

Committee on Commerce and Tourism

CS/CS/HB 1009 — Business Organizations

by Judiciary Committee; Civil Justice Subcommittee; and Rep. Byrd (CS/CS/SB 892 by Judiciary Committee; Commerce and Tourism Committee; and Senators Passidomo and Rodriguez)

The bill comprehensively amends ch. 607, F.S., the Florida Business Corporation Act (the Act), which incorporates updates from the Model Business Corporation Act and harmonizes the Act with the recently revised Florida Revised Limited Liability Corporate Act (FRLCA).

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

- 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 actions 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;
- Provide for a direct action by a shareholder against a corporation;
- 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 FRLCA provisions regarding corporate names, registered agent appointments and successorships, and qualifications to transact business in Florida.

If approved by the Governor, these provisions take effect January 1, 2020.

Vote: Senate 40-0; House 111-0