

By Senator Clemens

27-01014A-13

20131274

1 A bill to be entitled
2 An act relating to corporations; providing a directive
3 to the Division of Law Revision and Information;
4 amending s. 607.1302, F.S.; providing that the
5 amendment of articles of incorporation or the merger,
6 conversion, or share exchange of a social purpose or
7 benefit corporation entitles the shareholders to
8 appraisal rights; providing a directive to the
9 Division of Law Revision and Information; creating s.
10 607.501, F.S.; providing application and effect;
11 creating s. 607.502, F.S.; providing definitions;
12 creating s. 607.503, F.S.; establishing requirements
13 for the formation of a social purpose corporation;
14 creating s. 607.504, F.S.; providing procedures for an
15 existing corporation to become a social purpose
16 corporation; creating s. 607.505, F.S.; providing
17 procedures for the termination of a social purpose
18 corporation; creating s. 607.506, F.S.; requiring that
19 the corporate purpose must be to create a public
20 benefit; providing criteria; creating s. 607.507,
21 F.S.; requiring that the directors of a social purpose
22 corporation meet a standard of conduct; providing
23 criteria for the standards; creating s. 607.508, F.S.;
24 authorizing the articles of incorporation of a social
25 purpose corporation to provide for a benefit director;
26 providing powers and duties of a benefit director;
27 creating s. 607.509, F.S.; requiring that the officers
28 of a social purpose corporation meet a standard of
29 conduct; providing criteria for the standards of

27-01014A-13

20131274

30 conduct; creating s. 607.510, F.S.; authorizing a
31 social purpose corporation to designate an officer as
32 a benefit officer; providing for the powers and duties
33 of a benefit officer; creating s. 607.511, F.S.;
34 authorizing certain legal actions to be brought
35 against a social purpose corporation, its officers, or
36 its directors; creating s. 607.512, F.S.; requiring
37 the board of directors to prepare an annual benefit
38 report; providing criteria for the preparation of the
39 report; creating s. 607.513, F.S.; establishing
40 requirements for the availability and dissemination of
41 the annual report; authorizing a court to order
42 dissemination of the report; providing criteria;
43 providing a directive to the Division of Law Revision
44 and Information; creating s. 607.601, F.S.; providing
45 for application and effect; creating s. 607.602, F.S.;
46 providing definitions; creating s. 607.603, F.S.;
47 establishing requirements for the formation of a
48 benefit corporation; creating s. 607.604, F.S.;
49 providing procedures for an existing corporation to
50 become a benefit corporation; creating s. 607.605,
51 F.S.; providing procedures for the termination of a
52 benefit corporation; creating s. 607.606, F.S.;
53 requiring that the corporate purpose be to create a
54 public benefit; providing criteria; creating s.
55 607.607, F.S.; requiring the directors of a benefit
56 corporation to meet a standard of conduct; providing
57 criteria for the standards; creating s. 607.608, F.S.;
58 authorizing the articles of incorporation of a benefit

27-01014A-13

20131274

59 corporation to provide for a benefit director;
60 providing powers and duties of the benefit director;
61 creating s. 607.609, F.S.; requiring the officers of a
62 benefit corporation to meet a standard of conduct;
63 providing criteria for the standards of conduct;
64 creating s. 607.610, F.S.; authorizing a benefit
65 corporation to designate an officer as a benefit
66 officer; providing for the powers and duties of the
67 benefit officer; creating s. 607.611, F.S.;
68 authorizing certain legal actions to be brought
69 against a benefit corporation, its officers, or its
70 directors; creating s. 607.612, F.S.; requiring the
71 board of directors to prepare an annual benefit
72 report; providing criteria for the preparation of the
73 report; creating s. 607.613, F.S.; establishing
74 requirements for the availability and dissemination of
75 the annual report; authorizing a court to order
76 dissemination of the report; providing criteria;
77 providing an effective date.

78
79 Be It Enacted by the Legislature of the State of Florida:

80
81 Section 1. The Division of Law Revision and Information is
82 requested to create part I of chapter 607, Florida Statutes,
83 consisting of ss. 607.0101-607.193, entitled "CORPORATIONS."

84 Section 2. Subsection (1) of section 607.1302, Florida
85 Statutes, is amended to read:

86 607.1302 Right of shareholders to appraisal.—

87 (1) A shareholder of a domestic corporation is entitled to

27-01014A-13

20131274

88 appraisal rights, and to obtain payment of the fair value of
89 that shareholder's shares, in the event of any of the following
90 corporate actions:

91 (a) Consummation of a conversion of such corporation
92 pursuant to s. 607.1112 if shareholder approval is required for
93 the conversion and the shareholder is entitled to vote on the
94 conversion under ss. 607.1103 and 607.1112(6), or the
95 consummation of a merger to which such corporation is a party if
96 shareholder approval is required for the merger under s.
97 607.1103 and the shareholder is entitled to vote on the merger
98 or if such corporation is a subsidiary and the merger is
99 governed by s. 607.1104;

100 (b) Consummation of a share exchange to which the
101 corporation is a party as the corporation whose shares will be
102 acquired if the shareholder is entitled to vote on the exchange,
103 except that appraisal rights is ~~shall~~ not be available to any
104 shareholder of the corporation with respect to any class or
105 series of shares of the corporation that is not exchanged;

106 (c) Consummation of a disposition of assets pursuant to s.
107 607.1202 if the shareholder is entitled to vote on the
108 disposition, including a sale in dissolution but not including a
109 sale pursuant to court order or a sale for cash pursuant to a
110 plan by which all or substantially all of the net proceeds of
111 the sale will be distributed to the shareholders within 1 year
112 after the date of sale;

113 (d) An amendment of the articles of incorporation with
114 respect to the class or series of shares which reduces the
115 number of shares of a class or series owned by the shareholder
116 to a fraction of a share if the corporation has the obligation

27-01014A-13

20131274

117 or right to repurchase the fractional share so created;

118 (e) Any other amendment to the articles of incorporation,
119 merger, share exchange, or disposition of assets to the extent
120 provided by the articles of incorporation, bylaws, or a
121 resolution of the board of directors, except that no bylaw or
122 board resolution providing for appraisal rights may be amended
123 or otherwise altered except by shareholder approval; ~~or~~

124 (f) With regard to a class of shares prescribed in the
125 articles of incorporation prior to October 1, 2003, including
126 any shares within that class subsequently authorized by
127 amendment, any amendment of the articles of incorporation if the
128 shareholder is entitled to vote on the amendment and if such
129 amendment would adversely affect such shareholder by:

