

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 2404

SPONSOR: Commerce and Economic Opportunities Committee and Senator Peaden

SUBJECT: Department of State

DATE: March 7, 2002                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gillespie	Maclure	CM	Favorable/CS
2.	_____	_____	JU	_____
3.	_____	_____	FT	_____
4.	_____	_____	AGG	_____
5.	_____	_____	AP	_____
6.	_____	_____	_____	_____

## I. Summary:

Committee Substitute for Senate Bill 2404 revises and clarifies filing and operational requirements, procedures, and information relating to registrants of trademarks and service marks, corporations, limited liability companies, corporations not for profit, professional associations, limited partnerships, and limited liability partnerships. The committee substitute requires that the surviving corporation of a merger with a corporation not for profit must also be a corporation not for profit. The committee substitute establishes the venue for appeals to circuit court from certain decisions of the Department of State must be filed in Leon County. The committee substitute also revises the duties and authority of the department relating to the Florida Secured Transaction Registry and conforms other provisions, reflecting the department's diminished responsibility for administering the centralized registry for secured transactions under the Uniform Commercial Code. The committee substitute substantially amends the following chapters:

- **Ch. 495, F.S. (Registration of Trademarks and Service Marks)** (*See* page 4 of this analysis.)
- **Ch. 607, F.S. (Corporations)** (*See* page 5 of this analysis.)
- **Ch. 608, F.S. (Limited Liability Companies)** (*See* page 9 of this analysis.)
- **Ch. 617, F.S. (Corporations Not For Profit)** (*See* page 12 of this analysis.)
- **Part I of ch. 620, F.S. (Uniform Limited Partnerships)** (*See* page 15 of this analysis.)
- **Part II of ch. 620, F.S. (Revised Uniform Partnership Act)** (*See* page 16 of this analysis.)
- **Ch. 621, F.S. (Professional Service Corporations and Limited Liability Companies)** (*See* page 17 of this analysis.)
- **Part V of ch. 679, F.S. (Uniform Commercial Code: Filing of Secured Transactions)** (*See* page 18 of this analysis.)

Additionally, the committee substitute repeals a provision that requires the Department of State to contract with the City of St. Augustine for the management of various state-owned properties.

This committee substitute substantially amends the following sections of the Florida Statutes: 495.031, 495.071, 495.081, 607.0120, 607.0122, 607.0123, 607.0124, 607.0126, 607.0401, 607.0505, 607.10025, 607.1006, 607.1108, 607.1403, 607.1422, 607.1503, 607.1532, 608.407, 608.408, 608.4115, 608.445, 608.4511, 608.506, 608.507, 617.01201, 617.0122, 617.0123, 617.0124, 617.0401, 617.1405, 617.1422, 617.1503, 620.103, 620.105, 620.108, 620.169, 620.173, 620.174, 620.177, 620.182, 620.8105, 620.9001, 620.9002, 620.9102, 621.03, 621.051, 621.12, 679.5011, and 679.527. The committee substitute also creates ss. 495.102 and 608.4233, F.S., and repeals ss. 267.171, 679.1021(1)(II), and 679.526, F.S.

## **II. Present Situation:**

### **Division of Corporations**

The Division of Corporations within the Department of State is the ministerial filing agency that serves as the statewide central repository for business entity filings and annual reports. As a ministerial filing agency, the division must accept and process the documents that comply with statutory requirements and which are accompanied by the proper fee. The division is responsible for recording filings of business entities, trademarks and service marks, fictitious name registrations, and financing statements for secured transactions under the Uniform Commercial Code. The division provides the public with electronic access to digital images of actual documents on file through the division's Internet website, <http://www.Sunbiz.org>. Each new document image is available electronically and certain past filings are also available: corporation annual reports filed since 1996, articles of incorporation filed since 1997, fictitious names filed since 1996, and Uniform Commercial Code filings since 1996.

Most of the fees assessed for filing documents with the Division of Corporations are specifically authorized by law, with the designated amount of each fee provided in statute. If a fee is not prescribed in law, however, the Department of State may in its discretion establish a reasonable fee for filing or copying any document or instrument (s. 15.09(2), F.S.).

### **Types of Business Entities**

Florida law recognizes various types of business entities, including corporations, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, and professional associations. The business entity laws in this state (chs. 607, 608, 617, and 620, F.S.) provide the regulatory framework necessary to fulfill the public records requirement of identifying who is conducting business under a business entity's name in order to permit service of process and redress of grievances before the courts.

A corporation is a legal entity, having authority under law to act as a natural person with all of the associated rights, privileges, and responsibilities, distinct from the shareholders who own it. Corporations possess the attributes of limited liability, centralized management, and indefinite existence. A foreign corporation is one that is incorporated under the laws of another state in the

United States. Domestic corporations are those incorporated under the laws of this state. A corporation for profit is a corporation created for the purpose of transacting business. Corporations for profit are generally incorporated under ch. 607, F.S. A corporation not for profit is a corporation created for religious, charitable, or educational purposes, which is generally organized under ch. 617, F.S.

A partnership is a voluntary association of two or more persons who jointly own and carry on a business for profit as co-owners. Florida law recognizes three types of partnerships: general partnerships, limited partnerships, and limited liability partnerships. The principal difference among the partnership types is the extent of a partner's liability. In a general partnership, the partners participate fully in running the business and share equally in the profits and losses, though the partner's monetary contributions may vary. A limited partnership is composed of one or more persons who control the business and who are personally liable for the partnership's debts (general partners) and one or more persons who contribute capital and share profits but who cannot manage the business and are liable only for the amount of their contribution (limited partners). In a limited liability partnership, a partner is not liable for a negligent act committed by another partner or by an employee not under the partner's supervision. Partnerships are formed under ch. 620, F.S.

A limited liability company is a type of company, characterized by limited liability, management by members or managers, and limitations on ownership transfer. A limited liability company is a hybrid form of business entity, combining some of the attributes of a corporation and some of a partnership. Limited liability companies are generally formed under ch. 608, F.S.

