly owned subsidiary are the
 7069 only constituent corporations to the merger;

7070 (b) Each share or fraction of a share of the constituent
 7071 corporation whose shares are being converted pursuant to the
 7072 merger which are outstanding immediately prior to the effective
 7073 date of the merger is converted in the merger into a share or
 7074 equal fraction of share of a holding company having the same
 7075 designations, rights, powers and preferences, and
 7076 qualifications, limitations and restrictions thereof as the

Page 244 of 458

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590-03467A-19

2019892c2

7077 share of the constituent corporation being converted in the
7078 merger;

7079 (c) The holding company and each of the constituent
7080 corporations to the merger are domestic corporations;

7081 (d) The articles of incorporation and bylaws of the holding
7082 company immediately following the effective date of the merger
7083 contain provisions identical to the articles of incorporation
7084 and bylaws of the constituent corporation whose shares are being
7085 converted pursuant to the merger immediately prior to the
7086 effective date of the merger, except provisions regarding the
7087 incorporators, the corporate name, the registered office and
7088 agent, the initial board of directors, the initial subscribers
7089 for shares and matters solely of historical significance, and
7090 such provisions contained in any amendment to the articles of
7091 incorporation as were necessary to effect a change, exchange,
7092 reclassification, or cancellation of shares, if such change,
7093 exchange, reclassification, or cancellation has become
7094 effective;

7095 (e) As a result of the merger, the constituent corporation
7096 whose shares are being converted pursuant to the merger or its
7097 successor corporation becomes or remains a direct or indirect
7098 wholly owned subsidiary of the holding company;

7099 (f) The directors of the constituent corporation become or
7100 remain the directors of the holding company upon the effective
7101 date of the merger;

7102 (g) The articles of incorporation of the surviving
7103 corporation immediately following the effective date of the
7104 merger are identical to the articles of incorporation of the
7105 constituent corporation whose shares are being converted

Page 245 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

7106 pursuant to the merger immediately prior to the effective date
7107 of the merger, except provisions regarding the incorporators,
7108 the corporate name, the registered office and agent, the initial
7109 board of directors, the initial subscribers for shares and
7110 matters solely of historical significance, and such provisions
7111 contained in any amendment to the articles of incorporation as
7112 were necessary to effect a change, exchange, reclassification,
7113 or cancellation of shares, if such change, exchange,
7114 reclassification, or cancellation has become effective. The
7115 articles of incorporation of the surviving corporation must be
7116 amended in the merger to contain a provision requiring, by
7117 specific reference to this section, that any act or transaction
7118 by or involving the surviving corporation, other than the
7119 election or removal of directors, which requires for its
7120 adoption under this chapter ~~act~~ or its articles of incorporation
7121 the approval of the shareholders of the surviving corporation
7122 also be approved by the shareholders of the holding company, or
7123 any successor by merger, by the same vote as is required by this
7124 chapter ~~act~~ or the articles of incorporation of the surviving
7125 corporation. The articles of incorporation of the surviving
7126 corporation may be amended in the merger to reduce the number of
7127 classes and shares which the surviving corporation is authorized
7128 to issue;

7129 (h) The board of directors of the constituent corporation
7130 determines that the shareholders of the constituent corporation
7131 will not recognize gain or loss for United States federal income
7132 tax purposes; and

7133 (i) The board of directors of such corporation adopts a
7134 plan of merger that sets forth:

Page 246 of 458

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590-03467A-19

2019892c2

- 7135 1. The names of the constituent corporations;
- 7136 2. The manner and basis of converting the shares of the
- 7137 corporation into shares of the holding company and the manner
- 7138 and basis of converting rights to acquire shares of such
- 7139 corporation into rights to acquire shares of the holding
- 7140 company; and
- 7141 3. A provision for the pro rata issuance of shares of the
- 7142 holding company to the holders of shares of the corporation upon
- 7143 surrender of any certificates therefor.
- 7144 Section 137. Section 607.1105, Florida Statutes, is amended
- 7145 to read:
- 7146 607.1105 Articles of merger or share exchange.—
- 7147 (1) After a plan of merger has been adopted and approved as
- 7148 required by this chapter or, if the merger is being effected
- 7149 under s. 607.1101(1)(b), the merger has been approved as
- 7150 required by the organic law governing the parties to the merger,
- 7151 the articles of merger must be signed by each party to the
- 7152 merger, except as provided in s. 607.1104(1). The articles must
- 7153 or share exchange is approved by the shareholders, or adopted by
- 7154 the board of directors if shareholder approval is not required,
- 7155 the surviving or acquiring corporation shall deliver to the
- 7156 Department of State for filing articles of merger or share
- 7157 exchange which shall be executed by each corporation as required
- 7158 by s. 607.0120 and which shall set forth:
- 7159 (a) The name, jurisdiction of formation, and type of entity
- 7160 of each party of the merger;
- 7161 (b) If not already identified as the survivor pursuant to
- 7162 paragraph (a), the name, jurisdiction of formation, and type of
- 7163 entity of the survivor;

Page 247 of 458

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590-03467A-19

2019892c2

- 7164 (c) If the survivor of the merger is a domestic corporation
- 7165 and its articles of incorporation are being amended, or if a new
- 7166 domestic corporation is being created as a result of the merger:
- 7167 1. The amendments to the survivor's articles of
- 7168 incorporation; or
- 7169 2. The articles of incorporation of the new corporation;
- 7170 (d) If the survivor of the merger is a domestic eligible
- 7171 entity, other than a domestic corporation, and its public
- 7172 organic record is being amended in connection with the merger,
- 7173 or if a new domestic eligible entity is being created as a
- 7174 result of the merger:
- 7175 1. The amendments to the public organic record of the
- 7176 survivor; or
- 7177 2. The public organic record of the new eligible entity;
- 7178 (e) If the plan of merger required approval by the
- 7179 shareholders of a domestic corporation that is a party to the
- 7180 merger, a statement that the plan was duly approved by the
- 7181 shareholders and, if voting by any separate voting group was
- 7182 required, by each such separate voting group, in the manner
- 7183 required by this chapter and the articles of incorporation of
- 7184 such domestic corporation;
- 7185 (f) If the plan of merger did not require approval by the
- 7186 shareholders of a domestic corporation that is a party to the
- 7187 merger, a statement to that effect;
- 7188 (g) As to each foreign corporation that is a party to the
- 7189 merger, a statement that the participation of the foreign
- 7190 corporation was duly authorized in accordance with such
- 7191 corporation's organic law;
- 7192 (h) As to each domestic or foreign eligible entity that is

Page 248 of 458

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590-03467A-19

2019892c2

7193 a party to the merger and that is not a domestic or foreign
 7194 corporation, a statement that the participation of the eligible
 7195 entity in the merger was duly authorized in accordance with such
 7196 eligible entity's organic law; and

7197 (i) If the survivor is created by the merger and is a
 7198 domestic limited liability partnership, the document required to
 7199 elect that status, as an attachment.

7200 (2) After a plan of share exchange in which the acquired
 7201 eligible entity is a domestic corporation or other eligible
 7202 entity has been adopted and approved as required by this
 7203 chapter, articles of share exchange must be signed by the
 7204 acquired eligible entity and the acquiring eligible entity. The
 7205 articles must set forth:

7206 (a) The name, jurisdiction of formation, and type of entity
 7207 of the acquired eligible entity;

7208 (b) The name, jurisdiction of formation, and type of entity
 7209 of the domestic or foreign eligible entity that is the acquiring
 7210 eligible entity; and

7211 (c) A statement that the plan of share exchange was duly
 7212 approved by the acquired eligible entity by:

7213 1. The required vote or consent of each class or series of
 7214 shares or eligible interests included in the exchange; and

7215 2. The required vote or consent of each other class or
 7216 series of shares or eligible interests entitled to vote on
 7217 approval of the exchange by the articles of incorporation or the
 7218 organic rules of the acquired eligible entity.

7219 (3) In addition to the requirements of subsections (1) and
 7220 (2), articles of merger or articles of share exchange may
 7221 contain any other provision not prohibited by law.

Page 249 of 458

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590-03467A-19

2019892c2

7222 (4) The articles of merger or the articles of share
 7223 exchange shall be delivered to the department for filing, and,
 7224 subject to subsection (5), the merger or share exchange shall
 7225 take effect at the effective date determined in accordance with
 7226 s. 607.0123.

7227 (5) With respect to a merger in which one or more foreign
 7228 entities is a party or a foreign eligible entity created by the
 7229 merger is the survivor, the merger itself shall become effective
 7230 at the later of:

7231 (a) When all documents required to be filed in all foreign
 7232 jurisdictions to effect the merger have become effective; or

7233 (b) When the articles of merger take effect.

7234 (6) Articles of merger required to be filed under this
 7235 section may be combined with any filing required under the
 7236 organic law governing any other domestic eligible entity
 7237 involved in the transaction if the combined filing satisfies the
 7238 requirements of both this section and the other organic law ~~plan~~
 7239 of merger or share exchange;

7240 ~~(b) The effective date of the merger or share exchange,~~
 7241 ~~which may be on or after the date of filing the articles of~~
 7242 ~~merger or share exchange, if the articles of merger or share~~
 7243 ~~exchange do not provide for an effective date of the merger or~~
 7244 ~~share exchange, then the effective date shall be the date on~~
 7245 ~~which the articles of merger or share exchange are filed;~~

7246 ~~(c) If shareholder approval was not required, a statement~~
 7247 ~~to that effect; and~~

7248 ~~(d) As to each corporation, to the extent applicable, the~~
 7249 ~~date of adoption of the plan of merger or share exchange by the~~
 7250 ~~shareholders or by the board of directors when no vote of the~~

Page 250 of 458

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590-03467A-19

2019892c2

7251 ~~shareholders is required.~~

7252 (7)(2) A copy of the articles of merger or share exchange,
 7253 certified by the department of State, may be filed in the office
 7254 of the official who is the recording officer of each county in
 7255 this state in which real property of a constituent corporation
 7256 other than the surviving corporation is situated.

7257 Section 138. Section 607.1106, Florida Statutes, is amended
 7258 to read:

7259 607.1106 Effect of merger or share exchange.—

7260 (1) When a merger becomes effective:

7261 (a) The domestic or foreign eligible entity that is
 7262 designated in the plan of merger as the survivor continues or
 7263 comes into existence, as the case may be;

7264 (b) The separate existence of every domestic or foreign
 7265 eligible entity that is a party to the merger, other than the
 7266 survivor, ceases Every other corporation party to the merger
 7267 merges into the surviving corporation and the separate existence
 7268 of every corporation except the surviving corporation ceases;

7269 (c) (b) All real property and other property, including any
 7270 interest therein and all title thereto, owned by, and every
 7271 contract right possessed by, each domestic or foreign eligible
 7272 entity that is a party to the merger, other than the survivor,
 7273 become the property and contract rights of and become vested in
 7274 the survivor, The title to all real estate and other property,
 7275 or any interest therein, owned by each corporation party to the
 7276 merger is vested in the surviving corporation without transfer,
 7277 reversion, or impairment;

7278 (d) (e) All debts, obligations, and other liabilities of
 7279 each domestic or foreign eligible entity that is a The surviving

Page 251 of 458

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590-03467A-19

2019892c2

7280 ~~corporation shall thenceforth be responsible and liable for all~~
 7281 ~~the liabilities and obligations of each corporation party to the~~
 7282 ~~merger, other than the survivor, become debts, obligations, and~~
 7283 ~~liabilities of the survivor;~~

7284 (e)(d) The name of the survivor may be, but need not be,
 7285 substituted in any pending proceeding for the name of any party
 7286 to the merger whose separate existence ceased in the merger Any
 7287 claim existing or action or proceeding pending by or against any
 7288 corporation party to the merger may be continued as if the
 7289 merger did not occur or the surviving corporation may be
 7290 substituted in the proceeding for the corporation which ceased
 7291 existence;

7292 (f) (e) Neither the rights of creditors nor any liens upon
 7293 the property of any corporation party to the merger shall be
 7294 impaired by such merger;

7295 (g) (f) If the survivor is a domestic eligible entity, the
 7296 articles of incorporation and bylaws or the organic rules of the
 7297 survivor surviving corporation are amended to the extent
 7298 provided in the plan of merger; and

7299 (h) The articles of incorporation and bylaws or the organic
 7300 rules of a survivor that is a domestic eligible entity and is
 7301 created by the merger become effective;

7302 (i) (g) The shares (and the rights to acquire shares,
 7303 obligations, or other securities) of each domestic or foreign
 7304 corporation party to the merger, and the eligible interests in
 7305 any other eligible entity that is a party to the merger, that
 7306 are to be converted in accordance with the terms of the merger
 7307 into shares or other securities, eligible interests, rights,
 7308 obligations, rights to acquire shares, other securities, or

Page 252 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19 2019892c2

7309 ~~eligible interests, cash, other property, or any combination of~~
 7310 ~~the foregoing, or other securities of the surviving or any other~~
 7311 ~~corporation or into cash or other property~~ are converted, and
 7312 the former holders of such the shares, rights to acquire shares,
 7313 or other eligible interests are entitled only to the rights
 7314 provided to them by those terms of the merger or to any rights
 7315 they may have in the articles of merger or to their rights under
 7316 s. 607.1302 or under the organic law governing the eligible
 7317 entity;

7318 (j) Except as provided by law or the plan of merger, all
 7319 the rights, privileges, franchises, and immunities of each
 7320 eligible entity that is a party to the merger, other than the
 7321 survivor, become the rights, privileges, franchises, and
 7322 immunities of the survivor; and

7323 (k) If the survivor exists before the merger:

7324 1. All the property and contract rights of the survivor
 7325 remain its property and contract rights without transfer,
 7326 reversion, or impairment;

7327 2. The survivor remains subject to all of its debts,
 7328 obligations, and other liabilities; and

7329 3. Except as provided by law or the plan of merger, the
 7330 survivor continues to hold all of its rights, privileges,
 7331 franchises, and immunities.

7332 (2) When a share exchange becomes effective, the shares,
 7333 eligible interests, and rights to acquire shares or eligible
 7334 interests in the acquired eligible entity that ~~of each acquired~~
 7335 corporation are to be exchanged in accordance with the terms of
 7336 the share exchange for:

7337 (a) Shares or other securities;

Page 253 of 458

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590-03467A-19 2019892c2

7338 (b) Eligible interests;
 7339 (c) Obligations;
 7340 (d) Rights to acquire shares, other securities, or eligible
 7341 interests;
 7342 (e) Cash;
 7343 (f) Other property; or
 7344 (g) Any combination of the foregoing

7345
 7346 are entitled only to the rights provided to them by the terms of
 7347 the share exchange, or to any as ~~provided in the plan of~~
 7348 exchange, and the former holders of the shares are entitled only
 7349 to the exchange rights provided in the articles of share
 7350 exchange or to their rights they may have under s. 607.1302 or
 7351 the organic law governing the acquired eligible entity.

7352 (3) Except as otherwise provided in the articles of
 7353 incorporation of a domestic corporation or the organic law
 7354 governing or organic rules of a domestic or foreign eligible
 7355 entity, the effect of a merger or share exchange on interest
 7356 holder liability is as follows:

7357 (a) A person who becomes subject to new interest holder
 7358 liability in respect of an eligible entity as a result of a
 7359 merger or share exchange shall have that new interest holder
 7360 liability only in respect of interest holder liabilities that
 7361 arise after the merger or share exchange becomes effective.

7362 (b) If a person had interest holder liability with respect
 7363 to a party to the merger or the acquired eligible entity before
 7364 the merger or share exchange becomes effective with respect to
 7365 shares or eligible interests of such party or acquired entity
 7366 which were exchanged in the merger or share exchange, which were

Page 254 of 458

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590-03467A-19

2019892c2

7367 canceled in the merger, or the terms and conditions of which
 7368 relating to interest holder liability were amended pursuant to
 7369 the merger:

7370 1. The merger or share exchange does not discharge that
 7371 prior interest holder liability with respect to any interest
 7372 holder liabilities that arose before the merger or share
 7373 exchange becomes effective.

7374 2. The provisions of the organic law governing any eligible
 7375 entity for which the person had that prior interest holder
 7376 liability shall continue to apply to the collection or discharge
 7377 of any interest holder liabilities preserved by subparagraph 1.
 7378 as if the merger or share exchange had not occurred.

7379 3. The person shall have such rights of contribution from
 7380 other persons as are provided by the organic law governing the
 7381 eligible entity for which the person had that prior interest
 7382 holder liability with respect to any interest holder liabilities
 7383 preserved by subparagraph 1. as if the merger or share exchange
 7384 had not occurred.

7385 4. The person shall not, by reason of such prior interest
 7386 holder liability, have interest holder liability with respect to
 7387 any interest holder liabilities that arise after the merger or
 7388 share exchange becomes effective.

7389 (c) If a person has interest holder liability both before
 7390 and after a merger becomes effective with unchanged terms and
 7391 conditions with respect to the eligible entity that is the
 7392 survivor by reason of owning the same shares or eligible
 7393 interests before and after the merger becomes effective, the
 7394 merger has no effect on such interest holder liability.

7395 (d) A share exchange has no effect on interest holder

Page 255 of 458

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590-03467A-19

2019892c2

7396 liability related to shares or eligible interests of the
 7397 acquired eligible entity that were not exchanged in the share
 7398 exchange.

7399 (4) Upon a merger becoming effective, a foreign eligible
 7400 entity that is the survivor of the merger is deemed to:

7401 (a) Appoint the secretary of state as its agent for service
 7402 of process in a proceeding to enforce the rights of shareholders
 7403 of each domestic corporation that is a party to the merger who
 7404 exercise appraisal rights; and

7405 (b) Agree that it will promptly pay any amount that the
 7406 shareholders are entitled to under ss. 607.1301-607.1340.

7407 (5) Except as provided in the organic law governing a party
 7408 to a merger or in its articles of incorporation or organic
 7409 rules, the merger does not give rise to any rights that an
 7410 interest holder, governor, or third party would have upon a
 7411 dissolution, liquidation, or winding up of that party. The
 7412 merger does not require a party to the merger to wind up its
 7413 affairs and does not constitute or cause its dissolution or
 7414 termination.

7415 (6) Property held for a charitable purpose under the law of
 7416 this state by a domestic or foreign eligible entity immediately
 7417 before a merger becomes effective may not, as a result of the
 7418 transaction, be diverted from the objects for which it was
 7419 donated, granted, devised, or otherwise transferred except and
 7420 only to the extent permitted by or pursuant to the laws of this
 7421 state addressing cy pres or dealing with nondiversion of
 7422 charitable assets.

7423 (7) A bequest, devise, gift, grant, or promise contained in
 7424 a will or other instrument of donation, subscription, or

Page 256 of 458

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590-03467A-19

2019892c2

7425 conveyance which is made to an eligible entity that is a party
 7426 to a merger that is not the survivor and which takes effect or
 7427 remains payable after the merger inures to the survivor.

7428 (8) A trust obligation that would govern property if the
 7429 property is directed to be transferred to a nonsurviving
 7430 eligible entity will apply to property that is to be transferred
 7431 instead to the survivor after a merger becomes effective.

7432 Section 139. Section 607.1107, Florida Statutes, is amended
 7433 to read:

7434 607.1107 Abandonment of a merger or share exchange Merger
 7435 or share exchange with foreign corporations.-

7436 (1) After a plan of merger or a plan of share exchange has
 7437 been adopted and approved as required by this chapter, and
 7438 before the articles of merger or the articles of share exchange
 7439 have become effective, the plan may be abandoned by a domestic
 7440 corporation that is a party to the plan without action by its
 7441 shareholders in accordance with any procedures set forth in the
 7442 plan of merger or the plan of share exchange or, if no such
 7443 procedures are set forth in the plan, in the manner determined
 7444 by the board of directors.

7445 (2) If a merger or share exchange is abandoned under
 7446 subsection (1) after articles of merger or articles of share
 7447 exchange have been delivered to the department for filing but
 7448 before the articles of merger or articles of share exchange have
 7449 become effective, a statement of abandonment signed by all the
 7450 parties that signed the articles of merger or articles of share
 7451 exchange must be delivered to the department for filing before
 7452 the articles of merger or articles of share exchange become
 7453 effective. The statement shall take effect on filing, whereupon

Page 257 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

7454 the merger or share exchange shall be deemed abandoned and shall
 7455 not become effective. The statement of abandonment must contain:

7456 (a) The name of each party to the merger or the names of
 7457 the acquiring and acquired entities in a share exchange;

7458 (b) The date on which the articles of merger or articles of
 7459 share exchange were filed by the department; and

7460 (c) A statement that the merger or share exchange has been
 7461 abandoned in accordance with this section. ~~One or more foreign~~
 7462 corporations may merge or enter into a share exchange with one
 7463 or more domestic corporations if:

7464 (a) In a merger, the merger is permitted by the law of the
 7465 state or country under the law of which each foreign corporation
 7466 is incorporated and each foreign corporation complies with that
 7467 law in effecting the merger;

7468 (b) In a share exchange, the corporation the shares of
 7469 which will be acquired is a domestic corporation, whether or not
 7470 a share exchange is permitted by law of the state or country
 7471 under the law of which the acquiring corporation is
 7472 incorporated;

7473 (c) The foreign corporation complies with s. 607.1105 if it
 7474 is the surviving corporation of the merger or acquiring
 7475 corporation of the share exchange; and

7476 (d) Each domestic corporation complies with the applicable
 7477 provisions of ss. 607.1101-607.1104 and, if it is the surviving
 7478 corporation of the merger or acquiring corporation of the share
 7479 exchange, with s. 607.1105.

7480 (2) Upon the merger becoming effective, the surviving
 7481 foreign corporation of a merger, and the acquiring foreign
 7482 corporation in a share exchange, is deemed:

Page 258 of 458

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590-03467A-19

2019892c2

7483 ~~(a) To appoint the Secretary of State as its agent for~~
 7484 ~~service of process in a proceeding to enforce any obligation or~~
 7485 ~~the rights of dissenting shareholders of each domestic~~
 7486 ~~corporation party to the merger or share exchange; and~~
 7487 ~~(b) To agree that it will promptly pay to the dissenting~~
 7488 ~~shareholders of each domestic corporation party to the merger or~~
 7489 ~~share exchange the amount, if any, to which they are entitled~~
 7490 ~~under s. 607.1302.~~
 7491 ~~(3) This section does not limit the power of a foreign~~
 7492 ~~corporation to acquire all or part of the shares of one or more~~
 7493 ~~classes or series of a domestic corporation through a voluntary~~
 7494 ~~exchange or otherwise.~~
 7495 ~~(4) The effect of such merger shall be the same as in the~~
 7496 ~~case of the merger of domestic corporations if the surviving~~
 7497 ~~corporation is to be governed by the laws of this state. If the~~
 7498 ~~surviving corporation is to be governed by the laws of any state~~
 7499 ~~other than this state, the effect of such merger shall be the~~
 7500 ~~same as in the case of the merger of domestic corporations~~
 7501 ~~except insofar as the laws of such other state provide~~
 7502 ~~otherwise.~~
 7503 ~~(5) The redomestication of a foreign insurer to this state~~
 7504 ~~under s. 628.520 shall be deemed a merger of a foreign~~
 7505 ~~corporation and a domestic corporation, and the surviving~~
 7506 ~~corporation shall be deemed to be a domestic corporation~~
 7507 ~~incorporated under the laws of this state. The redomestication~~
 7508 ~~of a Florida corporation to a foreign jurisdiction under s.~~
 7509 ~~628.525 shall be deemed a merger of a domestic corporation and a~~
 7510 ~~foreign corporation, and the surviving corporation shall be~~
 7511 ~~deemed to be a foreign corporation.~~

Page 259 of 458

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590-03467A-19

2019892c2

7512 Section 140. Section 607.1108, Florida Statutes, is
 7513 repealed.
 7514 Section 141. Section 607.1109, Florida Statutes, is
 7515 repealed.
 7516 Section 142. Section 607.11101, Florida Statutes, is
 7517 repealed.
 7518 Section 143. Section 607.1112, Florida Statutes, is
 7519 repealed.
 7520 Section 144. Section 607.1113, Florida Statutes, is
 7521 repealed.
 7522 Section 145. Section 607.1114, Florida Statutes, is
 7523 repealed.
 7524 Section 146. Section 607.1115, Florida Statutes, is
 7525 repealed.
 7526 Section 147. Section 607.11920, Florida Statutes, is
 7527 created to read:
 7528 607.11920 Domestication.—
 7529 (1) By complying with this section and ss. 607.11921-
 7530 607.11924, as applicable, a foreign corporation may become a
 7531 domestic corporation if the domestication is permitted by the
 7532 organic law of the foreign corporation.
 7533 (2) By complying with this section and ss. 607.11921-
 7534 607.11924, as applicable, a domestic corporation may become a
 7535 foreign corporation pursuant to a plan of domestication if the
 7536 domestication is permitted by the organic law of the foreign
 7537 corporation.
 7538 (3) In a domestication under subsection (2), the
 7539 domesticating eligible entity must enter into a plan of
 7540 domestication. The plan of domestication must include:

Page 260 of 458

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590-03467A-19

2019892c2

7541 (a) The name of the domesticating corporation;
 7542 (b) The name and jurisdiction of formation of the
 7543 domesticated corporation;
 7544 (c) The manner and basis of reclassifying the shares of the
 7545 domesticating corporation into shares or other securities,
 7546 obligations, rights to acquire shares or other securities, cash,
 7547 other property, or any combination of the foregoing;
 7548 (d) The proposed organic rules of the domesticated
 7549 corporation which must be in writing; and
 7550 (e) The other terms and conditions of the domestication.
 7551 (4) In addition to the requirements of subsection (3), a
 7552 plan of domestication may contain any other provision not
 7553 prohibited by law.
 7554 (5) The terms of a plan of domestication may be made
 7555 dependent upon facts objectively ascertainable outside the plan
 7556 in accordance with s. 607.0120(11).
 7557 (6) If a protected agreement of a domesticating corporation
 7558 in effect immediately before the domestication becomes effective
 7559 contains a provision applying to a merger of the corporation and
 7560 the agreement does not refer to a domestication of the
 7561 corporation, the provision applies to a domestication of the
 7562 corporation as if the domestication were a merger until such
 7563 time as the provision is first amended after January 1, 2020.
 7564 Section 148. Section 607.11921, Florida Statutes, is
 7565 created to read:
 7566 607.11921 Action on a plan of domestication.—In the case of
 7567 a domestication of a domestic corporation into a foreign
 7568 jurisdiction, the plan of domestication shall be adopted in the
 7569 following manner:

Page 261 of 458

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590-03467A-19

2019892c2

7570 (1) The plan of domestication must first be adopted by the
 7571 board of directors of such domestic corporation.
 7572 (2) (a) The plan of domestication must then be approved by
 7573 the shareholders of such domestic corporation.
 7574 (b) In submitting the plan of domestication to the
 7575 shareholders for approval, the board of directors shall
 7576 recommend that the shareholders approve the plan, unless:
 7577 1. The board of directors makes a determination that
 7578 because of conflicts of interest or other special circumstances
 7579 it should not make such a recommendation; or
 7580 2. Section 607.0826 applies.
 7581 (c) If either subparagraph (b)1. or subparagraph (b)2.
 7582 applies, the board shall inform the shareholders of the basis
 7583 for its so proceeding without such recommendation.
 7584 (3) The board of directors may set conditions for approval
 7585 of the plan of domestication by the shareholders or the
 7586 effectiveness of the plan of domestication.
 7587 (4) If the plan of domestication is required to be approved
 7588 by the shareholders, and if the approval of the shareholders is
 7589 to be given at a meeting, the corporation must notify each
 7590 shareholder, regardless of whether entitled to vote, of the
 7591 meeting of shareholders at which the plan of domestication is to
 7592 be submitted for approval. The notice must state that the
 7593 purpose, or one of the purposes, of the meeting is to consider
 7594 the plan of domestication and must contain or be accompanied by
 7595 a copy of the plan. The notice must include or be accompanied by
 7596 a written copy of the organic rules of the domesticated eligible
 7597 entity as they will be in effect immediately after the
 7598 domestication.

Page 262 of 458

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590-03467A-19

2019892c2

7599 (5) Unless the articles of incorporation, or the board of
 7600 directors acting pursuant to subsection (3), require a greater
 7601 vote or a greater quorum in the respective case, approval of the
 7602 plan of domestication requires:

7603 (a) The approval of the shareholders at a meeting at which
 7604 a quorum exists consisting of a majority of the votes entitled
 7605 to be cast on the plan; and

7606 (b) Except as provided in subsection (6), the approval of
 7607 each class or series of shares voting as a separate voting group
 7608 at a meeting at which a quorum of the voting group exists
 7609 consisting of a majority of the votes entitled to be cast on the
 7610 plan by that voting group.

7611 (6) The articles of incorporation may expressly limit or
 7612 eliminate the separate voting rights provided in paragraph
 7613 (5)(b) as to any class or series of shares, except when the
 7614 public organic rules of the foreign corporation resulting from
 7615 the domestication include what would be in effect an amendment
 7616 that would entitle the class or series to vote as a separate
 7617 group under s. 607.1004 if it were a proposed amendment of the
 7618 articles of incorporation of a domestic domesticating
 7619 corporation.

7620 (7) If as a result of a domestication one or more
 7621 shareholders of a domestic domesticating corporation would
 7622 become subject to interest holder liability, approval of the
 7623 plan of domestication shall require the signing in connection
 7624 with the domestication, by each such shareholder, of a separate
 7625 written consent to become subject to such interest holder
 7626 liability, unless in the case of a shareholder that already has
 7627 interest holder liability with respect to the domesticating

Page 263 of 458

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590-03467A-19

2019892c2

7628 corporation, the terms and conditions of the interest holder
 7629 liability with respect to the domesticated corporation are
 7630 substantially identical to those of the existing interest holder
 7631 liability, other than for changes that eliminate or reduce such
 7632 interest holder liability.

7633 Section 149. Section 607.11922, Florida Statutes, is
 7634 created to read:

7635 607.11922 Articles of domestication; effectiveness.—

7636 (1) Articles of domestication must be signed by the
 7637 domesticating corporation after:

7638 (a) A plan of domestication of a domestic corporation has
 7639 been adopted and approved as required by this chapter; or

7640 (b) A foreign corporation that is the domesticating
 7641 corporation has approved a domestication as required by the
 7642 applicable provisions of this chapter and under the foreign
 7643 corporation's organic law.

7644 (2) Articles of domestication must set forth:

7645 (a) The name of the domesticating corporation and its
 7646 jurisdiction of formation;

7647 (b) The name and jurisdiction of formation of the
 7648 domesticated corporation; and

7649 (c)1. If the domesticating corporation is a domestic
 7650 corporation, a statement that the plan of domestication was
 7651 approved in accordance with this chapter; or

7652 2. If the domesticating corporation is a foreign
 7653 corporation, a statement that the domestication was approved in
 7654 accordance with its organic law.

7655 (3) If the domesticated corporation is to be a domestic
 7656 corporation, articles of incorporation of the domesticated

Page 264 of 458

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590-03467A-19

2019892c2

7657 corporation that satisfy the requirements of s. 607.0202 must be
 7658 attached to the articles of domestication. Provisions that would
 7659 not be required to be included in restated articles of
 7660 incorporation may be omitted from the articles of incorporation
 7661 attached to the articles of domestication.

7662 (4) The articles of domestication shall be delivered to the
 7663 department for filing and shall take effect at the effective
 7664 date determined in accordance with s. 607.0123.

7665 (5) (a) If the domesticated corporation is a domestic
 7666 corporation, the domestication becomes effective when the
 7667 articles of domestication are effective.

7668 (b) If the domesticated corporation is a foreign
 7669 corporation, the domestication becomes effective on the later of
 7670 the date and time provided by the organic law of the
 7671 domesticated corporation or when the articles of domestication
 7672 are effective.

7673 (6) If the domesticating corporation is a foreign
 7674 corporation that is qualified to transact business in this state
 7675 under ss. 607.1501-607.1532, its certificate of authority is
 7676 automatically canceled when the domestication becomes effective.

7677 (7) A copy of the articles of domestication, certified by
 7678 the department, may be filed in the official records of any
 7679 county in this state in which the domesticating eligible entity
 7680 holds an interest in real property.

7681 Section 150. Section 607.11923, Florida Statutes, is
 7682 created to read:

7683 607.11923 Amendment of a plan of domestication;
 7684 abandonment.-

7685 (1) A plan of domestication of a domestic corporation

Page 265 of 458

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590-03467A-19

2019892c2

7686 adopted under s. 607.11920(3) may be amended:

7687 (a) In the same manner as the plan of domestication was
 7688 approved, if the plan does not provide for the manner in which
 7689 it may be amended; or

7690 (b) In the manner provided in the plan of domestication,
 7691 except that a shareholder that was entitled to vote on or
 7692 consent to approval of the plan is entitled to vote on or
 7693 consent to any amendment of the plan that will change:

7694 1. The amount or kind of shares or other securities,
 7695 obligations, rights to acquire shares, other securities, or
 7696 eligible interests, cash, other property, or any combination of
 7697 the foregoing, to be received by any of the shareholders or
 7698 holders of rights to acquire shares, other securities, or
 7699 eligible interests of the domesticating corporation under the
 7700 plan;

7701 2. The organic rules of the domesticated corporation that
 7702 are to be in writing and that will be in effect immediately
 7703 after the domestication becomes effective, except for changes
 7704 that do not require approval of the shareholders of the
 7705 domesticated corporation under its organic rules as set forth in
 7706 the plan of domestication; or

7707 3. Any of the other terms or conditions of the plan, if the
 7708 change would adversely affect the shareholder in any material
 7709 respect.

7710 (2) After a plan of domestication has been adopted and
 7711 approved by a domestic corporation as required by this chapter,
 7712 and before the articles of domestication have become effective,
 7713 the plan may be abandoned by the corporation without action by
 7714 its shareholders in accordance with any procedures set forth in

Page 266 of 458

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590-03467A-19

2019892c2

7715 the plan or, if no such procedures are set forth in the plan, in
 7716 the manner determined by the board of directors of the domestic
 7717 corporation.

7718 (3) If a domestication is abandoned after the articles of
 7719 domestication have been delivered to the department for filing
 7720 but before the articles of domestication have become effective,
 7721 a statement of abandonment signed by the domesticating
 7722 corporation must be delivered to the department for filing
 7723 before the articles of domestication become effective. The
 7724 statement shall take effect upon filing, and the domestication
 7725 shall be deemed abandoned and shall not become effective. The
 7726 statement of abandonment must contain:

7727 (a) The name of the domesticating corporation;

7728 (b) The date on which the articles of domestication were
 7729 filed by the department; and

7730 (c) A statement that the domestication has been abandoned
 7731 in accordance with this section.

7732 Section 151. Section 607.11924, Florida Statutes, is
 7733 created to read:

7734 607.11924 Effect of domestication.—

7735 (1) When a domestication becomes effective:

7736 (a) All real property and other property owned by the
 7737 domesticating corporation, including any interests therein and
 7738 all title thereto, and every contract right possessed by the
 7739 domesticating corporation, are the property and contract rights
 7740 of the domesticated corporation without transfer, reversion, or
 7741 impairment;

7742 (b) All debts, obligations, and other liabilities of the
 7743 domesticating corporation are the debts, obligations, and other

Page 267 of 458

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590-03467A-19

2019892c2

7744 liabilities of the domesticated corporation;

7745 (c) The name of the domesticated corporation may be, but
 7746 need not be, substituted for the name of the domesticating
 7747 corporation in any pending proceeding;

7748 (d) The organic rules of the domesticated corporation
 7749 become effective;

7750 (e) The shares or equity interests of the domesticating
 7751 corporation are reclassified into shares or other securities,
 7752 obligations, rights to acquire shares or other securities, cash,
 7753 or other property in accordance with the terms of the
 7754 domestication, and the shareholders or equity owners of the
 7755 domesticating corporation are entitled only to the rights
 7756 provided to them by those terms and to any appraisal rights they
 7757 may have under the organic law of the domesticating corporation;
 7758 and

7759 (f) The domesticated corporation is:

7760 1. Incorporated under and subject to the organic law of the
 7761 domesticated corporation;

7762 2. The same corporation, without interruption, as the
 7763 domesticating corporation; and

7764 3. Deemed to have been incorporated or formed on the date
 7765 the domesticating corporation was originally incorporated.

7766 (2) In addition, when a domestication of a domestic
 7767 corporation into a foreign jurisdiction becomes effective, the
 7768 domesticated corporation is deemed to:

7769 (a) Appoint the secretary of state as its agent for service
 7770 of process in a proceeding to enforce the rights of shareholders
 7771 who exercise appraisal rights in connection with the
 7772 domestication; and

Page 268 of 458

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590-03467A-19

2019892c2

7773 (b) Agree that it will promptly pay any amount that the
 7774 shareholders are entitled to under ss. 607.1301-607.1340.
 7775 (3) Except as otherwise provided in the organic law or
 7776 organic rules of a domesticating foreign corporation, the
 7777 interest holder liability of a shareholder or equity holder in a
 7778 foreign corporation that is domesticated into this state who had
 7779 interest holder liability in respect of such domesticating
 7780 corporation before the domestication becomes effective shall be
 7781 as follows:
 7782 (a) The domestication does not discharge that prior
 7783 interest holder liability with respect to any interest holder
 7784 liabilities that arose before the domestication becomes
 7785 effective.
 7786 (b) The provisions of the organic law of the domesticating
 7787 corporation shall continue to apply to the collection or
 7788 discharge of any interest holder liabilities preserved by
 7789 paragraph (a), as if the domestication had not occurred.
 7790 (c) The shareholder or equity holder shall have such rights
 7791 of contribution from other persons as are provided by the
 7792 organic law of the domesticating corporation with respect to any
 7793 interest holder liabilities preserved by paragraph (a), as if
 7794 the domestication had not occurred.
 7795 (d) The shareholder or equity holder may not, by reason of
 7796 such prior interest holder liability, have interest holder
 7797 liability with respect to any interest holder liabilities that
 7798 are incurred after the domestication becomes effective.
 7799 (4) A shareholder or equity holder who becomes subject to
 7800 interest holder liability in respect of the domesticated
 7801 corporation as a result of the domestication shall have such

Page 269 of 458

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590-03467A-19

2019892c2

7802 interest holder liability only in respect of interest holder
 7803 liabilities that arise after the domestication becomes
 7804 effective.
 7805 (5) A domestication does not constitute or cause the
 7806 dissolution of the domesticating corporation.
 7807 (6) Property held for charitable purposes under the laws of
 7808 this state by a domestic or foreign corporation immediately
 7809 before a domestication becomes effective may not, as a result of
 7810 the transaction, be diverted from the objects for which it was
 7811 donated, granted, devised, or otherwise transferred except and
 7812 to the extent permitted by or pursuant to the laws of this state
 7813 addressing cy pres or dealing with nondiversion of charitable
 7814 assets.
 7815 (7) A bequest, devise, gift, grant, or promise contained in
 7816 a will or other instrument of donation, subscription, or
 7817 conveyance which is made to the domesticating corporation and
 7818 which takes effect or remains payable after the domestication
 7819 inures to the domesticated corporation.
 7820 (8) A trust obligation that would govern property if
 7821 transferred to the domesticating corporation applies to property
 7822 that is transferred to the domesticated corporation after the
 7823 domestication takes effect.
 7824 Section 152. Section 607.11930, Florida Statutes, is
 7825 created to read:
 7826 607.11930 Conversion.—
 7827 (1) By complying with this chapter, including adopting a
 7828 plan of conversion in accordance with s. 607.11931 and complying
 7829 with s. 607.11932, a domestic corporation may become:
 7830 (a) A domestic eligible entity, other than a domestic

Page 270 of 458

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590-03467A-19

2019892c2

7831 corporation;7832 (b) If the conversion is permitted by the organic law of
7833 the foreign eligible entity, a foreign eligible entity.7834 (2) By complying with this section and ss. 607.11931-
7835 607.11935, as applicable, and applicable provisions of its
7836 organic law, a domestic eligible entity other than a domestic
7837 corporation may become a domestic corporation.7838 (3) By complying with this section and ss. 607.11931-
7839 607.11935, as applicable, and by complying with the applicable
7840 provisions of its organic law, a foreign eligible entity may
7841 become a domestic corporation, but only if the organic law of
7842 the foreign eligible entity permits it to become a corporation
7843 in another jurisdiction.7844 (4) If a protected agreement of a domestic converting
7845 eligible entity in effect immediately before the conversion
7846 becomes effective contains a provision applying to a merger of
7847 the corporation that is a converting eligible entity and the
7848 agreement does not refer to a conversion of the corporation, the
7849 provision applies to a conversion of the corporation as if the
7850 conversion were a merger, until such time as the provision is
7851 first amended after January 1, 2020.7852 Section 153. Section 607.11931, Florida Statutes, is
7853 created to read:7854 607.11931 Plan of conversion.—7855 (1) A domestic corporation may convert to a domestic or
7856 foreign eligible entity under this chapter by approving a plan
7857 of conversion. The plan of conversion must include:7858 (a) The name of the domestic converting corporation;7859 (b) The name, jurisdiction of formation, and type of entity

Page 271 of 458

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590-03467A-19

2019892c2

7860 of the converted eligible entity;7861 (c) The manner and basis of converting the shares of the
7862 domestic corporation, or the rights to acquire shares,
7863 obligations or other securities, of the domestic corporation
7864 into:7865 1. Shares.7866 2. Other securities.7867 3. Eligible interests.7868 4. Obligations.7869 5. Rights to acquire shares, other securities, or eligible
7870 interests.7871 6. Cash.7872 7. Other property.7873 8. Any combination of the foregoing;7874 (d) The other terms and conditions of the conversion; and
7875 (e) The full text, as it will be in effect immediately
7876 after the conversion becomes effective, of the organic rules of
7877 the converted eligible entity which are to be in writing.7878 (2) In addition to the requirements of subsection (1), a
7879 plan of conversion may contain any other provision not
7880 prohibited by law.7881 (3) The terms of a plan of conversion may be made dependent
7882 upon facts objectively ascertainable outside the plan in
7883 accordance with section 607.0120(11).7884 Section 154. Section 607.11932, Florida Statutes, is
7885 created to read:7886 607.11932 Action on a plan of conversion.—In the case of a
7887 conversion of a domestic corporation to a domestic or foreign
7888 eligible entity other than a domestic corporation, the plan of

Page 272 of 458

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590-03467A-19

2019892c2

7889 conversion must be adopted in the following manner:

7890 (1) The plan of conversion must first be adopted by the
7891 board of directors of such domestic corporation.

7892 (2) (a) The plan of conversion shall then be approved by the
7893 shareholders of such domestic corporation.

7894 (b) In submitting the plan of conversion to the
7895 shareholders for their approval, the board of directors shall
7896 recommend that the shareholders approve the plan of conversion
7897 unless:

7898 1. The board of directors makes a determination that
7899 because of conflicts of interest or other special circumstances
7900 it should not make such a recommendation; or

7901 2. Section 607.0826 applies.

7902 (c) If either subparagraph (b)1. or subparagraph (b)2.
7903 applies, the board of directors shall inform the shareholders of
7904 the basis for its so proceeding without such recommendation.

7905 (3) The board of directors may set conditions for approval
7906 of the plan of conversion by the shareholders or the
7907 effectiveness of the plan of conversion.

7908 (4) If a plan of conversion is required to be approved by
7909 the shareholders, and if the approval is to be given at a
7910 meeting, the corporation shall notify each shareholder,
7911 regardless of whether entitled to vote, of the meeting of
7912 shareholders at which the plan is to be submitted for approval,
7913 in accordance with s. 607.0705. The notice must state that the
7914 purpose, or one of the purposes, of the meeting is to consider
7915 the plan of conversion and must contain or be accompanied by a
7916 copy of the plan. The notice must include or be accompanied by a
7917 written copy of the organic rules of the converted eligible

Page 273 of 458

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590-03467A-19

2019892c2

7918 entity as they will be in effect immediately after the
7919 conversion.

7920 (5) Unless the articles of incorporation, or the board of
7921 directors acting pursuant to subsection (3), require a greater
7922 vote or a greater quorum in the respective case, approval of the
7923 plan of conversion requires:

7924 (a) The approval of the shareholders at a meeting at which
7925 a quorum exists consisting of a majority of the votes entitled
7926 to be cast on the plan; and

7927 (b) The approval of each class or series of shares voting
7928 as a separate voting group at a meeting at which a quorum of the
7929 voting group exists consisting of a majority of the votes
7930 entitled to be cast on the plan by that voting group.

7931 (6) If as a result of the conversion one or more
7932 shareholders of the converting domestic corporation would become
7933 subject to interest holder liability, approval of the plan of
7934 conversion shall require the signing in connection with the
7935 transaction, by each such shareholder, of a separate written
7936 consent to become subject to such interest holder liability.

7937 (7) If the converted eligible entity is a partnership or
7938 limited partnership, no shareholder of the converting domestic
7939 corporation shall, as a result of the conversion, become a
7940 general partner of the partnership or limited partnership,
7941 unless such shareholder specifically consents in writing to
7942 becoming a general partner of such partnership or limited
7943 partnership and, unless such written consent is obtained from
7944 each such shareholder, such conversion may not become effective
7945 under s. 607.11933. Any shareholder providing such consent in
7946 writing shall be deemed to have voted in favor of the plan of

Page 274 of 458

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590-03467A-19

2019892c2

7947 conversion pursuant to which the shareholder became a general
7948 partner.

7949 (8) Sections 607.1301-607.1340 shall, insofar as they are
7950 applicable, apply to a conversion in accordance with this
7951 chapter of a domestic corporation into a domestic or foreign
7952 eligible entity that is not a domestic corporation.

7953 Section 155. Section 607.11933, Florida Statutes, is
7954 created to read:

7955 607.11933 Articles of conversion; effectiveness.—

7956 (1) After a plan of conversion of a domestic corporation
7957 has been adopted and approved as required by this chapter, or a
7958 domestic or foreign eligible entity, other than a domestic
7959 corporation, that is the converting eligible entity has approved
7960 a conversion as required by its organic law, articles of
7961 conversion must be signed by the converting eligible entity as
7962 required by s. 607.0120 and must:

7963 (a) State the name, jurisdiction of formation, and type of
7964 entity of the converting eligible entity;

7965 (b) State the name, jurisdiction of formation, and type of
7966 entity of the converted eligible entity;

7967 (c) If the converting eligible entity is:

7968 1. A domestic corporation, state that the plan of
7969 conversion was approved in accordance with this chapter; or

7970 2. A domestic or foreign eligible entity other than a
7971 domestic corporation, state that the conversion was approved by
7972 the eligible entity in accordance with its organic law; and

7973 (d) If the converted eligible entity is:

7974 1. A domestic corporation or a domestic or foreign eligible
7975 entity that is not a domestic corporation, attach the public

Page 275 of 458

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590-03467A-19

2019892c2

7976 organic record of the converted eligible entity, except that
7977 provisions that would not be required to be included in a
7978 restated public organic record may be omitted; or

7979 2. A domestic limited liability partnership, attach the
7980 filing or filings required to become a domestic limited
7981 liability partnership.

7982 (2) If the converted eligible entity is a domestic
7983 corporation, its articles of incorporation must satisfy the
7984 requirements of section 607.0202, except that provisions that
7985 would not be required to be included in restated articles of
7986 incorporation may be omitted from the articles of incorporation.
7987 If the converted eligible entity is a domestic eligible entity
7988 that is not a domestic corporation, its public organic record,
7989 if any, must satisfy the applicable requirements of the organic
7990 law of this state, except that the public organic record does
7991 not need to be signed.

7992 (3) The articles of conversion shall be delivered to the
7993 department for filing, and shall take effect at the effective
7994 date determined in accordance with s. 607.0123.

7995 (4) (a) If a converted eligible entity is a domestic
7996 eligible entity, the conversion becomes effective when the
7997 articles of conversion are effective.

7998 (b) If the converted eligible entity is a foreign eligible
7999 entity, the conversion becomes effective at the later of:

8000 1. The date and time provided by the organic law of that
8001 eligible entity; or

8002 2. When the articles of conversion take effect.

8003 (5) Articles of conversion required to be filed under this
8004 section may be combined with any filing required under the

Page 276 of 458

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590-03467A-19

2019892c2

8005 organic law of a domestic eligible entity that is the converting
 8006 eligible entity or the converted eligible entity if the combined
 8007 filing satisfies the requirements of both this section and the
 8008 other organic law.

8009 (6) If the converting eligible entity is a foreign eligible
 8010 entity that is authorized to transact business in this state
 8011 under a provision of law similar to ss. 607.1501-607.1532, its
 8012 foreign qualification shall be canceled automatically on the
 8013 effective date of its conversion.

8014 (7) A copy of the articles of conversion, certified by the
 8015 department, may be filed in the official records of any county
 8016 in this state in which the converting eligible entity holds an
 8017 interest in real property.

8018 Section 156. Section 607.11934, Florida Statutes, is
 8019 created to read:

8020 607.11934 Amendment to a plan of conversion; abandonment.—

8021 (1) A plan of conversion of a converting eligible entity
 8022 that is a domestic corporation may be amended:

8023 (a) In the same manner as the plan of conversion was
 8024 approved, if the plan does not provide for the manner in which
 8025 it may be amended; or

8026 (b) In the manner provided in the plan of conversion,
 8027 except that shareholders that were entitled to vote on or
 8028 consent to approval of the plan are entitled to vote on or
 8029 consent to any amendment of the plan that will change:

8030 1. The amount or kind of shares or other securities,
 8031 eligible interests, obligations, rights to acquire shares, other
 8032 securities, or eligible interests, cash, other property, or any
 8033 combination of the foregoing, to be received by any of the

590-03467A-19

2019892c2

8034 shareholders of the converting corporation under the plan;

8035 2. The organic rules of the converted eligible entity that
 8036 will be in effect immediately after the conversion becomes
 8037 effective, except for changes that do not require approval of
 8038 the eligible interest holders of the converted eligible entity
 8039 under its organic law or organic rules; or

8040 3. Any other terms or conditions of the plan, if the change
 8041 would adversely affect such shareholders in any material
 8042 respect.

8043 (2) After a plan of conversion has been adopted and
 8044 approved by a converting eligible entity that is a domestic
 8045 corporation in the manner required by this chapter and before
 8046 the articles of conversion become effective, the plan may be
 8047 abandoned by the domestic corporation without action by its
 8048 shareholders in accordance with any procedures set forth in the
 8049 plan or, if no such procedures are set forth in the plan, in the
 8050 manner determined by the board of directors of the domestic
 8051 corporation.

8052 (3) If a conversion is abandoned after the articles of
 8053 conversion have been delivered to the department for filing but
 8054 before the articles of conversion have become effective, a
 8055 statement of abandonment signed by the converting eligible
 8056 entity must be delivered to the department for filing before the
 8057 articles of conversion become effective. The statement shall
 8058 take effect on filing, and the conversion shall be deemed
 8059 abandoned and shall not become effective. The statement of
 8060 abandonment must contain:

8061 (a) The name of the converting eligible entity;

8062 (b) The date on which the articles of conversion were filed

590-03467A-19

2019892c2

8063 by the department; and
 8064 (c) A statement that the conversion has been abandoned in
 8065 accordance with this section.
 8066 Section 157. Section 607.11935, Florida Statutes, is
 8067 created to read:
 8068 607.11935 Effect of conversion.—
 8069 (1) When a conversion becomes effective:
 8070 (a) All real property and other property owned by,
 8071 including any interest therein and all title thereto, and every
 8072 contract right possessed by, the converting eligible entity
 8073 remain the property and contract rights of the converted
 8074 eligible entity without transfer, reversion, or impairment;
 8075 (b) All debts, obligations, and other liabilities of the
 8076 converting eligible entity remain the debts, obligations, and
 8077 other liabilities of the converted eligible entity;
 8078 (c) The name of the converted eligible entity may be, but
 8079 need not be, substituted for the name of the converting eligible
 8080 entity in any pending action or proceeding;
 8081 (d) If the converted eligible entity is a filing entity, a
 8082 domestic corporation, or a domestic or foreign nonprofit
 8083 corporation, its public organic record and its private organic
 8084 rules become effective;
 8085 (e) If the converted eligible entity is a nonfiling entity,
 8086 its private organic rules become effective;
 8087 (f) If the converted eligible entity is a limited liability
 8088 partnership, the filing required to become a limited liability
 8089 partnership and its private organic rules become effective;
 8090 (g) The shares, rights to acquire shares, eligible
 8091 interests, other securities and obligations of the converting

Page 279 of 458

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590-03467A-19

2019892c2

8092 eligible entity are reclassified into shares, other securities,
 8093 rights to acquire shares or other securities, eligible
 8094 interests, obligations, cash, other property, or any combination
 8095 thereof, in accordance with the terms of the conversion, and the
 8096 shareholders or interest holders of the converting eligible
 8097 entity are entitled only to the rights provided to them by those
 8098 terms and to any rights they may have under s. 607.1302 or under
 8099 the organic law of the converting eligible entity; and
 8100 (h) The converted eligible entity is:
 8101 1. Deemed to be incorporated or organized under and subject
 8102 to the organic law of the converted eligible entity;
 8103 2. Deemed to be the same entity without interruption as the
 8104 converting eligible entity; and
 8105 3. Deemed to have been incorporated or otherwise organized
 8106 on the date that the converting eligible entity was originally
 8107 incorporated or organized.
 8108 (2) When a conversion of a domestic corporation to a
 8109 domestic or foreign eligible entity other than a domestic
 8110 corporation becomes effective, the converted eligible entity is
 8111 deemed to:
 8112 (a) Appoint the secretary of state as its agent for service
 8113 of process in a proceeding to enforce the rights of shareholders
 8114 who exercise appraisal rights in connection with the conversion;
 8115 and
 8116 (b) Agree that it will promptly pay any amount that
 8117 shareholders are entitled to under ss. 607.1301-607.1340.
 8118 (3) Except as otherwise provided in the articles of
 8119 incorporation of a domestic corporation or the organic law or
 8120 organic rules of a domestic or foreign eligible entity other

Page 280 of 458

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590-03467A-19

2019892c2

8121 than a domestic corporation, a shareholder or eligible interest
 8122 holder who becomes subject to interest holder liability in
 8123 respect of a domestic corporation or domestic or foreign
 8124 eligible entity other than a domestic corporation as a result of
 8125 the conversion shall have such interest holder liability only in
 8126 respect of interest holder liabilities that arise after the
 8127 conversion becomes effective.

8128 (4) Except as otherwise provided in the organic law or the
 8129 organic rules of the domestic or foreign eligible entity, the
 8130 interest holder liability of an interest holder in a converting
 8131 eligible entity that converts to a domestic corporation who had
 8132 interest holder liability in respect of such converting eligible
 8133 entity before the conversion becomes effective shall be as
 8134 follows:

8135 (a) The conversion does not discharge that prior interest
 8136 holder liability with respect to any interest holder liabilities
 8137 that arose before the conversion became effective.

8138 (b) The provisions of the organic law of the eligible
 8139 entity shall continue to apply to the collection or discharge of
 8140 any interest holder liabilities preserved by paragraph (a), as
 8141 if the conversion had not occurred.

8142 (c) The eligible interest holder shall have such rights of
 8143 contribution from other persons as are provided by the organic
 8144 law of the eligible entity with respect to any interest holder
 8145 liabilities preserved by paragraph (a), as if the conversion had
 8146 not occurred.

8147 (d) The eligible interest holder may not, by reason of such
 8148 prior interest holder liability, have interest holder liability
 8149 with respect to any interest holder liabilities that arise after

Page 281 of 458

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590-03467A-19

2019892c2

8150 the conversion becomes effective.

8151 (5) A conversion does not require the converting eligible
 8152 entity to wind up its affairs and does not constitute or cause
 8153 the dissolution or termination of the entity.

8154 (6) Property held for charitable purposes under the laws of
 8155 this state by a domestic or foreign eligible entity immediately
 8156 before a conversion becomes effective may not, as a result of
 8157 the transaction, be diverted from the objects for which it was
 8158 donated, granted, devised, or otherwise transferred except and
 8159 to the extent permitted by or pursuant to the laws of this state
 8160 addressing cy pres or dealing with nondiversion of charitable
 8161 assets.

8162 (7) A bequest, devise, gift, grant, or promise contained in
 8163 a will or other instrument of donation, subscription, or
 8164 conveyance which is made to the converting eligible entity and
 8165 which takes effect or remains payable after the conversion
 8166 inures to the converted eligible entity.

8167 (8) A trust obligation that would govern property if
 8168 transferred to the converting eligible entity applies to
 8169 property that is to be transferred to the converted eligible
 8170 entity after the conversion becomes effective.