130 1. Altering or abolishing any preemptive rights attached to
131 any of his or her shares;

132 2. Altering or abolishing the voting rights pertaining to
133 any of his or her shares, except as such rights may be affected
134 by the voting rights of new shares then being authorized of any
135 existing or new class or series of shares;

136 3. Effecting an exchange, cancellation, or reclassification
137 of any of his or her shares, when such exchange, cancellation,
138 or reclassification would alter or abolish the shareholder's
139 voting rights or alter his or her percentage of equity in the
140 corporation, or effecting a reduction or cancellation of accrued
141 dividends or other arrearages in respect to such shares;

142 4. Reducing the stated redemption price of any of the
143 shareholder's redeemable shares, altering or abolishing any
144 provision relating to any sinking fund for the redemption or
145 purchase of any of his or her shares, or making any of his or

27-01014A-13

20131274

146 her shares subject to redemption when they are not otherwise
147 redeemable;

148 5. Making noncumulative, in whole or in part, dividends of
149 any of the shareholder's preferred shares which had theretofore
150 been cumulative;

151 6. Reducing the stated dividend preference of any of the
152 shareholder's preferred shares; or

153 7. Reducing any stated preferential amount payable on any
154 of the shareholder's preferred shares upon voluntary or
155 involuntary liquidation;—

156 (g) An amendment of the articles of incorporation of a
157 social purpose corporation to which s. 607.504 or s. 607.505
158 applies;

159 (h) An amendment of the articles of incorporation of a
160 benefit corporation to which s. 607.604 or s. 607.605 applies;

161 (i) A merger, conversion, or share exchange of a social
162 purpose corporation to which s. 607.504 applies; or

163 (j) A merger, conversion, or share exchange of a benefit
164 corporation to which s. 607.604 applies.

165 Section 3. The Division of Law Revision and Information is
166 requested to create part II of chapter 607, Florida Statutes,
167 consisting of ss. 607.501-607.513, entitled "SOCIAL PURPOSE
168 CORPORATIONS."

169 Section 4. Section 607.501, Florida Statutes, is created to
170 read:

171 607.501 Application and effect.—

172 (1) This part shall be applicable to all social purpose
173 corporations.

174 (2) The existence of a provision of this part may not in

27-01014A-13

20131274

175 itself create an implication that a contrary or different rule
176 of law is applicable to a corporation that is not a social
177 purpose corporation. This part may not affect a statute or rule
178 that is applicable to a corporation that is not a social purpose
179 corporation.

180 (3) Except as otherwise provided in this part, all other
181 provisions of this chapter shall be generally applicable to all
182 social purpose corporations. The specific provisions of this
183 part shall control over the general provisions of this chapter.

184 (4) A social purpose corporation may be simultaneously
185 subject to this part and to one or more other chapters,
186 including chapter 621. In such event, the provisions and
187 sections of this part shall take precedence with respect to a
188 social purpose corporation.

189 (5) Except as permitted by this part, a provision of the
190 articles of incorporation or bylaws, or a shareholders agreement
191 among shareholders of a social purpose corporation, may not
192 limit, be inconsistent with, or supersede a provision of this
193 part.

194 Section 5. Section 607.502, Florida Statutes, is created to
195 read:

196 607.502 Definitions.—As used in this part, unless the
197 context otherwise requires, the term:

198 (1) "Benefit director" means:

199 (a) The director designated as the benefit director of a
200 social purpose corporation under s. 607.508; or

201 (b) A person with one or more of the powers, duties, or
202 rights of a benefit director to the extent provided in the
203 articles of incorporation or bylaws under s. 607.508.

27-01014A-13

20131274

204 (2) "Benefit enforcement proceeding" means a claim or
205 action for:

206 (a) The failure of a social purpose corporation to pursue
207 or create a public benefit or a specific public benefit
208 established in its articles of incorporation; or

209 (b) A violation of any obligation, duty, or standard of
210 conduct under this part.

211 (3) "Benefit officer" means the individual designated as
212 the benefit officer of a social purpose corporation under s.
213 607.510.

214 (4) "Independent" means not having a material relationship
215 with the social purpose corporation or a subsidiary of the
216 social purpose corporation. A person does not have a material
217 relationship solely by virtue of serving as the benefit director
218 or benefit officer of the social purpose corporation or a
219 subsidiary of the social purpose corporation. In determining
220 whether a director or officer is independent, a material
221 relationship between an individual and a social purpose
222 corporation or any of its subsidiaries will be conclusively
223 presumed to exist, at the time independence is to be determined,
224 if any of the following apply:

225 (a) The individual is or was within the prior 3 years an
226 employee, other than a benefit officer, of the social purpose
227 corporation or a subsidiary.

228 (b) An immediate family member of the individual is or was
229 within the prior 3 years an executive officer, other than a
230 benefit officer, of the social purpose corporation or a
231 subsidiary.

232 (c) When ownership is calculated as if all outstanding

27-01014A-13

20131274

233 rights to acquire equity interests in the social purpose
234 corporation had been exercised, there is beneficial or record
235 ownership of 5 percent or more of the outstanding shares of the
236 social purpose corporation by:

237 1. The individual; or
238 2. An entity:

239 a. Of which the individual is a director, an officer, or a
240 manager; or

241 b. In which, when ownership is calculated as if all
242 outstanding rights to acquire equity interests in the entity had
243 been exercised, the individual owns beneficially or of record 5
244 percent or more of the outstanding equity interests.

245 (5) "Minimum status vote" means:

246 (a) In the case of a corporation that is to become a social
247 purpose corporation, whether by amendment of the articles of
248 incorporation or by way of or pursuant to a merger, conversion,
249 or share exchange; a social purpose corporation whose articles
250 of incorporation are to be amended pursuant to s. 607.506(4); or
251 a social purpose corporation that is to cease being a social
252 purpose corporation, in addition to any other required approval
253 or vote, the satisfaction of the following conditions:

254 1. The shareholders of each class or series shall be
255 entitled to vote as a separate voting group on the corporate
256 action regardless of any limitation on the voting rights of any
257 class or series stated in the articles of incorporation or
258 bylaws.

259 2. The corporate action is approved by vote of each class
260 or series of equity interest entitled to vote by at least two-
261 thirds of the total votes of the class or series.

27-01014A-13

20131274

262 (b) In the case of a domestic entity, other than a
263 corporation, which is to be simultaneously converted to a social
264 purpose corporation or merged into a social purpose corporation,
265 in addition to any other required approval, vote, or consent,
266 the satisfaction of the following conditions:

267 1. The holders of each class or series of equity interest
268 in the entity who are entitled to receive a distribution of any
269 kind are entitled, as a separate voting group, to vote on or
270 consent to the action regardless of any applicable limitation on
271 the voting or consent rights of any class or series.