A professional association is a type of corporation or limited liability company that provides professional services of a type that require a professional license (e.g., certified public accountants, public accountants, physicians, dentists, architects, attorneys, and insurance agents). A professional association may be composed of professional corporations, professional limited liability companies, or individuals who are licensed to render the same professional service as an association. Professional associations are organized under ch. 617, F.S.

### **Uniform Commercial Code: Secured Transaction Registry**

During the 2001 Regular Session, the Legislature directed the Department of State to cease performing the duties of the filing office and filing officer for secured transactions under the Uniform Commercial Code by October 1, 2001, or by the effective date of a contract for the performance of these duties, whichever occurred later (s. 6, ch. 2001-198 and s. 4, ch. 2001-200, L.O.F.). In lieu of the department's filing system, the Legislature directed the department to contract through a request for qualifications to operate and maintain the registry in a manner that:

- Is comparable and compatible with the department's former filing system;
- Is open to the public and accessible through the Internet;
- Will maintain filings as public records;
- Will provide for oversight and compliance audits by the department; and
- Will maintain the level of filing fees and procedures for the deposit of revenues with the department, net of operating costs, for a period of 5 years.

In September 2001, the department executed a contract with Image API, Inc., for the operation and maintenance of the registry. Image API, an information technology consultant, subcontracted with the Florida Bankers Association, which serves as the applications developer for the registry, and established a new corporation, FLORIDAUCC, Inc. The Florida Secured Transaction Registry is operational, and financing statements for secured transactions are now processed through the registry's Internet website, <http://www.floridaucc.com>.

The 2001 law specified that the department and the state would retain ownership of the materials and records in the registry. In the event that the contractor fails to perform its duties or becomes bankrupt, insolvent, or is in receivership, the department must reclaim possession and control of the materials and records in the registry and provide for uninterrupted performance of the duties of the filing office and filing officer. The department is authorized to approve the registry's forms and to authorize the certification of financing statements and amendments for admissibility in court. The department must also develop performance standards to ensure the registry is accurate and complete, must periodically verify these standards are being met, and may modify the standards as needed.

### **III. Effect of Proposed Changes:**

#### **Registration of Trademarks and Service Marks (ch. 495, F.S.)**

**Section 1** amends s. 495.031, F.S., which governs the filing of applications for the registration of trademarks and service marks with the Department of State. Under current law, an application from a corporation applying for registration of a trademark or service mark must include the name, business address, and state in which the corporation is incorporated or organized. The committee substitute requires an application from any business entity (including a corporation, business trust or association, real estate investment trust, common law trust, unincorporated business, general partnership, limited partnership, or limited liability company), rather than applying only to a corporation, to provide the name, business address, and state in which the entity is incorporated or organized. The committee substitute also requires the application to include the Florida registration or document number, or a statement that the entity has no obligation to have a Florida registration or document number, for each business entity registering a trademark or service mark. The current law also requires a member of a firm or an officer of a corporation, association, or other organization to sign and verify an application for a trademark or service mark. The committee substitute removes the requirement that the application be verified, but retains the requirement that an application must be signed.

**Section 2** amends s. 495.071, F.S., which governs the duration of trademarks and service marks and the procedures for renewal of trademarks and service marks. Under current law, a trademark or service mark is valid for 10 years after it is registered. "[W]ithin the year next preceding" the expiration of a trademark or service mark, the Department of State is required to mail a notice to the last known address of the registrants. The committee substitute clarifies that a registration for a trademark or service mark expires 10 years after the date of the last preceding registration or renewal and requires the notice to be provided in writing to the last known addresses of the registrants during the period between 6 months and 1 year before the trademark's or service mark's registration expiration.

**Section 3** amends s. 495.081, F.S., which provides procedures for a registrant of a trademark or service mark to assign the trademark or service mark to another person or entity. Under current law, the assignment of a trademark or service mark must be performed in writing and may be recorded with the Department of State, accompanied by payment of a \$50 fee. The current law requires the written assignment documents to be “duly executed,” but does not define this term. The committee substitute clarifies that assignment documents must be executed by the assignor.

**Section 4** creates s. 495.102, F.S., which provides procedures for correcting an application for registration of a trademark or service mark that is filed with the Department of State, but which contains a false or erroneous statement or was defectively signed. Under current law, a person who registers a trademark or service mark with the department by knowingly making a false or fraudulent representation concerning the trademark or service mark is civilly liable for actual and punitive damages (s. 495.121, F.S.). The current law, however, does not provide procedures for correcting an erroneous or defective registration. The committee substitute allows a registrant to correct a false erroneous statement in the application for registration, or correct a defectively signed registration, by filing an application for correction within “30 [calendar] days” after filing the original application for registration.

### **Corporations (ch. 607, F.S.)**

**Section 5** amends s. 607.0120, F.S., which provides the requirements for filing corporate documents with the Department of State. Typically, a corporation is controlled by a board of directors, and the corporation’s officers manage the daily operations and report to the board. Under current law, corporate documents filed with the department must be signed by the chair or vice chair of the board of directors or by the corporation’s president or by another of its officers. According to the department, about 90 percent of the corporations that are incorporated in Florida are relatively small, characterized by one person serving as multiple officers. The committee substitute allows corporate documents to be filed with the Department of State by any member of the board of directors, rather than only by the chair or vice chair of the board of directors, if there is no chair or vice chair.

**Section 6** amends s. 607.0122, F.S., which provides the fee schedule for filing various corporate documents with the Department of State. Under current law, each corporation is required to have a registered agent, who is designated to receive service of process for the corporation (s. 607.0501, F.S.). The department may administratively dissolve a corporation under certain conditions, including failure to file the required annual report and pay the filing fee, failure to have a registered agent for 30 days or more, or failure to notify the department that the corporation’s registered agent has changed or has resigned (ss. 607.1420 and 607.1421, F.S.). A corporation must pay an \$87.50 filing fee for a registered agent’s resignation from an “active” corporation and a \$35 filing fee for designation of a registered agent. If a corporation is administratively dissolved, a filing fee of \$35 is required for the registered agent to resign. In this fee schedule, the committee substitute replaces reference to the registered agent’s resignation from an “administratively dissolved” corporation with reference to an “inactive” corporation. It is noted, however, that neither the term “active” corporation in current law, nor the term “inactive” corporation provided in the committee substitute, is defined in ch. 607, F.S.