8171 Section 158. Section 607.1201, Florida Statutes, is amended
 8172 to read:

8173 607.1201 Disposition of assets not requiring shareholder
 8174 approval ~~Sale of assets in regular course of business and~~
 8175 ~~mortgage of assets.~~ Unless the articles of incorporation
 8176 otherwise provide, no approval by shareholders is required to:

8177 (1) ~~A corporation may, on the terms and conditions and for~~
 8178 ~~the consideration determined by the board of directors:~~

Page 282 of 458

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590-03467A-19

2019892c2

8179 ~~(a)~~ Sell, lease, exchange, or otherwise dispose of any or
 8180 all of the corporation's assets all, or substantially all, of
 8181 ~~its property~~ in the usual and regular course of business;
 8182 (2)(b) Mortgage, pledge, dedicate to the repayment of
 8183 indebtedness (whether with or without recourse), create a
 8184 security interest in, or otherwise encumber any or all of the
 8185 corporation's assets, regardless of whether its property whether
 8186 ~~or not~~ in the usual and regular course of business; ~~or~~
 8187 (3)(c) Transfer any or all of the corporation's assets to
 8188 one or more domestic or foreign corporations or other entities
 8189 all of the shares or interests its property to a corporation all
 8190 the shares of which are owned by the corporation; or
 8191 (4) Distribute assets pro rata to the holders of one or
 8192 more classes or series of the corporation's shares, except to
 8193 the extent that the distribution is part of a dissolution of the
 8194 corporation under ss. 607.1401-607.14401.
 8195 ~~(2) Unless the articles of incorporation require it,~~
 8196 ~~approval by the shareholders of a transaction described in~~
 8197 ~~subsection (1) is not required.~~
 8198 Section 159. Section 607.1202, Florida Statutes, is amended
 8199 to read:
 8200 607.1202 Shareholder approval of certain dispositions Sale
 8201 ~~of assets other than in regular course of business.-~~
 8202 (1) A corporation may sell, lease, exchange, or otherwise
 8203 dispose of all, or substantially all, of its property (with or
 8204 without ~~the~~ good will), otherwise than in the usual and regular
 8205 course of business, on the terms and conditions and for the
 8206 consideration determined by the corporation's board of
 8207 directors, but only if the board of directors proposes and its

Page 283 of 458

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590-03467A-19

2019892c2

8208 shareholders ~~of record~~ approve the proposed transaction.
 8209 (2) (a) To obtain the approval of the shareholders under
 8210 subsection (1), the board of directors must first adopt a
 8211 resolution approving the disposition, and thereafter, the
 8212 disposition must also be approved by the corporation's
 8213 shareholders.
 8214 (b) In submitting the disposition to the shareholders for
 8215 approval, For a transaction to be authorized:
 8216 ~~(a)~~ the board of directors must recommend the proposed
 8217 transaction to the shareholders of record unless:
 8218 1. The board of directors makes a determination that
 8219 ~~determines that it should make no recommendation~~ because of
 8220 conflict of interest or other special circumstances it should
 8221 not make such a recommendation; or
 8222 2. Section 607.0826 applies.
 8223 (c) If either subparagraph (b)1. or subparagraph (b)2.
 8224 applies, the board of directors shall inform the shareholders of
 8225 the basis for its so proceeding without such recommendation and
 8226 communicates the basis for its determination to the shareholders
 8227 of record with the submission of the proposed transaction; and
 8228 ~~(b) The shareholders entitled to vote must approve the~~
 8229 ~~transaction as provided in subsection (5).~~
 8230 (3) The board of directors may set conditions for approval
 8231 of the disposition or the effectiveness of the disposition
 8232 ~~condition its submission of the proposed transaction on any~~
 8233 ~~basis.~~
 8234 (4) If the disposition is required to be approved by the
 8235 shareholders under subsection (1) and if the approval is to be
 8236 given at the meeting, the corporation shall notify each

Page 284 of 458

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590-03467A-19

2019892c2

8237 shareholder ~~of record~~, regardless of whether ~~or not~~ entitled to
 8238 vote, of the ~~proposed shareholders'~~ meeting of shareholders at
 8239 which the disposition is to be submitted for approval in
 8240 accordance with s. 607.0705. The notice must ~~shall~~ also state
 8241 that the purpose, or one of the purposes, of the meeting is to
 8242 consider the disposition and shall contain a description of the
 8243 disposition and the consideration to be received by the
 8244 corporation sale, lease, exchange, or other disposition of all,
 8245 or substantially all, the property of the corporation,
 8246 regardless of whether or not the meeting is an annual or a
 8247 special meeting, and shall contain or be accompanied by a
 8248 description of the transaction. Furthermore, the notice shall
 8249 contain a clear and concise statement that, if the transaction
 8250 is effected, shareholders dissenting therefrom are or may be
 8251 entitled, if they comply with the provisions of this act
 8252 regarding appraisal rights, to be paid the fair value of their
 8253 shares and such notice must ~~shall~~ be accompanied by a copy of
 8254 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

8255 (5) Unless this chapter act, the articles of incorporation,
 8256 or the board of directors (acting pursuant to subsection (3))
 8257 requires a greater vote or a greater quorum vote by voting
 8258 groups, the approval of the disposition shall require the
 8259 approval of the shareholders at a meeting at which a quorum
 8260 exists consisting of transaction to be authorized shall be
 8261 approved by a majority of all the votes entitled to be cast on
 8262 the disposition transaction.

8263 (6) After a disposition has been approved by the
 8264 shareholders under this chapter, and at any time before the
 8265 disposition has been consummated, it may be abandoned by the

Page 285 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

8266 corporation without action by the shareholders, subject to any
 8267 contractual rights of other parties to the disposition ~~Any plan~~
 8268 ~~or agreement providing for a sale, lease, exchange, or other~~
 8269 ~~disposition of property, or any resolution of the board of~~
 8270 ~~directors or shareholders approving such transaction, may~~
 8271 ~~authorize the board of directors of the corporation to amend the~~
 8272 ~~terms thereof at any time prior to the consummation of such~~
 8273 ~~transaction. An amendment made subsequent to the approval of the~~
 8274 ~~transaction by the shareholders of the corporation may not:~~

8275 (a) ~~Change the amount or kind of shares, securities, cash,~~
 8276 ~~property, or rights to be received in exchange for the~~
 8277 ~~corporation's property; or~~

8278 (b) ~~Change any other terms and conditions of the~~
 8279 ~~transaction if such change would materially and adversely affect~~
 8280 ~~the shareholders or the corporation.~~

8281 (7) ~~Unless a plan or agreement providing for a sale, lease,~~
 8282 ~~exchange, or other disposition of property, or any resolution of~~
 8283 ~~the board of directors or shareholders approving such~~
 8284 ~~transaction, prohibits abandonment of the transaction without~~
 8285 ~~shareholder approval after a transaction has been authorized,~~
 8286 ~~the planned transaction may be abandoned (subject to any~~
 8287 ~~contractual rights) at any time prior to consummation thereof,~~
 8288 ~~without further shareholder action, in accordance with the~~
 8289 ~~procedure set forth in the plan, agreement, or resolutions~~
 8290 ~~providing for or approving such transaction or, if none is set~~
 8291 ~~forth, in the manner determined by the board of directors.~~

8292 (7)(8) A disposition of assets in the course of dissolution
 8293 is governed by ss. 607.1401-607.14401 ~~transaction that~~
 8294 ~~constitutes a distribution is governed by s. 607.06401 and not~~

Page 286 of 458

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590-03467A-19

2019892c2

8295 by this section.

8296 (8) For purposes of this section, the assets of a direct or
 8297 indirect consolidated subsidiary shall be deemed to be the
 8298 assets of the parent corporation.

8299 (9) For purposes of this section, the term "shareholder"
 8300 includes a beneficial shareholder and a voting trust beneficial
 8301 owner.

8302 Section 160. Section 607.1301, Florida Statutes, is amended
 8303 to read:

8304 607.1301 Appraisal rights; definitions.—The following
 8305 definitions apply to ss. 607.1301-607.1340 ~~ss. 607.1302-~~
 8306 ~~607.1333~~:

8307 (1) "Accrued interest" means interest from the date the
 8308 corporate action becomes effective until the date of payment, at
 8309 the rate of interest determined for judgments pursuant to s.
 8310 55.03, determined as of the effective date of the corporate
 8311 action.

8312 (2) "Affiliate" means a person that directly or indirectly
 8313 through one or more intermediaries controls, is controlled by,
 8314 or is under common control with another person or is a senior
 8315 executive of such person thereof. For purposes of paragraph
 8316 (6) (a) s. 607.1302(2) (d), a person is deemed to be an affiliate
 8317 of its senior executives.

8318 (3) "Corporate action" means an event described in s.
 8319 607.1302(1)

8320 ~~(2) "Beneficial shareholder" means a person who is the~~
 8321 ~~beneficial owner of shares held in a voting trust or by a~~
 8322 ~~nominee on the beneficial owner's behalf.~~

8323 ~~(4)(3)~~ "Corporation" means the domestic corporation that is

Page 287 of 458

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590-03467A-19

2019892c2

8324 the issuer of the shares held by a shareholder demanding
 8325 appraisal and, for matters covered in ss. 607.1322-607.1340 ~~ss.~~
 8326 ~~607.1322-607.1333~~, includes the domesticated eligible entity in
 8327 a domestication, the covered eligible entity in a conversion,
 8328 and the survivor of ~~surviving entity in~~ a merger.

8329 ~~(5)(4)~~ "Fair value" means the value of the corporation's
 8330 shares determined:

8331 (a) Immediately before the ~~effectiveness~~ effectuation of
 8332 the corporate action to which the shareholder objects.

8333 (b) Using customary and current valuation concepts and
 8334 techniques generally employed for similar businesses in the
 8335 context of the transaction requiring appraisal, excluding any
 8336 appreciation or depreciation in anticipation of the corporate
 8337 action unless exclusion would be inequitable to the corporation
 8338 and its remaining shareholders.

8339 ~~(c) For a corporation with 10 or fewer shareholders,~~
 8340 Without discounting for lack of marketability or minority
 8341 status.

8342 ~~(5) "Interest" means interest from the effective date of~~
 8343 ~~the corporate action until the date of payment, at the rate of~~
 8344 ~~interest on judgments in this state on the effective date of the~~
 8345 ~~corporate action.~~

8346 (6) "Interested transaction" means a corporate action
 8347 described in s. 607.1302(1), other than a merger pursuant to s.
 8348 607.1104, involving an interested person in which any of the
 8349 shares or assets of the corporation are being acquired or
 8350 converted. As used in this definition:

8351 (a) "Interested person" means a person, or an affiliate of
 8352 a person, who at any time during the 1-year period immediately

Page 288 of 458

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590-03467A-19

2019892c2

8353 preceding approval by the board of directors of the corporate
8354 action:

8355 1. Was the beneficial owner of 20 percent or more of the
8356 voting power of the corporation, other than as owner of excluded
8357 shares;

8358 2. Had the power, contractually or otherwise, other than as
8359 owner of excluded shares, to cause the appointment or election
8360 of 25 percent or more of the directors to the board of directors
8361 of the corporation; or

8362 3. Was a senior executive or director of the corporation or
8363 a senior executive of any affiliate of the corporation, and will
8364 receive, as a result of the corporate action, a financial
8365 benefit not generally available to other shareholders as such,
8366 other than:

8367 a. Employment, consulting, retirement, or similar benefits
8368 established separately and not as part of or in contemplation of
8369 the corporate action;

8370 b. Employment, consulting, retirement, or similar benefits
8371 established in contemplation of, or as part of, the corporate
8372 action that are not more favorable than those existing before
8373 the corporate action or, if more favorable, that have been
8374 approved on behalf of the corporation in the same manner as is
8375 provided in s. 607.0832; or

8376 c. In the case of a director of the corporation who, in the
8377 corporate action, will become a director or governor of the
8378 acquirer or any of its affiliates in the corporate action,
8379 rights and benefits as a director or governor that are provided
8380 on the same basis as those afforded by the acquirer generally to
8381 other directors or governors of such entity or such affiliate.

Page 289 of 458

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590-03467A-19

2019892c2

8382 (b) "Beneficial owner" means any person who, directly or
8383 indirectly, through any contract, arrangement, or understanding,
8384 other than a revocable proxy, has or shares the power to vote,
8385 or to direct the voting of, shares; except that a member of a
8386 national securities exchange is not deemed to be a beneficial
8387 owner of securities held directly or indirectly by it on behalf
8388 of another person if the member is precluded by the rules of the
8389 exchange from voting without instruction on contested matters or
8390 matters that may affect substantially the rights or privileges
8391 of the holders of the securities to be voted. When two or more
8392 persons agree to act together for the purpose of voting their
8393 shares of the corporation, each member of the group formed
8394 thereby is deemed to have acquired beneficial ownership, as of
8395 the date of the agreement, of all shares having voting power of
8396 the corporation beneficially owned by any member of the group.

8397 (c) "Excluded shares" means shares acquired pursuant to an
8398 offer for all shares having voting power if the offer was made
8399 within 1 year before the corporate action for consideration of
8400 the same kind and of a value equal to or less than that paid in
8401 connection with the corporate action.

8402 (7)-(6) "Preferred shares" means a class or series of shares
8403 the holders of which have preference over any other class or
8404 series of shares with respect to distributions.

8405 ~~(7) "Record shareholder" means the person in whose name~~
8406 ~~shares are registered in the records of the corporation or the~~
8407 ~~beneficial owner of shares to the extent of the rights granted~~
8408 ~~by a nominee certificate on file with the corporation.~~

8409 (8) "Senior executive" means the chief executive officer,
8410 chief operating officer, chief financial officer, or any

Page 290 of 458

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590-03467A-19

2019892c2

8411 ~~individual anyone~~ in charge of a principal business unit or
8412 function.

8413 (9) Notwithstanding s. 607.01401(67), "shareholder" means
8414 ~~both a record shareholder, and a beneficial shareholder, and a~~
8415 voting trust beneficial owner.

8416 Section 161. Section 607.1302, Florida Statutes, is amended
8417 to read:

8418 607.1302 Right of shareholders to appraisal.—

8419 (1) A shareholder of a domestic corporation is entitled to
8420 appraisal rights, and to obtain payment of the fair value of
8421 that shareholder's shares, in the event of any of the following
8422 corporate actions:

8423 (a) Consummation of a domestication or a conversion of such
8424 corporation pursuant to s. 607.11921 or s. 607.11932, as
8425 applicable, s. 607.1112 if shareholder approval is required for
8426 the domestication or the conversion; and the shareholder is
8427 entitled to vote on the conversion under ss. 607.1103 and
8428 607.1112(6), or the

8429 (b) Consummation of a merger to which such corporation is a
8430 party:

8431 1. If shareholder approval is required for the merger under
8432 s. 607.1103 or would be required but for s. 607.11035, except
8433 that appraisal rights shall not be available to any shareholder
8434 of the corporation with respect to shares of any class or series
8435 that remains outstanding after consummation of the merger where
8436 the terms of such class or series have not been materially
8437 altered; and the shareholder is entitled to vote on the merger
8438 or

8439 2. If such corporation is a subsidiary and the merger is

Page 291 of 458

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590-03467A-19

2019892c2

8440 governed by s. 607.1104;

8441 ~~(c)(b)~~ Consummation of a share exchange to which the
8442 corporation is a party as the corporation whose shares will be
8443 ~~acquired if the shareholder is entitled to vote on the exchange,~~
8444 except that appraisal rights are not available to any
8445 shareholder of the corporation with respect to any class or
8446 series of shares of the corporation that is not acquired in the
8447 share exchange exchanged;

8448 ~~(d)(e)~~ Consummation of a disposition of assets pursuant to
8449 s. 607.1202 if the shareholder is entitled to vote on the
8450 disposition, including a sale in dissolution, except that
8451 appraisal rights shall not be available to any shareholder of
8452 the corporation with respect to shares or any class or series
8453 if:

8454 1. Under the terms of the corporate action approved by the
8455 shareholders there is to be distributed to shareholders in cash
8456 the corporation's net assets, in excess of a reasonable amount
8457 reserved to meet claims of the type described in ss. 607.1406
8458 and 607.1407, within 1 year after the shareholders' approval of
8459 the action and in accordance with their respective interests
8460 determined at the time of distribution; and

8461 2. The disposition of assets is not an interested
8462 transaction but not including a sale pursuant to court order or
8463 a sale for cash pursuant to a plan by which all or substantially
8464 all of the net proceeds of the sale will be distributed to the
8465 shareholders within 1 year after the date of sale;

8466 ~~(e)(d)~~ An amendment of the articles of incorporation with
8467 respect to a the class or series of shares which reduces the
8468 number of shares of a class or series owned by the shareholder

Page 292 of 458

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590-03467A-19

2019892c2

8469 to a fraction of a share if the corporation has the obligation
8470 or the right to repurchase the fractional share so created;

8471 ~~(f)(e)~~ Any other ~~amendment to the articles of~~
8472 ~~incorporation, merger, share exchange, or disposition of assets,~~
8473 or amendment to the articles of incorporation, in each case to
8474 the extent provided by the articles of incorporation, bylaws, or
8475 a resolution of the board of directors, except that no bylaw or
8476 board resolution providing for appraisal rights may be amended
8477 or otherwise altered except by shareholder approval;

8478 (g) An amendment to the articles of incorporation or bylaws
8479 of the corporation, the effect of which is to alter or abolish
8480 voting or other rights with respect to such interest in a manner
8481 that is adverse to the interest of such shareholder, except as
8482 the right may be affected by the voting or other rights of new
8483 shares then being authorized of a new class or series of shares;

8484 (h) An amendment to the articles of incorporation or bylaws
8485 of a corporation the effect of which is to adversely affect the
8486 interest of the shareholder by altering or abolishing appraisal
8487 rights under this section;

8488 ~~(i)(f)~~ With regard to a class of shares prescribed in the
8489 articles of incorporation prior to October 1, 2003, including
8490 any shares within that class subsequently authorized by
8491 amendment, any amendment of the articles of incorporation if the
8492 shareholder is entitled to vote on the amendment and if such
8493 amendment would adversely affect such shareholder by:

8494 1. Altering or abolishing any preemptive rights attached to
8495 any of his or her shares;

8496 2. Altering or abolishing the voting rights pertaining to
8497 any of his or her shares, except as such rights may be affected

Page 293 of 458

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590-03467A-19

2019892c2

8498 by the voting rights of new shares then being authorized of any
8499 existing or new class or series of shares;

8500 3. Effecting an exchange, cancellation, or reclassification
8501 of any of his or her shares, when such exchange, cancellation,
8502 or reclassification would alter or abolish the shareholder's
8503 voting rights or alter his or her percentage of equity in the
8504 corporation, or effecting a reduction or cancellation of accrued
8505 dividends or other arrearages in respect to such shares;

8506 4. Reducing the stated redemption price of any of the
8507 shareholder's redeemable shares, altering or abolishing any
8508 provision relating to any sinking fund for the redemption or
8509 purchase of any of his or her shares, or making any of his or
8510 her shares subject to redemption when they are not otherwise
8511 redeemable;

8512 5. Making noncumulative, in whole or in part, dividends of
8513 any of the shareholder's preferred shares which had theretofore
8514 been cumulative;

8515 6. Reducing the stated dividend preference of any of the
8516 shareholder's preferred shares; or

8517 7. Reducing any stated preferential amount payable on any
8518 of the shareholder's preferred shares upon voluntary or
8519 involuntary liquidation;

8520 ~~(j)(g)~~ An amendment of the articles of incorporation of a
8521 social purpose corporation to which s. 607.504 or s. 607.505
8522 applies;

8523 ~~(k)(h)~~ An amendment of the articles of incorporation of a
8524 benefit corporation to which s. 607.604 or s. 607.605 applies;

8525 ~~(l)(i)~~ A merger, domestication, conversion, or share
8526 exchange of a social purpose corporation to which s. 607.504

Page 294 of 458

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590-03467A-19

2019892c2

8527 applies; or

8528 ~~(m)(j)~~ A merger, domestication, conversion, or share
8529 exchange of a benefit corporation to which s. 607.604 applies.

8530 (2) Notwithstanding subsection (1), the availability of
8531 appraisal rights under paragraphs (1) (a), (b), (c), ~~and~~ (d), and
8532 (e) shall be limited in accordance with the following
8533 provisions:

8534 (a) Appraisal rights shall not be available for the holders
8535 of shares of any class or series of shares which is:

8536 1. A covered security under s. 18(b)(1)(A) or (B) of the
8537 Securities Act of 1933 Listed on the New York Stock Exchange or
8538 the American Stock Exchange or designated as a national market
8539 system security on an interdealer quotation system by the
8540 National Association of Securities Dealers, Inc.; or

8541 2. Not a covered security, but traded in an organized
8542 market and Not so listed or designated, but has at least 2,000
8543 shareholders and the outstanding shares of such class or series
8544 have a market value of at least \$20 \$10 million, exclusive of
8545 the value of outstanding such shares held by the corporation's
8546 its subsidiaries, by the corporation's senior executives, by the
8547 corporation's directors, and by the corporation's beneficial
8548 shareholders and voting trust beneficial owners shareholders
8549 owning more than 10 percent of the outstanding such shares; or

8550 3. Issued by an open end management investment company
8551 registered with the Securities and Exchange Commission under the
8552 Investment Company Act of 1940 and which may be redeemed at the
8553 option of the holder at net asset value.

8554 (b) The applicability of paragraph (a) shall be determined
8555 as of:

Page 295 of 458

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590-03467A-19

2019892c2

8556 1. The record date fixed to determine the shareholders
8557 entitled to receive notice of, ~~and to vote at,~~ the meeting of
8558 shareholders to act upon the corporate action requiring
8559 appraisal rights, or, in the case of an offer made pursuant to
8560 s. 607.11035, the date of such offer; or

8561 2. If there will be no meeting of shareholders and no offer
8562 is made pursuant to s. 607.11035, the close of business on the
8563 day before the consummation of the corporate action or the
8564 effective date of the amendment of the articles, as applicable
8565 on which the board of directors adopts the resolution
8566 recommending such corporate action.

8567 (c) Paragraph (a) is not shall not be applicable and
8568 appraisal rights shall be available pursuant to subsection (1)
8569 for the holders of any class or series of shares where the
8570 corporate action is an interested transaction who are required
8571 by the terms of the corporate action requiring appraisal rights
8572 to accept for such shares anything other than cash or shares of
8573 any class or any series of shares of any corporation, or any
8574 other proprietary interest of any other entity, that satisfies
8575 the standards set forth in paragraph (a) at the time the
8576 corporate action becomes effective.

8577 ~~(d) Paragraph (a) shall not be applicable and appraisal~~
8578 ~~rights shall be available pursuant to subsection (1) for the~~
8579 ~~holders of any class or series of shares if:~~

8580 1. ~~Any of the shares or assets of the corporation are being~~
8581 ~~acquired or converted, whether by merger, share exchange, or~~
8582 ~~otherwise, pursuant to the corporate action by a person, or by~~
8583 ~~an affiliate of a person, who:~~

8584 a. Is, or at any time in the 1-year period immediately

Page 296 of 458

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590-03467A-19

2019892c2

8585 ~~preceeding approval by the board of directors of the corporate~~
 8586 ~~action requiring appraisal rights was, the beneficial owner of~~
 8587 ~~20 percent or more of the voting power of the corporation,~~
 8588 ~~excluding any shares acquired pursuant to an offer for all~~
 8589 ~~shares having voting power if such offer was made within 1 year~~
 8590 ~~prior to the corporate action requiring appraisal rights for~~
 8591 ~~consideration of the same kind and of a value equal to or less~~
 8592 ~~than that paid in connection with the corporate action; or~~
 8593 ~~b. Directly or indirectly has, or at any time in the 1-year~~
 8594 ~~period immediately preceding approval by the board of directors~~
 8595 ~~of the corporation of the corporate action requiring appraisal~~
 8596 ~~rights had, the power, contractually or otherwise, to cause the~~
 8597 ~~appointment or election of 25 percent or more of the directors~~
 8598 ~~to the board of directors of the corporation; or~~
 8599 ~~2. Any of the shares or assets of the corporation are being~~
 8600 ~~acquired or converted, whether by merger, share exchange, or~~
 8601 ~~otherwise, pursuant to such corporate action by a person, or by~~
 8602 ~~an affiliate of a person, who is, or at any time in the 1-year~~
 8603 ~~period immediately preceding approval by the board of directors~~
 8604 ~~of the corporate action requiring appraisal rights was, a senior~~
 8605 ~~executive or director of the corporation or a senior executive~~
 8606 ~~of any affiliate thereof, and that senior executive or director~~
 8607 ~~will receive, as a result of the corporate action, a financial~~
 8608 ~~benefit not generally available to other shareholders as such,~~
 8609 ~~other than:~~
 8610 ~~a. Employment, consulting, retirement, or similar benefits~~
 8611 ~~established separately and not as part of or in contemplation of~~
 8612 ~~the corporate action;~~
 8613 ~~b. Employment, consulting, retirement, or similar benefits~~

Page 297 of 458

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590-03467A-19

2019892c2

8614 ~~established in contemplation of, or as part of, the corporate~~
 8615 ~~action that are not more favorable than those existing before~~
 8616 ~~the corporate action or, if more favorable, that have been~~
 8617 ~~approved on behalf of the corporation in the same manner as is~~
 8618 ~~provided in s. 607.0032; or~~
 8619 ~~e. In the case of a director of the corporation who will,~~
 8620 ~~in the corporate action, become a director of the acquiring~~
 8621 ~~entity in the corporate action or one of its affiliates, rights~~
 8622 ~~and benefits as a director that are provided on the same basis~~
 8623 ~~as those afforded by the acquiring entity generally to other~~
 8624 ~~directors of such entity or such affiliate.~~
 8625 ~~(e) For the purposes of paragraph (d) only, the term~~
 8626 ~~"beneficial owner" means any person who, directly or indirectly,~~
 8627 ~~through any contract, arrangement, or understanding, other than~~
 8628 ~~a revocable proxy, has or shares the power to vote, or to direct~~
 8629 ~~the voting of, shares, provided that a member of a national~~
 8630 ~~securities exchange shall not be deemed to be a beneficial owner~~
 8631 ~~of securities held directly or indirectly by it on behalf of~~
 8632 ~~another person solely because such member is the recordholder of~~
 8633 ~~such securities if the member is precluded by the rules of such~~
 8634 ~~exchange from voting without instruction on contested matters or~~
 8635 ~~matters that may affect substantially the rights or privileges~~
 8636 ~~of the holders of the securities to be voted. When two or more~~
 8637 ~~persons agree to act together for the purpose of voting their~~
 8638 ~~shares of the corporation, each member of the group formed~~
 8639 ~~thereby shall be deemed to have acquired beneficial ownership,~~
 8640 ~~as of the date of such agreement, of all voting shares of the~~
 8641 ~~corporation beneficially owned by any member of the group.~~
 8642 ~~(3) Notwithstanding any other provision of this section,~~

Page 298 of 458

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590-03467A-19

2019892c2

8643 the articles of incorporation as originally filed or any
8644 amendment to the articles of incorporation ~~there~~ may limit or
8645 eliminate appraisal rights for any class or series of preferred
8646 shares, except that:

8647 (a) No such limitation or elimination shall be effective if
8648 the class or series does not have the right to vote separately
8649 as a voting group, alone or as part of a group, on the action or
8650 if the action is a domestication under s. 607.11920 or a
8651 conversion under s. 607.11930, or a merger having a similar
8652 effect as a domestication or conversion in which the
8653 domesticated eligible entity or the converted eligible entity is
8654 an eligible entity; and

8655 (b) ~~but~~ Any such limitation or elimination contained in an
8656 amendment to the articles of incorporation that limits or
8657 eliminates appraisal rights for any of such shares that are
8658 outstanding immediately ~~before~~ prior to the effective date of
8659 such amendment or that the corporation is or may be required to
8660 issue or sell thereafter pursuant to any conversion, exchange,
8661 or other right existing immediately before the effective date of
8662 such amendment shall not apply to any corporate action that
8663 becomes effective within 1 year after the effective date of such
8664 ~~amendment of that date~~ if such action would otherwise afford
8665 appraisal rights.

8666 ~~(4) A shareholder entitled to appraisal rights under this~~
8667 ~~chapter may not challenge a completed corporate action for which~~
8668 ~~appraisal rights are available unless such corporate action:~~

8669 ~~(a) Was not effectuated in accordance with the applicable~~
8670 ~~provisions of this section or the corporation's articles of~~
8671 ~~incorporation, bylaws, or board of directors' resolution~~

Page 299 of 458

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590-03467A-19

2019892c2

8672 ~~authorizing the corporate action; or~~

8673 ~~(b) Was procured as a result of fraud or material~~
8674 ~~misrepresentation.~~

8675 Section 162. Section 607.1303, Florida Statutes, is amended
8676 to read:

8677 607.1303 Assertion of rights by nominees and beneficial
8678 owners.—

8679 (1) A record shareholder may assert appraisal rights as to
8680 fewer than all the shares registered in the record shareholder's
8681 name but owned by a beneficial shareholder or a voting trust
8682 beneficial owner only if the record shareholder objects with
8683 respect to all shares of the class or series owned by the
8684 beneficial shareholder or a voting trust beneficial owner and
8685 notifies the corporation in writing of the name and address of
8686 each beneficial shareholder or voting trust beneficial owner on
8687 whose behalf appraisal rights are being asserted. The rights of
8688 a record shareholder who asserts appraisal rights for only part
8689 of the shares held of record in the record shareholder's name
8690 under this subsection shall be determined as if the shares as to
8691 which the record shareholder objects and the record
8692 shareholder's other shares were registered in the names of
8693 different record shareholders.

8694 (2) A beneficial shareholder and a voting trust beneficial
8695 owner may assert appraisal rights as to shares of any class or
8696 series held on behalf of the shareholder only if such
8697 shareholder:

8698 (a) Submits to the corporation the record shareholder's
8699 written consent to the assertion of such rights no later than
8700 the date referred to in s. 607.1322(2)(b)2.

Page 300 of 458

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590-03467A-19

2019892c2

8701 (b) Does so with respect to all shares of the class or
8702 series that are beneficially owned by the beneficial shareholder
8703 or the voting trust beneficial owner.

8704 Section 163. Subsections (1) and (3) of section 607.1320,
8705 Florida Statutes, are amended, and subsections (4) and (5) are
8706 added to that section, to read:

8707 607.1320 Notice of appraisal rights.—

8708 (1) If a proposed corporate action described in s.
8709 607.1302(1) is to be submitted to a vote at a shareholders'
8710 meeting, the meeting notice (or, where no approval of such
8711 action is required pursuant to s. 607.11035, the offer made
8712 pursuant to s. 607.11035), must state that the corporation has
8713 concluded that shareholders are, are not, or may be entitled to
8714 assert appraisal rights under this chapter. If the corporation
8715 concludes that appraisal rights are or may be available, a copy
8716 of ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~ must accompany
8717 the meeting notice or offer sent to those record shareholders
8718 entitled to exercise appraisal rights.

8719 (3) If a ~~the~~ proposed corporate action described in s.
8720 607.1302(1) is to be approved by written consent of the
8721 shareholders pursuant to s. 607.0704:

8722 (a) Written notice that appraisal rights are, are not, or
8723 may be available must be sent to each shareholder from whom a
8724 consent is solicited at the time consent of such shareholder is
8725 first solicited, and, if the corporation has concluded that
8726 appraisal rights are or may be available, a copy of ss.
8727 607.1301-607.1340 must accompany such written notice; and

8728 (b) Written notice that appraisal rights are, are not, or
8729 may be available must be delivered, at least 10 days before the

Page 301 of 458

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590-03467A-19

2019892c2

8730 corporate action becomes effective, to all nonconsenting and
8731 nonvoting shareholders, and, if the corporation has concluded
8732 that appraisal rights are or may be available, a copy of ss.
8733 607.1301-607.1340 must accompany such written notice.

8734 (4) Where a corporate action described in s. 607.1302(1) is
8735 proposed or a merger pursuant to s. 607.1104 is effected, and
8736 the corporation concludes that appraisal rights are or may be
8737 available, the notice referred to in subsection (1), paragraph
8738 (3) (a), or paragraph (3) (b) must be accompanied by:

8739 (a) Financial statements of the corporation that issued the
8740 shares that may be or are subject to appraisal rights,
8741 consisting of a balance sheet as of the end of the fiscal year
8742 ending not more than 16 months before the date of the notice, an
8743 income statement for that fiscal year, and a cash flow statement
8744 for that fiscal year; however, if such financial statements are
8745 not reasonably available, the corporation must provide
8746 reasonably equivalent financial information; and

8747 (b) The latest available interim financial statements,
8748 including year-to-date through the end of the interim period, of
8749 such corporation, if any.

8750 (5) The right to receive the information described in
8751 subsection (4) may be waived in writing by a shareholder before
8752 or after the corporate action is effected other than by a
8753 shareholders' meeting, the notice referred to in subsection (1)
8754 must be sent to all shareholders at the time that consents are
8755 first solicited pursuant to s. 607.0704, whether or not consents
8756 are solicited from all shareholders, and include the materials
8757 described in s. 607.1322.

8758 Section 164. Section 607.1321, Florida Statutes, is amended

Page 302 of 458

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590-03467A-19

2019892c2

8759 to read:

8760 607.1321 Notice of intent to demand payment.—

8761 (1) If a proposed corporate action requiring appraisal
 8762 rights under s. 607.1302 is submitted to a vote at a
 8763 shareholders' meeting, ~~or is submitted to a shareholder pursuant~~
 8764 ~~to a consent vote under s. 607.0704,~~ a shareholder who wishes to
 8765 assert appraisal rights with respect to any class or series of
 8766 shares:

8767 (a) Must deliver to the corporation before the vote is
 8768 taken, ~~or within 20 days after receiving the notice pursuant to~~
 8769 ~~s. 607.1320(3) if action is to be taken without a shareholder~~
 8770 ~~meeting,~~ written notice of the shareholder's intent to demand
 8771 payment if the proposed corporate action is effectuated; ~~and-~~

8772 (b) Must not vote, or cause or permit to be voted, any
 8773 shares of such class or series in favor of the proposed
 8774 corporate action.

8775 (2) If a proposed corporate action requiring appraisal
 8776 rights under s. 607.1302 is to be approved by written consent, a
 8777 shareholder who wishes to assert appraisal rights with respect
 8778 to any class or series of shares must not sign a consent in
 8779 favor of the proposed corporate action with respect to that
 8780 class or series of shares.

8781 (3) If a proposed corporate action specified in s.
 8782 607.1302(1) does not require shareholder approval pursuant to s.
 8783 607.11035, a shareholder who wishes to assert appraisal rights
 8784 with respect to any class or series of shares:

8785 (a) Must deliver to the corporation before the shares are
 8786 purchased pursuant to the offer a written notice of the
 8787 shareholder's intent to demand payment if the proposed action is

Page 303 of 458

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590-03467A-19

2019892c2

8788 effected; and

8789 (b) Must not tender, or cause or permit to be tendered, any
 8790 shares of such class or series in response to such offer.

8791 ~~(4)(2)~~ A shareholder who may otherwise be entitled to
 8792 appraisal rights but does not satisfy the requirements of
 8793 subsections (1), (2), or (3) ~~subsection (1)~~ is not entitled to
 8794 payment under this chapter.

8795 Section 165. Section 607.1322, Florida Statutes, is amended
 8796 to read:

8797 607.1322 Appraisal notice and form.—

8798 (1) If a proposed corporate action requiring appraisal
 8799 rights under s. 607.1302(1) becomes effective, the corporation
 8800 must deliver a written appraisal notice and form required by
 8801 paragraph (2) (a) to all shareholders who satisfied the
 8802 requirements of s. 607.1321(1), (2), or (3) ~~s. 607.1321~~. In the
 8803 case of a merger under s. 607.1104, the parent must deliver a
 8804 written appraisal notice and form to all record shareholders who
 8805 may be entitled to assert appraisal rights.

8806 (2) The appraisal notice must be delivered ~~sent~~ no earlier
 8807 than the date the corporate action became effective, and no
 8808 later than 10 days after such date, and must:

- 8809 (a) Supply a form that specifies the date that the
 8810 corporate action became effective and that provides for the
 8811 shareholder to state:
- 8812 1. The shareholder's name and address.
 - 8813 2. The number, classes, and series of shares as to which
 8814 the shareholder asserts appraisal rights.
 - 8815 3. That the shareholder did not vote for or consent to the
 8816 transaction.

Page 304 of 458

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590-03467A-19

2019892c2

8817 4. Whether the shareholder accepts the corporation's offer
 8818 as stated in subparagraph (b)4.
 8819 5. If the offer is not accepted, the shareholder's
 8820 estimated fair value of the shares and a demand for payment of
 8821 the shareholder's estimated value plus accrued interest.
 8822 (b) State:
 8823 1. Where the form must be sent and where certificates for
 8824 certificated shares must be deposited and the date by which
 8825 those certificates must be deposited, which date may not be
 8826 earlier than the date by which the corporation must receive ~~for~~
 8827 ~~receiving~~ the required form under subparagraph 2.
 8828 2. A date by which the corporation must receive the form,
 8829 which date may not be fewer than 40 nor more than 60 days after
 8830 the date the subsection (1) appraisal notice and form are sent,
 8831 and state that the shareholder shall have waived the right to
 8832 demand appraisal with respect to the shares unless the form is
 8833 received by the corporation by such specified date.
 8834 3. The corporation's estimate of the fair value of the
 8835 shares.
 8836 4. An offer to each shareholder who is entitled to
 8837 appraisal rights to pay the corporation's estimate of fair value
 8838 set forth in subparagraph 3.
 8839 5. That, if requested in writing, the corporation will
 8840 provide to the shareholder so requesting, within 10 days after
 8841 the date specified in subparagraph 2., the number of
 8842 shareholders who return the forms by the specified date and the
 8843 total number of shares owned by them.
 8844 6. The date by which the notice to withdraw under s.
 8845 607.1323 must be received, which date must be within 20 days

Page 305 of 458

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590-03467A-19

2019892c2

8846 after the date specified in subparagraph 2.
 8847 (c) If not previously provided, be accompanied by a copy of
 8848 ss. 607.1301-607.1340
 8849 ~~(e) Be accompanied by:~~
 8850 ~~1. Financial statements of the corporation that issued the~~
 8851 ~~shares to be appraised, consisting of a balance sheet as of the~~
 8852 ~~end of the fiscal year ending not more than 15 months prior to~~
 8853 ~~the date of the corporation's appraisal notice, an income~~
 8854 ~~statement for that year, a cash flow statement for that year,~~
 8855 ~~and the latest available interim financial statements, if any.~~
 8856 ~~2. A copy of ss. 607.1301-607.1333.~~
 8857 Section 166. Subsections (1) and (3) of section 607.1323,
 8858 Florida Statutes, are amended to read:
 8859 607.1323 Perfection of rights; right to withdraw.-
 8860 (1) A shareholder who receives notice pursuant to s.
 8861 607.1322 and who wishes to exercise appraisal rights must sign
 8862 ~~execute~~ and return the form received pursuant to s. 607.1322(1)
 8863 and, in the case of certificated shares, deposit the
 8864 shareholder's certificates in accordance with the terms of the
 8865 notice by the date referred to in the notice pursuant to s.
 8866 607.1322(2)(b)2. Once a shareholder deposits that shareholder's
 8867 certificates or, in the case of uncertificated shares, returns
 8868 the signed ~~executed~~ forms, that shareholder loses all rights as
 8869 a shareholder, unless the shareholder withdraws pursuant to
 8870 subsection (2).
 8871 (3) A shareholder who does not sign ~~execute~~ and return the
 8872 form and, in the case of certificated shares, deposit that
 8873 shareholder's share certificates if required, each by the date
 8874 set forth in the notice described in s. 607.1322(2) subsection

Page 306 of 458

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590-03467A-19

2019892c2

8875 ~~(2), shall not be entitled to payment under ss. 607.1301-~~
 8876 ~~607.1340 this chapter.~~

8877 Section 167. Subsection (2) of section 607.1324, Florida
 8878 Statutes, is amended to read:

8879 607.1324 Shareholder's acceptance of corporation's offer.—

8880 (2) Upon payment of the agreed value, the shareholder shall
 8881 cease to have any right to receive any further consideration
 8882 with respect to such interest in the shares.

8883 Section 168. Section 607.1326, Florida Statutes, is amended
 8884 to read:

8885 607.1326 Procedure if shareholder is dissatisfied with
 8886 offer.—

8887 (1) A shareholder who is dissatisfied with the
 8888 corporation's offer as set forth pursuant to s. 607.1322(2)(b)4.
 8889 must notify the corporation on the form provided pursuant to s.
 8890 607.1322(1) of that shareholder's estimate of the fair value of
 8891 the shares and demand payment of that estimate plus accrued
 8892 interest.

8893 (2) A shareholder who fails to notify the corporation in
 8894 writing of that shareholder's demand to be paid the
 8895 shareholder's stated estimate of the fair value plus accrued
 8896 interest under subsection (1) within the timeframe set forth in
 8897 s. 607.1322(2)(b)2. waives the right to demand payment under
 8898 this section and shall be entitled only to the payment offered
 8899 by the corporation pursuant to s. 607.1322(2)(b)4.

8900 Section 169. Subsections (1), (2), (5), and (6) of section
 8901 607.1330, Florida Statutes, are amended to read:

8902 607.1330 Court action.—

8903 (1) If a shareholder makes demand for payment under s.

Page 307 of 458

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590-03467A-19

2019892c2

8904 607.1326 which remains unsettled, the corporation shall commence
 8905 a proceeding within 60 days after receiving the payment demand
 8906 and petition the court to determine the fair value of the shares
 8907 and accrued interest from the date of the corporate action. If
 8908 the corporation does not commence the proceeding within the 60-
 8909 day period, any shareholder who has made a demand pursuant to s.
 8910 607.1326 may commence the proceeding in the name of the
 8911 corporation.

8912 (2) The proceeding shall be commenced in the circuit court
 8913 in the applicable county. If by virtue of the corporate action
 8914 becoming effective the entity has become a foreign eligible
 8915 entity appropriate court of the county in which the
 8916 corporation's principal office, or, if none, its registered
 8917 office, in this state is located. If the corporation is a
 8918 foreign corporation without a registered office in this state,
 8919 the proceeding shall be commenced in the county in this state in
 8920 which the principal office or registered office of the domestic
 8921 corporation merged with the foreign eligible entity corporation
 8922 was located immediately before the time the corporate action
 8923 became effective. If such entity has, and immediately before the
 8924 corporate action became effective had, no principal or
 8925 registered office in this state, then the proceeding shall be
 8926 commenced in the county in this state in which the corporation
 8927 has, or immediately before the time the corporate action became
 8928 effective had, an office in this state. If such entity has, or
 8929 immediately before the time the corporate action became
 8930 effective had, no office in this state, the proceeding shall be
 8931 commenced in the county in which the corporation's registered
 8932 office is or was last located at the time of the transaction.

Page 308 of 458

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590-03467A-19

2019892c2

8933 (5) Each shareholder made a party to the proceeding is
8934 entitled to judgment for the amount of the fair value of such
8935 shareholder's shares, plus accrued interest, as found by the
8936 court.

8937 (6) The corporation shall pay each such shareholder the
8938 amount found to be due within 10 days after final determination
8939 of the proceedings. Upon payment of the judgment, the
8940 shareholder shall cease to have any rights to receive any
8941 further consideration with respect to such shares other than any
8942 amounts ordered to be paid for court costs and attorney fees
8943 under s. 607.1331 interest in the shares.

8944 Section 170. Subsection (4) of section 607.1331, Florida
8945 Statutes, is amended to read:

8946 607.1331 Court costs and counsel fees.—

8947 (4) To the extent the corporation fails to make a required
8948 payment pursuant to s. 607.1324, the shareholder may sue
8949 directly for the amount owed and, to the extent successful,
8950 shall be entitled to recover from the corporation all costs and
8951 expenses of the suit, including attorney counsel fees.

8952 Section 171. Section 607.1332, Florida Statutes, is amended
8953 to read:

8954 607.1332 Disposition of acquired shares.—Shares acquired by
8955 a corporation pursuant to payment of the agreed value thereof or
8956 pursuant to payment of the judgment entered therefor, as
8957 provided in this chapter, may be held and disposed of by such
8958 corporation as authorized but unissued shares of the
8959 corporation, except that, in the case of a merger or share
8960 exchange, they may be held and disposed of as the plan of merger
8961 or share exchange otherwise provides. The shares of the survivor

Page 309 of 458

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590-03467A-19

2019892c2

8962 ~~surviving corporation~~ into which the shares of such shareholders
8963 demanding appraisal rights would have been converted had they
8964 assented to the merger shall have the status of authorized but
8965 unissued shares of the survivor ~~surviving corporation~~.

8966 Section 172. Subsection (1) of section 607.1333, Florida
8967 Statutes, is amended to read:

8968 607.1333 Limitation on corporate payment.—

8969 (1) No payment shall be made to a shareholder seeking
8970 appraisal rights if, at the time of payment, the corporation is
8971 unable to meet the distribution standards of s. 607.06401. In
8972 such event, the shareholder shall, at the shareholder's option:

8973 (a) Withdraw his or her notice of intent to assert
8974 appraisal rights, which shall in such event be deemed withdrawn
8975 with the consent of the corporation; or

8976 (b) Retain his or her status as a claimant against the
8977 corporation and, if it is liquidated, be subordinated to the
8978 rights of creditors of the corporation, but have rights superior
8979 to the shareholders not asserting appraisal rights, and if the
8980 corporation ~~it~~ is not liquidated, retain his or her right to be
8981 paid for the shares, which right the corporation shall be
8982 obliged to satisfy when the restrictions of this section do not
8983 apply.

8984 Section 173. Section 607.1340, Florida Statutes, is created
8985 to read:

8986 607.1340 Other remedies limited.—

8987 (1) A shareholder entitled to appraisal rights under this
8988 chapter may not challenge a completed corporate action for which
8989 appraisal rights are available unless such corporate action was
8990 either:

Page 310 of 458

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590-03467A-19

2019892c2

8991 (a) Not authorized and approved in accordance with the
 8992 applicable provisions of this chapter;
 8993 (b) Procured as a result of fraud, a material
 8994 misrepresentation, or an omission of a material fact necessary
 8995 to make statements made, in light of the circumstances in which
 8996 they were made, not misleading.
 8997 (2) Nothing in this section operates to override or
 8998 supersede the provisions of s. 607.0832.
 8999 Section 174. Section 607.1401, Florida Statutes, is amended
 9000 to read:
 9001 607.1401 Dissolution by incorporators or directors.—If a
 9002 corporation has not yet issued shares, its board of directors,
 9003 or a majority of incorporators if it has no board of directors,
 9004 A majority of the incorporators or directors of a corporation
 9005 that has not issued shares or has not commenced business may
 9006 dissolve the corporation by delivering to the department of
 9007 State for filing articles of dissolution that must set forth:
 9008 (1) The name of the corporation;
 9009 (2) The date of its incorporation ~~filing of its articles of~~
 9010 ~~incorporation;~~
 9011 (3) ~~Either.~~
 9012 ~~(a) That none of the corporation's shares have been issued,~~
 9013 ~~or~~
 9014 ~~(b) That the corporation has not commenced business;~~
 9015 (4) That no debt of the corporation remains unpaid;
 9016 (5) That the net assets of the corporation remaining after
 9017 winding up, if any, have been distributed to the shareholders,
 9018 if shares were issued; and
 9019 (6) That a majority of the incorporators or directors

Page 311 of 458

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590-03467A-19

2019892c2

9020 authorized the dissolution.
 9021 Section 175. Subsections (1) through (5) of section
 9022 607.1402, Florida Statutes, are amended to read:
 9023 607.1402 Dissolution by board of directors and
 9024 shareholders; dissolution by written consent of shareholders.—
 9025 (1) A corporation's board of directors may propose
 9026 dissolution for submission to the shareholders by first adopting
 9027 a resolution authorizing the dissolution.
 9028 (2) (a) For a proposal to dissolve to be adopted, it must be
 9029 approved by the shareholders pursuant to subsection (5).
 9030 (b) In submitting the proposal to dissolve to the
 9031 shareholders for approval, ~~+~~
 9032 ~~(a)~~ the board of directors must recommend that dissolution
 9033 ~~to~~ the shareholders approve the dissolution, unless:
 9034 1. The board of directors determines that because of
 9035 conflict of interest or other special circumstances it should
 9036 make no recommendation; or
 9037 2. Section 607.0826 applies.
 9038 (c) If either subparagraph (b)1. or subparagraph (b)2.
 9039 applies, the board must inform the shareholders of the basis for
 9040 its so proceeding without such recommendation and communicates
 9041 the basis for its determination to the shareholders; and
 9042 ~~(b) The shareholders entitled to vote must approve the~~
 9043 ~~proposal to dissolve as provided in subsection (5).~~
 9044 (3) The board of directors may set conditions for the
 9045 approval ~~condition its submission~~ of the proposal for
 9046 dissolution by shareholders or for the effectiveness of the
 9047 dissolution on any basis.
 9048 (4) If the approval of the shareholders is to be given at a

Page 312 of 458

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590-03467A-19

2019892c2

9049 meeting, the corporation shall notify, in accordance with s.
 9050 607.0705, each shareholder of record, regardless of whether or
 9051 ~~not~~ entitled to vote, of the meeting of shareholders at which
 9052 the dissolution is to be submitted for approval proposed
 9053 ~~shareholders' meeting in accordance with s. 607.0705.~~ The notice
 9054 must also state that the purpose, or one of the purposes, of the
 9055 meeting is to consider dissolving the corporation.

9056 (5) Unless the articles of incorporation or the board of
 9057 directors (acting pursuant to subsection (3)) require a greater
 9058 vote or a vote by voting groups, the proposal to dissolve to be
 9059 adopted must be approved by a majority of all the votes entitled
 9060 to be cast on the proposal to dissolve that proposal.

9061 Section 176. Section 607.1403, Florida Statutes, is amended
 9062 to read:

9063 607.1403 Articles of dissolution.—

9064 (1) At any time after dissolution is authorized, the
 9065 corporation may dissolve by delivering to the department of
 9066 ~~State~~ for filing articles of dissolution which must shall be
 9067 signed executed in accordance with s. 607.0120 and which must
 9068 ~~shall~~ set forth:

9069 (a) The name of the corporation;

9070 (b) The date dissolution was authorized;

9071 (c) If dissolution was approved by the shareholders, a
 9072 statement that the proposal to dissolve was duly approved by the
 9073 shareholders in the manner required by this chapter and by the
 9074 articles of incorporation ~~number cast for dissolution by the~~
 9075 ~~shareholders was sufficient for approval.~~

9076 ~~(d) If dissolution was approved by the shareholders and if~~
 9077 ~~voting by voting groups was required, a statement that the~~

Page 313 of 458

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590-03467A-19

2019892c2

9078 ~~number cast for dissolution by the shareholders was sufficient~~
 9079 ~~for approval must be separately provided for each voting group~~
 9080 ~~entitled to vote separately on the plan to dissolve.~~

9081 (2) The articles of dissolution shall take effect at the
 9082 effective date determined pursuant to s. 607.0123. A corporation
 9083 is dissolved upon the effective date of its articles of
 9084 dissolution.

9085 (3) For purposes of ss. 607.1401-607.1410, "dissolved
 9086 corporation" means a corporation whose articles of dissolution
 9087 have become effective and includes a successor entity. Further,
 9088 for the purposes of this subsection, the term "successor entity"
 9089 includes a trust, receivership, or other legal entity governed
 9090 by the laws of this state to which the remaining assets and
 9091 liabilities of a dissolved corporation are transferred and which
 9092 exists solely for the purposes of prosecuting and defending
 9093 suits by or against the dissolved corporation, thereby enabling
 9094 the dissolved corporation to settle and close the business of
 9095 the dissolved corporation, to dispose of and convey the property
 9096 of the dissolved corporation, to discharge the liabilities of
 9097 the dissolved corporation, and to distribute to the dissolved
 9098 corporation's shareholders any remaining assets, but not for the
 9099 purpose of continuing the activities and affairs for which the
 9100 dissolved corporation was organized.

9101 Section 177. Subsection (3) of section 607.1404, Florida
 9102 Statutes, is amended to read:

9103 607.1404 Revocation of dissolution.—

9104 (3) After the revocation of dissolution is authorized, the
 9105 corporation may revoke the dissolution by delivering to the
 9106 department, within the 120-day period following the effective

Page 314 of 458

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590-03467A-19

2019892c2

9107 ~~date of the articles of dissolution, of State~~ for filing
 9108 articles of revocation of dissolution, together with a copy of
 9109 its articles of dissolution, that set forth:

9110 (a) The name of the corporation;

9111 (b) The effective date of the dissolution that was revoked;

9112 (c) The date that the revocation of dissolution was
 9113 authorized;

9114 (d) If the corporation's board of directors or
 9115 incorporators revoked the dissolution, a statement to that
 9116 effect;

9117 (e) If the corporation's board of directors revoked a
 9118 dissolution authorized by the shareholders, a statement that
 9119 revocation was permitted by action by the board of directors
 9120 alone pursuant to that authorization; and

9121 (f) If shareholder action was required to revoke the
 9122 dissolution, a statement that the revocation was authorized by
 9123 the shareholders in the manner required by this chapter and by
 9124 the articles of incorporation the information required by s.
 9125 607.1403(1)(e) or (d).

9126 Section 178. Section 607.1405, Florida Statutes, is amended
 9127 to read:

9128 607.1405 Effect of dissolution.—

9129 (1) A ~~dissolved~~ corporation that has dissolved continues
 9130 its corporate existence but the dissolved corporation may not
 9131 carry on any business except that appropriate to wind up and
 9132 liquidate its business and affairs, including:

9133 (a) Collecting its assets;

9134 (b) Disposing of its properties that will not be
 9135 distributed in kind to its shareholders;

Page 315 of 458

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590-03467A-19

2019892c2

9136 (c) Discharging or making provision for discharging its
 9137 liabilities;

9138 (d) Making distributions of its remaining assets
 9139 ~~Distributing its remaining property~~ among its shareholders
 9140 according to their interests; and

9141 (e) Doing every other act necessary to wind up and
 9142 liquidate its business and affairs.

9143 (2) Dissolution of a corporation does not:

9144 (a) Transfer title to the corporation's property;

9145 (b) Prevent transfer of its shares or securities, ~~although~~
 9146 ~~the authorization to dissolve may provide for closing the~~
 9147 ~~corporation's share transfer records;~~

9148 (c) Subject its directors or officers to standards of
 9149 conduct different from those prescribed in ss. 607.0801-607.0859
 9150 ~~ss. 607.0801-607.0850~~ except as provided in s. 607.1421(4);

9151 (d) Change quorum or voting requirements for its board of
 9152 directors or shareholders; change provisions for selection,
 9153 resignation, or removal of its directors or officers or both; or
 9154 change provisions for amending its bylaws;

9155 (e) Prevent commencement of a proceeding by or against the
 9156 corporation in its corporate name;

9157 (f) Abate or suspend a proceeding pending by or against the
 9158 corporation on the effective date of dissolution; or

9159 (g) Terminate the authority of the registered agent of the
 9160 corporation.

9161 (3) A distribution in liquidation under this section may
 9162 only be made by a dissolved corporation. For purposes of
 9163 determining the shareholders entitled to receive a distribution
 9164 in liquidation, the board of directors may fix a record date for

Page 316 of 458

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590-03467A-19

2019892c2

9165 determining shareholders entitled to a distribution in
 9166 liquidation, which date may not be retroactive. If the board of
 9167 directors does not fix a record date for determining
 9168 shareholders entitled to a distribution in liquidation, the
 9169 record date is the date the board of directors authorizes the
 9170 distribution in liquidation.

9171 (4) The directors, officers, and agents of a corporation
 9172 dissolved pursuant to s. 607.1403 shall not incur any personal
 9173 liability thereby by reason of their status as directors,
 9174 officers, and agents of a dissolved corporation, as
 9175 distinguished from a corporation which is not dissolved.

9176 (5)(4) The name of a dissolved corporation is not shall not
 9177 be available for assumption or use by another eligible entity
 9178 until 1 year corporation until 120 days after the effective date
 9179 of dissolution unless the dissolved corporation provides the
 9180 department of State with a record an affidavit, signed as
 9181 required by executed pursuant to s. 607.0120, permitting the
 9182 immediate assumption or use of the name by another eligible
 9183 entity corporation.

9184 (6)(5) For purposes of this section, the circuit court may
 9185 appoint a trustee, custodian, or receiver for any property owned
 9186 or acquired by the corporation who may engage in any act
 9187 permitted under subsection (1) if any director or officer of the
 9188 dissolved corporation is unwilling or unable to serve or cannot
 9189 be located.

9190 Section 179. Section 607.1406, Florida Statutes, is amended
 9191 to read:

9192 607.1406 Known claims against dissolved corporation.—

9193 (1) A dissolved corporation may dispose of the known claims

Page 317 of 458

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590-03467A-19

2019892c2

9194 against it by giving written notice that satisfies the
 9195 requirements of subsection (2) to its known claimants at any
 9196 time after the effective date of the dissolution, but no later
 9197 than the date that is 270 days before the date which is 3 years
 9198 after the effective date of the dissolution.

9199 (2) The written notice must:

9200 (a) State the name of the corporation that is the subject
 9201 of the dissolution;

9202 (b) State that the corporation is the subject of a
 9203 dissolution and the effective date of the dissolution;

9204 (c) Specify the information that must be included in a
 9205 claim;

9206 (d) State that a claim must be in writing and provide a
 9207 mailing address where a claim may be sent;

9208 (e) State the deadline, which may not be fewer than 120
 9209 days after the date the written notice is received by the
 9210 claimant, by which the dissolved corporation must receive the
 9211 claim;

9212 (f) State that the claim will be barred if not received by
 9213 the deadline;

9214 (g) State that the dissolved corporation may make
 9215 distributions thereafter to other claimants and to the dissolved
 9216 corporation's shareholders or persons interested without further
 9217 notice; and

9218 (h) Be accompanied by a copy of ss. 607.1405-607.1410.

