

Committee on Commerce and Tourism

CS/CS/CS/HB 531 — Limited Liability Companies

by Judiciary Committee; Economic Development and Tourism Subcommittee; Civil Justice Subcommittee; and Reps. McGhee, Spano, and others (CS/CS/CS/SB 554 by Rules Committee; Judiciary Committee; Commerce and Tourism Committee; and Senator Simmons)

The bill revises the Florida Revised Limited Liability Company Act (the revised act) to delete or replace obsolete references to the predecessor act, and makes technical, grammatical, and stylistic changes required by the repeal of the predecessor act.

The bill also makes the following changes to the Revised Limited Liability Company Act:

- Provides that a third-party does not have notice of a person's lack of authority to transfer real property on behalf of the limited liability company (LLC), unless the limitation of authority is recorded in the official records of the county where the property is located;
- Repeals a provision that prohibits an LLC's operating agreement from varying the power of a person to dissociate from the LLC;
- Clarifies that an operating agreement may not provide indemnification for a member or manager for a breach of the member or manager's duties and obligations as required under the law, taking into account any restriction, expansion, or elimination of duties provided for in the operating agreement;
- Provides that the duties of a member of an LLC may be restricted, expanded, or eliminated by the operating agreement and in accordance with law;
- Provides that common law principles relating to the fiduciary duties of loyalty and care apply unless abrogated by ch. 605, F.S.;
- Conditions the authority of the members of an LLC to vote outside of a meeting on having a certain minimum number of votes and recording those votes;
- Authorizes an LLC to alter or eliminate a fiduciary duty in its operating agreement if it is not manifestly unreasonable and is not prohibited by law;
- Requires a member-managed LLC to identify, within 10 days after a member's request for information about the LLC, the information that the LLC will provide or reasons why the LLC will not provide the information;
- Specifies the information that must be submitted when applying for reinstatement by either an administratively-dissolved LLC or a foreign LLC whose certificate of authority has been revoked;
- Permits domestic and foreign LLCs to submit an annual report, in lieu of a reinstatement application, when seeking reinstatement with the department;
- Limits the circumstances under which an appraisal event that is an interested transaction may be contested or set aside; and
- Clarifies that, in the event of a conflict between an operating agreement and the LLC's articles of organization, the provisions of the operating agreement prevail over inconsistent provisions of the LLC's articles of organization.

If approved by the Governor, these provisions take effect July 1, 2015, except as otherwise expressly provided in the act, which shall take effect upon becoming law.

Vote: Senate 38-0; House 114-0