**Section 7** amends s. 607.0123, F.S., which governs the effective date of a corporate document filed with the Department of State. Under current law, a corporate document takes effect on the date of filing or on the date specified in the document as its effective date. The current law also allows a document to specify a delayed effective date and permits corporate existence to predate the filing date. The committee substitute clarifies that corporate documents take effect on the date and time of filing. The committee substitute also removes authority for a corporate document to specify an effective date, but retains the authority for a delayed effective date and for predating of corporate existence. In effect, the committee substitute removes authority for corporate filings to specify retroactive effective dates, except for the date the corporation began its existence.

**Section 8** amends s. 607.0124, F.S., which provides procedures for correcting a corporate document previously filed with the Department of State. Under current law, a corporation may only correct a filed corporate document within 10 business days after filing. To correct a corporate document, articles of correction must be filed with the department, which must either contain a description of the corporate document to be corrected (including its filing date) or include a copy of the corporate document as an attachment. The current law also requires the articles of incorporation to be “executed,” but does not specify any requirements for execution. The committee substitute extends the deadline for correcting a corporate document until “30 [calendar] days” after filing, eliminates the authority for attaching a copy of the corporate document to the articles of correction in lieu of describing the document to be corrected, and requires that articles of correction be executed as required in s. 607.0120, F.S. (*See* Section 5 of the committee substitute.)

**Section 9** amends s. 607.0126, F.S., which governs appeals from the Department of State’s refusal to file a corporate document. Under current law, a corporation may appeal the department’s decision to refuse filing of a corporate document within 30 days after the return of the document. Appeals must be filed either in a district court of appeal under the Administrative Procedure Act (s. 120.68, F.S.), which provides for judicial review of final agency action, or in the circuit court of the county where the corporation’s principal office is or will be located. If the corporation has no office in this state, the appeal is filed in the circuit court of the county where the corporation’s registered agent is or will be located. The Administrative Procedure Act provides that judicial review under s. 120.68, F.S., is sought in the district court of appeal where the agency maintains its headquarters, where a party resides, or as otherwise provided by law. The Department of State maintains its headquarters in Tallahassee. The committee substitute provides that, if a corporation chooses to file an appeal in circuit court, the appeal may only be filed in the Circuit Court of Leon County (Second Judicial Circuit). The committee substitute does not, however, affect the venue for filing an appeal before a district court of appeal under the Administrative Procedure Act.

**Section 10** amends s. 607.0203, F.S., which governs the procedures for a corporation to file articles of incorporation with the Department of State. Under current law, the department may administratively dissolve a corporation under certain conditions, including failure to file the required annual report and pay the filing fee, failure to have a registered agent for 30 days or more, or failure to notify the department that the corporation’s registered agent has changed or has resigned (ss. 607.1420 and 607.1421, F.S.). The current law also provides that the department’s filing of articles of incorporation is declared to be conclusive proof that the

incorporators of the corporation have satisfied all conditions required for incorporation, except in a proceeding for the cancellation or revocation of incorporation or involuntary dissolution of the corporation. The committee substitute replaces the term “involuntarily” dissolved with “administratively” dissolved, thereby clarifying that the exemption from the articles of incorporation being conclusive proof of incorporation applies only to proceedings for administrative dissolution commenced by the Department of State.

**Section 11** amends s. 607.0401, F.S., which provides the requirements for the corporate name of a corporation filed with the Department of State. Under current law, the corporate name must contain one of the following specified words or abbreviations: “corporation,” “company,” “incorporated,” “corp.,” “Inc.,” or “Co.” In lieu of one of these specified words or abbreviations, the current law also allows a corporate name to contain “words or abbreviations of like import in language.” The statute specifies that the corporate name must contain these words or abbreviations in order to clearly indicate that the name refers to a corporation, rather than a person or partnership. The committee substitute clarifies that a corporate name indicates that the name refers to a corporation, rather than a person, partnership, or other business entity.

**Section 12** amends s. 607.0505, F.S., which prescribes the duties of a corporation’s registered agent. Under current law, an “alien business organization” is an entity organized under laws outside of the United States or an entity that, at least 10 percent of which, is owned or controlled by a foreign person (s. 607.0505(11)(a), F.S.). An alien business organization that owns real property located in this state, that owns a mortgage on real property located in this state, or that transacts business in this state is required to designate a registered agent and file a notice of the designation with the Department of State (s. 607.0505(1)(a), F.S.). The committee substitute establishes a procedure for an alien business organization to withdraw its registered agent if the alien business organization is no longer required to have a registered agent in this state, which procedure requires the alien business organization to apply to the department for a certificate of withdrawal. An application for the certificate must designate the department as its agent for service of process and must contain a mailing address where the department may mail a copy of any process served on the alien business organization. The committee substitute further requires the Department of State to mail a copy of any process served on an alien business organization to the address included in its application after withdrawal of its registered agent.

**Section 13** amends s. 607.10025, F.S., which governs how a corporation may divide or combine shares of any issued and outstanding class or series of shares. Under current law, if a division or combination of shares is effected by a corporation’s board of directors without shareholder approval, and if this division or combination includes an amendment to the corporation’s articles of incorporation, the corporation must file a certificate of amendment with the Department of State. The committee substitute clarifies the name of the amendatory document by replacing the term “certificate of amendment” with “articles of amendment.” The committee substitute also requires that articles of amendment be executed as required in s. 607.0120, F.S. (*See* Section 5 of the committee substitute.)