9219 (3) A dissolved corporation may reject, in whole or in
 9220 part, a claim submitted by a claimant and received prior to the
 9221 deadline specified in the written notice given pursuant to
 9222 subsections (1) and (2) by mailing notice of the rejection to

Page 318 of 458

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590-03467A-19

2019892c2

9223 the claimant on or before the date that is the earlier of 90
 9224 days after the dissolved corporation receives the claim or the
 9225 date that is 150 days before the date which is 3 years after the
 9226 effective date of the dissolution. A rejection notice sent by
 9227 the dissolved corporation pursuant to this subsection must state
 9228 that the claim will be barred unless the claimant, not later
 9229 than 120 days after the claimant receives the rejection notice,
 9230 commences an action in the circuit court in the applicable
 9231 county against the dissolved corporation to enforce the claim.

9232 (4) A claim against the dissolved corporation is barred:

9233 (a) If a claimant who was given written notice pursuant to
 9234 subsections (1) and (2) does not deliver the claim to the
 9235 dissolved corporation by the specified deadline; or

9236 (b) If the claim was timely received by the dissolved
 9237 corporation but was timely rejected by the dissolved corporation
 9238 under subsection (3) and the claimant does not commence the
 9239 required action in the applicable county within 120 days after
 9240 the claimant receives the rejection notice.

9241 (5) (a) For purposes of this section, "known claims" means
 9242 any claim or liability that, as of the date of the giving of the
 9243 written notice contemplated by subsections (1) and (2):

9244 1. Has matured sufficiently on or prior to the effective
 9245 date of the dissolution to be legally capable of assertion
 9246 against the dissolved corporation; or

9247 2. Is unmatured as of the effective date of the dissolution
 9248 but will mature in the future solely based on the passage of
 9249 time.

9250 (b) The term "known claims" does not include a claim based
 9251 on an event occurring after the effective date of the

590-03467A-19

2019892c2

9252 dissolution or a claim that is a contingent claim.

9253 (6) The giving of any notice pursuant to this section does
 9254 not revive any claim then barred or constitute acknowledgment by
 9255 the dissolved corporation that any person to whom such notice is
 9256 sent is a proper claimant and does not operate as a waiver of
 9257 any defense or counterclaim in respect of any claim asserted by
 9258 any person to whom such notice is sent.

9259 ~~(1) A dissolved corporation or successor entity, as defined~~
 9260 ~~in subsection (15), may dispose of the known claims against it~~
 9261 ~~by following the procedures described in subsections (2), (3),~~
 9262 ~~and (4).~~

9263 ~~(2) The dissolved corporation or successor entity shall~~
 9264 ~~deliver to each of its known claimants written notice of the~~
 9265 ~~dissolution at any time after its effective date. The written~~
 9266 ~~notice shall:~~

9267 ~~(a) Provide a reasonable description of the claim that the~~
 9268 ~~claimant may be entitled to assert;~~

9269 ~~(b) State whether the claim is admitted or not admitted, in~~
 9270 ~~whole or in part, and, if admitted:~~

9271 ~~1. The amount that is admitted, which may be as of a given~~
 9272 ~~date; and~~

9273 ~~2. Any interest obligation if fixed by an instrument of~~
 9274 ~~indebtedness;~~

9275 ~~(c) Provide a mailing address where a claim may be sent;~~

9276 ~~(d) State the deadline, which may not be fewer than 120~~
 9277 ~~days after the effective date of the written notice, by which~~
 9278 ~~confirmation of the claim must be delivered to the dissolved~~
 9279 ~~corporation or successor entity; and~~

9280 ~~(e) State that the corporation or successor entity may make~~

590-03467A-19

2019892c2

9281 ~~distributions thereafter to other claimants and the~~
 9282 ~~corporation's shareholders or persons interested as having been~~
 9283 ~~such without further notice.~~

9284 ~~(3) A dissolved corporation or successor entity may reject,~~
 9285 ~~in whole or in part, any claim made by a claimant pursuant to~~
 9286 ~~this subsection by mailing notice of such rejection to the~~
 9287 ~~claimant within 90 days after receipt of such claim and, in all~~
 9288 ~~events, at least 150 days before expiration of 3 years following~~
 9289 ~~the effective date of dissolution. A notice sent by the~~
 9290 ~~dissolved corporation or successor entity pursuant to this~~
 9291 ~~subsection shall be accompanied by a copy of this section.~~

9292 ~~(4) A dissolved corporation or successor entity electing to~~
 9293 ~~follow the procedures described in subsections (2) and (3) shall~~
 9294 ~~also give notice of the dissolution of the corporation to~~
 9295 ~~persons with known claims, that are contingent upon the~~
 9296 ~~occurrence or nonoccurrence of future events or otherwise~~
 9297 ~~conditional or unmaturred, and request that such persons present~~
 9298 ~~such claims in accordance with the terms of such notice. Such~~
 9299 ~~notice shall be in substantially the same form, and sent in the~~
 9300 ~~same manner, as described in subsection (2).~~

9301 ~~(5) A dissolved corporation or successor entity shall offer~~
 9302 ~~any claimant whose known claim is contingent, conditional, or~~
 9303 ~~unmaturred such security as the corporation or such entity~~
 9304 ~~determines is sufficient to provide compensation to the claimant~~
 9305 ~~if the claim matures. The dissolved corporation or successor~~
 9306 ~~entity shall deliver such offer to the claimant within 90 days~~
 9307 ~~after receipt of such claim and, in all events, at least 150~~
 9308 ~~days before expiration of 3 years following the effective date~~
 9309 ~~of dissolution. If the claimant offered such security does not~~

Page 321 of 458

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590-03467A-19

2019892c2

9310 ~~deliver in writing to the dissolved corporation or successor~~
 9311 ~~entity a notice rejecting the offer within 120 days after~~
 9312 ~~receipt of such offer for security, the claimant is deemed to~~
 9313 ~~have accepted such security as the sole source from which to~~
 9314 ~~satisfy his or her claim against the corporation.~~

9315 ~~(6) A dissolved corporation or successor entity which has~~
 9316 ~~given notice in accordance with subsections (2) and (4) shall~~
 9317 ~~petition the circuit court in the county where the corporation's~~
 9318 ~~principal office is located or was located at the effective date~~
 9319 ~~of dissolution to determine the amount and form of security that~~
 9320 ~~will be sufficient to provide compensation to any claimant who~~
 9321 ~~has rejected the offer for security made pursuant to subsection~~
 9322 ~~(5).~~

9323 ~~(7) A dissolved corporation or successor entity which has~~
 9324 ~~given notice in accordance with subsection (2) shall petition~~
 9325 ~~the circuit court in the county where the corporation's~~
 9326 ~~principal office is located or was located at the effective date~~
 9327 ~~of dissolution to determine the amount and form of security~~
 9328 ~~which will be sufficient to provide compensation to claimants~~
 9329 ~~whose claims are known to the corporation or successor entity~~
 9330 ~~but whose identities are unknown. The court shall appoint a~~
 9331 ~~guardian ad litem to represent all claimants whose identities~~
 9332 ~~are unknown in any proceeding brought under this subsection. The~~
 9333 ~~reasonable fees and expenses of such guardian, including all~~
 9334 ~~reasonable expert witness fees, shall be paid by the petitioner~~
 9335 ~~in such proceeding.~~

9336 ~~(8) The giving of any notice or making of any offer~~
 9337 ~~pursuant to the provisions of this section shall not revive any~~
 9338 ~~claim then barred or constitute acknowledgment by the dissolved~~

Page 322 of 458

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590-03467A-19

2019892c2

9339 ~~corporation or successor entity that any person to whom such~~
 9340 ~~notice is sent is a proper claimant and shall not operate as a~~
 9341 ~~waiver of any defense or counterclaim in respect of any claim~~
 9342 ~~asserted by any person to whom such notice is sent.~~

9343 ~~(9) A dissolved corporation or successor entity which has~~
 9344 ~~followed the procedures described in subsections (2) (7):~~

9345 ~~(a) Shall pay the claims admitted or made and not rejected~~
 9346 ~~in accordance with subsection (3);~~

9347 ~~(b) Shall post the security offered and not rejected~~
 9348 ~~pursuant to subsection (5);~~

9349 ~~(c) Shall post any security ordered by the circuit court in~~
 9350 ~~any proceeding under subsections (6) and (7); and~~

9351 ~~(d) Shall pay or make provision for all other known~~
 9352 ~~obligations of the corporation or such successor entity.~~

9353

9354 ~~Such claims or obligations shall be paid in full, and any such~~
 9355 ~~provision for payments shall be made in full if there are~~
 9356 ~~sufficient funds. If there are insufficient funds, such claims~~
 9357 ~~and obligations shall be paid or provided for according to their~~
 9358 ~~priority and, among claims of equal priority, ratably to the~~
 9359 ~~extent of funds legally available therefor. Any remaining funds~~
 9360 ~~shall be distributed to the shareholders of the dissolved~~
 9361 ~~corporation; however, such distribution may not be made before~~
 9362 ~~the expiration of 150 days from the date of the last notice of~~
 9363 ~~rejections given pursuant to subsection (3). In the absence of~~
 9364 ~~actual fraud, the judgment of the directors of the dissolved~~
 9365 ~~corporation or the governing persons of such successor entity as~~
 9366 ~~to the provisions made for the payment of all obligations under~~
 9367 ~~paragraph (d) is conclusive.~~

Page 323 of 458

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590-03467A-19

2019892c2

9368 ~~(10) A dissolved corporation or successor entity which has~~
 9369 ~~not followed the procedures described in subsections (2) and (3)~~
 9370 ~~shall pay or make reasonable provision to pay all known claims~~
 9371 ~~and obligations, including all contingent, conditional, or~~
 9372 ~~unmatured claims known to the corporation or such successor~~
 9373 ~~entity and all claims which are known to the dissolved~~
 9374 ~~corporation or such successor entity but for which the identity~~
 9375 ~~of the claimant is unknown. Such claims shall be paid in full,~~
 9376 ~~and any such provision for payment made shall be made in full if~~
 9377 ~~there are sufficient funds. If there are insufficient funds,~~
 9378 ~~such claims and obligations shall be paid or provided for~~
 9379 ~~according to their priority and, among claims of equal priority,~~
 9380 ~~ratably to the extent of funds legally available therefor. Any~~
 9381 ~~remaining funds shall be distributed to the shareholders of the~~
 9382 ~~dissolved corporation.~~

9383 ~~(11) Directors of a dissolved corporation or governing~~
 9384 ~~persons of a successor entity which has complied with subsection~~
 9385 ~~(9) or subsection (10) are not personally liable to the~~
 9386 ~~claimants of the dissolved corporation.~~

9387 ~~(12) A shareholder of a dissolved corporation the assets of~~
 9388 ~~which were distributed pursuant to subsection (9) or subsection~~
 9389 ~~(10) is not liable for any claim against the corporation in an~~
 9390 ~~amount in excess of such shareholder's pro rata share of the~~
 9391 ~~claim or the amount distributed to the shareholder, whichever is~~
 9392 ~~less.~~

9393 ~~(13) A shareholder of a dissolved corporation, the assets~~
 9394 ~~of which were distributed pursuant to subsection (9), is not~~
 9395 ~~liable for any claim against the corporation, which claim is~~
 9396 ~~known to the corporation or successor entity, on which a~~

Page 324 of 458

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590-03467A-19

2019892c2

9397 proceeding is not begun prior to the expiration of 3 years
9398 following the effective date of dissolution.

9399 ~~(14) The aggregate liability of any shareholder of a~~
9400 ~~dissolved corporation for claims against the dissolved~~
9401 ~~corporation arising under this section, s. 607.1407, or~~
9402 ~~otherwise, may not exceed the amount distributed to the~~
9403 ~~shareholder in dissolution.~~

9404 ~~(15) As used in this section or s. 607.1407, the term~~
9405 ~~"successor entity" includes any trust, receivership, or other~~
9406 ~~legal entity governed by the laws of this state to which the~~
9407 ~~remaining assets and liabilities of a dissolved corporation are~~
9408 ~~transferred and which exists solely for the purposes of~~
9409 ~~prosecuting and defending suits by or against the dissolved~~
9410 ~~corporation, enabling the dissolved corporation to settle and~~
9411 ~~close the business of the dissolved corporation, to dispose of~~
9412 ~~and convey the property of the dissolved corporation, to~~
9413 ~~discharge the liabilities of the dissolved corporation, and to~~
9414 ~~distribute to the dissolved corporation's shareholders any~~
9415 ~~remaining assets, but not for the purpose of continuing the~~
9416 ~~business for which the dissolved corporation was organized.~~

9417 Section 180. Section 607.1407, Florida Statutes, is amended
9418 to read:

9419 607.1407 Other Unknown claims against dissolved
9420 corporation.—

9421 (1) A dissolved corporation ~~or successor entity, as defined~~
9422 ~~in s. 607.1406(15),~~ may choose to execute one of the following
9423 procedures to resolve any claims other than known payment of
9424 unknown claims:-

9425 (a)(1) A dissolved corporation ~~or successor entity~~ may file

Page 325 of 458

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590-03467A-19

2019892c2

9426 notice of its dissolution with the department ~~of State~~ on the
9427 form prescribed by the department ~~of State~~ and request that
9428 persons with claims against the corporation which are not known
9429 to the ~~dissolved~~ corporation ~~or successor entity~~ present them in
9430 accordance with the notice. The notice must shall:

9431 1.(a) State the name of the corporation that is the subject
9432 of the and the date of dissolution;

9433 2.(b) State that the corporation is the subject of a
9434 dissolution and the effective date of the dissolution Describe
9435 the information that must be included in a claim and provide a
9436 mailing address to which the claim may be sent; and

9437 3. Specify the information that must be included in a
9438 claim;

9439 4. State that a claim must be in writing and provide a
9440 mailing address where a claim may be sent; and

9441 5.(e) State that a claim against the corporation under this
9442 subsection will be barred unless a proceeding to enforce the
9443 claim is commenced within 4 years after the filing of the
9444 notice.

9445 (b)(2) A dissolved corporation ~~or successor entity~~ may,
9446 within 10 days after filing articles of dissolution with the
9447 department ~~of State~~, publish a "Notice of Corporate
9448 Dissolution." The notice shall appear once a week for 2
9449 consecutive weeks in a newspaper of general circulation in a
9450 county in the state in which the corporation has its principal
9451 office, if any, or, if none, in a county in the state in which
9452 the corporation owns real or personal property. Such newspaper
9453 shall meet the requirements as are prescribed by law for such
9454 purposes. The notice must shall:

Page 326 of 458

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590-03467A-19

2019892c2

9455 1. State the name of the corporation that is the subject of
 9456 the dissolution;

9457 2. State that the corporation is the subject of a
 9458 dissolution and the effective date of the dissolution;

9459 3. Specify the information that must be included in the
 9460 claim;

9461 4. State that a claim must be in writing and provide a
 9462 mailing address where a claim may be sent; and

9463 5. State that a claim against the corporation under this
 9464 subsection will be barred unless a proceeding to enforce the
 9465 claim is commenced within 4 years after the date of the second
 9466 consecutive weekly publication of the notice authorized by this
 9467 section.

9468 ~~(a) State the name of the corporation and the date of~~
 9469 ~~dissolution;~~

9470 ~~(b) Describe the information that must be included in a~~
 9471 ~~claim and provide a mailing address to which the claim may be~~
 9472 ~~sent; and~~

9473 ~~(c) State that a claim against the corporation under this~~
 9474 ~~subsection will be barred unless a proceeding to enforce the~~
 9475 ~~claim is commenced within 4 years after the date of the second~~
 9476 ~~consecutive weekly publication of the notice authorized by this~~
 9477 ~~section.~~

9478 (2)(3) If the dissolved corporation or successor entity
 9479 complies with paragraph (1)(a) or paragraph (1)(b) subsection
 9480 (1) or subsection (2), unless sooner barred by another statute
 9481 limiting actions, the claim of each of the following claimants
 9482 with known or other claims is barred unless the claimant
 9483 commences a proceeding to enforce the claim against the

Page 327 of 458

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590-03467A-19

2019892c2

9484 dissolved corporation within 4 years after the date of filing
 9485 the notice with the department ~~of State~~ or the date of the
 9486 second consecutive weekly publication, as applicable:

9487 (a) A claimant who did not receive written notice under s.
 9488 ~~607.1406 s. 607.1406(9), or whose claim was not provided for~~
 9489 ~~under s. 607.1406(10), whether such claim is based on an event~~
 9490 ~~occurring before or after the effective date of dissolution.~~

9491 (b) A claimant whose claim was timely sent to the dissolved
 9492 corporation but on which no action was taken by the dissolved
 9493 corporation.

9494 (c) A claimant whose claim is not a known claim under s.
 9495 607.1406(5).

9496 ~~(4) A claim may be entered under this section:~~

9497 ~~(a) Against the dissolved corporation, to the extent of its~~
 9498 ~~undistributed assets; or~~

9499 ~~(b) If the assets have been distributed in liquidation,~~
 9500 ~~against a shareholder of the dissolved corporation to the extent~~
 9501 ~~of such shareholder's pro rata share of the claim or the~~
 9502 ~~corporate assets distributed to such shareholder in liquidation,~~
 9503 ~~whichever is less, provided that the aggregate liability of any~~
 9504 ~~shareholder of a dissolved corporation arising under this~~
 9505 ~~section, s. 607.1406, or otherwise may not exceed the amount~~
 9506 ~~distributed to the shareholder in dissolution.~~

9507 (3) Nothing in this section shall preclude or relieve the
 9508 corporation from its notification to claimants otherwise set
 9509 forth in this chapter.

9510 Section 181. Section 607.1408, Florida Statutes, is created
 9511 to read:
 9512 607.1408 Claims against dissolved corporations;

Page 328 of 458

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590-03467A-19 2019892c2

9513 enforcement.—A claim that is not barred by s. 607.1406(4), by s.
 9514 607.1407(2), or by another statute limiting actions may be
 9515 enforced:

9516 (1) Against the dissolved corporation, to the extent of its
 9517 undistributed assets; or

9518 (2) Except as provided in s. 607.1409(4), if the assets
 9519 have been distributed in liquidation, against a shareholder of
 9520 the dissolved corporation to the extent of the shareholder's pro
 9521 rata share of the claim or the corporate assets distributed to
 9522 the shareholder in liquidation, whichever is less, provided that
 9523 the aggregate liability of any shareholder of a dissolved
 9524 corporation arising under s. 607.1406, under s. 607.1407, or
 9525 otherwise may not exceed the total amount of assets distributed
 9526 to the shareholder in dissolution.

9527 Section 182. Section 607.1409, Florida Statutes, is created
 9528 to read:

9529 607.1409 Court proceedings.—

9530 (1) A dissolved corporation that has filed a notice under
 9531 s. 607.1407(1)(a) or published a notice under s. 607.1407(1)(b)
 9532 may file an application with the circuit court in the applicable
 9533 county for a determination of the amount and form of security to
 9534 be provided for payment of claims that are contingent or have
 9535 not been made known to the dissolved corporation or that are
 9536 based on an event occurring after the effective date of
 9537 dissolution but that, based on the facts known to the dissolved
 9538 corporation, are reasonably estimated to arise after the
 9539 effective date of dissolution. Provision need not be made for
 9540 any claim that is or is reasonably anticipated to be barred
 9541 under s. 607.1407(2).

Page 329 of 458

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590-03467A-19 2019892c2

9542 (2) Within 10 days after the filing of the application
 9543 under subsection (1), notice of the proceeding shall be given by
 9544 the dissolved corporation to each claimant holding a contingent
 9545 claim whose identity and contingent claim is known to the
 9546 dissolved corporation. Such notice shall be accompanied by a
 9547 copy of ss. 607.1405-607.1410.

9548 (3) In any proceeding under this section, the court may
 9549 appoint a guardian ad litem to represent all claimants whose
 9550 identities are unknown. The reasonable fees and expenses of such
 9551 guardian, including all reasonable expert witness fees, shall be
 9552 paid by the dissolved corporation.

9553 (4) Provision by the dissolved corporation for security in
 9554 the amount and the form ordered by the court under subsection
 9555 (1) shall satisfy the dissolved corporation's obligations with
 9556 respect to claims that are contingent, have not been made known
 9557 to the dissolved corporation or are based on an event occurring
 9558 after the effective date of dissolution, and such claims may not
 9559 be enforced against a shareholder who received assets in
 9560 liquidation.

9561 Section 183. Section 607.1410, Florida Statutes, is created
 9562 to read:

9563 607.1410 Director duties.—

9564 (1) Directors shall cause the dissolved corporation to
 9565 discharge or make reasonable provision for the payment of claims
 9566 and make distributions in liquidation of assets to shareholders
 9567 after payment or provision for claims.

9568 (2) Directors of a dissolved corporation that has disposed
 9569 of claims under s. 607.1406, s. 607.1407, or s. 607.1409 are not
 9570 liable to any claimant or shareholder for a breach of subsection

Page 330 of 458

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590-03467A-19

2019892c2

9571 (1) with respect to claims against the dissolved corporation
 9572 that are barred or satisfied in accordance with s. 607.1406, s.
 9573 607.1407, or s. 607.1409.

9574 Section 184. Section 607.1420, Florida Statutes, is amended
 9575 to read:

9576 607.1420 ~~Grounds for~~ Administrative dissolution.—

9577 (1) The department ~~may of State may commence a proceeding~~
 9578 ~~under s. 607.1421 to administratively~~ dissolve a corporation
 9579 administratively if the corporation does not:

9580 (a) Deliver its annual report to the department ~~The~~
 9581 ~~corporation has failed to file its annual report and pay the~~
 9582 ~~annual report filing fee by 5 p.m. Eastern Time on the third~~
 9583 ~~Friday in September of each year;~~

9584 (b) Pay a fee or penalty due to the department under this
 9585 chapter;

9586 (c) Appoint and maintain a registered agent and registered
 9587 office as required by s. 607.0501 ~~The corporation is without a~~
 9588 ~~registered agent or registered office in this state for 30 days~~
 9589 ~~or more;~~

9590 (d) ~~(e)~~ Deliver for filing a statement of change under s.
 9591 607.0502 within 30 days after a change has occurred in the name
 9592 or address of the agent unless, within 30 days after the change
 9593 occurred:

9594 1. The agent filed a statement of change pursuant to s.
 9595 607.05031; or

9596 2. The change was made in accordance with s. 607.0502(4)
 9597 ~~The corporation does not notify the Department of State within~~
 9598 ~~30 days that its registered agent or registered office has been~~
 9599 ~~changed, that its registered agent has resigned, or that its~~

590-03467A-19

2019892c2

9600 ~~registered office has been discontinued;~~

9601 (e) ~~(d)~~ The corporation has failed to answer truthfully and
 9602 fully, within the time prescribed by this chapter ~~act~~,
 9603 interrogatories propounded by the department ~~of State~~; or

9604 (f) ~~(e)~~ The corporation's period of duration stated in its
 9605 articles of incorporation expires ~~has expired~~.

9606 (2) Administrative dissolution of a corporation for failure
 9607 to file an annual report must occur on the fourth Friday in
 9608 September of each year. The department shall issue a notice in a
 9609 record of administrative dissolution to the corporation
 9610 dissolved for failure to file an annual report. Issuance of the
 9611 notice may be by electronic transmission to a corporation that
 9612 has provided the department with an e-mail address.

9613 (3) If the department determines that one or more grounds
 9614 exist for administratively dissolving a corporation under
 9615 paragraph (1) (b), paragraph (1) (c), or paragraph (1) (d), the
 9616 department shall serve notice in a record to the corporation of
 9617 its intent to administratively dissolve the corporation.
 9618 Issuance of the notice may be by electronic transmission to a
 9619 corporation that has provided the department with an e-mail
 9620 address.

9621 (4) If, within 60 days after sending the notice of intent
 9622 to administratively dissolve pursuant to subsection (3), a
 9623 corporation does not correct each ground for dissolution under
 9624 paragraph (1) (b), paragraph (1) (c), or paragraph (1) (d) or
 9625 demonstrate to the reasonable satisfaction of the department
 9626 that each ground determined by the department does not exist,
 9627 the department shall dissolve the corporation administratively
 9628 and issue to the corporation a notice in a record of

590-03467A-19

2019892c2

9629 administrative dissolution that states the grounds for
 9630 dissolution. Issuance of the notice of administrative
 9631 dissolution may be by electronic transmission to a corporation
 9632 that has provided the department with an e-mail address.

9633 (5) A corporation that has been administratively dissolved
 9634 continues in existence but may only carry on activities
 9635 necessary to wind up its activities and affairs, liquidate and
 9636 distribute its assets, and notify claimants under ss. 607.1405,
 9637 607.1406, and 607.1407.

9638 (6) The administrative dissolution of a corporation does
 9639 not terminate the authority of its registered agent for service
 9640 of process. The foregoing enumeration in subsection (1) of
 9641 grounds for administrative dissolution shall not exclude actions
 9642 or special proceedings by the Department of Legal Affairs or any
 9643 state officials for the annulment or dissolution of a
 9644 corporation for other causes as provided in any other statute of
 9645 this state.

9646 Section 185. Section 607.1421, Florida Statutes, is
 9647 repealed.

9648 Section 186. Section 607.1422, Florida Statutes, is amended
 9649 to read:

9650 607.1422 Reinstatement following administrative
 9651 dissolution.—

9652 (1) A corporation that is administratively dissolved under
 9653 s. 607.1420 or that was dissolved under s. 607.1421 before
 9654 January 1, 2020, ~~s. 607.1421~~ may apply to the department of
 9655 State for reinstatement at any time after the effective date of
 9656 dissolution. The corporation must submit all fees and penalties
 9657 then owed by the corporation at the rates provided by laws at

Page 333 of 458

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590-03467A-19

2019892c2

9658 the time the corporation applies for reinstatement, together
 9659 with an application for reinstatement prescribed and furnished
 9660 by the department, which is a ~~reinstatement form prescribed and~~
 9661 ~~furnished by the Department of State or a current uniform~~
 9662 ~~business report~~ signed by both the registered agent and an
 9663 officer or director of the corporation and states:

9664 (a) The name of the corporation;

9665 (b) The street address of the corporations' principal
 9666 office and mailing address;

9667 (c) The date of the corporation's organization;

9668 (d) The corporation's federal employer identification
 9669 number or, if none, whether one has been applied for;

9670 (e) The name, title or capacity, and address of at least
 9671 one officer or director of the corporation; and

9672 (f) Additional information that is necessary or appropriate
 9673 to enable the department to carry out this chapter.

9674 (2) In lieu of the requirement to file an application for
 9675 reinstatement as described in subsection (1), an
 9676 administratively dissolved corporation may submit all fees and
 9677 penalties owed by the corporation at the rates provided by law
 9678 at the time the corporation applies for reinstatement, together
 9679 with a current annual report, signed by both the registered
 9680 agent and an officer or director of the corporation, which
 9681 contains the information described in subsection (1).

9682 (3) If the department determines that an application for
 9683 reinstatement contains the information required under subsection
 9684 (1) or subsection (2) and that the information is correct, upon
 9685 payment of all required fees and penalties, the department shall
 9686 reinstate the corporation.

Page 334 of 458

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590-03467A-19

2019892c2

9687 (4) When reinstatement under this section becomes
 9688 effective:
 9689 (a) The reinstatement relates back to and takes effect as
 9690 of the effective date of the administrative dissolution.
 9691 (b) The corporation may operate as if the administrative
 9692 dissolution had never occurred.
 9693 (c) The rights of a person arising out of an act or
 9694 omission in reliance on the dissolution before the person knew
 9695 or had notice of the reinstatement are not affected and all fees
 9696 then owed by the corporation, computed at the rate provided by
 9697 law at the time the corporation applies for reinstatement.
 9698 (2) If the Department of State determines that the
 9699 application contains the information required by subsection (1)
 9700 and that the information is correct, it shall reinstate the
 9701 corporation.
 9702 (3) When the reinstatement is effective, it relates back to
 9703 and takes effect as of the effective date of the administrative
 9704 dissolution and the corporation resumes carrying on its business
 9705 as if the administrative dissolution had never occurred.
 9706 (5)(4) The name of the dissolved corporation is not shall
 9707 not be available for assumption or use by another eligible
 9708 entity corporation until 1 year after the effective date of
 9709 dissolution unless the dissolved corporation provides the
 9710 department of State with a record signed as required by an
 9711 affidavit executed as required by s. 607.0120 permitting the
 9712 immediate assumption or use of the name by another eligible
 9713 entity corporation.
 9714 (6)(5) If the name of the dissolved corporation has been
 9715 lawfully assumed in this state by another business entity, the

Page 335 of 458

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590-03467A-19

2019892c2

9716 ~~department corporation, the Department of State shall require~~
 9717 ~~the dissolved corporation to amend its articles of incorporation~~
 9718 ~~to change its name before accepting its application for~~
 9719 ~~reinstatement.~~
 9720 Section 187. Section 607.1423, Florida Statutes, is amended
 9721 to read:
 9722 607.1423 Judicial review of Appeal from denial of
 9723 reinstatement.-
 9724 (1) If the department ~~of State~~ denies a corporation's
 9725 application for reinstatement after following administrative
 9726 dissolution, the department ~~it~~ shall serve the corporation under
 9727 either s. 607.0504(1) or s. 607.0504(2) with a written notice
 9728 that explains the reason or reasons for denial.
 9729 (2) Within 30 days after service of a notice of denial of
 9730 reinstatement, a corporation may appeal the denial by
 9731 petitioning the Circuit Court of Leon County to set aside the
 9732 dissolution. The petition must be served on the department and
 9733 contain a copy of the department's notice of administrative
 9734 After exhaustion of administrative remedies, the corporation may
 9735 appeal the denial of reinstatement to the appropriate court as
 9736 provided in s. 120.68 within 30 days after service of the notice
 9737 of denial is perfected. The corporation appeals by petitioning
 9738 the court to set aside the dissolution and attaching to the
 9739 petition copies of the Department of State's certificate of
 9740 dissolution, the corporation's application for reinstatement,
 9741 and the department's notice of denial.
 9742 (3) The court may ~~summarily~~ order the department ~~of State~~
 9743 to reinstate the dissolved corporation or ~~may~~ take other action
 9744 the court considers appropriate.

Page 336 of 458

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590-03467A-19

2019892c2

9745 (4) The court's final decision may be appealed as in other
9746 civil proceedings.

9747 Section 188. Section 607.1430, Florida Statutes, is amended
9748 to read:

9749 607.1430 Grounds for judicial dissolution.—

9750 (1) A circuit court may dissolve a corporation or order
9751 such other remedy as provided in s. 607.1434:

9752 ~~(1)~~ (a) In a proceeding by the Department of Legal Affairs
9753 to dissolve a corporation if it is established that:

9754 1. The corporation obtained its articles of incorporation
9755 through fraud; or

9756 2. The corporation has continued to exceed or abuse the
9757 authority conferred upon it by law.

9758 ~~(b)~~ The enumeration in subparagraphs 1. and 2. ~~paragraph (a)~~ of
9759 grounds for involuntary dissolution does not exclude actions or
9760 special proceedings by the Department of Legal Affairs or any
9761 state official for the annulment or dissolution of a corporation
9762 for other causes as provided in any other statute of this state;

9763 (b)(2) In a proceeding by a shareholder to dissolve a
9764 corporation if it is established that:

9765 1.(a) The directors are deadlocked in the management of the
9766 corporate affairs, the shareholders are unable to break the
9767 deadlock, and:

9768 a. Irreparable injury to the corporation is threatened or
9769 being suffered;

9770 b. The business and affairs of the corporation can no
9771 longer be conducted to the advantage of the shareholders
9772 generally because of the deadlock; or
9773

Page 337 of 458

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590-03467A-19

2019892c2

9774 c. Both; or

9775 2.(b) The shareholders are deadlocked in voting power and
9776 have failed to elect successors to directors whose terms have
9777 expired or would have expired upon qualification of their
9778 successors;

9779 ~~(3) In a proceeding by a shareholder or group of~~
9780 ~~shareholders in a corporation having 35 or fewer shareholders if~~
9781 ~~it is established that:~~

9782 3.(a) The corporate assets are being misapplied or wasted,
9783 causing material injury to the corporation; or

9784 4.(b) The directors or those in control of the corporation
9785 have acted, are acting, or will ~~are reasonably expected to~~ act
9786 in a manner that is illegal, oppressive, or fraudulent;

9787 (c)(4) In a proceeding by a creditor if it is established
9788 that:

9789 1.(a) The creditor's claim has been reduced to judgment,
9790 the execution on the judgment returned unsatisfied, and the
9791 corporation is insolvent; or

9792 2.(b) The corporation has admitted in writing that the
9793 creditor's claim is due and owing and the corporation is
9794 insolvent; ~~or~~

9795 (d)(5) In a proceeding by the corporation to have its
9796 voluntary dissolution continued under court supervision; or

9797 (e) In a proceeding by a shareholder if the corporation has
9798 abandoned its business and has failed within a reasonable period
9799 of time to liquidate and distribute its assets and dissolve.

9800 (2) Paragraph (1)(b) does not apply in the case of a
9801 corporation that, on the date of the filing of the proceeding,
9802 has shares that are:

Page 338 of 458

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590-03467A-19

2019892c2

9803 (a) A covered security under s. 18(b)(1)(A) or (B) of the
 9804 Securities Act of 1933; or
 9805 (b) Not a covered security, but are held by at least 300
 9806 shareholders and the shares outstanding have a market value of
 9807 at least \$20 million, exclusive of the value of outstanding
 9808 shares of the corporation held by the corporation's
 9809 subsidiaries, by the corporation's senior executives, by the
 9810 corporation's directors, and by the corporation's beneficial
 9811 shareholders and voting trust beneficial owners owning more than
 9812 10 percent of the outstanding shares of the corporation.
 9813 (3) A proceeding by a shareholder under subparagraph
 9814 (1)(b)4. asserting that the directors or those in control of the
 9815 corporation have acted, are acting, or will act in a manner that
 9816 is oppressive may only be brought by a shareholder who at the
 9817 time that such proceeding is commenced under subparagraph
 9818 (1)(b)4. owns at least 10 percent of the outstanding shares of
 9819 the corporation.
 9820 (4)(a) In the event of a deadlock situation that satisfies
 9821 subparagraph (1)(b)1. or subparagraph (1)(b)2., if the
 9822 shareholders are subject to a shareholder agreement that
 9823 complies with s. 607.0732 and contains a deadlock sale
 9824 provision, then such deadlock sale provision shall apply to the
 9825 resolution of such deadlock in lieu of the court entering an
 9826 order of judicial dissolution or an order directing the purchase
 9827 of petitioner's shares under s. 607.1436, so long as the
 9828 provisions of such deadlock sale provision are initiated and
 9829 effectuated within the time periods specified for the
 9830 corporation to act under s. 607.1436 and in accordance with the
 9831 terms of such deadlock sale provision.

Page 339 of 458

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590-03467A-19

2019892c2

9832 (b) As used in this section, the term "deadlock sale
 9833 provision" means a provision in a shareholder agreement that
 9834 complies with s. 607.0732, which is or may be applicable in the
 9835 event of a deadlock among the directors or shareholders of the
 9836 corporation, which neither the directors nor the shareholders,
 9837 as applicable, of the corporation are able to break; and which
 9838 provides for a deadlock breaking mechanism, including, but not
 9839 limited to:
 9840 1. A redemption or a purchase and sale of shares or other
 9841 equity securities;
 9842 2. A governance change;
 9843 3. A sale of the corporation or all or substantially all of
 9844 the assets of the corporation; or
 9845 4. A similar provision that, if initiated and effectuated,
 9846 breaks the deadlock by causing the transfer of the shares or
 9847 other equity securities, a governance change, or a sale of the
 9848 corporation or all or substantially all of the corporation's
 9849 assets.
 9850 (5)(a) In the event of oppressive action that satisfies
 9851 subparagraph (1)(b)4., if the shareholders are subject to a
 9852 shareholder agreement that complies with s. 607.0732 and
 9853 contains an oppressive action sale provision, then such
 9854 oppressive action sale provision shall address such shareholder
 9855 asserted oppressive action in lieu of the court entering an
 9856 order of judicial dissolution or an order directing the purchase
 9857 of petitioner's shares under s. 607.1436, so long as the
 9858 provisions of such oppressive action sale provision are
 9859 initiated and effectuated within the time periods specified for
 9860 the corporation to act under s. 607.1436 and in accordance with

Page 340 of 458

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590-03467A-19

2019892c2

9861 the terms of such oppressive action sale provision.

9862 (b) For purposes of this section, the term "oppressive
 9863 action sale provision" means a provision in a shareholder
 9864 agreement that complies with s. 607.0732, which is or may be
 9865 applicable in the event of a shareholder's assertion of the
 9866 occurrence or existence of oppressive action; which neither the
 9867 directors nor the shareholders, as applicable, of the
 9868 corporation are able to address; and which provides for a
 9869 mechanism for addressing the occurrence or existence of such
 9870 shareholder asserted oppressive action including, but not
 9871 limited to:

9872 1. A redemption or purchase and sale of shares or other
 9873 equity securities;

9874 2. The sale of the corporation or of all or substantially
 9875 all of the assets of the corporation; or

9876 3. A similar provision that, if initiated and effectuated,
 9877 causes the transfer of shares or other equity securities to be
 9878 redeemed or purchased and sold or the sale of the corporation or
 9879 of all or substantially all of the corporation's assets.

9880 (6) A deadlock sale provision or an oppressive action sale
 9881 provision in a shareholder agreement which complies with s.
 9882 607.0732 which is not initiated and effectuated before the court
 9883 enters an order of judicial dissolution under subparagraph
 9884 (1)(b)1., subparagraph (1)(b)2., or subparagraph (1)(b)4., as
 9885 the case may be, or an order directing the purchase of
 9886 petitioner's interest under s. 607.1436, does not adversely
 9887 affect the rights of shareholders to seek judicial dissolution
 9888 under subparagraph (1)(b)1., subparagraph (1)(b)2., or
 9889 subparagraph (1)(b)4., as the case may be, or the rights of the

Page 341 of 458

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590-03467A-19

2019892c2

9890 corporation or one or more shareholders to purchase the
 9891 petitioner's interest under s. 607.1436. The filing of an action
 9892 for judicial dissolution on the grounds described in
 9893 subparagraph (1)(b)1., subparagraph (1)(b)2., or subparagraph
 9894 (1)(b)4., as the case may be, or an election to purchase the
 9895 petitioner's interest under s. 607.1436, does not adversely
 9896 affect the right of a shareholder to initiate an available
 9897 deadlock sale provision or an oppressive action sale provision
 9898 under the shareholder agreement that complies with s. 607.0732
 9899 or to enforce a shareholder-initiated or an automatically-
 9900 initiated deadlock sale provision or oppressive action sale
 9901 provision if the deadlock sale provision or the oppressive sale
 9902 provision, as the case may be, is initiated and effectuated
 9903 before the court enters an order of judicial dissolution under
 9904 subparagraph (1)(b)1., subparagraph (1)(b)2., or subparagraph
 9905 (1)(b)4., as the case may be, or an order directing the purchase
 9906 of petitioner's interest under s. 607.1436.

9907 (7) For purposes of subsections (1), (2), and (3), the term
 9908 "shareholder" means a record shareholder, a beneficial
 9909 shareholder, or an unrestricted voting trust beneficial owner.

9910 Section 189. Subsections (1), (3), and (4) of section
 9911 607.1431, Florida Statutes, are amended to read:

9912 607.1431 Procedure for judicial dissolution.—

9913 (1) Venue for a proceeding brought under s. 607.1430 lies
 9914 in the circuit court in the applicable county ~~of the county~~
 9915 ~~where the corporation's principal office is or was last located,~~
 9916 ~~as shown by the records of the Department of State, or, if none~~
 9917 ~~in this state, where its registered office is or was last~~
 9918 ~~located.~~

Page 342 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

9919 (3) A court in a proceeding brought under s. 607.1430 ~~to~~
 9920 ~~dissolve a corporation~~ may issue injunctions, appoint a receiver
 9921 or custodian during the proceeding pendente lite with all powers
 9922 and duties the court directs, take other action required to
 9923 preserve the corporate assets wherever located, and carry on the
 9924 business of the corporation until a full hearing can be held.

9925 (4) Within 30 days of the commencement of a proceeding
 9926 under s. 607.1430(1)(b), the corporation shall deliver to all
 9927 shareholders, other than the petitioner, a notice stating that
 9928 the shareholders are entitled to avoid the dissolution of the
 9929 corporation by electing to purchase the petitioner's shares
 9930 under s. 607.1436 and accompanied by a copy of s. 607.1436.

9931 (5) If the court determines that any party has commenced,
 9932 continued, or participated in a proceeding ~~an action~~ under s.
 9933 607.1430 and has acted arbitrarily, frivolously, vexatiously, or
 9934 not in good faith, the court may, in its discretion, award
 9935 attorney ~~attorney's~~ fees and other reasonable expenses to the
 9936 other parties to the action who have been affected adversely by
 9937 such actions.

9938 Section 190. Subsections (1) and (2), paragraph (a) of
 9939 subsection (3), and subsections (4) and (5) of section 607.1432,
 9940 Florida Statutes, are amended to read:

9941 607.1432 Receivership or custodianship.—

9942 (1) A court in a judicial proceeding brought under s.
 9943 607.1430 ~~to dissolve a corporation~~ may appoint one or more
 9944 receivers to wind up and liquidate, or one or more custodians to
 9945 manage, the business and affairs of the corporation. The court
 9946 shall hold a hearing, after notifying all parties to the
 9947 proceeding and any interested persons designated by the court,

Page 343 of 458

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590-03467A-19

2019892c2

9948 before appointing a receiver or custodian. The court appointing
 9949 a receiver or custodian has exclusive jurisdiction over the
 9950 corporation and all of its property wherever located.

9951 (2) The court may appoint a natural person or an eligible
 9952 entity ~~a corporation~~ authorized to act as a receiver or
 9953 custodian. The eligible entity ~~corporation~~ may be a domestic
 9954 eligible entity ~~corporation~~ or a foreign eligible entity
 9955 ~~corporation~~ authorized to transact business in this state. The
 9956 court may require the receiver or custodian to post bond, with
 9957 or without sureties, in an amount the court directs.

9958 (3) The court shall describe the powers and duties of the
 9959 receiver or custodian in its appointing order, which may be
 9960 amended from time to time. Among other powers:

9961 (a) The receiver:

9962 1. May dispose of all or any part of the assets of the
 9963 corporation wherever located, at a public or private sale, if
 9964 authorized by the court; and

9965 2. May sue and defend in his, her, or its ~~or her~~ own name
 9966 as receiver of the corporation in all courts of this state.

9967 (4) The court during a receivership may redesignate the
 9968 receiver a custodian, and during a custodianship may redesignate
 9969 the custodian a receiver, if doing so is determined by the court
 9970 to be in the best interests of the corporation and its
 9971 shareholders and creditors.

9972 (5) The court from time to time during the receivership or
 9973 custodianship may order compensation paid and expense
 9974 disbursements or reimbursements made to the receiver or
 9975 custodian and his, her, or its ~~or her~~ counsel from the assets of
 9976 the corporation or proceeds from the sale of the assets.

Page 344 of 458

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590-03467A-19

2019892c2

9977 Section 191. Section 607.1433, Florida Statutes, is amended
9978 to read:

9979 607.1433 Judgment of dissolution.—

9980 (1) If after a hearing in a proceeding under s. 607.1430
9981 the court determines that one or more grounds for judicial
9982 dissolution described in s. 607.1430 exist, it may enter a
9983 judgment dissolving the corporation and specifying the effective
9984 date of the dissolution, and the clerk of the court shall
9985 deliver a certified copy of the judgment to the department of
9986 State, which shall file it.

9987 (2) After entering the judgment of dissolution, the court
9988 shall direct the winding up and liquidation of the corporation's
9989 business and affairs in accordance with s. 607.1405 and the
9990 notification of claimants in accordance with ss. 607.1406 and
9991 607.1407 s. 607.1406, subject to the provisions of subsection
9992 (3).

9993 (3) In a proceeding for judicial dissolution, the court may
9994 require all creditors of the corporation to file with the clerk
9995 of the court or with the receiver, in such form as the court may
9996 prescribe, proofs under oath of their respective claims. If the
9997 court requires the filing of claims, it shall fix a date, which
9998 shall be not less than 4 months from the date of the order, as
9999 the last day for filing of claims. The court shall prescribe the
10000 method by which such notice of the deadline for filing claims
10001 shall be given to creditors and claimants. Prior to the date so
10002 fixed, the court may extend the time for the filing of claims by
10003 court order. Creditors and claimants failing to file proofs of
10004 claim on or before the date so fixed shall be barred ~~may be~~
10005 ~~barred, by order of court,~~ from participating in the

Page 345 of 458

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590-03467A-19

2019892c2

10006 distribution of the assets of the corporation. Nothing in this
10007 section affects the enforceability of any recorded mortgage or
10008 lien or the perfected security interest or rights of a person in
10009 possession of real or personal property.

10010 Section 192. Section 607.1434, Florida Statutes, is amended
10011 to read:

10012 607.1434 Alternative remedies to judicial dissolution.—

10013 (1) In a proceeding under an action for dissolution
10014 ~~pursuant to~~ s. 607.1430, the court may, as an alternative to
10015 directing the dissolution of the corporation and upon a showing
10016 of sufficient merit to warrant such remedy:

10017 (a)(1) Appoint a receiver or custodian during the
10018 proceeding pendente lite as provided in s. 607.1432;

10019 (b)(2) Appoint a provisional director as provided in s.
10020 607.1435;

10021 (c)(3) Order a purchase of the petitioning complaining
10022 shareholder's shares pursuant to s. 607.1436; or

10023 (d)(4) Upon proof of good cause, Make any order or grant
10024 any equitable relief other than dissolution ~~or liquidation~~ as in
10025 its discretion it may deem appropriate.

10026 (2) Alternative remedies, such as the appointment of a
10027 receiver or custodian, may also be ordered in the discretion of
10028 the court, upon a showing of sufficient merit to warrant such
10029 remedy, in advance of directing the dissolution of the
10030 corporation or, after a judgment of dissolution is entered, to
10031 assist in facilitating the winding up of the corporation.

10032 Section 193. Subsections (1) and (3) of section 607.1435,
10033 Florida Statutes, are amended to read:

10034 607.1435 Provisional director.—

Page 346 of 458

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590-03467A-19

2019892c2

10035 (1) In a proceeding under s. 607.1430, a provisional
 10036 director may be appointed in the discretion of the court if it
 10037 appears that such action by the court will remedy the grounds
 10038 alleged by the complaining shareholder to support the
 10039 jurisdiction of the court under s. 607.1430. A provisional
 10040 director may be appointed notwithstanding the absence of a
 10041 vacancy on the board of directors, and such director shall have
 10042 all the rights and powers of a duly elected director, including
 10043 the right to notice of and to vote at meetings of directors,
 10044 until such time as the provisional director is removed by order
 10045 of the court or, unless otherwise ordered by a court, removed by
 10046 a vote of the shareholders sufficient either to elect a majority
 10047 of the board of directors or, if greater than majority voting is
 10048 required by the articles of incorporation or the bylaws, to
 10049 elect the requisite number of directors needed to take action. A
 10050 provisional director shall be an impartial person who is neither
 10051 a shareholder nor a creditor of the corporation or of any
 10052 subsidiary or affiliate of the corporation, and whose further
 10053 qualifications, if any, may be determined by the court.

10054 (3) In any proceeding under which a provisional director is
 10055 appointed pursuant to this section, the court shall allow
 10056 reasonable compensation to the provisional director for services
 10057 rendered and reimbursement or direct payment of reasonable costs
 10058 and expenses, which amounts shall be paid by the corporation.

10059 Section 194. Section 607.1436, Florida Statutes, is amended
 10060 to read:

10061 607.1436 Election to purchase instead of dissolution.—

10062 (1) In a proceeding under s. 607.1430(1)(b) ~~s. 607.1430(2)~~
 10063 ~~or (3) to dissolve a corporation~~, the corporation may elect or,

Page 347 of 458

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590-03467A-19

2019892c2

10064 if it fails to elect, one or more shareholders may elect to
 10065 purchase all shares owned by the petitioning shareholder at the
 10066 fair value of the shares. An election pursuant to this section
 10067 shall be irrevocable unless the court determines that it is
 10068 equitable to set aside or modify the election.

10069 (2) An election to purchase pursuant to this section may be
 10070 filed with the court at any time within 90 days after the filing
 10071 of the petition under s. 607.1430(1)(b) ~~s. 607.1430(2) or (3)~~ or
 10072 at such later time as the court in its discretion may allow. If
 10073 the election to purchase is filed by one or more shareholders,
 10074 the corporation shall, within 10 days thereafter, give written
 10075 notice to all shareholders, other than the petitioner. The
 10076 notice must state the name and number of shares owned by the
 10077 petitioner and the name and number of shares owned by each
 10078 electing shareholder and must advise the recipients of their
 10079 right to join in the election to purchase shares in accordance
 10080 with this section. Shareholders who wish to participate must
 10081 file notice of their intention to join in the purchase no later
 10082 than 30 days after the effective date of the notice to them. All
 10083 shareholders who have filed an election or notice of their
 10084 intention to participate in the election to purchase thereby
 10085 become parties to the proceeding and shall participate in the
 10086 purchase in proportion to their ownership of shares as of the
 10087 date the first election was filed, unless they otherwise agree
 10088 or the court otherwise directs. After an election has been filed
 10089 by the corporation or one or more shareholders, the proceeding
 10090 under s. 607.1430(1)(b) ~~s. 607.1430(2) or (3)~~ may not be
 10091 discontinued or settled, nor may the petitioning shareholder
 10092 sell or otherwise dispose of his or her shares, unless the court

Page 348 of 458

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590-03467A-19

2019892c2

10093 determines that it would be equitable to the corporation and the
10094 shareholders, other than the petitioner, to permit such
10095 discontinuance, settlement, sale, or other disposition.

10096 (3) If, within 60 days after the filing of the first
10097 election, the parties reach agreement as to the fair value and
10098 terms of the purchase of the petitioner's shares, the court
10099 shall enter an order directing the purchase of the petitioner's
10100 shares upon the terms and conditions agreed to by the parties.

10101 (4) If the parties are unable to reach an agreement as
10102 provided for in subsection (3), the court, upon application of
10103 any party, may stay the proceeding to dissolve under s.
10104 607.1430(1)(b) and shall, whether or not the proceeding is
10105 stayed, shall stay the s. 607.1430 proceedings and determine the
10106 fair value of the petitioner's shares as of the day before the
10107 date on which the petition under s. 607.1430 was filed or as of
10108 such other date as the court deems appropriate under the
10109 circumstances.

10110 (5) Upon determining the fair value of the shares, the
10111 court shall enter an order directing the purchase upon such
10112 terms and conditions as the court deems appropriate, which may
10113 include payment of the purchase price in installments, when
10114 necessary in the interests of equity, provision for security to
10115 assure payment of the purchase price and any additional costs,
10116 fees, and expenses as may have been awarded, and, if the shares
10117 are to be purchased by shareholders, the allocation of shares
10118 among such shareholders. In allocating the petitioner's shares
10119 among holders of different classes of shares, the court shall
10120 attempt to preserve any ~~the~~ existing distribution of voting
10121 rights among holders of different classes and series insofar as

Page 349 of 458

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590-03467A-19

2019892c2

10122 practicable and may direct that holders of any ~~a~~ specific class
10123 or classes or series shall not participate in the purchase.
10124 Interest may be allowed at the rate and from the date determined
10125 by the court to be equitable; however, if the court finds that
10126 the refusal of the petitioning shareholder to accept an offer of
10127 payment was arbitrary or otherwise not in good faith, no
10128 interest shall be allowed. If the court finds that the
10129 petitioning shareholder had probable grounds for relief under s.
10130 607.1430(1)(b) ~~s. 607.1430(3)~~, it may award expenses to the
10131 petitioning shareholder, including reasonable fees and expenses
10132 of counsel and of any experts employed by petitioner.

10133 (6) The ~~Upon~~ entry of an order under subsection (3) or
10134 subsection (5) shall be subject to the provisions of subsection
10135 (8), and the order shall not be entered unless and until the
10136 award is determined by the court to be permitted under the
10137 provisions of subsection (8). In determining compliance with s.
10138 607.06401, the court may rely on an affidavit from the
10139 corporation as to compliance with that section as of the
10140 measurement date. Upon entry of an order under subsection (3) or
10141 subsection (5), the court shall dismiss the petition to dissolve
10142 the corporation under s. 607.1430(1)(b) ~~s. 607.1430~~ and the
10143 petitioning shareholder shall no longer have any rights or
10144 status as a shareholder of the corporation, except the right to
10145 receive the amounts awarded by the order of the court, which
10146 shall be enforceable in the same manner as any other judgment.

10147 (7) The purchase ordered pursuant to subsection (5) shall
10148 be made within 10 days after the date the order becomes final
10149 ~~unless, before that time, the corporation files with the court a~~
10150 ~~notice of its intention to adopt articles of dissolution~~

Page 350 of 458

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590-03467A-19

2019892c2

10151 pursuant to ss. 607.1402 and 607.1403, which articles shall then
 10152 be adopted and filed within 50 days thereafter. Upon filing of
 10153 such articles of dissolution, the corporation shall be dissolved
 10154 in accordance with the provisions of ss. 607.1405 and 607.1406,
 10155 and the order entered pursuant to subsection (5) shall no longer
 10156 be of any force or effect, except that the court may award the
 10157 petitioning shareholder reasonable fees and expenses of counsel
 10158 and any experts in accordance with the provisions of subsection
 10159 (5) and the petitioner may continue to pursue any claims
 10160 previously asserted on behalf of the corporation.

10161 (8) Any payment by the corporation pursuant to an order
 10162 under subsection (3) or subsection (5), other than an award of
 10163 fees and expenses pursuant to subsection (5), is subject to the
 10164 provisions of s. 607.06401. Unless otherwise provided in the
 10165 court's order, the effect of the distribution under s. 607.06401
 10166 shall be measured as of the date of the court's order under
 10167 subsection (3) or subsection (5).

10168 Section 195. Section 607.14401, Florida Statutes, is
 10169 amended to read:

10170 607.14401 Deposit with Department of Financial Services.—
 10171 Assets of a dissolved corporation that should be transferred to
 10172 a creditor, claimant, or shareholder of the corporation who
 10173 cannot be found or who is not competent to receive them shall be
 10174 reduced to cash and deposited, within 6 months from the date
 10175 fixed for the payment of the final liquidating distribution,
 10176 with the Department of Financial Services for safekeeping, where
 10177 such assets shall be held as abandoned property. When the
 10178 creditor, claimant, or shareholder furnishes satisfactory proof
 10179 of entitlement to the amount or assets deposited, the Department

Page 351 of 458

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590-03467A-19

2019892c2

10180 of Financial Services shall pay such person the creditor,
 10181 claimant, or shareholder or his or her representative that
 10182 amount ~~or those assets.~~

10183 Section 196. Section 607.1501, Florida Statutes, is amended
 10184 to read:

10185 607.1501 Authority of foreign corporation to transact
 10186 business required; activities not constituting transacting
 10187 business.—

10188 (1) A foreign corporation may not transact business in this
 10189 state until it obtains a certificate of authority from the
 10190 department of State.

10191 (2) The following activities, among others, do not
 10192 constitute transacting business within the meaning of subsection
 10193 (1):

10194 (a) Maintaining, defending, mediating, arbitrating, or
 10195 settling any proceeding.

10196 (b) Carrying on any activity concerning the internal
 10197 affairs of the foreign corporation, including holding meetings
 10198 of its shareholders or board of directors ~~the board of directors~~
 10199 ~~or shareholders or carrying on other activities concerning~~
 10200 ~~internal corporate affairs.~~

10201 (c) Maintaining bank accounts in financial institutions.

10202 (d) Maintaining offices ~~officers~~ or agencies for the
 10203 transfer, exchange, and registration of ~~the corporation's own~~
 10204 securities of the foreign corporation or maintaining trustees or
 10205 depositaries with respect to those securities.

10206 (e) Selling through independent contractors.

10207 (f) Soliciting or obtaining orders, whether by mail or
 10208 through employees, agents, or otherwise, if the orders require

Page 352 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

10209 acceptance outside this state before they become contracts.

10210 (g) Creating or acquiring indebtedness, mortgages, or ~~and~~

10211 security interests in real or personal property.

10212 (h) Securing or collecting debts or enforcing mortgages or

10213 ~~and~~ security interests in property securing the debts, and

10214 holding, protecting, or maintaining property so acquired.

10215 (i) Transacting business in interstate commerce.

10216 (j) Conducting an isolated transaction that is completed

10217 within 30 days and that is not one in the course of repeated

10218 transactions of a like nature.

10219 (k) Owning and controlling a subsidiary corporation

10220 incorporated in or limited liability company formed in, or

10221 transacting business within, this state; ~~or~~ voting the shares

10222 ~~stock~~ of any such subsidiary corporation; or voting the

10223 membership interests of any such limited liability company,

10224 which it has lawfully acquired.

10225 (l) Owning a limited partnership interest in a limited

10226 partnership that is transacting ~~doing~~ business within this

10227 state, unless the ~~such~~ limited partner manages or controls the

10228 partnership or exercises the powers and duties of a general

10229 partner.