272 2. The action is approved by vote or consent of the holders
273 of each class and each series described in subparagraph 1. who
274 are entitled to cast at least two-thirds of the total votes or
275 consent of the class or series which all of those holders are
276 entitled to cast on the action.

277 (6) "Public benefit" means a positive effect, or the
278 minimization of negative effects taken as a whole, on the
279 environment or on one or more categories of persons or entities
280 other than shareholders in their capacity as shareholders, of an
281 artistic, charitable, economic, educational, cultural, literary,
282 religious, social, ecological, or scientific nature, from the
283 business and operations of a social purpose corporation,
284 including, but not limited to:

285 (a) Providing low-income or underserved individuals or
286 communities with beneficial products or services;

287 (b) Promoting economic opportunity for individuals or
288 communities beyond the creation of jobs in the normal course of
289 business;

290 (c) Protecting or restoring the environment;

27-01014A-13

20131274

- 291 (d) Improving human health;
292 (e) Promoting the arts, sciences, or advancement of
293 knowledge; and
294 (f) Increasing the flow of capital to entities that have as
295 their stated purpose the provision of a benefit to society or
296 the environment.
297 (7) "Social purpose corporation" means a corporation that
298 has elected to become subject to this part and the status of
299 which as a social purpose corporation has not been terminated.
300 (8) "Specific public benefit" means a benefit identified as
301 a purpose of the social purpose corporation which is set forth
302 in the articles of incorporation and is consistent with a public
303 benefit as that term is defined in this section.
304 (9) "Subsidiary" means, in relation to a person other than
305 an individual, an entity in which a person owns beneficially or
306 of record 50 percent or more of the outstanding equity
307 interests.
308 (10) "Third-party standard" means a recognized standard for
309 defining, reporting, and assessing the societal and
310 environmental performance of a business which is:
311 (a) Comprehensive because it assesses the effect of the
312 business and its operations upon the interests listed in s.
313 607.507(1)(a).
314 (b) Developed by an entity that is not controlled by the
315 social purpose corporation.
316 (c) Credible because it is developed by an entity that has
317 access to necessary expertise to assess the overall effect of
318 the business and uses a balanced, collaborative approach to
319 develop the standard, including a period for public comment.

27-01014A-13

20131274

320 (d) Transparent because the following information is
321 publicly available:

322 1. The criteria considered under the standard when
323 measuring the overall effect of the business and its operations
324 upon the interests provided in s. 607.507(1)(a) and the relative
325 weights, if any, of those criteria; and

326 2. The process used in the development and revision of the
327 third-party standard regarding the identity of the directors,
328 officers, material owners, and governing body of the entity that
329 developed and controls revisions to the standard; the process by
330 which revisions are made to the standard and changes are made to
331 the membership of the governing body; and an accounting of the
332 revenue and sources of financial support for the entity with
333 sufficient detail to disclose any relationships that could
334 reasonably be considered to present a potential conflict of
335 interest.

336 Section 6. Section 607.503, Florida Statutes, is created to
337 read:

338 607.503 Incorporation of social purpose corporation.—A
339 corporation to be formed as a social purpose corporation shall
340 be incorporated in accordance with this chapter. The articles of
341 incorporation filed must state that the corporation is a social
342 purpose corporation under this part.

343 Section 7. Section 607.504, Florida Statutes, is created to
344 read:

345 607.504 Election of social purpose corporation status.—

346 (1) An existing corporation may become a social purpose
347 corporation under this part by amending its articles of
348 incorporation to include, in addition to the requirements of s.

27-01014A-13

20131274

349 607.0202, a statement that the corporation is a social purpose
350 corporation under this part. The amendment must be adopted by
351 the minimum status vote.

352 (2) A plan of merger, conversion, or share exchange must be
353 adopted by the minimum status vote if an entity that is not a
354 social purpose corporation is a party to the merger or
355 conversion or if the exchanging entity in a share exchange and
356 the surviving, new, or resulting entity is, or will be, a social
357 purpose corporation.

358 (3) If an entity elects to become a social purpose
359 corporation by amendment of the articles of incorporation or by
360 a merger, conversion, or share exchange, the shareholders of the
361 entity are entitled to appraisal rights under ss. 607.1301-
362 607.1333 to the extent of, and in accordance with, such
363 appraisal rights provisions.

364 Section 8. Section 607.505, Florida Statutes, is created to
365 read:

366 607.505 Termination of social purpose corporation status.-

367 (1) A social purpose corporation may terminate its status
368 as such and cease to be subject to this part by amending its
369 articles of incorporation to delete the provision required under
370 s. 607.503 or s. 607.504. The amendment must be adopted by the
371 minimum status vote.

372 (2) A plan of merger, conversion, or share exchange which
373 has the effect of terminating the status of a corporation as a
374 social purpose corporation must be adopted by the minimum status
375 vote. A sale, lease, exchange, or other disposition of the
376 assets of a social purpose corporation is not effective unless
377 the transaction is approved by the minimum status vote. However,

27-01014A-13

20131274

378 a minimum status vote is not required if the transaction is in
379 the usual and regular course of business, is pursuant to court
380 order, or is a sale pursuant to which all or a substantial
381 portion of the net proceeds of the sale will be distributed to
382 the shareholders within 1 year after the date of the sale.

383 (3) If a corporation's status as a social purpose
384 corporation is terminated pursuant to subsections (1) or (2),
385 shareholders of the corporation are entitled to appraisal rights
386 under ss. 607.1301-607.1333 to the extent of, and in accordance
387 with, such appraisal rights provisions.

388 Section 9. Section 607.506, Florida Statutes, is created to
389 read:

390 607.506 Corporate purpose.—

391 (1) A social purpose corporation shall have a purpose of
392 creating a public benefit. This purpose is in addition to its
393 purpose under s. 607.0301.

394 (2) The articles of incorporation of a social purpose
395 corporation may identify the creation of one or more specific
396 public benefits as its purpose in addition to its purposes under
397 s. 607.0301 and subsection (1).

398 (3) The creation of a public benefit and a specific public
399 benefit under subsections (1) and (2) is deemed to be in the
400 best interest of the social purpose corporation.

401 (4) A social purpose corporation may amend its articles of
402 incorporation to add, amend, or delete the identification of a
403 specific public benefit purpose, however, the amendment must be
404 adopted by the minimum status vote.