**Section 14** amends s. 607.1006, F.S., which provides procedures for a corporation to amend its articles of incorporation by filing articles of amendment with the Department of State. Under current law, if an amendment to the articles of incorporation is made by the incorporators or the board of directors without shareholder action, the articles of amendment must be executed by an

incorporator or director. The committee substitute clarifies that articles of amendment must be executed as provided in s. 607.0120, F.S. If an amendment to the articles of incorporation is made by the incorporators without shareholder action, the committee substitute provides that the articles of amendment must be executed by an incorporator, as provided in s. 607.0120, F.S. If the amendment is made by the board of directors without shareholder action, the committee substitute provides that the articles of amendment must be executed by the chair or vice chair of the board of directors, a member of the board of directors if there is no chair or vice chair, or the president or another officer, as provided in s. 607.0120, F.S. (*See* Section 5 of the committee substitute.)

**Section 15** amends s. 607.1108, F.S., which governs the merger of domestic corporations and other business entities. During the 1998 Regular Session, the Legislature authorized mergers of domestic corporations, not-for-profit corporations, limited liability companies, and limited partnerships with each other or other business entities (ch. 98-101, L.O.F.), in accordance with procedures that are generally consistent with those provided for the merger of two or more corporations (see, e.g., s. 607.1101, F.S.). Under current law, every domestic corporation and other business entity that is a party to the merger merges into the surviving entity, and the separate existence of every domestic corporation and other business entity that is a party to the merger, except the surviving entity, ceases (s. 607.1101(1), F.S.). The current law further provides that a not-for-profit corporation may merge with a for-profit corporation if the surviving corporation is not-for-profit (s. 617.0302(16), F.S.). The 1998 law, however, provided in s. 607.1108(1), F.S., that “[n]otwithstanding the provisions of chapter 617, a domestic not-for-profit corporation acting under a plan of merger approved pursuant to s. 617.1103 shall be governed by the provisions of ss. 607.1108, 607.1109, and 607.1101.” In effect, the 1998 law allows a for-profit corporation to survive a merger with a not-for-profit corporation, irrespective of the circumstances under which the not-for-profit corporation’s assets were originally generated. The committee substitute requires that the surviving corporation of a merger with a not-for-profit corporation must also be a not-for-profit corporation. The committee substitute also clarifies that articles of merger must be filed with the Department of State for any merger consisting solely of the merger of one or more domestic corporations with or into one or more foreign corporations.

**Section 16** amends s. 607.1403, F.S., which provides requirements for dissolving a corporation and filing articles of dissolution with the Department of State. The committee substitute clarifies that articles of dissolution must be executed as required in s. 607.0120, F.S. (*See* Section 5 of the committee substitute.)

**Section 17** amends s. 607.1422, F.S., which provides the procedures for reinstatement of a corporation following administrative dissolution by the Department of State. Under current law, the department may administratively dissolve a corporation under certain conditions, including failure to file the required annual report and pay the filing fee, failure to have a registered agent for 30 days or more, or failure to notify the department that the corporation’s registered agent has changed or has resigned (ss. 607.1420 and 607.1421, F.S.). After a corporation is administratively dissolved, the corporation may apply to the department for reinstatement. The corporation may file an application that recites the corporation’s name and date of the dissolution, states that the ground for dissolution either did not exist or no longer exists, states that the corporation’s name complies with law, and states that all fees owed by the corporation

have been paid. As an alternative, the corporation may submit a current annual report, signed by the registered agent and an officer or director, which substantially contains the information sought by the application. The department determines whether an application contains the necessary information and, if correct, cancels the certificate of dissolution, prepares a certificate of reinstatement, files the original certificate, and serves the corporation with a copy. The committee substitute revises the reinstatement process, removing the specific requirements for the contents of the application for reinstatement and allowing a corporation to submit a current uniform business report as an alternative to the application for reinstatement. The committee substitute requires either the application for reinstatement or the current uniform business report to be signed by the registered agent and an officer or director. In addition, the committee substitute requires all fees owed by the corporation to be paid before reinstatement, computed at the rate provided by law at the time the corporation applies for reinstatement. The committee substitute also requires the department to reinstate a corporation if its application for reinstatement contains the required information and the information is correct. The committee substitute deletes specific directions to the department for canceling certificates of dissolution and preparing certificates of reinstatement.

**Section 18** amends s. 607.1503, F.S., which governs the issuance of certificates of authority for foreign corporations to transact business in this state. Under current law, a “foreign corporation” (a for-profit corporation incorporated under laws other than the laws of this state) must obtain a certificate of authority issued by the Department of State in order to transact business in this state (ss. 607.1502 and 607.1503, F.S.). If the name of a foreign corporation is unavailable for use in this state, the foreign corporation is required to file a name with the department that meets the requirements in s. 607.1506, F.S., which generally requires the same information required for the names of domestic corporations in s. 607.0401, F.S. (*See* Section 11 of the committee substitute.) The committee substitute clarifies that the name of a foreign corporation provided in its application for a certificate of authority to transact business in this state must satisfy s. 607.0401, F.S., and if the name does not satisfy those requirements, the foreign corporation must provide a name that otherwise satisfies s. 607.1506, F.S.

**Section 19** amends 607.1532, F.S., which governs the appeal of a foreign corporation from the Department of State’s revocation of the foreign corporation’s certificate of authority to transact business in this state. Under current law, a foreign corporation may appeal the department’s decision to revoke a certificate of authority to the circuit court where the registered office of such corporation in this state is situated. The committee substitute requires that all such appeals must be filed with the Circuit Court of Leon County (Second Judicial Circuit).

### **Limited Liability Companies (ch. 608, F.S.)**

**Section 20** amends s. 608.407, F.S., which provides the requirements for a limited liability company’s (LLC’s) articles of organization. To form an LLC, these articles of organization must be executed and filed with the Department of State. Under current law, if an LLC is organized as a manager-managed company, the articles of organization must reflect this organization (s. 608.407(1)(d), F.S.). There are two types of LLCs: a member-managed company is managed by one or more managing members (which resembles a partnership in which the members participate in the direction and control of the company), and a manager-managed company is managed by one or more managers (which resembles a corporation, in which the participation of

members is similar to the comparatively passive involvement of shareholders). The current law also allows the members of an LLC to adopt an operating agreement, which need not be in writing, to regulate the affairs of the company and the conduct of its business (s. 608.423, F.S.). The committee substitute removes the requirement that a manager-managed company's articles of organization must state that the LLC is to be manager-managed. In effect, the committee substitute permits an LLC's operating agreement to govern whether the LLC is to be member-managed or manager-managed.