10230 (m) Owning, protecting, and maintaining, without more, real

10231 or personal property.

10232 (3) The list of activities in subsection (2) is not an

10233 exhaustive list of activities that do not constitute transacting

10234 business within the meaning of subsection (1).

10235 (4) This section does not apply in determining the contacts

10236 or activities that may subject a foreign corporation ~~has no~~

10237 ~~application to the question of whether any foreign corporation~~

Page 353 of 458

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590-03467A-19

2019892c2

10238 ~~is subject to service of process, taxation, or regulation under~~

10239 ~~the and suit in this state under any law of this state~~ other

10240 than this chapter.

10241 Section 197. Section 607.15015, Florida Statutes, is

10242 created to read:

10243 607.15015 Governing law.-

10244 (1) The law of the state or other jurisdiction under which

10245 a foreign corporation exists governs:

10246 (a) The organization and internal affairs of the foreign

10247 corporation; and

10248 (b) The interest holder liability of its shareholders.

10249 (2) A foreign corporation may not be denied a certificate

10250 of authority by reason of a difference between the laws of its

10251 jurisdiction of formation and the laws of this state.

10252 (3) A certificate of authority does not authorize a foreign

10253 corporation to engage in any business or exercise any power that

10254 a corporation may not engage in or exercise in this state.

10255 Section 198. Section 607.1502, Florida Statutes, is amended

10256 to read:

10257 607.1502 Effect of failure to have a certificate of

10258 Consequences of transacting business without authority.-

10259 (1) A foreign corporation transacting business in this

10260 state or its successors may not prosecute or maintain an action

10261 or proceeding without a certificate of authority may not

10262 maintain a proceeding in any court in this state until it has

10263 obtained ~~obtains~~ a certificate of authority to transact business

10264 in this state.

10265 (2) The successor to a foreign corporation that transacted

10266 business in this state without a certificate of authority and

Page 354 of 458

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590-03467A-19

2019892c2

10267 the assignee of a cause of action arising out of that business
 10268 may not prosecute or maintain a proceeding based on that cause
 10269 of action in a any court in this state until the foreign
 10270 corporation or its successor has obtained ~~obtains~~ a certificate
 10271 of authority to transact business in this state.

10272 (3) A court may stay a proceeding commenced by a foreign
 10273 corporation or its successor or assignee until it determines
 10274 whether the foreign corporation or its successor requires a
 10275 certificate of authority. If it so determines, the court may
 10276 further stay the proceeding until the foreign corporation or its
 10277 successor has obtained a ~~obtains the~~ certificate of authority to
 10278 transact business in this state.

10279 (4) A foreign corporation which transacts business in this
 10280 state without obtaining a certificate of authority is to do so
 10281 ~~shall be~~ liable to this state for the years or parts thereof
 10282 during which it transacted business in this state without
 10283 obtaining a certificate of authority in an amount equal to all
 10284 fees and penalties that taxes which would have been imposed by
 10285 this ~~chapter act~~ upon the foreign such corporation had it duly
 10286 applied for and received a certificate of authority to transact
 10287 business in this state as required under this chapter by this
 10288 ~~act~~. In addition to the payments thus prescribed, the foreign
 10289 corporation may, to the extent ordered by a court of competent
 10290 jurisdiction, such corporation shall be liable for a civil
 10291 penalty of not less than \$500 but not or more than \$1,000 for
 10292 each year or part thereof during which it transacts business in
 10293 this state without a certificate of authority. The department ~~of~~
 10294 ~~State~~ may collect all penalties due under this subsection ~~and~~
 10295 ~~may bring an action in circuit court to recover all penalties~~

Page 355 of 458

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590-03467A-19

2019892c2

10296 ~~and fees due and owing the state.~~

10297 (5) ~~Notwithstanding subsections (1) and (2),~~ The failure of
 10298 a foreign corporation to have obtain a certificate of authority
 10299 to transact business in this state does not impair the validity
 10300 of any of its contracts, deeds, mortgages, security interests,
 10301 or corporate acts or prevent the foreign corporation ~~it~~ from
 10302 defending an action or any proceeding in this state.

10303 (6) A shareholder, officer, or director of a foreign
 10304 corporation is not liable for the debts, obligations, or other
 10305 liabilities of the foreign corporation solely because the
 10306 foreign corporation transacted business in this state without a
 10307 certificate of authority.

10308 (7) Section 607.15015(1) applies even if a foreign
 10309 corporation fails to have a certificate of authority to transact
 10310 business in this state.

10311 (8) If a foreign corporation transacts business in this
 10312 state without a certificate of authority or cancels its
 10313 certificate of authority, it appoints the secretary of state as
 10314 its agent for service of process for rights of action arising
 10315 out of the transaction of business in this state.

10316 Section 199. Section 607.1503, Florida Statutes, is amended
 10317 to read:

10318 607.1503 Application for certificate of authority.—

10319 (1) A foreign corporation may apply for a certificate of
 10320 authority to transact business in this state by delivering an
 10321 application to the department ~~of State~~ for filing. Such
 10322 application shall be made on forms prescribed ~~and furnished~~ by
 10323 the department. The application must contain the following
 10324 ~~Department of State and shall set forth:~~

Page 356 of 458

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590-03467A-19

2019892c2

10325 (a) The name of the foreign corporation and, if the name
 10326 does not comply with s. 607.0401, an alternate name adopted
 10327 pursuant to as long as its name satisfies the requirements of s.
 10328 607.0401, but if its name does not satisfy such requirements, a
 10329 corporate name that otherwise satisfies the requirements of s.
 10330 607.1506.

10331 (b) The name of the foreign corporation's jurisdiction of
 10332 incorporation, jurisdiction under the law of which it is
 10333 incorporated.

10334 (c) Its date of incorporation and period of duration.

10335 (d) The principal office and mailing address of the foreign
 10336 corporation, street address of its principal office.

10337 (e) The name and street address in this state of, and the
 10338 written acceptance by, the foreign corporation's initial
 10339 registered agent in this state, of its registered office in this
 10340 state and the name of its registered agent at that office.

10341 (f) The names and usual business addresses of its current
 10342 directors and officers.

10343 (g) ~~Such~~ Additional information as may be necessary or
 10344 appropriate in order to enable the department ~~of State~~ to
 10345 determine whether the foreign ~~such~~ corporation is entitled to
 10346 file an application for certificate of authority to transact
 10347 business in this state and to determine and assess the fees ~~and~~
 10348 ~~taxes~~ payable as prescribed in this chapter ~~act~~.

10349 (2) The foreign corporation shall deliver with a the
 10350 completed application under subsection (1) a certificate of
 10351 existence or a record (or a document of similar import,) duly
 10352 authenticated, not more than 90 days prior to delivery of the
 10353 application to the department ~~of State~~, signed by the ~~Secretary~~

Page 357 of 458

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590-03467A-19

2019892c2

10354 ~~of State or other~~ official having custody of the foreign
 10355 corporation's publicly filed records in its jurisdiction of
 10356 incorporation corporate records in the jurisdiction under the
 10357 law of which it is incorporated. A translation of the
 10358 certificate, under oath of the translator, must be attached to a
 10359 certificate which is in a language other than the English
 10360 language.

10361 ~~(3) A foreign corporation shall not be denied authority to~~
 10362 ~~transact business in this state by reason of the fact that the~~
 10363 ~~laws of the jurisdiction under which such corporation is~~
 10364 ~~organized governing its organization and internal affairs differ~~
 10365 ~~from the laws of this state.~~

10366 Section 200. Section 607.1504, Florida Statutes, is amended
 10367 to read:

10368 607.1504 Amended certificate of authority.—

10369 (1) A foreign corporation authorized to transact business
 10370 in this state shall deliver for filing an amendment to its make
 10371 application to the Department of State to obtain an amended
 10372 certificate of authority to reflect a change in any of the
 10373 following if it changes:

10374 (a) Its name on the records of the department, corporate
 10375 name.

10376 (b) ~~The period of its duration, or~~

10377 ~~(c) The jurisdiction of its incorporation.~~

10378 (c) The name and street address in this state of the
 10379 foreign corporation's registered agent in this state, unless the
 10380 change was timely made in accordance with s. 607.0502 or s.
 10381 607.05031.

10382 (2) The amendment must be filed within 90 days after the

Page 358 of 458

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590-03467A-19

2019892c2

10383 ~~occurrence of a change described in subsection (1), must be~~
 10384 ~~signed by an officer of the foreign corporation, and must state~~
 10385 ~~the following Such application shall be made within 90 days~~
 10386 ~~after the occurrence of any change mentioned in subsection (1),~~
 10387 ~~shall be made on forms prescribed by the Department of State,~~
 10388 ~~and shall be executed in accordance with s. 607.0120. The~~
 10389 ~~foreign corporation shall deliver with the completed~~
 10390 ~~application, a certificate, or a document of similar import,~~
 10391 ~~authenticated as of a date not more than 90 days prior to~~
 10392 ~~delivery of the application to the Department of State by the~~
 10393 ~~Secretary of State or other official having custody of corporate~~
 10394 ~~records in the jurisdiction under the laws of which it is~~
 10395 ~~incorporated, evidencing the amendment. A translation of the~~
 10396 ~~certificate, under oath or affirmation of the translator, must~~
 10397 ~~be attached to a certificate that is in a language other than~~
 10398 ~~English. The application shall set forth:~~

10399 (a) The name of the foreign corporation as it appears on
 10400 the records of the department ~~of State.~~

10401 (b) The jurisdiction of its incorporation.

10402 (c) The date the foreign corporation ~~it~~ was authorized to
 10403 do business in this state.

10404 (d) If the name of the foreign corporation has been
 10405 changed, the name relinquished and its new name, ~~the new name, a~~
 10406 ~~statement that the change of name has been effected under the~~
 10407 ~~laws of the jurisdiction of its incorporation, and the date the~~
 10408 ~~change was effected.~~

10409 (e) If the amendment changes its period of duration, a
 10410 statement of such change.

10411 (f) If the amendment changes the jurisdiction of

Page 359 of 458

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590-03467A-19

2019892c2

10412 incorporation of the foreign corporation, a statement of that
 10413 ~~such~~ change.

10414 (3) The requirements of s. 607.1503 for obtaining an
 10415 original certificate of authority apply to obtaining an amended
 10416 certificate under this section unless the official having
 10417 custody of the foreign corporation's publicly filed records in
 10418 its jurisdiction of incorporation did not require an amendment
 10419 to effectuate the change on its records.

10420 (4) Subject to subsection (3), a foreign corporation
 10421 authorized to transact business in this state may make
 10422 application to the department to obtain an amended certificate
 10423 of authority to add, remove, or change the name, title,
 10424 capacity, or address of an officer or director of the foreign
 10425 corporation.

10426 Section 201. Section 607.1505, Florida Statutes, is amended
 10427 to read:

10428 607.1505 Effect of a certificate of authority.—

10429 (1) Unless the department determines than an application
 10430 for a certificate of authority of a foreign corporation
 10431 authorizes the foreign corporation to which it is issued to
 10432 transact business in this state does not comply with the filing
 10433 requirements of this chapter, the department shall, upon payment
 10434 of all filing fees, authorize the foreign corporation to
 10435 transact business in this state and file the application for
 10436 certificate of authority subject, however, to the right of the
 10437 Department of State to suspend or revoke the certificate as
 10438 provided in this act.

10439 (2) The filing by the department of an application for a
 10440 certificate of authority means that the foreign corporation that

Page 360 of 458

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590-03467A-19

2019892c2

10441 filed the application to transact business in this state has
 10442 obtained a certificate of authority to transact business in this
 10443 state and is authorized to transact business in this state,
 10444 subject, however, to the right of the department to suspend or
 10445 revoke the certificate of authority as provided in this chapter
 10446 ~~A foreign corporation with a valid certificate of authority has~~
 10447 ~~the same but no greater rights and has the same but no greater~~
 10448 ~~privileges as, and except as otherwise provided by this act is~~
 10449 ~~subject to the same duties, restrictions, penalties, and~~
 10450 ~~liabilities now or later imposed on, a domestic corporation of~~
 10451 ~~like character.~~

10452 ~~(3) This act does not authorize this state to regulate the~~
 10453 ~~organization or internal affairs of a foreign corporation~~
 10454 ~~authorized to transact business in this state.~~

10455 Section 202. Section 607.1506, Florida Statutes, is amended
 10456 to read:

10457 607.1506 Corporate name of foreign corporation.—

10458 (1) A foreign corporation whose name is unavailable under
 10459 or whose name does not otherwise comply with s. 607.0401 shall
 10460 use an alternate name that complies with s. 607.0401 ~~is not~~
 10461 ~~entitled to file an application for a certificate of authority~~
 10462 ~~unless the corporate name of such corporation satisfies the~~
 10463 ~~requirements of s. 607.0401. If the corporate name of a foreign~~
 10464 ~~corporation does not satisfy the requirements of s. 607.0401,~~
 10465 ~~the foreign corporation, to obtain or maintain a certificate of~~
 10466 ~~authority to transact business in this state. An alternate name~~
 10467 adopted for use in this state shall be cross-referenced to the
 10468 actual name of the foreign corporation in the records of the
 10469 department, provided that no cross-reference is required if the

Page 361 of 458

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590-03467A-19

2019892c2

10470 alternate name involves no more than adding the suffix
 10471 "corporation," "company," or "incorporated" or the abbreviation
 10472 "Corp.," or "Inc.," or "Co." or the designation "Corp.," or
 10473 "Inc." or "Co." to the name. If the actual name of the foreign
 10474 corporation subsequently becomes available in this state and the
 10475 foreign corporation elects to operate in this state under its
 10476 actual name, or the foreign corporation chooses to change its
 10477 alternate name, a record approving the election or change, as
 10478 the case may be, by its directors or shareholders, and signed as
 10479 required pursuant to s. 607.0120, shall be delivered to the
 10480 department for filing.

10481 ~~(a) May add the word "corporation," "company," or~~
 10482 ~~"incorporated" or the abbreviation "Corp.," "Inc.," "Co.," or~~
 10483 ~~the designation "Corp.," "Inc.," or "Co.," as will clearly indicate~~
 10484 ~~that it is a corporation instead of a natural person,~~
 10485 ~~partnership, or other business entity; or~~

10486 ~~(b) May use an alternate name to transact business in this~~
 10487 ~~state if its real name is unavailable. Any such alternate~~
 10488 ~~corporate name, adopted for use in this state, shall be cross-~~
 10489 ~~referenced to the real corporate name in the records of the~~
 10490 ~~Division of Corporations. If the corporation's real corporate~~
 10491 ~~name becomes available in this state or the corporation chooses~~
 10492 ~~to change its alternate name, a copy of the resolution of its~~
 10493 ~~board of directors changing or withdrawing the alternate name,~~
 10494 ~~executed as required by s. 607.0120, shall be delivered for~~
 10495 ~~filing.~~

10496 (2) A foreign corporation that adopts an alternate name
 10497 under subsection (1) and obtains a certificate of authority with
 10498 the alternate name need not comply with s. 865.09 with respect

Page 362 of 458

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590-03467A-19

2019892c2

10499 ~~to the alternate name~~ The corporate name (including the
 10500 alternate name) of a foreign corporation must be distinguishable
 10501 upon the records of the Division of Corporations from:

10502 ~~(a) Any corporate name of a corporation incorporated or~~
 10503 ~~authorized to transact business in this state;~~

10504 ~~(b) The alternate name of another foreign corporation~~
 10505 ~~authorized to transact business in this state;~~

10506 ~~(c) The corporate name of a not-for-profit corporation~~
 10507 ~~incorporated or authorized to transact business in this state;~~
 10508 ~~and~~

10509 ~~(d) The names of all other entities or filings, except~~
 10510 ~~fictitious name registrations pursuant to s. 865.09, organized~~
 10511 ~~or registered under the laws of this state that are on file with~~
 10512 ~~the Division of Corporations.~~

10513 (3) So long as a foreign corporation maintains a
 10514 certificate of authority with an alternate name, a foreign
 10515 corporation shall transact business in this state under the
 10516 alternate name unless the corporation is authorized under s.
 10517 865.09 to transact business in this state under another name.

10518 ~~(4)(3) If a foreign corporation authorized to transact~~
 10519 ~~business in this state changes its corporate name to one that~~
 10520 ~~does not comply with satisfy the requirements of s. 607.0401, it~~
 10521 ~~may not thereafter transact business in this state under the~~
 10522 ~~changed name until it complies with subsection (1) adopts a name~~
 10523 ~~satisfying the requirements of s. 607.0401 and obtains an~~
 10524 ~~amended certificate of authority under s. 607.1504.~~

10525 (5) Notwithstanding the foregoing, a foreign corporation
 10526 may register under a name that is not otherwise distinguishable
 10527 on the records of the department with the written consent of the

Page 363 of 458

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590-03467A-19

2019892c2

10528 other entity if the consent is filed with the department at the
 10529 time of registration of such name and if such name is not
 10530 identical to the name of the other entity.

10531 Section 203. Section 607.1507, Florida Statutes, is amended
 10532 to read:

10533 607.1507 Registered office and registered agent of foreign
 10534 corporation.—

10535 (1) Each foreign corporation authorized to transact
 10536 business in this state shall designate and must continuously
 10537 maintain in this state:

10538 (a) A registered office, which may be the same as that may
 10539 be the same as any of its place places of business in this
 10540 state; and

10541 (b) A registered agent, which must ~~who may be:~~

10542 1. An individual who resides in this state and whose
 10543 business address is identical to the address of ~~office is~~
 10544 ~~identical with~~ the registered office;

10545 2. A domestic entity that is an authorized entity and whose
 10546 business address is identical to the address of the registered
 10547 office; or

10548 3. Another foreign entity authorized to transact business
 10549 in this state which is an authorized entity and whose business
 10550 address is identical to the address of ~~corporation or not-for-~~
 10551 ~~profit corporation as defined in chapter 617, the business~~
 10552 ~~office of which is identical with~~ the registered office; ~~or~~

10553 ~~3. Another foreign corporation or foreign not-for-profit~~
 10554 ~~corporation authorized pursuant to this chapter or chapter 617,~~
 10555 ~~to transact business or conduct its affairs in this state the~~
 10556 ~~business office of which is identical with the registered~~

Page 364 of 458

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590-03467A-19

2019892c2

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~~office.~~

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(2) This section does not apply to corporations that are required by law to designate the Chief Financial Officer as their attorney for service of process, associations subject to the provisions of chapter 665, and banks and trust companies subject to the financial institutions codes.

(3) Each initial registered agent, and each successor registered agent that is appointed, shall ~~A registered agent appointed pursuant to this section or a successor registered agent appointed pursuant to s. 607.1508 on whom process may be served shall each~~ file a statement in writing with the department, in the form and manner ~~Department of State, in such form and manner as shall be prescribed by the department,~~ accepting the appointment as a registered agent while ~~simultaneously with his or her~~ being designated as the ~~registered agent. The~~ Such statement of acceptance must provide ~~shall state~~ that the registered agent is familiar with, and accepts, the obligations of that position.

(4) The duties of a registered agent are as follows:

(a) To forward to the foreign corporation at the address most recently supplied to the registered agent by the foreign corporation, a process, notice, or demand pertaining to the foreign corporation which is served on or received by the registered agent; and

(b) If the registered agent resigns, to provide the notice required under s. 607.1509 to the foreign corporation at the address most recently supplied to the registered agent by the foreign corporation.

(5) The department shall maintain an accurate record of the

Page 365 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

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registered agents and registered offices for service of process and shall promptly furnish any information disclosed thereby upon request and payment of the required fee.

(6) A foreign corporation may not prosecute or maintain any action in a court in this state until the foreign corporation complies with the provisions of this section, pays to the department the amounts required by this chapter, and, to the extent ordered by a court of competent jurisdiction, pays to the department a penalty of \$5 for each day it has failed to so comply or \$500, whichever is less.

(7) A court may stay a proceeding commenced by a foreign corporation until the corporation complies with this section.

Section 204. Section 607.1508, Florida Statutes, is amended to read:

607.1508 Change of registered office and registered agent of foreign corporation.—

(1) In order to change its registered agent or registered office address, a foreign corporation authorized to transact business in this state may deliver to the department ~~change its registered office or registered agent by delivering to the Department of State for filing a statement of change~~ containing the following that sets forth:

(a) The name of the foreign corporation. ~~Its name,~~

(b) The name ~~street address~~ of its current registered agent. ~~office,~~

(c) If the current registered agent is to be changed, the name of the new registered agent.

(d) The street address of its current registered office for its current registered agent.

Page 366 of 458

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590-03467A-19

2019892c2

10615 (e) If the street address of the current registered office
 10616 is to be changed, the new street address of the registered
 10617 office
 10618 ~~(e) If the current registered office is to be changed, the~~
 10619 ~~street address of its new registered office;~~
 10620 ~~(d) The name of its current registered agent;~~
 10621 ~~(e) If the current registered agent is to be changed, the~~
 10622 ~~name of its new registered agent and the new agent's written~~
 10623 ~~consent (either on the statement or attached to it) to the~~
 10624 ~~appointment;~~
 10625 ~~(f) That, after the change or changes are made, the street~~
 10626 ~~address of its registered office and the business office of its~~
 10627 ~~registered agent will be identical; and~~
 10628 ~~(g) That such change was authorized by resolution duly~~
 10629 ~~adopted by its board of directors or by an officer of the~~
 10630 ~~corporation so authorized by the board of directors.~~
 10631 (2) If the registered agent is changed, the written
 10632 acceptance of the successor registered agent described in s.
 10633 607.1507(3) must also be included in or attached to the
 10634 statement of change.
 10635 (3) A statement of change is effective when filed by the
 10636 department.
 10637 (4) The changes described in this section may also be made
 10638 on the foreign corporation's annual report or in an application
 10639 for reinstatement filed with the department under s. 607.1622. If
 10640 a registered agent changes the street address of her or his
 10641 business office, she or he may change the street address of the
 10642 registered office of any foreign corporation for which she or he
 10643 is the registered agent by notifying the corporation in writing

Page 367 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

10644 ~~of the change and signing (either manually or in facsimile) and~~
 10645 ~~delivering to the Department of State for filing a statement of~~
 10646 ~~change that complies with the requirements of paragraphs (1)(a)-~~
 10647 ~~(f) and recites that the corporation has been notified of the~~
 10648 ~~change.~~
 10649 Section 205. Section 607.1509, Florida Statutes, is amended
 10650 to read:
 10651 607.1509 Resignation of registered agent of foreign
 10652 corporation.-
 10653 (1) A registered agent may resign as agent for a foreign
 10654 corporation by delivering to the department for filing a signed
 10655 statement of resignation containing the name of the foreign
 10656 corporation. The registered agent of a foreign corporation may
 10657 resign his or her agency appointment by signing and delivering
 10658 to the Department of State for filing a statement of resignation
 10659 and mailing a copy of such statement to the corporation at the
 10660 corporation's principal office address shown in its most recent
 10661 annual report or, if none, shown in its application for a
 10662 certificate of authority or other most recently filed document.
 10663 The statement of resignation must state that a copy of such
 10664 statement has been mailed to the corporation at the address so
 10665 stated. The statement of resignation may include a statement
 10666 that the registered office is also discontinued.
 10667 (2) After delivering the statement of resignation to the
 10668 department for filing, the registered agent must promptly mail a
 10669 copy to the foreign corporation at its current mailing address
 10670 The agency appointment is terminated as of the 31st day after
 10671 the date on which the statement was filed and, unless otherwise
 10672 provided in the statement, termination of the agency acts as a

Page 368 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

10673 ~~termination of the registered office.~~
 10674 (3) A registered agent is terminated upon the earlier of:
 10675 (a) The 31st day after the department files the statement
 10676 of resignation; or
 10677 (b) When a statement of change or other record designating
 10678 a new registered agent is filed by the department.
 10679 (4) When a statement of resignation takes effect, the
 10680 registered agent ceases to have responsibility for a matter
 10681 thereafter tendered to it as agent for the foreign corporation.
 10682 The resignation does not affect contractual rights that the
 10683 foreign corporation has against the agent or that the agent has
 10684 against the foreign corporation.
 10685 (5) A registered agent may resign from a foreign
 10686 corporation regardless of whether the foreign corporation has
 10687 active status.
 10688 Section 206. Section 607.15091, Florida Statutes, is
 10689 created to read:
 10690 607.15091 Change of name or address by registered agent.—
 10691 (1) If a registered agent changes his or her name or
 10692 address, the agent may deliver to the department for filing a
 10693 statement of change containing the following:
 10694 (a) The name of the foreign corporation represented by the
 10695 registered agent.
 10696 (b) The name of the registered agent as currently shown in
 10697 the records of the department for the corporation.
 10698 (c) If the name of the registered agent has changed, its
 10699 new name.
 10700 (d) If the address of the registered agent has changed, the
 10701 new address.

Page 369 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

10702 (e) A statement that the registered agent has given the
 10703 notice required under subsection (2).
 10704 (2) A registered agent shall promptly furnish notice of the
 10705 statement of change and the changes made by the statement filed
 10706 with the department to the represented foreign corporation.
 10707 Section 207. Section 607.15092, Florida Statutes, is
 10708 created to read:
 10709 607.15092 Delivery of notice or other communication.—
 10710 (1) Except as otherwise provided in this chapter,
 10711 permissible means of delivery of a notice or other communication
 10712 includes delivery by hand, the United States Postal Service, a
 10713 commercial delivery service, and electronic transmission, all as
 10714 more particularly described in s. 607.0141.
 10715 (2) Except as provided in subsection (3), delivery to the
 10716 department is effective only when a notice or other
 10717 communication is received by the department.
 10718 (3) If a check is mailed to the department for payment of
 10719 an annual report fee or the annual supplemental fee required
 10720 under s. 607.193, the check shall be deemed to have been
 10721 received by the department as of the postmark date appearing on
 10722 the envelope or package transmitting the check if the envelope
 10723 or package is received by the department.
 10724 Section 208. Section 607.15101, Florida Statutes, is
 10725 amended to read:
 10726 607.15101 Service of process, notice, or demand on a
 10727 foreign corporation.—
 10728 (1) A foreign corporation may be served with process
 10729 required or authorized by law by serving on its registered
 10730 agent.

Page 370 of 458

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590-03467A-19

2019892c2

10731 (2) If a foreign corporation ceases to have a registered
 10732 agent or if its registered agent cannot with reasonable
 10733 diligence be served, the process required or permitted by law
 10734 may instead be served on the chair of the board, the president,
 10735 any vice president, the secretary, or the treasurer of the
 10736 foreign corporation at the principal office of the foreign
 10737 corporation in this state.

10738 (3) If the process cannot be served on a foreign
 10739 corporation pursuant to subsection (1) or subsection (2), the
 10740 process may be served on the secretary of state as an agent of
 10741 the foreign corporation.

10742 (4) Service of process on the secretary of state may be
 10743 made by delivering to and leaving with the department duplicate
 10744 copies of the process.

10745 (5) Service is effectuated under subsection (3) on the date
 10746 shown as received by the department.

10747 (6) The department shall keep a record of each process
 10748 served on the secretary of state pursuant to this section and
 10749 record the time of and the action taken regarding the service.

10750 (7) Any notice or demand on a foreign corporation under
 10751 this chapter may be given or made to the chair of the board, the
 10752 president, any vice president, the secretary, or the treasurer
 10753 of the foreign corporation; to the registered agent of the
 10754 foreign corporation at the registered office of the foreign
 10755 corporation in this state; or to any other address in this state
 10756 that is in fact the principal office of the foreign corporation
 10757 in this state.

10758 (8) This section does not affect the right to serve
 10759 process, give notice, or make a demand in any other manner

Page 371 of 458

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590-03467A-19

2019892c2

10760 provided by law

10761 ~~(1) The registered agent of a foreign corporation~~
 10762 ~~authorized to transact business in this state is the~~
 10763 ~~corporation's agent for service of process, notice, or demand~~
 10764 ~~required or permitted by law to be served on the foreign~~
 10765 ~~corporation.~~

10766 ~~(2) A foreign corporation may be served by registered or~~
 10767 ~~certified mail, return receipt requested, addressed to the~~
 10768 ~~secretary of the foreign corporation at its principal office~~
 10769 ~~shown in its application for a certificate of authority or in~~
 10770 ~~its most recent annual report if the foreign corporation:~~

10771 ~~(a) Has no registered agent or its registered agent cannot~~
 10772 ~~with reasonable diligence be served;~~

10773 ~~(b) Has withdrawn from transacting business in this state~~
 10774 ~~under s. 607.1520; or~~

10775 ~~(c) Has had its certificate of authority revoked under s.~~
 10776 ~~607.1531.~~

10777 ~~(3) Service is perfected under subsection (2) at the~~
 10778 ~~earliest of:~~

10779 ~~(a) The date the foreign corporation receives the mail;~~
 10780 ~~(b) The date shown on the return receipt, if signed on~~
 10781 ~~behalf of the foreign corporation; or~~

10782 ~~(c) Five days after its deposit in the United States mail,~~
 10783 ~~as evidenced by the postmark, if mailed postpaid and correctly~~
 10784 ~~addressed.~~

10785 ~~(4) This section does not prescribe the only means, or~~
 10786 ~~necessarily the required means, of serving a foreign~~
 10787 ~~corporation. Process against any foreign corporation may also be~~
 10788 ~~served in accordance with chapter 48 or chapter 49.~~

Page 372 of 458

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590-03467A-19

2019892c2

10789 ~~(5) Any notice to or demand on a foreign corporation made~~
 10790 ~~pursuant to this act may be made in accordance with the~~
 10791 ~~procedures for notice to or demand on domestic corporations~~
 10792 ~~under s. 607.0504.~~

10793 Section 209. Section 607.1520, Florida Statutes, is amended
 10794 to read:

10795 607.1520 Withdrawal and cancellation of certificate of
 10796 authority for ~~of~~ foreign corporation.-

10797 (1) To cancel its certificate of authority to transact
 10798 business in this state, a foreign corporation must deliver to
 10799 the department for filing a notice of withdrawal of certificate
 10800 of authority. The certificate of authority is canceled when the
 10801 notice of withdrawal becomes effective pursuant to s. 607.0123.
 10802 The notice of withdrawal of certificate of authority must be
 10803 signed by an officer or director and state the following:

10804 (a) The name of the foreign corporation as it appears on
 10805 the records of the department.

10806 (b) The name of the foreign corporation's jurisdiction of
 10807 incorporation.

10808 (c) The date the foreign corporation was authorized to
 10809 transact business in this state.

10810 (d) That the foreign corporation is withdrawing its
 10811 certificate of authority in this state.

10812 (e) That it revokes the authority of its registered agent
 10813 to accept service on its behalf and appoints the secretary of
 10814 state as its agent for service of process based on a cause of
 10815 action arising during the time it was authorized to transact
 10816 business in this state.

10817 (f) A mailing address to which the secretary of state may

590-03467A-19

2019892c2

10818 mail a copy of any process served on the secretary of state
 10819 under paragraph (e).

10820 (g) A commitment to notify the department in the future of
 10821 any change in its mailing address. A foreign corporation
 10822 authorized to transact business in this state may not withdraw
 10823 from this state until it obtains a certificate of withdrawal
 10824 from the Department of State.

10825 ~~(2) A foreign corporation authorized to transact business~~
 10826 ~~in this state may apply for a certificate of withdrawal by~~
 10827 ~~delivering an application to the Department of State for filing.~~
 10828 ~~The application shall be made on forms prescribed and furnished~~
 10829 ~~by the Department of State and shall set forth:~~

10830 ~~(a) The name of the foreign corporation and the~~
 10831 ~~jurisdiction under the law of which it is incorporated;~~

10832 ~~(b) That it is not transacting business in this state and~~
 10833 ~~that it surrenders its authority to transact business in this~~
 10834 ~~state;~~

10835 ~~(c) That it revokes the authority of its registered agent~~
 10836 ~~to accept service on its behalf and appoints the Department of~~
 10837 ~~State as its agent for service of process based on a cause of~~
 10838 ~~action arising during the time it was authorized to transact~~
 10839 ~~business in this state;~~

10840 ~~(d) A mailing address to which the Department of State may~~
 10841 ~~mail a copy of any process served on it under paragraph (c); and~~

10842 ~~(e) A commitment to notify the Department of State in the~~
 10843 ~~future of any change in its mailing address.~~

10844 (2)(3) After the withdrawal of the foreign corporation is
 10845 effective, service of process on the secretary of state
 10846 Department of State under this section is service on the foreign

590-03467A-19 2019892c2

10847 corporation. Upon receipt of the process, the secretary of state
 10848 ~~Department of State~~ shall mail a copy of the process to the
 10849 foreign corporation at the mailing address set forth under
 10850 paragraph (1) (f) subsection (2).

10851 Section 210. Section 607.1521, Florida Statutes, is created
 10852 to read:

10853 607.1521 Withdrawal deemed on conversion to domestic filing
 10854 entity.—A foreign corporation authorized to transact business in
 10855 this state that converts to a domestic corporation or another
 10856 domestic eligible entity that is organized, incorporated,
 10857 registered, or otherwise formed through the delivery of a record
 10858 to the department for filing is deemed to have withdrawn its
 10859 certificate of authority on the effective date of the
 10860 conversion.

10861 Section 211. Section 607.1522, Florida Statutes, is created
 10862 to read:

10863 607.1522 Withdrawal on dissolution, merger, or conversion
 10864 to certain nonfiling entities.—

10865 (1) A foreign corporation that is authorized to transact
 10866 business in this state that has dissolved and completed winding
 10867 up, has merged into a foreign eligible entity that is not
 10868 authorized to transact business in this state, or has converted
 10869 to a domestic or foreign eligible entity that is not organized,
 10870 incorporated, registered or otherwise formed through the public
 10871 filing of a record, shall deliver a notice of withdrawal of
 10872 certificate of authority to the department for filing in
 10873 accordance with s. 607.1520.

10874 (2) After a withdrawal under this section of a foreign
 10875 corporation that has converted to another type of entity is

Page 375 of 458

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590-03467A-19 2019892c2

10876 effective, service of process in any action or proceeding based
 10877 on a cause of action arising during the time the foreign
 10878 corporation was authorized to transact business in this state
 10879 may be made pursuant to s. 607.15101.

10880 Section 212. Section 607.1523, Florida Statutes, is created
 10881 to read:

10882 607.1523 Action by Department of Legal Affairs.—The
 10883 Department of Legal Affairs may maintain an action to enjoin a
 10884 foreign corporation from transacting business in this state in
 10885 violation of this chapter.

10886 Section 213. Section 607.1530, Florida Statutes, is amended
 10887 to read:

10888 607.1530 Grounds for Revocation of certificate of authority
 10889 to transact business.—

10890 (1) A The Department of State may commence a proceeding
 10891 under s. 607.1531 to revoke the certificate of authority of a
 10892 foreign corporation authorized to transact business in this
 10893 state may be revoked by the department if:

10894 (a)(1) The foreign corporation does not deliver its annual
 10895 report to the department has failed to file its annual report
 10896 with the Department of State by 5 p.m. Eastern Time on the third
 10897 Friday in September of each year;—

10898 (b)(2) The foreign corporation does not pay a fee or
 10899 penalty due to the department under this chapter;— within the
 10900 time required by this act, any fees, taxes, or penalties imposed
 10901 by this act or other law.

10902 (c)(3) The foreign corporation does not appoint and
 10903 maintain a registered agent as required by s. 607.1507; ~~is~~
 10904 without a registered agent or registered office in this state

Page 376 of 458

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590-03467A-19

2019892c2

10905 ~~for 30 days or more.~~

10906 (d)(4) The foreign corporation does not deliver for filing
 10907 a statement of a change under s. 607.1508 within 30 days after
 10908 the change in the name or address of the agent has occurred,
 10909 unless, within 30 days after the change occurred, either:

10910 1. The registered agent files a statement of change under
 10911 s. 607.15091; or

10912 2. The change was made in accordance with s. 607.1508(4) or
 10913 s. 607.1504(1) (c);

10914 (e) The foreign corporation has failed to amend its
 10915 certificate of authority to reflect a change in its name on the
 10916 records of the department or its jurisdiction of incorporation;

10917 (f) The foreign corporation's period of duration stated in
 10918 its articles of incorporation has expired; notify the Department
 10919 of State under s. 607.1508 or s. 607.1509 that its registered
 10920 agent has resigned or that its registered office has been
 10921 discontinued within 30 days of the resignation or
 10922 discontinuance.

10923 (g)(5) An incorporator, director, officer, or agent of the
 10924 foreign corporation signs signed a document that she or he knew
 10925 was false in a any material respect with the intent that the
 10926 document be delivered to the department of State for filing;:-

10927 (h)(6) The department of State receives a duly
 10928 authenticated certificate from the Secretary of State or other
 10929 official having custody of corporate records in the jurisdiction
 10930 under the law of which the foreign corporation is incorporated
 10931 stating that it has been dissolved or is no longer active on the
 10932 official's records; or disappeared as the result of a merger.

10933 (i)(7) The foreign corporation has failed to answer

Page 377 of 458

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590-03467A-19

2019892c2

10934 truthfully and fully, within the time prescribed by this chapter
 10935 act, interrogatories propounded by the department of State.

10936 (2) Revocation of a foreign corporation's certificate of
 10937 authority for failure to file an annual report shall occur on
 10938 the fourth Friday in September of each year. The department
 10939 shall issue a notice in a record of the revocation to the
 10940 revoked foreign corporation. Issuance of the notice may be by
 10941 electronic transmission to a foreign corporation that has
 10942 provided the department with an e-mail address.

10943 (3) If the department determines that one or more grounds
 10944 exist under paragraph (1)(b) for revoking a foreign
 10945 corporation's certificate of authority, the department shall
 10946 issue a notice in a record to the foreign corporation of the
 10947 department's intent to revoke the certificate of authority.
 10948 Issuance of the notice may be by electronic transmission to a
 10949 foreign corporation that has provided the department with an e-
 10950 mail address.

10951 (4) If, within 60 days after the department sends the
 10952 notice of intent to revoke in accordance with subsection (3),
 10953 the foreign corporation does not correct each ground for
 10954 revocation or demonstrate to the reasonable satisfaction of the
 10955 department that each ground determined by the department does
 10956 not exist, the department shall revoke the foreign corporation's
 10957 authority to transact business in this state and issue a notice
 10958 in a record of revocation which states the grounds for
 10959 revocation. Issuance of the notice may be by electronic
 10960 transmission to a foreign corporation that has provided the
 10961 department with an e-mail address.

10962 (5) Revocation of a foreign corporation's certificate of

Page 378 of 458

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590-03467A-19

2019892c2

10963 authority does not terminate the authority of the registered
 10964 agent of the corporation.

10965 Section 214. Section 607.1531, Florida Statutes, is
 10966 repealed.

10967 Section 215. Section 607.15315, Florida Statutes, is
 10968 amended to read:

10969 607.15315 ~~Revocation, application for~~ Reinstatement
 10970 following revocation of certificate of authority.-

10971 (1)~~(a)~~ A foreign corporation the certificate of authority
 10972 of which has been revoked pursuant to s. 607.1530 or former s.
 10973 607.1531 may apply to the department of State for reinstatement
 10974 at any time after the effective date of revocation of authority.
 10975 The foreign corporation applying for reinstatement must submit
 10976 all fees and penalties then owed by the foreign corporation at
 10977 rates provided by law at the time the foreign corporation
 10978 applies for reinstatement, together with an application for
 10979 reinstatement prescribed and furnished by the department, which
 10980 is signed by both the registered agent and an officer or
 10981 director of the company and states ~~application must:~~

10982 (a)1. Recite The name under which of the foreign
 10983 corporation is authorized to transact business in this state.
 10984 and the effective date of its revocation of authority;

10985 (b)2. The street address of the corporation's principal
 10986 office and mailing address. State that the ground or grounds for
 10987 revocation of authority either did not exist or have been
 10988 eliminated and that no further grounds currently exist for
 10989 revocation of authority;

10990 (c) The jurisdiction of the foreign corporation's formation
 10991 and the date on which it became qualified to transact business

Page 379 of 458

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590-03467A-19

2019892c2

10992 in this state.

10993 (d) The foreign corporation's federal employer
 10994 identification number or, if none, whether one has been applied
 10995 for.

10996 (e) The name, title or capacity, and address of at least
 10997 one officer or director of the corporation.

10998 (f) Additional information that is necessary or appropriate
 10999 to enable the department to carry out this chapter.

11000 (2) In lieu of the requirement to file an application for
 11001 reinstatement as described in subsection (1), a foreign
 11002 corporation whose certificate of authority has been revoked may
 11003 submit all fees and penalties owed by the corporation at the
 11004 rates provided by law at the time the corporation applies for
 11005 reinstatement, together with a current annual report, signed by
 11006 both the registered agent and an officer or director of the
 11007 corporation, which contains the information described in
 11008 subsection (1).

11009 (3) If the department determines that an application for
 11010 reinstatement contains the information required under subsection
 11011 (1) or subsection (2) and that the information is correct, upon
 11012 payment of all required fees and penalties, the department shall
 11013 reinstate the foreign corporation's certificate of authority

11014 ~~3. State that the foreign corporation's name satisfies the~~
 11015 ~~requirements of s. 607.1506; and~~

11016 ~~4. State that all fees owed by the corporation and computed~~
 11017 ~~at the rate provided by law at the time the foreign corporation~~
 11018 ~~applies for reinstatement have been paid; or~~

11019 ~~(b) As an alternative, the foreign corporation may submit a~~
 11020 ~~current annual report, signed by the registered agent and an~~

Page 380 of 458

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590-03467A-19

2019892c2

11021 ~~officer or director, which substantially complies with the~~
 11022 ~~requirements of paragraph (a).~~
 11023 ~~(2) If the Department of State determines that the~~
 11024 ~~application contains the information required by subsection (1)~~
 11025 ~~and that the information is correct, it shall cancel the~~
 11026 ~~certificate of revocation of authority and prepare a certificate~~
 11027 ~~of reinstatement that recites its determination and prepare a~~
 11028 ~~certificate of reinstatement, file the original of the~~
 11029 ~~certificate, and serve a copy on the corporation under s.~~
 11030 ~~607.0504(2).~~
 11031 (4)(3) When a reinstatement becomes the reinstatement is
 11032 effective, it relates back to and takes effect as of the
 11033 effective date of the revocation of authority and the foreign
 11034 corporation may operate in this state resumes carrying on its
 11035 business as if the revocation of authority had never occurred.
 11036 (5)(4) The name of the foreign corporation whose the
 11037 certificate of authority of which has been revoked is not
 11038 available for assumption or use by another eligible entity
 11039 corporation until 1 year after the effective date of revocation
 11040 of authority unless the corporation provides the department of
 11041 State with a record signed an affidavit executed as required by
 11042 s. 607.0120 which authorizes permitting the immediate assumption
 11043 or use of the name by another eligible entity corporation.
 11044 (6)(5) If the name of the foreign corporation applying for
 11045 reinstatement has been lawfully assumed in this state by another
 11046 eligible entity, the department corporation, the Department of
 11047 State shall require the foreign corporation to comply with s.
 11048 607.1506 before accepting its application for reinstatement.
 11049 Section 216. Section 607.1532, Florida Statutes, is amended

Page 381 of 458

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590-03467A-19

2019892c2

11050 to read:
 11051 607.1532 Judicial review of denial of reinstatement Appeal
 11052 from revocation.-
 11053 (1) If the department denies a foreign corporation's
 11054 application for reinstatement after revocation of its
 11055 certificate of authority, the department shall serve the foreign
 11056 corporation under s. 607.15101 with a written notice that
 11057 explains the reason or reasons for the denial Department of
 11058 State revokes the authority of any foreign corporation to
 11059 transact business in this state pursuant to the provisions of
 11060 this act, such foreign corporation may likewise appeal to the
 11061 circuit court of the county where the registered office of such
 11062 corporation in this state is situated by filing with the clerk
 11063 of such court a petition setting forth a copy of its application
 11064 for authority to transact business in this state and a copy of
 11065 the certificate of revocation given by the Department of State,
 11066 whereupon the matter shall be tried de novo by the court, and
 11067 the court shall either sustain the action of the Department of
 11068 State or direct the department to take such action as the court
 11069 deems proper.
 11070 (2) Within 30 days after service of a notice of denial of
 11071 reinstatement, a foreign corporation may appeal the denial by
 11072 petitioning the Circuit Court of Leon County to set aside the
 11073 revocation. The petition must be served on the department and
 11074 contain a copy of the department's notice of revocation, the
 11075 foreign corporation's application for reinstatement, and the
 11076 department's notice of denial Appeals from all final orders and
 11077 judgments entered by the circuit court under this section in
 11078 review of any ruling or decision of the Department of State may

Page 382 of 458

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590-03467A-19

2019892c2

11079 ~~be taken as in other civil actions.~~

11080 (3) The circuit court may order the department to reinstate
11081 the certificate of authority of the foreign corporation or take
11082 other action the court considers appropriate.

11083 (4) The circuit court's final decision may be appealed as
11084 in other civil proceedings.

11085 Section 217. Section 607.1601, Florida Statutes, is amended
11086 to read:

11087 607.1601 Corporate records.—

11088 (1) A corporation shall maintain the following records:
11089 ~~keep as permanent records minutes of all meetings of its~~
11090 ~~shareholders and board of directors, a record of all actions~~
11091 ~~taken by the shareholders or board of directors without a~~
11092 ~~meeting, and a record of all actions taken by a committee of the~~
11093 ~~board of directors in place of the board of directors on behalf~~
11094 ~~of the corporation.~~

11095 ~~(2) A corporation shall maintain accurate accounting~~
11096 ~~records.~~

11097 ~~(3) A corporation or its agent shall maintain a record of~~
11098 ~~its shareholders in a form that permits preparation of a list of~~
11099 ~~the names and addresses of all shareholders in alphabetical~~
11100 ~~order by class of shares showing the number and series of shares~~
11101 ~~held by each.~~

11102 ~~(4) A corporation shall maintain its records in written~~
11103 ~~form or in another form capable of conversion into written form~~
11104 ~~within a reasonable time.~~

11105 ~~(5) A corporation shall keep a copy of the following~~
11106 ~~records:~~

11107 (a) Its articles ~~or restated articles~~ of incorporation, as

Page 383 of 458

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590-03467A-19

2019892c2

11108 ~~and all amendments to them~~ currently in effect;

11109 (b) Any notices to shareholders referred to in s.
11110 607.0120(11) (d) specifying facts on which a filed document is
11111 dependent, if such facts are not included in the articles of
11112 incorporation or otherwise available as specified in s.
11113 607.0120(11) (d);

11114 ~~(c)(b) Its bylaws, as or restated bylaws and all amendments~~
11115 ~~to them~~ currently in effect;

11116 ~~(c) Resolutions adopted by its board of directors creating~~
11117 ~~one or more classes or series of shares and fixing their~~
11118 ~~relative rights, preferences, and limitations, if shares issued~~
11119 ~~pursuant to those resolutions are outstanding;~~

11120 ~~(d) The minutes of all shareholders' meetings and records~~
11121 ~~of all action taken by shareholders without a meeting for the~~
11122 ~~past 3 years;~~

11123 (d)(e) All written communications within the past 3 years
11124 to all shareholders generally or to all shareholders of a class
11125 or series within the past 3 years, including the financial
11126 statements furnished for the past 3 years under s. 607.1620;

11127 (e) Minutes of all meetings of, and records of all actions
11128 taken without a meeting by, its shareholders, its board of
11129 directors, and any board committees established under s.
11130 607.0825;

11131 (f) A list of the names and business street addresses of
11132 its current directors and officers; and

11133 (g) Its most recent annual report delivered to the
11134 department ~~of State~~ under s. 607.1622.

11135 (2) A corporation shall maintain all annual financial
11136 statements prepared for the corporation for its last 3 fiscal

Page 384 of 458

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590-03467A-19

2019892c2

11137 years, or such shorter period of existence, and any audit or
 11138 other reports with respect to such financial statements.

11139 (3) A corporation shall maintain accounting records in a
 11140 form that permits preparation of its financial statements.

11141 (4) A corporation shall maintain a record of its current
 11142 shareholders in alphabetical order by class or series of shares
 11143 showing the address of, and the number and class or series of
 11144 shares held by, each shareholder. This subsection does not
 11145 require the corporation to include the electronic mail address
 11146 or other electronic contact information of a shareholder in such
 11147 record.

11148 (5) A corporation shall maintain the records specified in
 11149 this section in a manner so that they may be available for
 11150 inspection within a reasonable time.

11151 Section 218. Section 607.1602, Florida Statutes, is amended
 11152 to read:

11153 607.1602 Inspection of records by shareholders.—

11154 (1) A shareholder of a corporation is entitled to inspect
 11155 and copy, during regular business hours at the corporation's
 11156 principal office, any of the records of the corporation
 11157 described in s. 607.1601(1), excluding minutes of meetings of,
 11158 and records of actions taken without a meeting by, the
 11159 corporation's board of directors and any board committees
 11160 established under s. 607.0825, ~~s. 607.1601(5)~~ if the shareholder
 11161 gives the corporation written notice of the shareholder's ~~his or~~
 11162 ~~her~~ demand at least 5 business days before the date on which the
 11163 shareholder ~~he or she~~ wishes to inspect and copy.

11164 (2) A shareholder of a corporation is entitled to inspect
 11165 and copy, during regular business hours at a reasonable location

Page 385 of 458

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590-03467A-19

2019892c2

11166 specified by the corporation, any of the following records of
 11167 the corporation if the shareholder meets the requirements of
 11168 subsection (3) and gives the corporation written notice of the
 11169 shareholder's ~~his or her~~ demand at least 5 business days before
 11170 the date on which the shareholder ~~he or she~~ wishes to inspect
 11171 and copy:

11172 (a) Excerpts from minutes of any meeting of, or records of
 11173 any actions taken without a meeting by, the corporation's board
 11174 of directors and board committees maintained in accordance with
 11175 s. 607.1601(1), records of any action of a committee of the
 11176 board of directors while acting in place of the board of
 11177 directors on behalf of the corporation, minutes of any meeting
 11178 of the shareholders, and records of action taken by the
 11179 shareholders or board of directors without a meeting, to the
 11180 extent not subject to inspection under subsection (1);

11181 (b) The financial statements of the corporation maintained
 11182 in accordance with s. 607.1601(2);

11183 (c) ~~(b)~~ Accounting records of the corporation;

11184 (d) ~~(e)~~ The record of shareholders maintained in accordance
 11185 with s. 607.1601(4); and

11186 (e) ~~(d)~~ Any other books and records.

11187 (3) A shareholder may inspect and copy the records
 11188 described in subsection (2) only if:

11189 (a) The shareholder's demand is made in good faith and for
 11190 a proper purpose;

11191 (b) The shareholder's demand ~~shareholder~~ describes with
 11192 reasonable particularity the shareholder's ~~his or her~~ purpose
 11193 and the records the shareholder ~~he or she~~ desires to inspect;
 11194 and

Page 386 of 458

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590-03467A-19

2019892c2

11195 (c) The records are directly connected with the
 11196 shareholder's purpose.

11197 (4) The corporation may impose reasonable restrictions on
 11198 the disclosure, use, or distribution of, and reasonable
 11199 obligations to maintain the confidentiality of, records
 11200 described in subsection (2). A shareholder of a Florida
 11201 corporation, or a shareholder of a foreign corporation
 11202 authorized to transact business in this state who resides in
 11203 this state, is entitled to inspect and copy, during regular
 11204 business hours at a reasonable location in this state specified
 11205 by the corporation, a copy of the records of the corporation
 11206 described in s. 607.1601(5)(b) and (f), if the shareholder gives
 11207 the corporation written notice of his or her demand at least 15
 11208 business days before the date on which he or she wishes to
 11209 inspect and copy.

11210 (5) For any meeting of shareholders for which the record
 11211 date for determining shareholders entitled to vote at the
 11212 meeting is different than the record date for notice of the
 11213 meeting, any person who becomes a shareholder subsequent to the
 11214 record date for notice of the meeting and is entitled to vote at
 11215 the meeting is entitled to obtain from the corporation upon
 11216 request the notice and any other information provided by the
 11217 corporation to shareholders in connection with the meeting,
 11218 unless the corporation has made such information generally
 11219 available to shareholders by posting it on its website or by
 11220 other generally recognized means. Failure of a corporation to
 11221 provide such information does not affect the validity of action
 11222 taken at the meeting.

11223 (6) The right of inspection granted by this section may not

Page 387 of 458

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590-03467A-19

2019892c2

11224 be abolished or limited by a corporation's articles of
 11225 incorporation or bylaws.

11226 ~~(7)(5)~~ This section does not affect:

11227 (a) The right of a shareholder to inspect and copy records
 11228 under s. 607.0720 or, if the shareholder is in litigation with
 11229 the corporation, to the same extent as any other litigant; or
 11230 (b) The power of a court, independently of this chapter
 11231 ~~act~~, to compel the production of corporate records for
 11232 examination and to impose reasonable restrictions as provided in
 11233 s. 607.1604(3), provided that, in the case of production of
 11234 records described in subsection (2) at the request of the
 11235 shareholder, the shareholder has met the requirements of
 11236 subsection (3).

11237 ~~(8)(6)~~ A corporation may deny any demand for inspection
 11238 made pursuant to subsection (2) if the demand was made for an
 11239 improper purpose, or if the demanding shareholder has within 2
 11240 years preceding his or her demand sold or offered for sale any
 11241 list of shareholders of the corporation or any other
 11242 corporation, has aided or abetted any person in procuring any
 11243 list of shareholders for any such purpose, or has improperly
 11244 used any information secured through any prior examination of
 11245 the records of the corporation or any other corporation.

11246 ~~(9)(7)~~ A shareholder may not sell or otherwise distribute
 11247 any information or records inspected under this section, except
 11248 to the extent that such use is for a proper purpose as defined
 11249 in subsection ~~(11)~~ (3). ~~Any person who violates this provision~~
 11250 ~~shall be subject to a civil penalty of \$5,000.~~

11251 ~~(10)(8)~~ For purposes of this section, the term
 11252 "shareholder" means a record shareholder, a beneficial

Page 388 of 458

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590-03467A-19

2019892c2

11253 ~~shareholder, or an unrestricted voting trust beneficial owner~~
 11254 ~~includes a beneficial owner whose shares are held in a voting~~
 11255 ~~trust or by a nominee on his or her behalf.~~

11256 (11)(9) For purposes of this section, a "proper purpose"
 11257 means a purpose reasonably related to such person's interest as
 11258 a shareholder.

11259 (12) The rights of a shareholder to obtain records under
 11260 subsections (1) and (2) shall also apply to the records of
 11261 subsidiaries of the corporation.

11262 Section 219. Section 607.1603, Florida Statutes, is amended
 11263 to read:

11264 607.1603 Scope of inspection right.—

11265 (1) A shareholder may appoint an agent or attorney to
 11266 exercise the shareholder's inspection and copying rights under
 11267 s. 607.1602 shareholder's agent or attorney has the same
 11268 inspection and copying rights as the shareholder he or she
 11269 represents.

11270 (2) The corporation may, if reasonable, satisfy the right
 11271 of a shareholder to copy records under s. 607.1602 by furnishing
 11272 to the shareholder copies made by photocopy or other means
 11273 chosen by the corporation, including furnishing copies through
 11274 an electronic transmission includes, if reasonable, the right to
 11275 receive copies made by photographic, xerographic, or other
 11276 means.

11277 (3) The corporation may impose a reasonable charge to cover
 11278 the costs of providing copies of any documents to the
 11279 shareholder which may be based on an estimate of such costs,
 11280 covering the costs of labor and material, for copies of any
 11281 documents provided to the shareholder. The charge may not exceed

Page 389 of 458

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590-03467A-19

2019892c2

11282 ~~the estimated cost of production or reproduction of the records.~~
 11283 ~~If the records are kept in other than written form, the~~
 11284 ~~corporation shall convert such records into written form upon~~
 11285 ~~the request of any person entitled to inspect the same. The~~
 11286 ~~corporation shall bear the costs of converting any records~~
 11287 ~~described in s. 607.1601(5). The requesting shareholder shall~~
 11288 ~~bear the costs, including the cost of compiling the information~~
 11289 ~~requested, incurred to convert any records described in s.~~
 11290 ~~607.1602(2).~~

11291 (4) If requested by a shareholder, The corporation may
 11292 comply at its expense shall comply with a shareholder's demand
 11293 to inspect the records of shareholders under s. 607.1602(2)(d)
 11294 s. 607.1602(2)(e) by providing the shareholder him or her with a
 11295 list of its shareholders that was compiled no earlier than the
 11296 date of the shareholder's demand of the nature described in s.
 11297 607.1601(3). Such a list must be compiled as of the last record
 11298 date for which it has been compiled or as of a subsequent date
 11299 if specified by the shareholder.

11300 Section 220. Section 607.1604, Florida Statutes, is amended
 11301 to read:

11302 607.1604 Court-ordered inspection.—

11303 (1) If a corporation does not allow a shareholder who
 11304 complies with s. 607.1602(1) ~~or (4)~~ to inspect and copy any
 11305 records required by that subsection to be available for
 11306 inspection, the circuit court in the applicable county ~~where the~~
 11307 ~~corporation's principal office (or, if none in this state, its~~
 11308 ~~registered office) is located~~ may summarily order inspection and
 11309 copying of the records demanded at the corporation's expense
 11310 upon application of the shareholder. If the court orders

Page 390 of 458

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590-03467A-19

2019892c2

11311 inspection and copying of the records demanded under s.
 11312 607.1601(1), it shall also order the corporation to pay the
 11313 shareholder's expenses, including reasonable attorney fees,
 11314 incurred to obtain the order and enforce its rights under this
 11315 section.