405 (5) A professional corporation that is a social purpose
406 corporation does not violate s. 621.08 by having the purpose to

27-01014A-13

20131274

407 create public benefit or a specific public benefit.

408 Section 10. Section 607.507, Florida Statutes, is created
409 to read:

410 607.507 Standard of conduct for directors.-

411 (1) In discharging their duties and in considering the best
412 interests of the social purpose corporation, the directors:

413 (a) Shall consider the effects of any action or inaction
414 upon:

415 1. The shareholders of the social purpose corporation;

416 2. The ability of the social purpose corporation to
417 accomplish its public benefit or any specific public benefit
418 purpose; and

419 (b) May consider the effects of any action or inaction upon
420 any of the following:

421 1. The employees and work force of the social purpose
422 corporation, its subsidiaries, and its suppliers;

423 2. The interests of customers and suppliers as
424 beneficiaries of the general public benefit or specific public
425 benefits of the social purpose corporation;

426 3. Community and societal factors, including those of each
427 community in which offices or facilities of the social purpose
428 corporation, its subsidiaries, or its suppliers are located;

429 4. The local and global environment; and

430 5. The short-term and long-term interests of the social
431 purpose corporation, including benefits that may accrue to the
432 social purpose corporation from its long-term plans and the
433 possibility that these interests may be best served by the
434 continued independence of the social purpose corporation; and

435 (c) May consider other pertinent factors or the interests

27-01014A-13

20131274

436 of any other group that they deem appropriate.

437 (d) Are not required to give priority to the interests of a
438 particular person or group referred to in paragraphs (a), (b),
439 or (c) unless the social purpose corporation states in its
440 articles of incorporation its intention to give such priority;
441 and

442 (e) Are not required to give equal weight to the interests
443 of any particular person or group referred to in paragraphs (a),
444 (b), or (c) unless the social purpose corporation has stated in
445 its articles of incorporation its intention to give such equal
446 weight.

447 (2) Except as provided in the articles of incorporation, a
448 director is not personally liable for monetary damages to the
449 corporation, or to any other person, for the failure of the
450 social purpose corporation to pursue or create a public benefit
451 or a specific public benefit. A director is subject to the
452 duties specified in s. 607.0830.

453 (3) Except as otherwise provided in the articles of
454 incorporation, a director does not have a duty to a person who
455 is a beneficiary of the public benefit purpose or any one or
456 more specific public benefit purposes of a social purpose
457 corporation.

458 Section 11. Section 607.508, Florida Statutes, is created
459 to read:

460 607.508 Benefit director.—

461 (1) If the articles of incorporation so provide, the board
462 of directors of a social purpose corporation may include a
463 director who is designated as the benefit director and, in
464 addition to the powers, duties, rights, and immunities of the

27-01014A-13

20131274

465 other directors of the social purpose corporation, has the
466 powers, duties, rights, and immunities provided in this part.

467 (2) The benefit director shall be elected, and may be
468 removed, in the manner provided by this chapter. The benefit
469 director must be independent and may also serve as a benefit
470 officer. The articles of incorporation or bylaws may prescribe
471 additional qualifications of the benefit director.

472 (3) Unless the articles of incorporation or bylaws provide
473 otherwise, the benefit director shall prepare, and the social
474 purpose corporation shall include in the annual benefit report
475 to shareholders required under s. 607.512, the opinion of the
476 benefit director on the following:

477 (a) Whether the social purpose corporation in all material
478 respects acted in accordance with its public benefit purpose and
479 any specific public benefit purpose during the period covered by
480 the report.

481 (b) Whether the directors and officers complied with ss.
482 607.507(1) and 607.509(1).

483 (c) If, in the opinion of the benefit director, the social
484 purpose corporation or its directors or officers failed to
485 comply with paragraph (a) or s. 607.507(1) or s. 607.509(1), a
486 description of the ways in which the social purpose corporation
487 or its directors or officers failed to comply.

488 (4) The action or inaction of an individual in his or her
489 capacity as a benefit director shall constitute for all purposes
490 an action or inaction of that individual in his or her capacity
491 as a director of the social purpose corporation.

492 (5) The benefit director of a corporation formed under
493 chapter 621 does not need to be independent.

27-01014A-13

20131274

494 Section 12. Section 607.509, Florida Statutes, is created
495 to read:

496 607.509 Standard of conduct for officers.-

497 (1) If an officer of a social purpose corporation
498 reasonably believes that a matter may have a material effect on
499 the ability of the corporation to create a public benefit or a
500 specific public benefit identified in the articles of
501 incorporation and the officer has discretion to act on the
502 matter, the officer shall consider the interests and factors
503 provided in s. 607.507(1).

504 (2) The officer's consideration of interests and factors
505 under subsection (1) does not constitute a violation of s.
506 607.0841.

507 (3) Except as provided in the articles of incorporation, an
508 officer is not personally liable for monetary damages to the
509 corporation or any other person for the failure of the social
510 purpose corporation to pursue or create a public benefit or a
511 specific public benefit, however, he or she is subject to s.
512 607.0841.

513 (4) Except as provided in the articles of incorporation, an
514 officer does not have any duty to a person who is a beneficiary
515 of the public benefit purpose or any specific public benefit
516 purpose of a social purpose corporation arising from the status
517 of the person as a beneficiary.

518 Section 13. Section 607.510, Florida Statutes, is created
519 to read:

520 607.510 Benefit officer.-

521 (1) A social purpose corporation may designate an officer
522 as the benefit officer.

27-01014A-13

20131274

523 (2) The benefit officer has the powers and duties set forth
524 in the bylaws or determined by the board of directors, which may
525 include, but are not limited to:

526 (a) Powers and duties relating to the public benefit or a
527 specific public benefit purpose of the corporation; and

528 (b) The duty to prepare the annual benefit report required
529 by s. 607.512.

530 Section 14. Section 607.511, Florida Statutes, is created
531 to read:

532 607.511 Right of action.—

533 (1) (a) Except in a benefit enforcement proceeding to
534 enforce a benefit, no person may bring an action or assert a
535 claim against a social purpose corporation or its directors or
536 officers with respect to:

537 1. A failure to pursue or create a public benefit or a
538 specific public benefit set forth in its articles of
539 incorporation; or

540 2. A violation of an obligation, duty, or standard of
541 conduct under this part.

542 (b) A social purpose corporation is not liable for monetary
543 damages under this part for the failure of the social purpose
544 corporation to pursue or create a public benefit or a specific
545 public benefit.