**Section 21** amends s. 608.408, F.S., which provides procedures for filing an LLC's required certificates and statements with the Department of State. This section also includes requirements for articles of organization, dissolutions, and revocation. Under current law, for any certificate filed with the department for an LLC, a person may sign the certificate through an attorney. If the certificate or statement admits a member, however, the power of attorney must specifically describe the admission of the member. In addition, the execution of any certificate is an affirmation by the person executing it, under penalty of perjury, that the facts stated are true. The committee substitute clarifies that the provisions in current law authorizing signature through an attorney and affirmation of a certificate under penalty of perjury apply to any document filed under ch. 608, F.S., rather than applying only to certain certificates or statements. The current law also requires that, when an LLC dissolves, it must file articles of dissolution with the Department of State (s. 608.446, F.S.). Upon filing, the department issues the representative of the dissolved LLC a certificate of dissolution. Section 608.408(1)(b), F.S., requires a "certificate of dissolution" to be signed by members having the same percentage of membership interest necessary to approve the dissolution. It appears clear from the context of this section that the "articles of dissolution" are to be signed by the LLC's members, not the certificate of dissolution issued by the Department of State. The committee substitute makes a technical change, clarifying that the "articles" of dissolution, not the "certificate" of dissolution, must be signed by an LLC's members.

**Section 22** amends s. 608.4115, F.S., which governs the procedures for correcting an LLC's articles of organization filed with the Department of State. Under current law, an LLC may correct its articles of organization within 30 business days after filing if the articles of organization contain a false or erroneous statement. To correct its articles of organization, an LLC must file articles of correction with the department, which must either contain a description of the articles of incorporation to be corrected (including its filing date) or include a copy of the articles of incorporation as an attachment. The committee substitute reduces the period for filing articles of correction from 30 business days to "30 [calendar] days." The committee substitute eliminates the authority for attaching a copy of articles of organization to the articles of correction, in lieu of describing the articles of organization to be corrected in the articles of correction. The committee substitute also allows an LLC to correct any document filed with the department through articles of correction, rather than only allowing correction of articles of organization. The committee substitute does not, however, amend the catchline of s. 608.4115, F.S., in order to provide notice that correction of any document is authorized, not only the articles of organization.

**Section 23** creates s. 608.4233, F.S., providing requirements for the resignation or removal of an LLC's managers, managing members, or officers. Under current law, the general organization of an LLC is outlined in its articles of organization (s. 608.407, F.S.). In addition, an LLC is

authorized to enter into an operating agreement that regulates the affairs of the company and the conduct of its business (s. 608.423, F.S.). Unless otherwise provided in an LLC's articles of organization or operating agreement, the LLC is organized as a member-managed company (s. 608.422(1), F.S.). The current law also requires that, for a manager-managed company, each manager must be designated, appointed, elected, removed, or replaced by the membership's majority-in-interest and must hold office until a successor is elected and qualified, unless the manager sooner resigns or is removed (s. 608.422(4)(c), F.S.). The committee substitute requires that a manager, managing member, or officer of an LLC must be permitted to resign at any time by delivering a written notice to the LLC. Unless the notice specifies a delayed effective date, the resignation is effective when the notice is delivered. If the notice specifies a delayed effective date, the committee substitute allows the LLC's members to fill the pending vacancy before the effective date, but only if the successor does not take office until the effective date. The committee substitute also provides that the members of an LLC may remove any managing member, manager, or officer at any time with or without cause. The committee substitute further provides that a managing member, manager, or officer who is appointed by another managing member, manager, or officer may be removed by the managing member, manager, or officer who appointed him or her.

**Section 24** amends s. 608.445, F.S., which provides the requirements for an LLC to file articles of dissolution with the Department of State. Under current law, the articles of dissolution must include the name of the LLC, the effective date of the LLC's dissolution, a description of the occurrence resulting in the LLC's dissolution, the fact that the LLC's financial obligations are satisfied, the fact that the LLC's remaining assets have been distributed among its members, and the fact that no suits are pending against the company in any court or that adequate provision has been made to satisfy a judgment that may be entered in a pending suit. If the articles of dissolution conform to these requirements and all of the LLC's license taxes and fees are paid, the department will file the articles of dissolution (s. 608.446(1), F.S.). Upon filing the articles of dissolution, the department issues a certificate of dissolution, at which time the existence of the LLC ceases (s. 608.446(2), F.S.). The committee substitute replaces the requirement that an LLC must provide the effective date of its dissolution in the articles of dissolution with a requirement that the LLC provide the date its dissolution was authorized. In effect, the committee substitute prevents an LLC from specifying a dissolution date that is retroactive to the date the articles of dissolution were filed with the Department of State.

**Section 25** amends s. 608.4511, F.S., which requires each domestic and foreign LLC to file a sworn annual report with the Department of State. The report must contain, among other things, the names and addresses of the LLC's managing members or managers. The report must generally be executed by a managing member or manager. The current law provides two requirements about when the annual report must be filed: one provision requires the annual report to be filed on or before May 1 of each year (s. 608.4511(2), F.S.); the other provision requires an LLC's first annual report and subsequent reports to be filed between January 1 and May 1 of each year (s. 608.4511(5), F.S.). The committee substitute provides that, if the Department of State receives an additional updated annual report from an LLC, the department must file the document and make the information contained in the document part of the official record. In effect, the committee substitute clarifies that an LLC may file an additional updated annual report at any time during the calendar year, rather than only between January 1 and May 1 of each year.