11316 (2) If a corporation does not within a reasonable time
 11317 allow a shareholder who complies with s. 607.1602(2) to inspect
 11318 and copy the records required by that section ~~any other record,~~
 11319 the shareholder who complies with s. 607.1602(3) ~~s. 607.1602(2)~~
 11320 ~~and (3),~~ may apply to the circuit court in the applicable county
 11321 ~~where the corporation's principal office (or, if none in this~~
 11322 ~~state, its registered office) is located~~ for an order to permit
 11323 inspection and copying of the records demanded. The court shall
 11324 dispose of an application under this subsection on an expedited
 11325 basis.

11326 (3) If the court orders inspection and ~~or~~ copying of the
 11327 records demanded under s. 607.1602(2), it may impose reasonable
 11328 restrictions on the disclosure, use, or distribution of, and
 11329 reasonable obligations to maintain the confidentiality of, such
 11330 records, and it shall also order the corporation to pay the
 11331 shareholder's expenses incurred ~~costs,~~ including reasonable
 11332 attorney ~~attorney's~~ fees, ~~reasonably~~ incurred to obtain the
 11333 order and enforce its rights under this section unless the
 11334 corporation establishes that the corporation, or the officer,
 11335 director, or agent, as the case may be, proves that it or she or
 11336 he refused inspection in good faith because the corporation it
 11337 or she or he had:

11338 (a) A reasonable basis for doubt about the right of the
 11339 shareholder to inspect or copy the records demanded; or-

Page 391 of 458

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590-03467A-19

2019892c2

11340 ~~(b)(4) Required If the court orders inspection or copying~~
 11341 ~~of the records demanded, it may impose~~ reasonable restrictions
 11342 on the disclosure, use, or distribution of, and reasonable
 11343 obligations to maintain the confidentiality of, such ~~the~~ records
 11344 demande ~~d to which~~ by the demanding shareholder had been
 11345 unwilling to agree.

11346 Section 221. Section 607.1605, Florida Statutes, is amended
 11347 to read:

11348 607.1605 Inspection rights of ~~records~~ by directors.-

11349 (1) A director of a corporation is entitled to inspect and
 11350 copy the books, records, and documents of the corporation at any
 11351 reasonable time to the extent reasonably related to the
 11352 performance of the director's duties as a director, including
 11353 duties as a member of a board committee, but not for any other
 11354 purpose or in any manner that would violate any duty to the
 11355 corporation.

11356 (2) The circuit court of the applicable county ~~in which the~~
 11357 ~~corporation's principal office or, if none in this state, its~~
 11358 ~~registered office is located~~ may order inspection and copying of
 11359 the books, records, and documents at the corporation's expense,
 11360 upon application of a director who has been refused such
 11361 inspection rights, unless the corporation establishes that the
 11362 director is not entitled to such inspection rights. The court
 11363 shall dispose of an application under this subsection on an
 11364 expedited basis.

11365 (3) If an order is issued, the court may include provisions
 11366 protecting the corporation from undue burden or expense and
 11367 prohibiting the director from using information obtained upon
 11368 exercise of the inspection rights in a manner that would violate

Page 392 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

11369 a duty to the corporation, and may also order the corporation to
 11370 reimburse the director for the director's costs, including
 11371 reasonable ~~attorney counsel~~ fees, incurred in connection with
 11372 the application.

11373 Section 222. Section 607.1620, Florida Statutes, is amended
 11374 to read:

11375 607.1620 Financial statements for shareholders.-

11376 (1) Upon the written request of any shareholder, a
 11377 corporation shall deliver or make available to the requesting
 11378 shareholder the corporation's annual financial statements for
 11379 the most recent fiscal year of the corporation Unless modified
 11380 by resolution of the shareholders within 120 days of the close
 11381 of each fiscal year, a corporation shall furnish its
 11382 shareholders annual financial statements which may be
 11383 consolidated or combined statements of the corporation and one
 11384 or more of its subsidiaries, as appropriate, that include a
 11385 balance sheet as of the end of the fiscal year, an income
 11386 statement for that year, and a statement of cash flows for that
 11387 year. If annual financial statements have been are prepared for
 11388 the corporation on the basis of generally accepted accounting
 11389 principles for such specified period, the corporation shall
 11390 deliver or make available such financial statements to the
 11391 requesting shareholder, the annual financial statements must
 11392 also be prepared on that basis.

11393 ~~(2)~~ If the annual financial statements to be delivered or
 11394 made available to the requesting shareholder are audited or
 11395 otherwise are reported upon by a public accountant, the report
 11396 of the public accountant shall also be delivered or made
 11397 available to the requesting shareholder his or her report must

Page 393 of 458

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590-03467A-19

2019892c2

11398 accompany them. If not, the statements must be accompanied by a
 11399 statement of the president or the person responsible for the
 11400 corporation's accounting records;

11401 ~~(a) Stating his or her reasonable belief whether the~~
 11402 ~~statements were prepared on the basis of generally accepted~~
 11403 ~~accounting principles and, if not, describing the basis of~~
 11404 ~~preparation; and~~

11405 ~~(b) Describing any respects in which the statements were~~
 11406 ~~not prepared on a basis of accounting consistent with the~~
 11407 ~~statements prepared for the preceding year.~~

11408 (2)(3) A Any corporation required by subsection (1) to
 11409 deliver or make available furnish annual financial statements to
 11410 a requesting shareholder shall deliver or make available such
 11411 annual financial statements to such shareholder within 5
 11412 business days after the request if the annual financial
 11413 statements have already been prepared and are available, or, if
 11414 the annual financial statements have not been prepared, must
 11415 notify the shareholder within 5 business days that the annual
 11416 financial statements have not yet been prepared, and must
 11417 deliver or make available such annual financial statements to
 11418 the its shareholders shall furnish such annual financial
 11419 statements to each shareholder within 120 days after the request
 11420 close of each fiscal year or within such additional time
 11421 thereafter as is reasonably necessary to enable the corporation
 11422 to prepare its annual financial statements if, for reasons
 11423 beyond the corporation's control, it is unable to prepare its
 11424 annual financial statements within the prescribed period.
 11425 ~~Thereafter, on written request from a shareholder who was not~~
 11426 ~~furnished the statements, the corporation shall furnish him or~~

Page 394 of 458

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590-03467A-19

2019892c2

11427 ~~her the latest annual financial statements.~~

11428 (3) If requested by the requesting shareholder in its
 11429 written request under subsection (1), the corporation shall
 11430 promptly notify all other shareholders that the annual financial
 11431 statements that have or are to be delivered or made available to
 11432 the requesting shareholder have been or are being made available
 11433 to the requesting shareholder and will also be delivered or made
 11434 available to any other shareholder who makes its own written
 11435 request to the corporation under subsection (1).

11436 (4) A corporation may fulfill its responsibilities under
 11437 this section by delivering the specified annual financial
 11438 statements, by posting the specified annual financial statements
 11439 on its website, by any other generally recognized means, or in
 11440 any other manner permitted by the applicable rules and
 11441 regulations of the United States Securities and Exchange
 11442 Commission.

11443 (5) Notwithstanding subsections (1), (2), and (3):

11444 (a) As a condition to delivering or making available annual
 11445 financial statements to any requesting shareholder, the
 11446 corporation may require the requesting shareholder to agree to
 11447 reasonable restrictions on the confidentiality, use, and
 11448 distribution of such annual financial statements; and

11449 (b) The corporation may, if it reasonably determines that
 11450 the shareholder's request is not made in good faith or for a
 11451 proper purpose, decline to deliver or make available such annual
 11452 financial statements to that shareholder.

11453 (6) If a corporation does not respond to a shareholder's
 11454 request for annual financial statements pursuant to this section
 11455 in accordance with subsection (3) within the applicable period

Page 395 of 458

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590-03467A-19

2019892c2

11456 specified in subsection (2):

11457 (a) The requesting shareholder may apply to the circuit
 11458 court in the applicable county for an order requiring delivery
 11459 of or access to the requested annual financial statements. The
 11460 court shall dispose of an application under this subsection on
 11461 an expedited basis.

11462 (b) If the court orders delivery or access to the requested
 11463 annual financial statements, it may impose reasonable
 11464 restrictions on their confidentiality, use, or distribution.

11465 (c) In such proceeding, if the corporation has declined to
 11466 deliver or make available such annual financial statements
 11467 because the shareholder had been unwilling to agree to
 11468 restrictions proposed by the corporation on the confidentiality,
 11469 use, and distribution of such financials statements, the
 11470 corporation shall have the burden of demonstrating that the
 11471 restrictions proposed by the corporation were reasonable.

11472 (d) In such proceeding, if the corporation has declined to
 11473 deliver or make available such annual financial statements
 11474 pursuant to s. 607.1620(5)(b), the corporation shall have the
 11475 burden of demonstrating that it had reasonably determined that
 11476 the shareholder's request was not made in good faith or for a
 11477 proper purpose.

11478 (7) If the court orders delivery or access to the requested
 11479 annual financial statements it shall order the corporation to
 11480 pay the shareholder's expenses, including reasonable attorney
 11481 fees, incurred to obtain such order unless the corporation
 11482 establishes that it had refused delivery or access to the
 11483 requested annual financial statements because the shareholder
 11484 had refused to agree to reasonable restrictions on the

Page 396 of 458

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590-03467A-19

2019892c2

11485 confidentiality, use, or distribution of the annual financial
 11486 statements or that the corporation had reasonably determined
 11487 that the shareholder's request was not made in good faith or for
 11488 a proper purpose

11489 ~~(4) If a corporation does not comply with the shareholder's~~
 11490 ~~request for annual financial statements pursuant to this section~~
 11491 ~~within 30 days of delivery of such request to the corporation,~~
 11492 ~~the circuit court in the county where the corporation's~~
 11493 ~~principal office (or, if none in this state, its registered~~
 11494 ~~office) is located may, upon application of the shareholder,~~
 11495 ~~summarily order the corporation to furnish such financial~~
 11496 ~~statements. If the court orders the corporation to furnish the~~
 11497 ~~shareholder with the financial statements demanded, it shall~~
 11498 ~~also order the corporation to pay the shareholder's costs,~~
 11499 ~~including reasonable attorney's fees, reasonably incurred to~~
 11500 ~~obtain the order and otherwise enforce its rights under this~~
 11501 ~~section.~~

11502 ~~(5) The requirement to furnish annual financial statements~~
 11503 ~~as described in this section shall be satisfied by sending such~~
 11504 ~~annual financial statements by mail or electronic transmission.~~
 11505 ~~If a corporation has an outstanding class of securities~~
 11506 ~~registered under s. 12 of the Securities Exchange Act of 1934,~~
 11507 ~~as amended, the requirement to furnish annual financial~~
 11508 ~~statements may be satisfied by complying with 17 C.F.R. s.~~
 11509 ~~240.14a-16, as amended, with respect to the obligation of a~~
 11510 ~~corporation to furnish an annual financial report to~~
 11511 ~~shareholders pursuant to 17 C.F.R. s. 240.14a-3(b), as amended.~~

11512 Section 223. Section 607.1621, Florida Statutes, is
 11513 repealed.

Page 397 of 458

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590-03467A-19

2019892c2

11514 Section 224. Section 607.1622, Florida Statutes, is amended
 11515 to read:

11516 607.1622 Annual report for department ~~of State.~~

11517 (1) Each domestic corporation and each foreign corporation
 11518 authorized to transact business in this state shall deliver to
 11519 the department for filing an annual report that states the
 11520 following of State for filing a sworn annual report on such
 11521 forms as the Department of State prescribes that sets forth:

11522 (a) The name of the corporation or, if a foreign
 11523 corporation, the name under which the foreign corporation is
 11524 authorized to transact business in this state and the state or
 11525 country under the law of which it is incorporated;

11526 (b) The date of its incorporation and or, if a foreign
 11527 corporation, the jurisdiction of its incorporation and the date
 11528 on which it became qualified to transact date on which it was
 11529 admitted to do business in this state;

11530 (c) The street address of its principal office and the
 11531 mailing address of the corporation;

11532 (d) The corporation's federal employer identification
 11533 number, if any, or, if none, whether one has been applied for;

11534 (e) The names and business street addresses of its
 11535 directors and principal officers; and

11536 ~~(f) The street address of its registered office and the~~
 11537 ~~name of its registered agent at that office in this state;~~

11538 ~~(g) Language permitting a voluntary contribution of \$5 per~~
 11539 ~~taxpayer, which contribution shall be transferred into the~~
 11540 ~~Election Campaign Financing Trust Fund. A statement providing an~~
 11541 ~~explanation of the purpose of the trust fund shall also be~~
 11542 ~~included; and~~

Page 398 of 458

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590-03467A-19

2019892c2

11543 ~~(f)(h)~~ Any additional information that the department has
 11544 identified as such additional information as may be necessary or
 11545 appropriate to enable the department of State to carry out the
 11546 provisions of this chapter act.

11547 (2) If an annual report contains the name and address of a
 11548 registered agent which differs from the information shown in the
 11549 records of the department immediately before the annual report
 11550 becomes effective, the differing information in the annual
 11551 report is considered a statement of change under s. 607.0502
 11552 Proof to the satisfaction of the Department of State that on or
 11553 before May 1 such report was deposited in the United States mail
 11554 in a sealed envelope, properly addressed with postage prepaid,
 11555 shall be deemed compliance with this requirement.

11556 (3) If an annual report does not contain the information
 11557 required in by this section, the department ~~of State~~ shall
 11558 promptly notify the reporting domestic corporation or foreign
 11559 corporation in writing and return the report to it for
 11560 correction. If the report is corrected to contain the
 11561 information required in subsection (1) by this section and
 11562 delivered to the department of State within 30 days after the
 11563 effective date of the notice, it will be considered timely
 11564 delivered is deemed to be timely filed.

11565 ~~(4) Each report shall be executed by the corporation by an~~
 11566 ~~officer or director or, if the corporation is in the hands of a~~
 11567 ~~receiver or trustee, shall be executed on behalf of the~~
 11568 ~~corporation by such receiver or trustee, and the signing thereof~~
 11569 ~~shall have the same legal effect as if made under oath, without~~
 11570 ~~the necessity of appending such oath thereto.~~

11571 ~~(4)(5)~~ The first annual report must be delivered to the

Page 399 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

11572 department ~~of State~~ between January 1 and May 1 of the year
 11573 following the calendar year in which a domestic corporation's
 11574 articles of incorporation became effective ~~corporation was~~
 11575 ~~incorporated~~ or a foreign corporation obtained its certificate
 11576 of authority ~~was authorized~~ to transact business in this state.
 11577 Subsequent annual reports must be delivered to the department ~~of~~
 11578 State between January 1 and May 1 of each calendar year
 11579 thereafter. If one or more forms of annual report are submitted
 11580 for a calendar year, the department shall file each of them and
 11581 make the information contained in them part of the official
 11582 record. The first form of annual report filed in a calendar year
 11583 shall be considered the annual report for the calendar year, and
 11584 each report filed after that one in the same calendar year shall
 11585 be treated as an amended report for that calendar year the
 11586 subsequent calendar years.

11587 ~~(5)(6)~~ Information in the annual report must be current as
 11588 of the date the annual report is delivered to the department for
 11589 filing ~~executed on behalf of the corporation.~~

11590 ~~(7) If an additional updated report is received, the~~
 11591 ~~department shall file the document and make the information~~
 11592 ~~contained therein part of the official record.~~

11593 ~~(6)(8)~~ A domestic corporation or foreign corporation that
 11594 fails ~~Any corporation failing to file an annual report that~~
 11595 which ~~complies with the requirements of this section may not~~
 11596 prosecute or maintain ~~shall not be permitted to maintain or~~
 11597 defend ~~any action in any court of this state until the such~~
 11598 report is filed and all fees and penalties ~~taxes~~ due under this
 11599 chapter act are paid, and shall be subject to dissolution or
 11600 cancellation of its certificate of authority to transact de

Page 400 of 458

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590-03467A-19

2019892c2

11601 business as provided in this chapter ~~act~~.

11602 (7)(9) The department shall prescribe the forms, which may
 11603 be in an electronic format, on which to make the annual report
 11604 called for in this section and may substitute the uniform
 11605 business report, pursuant to s. 606.06, as a means of satisfying
 11606 the requirement of this ~~chapter~~ ~~part~~.

11607 (8) As a condition of a merger under s. 607.1101, each
 11608 party to a merger which exists under the laws of this state, and
 11609 each party to the merger which exists under the laws of another
 11610 jurisdiction and has a certificate of authority to transact
 11611 business or conduct its affairs in this state, must be active
 11612 and current in filing its annual reports in the records of the
 11613 department through December 31 of the calendar year in which the
 11614 articles of merger are submitted to the department for filing.

11615 (9) As a condition of a conversion of an entity to a
 11616 corporation under s. 607.11930, the entity, if it exists under
 11617 the laws of this state or if it exists under the laws of another
 11618 jurisdiction and has a certificate of authority to transact
 11619 business or conduct its affairs in this state, must be active
 11620 and current in filing its annual reports in the records of the
 11621 department through December 31 of the calendar year in which the
 11622 articles of conversion are submitted to the department for
 11623 filing.

11624 (10) As a condition of a conversion of a domestic
 11625 corporation to another type of entity under s. 607.11930, the
 11626 domestic corporation converting to the other type of entity must
 11627 be active and current in filing its annual reports in the
 11628 records of the department through December 31 of the calendar
 11629 year in which the articles of conversion are submitted to the

Page 401 of 458

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590-03467A-19

2019892c2

11630 department for filing.

11631 (11) As a condition of a share exchange between a
 11632 corporation and another entity under s. 607.1102, the
 11633 corporation, and each other entity that is a party to the share
 11634 exchange which exists under the laws of this state, and each
 11635 party to the share exchange which exists under the laws of
 11636 another jurisdiction and has a certificate of authority to
 11637 transact business or conduct its affairs in this state, must be
 11638 active and current in filing its annual reports in the records
 11639 of the department through December 31 of the calendar year in
 11640 which the articles of share exchange are submitted to the
 11641 department for filing.

11642 (12) As a condition of domestication of a domestic
 11643 corporation into a foreign jurisdiction under s. 607.11920, the
 11644 domestic corporation domesticating into a foreign jurisdiction
 11645 must be active and current in filing its annual reports in the
 11646 records of the department through December 31 of the calendar
 11647 year in which the articles of domestication are submitted to the
 11648 department for filing.

11649 Section 225. Section 607.1701, Florida Statutes, is amended
 11650 to read:

11651 607.1701 Application to existing domestic corporation.—This
 11652 chapter ~~act~~ applies to all domestic corporations in existence on
 11653 January 1, 2020 ~~July 1, 1990~~, that were incorporated under any
 11654 general statute of this state providing for incorporation of
 11655 corporations for profit if power to amend or repeal the statute
 11656 under which the corporation was incorporated was reserved.

11657 Section 226. Section 607.1702, Florida Statutes, is amended
 11658 to read:

Page 402 of 458

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03467A-19

2019892c2

11659 607.1702 Application to qualified foreign corporations.—A
 11660 foreign corporation authorized to transact business in this
 11661 state on January 1, 2020 ~~July 1, 1990~~, is subject to this
 11662 chapter, is deemed to be authorized to transact business in this
 11663 state, and act but is not required to obtain a new certificate
 11664 of authority to transact business under this chapter act.

11665 Section 227. Section 607.1711, Florida Statutes, is amended
 11666 to read:

11667 607.1711 Application to foreign and interstate commerce.—
 11668 The provisions of this chapter act apply to commerce with
 11669 foreign nations and among the several states only insofar as the
 11670 same may be permitted under the Constitution and laws of the
 11671 United States.

11672 Section 228. Section 607.1801, Florida Statutes, is
 11673 repealed.

11674 Section 229. Section 607.1907, Florida Statutes, is amended
 11675 to read:

11676 607.1907 Saving provision ~~Effect of repeal of prior acts.—~~

11677 (1) Except as to procedural provisions, this act does not
 11678 affect a pending action or proceeding or a right accrued before
 11679 January 1, 2020, and a pending civil action or proceeding may be
 11680 completed, and a right accrued may be enforced, as if this act
 11681 had not become effective ~~provided in subsection (2), the repeal~~
 11682 ~~of a statute by this act does not affect:~~

11683 ~~(a) The operation of the statute or any action taken under~~
 11684 ~~it before its repeal, including, without limiting the generality~~
 11685 ~~of the foregoing, the continuing validity of any provision of~~
 11686 ~~the articles of incorporation or bylaws of a corporation~~
 11687 ~~authorized by the statute at the time of its adoption;~~

Page 403 of 458

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590-03467A-19

2019892c2

11688 ~~(b) Any ratification, right, remedy, privilege, obligation,~~
 11689 ~~or liability acquired, accrued, or incurred under the statute~~
 11690 ~~before its repeal;~~

11691 ~~(c) Any violation of the statute, or any penalty,~~
 11692 ~~forfeiture, or punishment incurred because of the violation,~~
 11693 ~~before its repeal;~~

11694 ~~(d) Any proceeding, merger, consolidation, sale of assets,~~
 11695 ~~reorganization, or dissolution commenced under the statute~~
 11696 ~~before its repeal, and the proceeding, merger, consolidation,~~
 11697 ~~sale of assets, reorganization, or dissolution may be completed~~
 11698 ~~in accordance with the statute as if it had not been repealed.~~

11699 (2) If a penalty or punishment ~~imposed~~ for violation of a
 11700 statute or rule repealed by this act is reduced by this act, the
 11701 penalty or punishment, if not already imposed, shall be imposed
 11702 in accordance with this act.

11703 Section 230. Section 607.1908, Florida Statutes, is created
 11704 to read:

11705 607.1908 Severability clause.—If any provision of this
 11706 chapter or its application to any person or circumstance is held
 11707 invalid, the invalidity does not affect other provisions or
 11708 applications of this chapter which can be given effect without
 11709 the invalid provision or application, and to this end the
 11710 provisions of this chapter are severable.

11711 Section 231. Subsections (2) and (3) of section 607.504,
 11712 Florida Statutes, are amended to read:

11713 607.504 Election of social purpose corporation status.—

11714 (2) A plan of merger, domestication, conversion, or share
 11715 exchange must be adopted by the minimum status vote if an entity
 11716 that is not a social purpose corporation is a party to the

Page 404 of 458

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590-03467A-19

2019892c2

11717 merger, domestication, or conversion or if the exchanging entity
11718 in a share exchange and the surviving, new, or resulting entity
11719 is, or will be, a social purpose corporation.

11720 (3) If an entity elects to become a social purpose
11721 corporation by amendment of the articles of incorporation or by
11722 a merger, conversion, or share exchange, the shareholders of the
11723 entity are entitled to appraisal rights under and pursuant to
11724 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11725 Section 232. Subsections (2) and (3) of section 607.604,
11726 Florida Statutes, are amended to read:

11727 607.604 Election of benefit corporation status.—

11728 (2) A plan of merger, domestication, conversion, or share
11729 exchange must be adopted by the minimum status vote if an entity
11730 that is not a benefit corporation is a party to a merger,
11731 domestication, or conversion or if the exchanging entity in a
11732 share exchange and the surviving, new, or resulting entity is,
11733 or will be, a benefit corporation.

11734 (3) If an entity elects to become a benefit corporation by
11735 amendment of the articles of incorporation or by a merger,
11736 domestication, conversion, or share exchange, the shareholders
11737 of the entity are entitled to appraisal rights under and
11738 pursuant to ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11739 Section 233. Paragraph (b) of subsection (23) and
11740 subsections (55) and (58) of section 605.0102, Florida Statutes,
11741 are amended to read:

11742 605.0102 Definitions.—As used in this chapter, the term:

11743 (23)

11744 (b) "Entity" does not include:

11745 1. An individual;

Page 405 of 458

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590-03467A-19

2019892c2

11746 2. A trust with a predominantly donative purpose or a
11747 charitable trust;

11748 3. An association or relationship that is not a partnership
11749 solely by reason of s. 620.8202(2) ~~s. 620.8202(3)~~ or a similar
11750 provision of the law of another jurisdiction;

11751 4. A decedent's estate; or

11752 5. A government or a governmental subdivision, agency, or
11753 instrumentality.

11754 (55) "Private organic rules" means the rules, whether or
11755 not in a record, which govern the internal affairs of an entity,
11756 are binding on all its interest holders, and are not part of its
11757 public organic record, if any. Where private organic rules have
11758 been amended or restated, the term means the private organic
11759 rules as last amended or restated. The term includes:

11760 (a) The bylaws of a business corporation.

11761 (b) The bylaws of a nonprofit corporation.

11762 (c) The partnership agreement of a general partnership.

11763 (d) The partnership agreement of a limited partnership.

11764 (e) The operating agreement, limited liability company
11765 agreement, or similar agreement of a limited liability company.

11766 (f) The bylaws, trust instrument, or similar rules of a
11767 real estate investment trust.

11768 (g) The trust instrument of a statutory trust or similar
11769 rules of a business trust or common law business trust.

11770 (58) "Public organic record" means a record, the filing of
11771 which by a governmental body is required to form an entity, and
11772 an amendment to or restatement of that record. Where a public
11773 organic record has been amended or restated, the term means the
11774 public organic record as last amended or restated. The term

Page 406 of 458

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590-03467A-19

2019892c2

11775 includes the following:

- 11776 (a) The articles of incorporation of a business
11777 corporation.
- 11778 (b) The articles of incorporation of a nonprofit
11779 corporation.
- 11780 (c) The certificate of limited partnership of a limited
11781 partnership.
- 11782 (d) The articles of organization of a limited liability
11783 company.
- 11784 (e) The articles of incorporation of a general cooperative
11785 association or a limited cooperative association.
- 11786 (f) The certificate of trust of a statutory trust or
11787 similar record of a business trust.
- 11788 (g) The articles of incorporation of a real estate
11789 investment trust.
- 11790 Section 234. Paragraph (i) of subsection (3) of section
11791 605.0105, Florida Statutes, is amended to read:
11792 605.0105 Operating agreement; scope, function, and
11793 limitations.—
- 11794 (3) An operating agreement may not do any of the following:
11795 (i) Vary the grounds for dissolution specified in s.
11796 605.0702. Neither a deadlock resolution mechanism nor an
11797 oppressive action sale varies the grounds for dissolution for
11798 the purposes of this paragraph.
- 11799 Section 235. Paragraphs (a) and (b) of subsection (1) of
11800 section 605.0112, Florida Statutes, are amended, and subsection
11801 (6) is added to that section, to read:
11802 605.0112 Name.—
11803 (1) The name of a limited liability company:

Page 407 of 458

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590-03467A-19

2019892c2

- 11804 (a) Must contain the words "limited liability company" or
11805 the abbreviation "L.L.C." or "LLC-" as will clearly indicate
11806 that it is a limited liability company instead of a natural
11807 person, partnership, corporation, or other business entity.
- 11808 (b) Must be distinguishable in the records of the ~~Division~~
11809 ~~of Corporations of the~~ department from the names of all other
11810 entities or filings that are on file with the department
11811 ~~division~~, except fictitious name registrations pursuant to s.
11812 865.09, general partnership registrations pursuant to s.
11813 620.8105, and limited liability partnership statements pursuant
11814 to s. 620.9001 which are organized, registered, or reserved
11815 under the laws of this state; however, a limited liability
11816 company may register under a name that is not otherwise
11817 distinguishable on the records of the department division with
11818 the written consent of the other owner entity if the consent is
11819 filed with the department division at the time of registration
11820 of such name and if such name is not identical to the name of
11821 the other entity. A name that is different from the name of
11822 another entity or filing due to any of the following is not
11823 considered distinguishable:
- 11824 1. A suffix.
 - 11825 2. A definite or indefinite article.
 - 11826 3. The word "and" and the symbol "&."
 - 11827 4. The singular, plural, or possessive form of a word.
 - 11828 5. ~~A recognized abbreviation of a root word.~~
 - 11829 ~~6.~~ A punctuation mark or a symbol.
- 11830 (6) A limited liability company in existence before January
11831 1, 2020, that has a name that does not clearly indicate that it
11832 is a limited liability company instead of a natural person,

Page 408 of 458

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590-03467A-19

2019892c2

11833 partnership, corporation, or other business entity may continue
 11834 using such name until the limited liability company dissolves or
 11835 amends its name in the records of the department.

11836 Section 236. Section 605.01125, Florida Statutes, is
 11837 created to read:

11838 605.01125 Reserved name.—

11839 (1) A person may reserve the exclusive use of the name of a
 11840 limited liability company, including an alternate name for a
 11841 foreign limited liability company whose name is not available,
 11842 by delivering an application to the department for filing. The
 11843 application must set forth the name and address of the applicant
 11844 and the name proposed to be reserved. If the department finds
 11845 that the name of the limited liability company applied for is
 11846 available, it must reserve the name for the applicant's
 11847 exclusive use for a nonrenewable 120-day period.

11848 (2) The owner of a reserved name of a limited liability
 11849 company may transfer the reservation to another person by
 11850 delivering to the department a signed notice of the transfer
 11851 that states the name and address of the transferee.

11852 (3) The department may revoke any reservation if, after a
 11853 hearing, it finds that the application therefor or any transfer
 11854 thereof was not made in good faith.

11855 Section 237. Subsections (1) and (5) of section 605.0113,
 11856 Florida Statutes, are amended, and subsection (6) is added to
 11857 that section, to read:

11858 605.0113 Registered agent.—

11859 (1) Each limited liability company and each foreign limited
 11860 liability company that has a certificate of authority under s.
 11861 605.0902 shall designate and continuously maintain in this

Page 409 of 458

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590-03467A-19

2019892c2

11862 state:

11863 (a) A registered office, which may be the same as its place
 11864 of business in this state; and

11865 (b) A registered agent, who must be:

11866 1. An individual who resides in this state and whose
 11867 business address is identical to the address of the registered
 11868 office; ~~or~~

11869 2. Another domestic entity that is an authorized entity and
 11870 whose business address is identical to the address of the
 11871 registered office; or

11872 3. A foreign entity authorized to transact business in this
 11873 state that is an authorized entity and ~~A foreign or domestic~~
 11874 entity authorized to transact business in this state whose
 11875 business address is identical to the address of the registered
 11876 office.

11877 (5) A limited liability company and each foreign limited
 11878 liability company that has a certificate of authority under s.
 11879 605.0902 may not prosecute or maintain, maintain, or defend an
 11880 action in a court in this state until the limited liability
 11881 company complies with this section, pays to the department any
 11882 amounts required under this chapter, and, to the extent ordered
 11883 by a court of competent jurisdiction, and pays to the department
 11884 a penalty of \$5 for each day it has failed to comply or \$500,
 11885 whichever is less, and pays any other amounts required under
 11886 this chapter.

11887 (6) For the purposes of this section, "authorized entity"

11888 means:

11889 (a) A corporation for profit.

11890 (b) A limited liability company.

Page 410 of 458

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590-03467A-19

2019892c2

11891 (c) A limited liability partnership.
 11892 (d) A limited partnership, including a limited liability
 11893 limited partnership.
 11894 Section 238. Paragraphs (c), (d), and (e) of subsection (1)
 11895 of section 605.0114, Florida Statutes, are amended to read:
 11896 605.0114 Change of registered agent or registered office.—
 11897 (1) In order to change its registered agent or registered
 11898 office address, a limited liability company or a foreign limited
 11899 liability company may deliver to the department for filing a
 11900 statement of change containing the following:
 11901 (c) If the current registered agent is to be changed, the
 11902 name of the new registered agent.
 11903 (d) The street address of its current registered office for
 11904 its current registered agent.
 11905 (e) If the street address of the current registered office
 11906 is to be changed, the new street address of the registered
 11907 office in this state.
 11908 Section 239. Subsection (2) of section 605.0115, Florida
 11909 Statutes, is amended to read:
 11910 605.0115 Resignation of registered agent.—
 11911 (2) After delivering the statement of resignation to with
 11912 the department for filing, the registered agent must promptly
 11913 ~~shall~~ mail a copy to the limited liability company's or foreign
 11914 limited liability company's current mailing address.
 11915 Section 240. Paragraphs (b) through (e) of subsection (1)
 11916 of section 605.0116, Florida Statutes, are amended to read:
 11917 605.0116 Change of name or address by registered agent.—
 11918 (1) If a registered agent changes his or her name or
 11919 address, the agent may deliver to the department for filing a

Page 411 of 458

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590-03467A-19

2019892c2

11920 statement of change that provides the following:
 11921 (b) The name of the registered agent as currently shown in
 11922 the records of the department for the limited liability company
 11923 or foreign limited liability company.
 11924 (c) If the name of the registered agent has changed, its
 11925 new name.
 11926 (d) If the address of the registered agent has changed, the
 11927 new address.
 11928 (e) A statement that the registered agent has given the
 11929 notice required under subsection (2).
 11930 Section 241. Present subsection (7) of section 605.0117,
 11931 Florida Statutes, is redesignated as subsection (8), subsections
 11932 (1), (2), (3), (4), and (6) of that section are amended, and a
 11933 new subsection (7) is added to that section, to read:
 11934 605.0117 Service of process, notice, or demand.—
 11935 (1) A limited liability company or registered foreign
 11936 limited liability company may be served with process, ~~notice, or~~
 11937 ~~a demand~~ required or authorized by law by serving on its
 11938 registered agent.
 11939 (2) If a limited liability company or registered foreign
 11940 limited liability company ceases to have a registered agent or
 11941 if its registered agent cannot with reasonable diligence be
 11942 served, the process, ~~notice, or demand~~ required or permitted by
 11943 law may instead be served:
 11944 (a) On a member of a member-managed limited liability
 11945 company or registered foreign limited liability company; or
 11946 (b) On a manager of a manager-managed limited liability
 11947 company or registered foreign limited liability company.
 11948 (3) If the process, ~~notice, or demand~~ cannot be served on a

Page 412 of 458

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590-03467A-19

2019892c2

11949 limited liability company or registered foreign limited
 11950 liability company pursuant to subsection (1) or subsection (2),
 11951 the process, ~~notice, or demand~~ may be served on the secretary of
 11952 state department as an agent of the company.

11953 (4) Service of process on the secretary of state ~~with~~
 11954 ~~process, notice, or a demand on the department~~ may be made by
 11955 delivering to and leaving with the department duplicate copies
 11956 of the process, ~~notice, or demand~~.

11957 (6) The department shall keep a record of each process,
 11958 ~~notice, and demand~~ served pursuant to this section and record
 11959 the time of and the action taken regarding the service.

11960 (7) Any notice or demand on a limited liability company or
 11961 registered foreign limited liability company under this chapter
 11962 may be given or made to any member of a member-managed limited
 11963 liability company or registered foreign limited liability
 11964 company or to any manager of a manager-managed limited liability
 11965 company or registered foreign limited liability company; to the
 11966 registered agent of the limited liability company or registered
 11967 foreign limited liability company at the registered office of
 11968 the limited liability company or registered foreign limited
 11969 liability company in this state; or to any other address in this
 11970 state that is in fact the principal office of the limited
 11971 liability company or registered foreign limited liability
 11972 company in this state.

11973 Section 242. Subsection (3) of section 605.0118, Florida
 11974 Statutes, is amended to read:

11975 605.0118 Delivery of record.—

11976 (3) If a check is mailed to the department for payment of
 11977 an annual report fee or the annual supplemental fee required

Page 413 of 458

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590-03467A-19

2019892c2

11978 under s. 607.193, the check shall be deemed to have been
 11979 received by the department as of the postmark date appearing on
 11980 the envelope or package transmitting the check if the envelope
 11981 or package is received by the department.

11982 Section 243. Section 605.0207, Florida Statutes, is amended
 11983 to read:

11984 605.0207 Effective date and time.—Except as otherwise
 11985 provided in s. 605.0208, and subject to s. 605.0209(3), any
 11986 document delivered to the department for filing under this
 11987 chapter may specify an effective time and a delayed effective
 11988 date. In the case of initial articles of organization, a prior
 11989 effective date may be specified in the articles of organization
 11990 if such date is within 5 business days before the date of
 11991 filing. Subject to ss. 605.0114, 605.0115, 605.0208, and
 11992 605.0209, a record filed by the department is effective:

11993 (1) If the record filed does not specify an effective time
 11994 and does not specify a prior or a delayed effective date, on the
 11995 date and at the time the record is accepted filed as evidenced
 11996 by the department's endorsement of the date and time on the
 11997 filing record.

11998 (2) If the record filed specifies an effective time, but
 11999 not a prior or delayed effective date, on the date the record is
 12000 filed at the time specified in the filing record.

12001 (3) If the record filed specifies a delayed effective date,
 12002 but not an effective time, at 12:01 a.m. on the earlier of:

12003 (a) The specified date; or

12004 (b) The 90th day after the record is filed.

12005 (4) If the record filed specifies a delayed effective date
 12006 and an effective time, at the specified time on or the earlier

Page 414 of 458

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590-03467A-19

2019892c2

12007 of:

12008 (a) The specified date; or

12009 (b) The 90th day after the record is filed.

12010 ~~(5)~~(4) If the record filed is the initial articles of

12011 organization and specifies an effective ~~a~~ date before the

12012 effective date of the filing, but no effective time, at 12:01

12013 a.m. on the later of:

12014 (a) The specified date; or

12015 (b) The 5th business day before the record is filed.

12016 ~~(6)~~(5) If the record filed is the initial articles of

12017 organization and specifies an effective time and an effective ~~a~~

12018 delayed effective date, at the specified time on the earlier of:

12019 ~~(a) The specified date; or~~

12020 ~~(b) The 90th day after the record is filed.~~

12021 ~~(6) If the record specifies an effective time and a prior~~

12022 effective date before the date of the filing, at the specified

12023 time on the later of:

12024 (a) The specified date; or

12025 (b) The 5th business day before the record is filed.

12026 (7) If a filed document does not specify the time zone or

12027 place at which the date or time, or both, is to be determined,

12028 the date or time, or both, at which it becomes effective shall

12029 be those prevailing at the place of filing in this state.

12030 Section 244. Subsection (3) of section 605.0209, Florida

12031 Statutes, is amended to read:

12032 605.0209 Correcting filed record.—

12033 (3) A statement of correction:

12034 (a) May not state a delayed effective date;

12035 (b) Must be signed by the person correcting the filed

Page 415 of 458

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590-03467A-19

2019892c2

12036 record;

12037 (c) Must identify the filed record to be corrected,

12038 including such record's filing date, or attach a copy of the

12039 record to the statement of correction;

12040 (d) Must specify the inaccuracy or defect to be corrected;

12041 and

12042 (e) Must correct the inaccuracy or defect.

12043 Section 245. Subsection (7) of section 605.0210, Florida

12044 Statutes, is amended to read:

12045 605.0210 Duty of department to file; review of refusal to

12046 file; transmission of information by department.—

12047 (7) If the department refuses to file a record delivered to

12048 its office for filing, the person who submitted the record for

12049 filing may petition the Circuit Court of Leon County to compel

12050 filing of the record. The record and the explanation from ~~of~~ the

12051 department of the refusal to file must be attached to the

12052 petition. The court may decide the matter in a summary

12053 proceeding and the court may summarily order the department to

12054 file the record or take other action the court considers

12055 appropriate. The court's final decision may be appealed as in

12056 other civil proceedings.

12057 Section 246. Paragraph (a) of subsection (2) and subsection

12058 (3) of section 605.0211, Florida Statutes, are amended to read:

12059 605.0211 Certificate of status.—

12060 (2) The department, upon request and payment of the

12061 requisite fee, shall furnish a certificate of status for a

12062 foreign limited liability company if the records filed show that

12063 the department has filed a certificate of authority. A

12064 certificate of status for a foreign limited liability company

Page 416 of 458

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590-03467A-19

2019892c2

12065 must state the following:

12066 (a) The foreign limited liability company's name and any a
12067 current alternate name adopted under s. 605.0906(1) for use in
12068 this state.

12069 (3) Subject to any qualification stated in the certificate
12070 of status, a certificate of status issued by the department is
12071 conclusive evidence that the domestic limited liability company
12072 is in existence and is of active status in this state or the
12073 foreign limited liability company is authorized to transact
12074 business in this state and is of active status in this state.

12075 Section 247. Section 605.0215, Florida Statutes, is amended
12076 to read:

12077 605.0215 Certificates to be received in evidence and
12078 evidentiary effect of copy of filed document.—All certificates
12079 issued by the department in accordance with this chapter shall
12080 be taken and received in all courts, public offices, and
12081 official bodies as prima facie evidence of the facts stated. A
12082 certificate from the department delivered with a copy of a
12083 document filed by the department bearing the signature of the
12084 secretary of state, which may be in facsimile, and the seal of
12085 this state is conclusive evidence that the original document is
12086 on file with the department.

12087 Section 248. Subsections (1) through (4) of section
12088 605.04092, Florida Statutes, are amended to read:

12089 605.04092 Conflict of interest transactions.—

12090 (1) As used in this section, the following terms and
12091 definitions apply:

12092 (a) A member or manager is "indirectly" a party to a
12093 transaction if that member or manager has a material financial

Page 417 of 458

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590-03467A-19

2019892c2

12094 interest in or is a director, officer, member, manager, or
12095 partner of a person, other than the limited liability company,
12096 who is a party to the transaction.

12097 (b) A member or manager has an "indirect material financial
12098 interest" if a ~~spouse or other~~ family member has a material
12099 financial interest in the transaction, other than having an
12100 indirect interest as a member or manager of the limited
12101 liability company, or if the transaction is with an entity,
12102 other than the limited liability company, which has a material
12103 financial interest in the transaction and controls, or is
12104 controlled by, the member or manager or another person specified
12105 in this subsection.

12106 (c) "Fair to the limited liability company" means that the
12107 transaction, as a whole, is beneficial to the limited liability
12108 company and its members, taking into appropriate account whether
12109 it is:

12110 1. Fair in terms of the member's or manager's dealings with
12111 the limited liability company in connection with that
12112 transaction; and

12113 2. Comparable to what might have been obtainable in an
12114 arm's length transaction.

12115 (d) "Family member" includes any of the following:

12116 1. The member's or manager's spouse.

12117 2. A child, stepchild, parent, stepparent, grandparent,
12118 sibling, step sibling, or half sibling of the member or manager
12119 or the member's or manager's spouse.

12120 (e) "Manager's conflict of interest transaction" means a
12121 transaction between a limited liability company and one or more
12122 of its managers, or another entity in which one or more of the

Page 418 of 458

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590-03467A-19

2019892c2

12123 limited liability company's managers is directly or indirectly a
 12124 party to the transaction, other than being an indirect party as
 12125 a result of being a member of the limited liability company, and
 12126 has a direct or indirect material financial interest or other
 12127 material interest.

12128 (f) "Material financial interest" or "other material
 12129 interest" means a financial or other interest in the transaction
 12130 that would reasonably be expected to impair the objectivity of
 12131 the judgment of the member or manager when participating in the
 12132 action on the authorization of the transaction.

12133 (g) "Member's conflict of interest transaction" means a
 12134 transaction between a limited liability company and one or more
 12135 of its members, or another entity in which one or more of the
 12136 limited liability company's members is directly or indirectly a
 12137 party to the transaction, other than being an indirect party as
 12138 a result of being a member of the limited liability company, and
 12139 has a direct or indirect material financial interest or other
 12140 material interest.

12141 (2) If the requirements of this section have been
 12142 satisfied, a member's conflict of interest transaction or a
 12143 manager's conflict of interest transaction between a limited
 12144 liability company and one or more of its members or managers, or
 12145 another entity in which one or more of the limited liability
 12146 company's members or managers have a financial or other
 12147 interest, is not void or voidable because of that relationship
 12148 or interest; because the members or managers are present at the
 12149 meeting of the members or managers at which the transaction was
 12150 authorized, approved, effectuated, or ratified; or because the
 12151 votes of the members or managers are counted for such purpose.

Page 419 of 458

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590-03467A-19

2019892c2

12152 (3) If a member's conflict of interest transaction or a
 12153 manager's conflict of interest transaction is fair to the
 12154 limited liability company at the time it is authorized,
 12155 approved, effectuated, or ratified, the fact that a member or
 12156 manager of the limited liability company is directly or
 12157 indirectly a party to the transaction, other than being an
 12158 indirect party as a result of being a member or manager of the
 12159 limited liability company, or has a direct or indirect material
 12160 financial interest or other interest in the transaction, other
 12161 than having an indirect interest as a result of being a member
 12162 or manager of the limited liability company, is not grounds for
 12163 equitable relief and does not give rise to an award of damages
 12164 or other sanctions.

12165 (4) (a) In a proceeding challenging the validity of a
 12166 member's conflict of interest transaction or a manager's
 12167 conflict of interest transaction or in a proceeding seeking
 12168 equitable relief, award of damages, or other sanctions with
 12169 respect to a member's conflict of interest transaction or a
 12170 manager's conflict of interest transaction, ~~described in~~
 12171 subsection (3), the person challenging the validity or seeking
 12172 equitable relief, award of damages, or other sanctions has the
 12173 burden of proving the lack of fairness of the transaction if:
 12174 1. In a manager-managed limited liability company, the
 12175 material facts of the transaction and the member's or manager's
 12176 interest in the transaction were disclosed or known to the
 12177 managers or a committee of managers who voted upon the
 12178 transaction and the transaction was authorized, approved, or
 12179 ratified by a majority of the disinterested managers even if the
 12180 disinterested managers constitute less than a quorum; however,

Page 420 of 458

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590-03467A-19

2019892c2

12181 the transaction cannot be authorized, approved, or ratified
 12182 under this subsection solely by a single manager; and
 12183 2. In a member-managed limited liability company, or a
 12184 manager-managed limited liability company in which the managers
 12185 have failed to or cannot act under subparagraph 1., the material
 12186 facts of the transaction and the member's or manager's interest
 12187 in the transaction were disclosed or known to the members who
 12188 voted upon such transaction and the transaction was authorized,
 12189 approved, or ratified by a majority-in-interest of the
 12190 disinterested members even if the disinterested members
 12191 constitute less than a quorum; however, the transaction cannot
 12192 be authorized, approved, or ratified under this subsection
 12193 solely by a single member; or
 12194 (b) If neither of the conditions provided in paragraph (a)
 12195 has been satisfied, the person defending or asserting the
 12196 validity of a member's conflict of interest transaction or a
 12197 manager's conflict of interest transaction ~~described in~~
 12198 ~~subsection (3)~~ has the burden of proving its fairness in a
 12199 proceeding challenging the validity of the transaction.
 12200 Section 249. Paragraph (c) of subsection (3) of section
 12201 605.0410, Florida Statutes, is amended to read:
 12202 605.0410 Records to be kept; rights of member, manager, and
 12203 person dissociated to information.-
 12204 (3) In a manager-managed limited liability company, the
 12205 following rules apply:
 12206 (c) Within 10 days after receiving a demand pursuant to
 12207 subparagraph (b)2. ~~(2)(b)2-~~, the company shall, in a record,
 12208 inform the member who made the demand of:
 12209 1. The information that the company will provide in

Page 421 of 458

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590-03467A-19

2019892c2

12210 response to the demand and when and where the company will
 12211 provide the information; and
 12212 2. The company's reasons for declining, if the company
 12213 declines to provide any demanded information.
 12214 Section 250. Paragraph (b) of subsection (1) and subsection
 12215 (2) of section 605.0702, Florida Statutes, are amended, and
 12216 subsections (3), (4), and (5) are added to that section, to
 12217 read:
 12218 605.0702 Grounds for judicial dissolution.-
 12219 (1) A circuit court may dissolve a limited liability
 12220 company:
 12221 (b) In a proceeding by a manager or member to dissolve the
 12222 limited liability company if it is established that:
 12223 1. The conduct of all or substantially all of the company's
 12224 activities and affairs is unlawful;
 12225 2. It is not reasonably practicable to carry on the
 12226 company's activities and affairs in conformity with the articles
 12227 of organization and the operating agreement;
 12228 3. The managers or members in control of the company have
 12229 acted, are acting, or will ~~are reasonably expected to~~ act in a
 12230 manner that is illegal, oppressive, or fraudulent;
 12231 4. The limited liability company's assets are being
 12232 misappropriated or wasted, causing injury to the limited
 12233 liability company, or in a proceeding by a member, causing
 12234 injury to one or more of its members; or
 12235 5. The managers or the members of the limited liability
 12236 company are deadlocked in the management of the limited
 12237 liability company's activities and affairs, the members are
 12238 unable to break the deadlock, and irreparable injury to the

Page 422 of 458

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590-03467A-19

2019892c2

12239 limited liability company is threatened or being suffered.
 12240 (2) (a) If the managers or the members of the limited
 12241 liability company are deadlocked in the management of the
 12242 limited liability company's activities and affairs, the members
 12243 are unable to break the deadlock, and irreparable injury to the
 12244 limited liability company is threatened or being suffered, if
 12245 the operating agreement contains a deadlock sale provision that
 12246 has been initiated before the time that the court determines
 12247 that the grounds for judicial dissolution exist under
 12248 subparagraph (1) (b)5., then such deadlock sale provision applies
 12249 to the resolution of such deadlock instead of the court entering
 12250 an order of judicial dissolution or an order directing the
 12251 purchase of petitioner's interest under s. 605.0706, so long as
 12252 the provisions of such deadlock sale provision are thereafter
 12253 initiated and effectuated in accordance with the terms of such
 12254 deadlock sale provision or otherwise pursuant to an agreement of
 12255 the members of the company.
 12256 (b) As used in this section, the term "deadlock sale
 12257 provision" means a provision in an operating agreement which is
 12258 or may be applicable in the event of a deadlock among the
 12259 managers or the members of the limited liability company which
 12260 the members of the company are unable to break and which
 12261 provides for a deadlock breaking mechanism, including, but not
 12262 limited to:
 12263 1. A redemption or a purchase and sale of interests; or
 12264 2. A governance change, among or between members;
 12265 3. The sale of the company or all or substantially all of
 12266 the assets of the company; or
 12267 4. A similar provision that, if initiated and effectuated,

Page 423 of 458

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590-03467A-19

2019892c2

12268 breaks the deadlock by causing the transfer of interests, a
 12269 governance change, or the sale of all or substantially all of
 12270 the company's assets. ~~A deadlock sale provision in an operating~~
 12271 ~~agreement which is not initiated and effectuated before the~~
 12272 ~~court enters an order of judicial dissolution under subparagraph~~
 12273 ~~(1) (b)5. or an order directing the purchase of petitioner's~~
 12274 ~~interest under s. 605.0706 does not adversely affect the rights~~
 12275 ~~of members and managers to seek judicial dissolution under~~
 12276 ~~subparagraph (1) (b)5. or the rights of the company or one or~~
 12277 ~~more members to purchase the petitioner's interest under s.~~
 12278 ~~605.0706. The filing of an action for judicial dissolution on~~
 12279 ~~the grounds described in subparagraph (1) (b)5. or an election to~~
 12280 ~~purchase the petitioner's interest under s. 605.0706 does not~~
 12281 ~~adversely affect the right of a member to initiate an available~~
 12282 ~~deadlock sale provision under the operating agreement or to~~
 12283 ~~enforce a member-initiated or an automatically-initiated~~
 12284 ~~deadlock sale provision if the deadlock sale provision is~~
 12285 ~~initiated and effectuated before the court enters an order of~~
 12286 ~~judicial dissolution under subparagraph (1) (b)5. or an order~~
 12287 ~~directing the purchase of petitioner's interest under s.~~
 12288 ~~605.0706.~~
 12289 (3) A proceeding by a member under subparagraph (1) (b)3.
 12290 asserting that the members or managers in control of the limited
 12291 liability company have acted, are acting, or will act in a
 12292 manner that is oppressive may only be brought by a member who,
 12293 at the time that such proceeding is commenced, owns at least 10
 12294 percent of the outstanding membership interests of the limited
 12295 liability company.
 12296 (4) (a) In the event of oppressive action that satisfies

Page 424 of 458

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590-03467A-19

2019892c2

12297 subparagraph (1)(b)3., if the members are subject to an
 12298 operating agreement that contains an oppressive action sale
 12299 provision, then such oppressive action sale provision shall
 12300 address such member asserted oppressive action in lieu of the
 12301 court entering an order of judicial dissolution or an order
 12302 directing the purchase of petitioner's interest under s.
 12303 605.0706, so long as the provisions of such oppressive action
 12304 sale provision are initiated and effectuated within the time
 12305 periods specified for the company to act under s. 605.0706 and
 12306 in accordance with the terms of such oppressive action sale
 12307 provision.

12308 (b) For the purposes of this section, the term "oppressive
 12309 action sale provision" means a provision in an operating
 12310 agreement that is or may be applicable in the event of a
 12311 member's assertion of the occurrence or existence of oppressive
 12312 action which neither the members nor the managers, as
 12313 applicable, of the company are able to address and which
 12314 provides for a mechanism for addressing the occurrence or
 12315 existence of such member asserted oppressive action including,
 12316 but not limited to:

12317 1. A redemption or purchase and sale of interests;

12318 2. The sale of the company or of all or substantially all
 12319 of the assets of the company; or

12320 3. A similar provision that, if initiated and effectuated,
 12321 causes the transfer of interests to be redeemed or purchased and
 12322 sold or the sale of the company or of all or substantially all
 12323 of the company's assets.

12324 (5) A deadlock sale provision or an oppressive action sale
 12325 provision in an operating agreement which is not initiated and

Page 425 of 458

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590-03467A-19

2019892c2

12326 effectuated before the court enters an order of judicial
 12327 dissolution under subparagraph (1)(b)3. or subparagraph
 12328 (1)(b)5., as the case may be, or an order directing the purchase
 12329 of petitioner's interest under s. 605.0706, does not adversely
 12330 affect the rights of members and managers to seek judicial
 12331 dissolution under subparagraph (1)(b)3. or subparagraph
 12332 (1)(b)5., as the case may be, or the rights of the company or
 12333 one or more members to purchase the petitioner's interest under
 12334 s. 605.0706. The filing of an action for judicial dissolution on
 12335 the grounds described in subparagraph (1)(b)3. or subparagraph
 12336 (1)(b)5., as the case may be, or an election to purchase the
 12337 petitioner's interest under s. 605.0706, does not adversely
 12338 affect the right of a member to initiate an available deadlock
 12339 sale provision or an oppressive action sale provision under the
 12340 operating agreement or to enforce a member-initiated or an
 12341 automatically-initiated deadlock sale provision or oppressive
 12342 action sale provision if the deadlock sale provision or the
 12343 oppressive sale provision, as the case may be, is initiated and
 12344 effectuated before the court enters an order of judicial
 12345 dissolution under subparagraph (1)(b)3. or subparagraph
 12346 (1)(b)5., as the case may be, or an order directing the purchase
 12347 of petitioner's interest under s. 605.0706.

12348 Section 251. Subsections (1), (2), (4), (5), (6), (7), and
 12349 (8) of section 605.0706, Florida Statutes, are amended to read:

12350 605.0706 Election to purchase instead of dissolution.—

12351 (1) In a proceeding initiated by a member of a limited
 12352 liability company under s. 605.0702(1)(b) ~~to dissolve the~~
 12353 ~~company~~, the company may elect, or, if it fails to elect, one or
 12354 more other members may elect, to purchase the entire interest of

Page 426 of 458

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590-03467A-19

2019892c2

12355 the petitioner in the company at the fair value of the interest.
 12356 An election pursuant to this section is irrevocable unless the
 12357 court determines that it is equitable to set aside or modify the
 12358 election.

12359 (2) An election to purchase pursuant to this section may be
 12360 filed with the court within 90 days after the filing of the
 12361 petition by the petitioning member under s. 605.0702(1)(b) ~~or~~
 12362 ~~(2)~~ or at such later time as the court may allow. If the
 12363 election to purchase is filed, the company shall within 10 days
 12364 thereafter give written notice to all members, other than the
 12365 petitioning member. The notice must describe the interest in the
 12366 company owned by each petitioning member and must advise the
 12367 recipients of their right to join in the election to purchase
 12368 the petitioning member's interest in accordance with this
 12369 section. Members who wish to participate must file notice of
 12370 their intention to join in the purchase within 30 days after the
 12371 effective date of the notice. A member who has filed an election
 12372 or notice of the intent to participate in the election to
 12373 purchase thereby becomes a party to the proceeding and shall
 12374 participate in the purchase in proportion to the ownership
 12375 interest as of the date the first election was filed unless the
 12376 members otherwise agree or the court otherwise directs. After an
 12377 election to purchase has been filed by the limited liability
 12378 company or one or more members, the proceeding under s.
 12379 605.0702(1)(b) ~~or (2)~~ may not be discontinued or settled, and
 12380 the petitioning member may not sell or otherwise dispose of the
 12381 interest of the petitioner in the company unless the court
 12382 determines that it would be equitable to the company and the
 12383 members, other than the petitioner, to authorize such

Page 427 of 458

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590-03467A-19

2019892c2

12384 discontinuance, settlement, sale, or other disposition or the
 12385 sale is pursuant to a deadlock sale provision described in s.
 12386 605.0702(1)(b).