546 (2) A benefit enforcement proceeding may be commenced or
547 maintained only:

548 (a) Directly by the social purpose corporation; or

549 (b) Derivatively by:

550 1. A shareholder of record on the date of the action or
551 inaction complained of in the benefit enforcement proceeding;

27-01014A-13

20131274

552 2. A director;

553 3. A person or group of persons that owns beneficially or
554 of record 5 percent or more of the outstanding equity interests
555 in an entity of which the social purpose corporation is a
556 subsidiary on the date of the action complained of in the
557 benefit enforcement proceeding; or

558 4. Any other person who is specified in the articles of
559 incorporation or bylaws of the social purpose corporation.

560 Section 15. Section 607.512, Florida Statutes, is created
561 to read:

562 607.512 Preparation of annual benefit report.—

563 (1) Unless it is prepared by a benefit director or benefit
564 officer, the board of directors shall prepare an annual benefit
565 report that must include all of the following:

566 (a) A narrative description of:

567 1. The ways in which the social purpose corporation pursued
568 a public benefit during the year and the extent to which a
569 public benefit was created.

570 2. Any circumstance that has hindered the pursuit or
571 creation of a public benefit by the social purpose corporation.

572 3. The process and rationale for selecting or changing the
573 third-party standard used to prepare the benefit report, if the
574 articles of incorporation of the social purpose corporation
575 require, or the board of directors determines, that the annual
576 benefit report must be prepared in accordance with a third-party
577 standard.

578 (b) If the articles of incorporation of the social purpose
579 corporation require, or the board of directors determines, that
580 the annual benefit report must be prepared in accordance with a

27-01014A-13

20131274

581 third-party standard, an assessment of the overall societal and
582 environmental performance of the social purpose corporation
583 using a third-party standard that is:

584 1. Applied consistently with any previous application in
585 prior annual benefit reports; or

586 2. Accompanied by an explanation of the reasons for
587 inconsistent application or any change in the standard from the
588 immediate prior report.

589 (c) The name of the benefit director and the benefit
590 officer, if those positions exist, and the respective addresses
591 to which correspondence may be directed.

592 (d) If the corporation has a benefit director, his or her
593 statement as provided in s. 607.508(3).

594 (e) If the articles of incorporation of the social purpose
595 corporation require, or the board of directors determines, that
596 the annual benefit report must be prepared in accordance with a
597 third-party standard, a statement of any connection between the
598 organization that established the third-party standard, or its
599 directors, officers, or any holder of 5 percent or more of the
600 governance interests in the organization, and the social purpose
601 corporation or its directors, officers, or any holder of 5
602 percent or more of the outstanding shares of the social purpose
603 corporation, including any financial or governance relationship
604 which might materially affect the credibility of the use of the
605 third-party standard.

606 (2) If, during the year covered by an annual benefit
607 report, a benefit director resigned from, or refused to stand
608 for reelection to, his or her position, or was removed from his
609 or her position, and he or she furnished written correspondence

27-01014A-13

20131274

610 to the social purpose corporation concerning the circumstances
611 surrounding his or her departure, that correspondence must be
612 included as an exhibit in the annual benefit report.

613 (3) The annual benefit report or the assessment of the
614 performance of the social purpose corporation in the annual
615 benefit report required under paragraph (1)(b) do not need to be
616 audited or certified by a third-party standard provider.

617 Section 16. Section 607.513, Florida Statutes, is created
618 to read:

619 607.513 Availability of annual benefit report.—

620 (1) Each social purpose corporation shall send its annual
621 benefit report to each shareholder:

622 (a) Within 120 days after the end of the fiscal year of the
623 social purpose corporation; or

624 (b) At the same time that the social purpose corporation
625 delivers any other annual report to its shareholders.

626 (2) A social purpose corporation shall post each annual
627 benefit report on the public portion of its Internet website, if
628 any, and it shall remain posted for at least 3 years.

629 (3) If a social purpose corporation does not have an
630 Internet website, the corporation shall provide a copy of its
631 most recent annual benefit report, without charge, to any person
632 who requests a copy.

633 (4) If a social purpose corporation does not comply with
634 the annual benefit report delivery requirement, the circuit
635 court in the county in which the principal office of the social
636 purpose corporation is located or, if no office is located in
637 this state, the county in which its registered office is
638 located, may, after a shareholder of the social purpose

27-01014A-13

20131274

639 corporation requests a copy, summarily order the corporation to
640 furnish the annual benefit report. If the court orders the
641 annual benefit report to be furnished, the court may also order
642 the social purpose corporation to pay the shareholder's costs,
643 including reasonable attorney fees, which were incurred in
644 obtaining the order and otherwise enforce their rights under
645 this section.

646 Section 17. The Division of Law Revision and Information is
647 requested to create part III of chapter 607, Florida Statutes,
648 consisting of ss. 607.601-607.613, entitled "BENEFIT
649 CORPORATIONS."

650 Section 18. Section 607.601, Florida Statutes, is created
651 to read:

652 607.601 Application and effect.-

653 (1) This part shall be applicable to all benefit
654 corporations.

655 (2) The existence of a provision of this part shall not of
656 itself create an implication that a contrary or different rule
657 of law is applicable to a corporation that is not a benefit
658 corporation. This part may not affect a statute or rule that is
659 applicable to a corporation that is not a benefit corporation.

660 (3) Except as otherwise provided in this part, all other
661 provisions of this chapter shall be generally applicable to all
662 benefit corporations. The specific provisions of this part shall
663 control over the general provisions of this chapter.

664 (4) A benefit corporation may be simultaneously subject to
665 this part and to one or more other chapters, including chapter
666 621. In such event, the provisions and sections of this part
667 shall take precedence with respect to a benefit corporation.

27-01014A-13

20131274

668 (5) Except as permitted by this part, a provision of the
669 articles of incorporation or bylaws, or a shareholders agreement
670 among shareholders of a benefit corporation, may not limit, be
671 inconsistent with, or supersede a provision of this part.

672 Section 19. Section 607.602, Florida Statutes, is created
673 to read:

674 607.602 Definitions.—As used in this part, unless the
675 context otherwise requires, the term:

676 (1) "Benefit corporation" means a corporation that has
677 elected to become subject to this part and the status as a
678 benefit corporation has not been terminated.

679 (2) "Benefit director" means:

680 (a) The director designated as the benefit director of a
681 benefit corporation under s. 607.608; or

682 (b) A person with one or more of the powers, duties, or
683 rights of a benefit director to the extent provided in the
684 articles of incorporation or bylaws under s. 607.608.

685 (3) "Benefit enforcement proceeding" means any claim or
686 action for:

687 (a) The failure of a benefit corporation to pursue or
688 create a general public benefit or a specific public benefit
689 purpose set forth in its articles of incorporation; or

690 (b) A violation of any obligation, duty, or standard of
691 conduct under this part.