**Section 26** amends s. 608.506, F.S., which provides requirements for the names of foreign LLCs. A foreign LLC is a limited liability company formed under the laws of any state other than Florida or under the laws of any foreign country or other foreign jurisdiction. Under current law, a foreign LLC's name must satisfy certain requirements for the wording of its name, which include a requirement that the name contain the words "limited liability company" or "limited company," the abbreviations "L.L.C." or "L.C.," or the designations "LLC" or "LC" as the last words of the foreign LLC's name (s. 608.406, F.S.). Under current law, a foreign LLC may not receive a certificate of authority to transact business in this state unless the foreign LLC's name satisfies the requirements for the wording of its name. If a foreign LLC's name does not satisfy the wording requirements, the current law allows the LLC to obtain a certificate of authority if the LLC registers a fictitious name, which must satisfy the wording requirements. The committee substitute removes the authority of a foreign LLC to use a fictitious name in order to obtain a certificate of authority, thereby requiring the name of the foreign LLC to satisfy the wording requirements in s. 608.406, F.S., but also allows a foreign LLC to adopt an alternative name for transacting business in this state that satisfies the statutory wording requirements.

**Section 27** amends s. 608.507, F.S., which provides requirements for a registered office and a registered agent for each foreign LLC. Under current law, the registered agent of a foreign LLC may be an individual who resides in this state whose business office is identical to the registered office. The current law also allows the registered agent to be a domestic corporation or domestic LLC, or a foreign corporation or foreign LLC, which is authorized to transact business in this state and having a business office identical to the registered office. The committee substitute expands who may be the registered agent of a foreign LLC, to include any business entity, foreign or domestic, which is authorized to transact business in the state and having a business office identical to the registered office.

### **Corporations Not For Profit (ch. 617, F.S.)**

**Section 28** amends s. 617.01201, F.S., which governs the filing of corporate documents by not-for-profit corporations with the Department of State. Similar to the requirements applicable to for-profit corporations, under current law, corporate documents filed with the department by not-for-profit corporations generally must be signed by the chair or vice chair of the board of directors or by the corporation's president or by another of its officers. The committee substitute provides that the corporate documents must be executed by the chair or vice chair of the board of directors, a member of the board of directors if there is no chair or vice chair, or the president or another officer.

**Section 29** amends s. 617.0122, F.S., which provides the fee schedule for filing various corporate documents with the Department of State by a not-for-profit corporation. Under current law, each not-for-profit corporation is required to have a registered agent, who is designated to receive service of process for the corporation (s. 617.0501, F.S.). The department may administratively dissolve a corporation under certain conditions, including failure to file the required annual report and pay the filing fee, failure to have a registered agent for 30 days or more, or failure to notify the department that the corporation's registered agent has changed or has resigned (ss. 617.1420 and 617.1421, F.S.). A corporation must pay an \$87.50 filing fee for a registered agent's resignation from an "active" corporation and a \$35 filing fee for designation of

a registered agent. If a corporation is administratively dissolved, a filing fee of \$35 is required for the registered agent to resign. In this fee schedule, the committee substitute replaces reference to the registered agent's resignation from an "administratively dissolved" corporation with reference to an "inactive" corporation. It is noted, however, that neither the term "active" corporation in current law, nor the term "inactive" corporation provided in the committee substitute, is defined in ch. 617, F.S.

**Section 30** amends s. 617.0123, F.S., which governs the effective date of a corporate document filed with the Department of State by a not-for-profit corporation. Under current law, a corporate document takes effect at the time of filing on the date the document is filed, as evidenced by the department's date and time endorsement on the document. The current law also allows a document to specify a delayed effective date and allows corporate existence to predate the filing date. The committee substitute replaces a provision declaring the Department of State's date and time endorsement is evidence of the time and date of filing with a provision directing that the means used by the department for the purpose of recording the date of filing is evidence of the date of filing. The committee substitute also clarifies that a corporate document is effective on the date and time of filing, except if the document specifies a delayed effective date or allows corporate existence to predate the filing date.

**Section 31** amends s. 617.0124, F.S., which provides procedures for correcting a corporate document previously filed with the Department of State by a not-for-profit corporation. Under current law, a corporation may only correct a filed corporate document within 10 business days after filing. To correct a corporate document, articles of correction must be filed with the department, which must either contain a description of the corporate document to be corrected (including its filing date) or include a copy of the corporate document as an attachment. The committee substitute extends the deadline for correcting a corporate document until "30 [calendar] days" after filing and eliminates the authority for attaching a copy of the corporate document to the articles of correction in lieu of describing the document to be corrected. The committee substitute also clarifies that articles of correction must be executed as required in s. 617.01201, F.S. (*See* Section 28 of the committee substitute.)

**Section 32** amends s. 617.0401, F.S., which provides the requirements for the corporate name of a not-for-profit corporation filed with the Department of State. Under current law, the corporate name must contain one of the following specified words or abbreviations: "corporation," "company," "incorporated," "corp.," or "inc." In lieu of one of these specified words or abbreviations, the current law also allows a corporate name to contain "words or abbreviations of like import in language." The statute specifies that the corporate name must contain these words or abbreviations in order to clearly indicate that the name refers to a corporation, rather than a person, unincorporated association, or partnership. The committee substitute clarifies that a corporate name indicates that the name refers to a corporation, rather than a person, unincorporated association, partnership, or other business entity.

**Section 33** amends s. 617.1405, F.S., which governs the effects of dissolving a not-for-profit corporation. Under current law, the name of a dissolved not-for-profit corporation is not available for assumption by another corporation until 120 days after the effective date of the dissolution. The committee substitute allows a dissolved corporation to provide the Department of State with an affidavit, executed following the requirements for filing corporate documents in

s. 617.01201, F.S., which permits the immediate assumption and use of the not-for-profit corporation's name by another corporation.