12387 (4) If the parties are unable to reach an agreement as
 12388 provided for in subsection (3), the court, upon application of a
 12389 party, ~~may shall~~ stay the proceedings to dissolve under s.
 12390 605.0702(1)(b) and ~~shall, whether or not the proceeding is~~
 12391 stayed, determine the fair value of the petitioner's interest as
 12392 of the day before the date on which the petition was filed or as
 12393 of such other date as the court deems appropriate under the
 12394 circumstances.

12395 (5) Upon determining the fair value of the petitioner's
 12396 interest in the company, unless the petitioner's interest has
 12397 been acquired pursuant to a deadlock sale provision before the
 12398 order, the court shall enter an order directing the purchase
 12399 upon such terms and conditions as the court deems appropriate,
 12400 which may include: payment of the purchase price in
 12401 installments, when necessary in the interests of equity; a
 12402 provision for security to ensure payment of the purchase price
 12403 and additional costs, fees, and expenses as may have been
 12404 awarded; and, if the interest is to be purchased by members, the
 12405 allocation of the interest among those members. In allocating
 12406 the petitioner's interest among holders of different classes or
 12407 series of interests in the company, the court shall attempt to
 12408 preserve any ~~the~~ existing distribution of voting rights among
 12409 holders of different classes or series insofar as practicable
 12410 and may direct that holders of any ~~a~~ specific class or classes
 12411 or series may not participate in the purchase. Interest may be
 12412 allowed at the rate and from the date determined by the court to

Page 428 of 458

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590-03467A-19

2019892c2

12413 be equitable; however, if the court finds that the refusal of
 12414 the petitioning member to accept an offer of payment was
 12415 arbitrary or otherwise not in good faith, payment of interest is
 12416 not allowed. If the court finds that the petitioning member had
 12417 probable grounds for relief under s. 605.0702(1)(b) ~~or~~
 12418 ~~605.0702(1)(b)3. or 4.~~, it may award expenses to the petitioning
 12419 member, including reasonable fees and expenses of counsel and of
 12420 experts employed by petitioner.

12421 (6) ~~The Upon~~ entry of an order under subsection (3) or
 12422 subsection (5) shall be subject to subsection (8), and the order
 12423 may not be entered unless the award is determined by the court
 12424 to be allowed under subsection (8). In determining compliance
 12425 with s. 605.0405, the court may rely on an affidavit from the
 12426 limited liability company as to compliance with that section as
 12427 of the measurement date. Upon entry of an order under subsection
 12428 (3) or subsection (5), the court shall dismiss the petition to
 12429 dissolve the limited liability company under s. 605.0702(1)(b),
 12430 and the petitioning member shall no longer have rights or status
 12431 as a member of the limited liability company except the right to
 12432 receive the amounts awarded by the order of the court, which
 12433 shall be enforceable in the same manner as any other judgment.

12434 (7) The purchase ordered pursuant to subsection (5) shall
 12435 ~~must~~ be made within 10 days after the date the order becomes
 12436 final ~~unless, before that time, the limited liability company~~
 12437 ~~files with the court a notice of its intention to dissolve~~
 12438 ~~pursuant to s. 605.0701(2), in which case articles of~~
 12439 ~~dissolution for the company must be filed within 50 days~~
 12440 ~~thereafter. Upon filing of such articles of dissolution, the~~
 12441 ~~limited liability company shall be wound up in accordance with~~

Page 429 of 458

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590-03467A-19

2019892c2

12442 ~~ss. 605.0709-605.0713, and the order entered pursuant to~~
 12443 ~~subsection (5) shall no longer be of force or effect except that~~
 12444 ~~the court may award the petitioning member reasonable fees and~~
 12445 ~~expenses of counsel and experts in accordance with subsection~~
 12446 ~~(5), and the petitioner may continue to pursue any claims~~
 12447 ~~previously asserted on behalf of the limited liability company.~~

12448 (8) Any award ~~A payment by the limited liability company~~
 12449 ~~pursuant to an order under subsection (3) or subsection (5),~~
 12450 ~~other than an award of fees and expenses pursuant to subsection~~
 12451 ~~(5), is subject to s. 605.0405. Unless otherwise provided in the~~
 12452 ~~court's order, the effect of a distribution under s. 605.0405~~
 12453 ~~shall be measured as of the date of the court's order under~~
 12454 ~~subsection (3) or subsection (5).~~

12455 Section 252. Subsection (5) of section 605.0715, Florida
 12456 Statutes, is amended, and subsection (6) is added to that
 12457 section, to read:

12458 605.0715 Reinstatement.—

12459 (5) The name of the dissolved limited liability company is
 12460 not available for assumption or use by another business entity
 12461 until 1 year after the effective date of dissolution unless the
 12462 dissolved limited liability company provides the department with
 12463 a record executed as required pursuant to s. 605.0203 permitting
 12464 the immediate assumption or use of the name by another business
 12465 entity limited liability company.

12466 (6) If the name of the dissolved limited liability company
 12467 has been lawfully assumed in this state by another business
 12468 entity, the department shall require the dissolved limited
 12469 liability company to amend its articles of organization to
 12470 change its name before accepting the application for

Page 430 of 458

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590-03467A-19

2019892c2

12471 reinstatement.

12472 Section 253. Subsections (2) and (3) of section 605.0716,
12473 Florida Statutes, are amended, and subsection (4) is added to
12474 that section, to read:

12475 605.0716 Judicial review of denial of reinstatement.—

12476 (2) Within 30 days after service of a notice of denial of
12477 reinstatement, a limited liability company may appeal the denial
12478 by petitioning the Circuit Court of Leon County ~~in the~~
12479 ~~applicable county, as defined in s. 605.0711(15),~~ to set aside
12480 the dissolution. The petition must be served on the department
12481 and contain a copy of the department's notice of administrative
12482 dissolution, the company's application for reinstatement, and
12483 the department's notice of denial.

12484 (3) The circuit court may order the department to reinstate
12485 a dissolved limited liability company or take other action the
12486 court considers appropriate.

12487 (4) The circuit court's final decision may be appealed as
12488 in other civil proceedings.

12489 Section 254. Section 605.0803, Florida Statutes, is amended
12490 to read:

12491 605.0803 Proper plaintiff.—A derivative action to enforce a
12492 right of a limited liability company may be commenced ~~maintained~~
12493 only by a person who is a member at the time the action is
12494 commenced and:

12495 (1) Was a member when the conduct giving rise to the action
12496 occurred; or

12497 (2) Whose status as a member devolved on the person by
12498 operation of law or pursuant to the terms of the operating
12499 agreement from a person who was a member when ~~at the time~~ of the

Page 431 of 458

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590-03467A-19

2019892c2

12500 conduct giving rise to the action occurred.

12501 Section 255. Subsection (2) of section 605.0903, Florida
12502 Statutes, is amended to read:

12503 605.0903 Effect of a certificate of authority.—

12504 (2) The filing by the department of an application for a
12505 certificate of authority means ~~authorizes~~ the foreign limited
12506 liability company that filed ~~files~~ the application to transact
12507 business in this state has obtained a certificate of authority
12508 to transact business in this state and is authorized to transact
12509 business in this state, subject, however, to the right of the
12510 department to suspend or revoke the certificate of authority as
12511 provided in this chapter.

12512 Section 256. Subsections (3) and (4) of section 605.0904,
12513 Florida Statutes, are amended to read:

12514 605.0904 Effect of failure to have certificate of
12515 authority.—

12516 (3) A court may stay a proceeding commenced by a foreign
12517 limited liability company or its successor or assignee until it
12518 determines whether the foreign limited liability company or its
12519 successor requires a certificate of authority. If it so
12520 determines, the court may further stay the proceeding until the
12521 foreign limited liability company or its successor has obtained
12522 a ~~obtains~~ the certificate of authority to transact business in
12523 this state.

12524 (4) The failure of a foreign limited liability company to
12525 have a certificate of authority to transact business in this
12526 state does not impair the validity of any contract, deed,
12527 mortgage, security interest, ~~a contract~~ or act of the foreign
12528 limited liability company or prevent the foreign limited

Page 432 of 458

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590-03467A-19 2019892c2

12529 liability company from defending an action or proceeding in this
12530 state.

12531 Section 257. Subsections (1) and (4) of section 605.0906,
12532 Florida Statutes, are amended to read:

12533 605.0906 Noncomplying name of foreign limited liability
12534 company.—

12535 (1) A foreign limited liability company whose name is
12536 unavailable under or whose name does not otherwise comply with
12537 s. 605.0112 shall ~~may~~ use an alternate name that complies with
12538 s. 605.0112 to transact business in this state. An alternate
12539 name adopted for use in this state shall be cross-referenced to
12540 the actual name of the foreign limited liability company in the
12541 records of the department. If the actual name of the foreign
12542 limited liability company subsequently becomes available in this
12543 state or the foreign limited liability company chooses to change
12544 its alternate name, a copy of the record approving the change by
12545 its members, managers, or other persons having the authority to
12546 do so, and executed as required pursuant to s. 605.0203, shall
12547 be delivered to the department for filing.

12548 (4) If a foreign limited liability company authorized to
12549 transact business in this state changes its name to one that
12550 does not comply with s. 605.0112, it may not thereafter transact
12551 business in this state until it complies with subsection (1) and
12552 obtains an amended certificate of authority pursuant to s.
12553 605.0907.

12554 Section 258. Subsections (2) and (4) of section 605.0907,
12555 Florida Statutes, are amended to read:

12556 605.0907 Amendment to certificate of authority.—

12557 (2) The amendment must be filed within 90 ~~30~~ days after the

Page 433 of 458

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590-03467A-19 2019892c2

12558 occurrence of a change described in subsection (1), must be
12559 signed by an authorized representative of the foreign limited
12560 liability company, and must state the following:

12561 (a) The name of the foreign limited liability company as it
12562 appears on the records of the department.

12563 (b) Its jurisdiction of formation.

12564 (c) The date the foreign limited liability company was
12565 authorized to transact business in this state.

12566 (d) If the name of the foreign limited liability company
12567 has been changed, the name relinquished and its new name.

12568 (e) If the amendment changes the jurisdiction of formation
12569 of the foreign limited liability company, a statement of that
12570 change.

12571 (4) The requirements of s. 605.0902 ~~s. 605.0902(2)~~ for
12572 obtaining an original certificate of authority apply to
12573 obtaining an amended certificate under this section unless the
12574 ~~Secretary of State or other~~ official having custody of the
12575 foreign limited liability company's publicly filed records in
12576 its jurisdiction of formation did not require an amendment to
12577 effectuate the change on its records.

12578 Section 259. Subsection (1) of section 605.0908, Florida
12579 Statutes, is amended to read:

12580 605.0908 Revocation of certificate of authority.—

12581 (1) A certificate of authority of a foreign limited
12582 liability company to transact business in this state may be
12583 revoked by the department if:

12584 (a) The foreign limited liability company does not deliver
12585 its annual report to the department by 5 p.m. Eastern Time on
12586 the third Friday in September of each year.†

Page 434 of 458

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590-03467A-19

2019892c2

12587 (b) The foreign limited liability company does not pay a
 12588 fee or penalty due to the department under this chapter.~~†~~
 12589 (c) The foreign limited liability company does not appoint
 12590 and maintain a registered agent as required under s. 605.0113.~~†~~
 12591 (d) The foreign limited liability company does not deliver
 12592 for filing a statement of a change under s. 605.0114 within 30
 12593 days after a change in the name or address of the agent has
 12594 occurred ~~in the name or address of the agent~~, unless, within 30
 12595 days after the change occurred, either:
 12596 1. The registered agent files a statement of change under
 12597 s. 605.0116; or
 12598 2. The change was made in accordance with s. 605.0114(4).
 12599 ~~or s. 605.0907(1)(d).†~~
 12600 (e) The foreign limited liability company has failed to
 12601 amend its certificate of authority to reflect a change in its
 12602 name on the records of the department or its jurisdiction of
 12603 formation.~~†~~
 12604 (f) The department receives a duly authenticated
 12605 certificate from the official having custody of records in the
 12606 company's jurisdiction of formation stating that it has been
 12607 dissolved or is no longer active on the official's records.~~†~~
 12608 (g) The foreign limited liability company's period of
 12609 duration has expired.~~†~~
 12610 (h) A member, manager, or agent of the foreign limited
 12611 liability company signs a document that the member, manager, or
 12612 agent knew was false in a material respect with the intent that
 12613 the document be delivered to the department for filing.~~†~~
 12614 (i) The foreign limited liability company has failed to
 12615 answer truthfully and fully, within the time prescribed in s.

Page 435 of 458

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590-03467A-19

2019892c2

12616 605.1104, interrogatories propounded by the department.
 12617 Section 260. Section 605.09091, Florida Statutes, is
 12618 created to read:
 12619 605.09091 Judicial review of denial of reinstatement.—
 12620 (1) If the department denies a foreign limited liability
 12621 company's application for reinstatement after revocation of its
 12622 certificate of authority, the department shall serve the foreign
 12623 limited liability company, pursuant to s. 605.0117(7), with a
 12624 written notice that explains the reason or reasons for the
 12625 denial.
 12626 (2) Within 30 days after service of a notice of denial of
 12627 reinstatement, a foreign limited liability company may appeal
 12628 the denial by petitioning the Circuit Court of Leon County to
 12629 set aside the revocation. The petition must be served on the
 12630 department and must contain a copy of the department's notice of
 12631 revocation, the foreign limited liability company's application
 12632 for reinstatement, and the department's notice of denial.
 12633 (3) The circuit court may order the department to reinstate
 12634 the certificate of authority of the foreign limited liability
 12635 company or take other action the court considers appropriate.
 12636 (4) The circuit court's final decision may be appealed as
 12637 in other civil proceedings.
 12638 Section 261. Section 605.0910, Florida Statutes, is amended
 12639 to read:
 12640 605.0910 Withdrawal and cancellation of certificate of
 12641 authority.—
 12642 (1) To cancel its certificate of authority to transact
 12643 business in this state, a foreign limited liability company must
 12644 deliver to the department for filing a notice of withdrawal of

Page 436 of 458

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590-03467A-19

2019892c2

12645 certificate of authority. The certificate of authority is
 12646 canceled when the notice becomes effective pursuant to s.
 12647 605.0207. The notice of withdrawal of certificate of authority
 12648 must be signed by an authorized representative and state the
 12649 following:

12650 (a)(1) The name of the foreign limited liability company as
 12651 it appears on the records of the department.

12652 (b)(2) The name of the foreign limited liability company's
 12653 jurisdiction of formation.

12654 (c)(3) The date the foreign limited liability company was
 12655 authorized to transact business in this state.

12656 (d)(4) That the foreign limited liability company is
 12657 withdrawing its certificate of authority in this state.

12658 (e) That the foreign limited liability company revokes the
 12659 authority of its registered agent to accept service on its
 12660 behalf and appoints the secretary of state as its agent for
 12661 service of process based on a cause of action arising during the
 12662 time the foreign limited liability company was authorized to
 12663 transact business in this state.

12664 (f) A mailing address to which the department may mail a
 12665 copy of any process served on the secretary of state under
 12666 paragraph (e).

12667 (g) A commitment to notify the department in the future of
 12668 any change in its mailing address.

12669 (2) After the withdrawal of the foreign limited liability
 12670 company is effective, service of process on the secretary of
 12671 state under this section is service on the foreign limited
 12672 liability company. Upon receipt of the process, the department
 12673 shall mail a copy of the process to the foreign limited

Page 437 of 458

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590-03467A-19

2019892c2

12674 liability company at the mailing address set forth under
 12675 paragraph (1) (f).

12676 Section 262. Section 605.0911, Florida Statutes, is amended
 12677 to read:

12678 605.0911 Withdrawal deemed on conversion to domestic filing
 12679 entity.—A registered foreign limited liability company
 12680 authorized to transact business in this state that converts to a
 12681 domestic limited liability company or to another domestic entity
 12682 that is organized, incorporated, registered or otherwise formed
 12683 through the delivery of a record to the department for filing is
 12684 deemed to have withdrawn its certificate of authority on the
 12685 effective date of the conversion.

12686 Section 263. Section 605.0912, Florida Statutes, is amended
 12687 to read:

12688 605.0912 Withdrawal on dissolution, merger, or conversion
 12689 to nonfiling entity.—

12690 (1) A registered foreign limited liability company that has
 12691 dissolved and completed winding up, has merged into a foreign
 12692 entity that is not authorized to transact business ~~registered~~ in
 12693 this state, or has converted to a domestic or foreign entity
 12694 that is not organized, incorporated, registered or otherwise
 12695 formed through the public filing of a record, shall deliver a
 12696 notice of withdrawal of certificate of authority to the
 12697 department for filing in accordance with s. 605.0910.

12698 (2) After a withdrawal under this section of a foreign
 12699 limited liability company ~~entity~~ that has converted to another
 12700 type of entity is effective, service of process in any action or
 12701 proceeding based on a cause of action arising during the time
 12702 the foreign limited liability company was authorized to transact

Page 438 of 458

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590-03467A-19

2019892c2

12703 ~~registered to do~~ business in this state may be made pursuant to
12704 s. 605.0117.

12705 Section 264. Subsection (6) of section 605.1025, Florida
12706 Statutes, is amended to read:

12707 605.1025 Articles of merger.—

12708 (6) A limited liability company is not required to deliver
12709 articles of merger for filing pursuant to subsection (1) if the
12710 limited liability company is named as a merging entity or
12711 surviving entity in articles of merger or a certificate of
12712 merger filed for the same merger in accordance with s. 607.1105
12713 ~~s. 607.1109~~, s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and
12714 if such articles of merger or certificate of merger
12715 substantially comply with the requirements of this section. In
12716 such a case, the other articles of merger or certificate of
12717 merger may also be used for purposes of subsection (5).

12718 Section 265. Subsection (5) of section 605.1035, Florida
12719 Statutes, is amended to read:

12720 605.1035 Articles of interest exchange.—

12721 (5) A limited liability company is not required to deliver
12722 articles of interest exchange for filing pursuant to subsection
12723 (1) if the domestic limited liability company is named as an
12724 acquired entity or as an acquiring entity in the articles of
12725 share exchange filed for the same interest exchange in
12726 accordance with s. 607.1105 ~~s. 607.1105(1)~~ and if such articles
12727 of share exchange substantially comply with the requirements of
12728 this section.

12729 Section 266. Subsection (5) of section 605.1061, Florida
12730 Statutes, is amended to read:

12731 605.1061 Appraisal rights; definitions.—The following

Page 439 of 458

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590-03467A-19

2019892c2

12732 definitions apply to this section and to ss. 605.1006 and
12733 605.1062-605.1072:

12734 (5) "Fair value" means the value of the member's membership
12735 interest determined:

12736 (a) Immediately before the effectiveness ~~effectuation~~ of
12737 the appraisal event to which the member objects;

12738 (b) Using customary and current valuation concepts and
12739 techniques generally employed for similar businesses in the
12740 context of the transaction requiring appraisal, excluding any
12741 appreciation or depreciation in anticipation of the transaction
12742 to which the member objects, unless exclusion would be
12743 inequitable to the limited liability company and its remaining
12744 members; and

12745 (c) Without discounting for lack of marketability or
12746 minority status.

12747 Section 267. Subsection (3) of section 605.1063, Florida
12748 Statutes, is amended to read:

12749 605.1063 Notice of appraisal rights.—

12750 (3) If the appraisal event is to be approved by written
12751 consent of the members pursuant to s. 605.04073 ~~other than by a~~
12752 ~~members' meeting~~:

12753 (a) Written notice that appraisal rights are, are not, or
12754 may be available must be sent to each member from whom a consent
12755 is solicited at the time consent of such member is first
12756 solicited, and if the limited liability company has concluded
12757 that appraisal rights are or may be available, a copy of ss.
12758 605.1006 and 605.1061-605.1072 must accompany such written
12759 notice; or

12760 (b) Written notice that appraisal rights are, are not, or

Page 440 of 458

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590-03467A-19

2019892c2

12761 may be available must be delivered, at least 10 days before the
 12762 appraisal event becomes effective, to all nonconsenting and
 12763 nonvoting members, and, if the limited liability company has
 12764 concluded that appraisal rights are or may be available, a copy
 12765 of ss. 605.1006 and 605.1061-605.1072 must accompany such
 12766 written notice.

12767 Section 268. Section 605.1072, Florida Statutes, is amended
 12768 to read:

12769 605.1072 Other remedies limited.-

12770 (1) A member entitled to appraisal rights under this
 12771 chapter may not challenge a The legality of a proposed or
 12772 completed appraisal event for which appraisal rights are
 12773 available unless such completed appraisal event was either: may
 12774 not be contested, and the appraisal event may not be enjoined,
 12775 set aside, or rescinded, in a legal or equitable proceeding by a
 12776 member after the members have approved the appraisal event.

12777 ~~(2) Subsection (1) does not apply to an appraisal event~~
 12778 ~~that:~~

12779 (a) ~~Was~~ Not authorized and approved in accordance with the
 12780 applicable provisions of this chapter, the organic rules of the
 12781 limited liability company, or the resolutions of the members
 12782 authorizing the appraisal event, ~~or~~

12783 (b) ~~Was~~ Procured as a result of fraud, a material
 12784 misrepresentation, or an omission of a material fact that is
 12785 necessary to make statements made, in light of the circumstances
 12786 in which they were made, not misleading.

12787 (2) Nothing in this section operates to override or
 12788 supersede s. 605.04092.

12789 Section 269. Subsection (16) of section 617.0302, Florida

Page 441 of 458

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590-03467A-19

2019892c2

12790 Statutes, is amended to read:

12791 617.0302 Corporate powers.-Every corporation not for profit
 12792 organized under this chapter, unless otherwise provided in its
 12793 articles of incorporation or bylaws, shall have power to:

12794 (16) Merge with other corporations or other eligible
 12795 ~~business~~ entities identified in s. 607.1101 ~~s. 607.1108(1)~~, both
 12796 for profit and not for profit, domestic and foreign, if the
 12797 surviving corporation or other surviving eligible business
 12798 entity is a corporation not for profit or other eligible
 12799 ~~business~~ entity that has been organized as a not-for-profit
 12800 entity under a governing statute or other applicable law that
 12801 permits such a merger.

12802 Section 270. Subsections (1) and (5) of section 617.0501,
 12803 Florida Statutes, are amended, and subsection (6) is added to
 12804 that section, to read:

12805 617.0501 Registered office and registered agent.-

12806 (1) Each corporation shall have and continuously maintain
 12807 in this state:

12808 (a) A registered office which may be the same as its
 12809 principal office; and

12810 (b) A registered agent, who may be either:

12811 1. An individual who resides in this state whose business
 12812 office is identical with such registered office; or

12813 2. Another domestic entity that is an authorized entity
 12814 whose business address is identical to the address of the
 12815 registered office, or a foreign entity authorized to transact
 12816 business in this state that is an authorized entity and whose
 12817 business address is identical to the address of ~~A corporation~~
 12818 ~~for profit or not for profit, authorized to transact business or~~

Page 442 of 458

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590-03467A-19

2019892c2

12819 ~~conduct its affairs in this state, having a business office~~
 12820 ~~identical with the registered office.~~

12821 (5) A corporation may not prosecute or maintain any action
 12822 in a court in this state until the corporation complies with
 12823 this section or s. 617.1508, as applicable, ~~and~~ pays to the
 12824 Department of State any amounts required under this chapter,
 12825 and, to the extent ordered by a court of competent jurisdiction,
 12826 pays to the Department of State a penalty of \$5 for each day it
 12827 has failed to so comply or \$500, whichever is less.

12828 (6) For the purposes of this section, the term "authorized
 12829 entity" means:

12830 (a) A corporation for profit;

12831 (b) A limited liability company;

12832 (c) A limited liability partnership; or

12833 (d) A limited partnership, including a limited liability
 12834 limited partnership.

12835 Section 271. Section 617.05015, Florida Statutes, is
 12836 created to read:

12837 617.05015 Reserved name.—

12838 (1) A person may reserve the exclusive use of the name of a
 12839 corporation, including an alternate name for a foreign
 12840 corporation whose name is not available, by delivering an
 12841 application to the department for filing. The application must
 12842 set forth the name and address of the applicant and the name
 12843 proposed to be reserved. If the department finds that the name
 12844 of the corporation applied for is available, it shall reserve
 12845 the name for the applicant's exclusive use for a nonrenewable
 12846 120-day period.

12847 (2) The owner of a reserved name of a corporation may

Page 443 of 458

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590-03467A-19

2019892c2

12848 transfer the reservation to another person by delivering to the
 12849 department a signed notice of the transfer that states the name
 12850 and address of the transferee.

12851 (3) The department may revoke any reservation if, after a
 12852 hearing, it finds that the application therefor or any transfer
 12853 thereof was not made in good faith.

12854 Section 272. Section 617.0831, Florida Statutes, is amended
 12855 to read:

12856 617.0831 Indemnification and liability of officers,
 12857 directors, employees, and agents.—Except as provided in s.
 12858 617.0834, s. 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and~~
 12859 ~~607.0850~~ apply to a corporation organized under this act and a
 12860 rural electric cooperative organized under chapter 425. Any
 12861 reference to "directors" in those sections includes the
 12862 directors, managers, or trustees of a corporation organized
 12863 under this act or of a rural electric cooperative organized
 12864 under chapter 425. However, the term "director" as used in s.
 12865 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and 607.0850~~
 12866 does not include a director appointed by the developer to the
 12867 board of directors of a condominium association under chapter
 12868 718, a cooperative association under chapter 719, a homeowners'
 12869 association defined in s. 720.301, or a timeshare managing
 12870 entity under chapter 721. Any reference to "shareholders" in
 12871 those sections includes members of a corporation organized under
 12872 this act and members of a rural electric cooperative organized
 12873 under chapter 425.

12874 Section 273. Section 617.1102, Florida Statutes, is amended
 12875 to read:

12876 617.1102 Limitation on merger.—A corporation not for profit

Page 444 of 458

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590-03467A-19 2019892c2

12877 organized under this chapter may merge with one or more other
 12878 ~~eligible business~~ entities, as identified in s. 607.1101(1) ~~s.~~
 12879 ~~607.1108(1)~~, only if the surviving entity of such merger is a
 12880 corporation not for profit or other ~~eligible business~~ entity
 12881 that has been organized as a not-for-profit entity under a
 12882 governing statute or other applicable law that allows such a
 12883 merger.

12884 Section 274. Section 617.1108, Florida Statutes, is amended
 12885 to read:

12886 617.1108 Merger of domestic corporation and other eligible
 12887 ~~business~~ entities.—

12888 (1) Subject to s. 617.0302(16) and other applicable
 12889 provisions of this chapter, ss. 607.1101, 607.1103, 607.1105,
 12890 607.1106, and 607.1107 ~~ss. 607.1108, 607.1109, and 607.1110~~
 12891 shall apply to a merger involving a corporation not for profit
 12892 organized under this act and one or more other ~~eligible business~~
 12893 entities identified in s. 607.1108(1).

12894 (2) A domestic corporation not for profit organized under
 12895 this chapter is not required to file articles of merger pursuant
 12896 ~~pur-suant~~ to this section if the corporation not for profit is
 12897 named as a party or constituent organization in articles of
 12898 merger or a certificate of merger filed for the same merger in
 12899 accordance with s. 605.1025, s. 607.1105 ~~s. 607.1109~~, s.
 12900 620.2108(3), or s. 620.8918(1) and (2). In such a case, the
 12901 other articles of merger or certificate of merger may also be
 12902 used for purposes of subsection (3).

12903 (3) A copy of the articles of merger or certificate of
 12904 merger, certified by the Department of State, may be filed in
 12905 the office of the official who is the recording officer of each

Page 445 of 458

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590-03467A-19 2019892c2

12906 county in this state in which real property of a party to the
 12907 merger, other than the surviving entity, is situated.

12908 Section 275. Section 617.1507, Florida Statutes, is amended
 12909 to read:

12910 617.1507 Registered office and registered agent of foreign
 12911 corporation.—

12912 (1) Each foreign corporation authorized to conduct its
 12913 affairs in this state must continuously maintain in this state:

12914 (a) A registered office that may be the same as any of the
 12915 places it conducts its affairs; and

12916 (b) A registered agent, who may be:

12917 1. An individual who resides in this state and whose
 12918 business office is identical with the registered office;

12919 2. Another domestic entity that is an authorized entity
 12920 whose business address is identical to the address of the
 12921 registered office; or

12922 3. A foreign entity authorized to transact business in this
 12923 state that is an authorized entity and whose business address is
 12924 identical to the address of ~~A domestic corporation for profit or~~
 12925 ~~not for profit the business office of which is identical with~~
 12926 ~~the registered office; or~~

12927 ~~3. A foreign corporation for profit or not for profit~~
 12928 ~~authorized to transact business or conduct its affairs in this~~
 12929 ~~state the business office of which is identical with the~~
 12930 ~~registered office.~~

12931 (2) A registered agent appointed pursuant to this section
 12932 or a successor registered agent appointed pursuant to s.
 12933 617.1508 on whom process may be served shall each file a
 12934 statement in writing with the Department of State, in such form

Page 446 of 458

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590-03467A-19

2019892c2

12935 and manner as shall be prescribed by the department, accepting
 12936 the appointment as a registered agent simultaneously with his or
 12937 her being designated. Such statement of acceptance shall state
 12938 that the registered agent is familiar with, and accepts, the
 12939 obligations of that position.

12940 (3) For purposes of this section, "authorized entity"
 12941 means:

12942 (a) A corporation for profit;

12943 (b) A limited liability company;

12944 (c) A limited liability partnership; or

12945 (d) A limited partnership, including a limited liability
 12946 limited partnership.

12947 Section 276. Subsections (2), (3), and (4) of section
 12948 620.1108, Florida Statutes, are amended, and subsection (6) is
 12949 added to that section, to read:

12950 620.1108 Name.—

12951 (2) The name of a limited partnership that is not a limited
 12952 liability limited partnership must contain the phrase "limited
 12953 partnership" or "limited" or the abbreviation "L.P." or "Ltd."
 12954 or the designation "LP," and may not contain the phrase "limited
 12955 liability limited partnership" or the abbreviation "L.L.L.P." or
 12956 the designation "LLLP," as will clearly indicate that it is a
 12957 limited partnership instead of a natural person, corporation,
 12958 limited liability company, or other business entity.

12959 (3) The name of a limited liability limited partnership
 12960 must contain the phrase "limited liability limited partnership"
 12961 or the abbreviation "L.L.L.P." or designation "LLLP," as will
 12962 clearly indicate that it is a limited liability limited
 12963 partnership instead of a natural person or other business

Page 447 of 458

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590-03467A-19

2019892c2

12964 entity, except that a limited liability limited partnership
 12965 organized prior to January 1, 2006, that was the effective date
 12966 ~~of this act that is~~ using an abbreviation or designation
 12967 permitted under prior law shall be entitled to continue using
 12968 such abbreviation or designation until its dissolution.

12969 (4) The name of a limited partnership must be
 12970 distinguishable in the records of the Department of State from
 12971 the names of all other entities or filings that are on file with
 12972 the Department of State, except fictitious name registrations
 12973 pursuant to s. 865.09, general partnership registrations
 12974 pursuant to s. 620.8105, and limited liability partnership
 12975 statements pursuant to s. 620.9001 which are organized,
 12976 registered, or reserved under the laws of this state; however, a
 12977 limited partnership or a limited liability limited partnership
 12978 may register under a name that is not otherwise distinguishable
 12979 on the records of the Department of State with the written
 12980 consent of the other entity if the consent is filed with the
 12981 Department of State at the time of registration of such name and
 12982 if such name is not identical to the name of the other entity. A
 12983 name that is different from the name of another entity or filing
 12984 due to any of the following is not considered distinguishable:

12985 (a) A suffix.

12986 (b) A definite or indefinite article.

12987 (c) The word "and" and the symbol "&."

12988 (d) The singular, plural, or possessive form of a word.

12989 (e) ~~A recognized abbreviation of a root word.~~

12990 ~~(f) A punctuation mark or a symbol.~~

12991 (6) A limited partnership or a limited liability limited
 12992 partnership in existence before January 1, 2020, that has a name

Page 448 of 458

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590-03467A-19

2019892c2

12993 that does not clearly indicate that it is a limited partnership
 12994 or a limited liability limited partnership instead of a natural
 12995 person, corporation, limited liability company, or other
 12996 business entity may continue using its name until it dissolves
 12997 or amends its name in the records of the Department of State.

12998 Section 277. Section 620.11085, Florida Statutes, is
 12999 created to read:

13000 620.11085 Reserved name.-

13001 (1) A person may reserve the exclusive use of the name of a
 13002 limited partnership, including an alternate name for a foreign
 13003 limited partnership whose name is not available, by delivering
 13004 an application to the Department of State for filing. The
 13005 application must set forth the name and address of the applicant
 13006 and the name proposed to be reserved. If the department finds
 13007 that the name of the limited partnership applied for is
 13008 available, it must reserve the name for the applicant's
 13009 exclusive use for a nonrenewable 120-day period.

13010 (2) The owner of a reserved name of a limited partnership
 13011 may transfer the reservation to another person by delivering to
 13012 the Department of State a signed notice of the transfer that
 13013 states the name and address of the transferee.

13014 (3) The Department of State may revoke any reservation if,
 13015 after a hearing, it finds that the application therefor or any
 13016 transfer thereof was not made in good faith.

13017 Section 278. Paragraph (c) of subsection (1) of section
 13018 620.2104, Florida Statutes, is amended to read:

13019 620.2104 Filings required for conversion; effective date.-

13020 (1) After a plan of conversion is approved:

13021 (c) A converting limited partnership is not required to

Page 449 of 458

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590-03467A-19

2019892c2

13022 file a certificate of conversion pursuant to paragraph (a) if
 13023 the converting limited partnership files articles of conversion
 13024 or a certificate of conversion that substantially complies with
 13025 the requirements of this section pursuant to s. 605.1045, s.
 13026 607.1105 ~~s. 607.1115~~, or s. 620.8914(1)(b) and contains the
 13027 signatures required by this chapter. In such a case, the other
 13028 certificate of conversion may also be used for purposes of s.
 13029 620.2105(4).

13030 Section 279. Subsection (3) of section 620.2108, Florida
 13031 Statutes, is amended to read:

13032 620.2108 Filings required for merger; effective date.-

13033 (3) Each constituent limited partnership shall deliver the
 13034 certificate of merger for filing in the Department of State
 13035 unless the constituent limited partnership is named as a party
 13036 or constituent organization in articles of merger or a
 13037 certificate of merger filed for the same merger in accordance
 13038 with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.
 13039 620.8918(1) and (2) and such articles of merger or certificate
 13040 of merger substantially complies with the requirements of this
 13041 section. In such a case, the other articles of merger or
 13042 certificate of merger may also be used for purposes of s.
 13043 620.2109(3).

13044 Section 280. Subsection (3) of section 620.8918, Florida
 13045 Statutes, is amended to read:

13046 620.8918 Filings required for merger; effective date.-

13047 (3) Each domestic constituent partnership shall deliver the
 13048 certificate of merger for filing with the Department of State,
 13049 unless the domestic constituent partnership is named as a party
 13050 or constituent organization in articles of merger or a

Page 450 of 458

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590-03467A-19

2019892c2

13051 certificate of merger filed for the same merger in accordance
 13052 with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.
 13053 620.2108(3). The articles of merger or certificate of merger
 13054 must substantially comply with the requirements of this section.
 13055 In such a case, the other articles of merger or certificate of
 13056 merger may also be used for purposes of s. 620.8919(3). Each
 13057 domestic constituent partnership in the merger shall also file a
 13058 registration statement in accordance with s. 620.8105(1) if it
 13059 does not have a currently effective registration statement filed
 13060 with the Department of State.

13061 Section 281. Paragraph (b) of subsection (2) and subsection
 13062 (4) of section 621.12, Florida Statutes, are amended to read:
 13063 621.12 Identification with individual shareholders or
 13064 individual members.—

13065 (2) The name shall also contain:

13066 (b)1. In the case of a professional corporation, the words
 13067 "professional association," or the abbreviation "P.A." or the
 13068 designation "PA"; or

13069 2. In the case of a professional limited liability company
 13070 formed before January 1, 2014, the words "professional limited
 13071 company" or "professional limited liability company," the
 13072 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or
 13073 "PLLC," in lieu of the words "limited company" or "limited
 13074 liability company," or the abbreviation "L.C." or "L.L.C." or
 13075 the designation "LC" or "LLC" as otherwise required under s.
 13076 605.0112 or former s. 608.406.

13077 3. In the case of a professional limited liability company
 13078 formed on or after January 1, 2014, the words "professional
 13079 limited liability company," the abbreviation "P.L.L.C." or the

Page 451 of 458

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590-03467A-19

2019892c2

13080 designation "PLLC," in lieu of the words "limited liability
 13081 company," or the abbreviation "L.L.C." or the designation "LLC"
 13082 as otherwise required under s. 605.0112.

13083 (4) It shall be permissible, however, for the corporation
 13084 or limited liability company to render professional services and
 13085 to exercise its authorized powers under a name which is
 13086 identical to its name or contains any one or more of the last
 13087 names of any shareholder or member included in such name except
 13088 that the word "chartered," the words "professional association,"
 13089 "professional limited company," or "professional limited
 13090 liability company," the abbreviations "P.A.," "P.L.," or
 13091 "P.L.L.C.," or the designation "PA," "PL," or "PLLC" may be
 13092 omitted, provided that the corporation or limited liability
 13093 company has first registered the name to be so used in the
 13094 manner required for the registration of fictitious names.

13095 Section 282. Paragraph (e) of subsection (14) of section
 13096 865.09, Florida Statutes, is amended to read:

13097 865.09 Fictitious name registration.—

13098 (14) PROHIBITION.—A fictitious name registered as provided
 13099 in this section may not contain the following words,
 13100 abbreviations, or designations:

13101 (e) "Professional association," "PA," "P.A.," or
 13102 "chartered," unless the person or business for which the name is
 13103 registered is organized as a professional corporation pursuant
 13104 to chapter 621, or is organized as a professional corporation
 13105 pursuant to a similar law of another jurisdiction and has
 13106 obtained a certificate of authority to transact business in this
 13107 state pursuant to chapter 607.

13108 Section 283. Subsection (1) of section 662.150, Florida

Page 452 of 458

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590-03467A-19

2019892c2

13109 Statutes, is amended to read:

13110 662.150 Domestication of a foreign family trust company.—

13111 (1) A foreign family trust company lawfully organized and
13112 currently in good standing with the state regulatory agency in
13113 the jurisdiction where it is organized may become domesticated
13114 in this state by:

13115 (a) Filing with the Department of State articles a
13116 ~~certificate~~ of domestication and articles of incorporation in
13117 accordance with and subject to s. 607.11922 ~~s. 607.1801~~ or by
13118 filing articles of conversion in accordance with s. 605.1045 or
13119 s. 607.11933; and

13120 (b) Filing an application for a license to begin operations
13121 as a licensed family trust company in accordance with s.
13122 662.121, which must first be approved by the office, or by
13123 filing the prescribed form with the office to register as a
13124 family trust company to begin operations in accordance with s.
13125 662.122.

13126 Section 284. Subsection (1) of section 331.355, Florida
13127 Statutes, is amended to read:

13128 331.355 Use of name; ownership rights to intellectual
13129 property.—

13130 (1)(a) The corporate name of a corporation incorporated or
13131 authorized to transact business in this state, or the name of
13132 any person or business entity transacting business in this
13133 state, may not use the words "Space Florida," "Florida Space
13134 Authority," "Florida Aerospace Finance Corporation," "Florida
13135 Space Research Institute," "spaceport Florida," or "Florida
13136 spaceport" in its name unless the Space Florida board of
13137 directors gives written approval for such use.

Page 453 of 458

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590-03467A-19

2019892c2

13138 (b) The Department of State may dissolve, pursuant to s.
13139 607.1420 ~~s. 607.1421~~, any corporation that violates paragraph
13140 (a).

13141 Section 285. Paragraph (a) of subsection (4) of section
13142 339.12, Florida Statutes, is amended to read:

13143 339.12 Aid and contributions by governmental entities for
13144 department projects; federal aid.—

13145 (4)(a) Prior to accepting the contribution of road bond
13146 proceeds, time warrants, or cash for which reimbursement is
13147 sought, the department shall enter into agreements with the
13148 governing body of the governmental entity for the project or
13149 project phases in accordance with specifications agreed upon
13150 between the department and the governing body of the
13151 governmental entity. The department in no instance is to receive
13152 from such governmental entity an amount in excess of the actual
13153 cost of the project or project phase. By specific provision in
13154 the written agreement between the department and the governing
13155 body of the governmental entity, the department may agree to
13156 reimburse the governmental entity for the actual amount of the
13157 bond proceeds, time warrants, or cash used on a highway project
13158 or project phases that are not revenue producing and are
13159 contained in the department's adopted work program, or any
13160 public transportation project contained in the adopted work
13161 program. Subject to appropriation of funds by the Legislature,
13162 the department may commit state funds for reimbursement of such
13163 projects or project phases. Reimbursement to the governmental
13164 entity for such a project or project phase must be made from
13165 funds appropriated by the Legislature, and reimbursement for the
13166 cost of the project or project phase is to begin in the year the

Page 454 of 458

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590-03467A-19

2019892c2

13167 project or project phase is scheduled in the work program as of
 13168 the date of the agreement. Funds advanced pursuant to this
 13169 section, which were originally designated for transportation
 13170 purposes and so reimbursed to a county or municipality, shall be
 13171 used by the county or municipality for any transportation
 13172 expenditure authorized under s. 336.025(7). Also, cities and
 13173 counties may receive funds from persons, and reimburse those
 13174 persons, for the purposes of this section. Such persons may
 13175 include, but are not limited to, those persons defined in s.
 13176 607.01401(56) ~~s. 607.01401(19)~~.

13177 Section 286. Section 628.530, Florida Statutes, is amended
 13178 to read:

13179 628.530 Effects of redomestication.—The certificate of
 13180 authority, agents appointments and licenses, rates, and other
 13181 items which the office or department allows, in its discretion,
 13182 which are in existence at the time any insurer licensed to
 13183 transact the business of insurance in this state transfers its
 13184 corporate domicile to this or any other state by merger,
 13185 consolidation, merger pursuant to s. 607.1101(7) ~~s. 607.1107(5)~~,
 13186 or any other lawful method shall continue in full force and
 13187 effect upon such transfer if such insurer remains duly qualified
 13188 to transact the business of insurance in this state. All
 13189 outstanding policies of any transferring insurer shall remain in
 13190 full force and effect and need not be endorsed as to the new
 13191 name of the company or its new location unless so ordered by the
 13192 office. Every transferring insurer shall file new policy forms
 13193 with the office on or before the effective date of the transfer,
 13194 but may use existing policy forms with appropriate endorsements
 13195 if allowed by, and under such conditions as are approved by, the

Page 455 of 458

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590-03467A-19

2019892c2

13196 office. However, every such transferring insurer shall notify
 13197 the office of the details of the proposed transfer and shall
 13198 file promptly any resulting amendments to corporate documents
 13199 filed or required to be filed with the office.

13200 Section 287. Section 631.0515, Florida Statutes, is amended
 13201 to read:

13202 631.0515 Appointment of receiver; insurance holding
 13203 company.—A delinquency proceeding pursuant to this chapter
 13204 constitutes the sole and exclusive method of dissolving,
 13205 liquidating, rehabilitating, reorganizing, conserving, or
 13206 appointing a receiver of a Florida corporation which is not
 13207 insolvent as defined by s. 607.01401 ~~s. 607.01401(16)~~; which
 13208 through its shareholders, board of directors, or governing body
 13209 is deadlocked in the management of its affairs; and which
 13210 directly or indirectly owns all of the stock of a Florida
 13211 domestic insurer. The department may petition for an order
 13212 directing it to rehabilitate such corporation if the interests
 13213 of policyholders or the public will be harmed as a result of the
 13214 deadlock. The department shall use due diligence to resolve the
 13215 deadlock. Whether or not the department petitions for an order,
 13216 the circuit court shall not have jurisdiction pursuant to s.
 13217 607.271, s. 607.274, or s. 607.277 to dissolve, liquidate, or
 13218 appoint receivers with respect to, a Florida corporation which
 13219 directly or indirectly owns all of the stock of a Florida
 13220 domestic insurer and which is not insolvent as defined by s.
 13221 607.01401 ~~s. 607.01401(16)~~. However, a managing general agent or
 13222 holding company with a controlling interest in a domestic
 13223 insurer in this state is subject to jurisdiction of the court
 13224 under the provisions of s. 631.025.

Page 456 of 458

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590-03467A-19

2019892c2

13225 Section 288. Subsection (5) of section 658.44, Florida
13226 Statutes, is amended to read:

13227 658.44 Approval by stockholders; rights of dissenters;
13228 preemptive rights.-

13229 (5) The fair value, as defined in s. 607.1301(5) ~~s.~~
13230 ~~607.1301(4)~~, of dissenting shares of each constituent state bank
13231 or state trust company, the owners of which have not accepted an
13232 offer for such shares made pursuant to subsection (3), shall be
13233 determined pursuant to ss. 607.1326-607.1331 except as the
13234 procedures for notice and demand are otherwise provided in this
13235 section as of the effective date of the merger.

13236 Section 289. Section 663.03, Florida Statutes, is amended
13237 to read:

13238 663.03 Applicability of the Florida Business Corporation
13239 Act.-Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the
13240 provisions of part I of chapter 607 not in conflict with the
13241 financial institutions codes which relate to foreign
13242 corporations apply to all international banking corporations and
13243 their offices doing business in this state.

13244 Section 290. Section 663.403, Florida Statutes, is amended
13245 to read:

13246 663.403 Applicability of the Florida Business Corporation
13247 Act.-Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the
13248 provisions of part I of chapter 607 which are not in conflict
13249 with the financial institutions codes and which relate to
13250 foreign corporations apply to all international trust entities
13251 and their offices doing business in this state.

13252 Section 291. Section 694.16, Florida Statutes, is amended
13253 to read:

Page 457 of 458

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590-03467A-19

2019892c2

13254 694.16 Conveyances by merger or conversion of business
13255 entities.-As to any merger or conversion of business entities
13256 prior to June 15, 2000, the title to all real estate, or any
13257 interest therein, owned by a business entity that was a party to
13258 a merger or a conversion is vested in the surviving entity
13259 without reversion or impairment, notwithstanding the requirement
13260 of a deed which was previously required by former s. 607.11101,
13261 former s. 608.4383, former s. 620.204, former s. 620.8904, or
13262 former s. 620.8906.

13263 Section 292. This act shall take effect January 1, 2020.

Page 458 of 458

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THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations
Appropriations Subcommittee on Health and Human
Services
Ethics and Elections
Innovation, Industry and Technology
Rules

SENATOR KATHLEEN PASSIDOMO

Majority Leader
28th District

March 26, 2019

Honorable Travis Hutson
314 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399

Re: Senate Bill 892

Dear Chairman Hutson:

Senate Bill 892, *Business Organizations*, has been referred to the Appropriations Subcommittee on Transportation, Tourism, and Economic Development.

I respectfully request that you place SB 892 on your committee agenda at the earliest opportunity. I am available to speak with you at your convenience if you have any questions about the bill. Thank you for your consideration.

Respectfully,

A handwritten signature in black ink, appearing to read "K. Passidomo", with a horizontal line extending to the right.

Senator Kathleen Passidomo
District 28

cc: Jennifer Hrdlicka, Staff Director
cc: Tempie Sailors, Administrative Assistant

REPLY TO:

- 3299 East Tamiami Trail, Suite 203, Naples, Florida 34112 (239) 417-6205
- 25 East Hickpoochee Avenue, Room J-126, LaBelle, Florida 33935 (863) 674-7122
- 330 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5028

Senate's Website: www.flsenate.gov

BILL GALVANO
President of the Senate

DAVID SIMMONS
President Pro Tempore

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

892

Bill Number (if applicable)

Topic Business Organizations

Amendment Barcode (if applicable)

Name Philip Schwartz

Job Title

Address 350 East Las Olas Blvd. 16th FL Phone 954 468 2455

Street

FT. Lauderdale, FL 33131

City

State

Zip

Email philip.schwartz@akerman.com

Speaking: For Against Information

Waive Speaking: In Support Against (The Chair will read this information into the record.)

Representing The Business Law Section of the Florida Bar

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-19
Meeting Date

892
Bill Number (if applicable)

Topic Business Organizations

Amendment Barcode (if applicable)

Name Stephen Shiver

Job Title _____

Address 204 S Monroe St

Phone 850 222 8900

Street
Tallahassee FL 32301

Email sse@cardenaspartners.com

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing TAX Section - FL BAR

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/SB 1054

INTRODUCER: Community Affairs Committee and Senator Lee

SUBJECT: Community Redevelopment Agencies

DATE: April 8, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Ryon</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/CS</u>
2.	<u>McAuliffe</u>	<u>Hrdlicka</u>	<u>ATD</u>	<u>Recommend: Favorable</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1054 makes numerous changes to ch. 163, F.S., relating to Community Redevelopment Agencies (CRAs).

The bill increases accountability and transparency for CRAs by:

- Requiring the commissioners of a CRA to undergo four hours of ethics training annually;
- Expanding the annual reporting requirements for CRAs to include audit information and performance data and requiring the information and data to be published on the agency website;
- Providing that beginning October 1, 2019, moneys in the CRA redevelopment trust fund may only be expended pursuant to an annual budget adopted by the board of commissioners for the CRA and only for those purposes specified in current law, including overhead and administrative costs;
- Requiring a CRA created by a municipality to provide its proposed budget, and any amendments to the budget, to the board of county commissioners for the county in which the CRA is located 10 days after the adoption of such budget; and
- Requiring counties and municipalities to include CRA data in their annual financial reports.

The bill also provides a process for the Department of Economic Opportunity (DEO) to declare a CRA inactive if it has no revenue, expenditures, and debt for six consecutive fiscal years, and provides for the termination of existing CRAs at the earlier of the expiration date stated in the CRA's charter as of October 1, 2019, or on September 30, 2039. The governing board of the

creating local government entity may prevent the termination of a CRA by a majority vote. Finally, the bill authorizes the local governing body that created the CRA to adjust the level of tax increment financing available to the CRA.

The bill is expected to have a minimal fiscal impact on the state.

The bill is effective on October 1, 2019.

II. Present Situation:

The Community Redevelopment Act

The Community Redevelopment Act of 1969 authorizes a county or municipality to create a community redevelopment agency (CRA) as a means of redeveloping slums and blighted areas.¹ The act defines a “blighted area” as an area in which there are a substantial number of deteriorated structures causing economic distress or endangerment to life or property and two or more of the factors listed in s. 163.340(8), F.S., are present. However, an area may also be classified as blighted if one factor is present and all taxing authorities with jurisdiction over the area agree that the area is blighted by interlocal agreement or by passage of a resolution by the governing bodies.²

The act defines a “slum area” as “an area having physical or economic conditions conducive to disease, infant mortality, juvenile delinquency, poverty, or crime because there is a predominance of buildings or improvements” in poor states of repair with one of the following factors present:

- Inadequate provision for ventilation, light, air, sanitation, or open spaces;
- High density of population, compared to the population density of adjacent areas within the county or municipality, and overcrowding, as indicated by government-maintained statistics or other studies and the requirements of the Florida Building Code; or
- The existence of conditions that endanger life or property by fire or other causes.³

Creation of Community Redevelopment Agencies

Either a county or a municipal government may create a CRA. Before creating a CRA, a county or municipal government must adopt a resolution with a “finding of necessity.” This resolution must make legislative findings “supported by data and analysis” that the area to be included in the CRA’s jurisdiction is either blighted or a slum and that redevelopment of the area is necessary to promote “the public health, safety, morals, or welfare” of residents.⁴

A county or municipality may create a CRA upon the adoption of a finding of necessity and a finding that a CRA is necessary for carrying out the community redevelopment goals embodied by the act.⁵ A CRA created by a county may only operate within the boundaries of a municipality

¹ Chapter 163, F.S., part III.

² Section 163.340(8), F.S.

³ Section 163.340(7), F.S.

⁴ Section 163.355, F.S.

⁵ Section 163.356(1), F.S.

when the municipality has concurred by resolution with the community redevelopment plan adopted by the county. A CRA created by a municipality may not include more than 80 percent of the municipality if it was created after July 1, 2006.⁶

The ability to create, expand, or modify a CRA is also determined by the county's status as a charter or non-charter county, as summarized below:

- If a CRA is created in a charter county after the adoption of the charter, the county possesses authority to create CRAs within the county, but may delegate authority to a municipality via interlocal agreement.⁷
- If a CRA is created in a municipality in a charter county before the adoption of the charter, the county does not have authority over CRA operations, including modification of the redevelopment plan or expansion of CRA boundaries.⁸
- If a CRA is created in a municipality in a non-charter county, the county does not have authority over CRA operations, including modification of the redevelopment plan or expansion of CRA boundaries.⁹

As of March 20, 2019, there are 227 CRAs in Florida, which is a 30 percent increase over the past decade.¹⁰

Community Redevelopment Agency Boards

The act allows the local governing body creating a CRA to choose between two structures for the agency governing board.

One option is to appoint a board of commissioners consisting of five to nine members serving four-year terms.¹¹ The local governing body may appoint any person as a commissioner who lives in or is engaged in business in the agency's area of operation.¹² The local governing body making the appointment selects the chair and vice chair of the commission.¹³ Commissioners are not entitled to compensation for their services, but may receive reimbursement for expenses incurred in the discharge of their official duties.¹⁴ Commissioners and employees of a CRA are subject to the code of ethics for public officers and employees under ch. 112, F.S.¹⁵

The second option is for the local governing body to appoint itself as the agency board of commissioners.¹⁶ If the local governing body consists of five members, the local governing body

⁶ Section 163.340(10), F.S.

⁷ Section 163.410, F.S.

⁸ *Id.*

⁹ Section 163.415, F.S.

¹⁰ Compare of Dept. of Economic Opportunity, Special District Accountability Program, Official List of Special Districts Online, available at: <http://specialdistrictreports.floridajobs.org/webreports/criteria.aspx> (last visited March 29, 2019)

¹¹ Section 163.356(2), F.S.

¹² Section 163.356(3)(b), F.S. A person is "engaged in business" if he or she owns a business, performs services for compensation, or serves as an officer or director of a business that owns property or performs services in the agency's area of operation.

¹³ Section 163.356(3)(c), F.S.

¹⁴ Section 163.356(3)(a), F.S.

¹⁵ Section 163.367(1), F.S.

¹⁶ Section 163.357(1)(a), F.S.

may appoint two additional members to four-year terms.¹⁷ The additional members must meet the selection criteria for appointed board members under s. 163.356, F.S., or be representatives of another taxing authority within the agency's area of operation, subject to an interlocal agreement between the local governing body creating the CRA and the other taxing authority.¹⁸

As of March 20, 2019, the local governing body creating the CRA serves as the CRA board for 159 of the 227 active CRAs.¹⁹

Community Redevelopment Agency Operations

The CRA board of commissioners is responsible for exercising the powers of the agency.²⁰ A majority of the board's members are required for a quorum. An agency is authorized to employ an executive director, technical experts, legal counsel, and other agents and employees necessary to fulfill its duties.²¹

A CRA exercising its powers under the act must file an annual report to the local governing body that created it.²² The report must contain a complete financial statement of the assets, liabilities, income, and operating expenses of the agency. The CRA must publish a notice in a newspaper of general circulation in the community that the report has been filed and is available for inspection during business hours in the office of the clerk of the city or county commission and the office of the CRA.²³

Community Redevelopment Plans

A community redevelopment plan must be in place before a CRA can engage in operations.²⁴ Each community redevelopment plan must provide a time certain for completing all redevelopment financed by increment revenues. The time certain must occur no later than 30 years after the fiscal year in which the plan is approved, adopted, or amended pursuant to s. 163.361(1), F.S. However, for any agency created after July 1, 2002, the time certain for completing all redevelopment financed by increment revenues must occur within 40 years after the fiscal year in which the plan is approved or adopted.²⁵

The county, municipality, the CRA itself, or members of the public may submit a plan and the CRA then chooses which plan it will use as its community redevelopment plan. Next, the CRA must submit the plan to the local planning agency for review before the plan can be considered. The local planning agency must complete its review within 60 days.²⁶

¹⁷ Section 163.357(1)(c), F.S.

¹⁸ Section 163.357(1)(c)-(d), F.S.

¹⁹ Dept. of Economic Opportunity, Special District Accountability Program, Official List of Special Districts Online, available at: <http://specialdistrictreports.floridajobs.org/webreports/criteria.aspx> (last visited March 29, 2019).

²⁰ Section 163.356(3)(b), F.S.

²¹ Section 163.356(3)(c), F.S.

²² *Id.*

²³ *Id.*

²⁴ Section 163.360(1), F.S.

²⁵ Section 163.362(10), F.S.

²⁶ Section 163.360(4), F.S.