692 (4) "Benefit officer" means the individual designated as
693 the benefit officer of a benefit corporation under s. 607.610.

694 (5) "General public benefit" means a material, positive
695 effect on society and the environment, taken as a whole, which
696 is attributable to the business and operations of a benefit

27-01014A-13

20131274

697 corporation.

698 (6) "Independent" means not having a material relationship
699 with the benefit corporation or a subsidiary of the benefit
700 corporation. A person does not have a material relationship
701 solely by virtue of serving as the benefit director or benefit
702 officer of the benefit corporation or a subsidiary of the
703 benefit corporation. In determining whether a director or
704 officer is independent, a material relationship between an
705 individual and a benefit corporation or any of its subsidiaries
706 will be conclusively presumed to exist, at the time independence
707 is to be determined, if any of the following apply:

708 (a) The individual is or has been within the prior 3 years,
709 an employee, other than a benefit officer, of the benefit
710 corporation or a subsidiary.

711 (b) An immediate family member of the individual is or has
712 been within the prior 3 years, an executive officer, other than
713 a benefit officer, of the benefit corporation or a subsidiary.

714 (c) When ownership is calculated as if all outstanding
715 rights to acquire equity interests in the benefit corporation
716 had been exercised, there is beneficial or record ownership of 5
717 percent or more of the outstanding shares of the benefit
718 corporation by:

719 1. The individual; or

720 2. An entity:

721 a. Of which the individual is a director, an officer, or a
722 manager; or

723 b. In which, when ownership is calculated as if all
724 outstanding rights to acquire equity interests in the entity had
725 been exercised, the individual owns beneficially or of record 5

27-01014A-13

20131274

726 percent or more of the outstanding equity interests.

727 (7) "Minimum status vote" means:

728 (a) In the case of a corporation that is to become a
729 benefit corporation, whether by amendment of the articles of
730 incorporation or by way of or pursuant to a merger, conversion,
731 or share exchange; a benefit corporation whose articles of
732 incorporation are to be amended pursuant to s. 607.606(4); or a
733 benefit corporation that is to cease being a benefit
734 corporation, in addition to any other required approval or vote,
735 the satisfaction of the following conditions:

736 1. The shareholders of each class or series shall be
737 entitled to vote as a separate voting group on the corporate
738 action regardless of any limitation on the voting rights of any
739 class or series stated in the articles of incorporation or
740 bylaws.

741 2. The corporate action is approved by vote of the
742 shareholders of each class or series entitled to cast at least
743 two-thirds of the votes that all shareholders of the class or
744 series are entitled to cast on the action.

745 (b) In the case of a domestic entity, other than a
746 corporation, which is to be simultaneously converted to a
747 benefit corporation or merged into a benefit corporation in
748 addition to any other required approval, vote, or consent, the
749 satisfaction of the following conditions:

750 1. The holders of each class or series of equity interest
751 in the entity who are entitled to receive a distribution of any
752 kind are entitled, as a separate voting group, to vote on or
753 consent to the action regardless of any applicable limitation on
754 the voting or consent rights of any class or series.

27-01014A-13

20131274

755 2. The action is approved by vote or consent of each class
756 or series of equity interest described in subparagraph 1. who
757 are entitled to vote by at least two-thirds of the votes or
758 consent of the class or series.

759 (8) "Specific public benefit" includes, but is not limited
760 to:

761 (a) Providing low-income or underserved individuals or
762 communities with beneficial products or services;

763 (b) Promoting economic opportunity for individuals or
764 communities beyond the creation of jobs in the normal course of
765 business;

766 (c) Protecting or restoring the environment;

767 (d) Improving human health;

768 (e) Promoting the arts, sciences, or advancement of
769 knowledge;

770 (f) Increasing the flow of capital to entities that have as
771 their stated purpose the provision of a benefit to society or
772 the environment; and

773 (g) Any other public benefit consistent with the purposes
774 of the benefit corporation.

775 (9) "Subsidiary" means, in relation to a person other than
776 an individual, an entity in which a person owns beneficially or
777 of record 50 percent or more of the outstanding equity
778 interests.

779 (10) "Third-party standard" means a recognized standard for
780 defining, reporting, and assessing the societal and
781 environmental performance of a business which is:

782 (a) Comprehensive because it assesses the effect of the
783 business and its operations upon the interests provided in s.

27-01014A-13

20131274

784 607.607(1)(a)2.-5.

785 (b) Developed by an entity that is not controlled by the
786 benefit corporation.

787 (c) Credible because it is developed by an entity that has
788 access to necessary expertise to assess the overall societal and
789 environmental performance of a business and uses a balanced,
790 collaborative approach to develop the standard, including a
791 reasonable public comment period.

792 (d) Transparent because the following information is
793 publicly available:

794 1. The criteria considered under the standard when
795 measuring the overall societal and environmental performance of
796 a business and the relative weights, if any, of those criteria.

797 2. The identity of the directors, officers, material
798 owners, and the governing body of the entity that developed and
799 control revisions; the process by which revisions to the
800 standard and changes to the membership of the governing body are
801 made; and an accounting of the revenue and sources of financial
802 support for the entity, with sufficient detail to disclose any
803 relationships that could reasonably be considered to present a
804 potential conflict of interest.

805 Section 20. Section 607.603, Florida Statutes, is created
806 to read:

807 607.603 Incorporation of benefit corporation.—A corporation
808 to be formed as a benefit corporation shall be incorporated in
809 accordance with this chapter. The articles of incorporation
810 filed must state that the corporation is a benefit corporation
811 under this part.

812 Section 21. Section 607.604, Florida Statutes, is created

27-01014A-13

20131274

813 to read:

814 607.604 Election of benefit corporation status.-

815 (1) An existing corporation may become a benefit
816 corporation under this part by amending its articles of
817 incorporation to contain, in addition to the requirements of s.
818 607.0202, a statement that the corporation is a benefit
819 corporation under this part. The amendment must be adopted by
820 the minimum status vote.

821 (2) A plan of merger, conversion, or share exchange must be
822 adopted by the minimum status vote if an entity that is not a
823 benefit corporation is a party to a merger or conversion or if
824 the exchanging entity in a share exchange and the surviving,
825 new, or resulting entity is, or will be, a benefit corporation.

826 (3) If an entity elects to become a benefit corporation by
827 amendment of the articles of incorporation or by a merger,
828 conversion, or share exchange, the shareholders of the entity
829 are entitled to appraisal rights under ss. 607.1301-607.1333 to
830 the extent of, and in accordance with, such appraisal rights
831 provisions.