**Section 34** amends s. 617.1422, F.S., which provides the procedures for reinstatement of a not-for-profit corporation following administrative dissolution by the Department of State. Under current law, the department may administratively dissolve a corporation under certain conditions, including failure to file the required annual report and pay the filing fee, failure to have a registered agent for 30 days or more, or failure to notify the department that the corporation's registered agent has changed or has resigned (ss. 617.1420 and 617.1421, F.S.). After a corporation is administratively dissolved, the corporation may apply to the department for reinstatement. The corporation may file an application that recites the corporation's name and date of the dissolution, states that the ground for dissolution either did not exist or no longer exists, states that the corporation's name complies with law, and states that all fees owed by the corporation have been paid. As an alternative, the corporation may submit a current annual report, signed by the registered agent and an officer or director that substantially contains information sought by the application. The department determines whether an application contains the necessary information and, if correct, cancels the certificate of dissolution and reinstates the corporation effective on the date that the reinstatement document is filed. The committee substitute revises the reinstatement process, removing the specific requirements for the contents of the application for reinstatement and allowing a corporation to submit a current uniform business report as an alternative to the application for reinstatement. The committee substitute requires either the application for reinstatement or the current uniform business report to be signed by the registered agent and an officer or director. In addition, the committee substitute requires all fees owed by the corporation to be paid before reinstatement, computed at the rate provided by law at the time the corporation applies for reinstatement. The committee substitute also requires the department to reinstate a corporation if its application for reinstatement contains the required information and the information is correct. The committee substitute deletes specific directions for the Department of State to cancel the certificate of dissolution, but retains provisions directing the department to reinstate the not-for-profit corporation.

**Section 35** amends s. 617.1503, F.S., which governs the issuance of certificates of authority for a foreign not-for-profit corporation to conduct its affairs in this state. Under current law, a "foreign corporation" (a corporation not for profit organized under laws other than the laws of this state) must obtain a certificate of authority issued by the Department of State in order to conduct its affairs in this state (ss. 617.1502 and 617.1503, F.S.). If the name of a foreign corporation is unavailable for use in this state, the foreign corporation is required to file a name with the department that meets the requirements in s. 617.1506, F.S., which generally requires the same information required for the names of domestic not-for-profit corporations in s. 617.0401, F.S. The committee substitute clarifies that the name of a foreign corporation provided in its application for a certificate of authority to transact business in this state must satisfy s. 617.0401, F.S., and if the name does not satisfy those requirements, the foreign corporation must provide a name that otherwise satisfies s. 617.1506, F.S.

**Uniform Limited Partnerships (part I of ch. 620, F.S.)**

**Section 36** amends s. 620.103, F.S., which provides requirements for the names of domestic and foreign limited partnerships. Under current law, the name of a limited partnership must contain the word “Limited” or its abbreviation, “Ltd.” The committee substitute expands the permissible abbreviations that may be used in the name of limited partnerships to include, “L.P.” or “LP.” The committee substitute also prohibits the name of a limited partnership from including any suffix, word, abbreviation, or designation that implies the limited partnership is a corporation, general partnership, limited liability company, or any other business entity. The committee substitute does, however, allow a limited partnership’s name to include the word “company” or the abbreviation “co.” The current law also allows a domestic limited partnership to become a limited liability limited partnership by filing a statement of qualification with the Department of State (ss. 620.187 and 620.9001(3), F.S.). The committee substitute also allows the name of a limited liability limited partnership, with a duly filed statement of qualification, to contain the words “Limited Liability Limited Partnership,” the abbreviation “L.L.L.P.” or the designation “LLL.P.”

**Section 37** amends s. 620.105, F.S., which provides requirements for a limited partnership’s recordkeeping office and agent for service of process. Under current law, each limited partnership is required to continuously maintain an agent for service of process, who must be an individual resident of Florida. The current law also allows the agent for service of process to be a domestic corporation or a foreign corporation authorized to do business in this state. The committee substitute limits the persons who may be a limited partnership’s agent for service of process to those who reside in this state and whose business office is identical to the registered office. The committee substitute also expands who may be an agent for service of process, to include any business entity, foreign or domestic, which is authorized to transact business in this state and having a business office identical to the registered office.

**Section 38** amends 620.108, F.S., which governs the formation of limited partnerships and the filing of certificates of limited partnership with the Department of State. Under current law, a limited partnership is formed when a certificate of limited partnership is filed with the department. The certificate must contain, among other things, the address of the partnership’s office and the name and address of the agent for service of process. The certificate may, however, specify a delayed effective date, in which case the limited partnership is formed on the specified date, rather than the date of filing the certificate of limited partnership. The committee substitute clarifies that the certificate must contain the address of the partnership’s recordkeeping office, and that the address of the agent for service of process must be an address in this state. In addition, the committee substitute requires the certificate of limited partnership to include the written acceptance of the agent for service of process. The committee substitute also requires that delayed effective dates for the formation of a limited partnership may not extend further than 90 days after the date of filing the certificate.

**Section 39** amends s. 620.169, F.S., which provides requirements for the registration of foreign limited partnerships with the Department of State. Under current law, a foreign limited partnership must register with the department before transacting business in this state. To register, the foreign limited partnership must submit an application, which must be signed and sworn to by a general partner. The application must contain, among other things, the name and

address of an agent for service of process, who must be an individual resident of this state. In addition, the agent for service of process may also be a domestic corporation or a foreign corporation having a place of business, and authorized to do business, in this state. The committee substitute removes the requirement that an application for registration must be sworn to by a general partner. The committee substitute requires the application to include a written acceptance from the agent for service of process. The committee substitute also expands who may be an agent for service of process, to include any business entity, foreign or domestic, which is authorized to transact business in this state.

**Section 40** amends s. 620.173, F.S., which provides requirements for filing amendments to a registration application with the Department of State by a foreign limited partnership. Under current law, a foreign limited partnership may file a certificate to correct false statements or other errors in the application for registration. The certificate must be signed and acknowledged or sworn by a general partner. The committee substitute removes the requirement that a general partner must acknowledge or swear to the correction, but retains the requirement that a general partner must sign the certificate.

**Section 41** amends s. 620.174, F.S., which provides procedures for a foreign limited partnership to cancel its registration with the Department of State. Under current law, a foreign limited partnership may cancel its registration by filing a certificate of cancellation with the department. The certificate of cancellation must be signed and acknowledged or sworn to by a general partner. The committee substitute removes the requirement that a general partner must acknowledge or swear to the cancellation, but retains the requirement that a general partner must sign the certificate.