The CRA must submit the community redevelopment plan to the governing body that created the CRA as well as to each taxing authority that levies ad valorem taxes on taxable real property contained in the boundaries of the CRA.²⁷ The local governing body that created the CRA must hold a public hearing before the plan is approved.²⁸

To approve the plan, the local governing body must make findings as specified in s. 163.360(7), F.S. The community redevelopment plan must also:

- Conform to the comprehensive plan for the county or municipality;
- Indicate land acquisition, demolition, and removal of structures; redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area; zoning and planning changes, if any; land uses; maximum densities; and building requirements; and
- Provide for the development of affordable housing in the area, or state the reasons for not addressing in the plan the development of affordable housing.²⁹

Redevelopment Trust Fund

CRAs are not permitted to levy or collect taxes; however, the local governing body is permitted to establish a community redevelopment trust fund that is funded through tax increment financing (TIF). The amount of TIF available to the agency in a given year is equal to 95 percent of the difference between:

- The amount of ad valorem taxes levied in the current year by each taxing authority, excluding any debt service millage, on taxable real property within the boundaries of the community redevelopment area; and
- The amount of ad valorem taxes that would have been produced by levying the current year's millage rate for each taxing authority, excluding any debt service millage, on taxable real property within the boundaries of the community redevelopment area at the total assessed value of the taxable real property prior to the effective rate of the ordinance providing for the redevelopment trust fund.³⁰

A CRA created by a county defined in s. 125.011(1), F.S., (Miami-Dade County) on or after July 1, 1994, may set the amount of funding provided at less than 95 percent, with a floor of 50 percent.

Each taxing authority must transfer TIF funds to the redevelopment trust fund of the CRA by January 1 of each year. For CRAs created before July 1, 2002, each taxing authority must make an annual appropriation to the trust fund for the lesser of 60 years from when the community redevelopment plan was adopted or 30 years from when it was amended. For CRAs created on or after July 1, 2002, each taxing authority must make an annual appropriation to the trust fund for 40 years from when the community redevelopment plan was adopted.³¹ If there are any outstanding loans, advances, or indebtedness at the conclusion of these time periods, the local

²⁷ Section 163.360(5), F.S.

²⁸ Section 163.360(6), F.S.

²⁹ Section 163.360(2), F.S.

³⁰ Section 163.387(1)(a), F.S.

³¹ Section 163.387(2)(a), F.S.

governing body that created the CRA must continue transfers to the redevelopment trust fund until the debt has been paid.³²

If a taxing authority does not transfer the TIF funds to the redevelopment trust fund, the taxing authority is required to pay a penalty of 5 percent of the TIF amount to the trust fund as well as 1 percent interest per month for the outstanding amount.³³ A CRA may choose to waive these penalties in whole or in part.

Any revenue bonds issued by the CRA are payable from revenues pledged to and received by the CRA and deposited into the redevelopment trust fund.³⁴ The lien created by the revenue bonds does not attach to the bonds until the revenues are deposited in the redevelopment trust fund and bondholders are not granted any right to require taxation in order to retire the bond. Revenue bonds issued by a CRA are not a liability of the state or any political subdivision of the state and this status must be made clear on the face of the bond.³⁵

A CRA may spend funds deposited in its redevelopment trust fund for purposes, including, but not limited to those listed in s. 163.387(6), F.S., which include:

- Administrative and overhead expenses;
- Planning, surveys, and financial expenses;
- The acquisition of property;
- Clearance and preparation of the redevelopment area including relocation of residents;
- Repayment of principal and interest for loans and other indebtedness;
- Expenses related to the issuance, sale, purchase, and other bond related expenses; and
- The development of affordable housing.

If any funds remain in the redevelopment trust fund on the last day of the fiscal year, the funds must be:

- Returned to each taxing authority on a pro rata basis;
- Used to reduce the amount of any indebtedness to which increment revenues are pledged;
- Deposited into an escrow account for the purpose of later reducing any indebtedness to which increment revenues are pledged; or
- Appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan; the project must be completed within 3 years from the date of such appropriation.³⁶

Each CRA is required to provide for an annual audit of its redevelopment trust fund, conducted by an independent certified public accountant or firm.³⁷

³² Section 163.387(3)(a), F.S.

³³ Section 163.387(2)(b), F.S.

³⁴ Section 163.387(4), F.S.

³⁵ Section 163.387(5), F.S.

³⁶ Section 163.387(7), F.S.

³⁷ Section 163.387(8), F.S.

CRA Oversight and Accountability

Miami-Dade County Grand Jury Report

A Miami-Dade County grand jury issued a report in 2016 after “learning of several examples of mismanagement of large amounts of public dollars” by CRAs.³⁸ The report found that some CRA boards were “spending large amounts of taxpayer dollars on what appeared to be pet projects of elected officials” and “there is a significant danger of CRA funds being used as a slush fund for elected officials.”³⁹ In the event funds were misused, the report found that the act lacked any accountability and enforcement measures.

The report noted that while county and municipal governments may not pledge ad valorem tax proceeds to finance bonds without voter approval, the board of a CRA can pledge TIF funds to finance bonds without any public input.⁴⁰

The grand jury found that redevelopment trust fund money was often used “without the exercise of any process of due diligence, without justification and without recourse.”⁴¹ The report notes that the act does not provide guidelines for the proper use of CRA funds, resulting in questionable expenditures.⁴² For example, one CRA highlighted in the report spent \$300,000 of its \$400,000 budget on administrative expenses. The report also found examples of the CRA funds being used to fund fairs, carnivals, and other community entertainment events.⁴³ Additionally, the report found that funds may have been misused as part of the CRA contracting process since there is no specified procurement process that CRAs must follow.⁴⁴

While the act states affordable housing is one of the three primary purposes for the existence of CRAs, the report found that the provision of affordable housing by CRAs “appears to be the exception and not the rule.”⁴⁵ The report stated that while CRAs cite prohibitive costs as a reason for not developing affordable housing, funds are often used for other purposes.⁴⁶ Some CRAs have requested that their boundaries be extended to include areas for low-income housing while not providing any affordable housing.⁴⁷ Some CRA board members have stated the agencies do not focus on affordable housing because it does not produce sufficient revenue.⁴⁸

Another area of concern for the grand jury was a focus on removing blight by improving the appearance of commercial areas, but leaving slum conditions in place, particularly in the form of multi-family housing that is “unsafe, unsanitary, and overcrowded.”⁴⁹ The grand jury points to news coverage of some apartment buildings with overflowing toilets and frequent losses of

³⁸ Miami-Dade County Grand Jury, Final Report for Spring Term A.D. 2015, at 1, filed Feb. 3, 2016, *available at*: https://www.miamisao.com/publications/grand_jury/2000s/gj2015s.pdf (last visited March 29, 2019).

³⁹ *Id.* at 7.

⁴⁰ *Id.* at 9.

⁴¹ *Id.* at 14.

⁴² *Id.* at 15.

⁴³ *Id.* at 16.

⁴⁴ *Id.* at 17.

⁴⁵ *Id.* at 19.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.* at 20.

⁴⁹ *Id.* at 22.

power due to the need for repairs. The report notes the contrast between these conditions and the use of some CRA proceeds to “fund ball stadiums, performing arts centers[,] and dog parks.”⁵⁰

The grand jury report also notes that while a finding of necessity is required for creating a CRA, there is no process for determining whether the mission of the CRA has been fulfilled.⁵¹

The report makes 29 recommendations for ensuring transparency and accountability in the operation of CRAs, including:

- Requiring all CRA boards to contain members of the community;
- Imposing a cap on annual CRA expenditures used for administrative costs;
- Requiring CRAs to adopt procurement guidelines that mirror those of the associated county or municipality;
- Requiring each CRA to submit its budget to the county commission with sufficient time for full consideration;
- Setting aside a percentage of TIF revenue for affordable housing; and
- Imposing ethics training requirements.⁵²

Broward County Inspector General Reports

The Broward County Office of the Inspector General has conducted two investigations into CRA operations in the past five years: Hallandale Beach CRA in 2013⁵³ and Margate CRA in 2014.⁵⁴ The investigation into the Hallandale Beach CRA showed that the agency failed to create a trust fund and that the city commission failed to operate the CRA as an entity separate from the city.⁵⁵ The former executive director of the CRA stated the city had “free reign” to use funds from the CRA’s account.⁵⁶ The report found over \$2 million of questionable expenditures by the Hallandale Beach CRA between 2007 and 2012, including \$125,000 in inappropriate loans and \$152,494 spent on “civic promotions such as festivals and fireworks displays.”⁵⁷ After some of these issues were brought to the attention of the city and the CRA, the CRA continued working on a funding plan that included spending \$5,347,000 on two parks outside of the boundaries of the CRA. The report also found that the CRA paid “substantially more than its appraised value” to purchase a property owned by a church whose pastor was a city commissioner at the time.⁵⁸

The investigation of the Margate CRA showed a failure to properly allocate TIF funds received from the county and other taxing authorities.⁵⁹ While the CRA stated unused funds were not

⁵⁰ *Id.*

⁵¹ *Id.* at 32.

⁵² *Id.* at 34-36.

⁵³ Broward Office of the Inspector Gen., Final Report Re: Gross Mismanagement of Public Funds by the City of Hallandale Beach and the Hallandale Beach Community Redevelopment Agency, OIG 11-020, April 18, 2013, *available at*: <http://www.broward.org/InspectorGeneral/Documents/20130418OIG11020FinalReport.pdf> (last visited March 29, 2019).

⁵⁴ Broward Office of the Inspector Gen., Final Report Re: Misconduct by the Margate Community Redevelopment Agency in the Handling of Taxpayer Funds, OIG 13-015A, July 22, 2014, *available at*: <http://www.broward.org/InspectorGeneral/Documents/OIG13015AMargateCRAFinalReport.pdf> (last visited March 29, 2014).

⁵⁵ City of Hallandale Beach, *supra* note 54, at 1.

⁵⁶ *Id.* at 28.

⁵⁷ *Id.* at 1.

⁵⁸ *Id.* at 2.

⁵⁹ Margate Community Redevelopment Agency, *supra* note 55, at 1.

returned because they were allocated for a specific project, the investigation showed the agency had a pattern of intentionally retaining excess unallocated funds for later use.⁶⁰ This pattern of misuse had resulted in a debt to the county of approximately \$2.7 million for Fiscal Years 2008-2012.⁶¹

Auditor General Report

The Auditor General is required to conduct a performance audit of the local government financial information reporting system every three years.⁶² As part of the most recent performance audit, the Auditor General made five findings concerning CRAs:

- Current law could be enhanced to be more specific as to the types of expenditures that qualify.
- Current law could be enhanced to provide county taxing authorities more control over expenditures of CRAs created by municipalities to help ensure that CRA trust fund moneys are used appropriately.
- Current law could be revised to require all CRAs, including those created before October 1, 1984, to follow the statutory requirements governing the specific authorized uses of CRA trust fund moneys.
- Current law could be enhanced to allow CRAs to provide for reserves of unexpended CRA trust fund balances to be used during financial downturns.
- Current law could be enhanced to promote compliance with the audit requirement in s. 163.387(8), F.S., and to require such audits to include a determination of compliance with laws pertaining to expenditure of, and disposition of unused, CRA trust fund moneys.⁶³

Ethics Training Requirements for Public Officials

Constitutional officers and all elected municipal officers must complete four hours of ethics training on an annual basis.⁶⁴ The required ethics training must include instruction on Art. II, s. 8 of the Florida Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws. This requirement may be met by attending a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

Inactive Special Districts

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary. Whether dependent or independent, when a special district no longer fully functions or fails to meet its statutory responsibilities, the

⁶⁰ *Id.*

⁶¹ *Id.* at 2.

⁶² Section 11.45(2)(g), F.S.

⁶³ Florida Auditor Gen., Report No. 2015-037, p. 1, Oct. 2014, available at: https://flauditor.gov/pages/pdf_files/2015-037.pdf (last visited March 29, 2019).

⁶⁴ Section 112.3142, F.S. A "constitutional officer" is defined as the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.

DEO must declare that district inactive by following a specified process.⁶⁵ The DEO must first document the factual basis for declaring the district inactive.

A special district may be declared inactive if it meets one of the following criteria:

- The registered agent of the district, the chair of the district governing body, or the governing body of the appropriate local general-purpose government:
 - Provides the DEO with written notice that the district has taken no action for 2 or more years;
 - Provides the DEO with written notice that the district has not had any members on its governing body or insufficient numbers to constitute a quorum for 2 or more years; or
 - Fails to respond to an inquiry by the DEO within 21 days.⁶⁶
- Following statutory procedure,⁶⁷ the DEO determines the district failed to file specified reports,⁶⁸ including required financial reports.⁶⁹
- For more than 1 year, no registered office or agent for the district was on file with the DEO.⁷⁰
- The governing body of the district unanimously adopts a resolution declaring the district inactive and provides documentation of the resolution to the DEO.⁷¹

Once the DEO determines which criterion applies to inactivate the district, notice of the proposed declaration of inactive status is published by the DEO, the local general-purpose government for the area where the district is located, or the district itself.⁷² After declaring certain special districts inactive, the DEO must send written notice of the declaration to the authorities that created the district. The property and assets of a special district declared inactive by the DEO are first used to pay any debts of the district and any remaining property or assets then escheat to the county or municipality in which the district was located. If the district's assets are insufficient to pay its outstanding debts, the local general-purpose government in which the district was located may assess and levy within the territory of the inactive district such taxes as necessary to pay the remaining debt.⁷³

A district declared inactive may not collect taxes, fees, or assessments.⁷⁴ This prohibition continues until the declaration of invalid status is withdrawn or revoked by the DEO⁷⁵ or invalidated in an administrative proceeding⁷⁶ or civil action⁷⁷ timely brought by the governing

⁶⁵ Section 189.062(1), F.S.

⁶⁶ Section 189.062(1)(a)1.-3., F.S.

⁶⁷ Section 189.067, F.S.

⁶⁸ Section 189.066, F.S.

⁶⁹ Section 189.062(1)(a)4., F.S. See, ss. 189.016(9), 218.32, 218.39, F.S.

⁷⁰ Section 189.062(1)(a)5., F.S.

⁷¹ Section 189.062(1)(a)6., F.S.

⁷² Publication must be in a newspaper of general circulation in the county or municipality where the district is located and a copy sent by certified mail to the district's registered agent or chair of the district's governing body, if any.

Section 189.062(1)(b), F.S.

⁷³ Section 189.062(2), F.S.

⁷⁴ Section 189.062(5), F.S.

⁷⁵ Section 189.062(5)(a), F.S.

⁷⁶ Section 189.062(5)(b)1., F.S. Administrative proceedings are conducted pursuant to s. 120.569, F.S.

⁷⁷ Section 189.062(5)(b)2., F.S. The action for declaratory and injunctive relief is brought under ch. 86, F.S.

body of the special district.⁷⁸ Failure of the special district to challenge (or prevail against) the declaration of inactive status enables the DEO to enforce the statute through a petition for enforcement in circuit court.⁷⁹

Declaring a special district to be inactive does not dissolve the district or otherwise cease its legal existence. Subsequent action is required to repeal the legal authority creating the district, whether by the Legislature⁸⁰ or the entity that created the district.⁸¹

Annual Financial Reports for Local Government Entities

Counties, municipalities, and special districts must submit an annual financial report for the previous fiscal year to the Department of Financial Services (DFS).⁸² The report must include component units of the local government entity submitting the report. If a local government entity is required to conduct an audit under s. 218.39, F.S., for the fiscal year, the annual financial report, as well as a copy of the audit report, must be submitted to DFS within 45 days of completion of the audit report, but no later than 9 months after the end of the fiscal year. If the local government entity is not required to conduct an audit under s. 218.39, F.S., for the fiscal year, the annual financial report is due no later than 9 months after the end of the fiscal year. Each local government must provide a link to the annual audit report on its website.

III. Effect of Proposed Changes:

Section 1 amends s. 112.3142, F.S., to require each commissioner of a CRA to complete four hours of ethics training each calendar year beginning January 1, 2020. This requirement may be satisfied by the completion of a continuing legal education class or other continuing education professional education class, seminar, or presentation if the required subject material is covered by such class.

Section 2 amends s. 163.356, F.S., to repeal the annual report requirements and reference the new CRA annual report requirements created in s. 163.371(1), F.S., by the bill.

Section 3 amends s. 163.367, F.S., to provide that commissioners of a CRA must comply with the ethics training requirements in s. 112.3142, F.S. The requirements include mandating that officers complete four hours of ethics training each calendar year.

Section 4 creates s. 163.371, F.S., to provide reporting requirements for CRAs. Specifically, the section requires each CRA to submit an annual report to the county or municipality that created the agency by March 31 of each year and to publish the report to the agency's website. The report must include the most recent complete audit report of the redevelopment trust fund and provide performance data for each community redevelopment plan authorized, administered, or

⁷⁸ The special district must initiate the legal challenge within 30 days after the date the newspaper notice of the DEO's declaration of inactive status is published. Section 189.062(5)(b), F.S.

⁷⁹ Section 189.062(5)(c), F.S. The enforcement action is brought in the circuit court in and for Leon County.

⁸⁰ Sections 189.071(3), 189.072(3), F.S.

⁸¹ Section 189.062(4), F.S. Unless otherwise provided by law or ordinance, dissolution of a special district transfers title to all district property to the local general-purpose government, which also must assume all debts of the dissolved district. Section 189.076(2), F.S.

⁸² Section 218.32, F.S.

overseen by the CRA. If a CRA's audit report is not complete by March 31, the CRA must publish the audit report on its website within 45 days of completion. The performance data report must include the following information as of December 31 of the year being reported:

- The total number of projects the CRA started and completed, and the estimated cost of each project;
- The total expenditures from the redevelopment trust fund;
- The original assessed real property values within the CRA's area of authority as of the day the agency was created;
- The total assessed real property values within the CRA's area of authority as of January 1 of the year being reported; and
- The total amount expended for affordable housing for low- and middle-income residents.

The report must also include a summary indicating if and to what extent the CRA has achieved the goals set out in its community redevelopment plan.

By January 1, 2020, each CRA must publish digital maps on its website depicting the geographic boundaries and the total acreage of the CRA. If any change is made to the boundaries or total acreage, the CRA must post the updated map files on its website within 60 days after the date such change takes effect.

Section 5 creates s. 163.3755, F.S., to provide for the termination of existing CRAs at the earlier of the expiration date stated in the CRA's charter as of October 1, 2019, or on September 30, 2039. However, the governing board of the creating local government entity may prevent the termination of a CRA by a majority vote. The bill does not provide a deadline by which such vote must occur.

If the governing board does not vote to continue a CRA with outstanding bond obligations as of October 1, 2019, and those bonds do not mature until after the termination date of the CRA or September 30, 2039, the bill provides that the CRA remains in existence until the bonds mature. A CRA in operation on or after September 30, 2039, may not extend the maturity date of its bonds. The bill requires a county or municipality operating an existing CRA to issue a new finding of necessity that is limited to meeting the remaining bond obligations of the CRA in a timely manner.

Section 6 creates s. 163.3756, F.S., relating to inactive CRAs. The section provides a legislative finding that a number of CRAs continue to exist despite reporting no revenues, no expenditures, and no outstanding debt in their annual reports.

The DEO must declare inactive any CRA reporting no revenues, expenditures, and debt for six consecutive fiscal years with the calculation beginning on October 1, 2016. The DEO must notify the CRA of the declaration of inactive status. If the CRA has no board members and no agent, the DEO must notify the governing board or commission of the county or municipality that created the CRA. The governing board of a CRA declared inactive by this procedure may seek to invalidate the declaration by initiating proceedings under s. 189.062(5), F.S., within 30 days after the date of receipt of the DEO notice.

A CRA declared inactive may only expend funds from its redevelopment trust fund as necessary to service outstanding bond debt. The CRA may not expend other funds without an ordinance of the governing body of the local government that created the CRA consenting to the expenditure of funds.

The bill provides that the provisions of s. 163.3756, F.S., are cumulative to the provisions of s. 189.062, F.S., which provides special procedures for inactive special districts. However, if the provisions in s.163.3756, F.S., conflict with s. 189.062, F.S., then s. 163.3756, F.S., prevails. Further, the bill provides that the provisions of s. 189.062(2) and (4), F.S., do not apply to a CRA that has been declared inactive under this section (levy of taxes to repay debt and repeal of laws enabling the special district).

The DEO must maintain on its website a separate list of CRAs declared inactive pursuant to s. 163.3756, F.S.

Section 7 amends s. 163.387, F.S., relating to the redevelopment trust fund.

Beginning October 1, 2019, moneys in the redevelopment trust fund may be expended only for undertakings of the CRA as described in the community redevelopment plan pursuant to an annual budget adopted by the board of commissioners of the CRA and for the purposes specifically authorized in current law, including administrative and overhead expenses.

The bill repeals a three-year time limitation on the rollover of redevelopment trust fund moneys appropriated to a specific redevelopment project pursuant to an approved community redevelopment plan, but requires retained moneys to either be used for the appropriated project or re-appropriated pursuant to the next annual budget of the CRA (if the project is amended, redesigned, or delayed).

A CRA created by a municipality must submit its annual budget to the board of county commissioners for the county in which the agency is located within 10 days after the adoption of the budget and submit amendments of its annual budget to the board of county commissioners within 10 days after the date the amended budget is adopted.

Except as provided in s. 163.387, F.S., the bill requires CRAs to comply with budgeting, auditing, and reporting requirements of s. 189.016, F.S.

Each CRA with revenues or a total of expenditures and expenses over \$100,000, as reported on the trust fund financial statements, shall provide for a financial audit each fiscal year.

The bill expands the current reporting requirements for the audit report of the redevelopment trust fund to include:

- A complete financial statement identifying all assets, liabilities, income, and operating expenses of the CRA as of the end of fiscal year; and
- A finding by the auditor determining whether the CRA complied with the authorized expenditure purposes and the requirements concerning remaining funds at the conclusion of the fiscal year.

The bill requires the audit report for the CRA to be included with the annual financial report submitted by the county or municipality that created the CRA to the DFS, even if the CRA files a separate financial report under s. 218.32, F.S.

The bill also authorizes the local governing body that created the CRA to determine the amount of TIF available to the CRA. The local governing body may set the level of funding at any amount between 50 percent and 95 percent of the increment (as opposed to current law where only Miami-Dade County has this authority).

Section 8 amends s. 218.32, F.S., relating to annual financial reports. The section provides that the failure of a county or municipality to include in its annual report to the DFS the full audit required under s. 163.387(8), F.S., for each CRA created by that county or municipality constitutes a failure to report under s. 218.32, F.S.

By November 1 of each year, the DFS must provide the Special District Accountability Program of the DEO with a list of each CRA reporting no revenues, expenditures, or debt for the CRA's previous fiscal year.

Section 9 provides that the act takes effect on October 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The DEO is currently responsible for documenting and declaring special districts inactive and the DFS is responsible for accepting and reviewing annual financial reports from local governments and special districts. The new similar responsibilities regarding CRAs will likely have a minimal impact on the agencies' workloads.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 112.3142, 163.356, 163.367, 163.387, and 218.32.

This bill creates the following sections of the Florida Statutes: 163.371, 163.3755, and 163.3756.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on March 26, 2019:

The committee substitute makes the following changes to the bill:

- Removes CRA lobbyist registration and reporting requirements;
- Removes provision specifically prohibiting a CRA from funding activities related to festivals and street parties and grants to certain entity types;
- Removes provision that adds four factors to the definition of “blighted area;”
- Restores current law to allow an area to be declared blighted with the presence of only one factor with agreement of all TIF taxing authorities;
- Removes the 18 percent cap on CRA administrative and overhead expenses;
- Removes reference to specific projects a CRA may fund;
- Increases the duration in which DEO must declare a CRA inactive from 3 years to 6 years;
- Directs a CRA to post its audit online within 45 days of completion if the audit is not available by the March 31 annual report deadline; and
- Changes the effective date to October 1, 2019.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Community Affairs; and Senator Lee

578-03518-19

20191054c1

1 A bill to be entitled
 2 An act relating to community redevelopment agencies;
 3 amending s. 112.3142, F.S.; requiring ethics training
 4 for community redevelopment agency commissioners;
 5 specifying requirements for such training; amending s.
 6 163.356, F.S.; revising reporting requirements;
 7 deleting provisions requiring certain annual reports;
 8 amending s. 163.367, F.S.; requiring ethics training
 9 for community redevelopment agency commissioners;
 10 creating s. 163.371, F.S.; requiring a community
 11 redevelopment agency to publish certain digital
 12 boundary maps on its website; providing annual
 13 reporting requirements; requiring a community
 14 redevelopment agency to publish the annual reports on
 15 its website; creating s. 163.3755, F.S.; providing
 16 termination dates for certain community redevelopment
 17 agencies; creating s. 163.3756, F.S.; providing
 18 legislative findings; requiring the Department of
 19 Economic Opportunity to declare inactive community
 20 redevelopment agencies that have reported no financial
 21 activity for a specified number of years; providing
 22 hearing procedures; authorizing certain financial
 23 activity by a community redevelopment agency that is
 24 declared inactive; providing applicability; providing
 25 construction; requiring the department to maintain a
 26 list on its website identifying all inactive community
 27 redevelopment agencies; amending s. 163.387, F.S.;
 28 specifying the level of tax increment financing that a
 29 governing body may establish for funding the

Page 1 of 14

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578-03518-19

20191054c1

30 redevelopment trust fund; effective on a specified
 31 date, revising requirements for the use of
 32 redevelopment trust fund proceeds; limiting allowed
 33 expenditures; revising requirements for the annual
 34 budget of a community redevelopment agency; revising
 35 requirements for use of moneys in the redevelopment
 36 trust fund for specific redevelopment projects;
 37 revising requirements for the annual audit; requiring
 38 the audit to be included with the financial report of
 39 the county or municipality that created the community
 40 redevelopment agency; amending s. 218.32, F.S.;
 41 revising criteria for finding that a county or
 42 municipality failed to file a report; requiring the
 43 Department of Financial Services to provide a report
 44 to the Department of Economic Opportunity concerning
 45 community redevelopment agencies reporting no
 46 revenues, expenditures, or debts; providing an
 47 effective date.
 48
 49 Be It Enacted by the Legislature of the State of Florida:
 50
 51 Section 1. Section 112.3142, Florida Statutes, is amended
 52 to read:
 53 112.3142 Ethics training for specified constitutional
 54 officers, ~~and~~ elected municipal officers, and commissioners.—
 55 (1) As used in this section, the term "constitutional
 56 officers" includes the Governor, the Lieutenant Governor, the
 57 Attorney General, the Chief Financial Officer, the Commissioner
 58 of Agriculture, state attorneys, public defenders, sheriffs, tax

Page 2 of 14

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578-03518-19 20191054c1

59 collectors, property appraisers, supervisors of elections,
60 clerks of the circuit court, county commissioners, district
61 school board members, and superintendents of schools.

62 (2) (a) All constitutional officers must complete 4 hours of
63 ethics training each calendar year which addresses, at a
64 minimum, s. 8, Art. II of the State Constitution, the Code of
65 Ethics for Public Officers and Employees, and the public records
66 and public meetings laws of this state. This requirement may be
67 satisfied by completion of a continuing legal education class or
68 other continuing professional education class, seminar, or
69 presentation if the required subjects are covered.

70 (b) ~~Beginning January 1, 2015,~~ All elected municipal
71 officers must complete 4 hours of ethics training each calendar
72 year which addresses, at a minimum, s. 8, Art. II of the State
73 Constitution, the Code of Ethics for Public Officers and
74 Employees, and the public records and public meetings laws of
75 this state. This requirement may be satisfied by completion of a
76 continuing legal education class or other continuing
77 professional education class, seminar, or presentation if the
78 required subjects are covered.

79 (c) Beginning January 1, 2020, each commissioner of a
80 community redevelopment agency created under part III of chapter
81 163 must complete 4 hours of ethics training each calendar year
82 which addresses, at a minimum, s. 8, Art. II of the State
83 Constitution, the Code of Ethics for Public Officers and
84 Employees, and the public records and public meetings laws of
85 this state. This requirement may be satisfied by completion of a
86 continuing legal education class or other continuing
87 professional education class, seminar, or presentation, if the

Page 3 of 14

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578-03518-19 20191054c1

88 required subject material is covered by the class.

89 (d) The commission shall adopt rules establishing minimum
90 course content for the portion of an ethics training class which
91 addresses s. 8, Art. II of the State Constitution and the Code
92 of Ethics for Public Officers and Employees.

93 ~~(e)~~ (d) The Legislature intends that a constitutional
94 officer or elected municipal officer who is required to complete
95 ethics training pursuant to this section receive the required
96 training as close as possible to the date that he or she assumes
97 office. A constitutional officer or elected municipal officer
98 assuming a new office or new term of office on or before March
99 31 must complete the annual training on or before December 31 of
100 the year in which the term of office began. A constitutional
101 officer or elected municipal officer assuming a new office or
102 new term of office after March 31 is not required to complete
103 ethics training for the calendar year in which the term of
104 office began.

105 (3) Each house of the Legislature shall provide for ethics
106 training pursuant to its rules.

107 Section 2. Paragraphs (c) and (d) of subsection (3) of
108 section 163.356, Florida Statutes, are amended to read:

109 163.356 Creation of community redevelopment agency.—

110 (3)

111 (c) The governing body of the county or municipality shall
112 designate a chair and vice chair from among the commissioners.
113 An agency may employ an executive director, technical experts,
114 and such other agents and employees, permanent and temporary, as
115 it requires, and determine their qualifications, duties, and
116 compensation. For such legal service as it requires, an agency

Page 4 of 14

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578-03518-19

20191054c1

117 may employ or retain its own counsel and legal staff.

118 (d) An agency authorized to transact business and exercise
 119 powers under this part shall file with the governing body the
 120 report required pursuant to s. 163.371(1), on or before March 31
 121 of each year, a report of its activities for the preceding
 122 fiscal year, which report shall include a complete financial
 123 statement setting forth its assets, liabilities, income, and
 124 operating expenses as of the end of such fiscal year. At the
 125 time of filing the report, the agency shall publish in a
 126 newspaper of general circulation in the community a notice to
 127 the effect that such report has been filed with the county or
 128 municipality and that the report is available for inspection
 129 during business hours in the office of the clerk of the city or
 130 county commission and in the office of the agency.

131 (e)(4) At any time after the creation of a community
 132 redevelopment agency, the governing body of the county or
 133 municipality may appropriate to the agency such amounts as the
 134 governing body deems necessary for the administrative expenses
 135 and overhead of the agency, including the development and
 136 implementation of community policing innovations.

137 Section 3. Subsection (1) of section 163.367, Florida
 138 Statutes, is amended to read:

139 163.367 Public officials, commissioners, and employees
 140 subject to code of ethics.—

141 (1) The officers, commissioners, and employees of a
 142 community redevelopment agency created by, or designated
 143 pursuant to, s. 163.356 or s. 163.357 are shall be subject to
 144 the provisions and requirements of part III of chapter 112, and
 145 commissioners also must comply with the ethics training

Page 5 of 14

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578-03518-19

20191054c1

146 requirements as imposed in s. 112.3142.

147 Section 4. Section 163.371, Florida Statutes, is created to
 148 read:

149 163.371 Reporting requirements.—

150 (1) By January 1, 2020, each community redevelopment agency
 151 shall publish on its website digital maps that depict the
 152 geographic boundaries and total acreage of the community
 153 redevelopment agency. If any change is made to the boundaries or
 154 total acreage, the agency shall post updated map files on its
 155 website within 60 days after the date such change takes effect.

156 (2) Beginning March 31, 2020, and not later than March 31
 157 of each year thereafter, a community redevelopment agency shall
 158 file an annual report with the county or municipality that
 159 created the agency and publish the report on the agency's
 160 website. The report must include the following information:

161 (a) The most recent complete audit report of the
 162 redevelopment trust fund as required in s. 163.387(8). If the
 163 audit report for the previous year is not available by March 31,
 164 a community redevelopment agency shall publish the audit report
 165 on its website within 45 days after completion.

166 (b) The performance data for each plan authorized,
 167 administered, or overseen by the community redevelopment agency
 168 as of December 31 of the reporting year, including the:

169 1. Total number of projects started and completed and the
 170 estimated cost for each project.

171 2. Total expenditures from the redevelopment trust fund.

172 3. Original assessed real property values within the
 173 community redevelopment agency's area of authority as of the day
 174 the agency was created.

Page 6 of 14

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578-03518-19 20191054c1

175 4. Total assessed real property values of property within
 176 the boundaries of the community redevelopment agency as of
 177 January 1 of the reporting year.

178 5. Total amount expended for affordable housing for low-
 179 income and middle-income residents.

180 (c) A summary indicating to what extent, if any, the
 181 community redevelopment agency has achieved the goals set out in
 182 its community redevelopment plan.

183 Section 5. Section 163.3755, Florida Statutes, is created
 184 to read:

185 163.3755 Termination of community redevelopment agencies.—

186 (1) A community redevelopment agency in existence on
 187 October 1, 2019, shall terminate on the expiration date provided
 188 in the agency's charter on October 1, 2019, or on September 30,
 189 2039, whichever is earlier, unless the governing body of the
 190 county or municipality that created the community redevelopment
 191 agency approves its continued existence by a majority vote of
 192 the members of the governing body.

193 (2) (a) If the governing body of the county or municipality
 194 that created the community redevelopment agency does not approve
 195 its continued existence by a majority vote of the governing body
 196 members, a community redevelopment agency with outstanding bonds
 197 as of October 1, 2019, that do not mature until after the
 198 termination date of the agency or September 30, 2039, whichever
 199 is earlier, remains in existence until the date the bonds
 200 mature.

201 (b) A community redevelopment agency operating under this
 202 subsection on or after September 30, 2039, may not extend the
 203 maturity date of any outstanding bonds.

Page 7 of 14

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578-03518-19 20191054c1

204 (c) The county or municipality that created the community
 205 redevelopment agency must issue a new finding of necessity
 206 limited to timely meeting the remaining bond obligations of the
 207 community redevelopment agency.

208 Section 6. Section 163.3756, Florida Statutes, is created
 209 to read:

210 163.3756 Inactive community redevelopment agencies.—

211 (1) The Legislature finds that a number of community
 212 redevelopment agencies continue to exist, but do not report any
 213 revenues, expenditures, or debt in the annual reports they file
 214 with the Department of Financial Services pursuant to s. 218.32.

215 (2) (a) A community redevelopment agency that has reported
 216 no revenue, no expenditures, and no debt under s. 189.016(9) or
 217 s. 218.32 for 6 consecutive fiscal years beginning no earlier
 218 than October 1, 2016, must be declared inactive by the
 219 Department of Economic Opportunity, which shall notify the
 220 agency of the declaration. If the agency does not have board
 221 members or an agent, the notice of the declaration of inactive
 222 status must be delivered to the county or municipal governing
 223 board or commission that created the agency.

224 (b) The governing board of a community redevelopment agency
 225 that is declared inactive under this section may seek to
 226 invalidate the declaration by initiating proceedings under s.
 227 189.062(5) within 30 days after the date of the receipt of the
 228 notice from the Department of Economic Opportunity.

229 (3) A community redevelopment agency that is declared
 230 inactive under this section may expend funds from the
 231 redevelopment trust fund only as necessary to service
 232 outstanding bond debt. The agency may not expend other funds in

Page 8 of 14

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

578-03518-19 20191054c1

233 the absence of an ordinance of the local governing body that
 234 created the agency which consents to the expenditure of such
 235 funds.

236 (4) The provisions of s. 189.062(2) and (4) do not apply to
 237 a community redevelopment agency that has been declared inactive
 238 under this section.

239 (5) The provisions of this section are cumulative to the
 240 provisions of s. 189.062. To the extent the provisions of this
 241 section conflict with the provisions of s. 189.062, this section
 242 prevails.

243 (6) The Department of Economic Opportunity shall maintain
 244 on its website a separate list of community redevelopment
 245 agencies declared inactive under this section.

246 Section 7. Paragraph (a) of subsection (1), subsection (6),
 247 paragraph (d) of subsection (7), and subsection (8) of section
 248 163.387, Florida Statutes, are amended to read:

249 163.387 Redevelopment trust fund.—

250 (1) (a) After approval of a community redevelopment plan,
 251 there may be established for each community redevelopment agency
 252 created under s. 163.356 a redevelopment trust fund. Funds
 253 allocated to and deposited into this fund shall be used by the
 254 agency to finance or refinance any community redevelopment it
 255 undertakes pursuant to the approved community redevelopment
 256 plan. No community redevelopment agency may receive or spend any
 257 increment revenues pursuant to this section unless and until the
 258 governing body has, by ordinance, created the trust fund and
 259 provided for the funding of the redevelopment trust fund until
 260 the time certain set forth in the community redevelopment plan
 261 as required by s. 163.362(10). Such ordinance may be adopted

578-03518-19 20191054c1

262 only after the governing body has approved a community
 263 redevelopment plan. The annual funding of the redevelopment
 264 trust fund shall be in an amount not less than that increment in
 265 the income, proceeds, revenues, and funds of each taxing
 266 authority derived from or held in connection with the
 267 undertaking and carrying out of community redevelopment under
 268 this part. Such increment shall be determined annually and shall
 269 be that amount equal to 95 percent of the difference between:

270 1. The amount of ad valorem taxes levied each year by each
 271 taxing authority, exclusive of any amount from any debt service
 272 millage, on taxable real property contained within the
 273 geographic boundaries of a community redevelopment area; and
 274 2. The amount of ad valorem taxes which would have been
 275 produced by the rate upon which the tax is levied each year by
 276 or for each taxing authority, exclusive of any debt service
 277 millage, upon the total of the assessed value of the taxable
 278 real property in the community redevelopment area as shown upon
 279 the most recent assessment roll used in connection with the
 280 taxation of such property by each taxing authority prior to the
 281 effective date of the ordinance providing for the funding of the
 282 trust fund.

283
 284 However, the governing body ~~of any county as defined in s.~~
 285 ~~125.011(1)~~ may, in the ordinance providing for the funding of a
 286 trust fund established with respect to any community
 287 redevelopment area ~~created on or after July 1, 1994~~, determine
 288 that the amount to be funded by each taxing authority annually
 289 shall be less than 95 percent of the difference between
 290 subparagraphs 1. and 2., but in no event shall such amount be

578-03518-19

20191054c1

291 less than 50 percent of such difference.

292 (6) Effective October 1, 2019, moneys in the redevelopment
 293 trust fund may be expended ~~from time to time~~ for undertakings of
 294 a community redevelopment agency as described in the community
 295 redevelopment plan only pursuant to an annual budget adopted by
 296 the board of commissioners of the community redevelopment agency
 297 and only for the following purposes specified in paragraph (c).~~7~~
 298 ~~including, but not limited to:~~

299 (a) Except as otherwise provided in this subsection, a
 300 community redevelopment agency shall comply with the
 301 requirements of s. 189.016.

302 (b) A community redevelopment agency created by a
 303 municipality shall submit its annual budget to the board of
 304 county commissioners for the county in which the agency is
 305 located within 10 days after the adoption of such budget and
 306 submit amendments of its annual budget to the board of county
 307 commissioners within 10 days after the adoption date of the
 308 amended budget ~~Administrative and overhead expenses necessary or~~
 309 ~~incidental to the implementation of a community redevelopment~~
 310 ~~plan adopted by the agency.~~

311 (c) The annual budget of a community redevelopment agency
 312 may provide for payment of the following expenses:

313 1. Administrative and overhead expenses directly or
 314 indirectly necessary to implement a community redevelopment plan
 315 adopted by the agency.

316 ~~2.(b)~~ Expenses of redevelopment planning, surveys, and
 317 financial analysis, including the reimbursement of the governing
 318 body or the community redevelopment agency for such expenses
 319 incurred before the redevelopment plan was approved and adopted.

578-03518-19

20191054c1

320 ~~3.(e)~~ The acquisition of real property in the redevelopment
 321 area.

322 ~~4.(d)~~ The clearance and preparation of any redevelopment
 323 area for redevelopment and relocation of site occupants within
 324 or outside the community redevelopment area as provided in s.
 325 163.370.

326 ~~5.(e)~~ The repayment of principal and interest or any
 327 redemption premium for loans, advances, bonds, bond anticipation
 328 notes, and any other form of indebtedness.

329 ~~6.(f)~~ All expenses incidental to or connected with the
 330 issuance, sale, redemption, retirement, or purchase of bonds,
 331 bond anticipation notes, or other form of indebtedness,
 332 including funding of any reserve, redemption, or other fund or
 333 account provided for in the ordinance or resolution authorizing
 334 such bonds, notes, or other form of indebtedness.

335 ~~7.(g)~~ The development of affordable housing within the
 336 community redevelopment area.

337 ~~8.(h)~~ The development of community policing innovations.

338 9. Expenses that are necessary to exercise the powers
 339 granted under s. 163.370, as delegated under s. 163.358.

340 (7) On the last day of the fiscal year of the community
 341 redevelopment agency, any money which remains in the trust fund
 342 after the payment of expenses pursuant to subsection (6) for
 343 such year shall be:

344 (d) Appropriated to a specific redevelopment project
 345 pursuant to an approved community redevelopment plan. The funds
 346 appropriated for such project may not be changed unless the
 347 project is amended, redesigned, or delayed, in which case the
 348 funds must be reappropriated pursuant to the next annual budget

578-03518-19 20191054c1

349 adopted by the board of commissioners of the community
 350 redevelopment agency which project will be completed within 3
 351 years from the date of such appropriation.

352 (8) (a) Each community redevelopment agency with revenues or
 353 a total of expenditures and expenses in excess of \$100,000, as
 354 reported on the trust fund financial statements, shall provide
 355 for a financial an audit of the trust fund each fiscal year and
 356 a report of such audit to be prepared by an independent
 357 certified public accountant or firm. Each financial audit
 358 conducted pursuant to this subsection must be conducted in
 359 accordance with rules for audits of local governments adopted by
 360 the Auditor General.

361 (b) The audit such report must: shall

362 1. Describe the amount and source of deposits into, and the
 363 amount and purpose of withdrawals from, the trust fund during
 364 such fiscal year and the amount of principal and interest paid
 365 during such year on any indebtedness to which increment revenues
 366 are pledged and the remaining amount of such indebtedness.

367 2. Include financial statements identifying the assets,
 368 liabilities, income, and operating expenses of the community
 369 redevelopment agency as of the end of such fiscal year.

370 3. Include a finding by the auditor as to whether the
 371 community redevelopment agency is in compliance with subsections
 372 (6) and (7).

373 (c) The audit report for the community redevelopment agency
 374 must accompany the annual financial report submitted by the
 375 county or municipality that created the agency to the Department
 376 of Financial Services as provided in s. 218.32, regardless of
 377 whether the agency reports separately under that section.

578-03518-19 20191054c1

378 (d) The agency shall provide ~~by registered mail~~ a copy of
 379 the audit report to each taxing authority.

380 Section 8. Subsection (3) of section 218.32, Florida
 381 Statutes, is amended to read:

382 218.32 Annual financial reports; local governmental
 383 entities.—

384 (3) (a) The department shall notify the President of the
 385 Senate and the Speaker of the House of Representatives of any
 386 municipality that has not reported any financial activity for
 387 the last 4 fiscal years. Such notice must be sufficient to
 388 initiate dissolution procedures as described in s.
 389 165.051(1)(a). Any special law authorizing the incorporation or
 390 creation of the municipality must be included within the
 391 notification.

392 (b) Failure of a county or municipality required under s.
 393 163.387(8) to include with its annual financial report to the
 394 department a financial audit report for each community
 395 redevelopment agency created by that county or municipality
 396 constitutes a failure to report under this section.

397 (c) By November 1 of each year, the department must provide
 398 the Special District Accountability Program of the Department of
 399 Economic Opportunity with a list of each community redevelopment
 400 agency that does not report any revenues, expenditures, or debt
 401 for the community redevelopment agency's previous fiscal year.

402 Section 9. This act shall take effect October 1, 2019.



The Florida Senate

Committee Agenda Request

To: Senator Travis Hutson, Chair
Appropriations Subcommittee on Transportation, Tourism, and Economic
Development

Subject: Committee Agenda Request

Date: March 27, 2019

I respectfully request that **Senate Bill #1054**, relating to Community Redevelopment Agencies, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in blue ink that reads "Tom Lee".

Senator Tom Lee
Florida Senate, District 20

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

3/1054

SB 1053

Bill Number (if applicable)

Topic Community Redevelopment Agencies

Amendment Barcode (if applicable)

Name Diego Echeverri

Job Title Director of Coalitions

Address 200 W College Ave

Phone 813-767-2084

Street

Tallahassee

FL

City

State

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Americans For Prosperity

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: PCS/SB 1306 (255950)

INTRODUCER: Appropriations Subcommittee on Transportation, Tourism, and Economic Development; and Senators Book and Pizzo

SUBJECT: Women's Suffrage Centennial Commission

DATE: April 11, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Ponder</u>	<u>McVaney</u>	<u>GO</u>	Favorable
2.	<u>Wells</u>	<u>Hrdlicka</u>	<u>ATD</u>	Recommend: Fav/CS
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 1306 creates a 16 member Women's Suffrage Centennial Commission for the purpose of ensuring a suitable statewide observance of the centennial of women's suffrage in 2020. The commission may establish a youth working group to advise and provide recommendations to the commission in fulfilling its duties. The commission is created adjunct to the Division of Historical Resources of the Department of State and, except as otherwise provided in the bill, must operate in a manner consistent with s. 20.052, F.S.

The bill provides for the expiration of the section on December 31, 2020.

The Department of State will incur costs associated with supporting the commission, including the costs of per diem and travel by the commission members.

The bill takes effect July 1, 2019.

II. Present Situation:

Commission under Section 20.052, F.S.

“Commission,” unless otherwise required by the State Constitution, is a body created by specific statutory enactment within a department, the office of the Governor, or the Executive Office of the Governor and exercising limited quasi-legislative or quasi-judicial powers, or both.¹

Section 20.052, F.S., provides that each advisory body, commission, board of trustees, or any other collegial body created by specific statutory enactment as an adjunct to an executive agency must be established, evaluated, or maintained in accordance with certain requirements.² The private citizen members of an advisory body that is adjunct to an executive agency must be appointed by the Governor, the head of the department, the executive director of the department, or a Cabinet officer.³ Unless an exemption is otherwise specifically provided by law, all meetings of an advisory body are public meetings under s. 286.011, F.S.⁴

Women’s Suffrage

After decades of activism, women were granted the right to vote when the Nineteenth Amendment was ratified on August 18, 1920.⁵ The nineteenth amendment declares that “[t]he right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex. Congress shall have the power to enforce this article by appropriate legislation.” The year 2020 marks the 100th anniversary of women’s suffrage in the United States. Projects and events throughout the United States are underway to commemorate this historic milestone.⁶

III. Effect of Proposed Changes:

Section 1 creates s. 267.0618, F.S., that establishes the Women’s Suffrage Centennial Commission adjunct to the Department of State. The purpose of the commission is to ensure a suitable statewide observance of the centennial of women’s suffrage in 2020.

The commission is to be composed of 16 members. The Governor must appoint:

- The chair of the commission, appointed by the Governor;
- The Secretary of State, or his or her designee;
- The director of the Division of Historical Resources of the Department of State;
- A women’s history scholar from a postsecondary educational institution in this state, appointed by the Governor;
- A member of the Florida Historical Commission, appointed by the Governor;

¹ Section 20.03(10), F.S.

² Section 20.052(1), F.S.

³ Section 20.052(5)(a), F.S.

⁴ Section 20.052(5)(c), F.S.

⁵ See Certification of the Adoption of the Nineteenth Amendment to the Constitution, 41 Stat. 1823 (1920).

⁶ See Lycée Français de New York, A Centennial of Woman’s Suffrage, <http://www.suffragettes2020.com/> (last visited April 4, 2019).

- Two members of the Florida Commission on the Status of Women, appointed by the Governor;
- A member of the Florida Women’s Hall of Fame, appointed by the Governor;
- A representative of the League of Women Voters of Florida, appointed by the Governor;
- A historian, appointed by the Governor; and
- Two citizen members, appointed by the Governor.

The President of the Senate and the Speaker of the House of Representatives must appoint two members each from their respective legislative chambers.

The appointed members of the commission serve at the pleasure of the appointing authority, and any vacancies must be filled in the same manner as the initial appointment was made. The commission is directed to meet as often as necessary to fulfill the duties prescribed.

The commission, to ensure a suitable statewide observance of the centennial of the passage and ratification of the Nineteenth Amendment to the United States Constitution, is charged with the following duties:

- Advise on the development of programs and activities appropriate to commemorate the centennial of women’s suffrage, and encourage development of such programs and activities to ensure that the commemoration results in a positive legacy and has long-term benefits.
- Facilitate the observance of women’s suffrage-related activities throughout the state.
- Encourage civic, historical, educational, economic, and other organizations throughout the state to organize and participate in activities to expand the understanding and appreciation of women’s suffrage while also recognizing the racial disparities that interfered with the exercise of the right to vote by women of color upon the enfranchisement of women.
- Coordinate and facilitate the public distribution of scholarly research, publication, and interpretation of women’s suffrage.
- Coordinate with the Department of Education regarding the manner in which the centennial of women’s suffrage will be commemorated in the state’s public secondary schools.
- Assist the Department of State in developing a statewide public awareness campaign on the centennial of women’s suffrage through such means as, but not limited to, public service announcements, outdoor advertising, and a website.
- Encourage local organizations and nonprofit organizations to further the commemoration of the centennial of women’s suffrage.

The bill permits the commission to establish a youth working group to advise and provide recommendations to the commission. Members of the youth working group must serve on a volunteer basis, be Florida residents, be between the ages of 15 and 30 years of age, identify as women, and demonstrate an interest in history. Members of the youth working group are to be appointed by the chair of the commission, upon review of applications.

The bill provides that the Division of Historical Resources of the Department of State shall provide administrative and staff support for the commission.

Section 119.011(2) defines “agency” as

[A]ny state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.

The commission functions as part of the Division of Historical Resources of the Department of State and qualifies as an “agency” as set forth in s. 119.011(2), F.S. Accordingly, the commission is subject to the requirements of ch. 119, F.S. Within 30 days of the abolishment of the commission, pursuant to s. 20.052(5)(d), F.S., the Department of State is charged with storing the commission’s records appropriately and reclaiming any property assigned to the commission.

The bill provides that this section will expire on December 31, 2020.

Section 2 provides that the bill’s effective date is July 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None. However, any meetings of the commission are public meetings and must be open to the public.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Department of State will incur costs associated with supporting the commission, including the costs of per diem and travel by the commission members. The Division of Historical Resources of the Department of State can coordinate the meeting for the commission utilizing existing staff time and resources. If the commission decides under the duties outlined to producing materials for distribution, then the division may need additional funding in the future. The DOS estimates this cost to be from \$40,000 to \$60,000.⁷

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 267.0618 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on Transportation, Tourism, and Economic Development on April 9, 2019:

The committee substitute creates s. 267.0618, F.S., to establish the Women's Suffrage Centennial Commission, instead of a committee.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.+-

⁷ Email from Brittany Dover, Legislative Affairs Director, Department of State, April 2, 2019 (on file with the staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development).



285186

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/11/2019	.	
	.	
	.	
	.	

Appropriations Subcommittee on Transportation, Tourism, and Economic Development (Book) recommended the following:

1 **Senate Amendment (with title amendment)**

2
3 Delete everything after the enacting clause
4 and insert:

5 Section 1. Section 267.0618, Florida Statutes, is created
6 to read:

7 267.0618 The Women's Suffrage Centennial Commission.-
8 (1) The Women's Suffrage Centennial Commission, a
9 commission as defined in s. 20.03(10) is created adjunct to the



285186

10 Department of State for the express purpose of ensuring a
11 suitable statewide observance of the centennial of women's
12 suffrage in 2020. Except as otherwise provided in this section,
13 the commission shall operate in a manner consistent with s.
14 20.052.

15 (2) The commission is composed of the following members:
16 (a) The chair of the commission, appointed by the Governor.
17 (b) The Secretary of State, or his or her designee.
18 (c) The director of the Division of Historical Resources of
19 the Department of State.
20 (d) Two members of the Senate, appointed by the President
21 of the Senate.
22 (e) Two members of the House of Representatives, appointed
23 by the Speaker of the House of Representatives.
24 (f) A women's history scholar from a postsecondary
25 educational institution in this state, appointed by the
26 Governor.
27 (g) A member of the Florida Historical Commission,
28 appointed by the Governor.
29 (h) Two members of the Florida Commission on the Status of
30 Women, appointed by the Governor.
31 (i) A member of the Florida Women's Hall of Fame, appointed
32 by the Governor.
33 (j) A representative of the League of Women Voters of
34 Florida, appointed by the Governor.
35 (k) A historian, appointed by the Governor.
36 (l) Two citizen members, appointed by the Governor.
37 (3) Appointed members of the commission shall serve at the
38 pleasure of the appointing authority and any vacancies shall be



285186

39 filled in the same manner as the initial appointment. The
40 commission may meet as often as it deems necessary to fulfill
41 the duties prescribed in this section.

42 (4) In ensuring a suitable statewide observance of the
43 centennial of the passage and ratification of the Nineteenth
44 Amendment to the United States Constitution, the commission has
45 the following duties:

46 (a) Advise on the development of programs and activities
47 appropriate to commemorate the centennial of women's suffrage,
48 and encourage the development of such programs and activities to
49 ensure that the commemoration results in a positive legacy and
50 has long-term benefits.

51 (b) Facilitate the observance of women's suffrage-related
52 activities throughout the state.

53 (c) Encourage civic, historical, educational, economic, and
54 other organizations throughout the state to organize and
55 participate in activities to expand the understanding and
56 appreciation of women's suffrage while also recognizing the
57 racial disparities that interfered with the exercise of the
58 right to vote by women of color upon the enfranchisement of
59 women.

60 (d) Coordinate and facilitate the public distribution of
61 scholarly research, publication, and interpretation of women's
62 suffrage.

63 (e) Coordinate with the Department of Education regarding
64 the manner in which the centennial of women's suffrage will be
65 commemorated in the state's public secondary schools.

66 (f) Assist the Department of State in developing a
67 statewide public awareness campaign on the centennial of women's



285186

68 suffrage through such means as, but not limited to, public
69 service announcements, outdoor advertising, and a website.

70 (g) Encourage local organizations and nonprofit
71 organizations to further the commemoration of the centennial of
72 women's suffrage.

73 (5) The commission may establish a youth working group to
74 advise and provide recommendations to the commission in
75 fulfilling its duties and responsibilities. Members of the youth
76 working group shall serve on a volunteer basis and must be
77 residents of this state between 15 and 30 years of age who
78 identify as women and demonstrate an interest in history. The
79 chair of the commission shall appoint members of the working
80 group upon review of applications.

81 (6) The Division of Historical Resources of the Department
82 of State shall provide administrative and staff support for the
83 commission.

84 (7) This section expires December 31, 2020.

85 Section 2. This act shall take effect July 1, 2019.

86
87 ===== T I T L E A M E N D M E N T =====

88 And the title is amended as follows:

89 Delete everything before the enacting clause
90 and insert:

91 A bill to be entitled
92 An act relating to the Women's Suffrage Centennial
93 Commission; creating the commission adjunct to the
94 Department of State; providing for the purpose of the
95 commission; specifying the composition of the
96 commission and requirements of commission members;



285186

97 prescribing duties of the commission in order to
98 ensure a suitable statewide observance of the
99 centennial of women's suffrage; providing for the
100 establishment of a youth working group; requiring the
101 Division of Historical Resources of the department to
102 provide administrative and staff support; providing
103 for expiration of the act; providing an effective
104 date.

By Senators Book and Pizzo

32-01658C-19

20191306__

A bill to be entitled

An act relating to the Women's Suffrage Centennial Commemoration Committee; creating the committee adjunct to the Department of State; providing for the purpose of the committee; specifying the composition of the committee and requirements of committee members; prescribing duties of the committee in order to ensure a suitable statewide observance of the centennial of women's suffrage; providing for the establishment of a youth working group; requiring the Division of Historical Resources of the department to provide administrative and staff support; providing for expiration of the act; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. (1) The Women's Suffrage Centennial Commemoration Committee, a committee as defined in s. 20.03(8), Florida Statutes, is created adjunct to the Department of State for the express purpose of ensuring a suitable statewide observance of the centennial of women's suffrage in 2020. Except as otherwise provided in this section, the committee shall operate in a manner consistent with s. 20.052, Florida Statutes.

(2) The committee is composed of the following members:

(a) The chair of the committee, appointed by the Governor.

(b) The Secretary of State, or his or her designee.

(c) The director of the Division of Historical Resources of the Department of State.

Page 1 of 4

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(d) Two members of the Senate, appointed by the President of the Senate.

(e) Two members of the House of Representatives, appointed by the Speaker of the House of Representatives.

(f) A women's history scholar from a postsecondary educational institution in this state, appointed by the Governor.

(g) A member of the Florida Historical Commission, appointed by the Governor.

(h) Two members of the Florida Commission on the Status of Women, appointed by the Governor.

(i) A member of the Florida Women's Hall of Fame, appointed by the Governor.

(j) A representative of the League of Women Voters of Florida, appointed by the Governor.

(k) A historian, appointed by the Governor.

(l) Two citizen members, appointed by the Governor.

(3) Appointed members of the committee shall serve at the pleasure of the appointing authority and any vacancies shall be filled in the same manner as the initial appointment. The committee may meet as often as it deems necessary to fulfill the duties prescribed in this section.

(4) In ensuring a suitable statewide observance of the centennial of the passage and ratification of the Nineteenth Amendment to the United States Constitution, the committee has the following duties:

(a) Advise on the development of programs and activities appropriate to commemorate the centennial of women's suffrage, and encourage the development of such programs and activities to

Page 2 of 4

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32-01658C-19 20191306__

59 ensure that the commemoration results in a positive legacy and
60 has long-term benefits.