832 Section 22. Section 607.605, Florida Statutes, is created
833 to read:

834 607.605 Termination of benefit corporation status.-

835 (1) A benefit corporation may terminate its status as such
836 and cease to be subject to this part by amending its articles of
837 incorporation to delete the provision required under s. 607.603
838 or s. 607.604. The amendment must be adopted by the minimum
839 status vote.

840 (2) A plan of merger, conversion, or share exchange which
841 has the effect of terminating the status of a corporation as a

27-01014A-13

20131274

842 benefit corporation must be adopted by the minimum status vote.
843 A sale, lease, exchange, or other disposition of the assets of a
844 benefit corporation is not effective unless the transaction is
845 approved by the minimum status vote. However, a minimum status
846 vote is not required if the transaction is in the usual and
847 regular course of business or is pursuant to court order, or is
848 a sale pursuant to which all or a substantial portion of the net
849 proceeds of the sale will be distributed to the shareholders
850 within 1 year after the date of the sale.

851 (3) If a corporation's status as a benefit corporation is
852 terminated pursuant to subsections (1) or (2), shareholders of
853 the corporation are entitled to appraisal rights under ss.
854 607.1301-607.1333 to the extent of, and in accordance with, such
855 appraisal rights provisions.

856 Section 23. Section 607.606, Florida Statutes, is created
857 to read:

858 607.606 Corporate purpose.-

859 (1) A benefit corporation shall have the purpose of
860 creating general public benefit. This purpose is in addition to
861 its purpose under s. 607.0301.

862 (2) The articles of incorporation of a benefit corporation
863 may identify one or more specific public benefits as its purpose
864 in addition to its purposes under s. 607.0301 and subsection
865 (1). The identification of a specific public benefit under this
866 subsection does not limit the obligation of a benefit
867 corporation under subsection (1).

868 (3) The creation of general public benefit and a specific
869 public benefit under subsections (1) and (2) is deemed to be in
870 the best interest of the benefit corporation.

27-01014A-13

20131274

871 (4) A benefit corporation may amend its articles of
872 incorporation to add, amend, or delete the identification of a
873 specific public benefit purpose; however, the amendment must be
874 adopted by the minimum status vote.

875 (5) A professional corporation that is a benefit
876 corporation does not violate s. 621.08 by having the purpose to
877 create general public benefit or a specific public benefit.

878 Section 24. Section 607.607, Florida Statutes, is created
879 to read:

880 607.607 Standard of conduct for directors.-

881 (1) In discharging their duties and in considering the best
882 interests of the benefit corporation, the directors:

883 (a) Shall consider the effects of any action or inaction
884 upon:

885 1. The shareholders of the benefit corporation;

886 2. The employees and work force of the benefit corporation,
887 its subsidiaries, and its suppliers;

888 3. The interests of customers and suppliers as
889 beneficiaries of the general public benefit and any specific
890 public benefit purposes of the benefit corporation;

891 4. Community and societal factors, including those of each
892 community in which offices or facilities of the benefit
893 corporation, its subsidiaries, or its suppliers are located;

894 5. The local and global environment;

895 6. The short-term and long-term interests of the benefit
896 corporation, including benefits that may accrue to the benefit
897 corporation from its long-term plans and the possibility that
898 these interests may be best served by the continued independence
899 of the benefit corporation; and

27-01014A-13

20131274

900 7. The ability of the benefit corporation to accomplish its
901 general public benefit purpose and each of its specific public
902 benefit purposes, if any; and

903 (b) May consider other pertinent factors or the interests
904 of any other group that they deem appropriate.

905 (c) Are not required to give priority to the interests of a
906 particular person or group referred to in paragraphs (a) or (b)
907 over the interests of any other person or group, unless the
908 benefit corporation has stated in its articles of incorporation
909 its intention to give priority to certain interests; and

910 (d) Are not required to give equal weight to the interests
911 of a particular person or group referred to in paragraphs (a) or
912 (b), unless the benefit corporation has stated in its articles
913 of incorporation its intention to give such equal weight.

914 (2) Except as otherwise provided in the articles of
915 incorporation, a director is not personally liable for monetary
916 damages for the failure of the benefit corporation to pursue or
917 create general public benefit or a specific public benefit
918 identified in its articles of incorporation. A director is
919 subject to the duties established in s. 607.0830.

920 (3) Except as otherwise provided in the articles of
921 incorporation, a director does not have a duty to a person who
922 is a beneficiary of the general public benefit purpose or any
923 one or more specific public benefit purposes of the benefit
924 corporation arising from the status of the person as a
925 beneficiary.

926 Section 25. Section 607.608, Florida Statutes, is created
927 to read:

928 607.608 Benefit director.—

27-01014A-13

20131274

929 (1) If the articles of incorporation so provide, the board
930 of directors of a benefit corporation may include a director who
931 is designated as the benefit director and, in addition to the
932 powers, duties, rights, and immunities of the other directors of
933 the benefit corporation, has the powers, duties, rights, and
934 immunities provided in this part.

935 (2) The benefit director shall be elected, and may be
936 removed, in the manner provided by this chapter. The benefit
937 director shall be an individual who is independent. The benefit
938 director may also serve as a benefit officer. The articles of
939 incorporation or bylaws may prescribe additional qualifications
940 of the benefit director.

941 (3) Unless the articles of incorporation or bylaws provide
942 otherwise, the benefit director shall prepare, and the benefit
943 corporation shall include in the annual benefit report to
944 shareholders required by s. 607.612, the opinion of the benefit
945 director on the following:

946 (a) Whether the benefit corporation in all material
947 respects acted in accordance with its general public benefit
948 purpose and any specific public benefit purpose during the
949 period covered by the report.

950 (b) Whether the directors and officers complied with ss.
951 607.607(1) and 607.609(1).

952 (c) If, in the opinion of the benefit director, the benefit
953 corporation or its directors or officers failed to comply with
954 paragraph (a) or s. 607.607(1) or s. 607.609(1), a written
955 description of the ways in which the benefit corporation or its
956 directors failed to comply.

957 (4) The action or inaction of an individual in his or her

27-01014A-13

20131274__

958 capacity as a benefit director shall constitute for all purposes
959 an action or inaction of that individual in his or her capacity
960 as a director of the benefit corporation.

961 (5) The benefit director of a corporation formed under
962 chapter 621 does not need to be independent.

963 Section 26. Section 607.609, Florida Statutes, is created
964 to read:

965 607.609 Standard of conduct for officers.-

966 (1) If an officer of a benefit corporation reasonably
967 believes that a matter may have a material effect on the ability
968 of the corporation to create, or the creation by the corporation
969 of, general public benefit or a specific public benefit
970 identified in the articles of incorporation and the officer has
971 discretion to act on the matter, the officer shall consider the
972 interests and factors provided in s. 607.607(1).

973 (2) The officer's consideration of interests and factors
974 under subsection (1) does not constitute a violation of s.
975 607.0841.

976 (3) Except as provided in the articles of incorporation, an
977 officer is not personally liable for monetary damages to the
978 corporation or to any other person for the failure of the
979 benefit corporation to pursue or create general public benefit
980 or a specific public benefit, however, he or she is subject to
981 s. 607.0841.

982 (4) Except as otherwise provided in the articles of
983 incorporation, an officer does not have a duty to a person who
984 is a beneficiary of the general public benefit purpose or any
985 specific public benefit purpose of the benefit corporation
986 arising from the status of the person as a beneficiary.

27-01014A-13

20131274

987 Section 27. Section 607.610, Florida Statutes, is created
988 to read:

989 607.610 Benefit officer.—

990 (1) A benefit corporation may designate an officer as the
991 benefit officer.

992 (2) The benefit officer has the powers and duties set forth
993 in the bylaws or determined by the board of directors, which may
994 include, but are not limited to:

995 (a) Powers and duties relating to the general public
996 benefit or a specific public benefit purpose of the corporation;
997 and

998 (b) The duty to prepare the annual benefit report required
999 under s. 607.612.

1000 Section 28. Section 607.611, Florida Statutes, is created
1001 to read:

1002 607.611 Right of action.—

1003 (1) (a) Except in a benefit enforcement proceeding, no
1004 person may bring an action or assert a claim against a benefit
1005 corporation or its directors or officers with respect to:

1006 1. A failure to pursue or create general public benefit or
1007 a specific public benefit set forth in its articles of
1008 incorporation; or

1009 2. A violation of an obligation, duty, or standard of
1010 conduct under this part.

1011 (b) A benefit corporation is not liable for monetary
1012 damages under this part for the failure of the benefit
1013 corporation to pursue or create a general public benefit or a
1014 specific public benefit.

1015 (2) A benefit enforcement proceeding may be commenced or

27-01014A-13

20131274

1016 maintained only:

1017 (a) Directly by the benefit corporation; or

1018 (b) Derivatively by:

1019 1. A shareholder of record on the date of the action or
1020 inaction complained of in the benefit enforcement proceeding;

1021 2. A director;

1022 3. A person or group of persons that owns beneficially or
1023 of record 5 percent or more of the outstanding equity interests
1024 in an entity of which the benefit corporation is a subsidiary on
1025 the date of the action or inaction complained of in the
1026 proceeding; or

1027 4. Any other person who is specified in the articles of
1028 incorporation or bylaws of the benefit corporation.

1029 Section 29. Section 607.612, Florida Statutes, is created
1030 to read:

1031 607.612 Preparation of annual benefit report.—

1032 (1) Unless it is prepared by a benefit director or a
1033 benefit officer, the board of directors shall prepare an annual
1034 benefit report which includes all of the following:

1035 (a) A narrative description of:

1036 1. The ways in which the benefit corporation pursued
1037 general public benefit during the year and the extent to which
1038 general public benefit was created.

1039 2. Any circumstance that has hindered the pursuit or
1040 creation of general public benefit or a specific public benefit
1041 by the benefit corporation.

1042 3. The process and rationale for selecting or changing the
1043 third-party standard used to prepare the benefit report.

1044 (b) The annual benefit report must be prepared in

27-01014A-13

20131274

1045 accordance with a third-party standard that is:

1046 1. Applied consistently with any previous application in
1047 prior annual benefit reports; or

1048 2. Accompanied by an explanation of the reasons for any
1049 inconsistent application or any change in the standard from the
1050 immediate prior report.

1051 (c) The name of the benefit director and the benefit
1052 officer, if those positions exist, and the respective business
1053 addresses to which correspondence may be directed.

1054 (d) If the corporation has a benefit director, the
1055 statement as provided in s. 607.608(3).

1056 (e) A statement of any connection between the organization
1057 that established the third-party standard, or its directors,
1058 officers, or any holder of 5 percent or more of the governance
1059 interests in the organization, and the benefit corporation or
1060 its directors, officers, or any holder of 5 percent or more of
1061 the outstanding shares of the benefit corporation, including any
1062 financial or governance relationship which might materially
1063 affect the credibility of the use of the third-party standard.

1064 (2) If, during the year covered by an annual benefit
1065 report, a benefit director resigned from, or refused to stand
1066 for reelection to, his or her position, or was removed from his
1067 or her position, and he or she furnished written correspondence
1068 to the benefit corporation concerning the circumstances
1069 surrounding his or her departure, that correspondence must be
1070 included as an exhibit in the annual benefit report.

1071 (3) The annual benefit report or the assessment of the
1072 performance of the benefit corporation in the annual benefit
1073 report required under paragraph (1) (b) does not need to be

27-01014A-13

20131274

1074 audited or certified by a third-party standards provider.

1075 Section 30. Section 607.613, Florida Statutes, is created
1076 to read:

1077 607.613 Availability of annual benefit report.-

1078 (1) Each benefit corporation shall send its annual benefit
1079 report to each shareholder:

1080 (a) Within 120 days after the end of the fiscal year of the
1081 benefit corporation; or

1082 (b) At the same time that the benefit corporation delivers
1083 any other annual report to its shareholders.

1084 (2) A benefit corporation shall post each annual benefit
1085 report on the public portion of its Internet website, if any,
1086 and it shall remain posted for at least 3 years.

1087 (3) If a benefit corporation does not have an Internet
1088 website, the benefit corporation shall provide a copy of its
1089 most recent annual benefit report, without charge, to any person
1090 who requests a copy.

1091 (4) If a benefit corporation does not comply with the
1092 annual benefit report delivery requirement, the circuit court in
1093 the county in which the principal office of the benefit
1094 corporation or, if no office is located in this state, the
1095 county in which its registered office is located, may, after a
1096 shareholder of the benefit corporation requests a copy,
1097 summarily order the corporation to furnish the report. If the
1098 court orders the report to be furnished, the court may also
1099 order the benefit corporation to pay the shareholder's costs,
1100 including reasonable attorney fees, which were incurred in
1101 obtaining the order and otherwise enforce its rights under this
1102 section.

27-01014A-13

20131274__

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Section 31. This act shall take effect July 1, 2013.