61 (b) Facilitate the observance of women's suffrage-related
62 activities throughout the state.

63 (c) Encourage civic, historical, educational, economic, and
64 other organizations throughout the state to organize and
65 participate in activities to expand the understanding and
66 appreciation of women's suffrage while also recognizing the
67 racial disparities that interfered with the exercise of the
68 right to vote by women of color upon the enfranchisement of
69 women.

70 (d) Coordinate and facilitate the public distribution of
71 scholarly research, publication, and interpretation of women's
72 suffrage.

73 (e) Coordinate with the Department of Education regarding
74 the manner in which the centennial of women's suffrage will be
75 commemorated in the state's public secondary schools.

76 (f) Assist the Department of State in developing a
77 statewide public awareness campaign on the centennial of women's
78 suffrage through such means as, but not limited to, public
79 service announcements, outdoor advertising, and a website.

80 (g) Encourage local organizations and nonprofit
81 organizations to further the commemoration of the centennial of
82 women's suffrage.

83 (5) The committee may establish a youth working group to
84 advise and provide recommendations to the committee in
85 fulfilling its duties and responsibilities. Members of the youth
86 working group shall serve on a volunteer basis and must be
87 residents of this state between 15 and 30 years of age who

Page 3 of 4

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32-01658C-19 20191306__

88 identify as women and demonstrate an interest in history. The
89 chair of the committee shall appoint members of the working
90 group upon review of applications.

91 (6) The Division of Historical Resources of the Department
92 of State shall provide administrative and staff support for the
93 committee.

94 (7) This section expires December 31, 2020.

95 Section 2. This act shall take effect July 1, 2019.

Page 4 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Children, Families, and Elder Affairs, *Chair*
Appropriations
Appropriations Subcommittee on Education
Appropriations Subcommittee on Health and Human
Services
Health Policy
Rules

JOINT COMMITTEE:

Joint Legislative Budget Commission

SENATOR LAUREN BOOK

32nd District

April 1, 2019

Chair Travis Hutson
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
201 The Capitol
404 S. Monroe Street
Tallahassee, FL 32399-1100

Chair Hutson:

Today, **SB 1306— Women's Suffrage Centennial Commemoration Committee** favorably passed its first committee stop. In anticipation of the bill being placed in the Appropriations Subcommittee on Transportation, Tourism, and Economic Development, I respectfully request that the bill be placed on the next committee meeting agenda.

Should you have any questions or concerns, please feel free to contact my office or me. Thank you in advance for your consideration.

Thank you,

A handwritten signature in cursive script that reads "Lauren Book".

Senator Lauren Book
Senate District 32

Cc: Jennifer Hrdlicka, Staff Director
Tempie Sailors, Administrative Assistant

REPLY TO:

- 967 Nob Hill Road, Plantation, Florida 33324 (954) 424-6674
- 202 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5032

Senate's Website: www.flsenate.gov

BILL GALVANO
President of the Senate

DAVID SIMMONS
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-19

Meeting Date

SB1306

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Bob Harris

Job Title _____

Address _____

Phone _____

Street

Tallahassee

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

Hrdlicka, Jennifer

From: Dover, Brittany N. <Brittany.Dover@dos.myflorida.com>
Sent: Tuesday, April 2, 2019 7:31 PM
To: Hrdlicka, Jennifer
Cc: Wells, Elizabeth; Carrington, Sherie
Subject: SB 1306

Jennifer,

Below is a statement from us relating to the fiscal impact HB 1359/SB 1306 has on the Department of State. We are currently working on a full bill analysis but this will give you some information to work with in the meantime.

Let me know if you have any questions.

Thank you!
Brittany

The Division of Historical Resources can coordinate the meetings for the committee utilizing existing staff time and resources. The Department would need some additional funding appropriated if it is determined by the Committee under the duties outlined in the bill would result in producing materials for distribution. For example the cost of activities and programs produced or the development and public distribution of a publication for women's suffrage. The Department did produce a Women's Heritage Trail (online only) in 2001 and it would need to be updated, which would require significant staff time (two full time staff, at least) to research and develop content for a women's suffrage document, or something like a "women's history trail." If we were to contract out for this kind of document, we would estimate a fiscal need of \$40,000-\$60,000 in Contracted Services to produce.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: PCS/SB 7096 (318826)

INTRODUCER: Appropriations Subcommittee on Transportation, Tourism, and Economic Development; and Judiciary Committee

SUBJECT: Constitutional Amendments

DATE: April 11, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	Stallard	Cibula		JU Submitted as Committee Bill
1.	Wells	Hrdlicka	ATD	Recommend: Fav/CS
2.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 7096 revises the requirements governing the process in which a constitutional amendment is proposed by a citizen initiative. More particularly, the bill:

- Requires a compensated “petition gatherer” to register with the Secretary of State, attesting that he or she has been a Florida resident for at least 29 days before registering and has not been convicted or found guilty of a felony of a crime involving fraud, dishonesty, or deceit.
- Disqualifies petitions from counting toward the number of petitions required for an initiative amendment to appear on the ballot if they are collected by:
 - An unregistered petition gatherer; or
 - A petition gatherer or entity who is compensated on a per-signature basis.
- Prohibits compensation to petition-gatherers on a per-signature basis by creating a first degree misdemeanor.
- Requires the Department of State to post position statements by any interested person on a ballot initiative online.
- Requires the Financial Impact Estimating Conference to determine the financial impact of the initiative on state and local economies.
- Requires the ballot for an initiative amendment to include:
 - The name of the amendment’s sponsor and the percentage of contributions received by the sponsor from in-state persons, excluding political parties, affiliated party committees, or political committees.

- A bold-print statement describing the financial impact of the initiative on both the state and local economies if the Financial Impact Estimating Conference determines that the measure will increase costs, decrease revenue, or have an indeterminate fiscal impact.
- Requires the supervisors of elections and the Department of State to furnish additional information on initiatives to electors.

The bill will increase state and local expenditures.

The bill is effective upon becoming law and applies to all initiative amendments proposed for the 2020 ballot and thereafter. However, nothing in the bill affects the validity of a petition gathered before or within 40 days after the bill becomes law.

II. Present Situation:

Overview

A citizen initiative is one of the five sources from which a constitutional amendment may originate.¹ Like any proposed amendment, an amendment that begins as a citizen initiative becomes effective when it is approved by at least 60 percent of the votes cast on the measure at a general election.² However, prior to appearing on a ballot, the law prescribes a multi-step process that must be completed in order for an amendment to qualify for the ballot. Many of these steps are designed to ensure the integrity of the ballot and to inform voters of the effect of the proposals.

Registration of the Sponsor and the Beginning of the Process

First, the sponsor must register as a political committee and submit the text of the proposed amendment to the Secretary of State. The sponsor must also submit the petition form on which the sponsor will collect signatures of the Florida voters who want the amendment placed on the ballot.³ Under the Florida Constitution, the number of signatures required for placement on the ballot is 8 percent of the number of people who voted in the last presidential election.⁴ For instance, 766,200 signatures were required to place an initiative amendment on the 2018 General Election ballot.⁵

Submission to the Supervisor of Elections

After obtaining the required number of signatures, the sponsor must present each signed form to the supervisor of elections in the signors' counties of residence.⁶ The supervisor of elections must check several things regarding each signature, including that it is the "original signature" of

¹ FLA. CONST. art. XI, s. 3. The other four sources are the Taxation and Budget Reform Commission, the Legislature, the Constitution Revision Commission, and a constitutional convention.

² FLA. CONST. art. XI, s. 5.

³ Sections 100.371(2) and 15.21(1), F.S.

⁴ However, the number must come from at least 14 of this state's 27 congressional districts. FLA. CONST. art. XI s. 3; Florida Dept. of State, *2018 Initiative Petition Handbook*, last updated March 16, 2017, p. 1, <https://dos.myflorida.com/media/697659/initiative-petition-handbook-2018-election-cycle-eng.pdf> (last visited April 4, 2019).

⁵ Florida Dept. of State, *2018 Initiative Petition Handbook*, at p. 1.

⁶ Section 100.371(3), F.S.

a qualified and registered voter of that county.⁷ The Florida Supreme Court has recognized that the Legislature has a duty and obligation to ensure ballot integrity and that the verification of signatures on initiative petitions is an element of ballot integrity.⁸

Submission to the Secretary of State

The supervisor of elections must submit each qualifying signature to the Secretary of State.⁹ When the Secretary of State receives a certain number of qualifying signatures (roughly 10 percent what is required for placement on the ballot) he or she must submit the initiative amendment to the Attorney General and to the Financial Impact Estimating Conference (FIEC).¹⁰

Financial Review by the FIEC

The FIEC, within 45 days after receiving an initiative amendment, must complete an analysis and “financial impact statement.”¹¹ The FIEC must also complete a more-detailed “initiative financial information statement,” which the Department of State must distribute to supervisors of elections and must make available on the Internet.¹²

The financial impact statement, which is to be placed on the ballot, is a statement of 75 words or less as to “the estimated increase or decrease in any revenues or costs to state or local governments resulting from the proposed initiative.”¹³ The FIEC must immediately submit the financial impact statement to the Attorney General.¹⁴

Certification of Ballot Position

If the Secretary of State determines that it has received, by February 1 of the year of a general election year, valid and verified petition forms signed by the constitutionally required number of voters, he or she must assign the amendment a number and certify its ballot position.¹⁵

⁷ Section 100.371(3), F.S. This provision also requires the supervisor of elections to ensure, as to each signature, that the form contains the voter’s name, address, city, county, and voter registration number or date of birth.

⁸ *Citizens Proposition for Tax Relief v. Firestone*, 386 So. 2d 561, 566-567 (Fla. 1980); see also *Floridians Against Expanded Gambling v. Floridians for a Level Playing Field*, 945 So. 2d 553, 558 (Fla. 1st DCA 2006) (In this case, challengers to an initiative alleged that paid petition gatherers were paid up to \$6.50 per petition and that these individuals forged signatures on a large number of petitions.)

⁹ Section 100.371(4), F.S.

¹⁰ Section 15.21(3), F.S. The precise threshold is 10 percent of 8 percent of the people who voted in the previous presidential election in 7 of this state’s congressional districts. For district-by district breakdown of these numbers, see Florida Dept. of State, *2018 Initiative Petition Handbook*, at p. 8 (Appendix B: Congressional District Requirements).

¹¹ Section 100.371(5)(a), F.S.

¹² See s. 100.371(5)(e)3.-5., F.S.

¹³ Section 100.371(5)(c)2. and (d), F.S.

¹⁴ Section 100.371(5)(c)2., F.S.

¹⁵ Section 100.371(1) and (4), F.S.

Review by the Florida Supreme Court

The Attorney General must petition the Florida Supreme Court for an advisory opinion on the validity of the amendment.¹⁶ The Supreme Court applies a deferential standard of review of the initiative amendments which is limited to the legal sufficiency of the proposals.¹⁷ This review includes an examination of the ballot title and ballot summary for compliance with the requirement that they provide accurate information to voters. The Supreme Court has explained that

the gist of the constitutional accuracy requirement is simple: A ballot title and summary cannot either “fly under false colors” or “hide the ball” as to the amendment’s true effect.¹⁸

The Court, therefore, does not address the “merits or wisdom” of the amendment and has repeatedly stated that it has a duty to uphold a proposal unless it is “clearly and conclusively defective.”¹⁹ The Supreme Court’s review does, however, include the legal validity of the financial impact statement.²⁰ Nonetheless, even if the financial impact statement is deficient, it can be cured, time permitting.²¹ Even if it cannot be cured, the initiative amendment may still proceed to the ballot.²²

III. Effect of Proposed Changes:

The bill makes several changes to statutes regulating the citizen initiative process.

Regulation of Petition Gatherers (Section 1, amending s. 100.371, F.S.; Section 4, creating s. 104.186, F.S.)

Currently, the Florida Statutes do not appear to directly regulate “petition gatherers.” Under the bill, a petition gatherer is a person who works toward obtaining the required number of signatures for an initiative amendment to be placed on the general election ballot. If a person gathers petitions for compensation, he or she must be a resident of this state and must register with the Secretary of State before gathering signatures. When a compensated petition gatherer registers with the Secretary of State, he or she must provide:

- His or her name, date of birth, residential address;
- An attestation that he or she:
 - Has been a Florida resident for at least the preceeding 29 days; and
 - Has not been convicted or found guilty, regardless of adjudication, a felony in this state, any other state, or the U.S. of a crime involving fraud, dishonesty, or deceit.

Any signature collected by an unregistered compensated petition gatherer is invalid and does not count toward the number of required signatures to place an initiative amendment on the ballot.

¹⁶ FLA. CONST. art IV, s. 10.

¹⁷ *Advisory Opinion to the Attorney General re Rights of Electricity Consumers Regarding Solar Energy Choice*, 188 So. 3d 822, 827 (Fla. 2016) (internal citations omitted).

¹⁸ *Armstrong v. Harris*, 773 So. 2d 7, 16 (Fla. 2000).

¹⁹ *Armstrong*, 773 So. 2d. at 11.

²⁰ *See, e.g., Advisory Opinion*, 188 So. 3d at 833-34.

²¹ *See* s. 100.371(5)(c)2., F.S.

²² *See* s. 100.371(5)(c)3., F.S.

The Secretary of State must maintain a searchable database of registered petition gatherers.

The bill further prohibits a person from compensating a petition gatherer on a per-signature basis. A person who compensates a petition gatherer in this manner commits a first degree misdemeanor.²³ Moreover, a petition gathered in violation of this provision is void. The ban on per-signature compensation takes effect 41 days after the bill becomes law.

Required Estimate of an Initiative Amendment's Impact on the State and Local Economy (Section 1, amending s. 100.371, F.S.)

The bill requires the Financial Impact Estimating Conference (FIEC) to include in its analysis an additional estimation of the proposed amendment's impact on the state and local economies. Accordingly, the bill increases the FIEC's timeframe for completing its analysis from 45 days to 60 days after receiving an initiative amendment.

Initiative Amendment Ballots that are More Informative (Section 2, amending s. 101.161, F.S.)

In addition to the information required under current law, the bill requires the ballot for an initiative amendment to include:

- The name of the amendment's sponsor.
- The percentage of contributions received by the sponsor from in-state persons, excluding political parties, affiliated party committees, and political committees.²⁴
- A statement in bold print describing the fiscal impact of the initiative on the state and local economies (applies if the FIEC estimates that the amendment will increase costs or decrease revenues, a range of such costs or revenues, or an indeterminate fiscal impact).

Publication Requirements (Section 1, amending s. 100.371, F.S.; Section 3, amending s. 101.171, F.S.)

The bill provides that once the Secretary of State certifies a proposed amendment for ballot placement, an interested person may file a position statement not exceeding 50 words with the Secretary to be published on the Department of State's website page for constitutional amendments.

The bill also requires each county supervisor of elections to include a copy of:

- The FIEC's financial information summary in the publication or mailing of sample ballots;²⁵ and

²³ A first degree misdemeanor is punishable by up to 1 year of jail time and a fine of up to \$1,000. Sections 775.082 and 775.083, F.S.

²⁴ Section 106.011(14), F.S., defines "person" as means an individual or a corporation, association, firm, partnership, joint venture, joint stock company, club, organization, estate, trust, business trust, syndicate, or other combination of individuals having collective capacity. The term includes a political party, affiliated party committee, or political committee.

²⁵ Section 101.20, F.S., requires the supervisor of elections to publish a sample ballot in a newspaper of general circulation in the county. The supervisor *may* send a sample ballot to each registered elector by email, if opted by the elector, or by mail to each elector or household where there is an elector at least seven days before the election.

- The proposed amendment text in each voting booth.²⁶

Effective Date and Application (Sections 5 and 6)

The bill is effective upon becoming a law. Its changes apply to all initiative amendments proposed for the 2020 ballot and thereafter. However, nothing in the bill affects the validity of a petition gathered before or within 40 days after the bill becomes law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds or that limit their ability to raise revenue or receive state tax revenue.

Subsection (a) of Art. VII, s. 18 of the Florida Constitution provides that no county or municipality is bound by and general law requiring the expenditure of funds, unless the Legislature has determined that the law fulfills an important state interest and meets one additional factor, including approval of the law by each house of the Legislature by two-thirds vote of its membership.

However, these requirements do not apply to election laws.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

Constitutionality of Pay-Per-Signature Ban and Petition Gatherer Residency Requirements

Two of the bill's key provisions have been upheld as constitutional by some courts, yet found unconstitutional by others.

²⁶ Section 101.171, F.S., requires the Department of State to provide each supervisor of elections a sufficient number of copies of any amendment to the constitution, either in poster or booklet form.

At least two courts, including a federal appellate court, have upheld in-state residency requirements for petition gatherers.²⁷ However, at least four federal appellate courts have held that these prohibitions violated citizens' First Amendment free speech rights.²⁸

Bans on compensating petition gatherers on a per-signature basis have had similarly mixed reviews by the courts. One federal appellate court has upheld a ban.²⁹ However, two federal trial courts have struck down these bans as violations, again, of First Amendment free speech rights.³⁰

Florida Case Law on Regulation of the Citizen Initiative Process in General

The Florida Supreme Court's opinion in *Browning v. Florida Hometown Democracy, Inc., PAC*, 29 So. 3d 1053, 1058 (Fla. 2010), declared a statutory scheme allowing a person to revoke a signature on an initiative petition was unconstitutional. In reaching its conclusion, the Court provided the following rule for assessing the constitutionality of a law regulating citizen initiative amendments:

[L]egislative and executive measures affecting the initiative process that are neither expressly authorized in article XI, sections 3 and 5, nor implicitly contemplated by these constitutional provisions, must be necessary for ballot integrity.

Nonetheless, the Court acknowledged that "the Legislature and Secretary of State have an obligation to ensure ballot integrity and a valid election," yet have only "limited authority to adopt regulations that affect the initiative process."³¹

It is not clear that any of the bill's measures are expressly authorized in Art. XI, ss. 3 or 5 of the Florida Constitution. However, they might be implicitly contemplated by these provisions. Article XI, s. 3 of the Florida Constitution reserves the power to propose amendments by initiative to the "people." This bill might be implicitly contemplated by that reservation of power as it appears intended to inform voters of the extent to which a proposed amendment is supported by people in this state and to supply additional information about the potential fiscal impact of constitutional amendments on state residents.

²⁷ See *Initiative & Referendum Inst. v. Jaeger*, 241 F. 3d 614 (8th Cir. 2001) (holding that North Dakota's prohibition against nonresident petition gatherers "does not unduly restrict speech"); *Hart v. Sec'y of State*, 715 A. 2d 165 (Maine 1998).

²⁸ See *Libertarian Party of Virginia v. Judd*, 718 F. 3d 308 (4th Cir. 2013); *Yes on Term Limits, Inc. v. Savage*, 550 F. 3d 1023 (10th Cir. 2008); *Nader v. Blackwell*, 545 F. 3d 459 (6th Cir. 2008); *Nader v. Brewer*, 531 F. 3d 1028 (9th Cir. 2008).

²⁹ See *Prete v. Bradbury*, 438 F. 3d 949 (9th Cir. 2006).

³⁰ See *Limit v. Maleng*, 874 F. Supp. 1138 (W.D. Wa. 1994); *Idaho Coalition United for Bears v. Cenarrusa*, 234 F. Supp. 2d 1159 (D. Idaho 2001).

³¹ *Browning v. Florida Hometown Democracy, Inc., PAC*, 29 So. 3d 1053, 1057-58 (Fla. 2010) (quoting *Smith v. Coalition to Reduce Class Size*, 827 So. 2d 959, 962 (Fla. 2002)).

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Initiative petition gatherers will be required to register with the Department of State and will not be permitted to be paid based a upon per-signature compensation structure.

C. Government Sector Impact:

The bill will result in increased costs to state and local governments.

The bill requires the Secretary of State to post position statements on proposed initiative amendments on its website and to create a registry of compensated petition-gatherers that is searchable and includes specific information. The bill also requires the FIEC and the Florida Supreme Court to perform more analyses than under current law.

The bill requires the Department of State to provide each supervisor of elections a sufficient number of copies of any amendment to the constitution, either in poster or booklet form, to be posed or available at each voting booth. The cost to the department to furnish the sufficient number of copies is indeterminate and would be based upon the number of voting booths each supervisor of elections may set up for the election.

The bill requires each supervisor of elections to include a copy of the financial information summary in the publication of the sample ballot in the newspaper of general circulation in the county or in the mailing of the sample ballots to electors, should supervisors of elections choose to make such mailings. This will increase costs to the supervisors of elections, dependent on whether the supervisor decides to include the summary in the publication in the newspaper or in the mailing of sample ballots or both.

The bill creates a new first degree misdemeanor, which could increase local jail populations or increase fines collected. The fiscal impact of this new criminal penalty is expected to be minimal.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 100.371, 101.161, and 101.171.

This bill creates section 104.186 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on Transportation, Tourism, and Economic Development on April 9, 2019:

The committee substitute requires a petition gatherer to attest that he or she has not been convicted or found guilty of a felony for fraud, dishonesty, or deceit.

- B. **Amendments:**

None.



400932

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/11/2019	.	
	.	
	.	
	.	

Appropriations Subcommittee on Transportation, Tourism, and Economic Development (Simmons) recommended the following:

Senate Amendment (with title amendment)

Delete lines 45 - 51
and insert:

(3) (a) Before obtaining signatures for compensation, a petition gatherer must register with the Secretary of State on a form prepared by the secretary. To register, the registrant must provide:

1 His or her name, date of birth, and residential address.

2. An attestation that he or she has been a Florida



400932

11 resident for at least the preceding 29 days.

12 3. An attestation that he or she has not been convicted or
13 found guilty of, regardless of adjudication to, a felony in this
14 state or any other state or of the United States of a crime
15 involving fraud, dishonesty, or deceit.

16 (b) The secretary shall maintain a searchable database of
17 registered petition gatherers.

18
19

20 ===== T I T L E A M E N D M E N T =====

21 And the title is amended as follows:

22 Delete lines 5 - 7

23 and insert:

24 to attest that he or she has been a Florida resident
25 for a specified period and that he or she has not been
26 convicted or found guilty of a crime involving, fraud,
27 dishonesty or deceit; requiring the Secretary of State
28 to

By the Committee on Judiciary

590-03710-19

20197096__

1 A bill to be entitled
 2 An act relating to constitutional amendments; amending
 3 s. 100.371, F.S.; requiring a compensated petition
 4 gatherer to register with the Secretary of State and
 5 to attest that he or she is a Florida resident for a
 6 specified period before obtaining signatures on
 7 petition forms; requiring the Secretary of State to
 8 maintain a searchable database of such forms; revising
 9 requirements regarding the supervisor of elections'
 10 determination of a petition form's validity;
 11 authorizing interested persons to submit position
 12 statements on initiatives for publication on the
 13 Department of State's website; extending the timeframe
 14 for the Financial Impact Estimating Conference to
 15 complete its analysis of an initiative; requiring the
 16 analysis to summarize the impact to the state and
 17 local economies; requiring each supervisor to include
 18 a copy of the summary in the publication or mailing of
 19 a sample ballot; amending s. 101.161, F.S.; requiring
 20 the name of the sponsor of an initiative to appear on
 21 the ballot with the percentage of donations received
 22 from certain in-state donors; defining the term
 23 "person"; requiring a statement to appear on the
 24 ballot if the amendment is estimated to increase
 25 costs, decrease revenues, or have an indeterminate
 26 economic impact; amending s. 101.171, F.S.; requiring
 27 a copy of proposed amendments be provided in each
 28 voting booth; creating s. 104.186, F.S.; prohibiting
 29 compensation for initiative petition gatherers or

Page 1 of 8

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03710-19

20197096__

30 entities based on the number of petitions gathered;
 31 providing a penalty; invalidating petitions that are
 32 unlawfully gathered; providing for application;
 33 providing effective dates.
 34

35 Be It Enacted by the Legislature of the State of Florida:

36
 37 Section 1. Present subsection (3) of section 100.371,
 38 Florida Statutes, is renumbered as subsection (4), present
 39 subsections (4) through (7) of that section are renumbered as
 40 subsections (6) through (9), respectively, new subsections (3)
 41 and (5) are added to that section, and present subsection (3),
 42 paragraphs (a) and (e) of present subsection (5), and present
 43 subsection (6) of that section are amended, to read:
 44 100.371 Initiatives; procedure for placement on ballot.—
 45 (3) Before obtaining signatures for compensation, a
 46 petition gatherer must register with the Secretary of State on a
 47 form prepared by the secretary. The registrant must provide his
 48 or her name, date of birth, residential address, and attestation
 49 that he or she has been a Florida resident for at least 29 days
 50 before submitting the registration form. The secretary shall
 51 maintain a searchable database of registered petition gatherers.
 52 (4) An initiative petition form circulated for signature
 53 may not be bundled with or attached to any other petition. Each
 54 signature shall be dated when made and shall be valid for a
 55 period of 2 years following such date, provided all other
 56 requirements of law are met. The sponsor shall submit signed and
 57 dated forms to the supervisor of elections for the county of
 58 residence listed by the person signing the form for verification

Page 2 of 8

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-03710-19 20197096__

59 of the number of valid signatures obtained. If a signature on a
60 petition is from a registered voter in another county, the
61 supervisor shall notify the petition sponsor of the misfiled
62 petition. The supervisor shall promptly verify the signatures
63 within 30 days after receipt of the petition forms and payment
64 of the fee required by s. 99.097. The supervisor shall promptly
65 record, in the manner prescribed by the Secretary of State, the
66 date each form is received by the supervisor, and the date the
67 signature on the form is verified as valid. The supervisor may
68 verify that the signature on a form is valid only if:

69 (a) The form contains the original signature of the
70 purported elector.

71 (b) The purported elector has accurately recorded on the
72 form the date on which he or she signed the form.

73 (c) The form sets forth the purported elector's name,
74 address, city, county, and voter registration number or date of
75 birth.

76 (d) The purported elector is, at the time he or she signs
77 the form and at the time the form is verified, a duly qualified
78 and registered elector in the state.

79 (e) The petition gatherer who collected the petition is
80 registered with the Secretary of State under subsection (3).

81
82 The supervisor shall retain the signature forms for at least 1
83 year following the election in which the issue appeared on the
84 ballot or until the Division of Elections notifies the
85 supervisors of elections that the committee that circulated the
86 petition is no longer seeking to obtain ballot position.

87 (5) Upon determining that a constitutional amendment

590-03710-19 20197096__

88 proposed by initiative has met the requirements to be placed on
89 the ballot, the Secretary of State shall allow any interested
90 person to file a position statement of not more than 50 words
91 outlining why the person supports or opposes the amendment. The
92 secretary shall publish each position statement on the webpage
93 for constitutional amendments on the department's website.

94 (7) (a) ~~(5) (a)~~ Within 60 ~~45~~ days after receipt of a proposed
95 revision or amendment to the State Constitution by initiative
96 petition from the Secretary of State, the Financial Impact
97 Estimating Conference shall complete an analysis and financial
98 impact statement to be placed on the ballot of the estimated
99 increase or decrease in any revenues or costs to state or local
100 governments and the estimated economic impact on both the state
101 and local economies resulting from the proposed initiative. The
102 Financial Impact Estimating Conference shall submit the
103 financial impact statement to the Attorney General and Secretary
104 of State.

105 (e)1. Any financial impact statement that the Supreme Court
106 finds not to be in accordance with this subsection shall be
107 remanded solely to the Financial Impact Estimating Conference
108 for redrafting, provided the court's advisory opinion is
109 rendered at least 75 days before the election at which the
110 question of ratifying the amendment will be presented. The
111 Financial Impact Estimating Conference shall prepare and adopt a
112 revised financial impact statement no later than 5 p.m. on the
113 15th day after the date of the court's opinion.

114 2. If, by 5 p.m. on the 75th day before the election, the
115 Supreme Court has not issued an advisory opinion on the initial
116 financial impact statement prepared by the Financial Impact

590-03710-19

20197096__

117 Estimating Conference for an initiative amendment that otherwise
 118 meets the legal requirements for ballot placement, the financial
 119 impact statement shall be deemed approved for placement on the
 120 ballot.

121 3. In addition to the financial impact statement required
 122 by this subsection, the Financial Impact Estimating Conference
 123 shall draft an initiative financial information statement. The
 124 initiative financial information statement should describe in
 125 greater detail than the financial impact statement any projected
 126 increase or decrease in revenues or costs that the state or
 127 local governments would likely experience and the estimated
 128 economic impact on both the state and local economies if the
 129 ballot measure were approved. If appropriate, the initiative
 130 financial information statement may include both estimated
 131 dollar amounts and a description placing the estimated dollar
 132 amounts into context. The initiative financial information
 133 statement must include both a summary of not more than 500 words
 134 and additional detailed information that includes the
 135 assumptions that were made to develop the financial impacts,
 136 workpapers, and any other information deemed relevant by the
 137 Financial Impact Estimating Conference.

138 4. The Department of State shall have printed, and shall
 139 furnish to each supervisor of elections, a copy of the summary
 140 from the initiative financial information statements. The
 141 supervisors shall have the summary from the initiative financial
 142 information statements available at each polling place and at
 143 the main office of the supervisor of elections upon request.

144 5. The Secretary of State and the Office of Economic and
 145 Demographic Research shall make available on the Internet each

590-03710-19

20197096__

146 initiative financial information statement in its entirety. In
 147 addition, each supervisor of elections whose office has a
 148 website shall post the summary from each initiative financial
 149 information statement on the website. Each supervisor shall
 150 include a copy of each summary from the initiative financial
 151 information statements and the Internet addresses for the
 152 information statements on the Secretary of State's and the
 153 Office of Economic and Demographic Research's websites in the
 154 publication or mailing required by s. 101.20.

155 ~~(8)-(6)~~ The Department of State may adopt rules in
 156 accordance with s. 120.54 to carry out the provisions of
 157 subsections ~~(1)-(7)~~ ~~(1)-(5)~~.

158 Section 2. Subsection (1) of section 101.161, Florida
 159 Statutes, is amended to read:

160 101.161 Referenda; ballots.—

161 (1) Whenever a constitutional amendment or other public
 162 measure is submitted to the vote of the people, a ballot summary
 163 of such amendment or other public measure shall be printed in
 164 clear and unambiguous language on the ballot after the list of
 165 candidates, followed by the word "yes" and also by the word
 166 "no," and shall be styled in such a manner that a "yes" vote
 167 will indicate approval of the proposal and a "no" vote will
 168 indicate rejection. The ballot summary of the amendment or other
 169 public measure and the ballot title to appear on the ballot
 170 shall be embodied in the constitutional revision commission
 171 proposal, constitutional convention proposal, taxation and
 172 budget reform commission proposal, or enabling resolution or
 173 ordinance. The ballot summary of the amendment or other public
 174 measure shall be an explanatory statement, not exceeding 75

590-03710-19 20197096__
 175 words in length, of the chief purpose of the measure. In
 176 addition, for every amendment proposed by initiative, the ballot
 177 shall include, following the ballot summary, in the following
 178 order:

179 (a) The name of the initiative's sponsor and the percentage
 180 of total contributions obtained by the sponsor from in-state
 181 persons. For purposes of this subparagraph, the term "person"
 182 has the same meaning as provided in s. 106.011(14), except that
 183 the term does not include a political party, an affiliated party
 184 committee, or a political committee.

185 (b) A separate financial impact statement concerning the
 186 measure prepared by the Financial Impact Estimating Conference
 187 in accordance with s. 100.371(7) ~~s. 100.371(5).~~

188 (c) If the financial impact statement estimates increased
 189 costs or decreased revenues, a range that includes increased
 190 costs or decreased revenues, or an indeterminate economic impact
 191 a statement in bold print describing the impact of the
 192 initiative on both the state and local economies.

193
 194 The ballot title shall consist of a caption, not exceeding 15
 195 words in length, by which the measure is commonly referred to or
 196 spoken of. This subsection does not apply to constitutional
 197 amendments or revisions proposed by joint resolution.

198 Section 3. Section 101.171, Florida Statutes, is amended to
 199 read:

200 101.171 Copy of constitutional amendment to be available at
 201 voting locations.—Whenever any amendment to the State
 202 Constitution is to be voted upon at any election, the Department
 203 of State shall have printed and shall furnish to each supervisor

590-03710-19 20197096__
 204 of elections a sufficient number of copies of the amendment
 205 either in poster or booklet form, and the supervisor shall have
 206 a copy thereof conspicuously posted or available at each voting
 207 booth polling room or early voting area upon the day of
 208 election.

209 Section 4. Effective 41 days after the effective date of
 210 this act, section 104.186, Florida Statutes, is created to read:

211 104.186 Initiative petitions; prohibition on compensation
 212 based on the number of petitions gathered.—A person who
 213 compensates an initiative petition gatherer or entity based on
 214 the number of petitions gathered commits a misdemeanor of the
 215 first degree, punishable as provided in s. 775.082 or s.
 216 775.083. A petition gathered in violation of this section is
 217 void.

218 Section 5. The provisions of this act apply to all
 219 revisions or amendments to the State Constitution by initiative
 220 which are proposed for the 2020 election ballot; however, this
 221 act does not affect the validity of any petition gathered before
 222 or within 40 days after this act's effective date.

223 Section 6. Except as otherwise expressly provided in this
 224 act, this act shall take effect upon becoming a law.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

04/09/2019

Meeting Date

SB 7096

Bill Number (if applicable)

Topic SENATE TRANSPORTATION, TOURISM & ECONOMIC DEVELOPMENT.

Amendment Barcode (if applicable)

Name MATTHEW KELLY

Job Title _____

Address 2105 NE 55th ST.

Phone _____

Street

OCALA

FL

34479

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SELF

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

SB 7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Ginger Blomeley

Job Title Instructional Assistant

Address 30561 Scott St

Phone (352) 588-3779

Street

San Antonio PL

33576

Email

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

4pm

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

SB 7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Jeneane Maddaloni

Job Title Teacher

Address 19911 Stable Run Dr.

Phone 813 997 5364

Street

Spring Hill, FL

City

State

34610

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing myself

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

4-9-2019

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 7096

Bill Number (if applicable)

Topic Constitution ~~Prison~~ Amendments

Amendment Barcode (if applicable)

Name Jeremy Hayden

Job Title Truck Driver

Address 13248 NE 1st Street Road

Phone 352-355-9330

Street

Silver Springs Florida 39

City

State

Zip

Email JeremyScottHayden@GMAIL.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing myself

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

7096
Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Jim SPART

Job Title

Address 310 W College Ave

Phone 850 228-1296

TALLAHASSEE FL 32301
City State Zip

Email jim@maxwellstrategiesllc.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Associated Industries of Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendment

Amendment Barcode (if applicable)

Name Deborah Foote

Job Title Gov't Affairs Director

Address 3254 Newberry Blvd

Phone 251 533 1798

Tallahassee FL 32311

Email deborah.foote@sierraclub.org

Speaking: [] For [] Against [] Information

Waive Speaking: [] In Support [x] Against (The Chair will read this information into the record.)

Representing Sierra Club FL

Appearing at request of Chair: [] Yes [] No

Lobbyist registered with Legislature: [x] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Kameron Brown

Job Title _____

Address 1008 Redbud Ave.

Phone _____

Street

Tallahassee

FL

32303

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/19/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Justin Pearce

Job Title _____

Address 20569 County Rd 68N

Street

Phone _____

Robertsdale

City

FL

State

36567

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/18

Meeting Date

7096

Bill Number (if applicable)

Topic Citizen's Initiatives

Amendment Barcode (if applicable)

Name Brad Ashwell

Job Title lobbyist

Address 1536 Chulih Nene

Phone 850-294-1008

Street

City

Tallahassee

State

FL

Zip

32301

Email bradashwell@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Common Cause Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Robert Doane

Job Title Retiree

Address 1724 Branchwater

Phone 407 739-1108

Street

Orlando

FL

32825

Email bdoane@yahoo.com

City

State

Zip

Speaking: [] For [] Against [] Information

Waive Speaking: [] In Support [x] Against (The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: [] Yes [x] No

Lobbyist registered with Legislature: [] Yes [x] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

4/9/2019

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Jacqui Carmona

Job Title Political Director

Address 700 S. Royal Poinciana Blvd

Phone 305-651-6677

Street

Miami Springs FL 33166

City

State

Zip

Email jarmona@afscme.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing AFSCME Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

SB-7096
Bill Number (if applicable)

Topic CONSTITUTION AMENDMENTS

Amendment Barcode (if applicable)

Name J. B. CLARK

Job Title LOBBYIST

Address 2071 CYNTHIA DRIVE
Street

Phone 850-556-8143

TALLAHASSEE, FL 32303
City State Zip

Email JBCCLARK5@FARTHLUR.NET

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL. FUELTRICAL WORKERS ASSN.

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 7096
Bill Number (if applicable)

Meeting Date _____

Topic Constitutional Amendments

Amendment Barcode (if applicable) _____

Name Adam Campbell

Job Title _____

Address 3738 Kenyon Road

Phone 561-452-7748

Street

Lake Worth FL 33461

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Myself

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Elections

Amendment Barcode (if applicable)

Name Dolores Grayson

Job Title Retired

Address 4801 E. Reginas Ave

Phone

Street

Tampa FL 33616

City

State

Zip

Email

Speaking: [] For [] Against [] Information

Waive Speaking: [] In Support [X] Against (The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [] Yes [X] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/19/19

Meeting Date

7096

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name ELTON LASSITER

Job Title _____

Address 8004 Dreher Park Lane

Phone 813-447-3308

Street

Tampa

FL

33610

City

State

Zip

Email elton@organizeFlorida.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

04-09-14

Meeting Date

7096

Bill Number (if applicable)

Topic Elections

Amendment Barcode (if applicable)

Name Shamisea Grier

Job Title _____

Address P.O. Box 292085

Phone 727 336 7418

Street

Tampa, FL

FL

33687

City

State

Zip

Email g.shumisea@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

04/09/19

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Meeting Date

Bill Number (if applicable)

Topic Elections

Amendment Barcode (if applicable)

Name Rosa Pyles

Job Title Retired

Address 3714 E. Osborne Ave

Phone (813) 503-6144

Tampa FL 33610

City

State

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Ida V. Eskamani

Job Title Public Policy

Address 126 N. Mills

Street

Orlando FL

City

State

32801

Zip

Phone 4073764801

Email ida.eskamani@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Organize Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

4/9/19

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Meeting Date

Bill Number (if applicable)

Topic Constitutional Amendment

Amendment Barcode (if applicable)

Name Jasmen ROGERS-Shaw

Job Title Staff & Policy Director

Address 745 NW 54th Street

Phone (954) 261-1300

Street

Miami

FL

State

33127

Zip

Email jasmen@theworkerscenter.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing MIAMI WORKERS CENTER

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name KAREN MILLER

Job Title ORGANIZER

Address 831 Piney Village Loop

Phone _____

Tallahassee FL 32311

Email kmiller@faithinflorida.org

City State Zip

^{not} Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FAITH IN FLA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Bill Number (if applicable)

Meeting Date

Topic 7096

Amendment Barcode (if applicable)

Name Marius McCoy, Jr.

Job Title Pastor

Address 504 W. Church St

Phone

Street

Orlando

FL

32805

Email

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Faith In Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-19

Meeting Date

7096

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Frank Walker

Job Title VP, GA

Address 136 S. Bronough St.

Phone _____

Street

Tallahassee FL 32308

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chamber of Commerce

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

7096
Bill Number (if applicable)

Topic Elections

Amendment Barcode (if applicable)

Name Tim Heberlein

Job Title ~~1224 E. Frierson Ave~~

Address Tampa FL 33603
Street

Phone

City

State

Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

04/09/19
Meeting Date

7096
Bill Number (if applicable)

Topic Electors

Amendment Barcode (if applicable)

Name Angela Nixon

Job Title _____

Address 3854 Victoria Landing Dr W
Street

Phone _____

Jax FL 32208
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing myself and my community

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

64/09/19
Meeting Date

7096
Bill Number (if applicable)

Topic Elections

Amendment Barcode (if applicable)

Name Amy Busefink

Job Title _____

Address 13587 Feather Sound C.R.E.
Street

Phone _____

Clearwater FL 33762
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

4/9/19

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Meeting Date

Bill Number (if applicable)

Topic CONSTITUTIONAL AMENDMENTS

Amendment Barcode (if applicable)

Name BETH ALVI

Job Title POLICY DIRECTOR

Address 308 N. MONROE

Phone

Street

Email

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing AUDUBON FL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7095

Bill Number (if applicable)

Topic Constitutional Amend.

Amendment Barcode (if applicable)

Name CHAROVALTERO

Job Title FLORIDA STATE POLICY DIRECTOR

Address 1951 NW 7TH AVE #6000

Phone 786 442 8109

Street
Miami

FL

33136

Email CHARO@latina

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FLORIDA LATINA ADVOCACY NETWORK

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

7096
Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Theresa King

Job Title President

Address PO Box 10888
Street

Phone 850-228-8940

Tallahassee FL 32302
City State Zip

Email fbt.king

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Building & Construction Trades

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4.9.19

Meeting Date

Bill Number (if applicable)

SB 7096

Amendment Barcode (if applicable)

Topic Constitutional Amendments

Name Carelyn Cummings-Tucker

Job Title _____

Address 1613 NW 14th Street

Phone 954.534.6033

Ft. Lauderdale FL 33311

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Myself

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

SB 7096
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Noah Hollimon

Job Title _____

Address 2704 Willow Lane Landbuckale Lake
Street

Phone 954-288-1436

City

State

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

SB 7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Linda Lewis

Job Title _____

Address 2846 S.W. 4th Court

Phone 954-60

H. Lauderdale FL 33312

City

State

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Dana Shumate

Job Title _____

Address 12 NW 45th Ave

Phone _____

Street

Dunfield Bch, FL

33442

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

4/9/19

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Meeting Date

Bill Number (if applicable)

Topic Legislative Amendment

Amendment Barcode (if applicable)

Name Lindy Bess

Job Title _____

Address 926 E. Johnson Ave

Phone _____

Street

Pensacola

State

FL

Zip

32514

Email lca8585@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments (Judiciary)

Amendment Barcode (if applicable)

Name Vanessa Keverenge

Job Title _____

Address 111 Campbell Drive

Phone (813) 221-6100

Street

Winter Haven Florida 33884

City

State

Zip

Email VanessaKeverenge@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendment

Amendment Barcode (if applicable)

Name Jerome Bess

Job Title _____

Address 926 E. Johnson Ave

Phone 850 501 2903

Street

Pensacola

City

FL

State

32514

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

April 9, 19
Meeting Date

7096
Bill Number (if applicable)

Topic S B 7096 Senate Trans, Tourism & Econ Deve

Amendment Barcode (if applicable)

Name Brenda Fischer

Job Title Educator

Address 2812 N 46 Ave

Phone _____

Hood FL 33021
City State Zip

Email bfishcher34@hotmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 7096
Bill Number (if applicable)

Meeting Date _____

Topic CONST. AMENDMENT

Amendment Barcode (if applicable) _____

Name RICHARD POULLETTE

Job Title _____

Address 2841 OAK DR.
Street

Phone 561-312-4111

W.P.B. FL 33406
City State Zip

Email RICKPOULLETTE@AOL.COM

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SELF

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/2019

Meeting Date

7096

Bill Number (if applicable)

Topic Amendments

Amendment Barcode (if applicable)

Name Matthew Panzano

Job Title Teacher

Address 13451 Colony Square Dr.

Phone _____

Street

Orlando

FL

32837

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

7096
Bill Number (if applicable)

Topic Amendments

Amendment Barcode (if applicable)

Name Brian Moriarty

Job Title Educator

Address 5228 Alavista Drive

Phone —

Street

Orlando

City

FL

State

32837

Zip

Email brian.andrew.moriarty@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Adam Basford

Job Title Legislative Affairs Dir

Address 310 W College

Phone 222 2597

Street

Tallahassee FL 32301

Email adam.basford@ffba.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL Farm Bureau

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4.9.2019

7096

Meeting Date

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Dr. Richard Templin

Job Title Director of Politics & Public Policy

Address 135 S Monroe St

Phone 850.224.6926

Street

Tallahassee

FL

32301

City

State

Zip

Email rtemplin@flaflc.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida APL-CIO

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

7096
Bill Number (if applicable)

Topic Constitutional Amendments - ballot initiatives

Amendment Barcode (if applicable)

Name Jim Kallinger

Job Title _____

Address 1408 Pullen Rd.

Phone 850-322-6396

Street

Tallahassee FL

32303

Email jim.kallinger@gmail.com

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/2019

SB 7096

Meeting Date

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Scott McCoy

Job Title Senior Policy Counsel

Address P.O. Box 10788

Phone 850-521-3042

Street

Tallahassee

FL

32311

Email scott.mccoy@splcenter.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Southern Poverty Law Center Action Fund

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional amendments

Amendment Barcode (if applicable)

Name Aiki Moncrief (a-LEE-key)

Job Title Executive Director

Address 1700 N. Monroe St #11-286

Phone (850) 629-4656

Tallahassee FL 32303

Email contact@feroters.org

Speaking: For [] Against [X] Information []

Waive Speaking: In Support [] Against [] (The Chair will read this information into the record.)

Representing Florida Conservation Voters

Appearing at request of Chair: Yes [] No [X]

Lobbyist registered with Legislature: Yes [X] No []

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name MARCUS DIXON

Job Title Political Director

Address 2881 Corporate Way

Phone (305) 720-1627

Street

Miramar

City

FL

State

33025

Zip

Email Marcus.Dixon@seiufl.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SEIU Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

4/9/19
Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096
Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Karen Woodall

Job Title Executive Director

Address 579 E. Call St.

Phone 850-321-9386

Street

Tallahassee

FL

State

32301

Zip

Email fccep@yahoo.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Center for Fiscal & Economic Policy

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-19

Meeting Date

SPB 7096

Bill Number (if applicable)

Topic Constitutional Citizens Initiative

Amendment Barcode (if applicable)

Name Julie Morrall

Job Title

Address 2600 NE 21st St

Street

Phone 954 565 8965

76 Lauderdale Fl

City

State

33305

Zip

Email jmorralle@hotmail.com

com

Speaking: For [] Against [X] Information []

Waive Speaking: In Support [] Against [] (The Chair will read this information into the record.)

Representing Self

Appearing at request of Chair: Yes [] No [X]

Lobbyist registered with Legislature: Yes [] No [X]

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic ~~7096~~

Amendment Barcode (if applicable)

Name Mary Ann Taylor

Job Title Relaxe

Address 5838 Marsh Landing Dr

Phone

Street
City Winter Haven FL 33881

Email lynx1952@bellsouth

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Ellen Baker

Job Title

Address 5673 Whirlaway Rd

Phone

Street

PBG

City

FL

State

33418

Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19

Meeting Date

7096

Bill Number (if applicable)

Topic Restricting Constitutional Amendments

Amendment Barcode (if applicable)

Name Kara Gross

Job Title Legislative Director

Address 4343 West Flagler St., 400

Phone 786-363-4436

Street

Miami

FL

33134

Email kgross@aclufl.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing ACLU of Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/19
Meeting Date

7096
Bill Number (if applicable)

Topic Constitutional Admendments

Amendment Barcode (if applicable)

Name Laura Novosad

Job Title President Democratic Woman's Club Hendry Co.

Address 3230 Ft. Denaud Rd.
Street

Phone _____

Ft. Denaud Fla. 33935
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

April 9, 2019
Meeting Date

7096
Bill Number (if applicable)

Topic Constitutional Amendments

Amendment Barcode (if applicable)

Name Barbara Alber

Job Title Educator

Address 123 Puffin Court
Street

Phone _____

Royal Palm Beach, Florida 33411
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing self

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE
APPEARANCE RECORD

4/9/2014
Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096
Bill Number (if applicable)

Topic elections

Amendment Barcode (if applicable)

Name Rodney E. Johnson

Job Title Community Organizer

Address 3307 E. North Bay

Phone 813-431-1858

Tampa FL 33610
City State Zip

Email Rodney@organizeflorida.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Organize Florida

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

7096

Meeting Date _____

Bill Number (if applicable) _____

Topic Elections

Amendment Barcode (if applicable) _____

Name Sophia Glover

Job Title _____

Address 2 E. Hammer Dr.

Phone 407 967 9834

Street

Apopka FL 32703

City

State

Zip

Email Sophiaglover51@gmail.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

CourtSmart Tag Report

Room: EL 110

Case No.:

Type:

Caption: Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development Judge:

Started: 4/9/2019 4:03:12 PM

Ends: 4/9/2019 5:58:41 PM Length: 01:55:30

4:03:19 PM Sen. Hutson (Chair) Call to Order
4:03:21 PM Roll Call
4:03:35 PM Quorum Present
4:03:52 PM Sen. Simpson (Chair)
4:04:54 PM Tab 2 - CS/SB 676
4:05:01 PM Sen. Hooper
4:05:53 PM AM. 545880
4:06:02 PM Sen. Hooper
4:06:26 PM AM. 545880 - approved
4:06:31 PM CS/SB 676 cont.
4:06:38 PM David Childs, Counsel, National Marine Manufacturers Association (waive in support)
4:06:49 PM Roll Call - CS/SB 676
4:07:17 PM CS/SB 676 - Voted favorable
4:07:31 PM Tab 5 - SB 1306
4:07:34 PM Sen. Book
4:10:47 PM AM. 285186
4:10:54 PM Sen. Book
4:11:04 PM AM. 285186 - approved
4:11:19 PM SB 1306 cont.
4:11:25 PM Bob Harris
4:14:09 PM Sen. Simpson
4:14:16 PM Sen. Book
4:14:25 PM Roll Call - SB 1306
4:14:45 PM SB 1306 - Voted favorable
4:14:57 PM Tab 1 - CS/SB 542
4:14:59 PM CS/SB 542 -Temporarily postponed
4:15:12 PM Sen. Brandes
4:15:52 PM Tab 3 - SB 892
4:15:59 PM Sen. Passidomo
4:17:20 PM Phillip Schwartz, Business Law, Florida Bar (waive in support)
4:17:23 PM Steven Shiver, Tax Section, Florida Bar (waive in support)
4:17:35 PM Roll Call - SB 892
4:17:55 PM SB 892 - Voted favorable
4:18:02 PM Tab 1 - CS/SB 542 cont.
4:18:21 PM Sen. Brandes
4:18:22 PM Sen. Torres
4:19:13 PM Sen. Brandes
4:20:07 PM Sen. Torres
4:20:15 PM Javier Correoso, Uber (waive in support)
4:20:24 PM Chris Scoonover, Lime (waive in support)
4:20:33 PM Diego Echeverri, Director of Coalitions, Americans for Prosperity (waive in support)
4:20:46 PM Sen. Lee
4:22:15 PM Sen. Brandes
4:22:20 PM Roll Call - CS/SB 542
4:22:37 PM CS/SB 542 - Voted favorable
4:22:47 PM Tab 4 - SB 1054
4:22:55 PM Sen. Lee
4:25:03 PM Sen. Torres
4:25:30 PM Sen. Lee
4:27:14 PM Sen. Torres
4:28:29 PM Diega Echeverri, Director of Coalitions, Americans for Prosperity (waive in support)
4:28:35 PM Sen. Torres

4:29:22 PM Sen. Lee
4:29:53 PM Roll Call - CS/SB 1054
4:30:13 PM CS/SB 1054 - Voted Favorable
4:30:29 PM Tab 6 - SB 7096
4:30:35 PM Sen. Simmons
4:42:36 PM Sen. Hutson (Chair)
4:42:44 PM AM. 400932
4:42:50 PM Sen. Simmons
4:43:08 PM Sen. Taddeo
4:43:40 PM Sen. Simmons
4:49:12 PM Sen. Thurston
4:50:01 PM Sen. Simmons
4:52:35 PM Sen. Thurston
4:53:56 PM Sen. Thurston
4:54:04 PM Sen. Simmons
4:54:18 PM Sen. Thurston
4:54:27 PM Sen. Simmons
4:55:36 PM Sen. Thurston
4:55:57 PM Sen. Simmons
4:56:22 PM Sen. Brandes
4:56:35 PM Sen. Simmons
4:58:28 PM Sen. Torres
4:59:03 PM Sen. Hutson
4:59:14 PM Sen. Brandes
5:00:36 PM Sen. Thurston
5:02:04 PM Sen. Taddeo
5:02:42 PM Sen. Lee
5:04:15 PM Sen. Simmons
5:04:58 PM AM. 400932 - approved
5:04:59 PM SB 7096 cont.
5:05:23 PM Sen. Lee
5:06:56 PM Sen. Simmons
5:08:26 PM Sen. Lee
5:09:16 PM Sen. Simmons
5:10:29 PM Sen. Lee
5:11:09 PM Sen. Simmons
5:12:04 PM Sen. Lee
5:13:22 PM Sen. Simmons
5:15:59 PM Sen. Thurston
5:16:22 PM Sen. Simmons
5:17:54 PM Sen. Thurston
5:18:06 PM Sen. Simmons
5:19:12 PM Sen. Thurston
5:19:28 PM Sen. Simmons
5:20:45 PM Mathew Kelly (waive in opposition)
5:20:54 PM Ginger Blomeley, Instructional Assistant (waive in opposition)
5:21:04 PM Jeneane Maddaloni, Teacher (waive in opposition)
5:21:10 PM Jeremy Hayden, Truck Driver (waive in opposition)
5:21:17 PM Jim Spratt, Associated Industries of Florida (waive in support)
5:21:25 PM Deborah Foote, Government Affairs Director, Sierra Club Florida (waive in opposition)
5:21:35 PM Kammeron Brown (waive in opposition)
5:21:36 PM Justin Peacock (waive in opposition)
5:21:42 PM Brad Ashwell, Lobbyist, Common Cause Florida (waive in opposition)
5:21:51 PM Robert Doane (waive in opposition)
5:21:53 PM Jacqui Carmona, Political Director, AFSCME Florida
5:22:03 PM J.B. Clark, Lobbyist, Florida Electrical Workers Association (waive in opposition)
5:22:12 PM Adam Campbell (waive in opposition)
5:22:18 PM Delores Grayson (waive in opposition)
5:22:25 PM Elton Lassiter (waive in opposition)
5:22:31 PM Shamisea Grier (waive in opposition)
5:22:37 PM Rosa Pyles (waive in opposition)
5:22:38 PM Ida V. Eskamani, Public Policy, Organize Florida (waive in opposition)

5:22:43 PM Jasmen Rogers-Shaw, Staff & Policy Director, Miami Workers Center (waive in opposition)
5:22:50 PM Karen Miller, Organizer, Faith in Florida (waive in opposition)
5:22:59 PM Marcus McCoy Jr., Pastor, Faith in Florida (waive in opposition)
5:23:05 PM Frank Walker, VP, Florida Chamber of Commerce (waive in support)
5:23:10 PM Tim Heberlein (waive in opposition)
5:23:17 PM Angela Nixon (waive in opposition)
5:23:23 PM Amy Busefink (waive in opposition)
5:23:29 PM Beth Alvi (waive in opposition)
5:23:38 PM Charo Valero, Florida State Policy Director, Florida Latina Advocacy Network (waive in opposition)
5:23:52 PM Theresa King, President, Florida Building and Construction Trades (waive in opposition)
5:24:01 PM Carloyn Cummings (waive in opposition)
5:24:07 PM Noah Hollimou (waive in opposition)
5:24:13 PM Linda Lewis (waive in opposition)
5:24:18 PM Dana Shumate (waive in opposition)
5:24:25 PM Cindy Bess (waive in opposition)
5:24:29 PM Vanessa Keverenge (waive in opposition)
5:24:33 PM Jerome Bess (waive in opposition)
5:24:38 PM Brenda Fischer, Educator (waive in opposition)
5:24:44 PM Richard Poulette (waive in opposition)
5:24:50 PM Matthew Panzano, Teacher (waive in opposition)
5:24:54 PM Brain Moriarty, Educator (waive in opposition)
5:24:59 PM Adam Basford, Legislative Affairs Director, Florida Farm Bureau (waive in support)
5:25:10 PM Dr. Richard Templin, Director of Politics and Public Policy, Florida AFL - CIO
5:30:29 PM Jim Kallinger
5:32:13 PM Sen. Thurston
5:32:21 PM J. Kallinger
5:32:44 PM Scott McCoy, Senior Policy Counsel, Southern Policy Law Center Action Fund
5:38:31 PM Alik Moncrief, ED, Florida Conservation Voters
5:42:26 PM Marcus Dickson, Political Director, SEIU Florida
5:44:29 PM Karen Woodall, ED, Florida Center for Fiscal and Economic Policy
5:46:20 PM Julie Morral (waive in opposition)
5:46:27 PM Mary Ann Taylor (waive in opposition)
5:47:09 PM Ellen Baker (waive in opposition)
5:47:16 PM Kira Cross, Legislative Director, ACLU of Florida (waive in opposition)
5:47:23 PM Laura Novansa, President, Democratic Woman's Club Hendry County (waive in opposition)
5:47:34 PM Barbara Alber, Educator
5:48:36 PM Rodney Johnson, Community Organizer, Organize Florida (waive in opposition)
5:48:44 PM Sophia Glover
5:51:02 PM Sen. Taddeo
5:52:57 PM Sen. Torres
5:54:07 PM Sen. Thurston
5:57:14 PM Sen. Lee
5:57:53 PM Roll Call - CS/SB 7096
5:58:19 PM CS/SB 7096 - Voted favorable
5:58:21 PM Sen. Thurston moves to adjourn
5:58:28 PM