**Section 42** amends s. 620.177, F.S., which requires each domestic and foreign limited partnership to file a report with the Department of State. Under current law, a domestic or foreign limited partnership must file a sworn report in order to renew a certificate of authority to transact business in this state, which must be filed between January 1 and May 1 of each year (s. 620.177(1), F.S.). The committee substitute removes the requirement that the report must be sworn to when filed by a domestic or foreign limited partnership in order to renew a certificate of authority to transact business in this state.

**Section 43** amends s. 620.182, F.S., which provides the fees for limited partnerships to file documents with the Department of State. The committee substitute creates a fee for filing articles of merger, at the rate of \$52.50 for each party filing the articles of merger.

### **Revised Uniform Partnership Act (part II of ch. 620, F.S.)**

**Section 44** amends s. 620.8105, F.S., which provides the requirements for registering a general partnership with the Department of State. Under current law, to form a partnership the partners must file a partnership registration statement with the department. The registration statement must contain, among other things, the name of the partnership, the street address of the chief executive office, the name and address of each partner, and the name and address of an agent who maintains a list of the names and addresses of the partners. The committee substitute removes the requirement that the registration statement must include the names and addresses of each partner, but retains the requirement of including the street address of the chief executive

office. The committee substitute further clarifies that the street address of the agent appointed by the partnership, who maintains the list of names and addresses of the partners, must be located at an address in this state.

**Section 45** amends s. 620.9001, F.S., which provides requirements for a general partnership to become a limited liability partnership by filing a statement of qualification with the Department of State. Under current law, the statement of qualification must contain, among other things, the name and address of the partnership's agent for service of process, who must be an individual resident of this state or another person authorized to do business in this state. The committee substitute requires the statement of qualification to include a written acceptance from the agent for service of process, designates the agent as the registered agent, and specifies that the registered agent must have a street address in this state. The committee substitute also expands who may be a registered agent, to include any business entity, foreign or domestic, which is authorized to transact business in this state.

**Section 46** amends s. 620.9002, F.S., which provides requirements for the names of limited liability partnerships. Under current law, the name of a limited liability partnership must end with "Registered Limited Liability Partnership," "Limited Liability Partnership," "R.L.L.P.," "L.L.P.," "RLLP," or "LLP." The committee substitute removes "Registered Limited Liability Partnership," "R.L.L.P.," and "RLLP" from the list of words and abbreviations that must be included at the end of a limited liability partnership's name. The committee substitute also requires that a limited liability partnership's name end with the words "Limited Liability Partnership" or the abbreviations "L.L.L.P." or "LLL.P."

**Section 47** amends s. 620.9102, F.S., which provides requirements for a foreign limited liability partnership to file a statement of foreign qualification with the Department of State in order to transact business in this state. The committee substitute removes "Registered Limited Liability Partnership," "R.L.L.P.," and "RLLP" from the list of words and abbreviations that must be included at the end of a foreign limited liability partnership's name in a statement of foreign qualification filed with the department. This provision conforms the committee substitute to changes provided by the committee substitute in s. 620.9002, F.S. (*See* Section 46 of the committee substitute.)

### **Professional Service Corporations and Limited Liability Companies (ch. 621, F.S.)**

**Section 48** amends s. 621.03, F.S., which provides definitions relating to professional service corporations and professional limited liability companies (LLCs). Under current law, a "professional corporation" is defined as a corporation organized for the sole purpose of rendering professional service and which has as its shareholders only other professional corporations, professional LLCs, or individuals who themselves are duly licensed or otherwise legally authorized to render the same professional service as the corporation. The committee substitute clarifies that, to organize as a professional corporation, the corporation must render a "specific" professional service.

**Section 49** amends s. 621.051, F.S., which provides requirements for organizing a professional LLC. Under current law, a group of professional service corporations, professional LLCs, or individuals, in any combination, duly licensed or otherwise legally authorized to render the same

professional services may organize and become members of a professional limited liability company for the purpose of rendering the same and specific professional service. The committee substitute requires that the articles of organization for a professional LLC must include the specific professional service to be rendered.

**Section 50** amends s. 621.12, F.S., which provides requirements for the names of professional corporations and professional LLCs. Under current law, the name of a professional LLC must contain the words “professional limited company” or the abbreviation “P.L.,” in lieu of the words “limited company” or the abbreviation “L.C.” In addition to the words and abbreviations authorized in the current law, the committee substitute allows the name of a professional LLC, to contain the words “professional limited liability company,” the abbreviations “P.L.C.” or “P.L.L.C.,” or the designations “PL,” “PLC,” or “PLLC.”

### **Uniform Commercial Code: Filing of Secured Transactions (part V of ch. 679, F.S.)**

**Section 51** amends s. 679.5011, F.S., which provides requirements for filing financing statements in secured transactions under the Uniform Commercial Code. Under current law, the Office of the Secretary of State or the filing officer authorized by “s. 697.527” is the appropriate place to file a financing statement to perfect a security interest in collateral. The committee substitute removes the Office of the Secretary of State as an appropriate filing office for secured transactions and corrects the cross-reference to the Florida Secured Transaction Registry, which is authorized to perform the duties of filing office under s. 679.527, F.S. (*See* Section 52 of the committee substitute.)

**Section 52** amends s. 679.527, F.S., which establishes the Florida Secured Transaction Registry and authorizes the Department of State to contract for the performance of the department’s former duties as filing office and filing officer for secured transactions under the Uniform Commercial Code. Under current law, the department was required to contract for the performance of these duties by October 1, 2001, and, among other things, the contractor was required to operate the registry in a manner that is comparable to and compatible with the department’s existing filing system. Until the contract was executed, the department was required to perform these duties. After contracting for these duties, if the contractor fails to perform its duties or becomes bankrupt, insolvent, or is in receivership, the department must reclaim possession and control of all materials and records and operate the registry until a subsequent contract can be executed. The department has contracted for the performance of these duties, as required, and has ceased to perform these duties. The committee substitute removes provisions relating to the initial contracting of these duties and deletes provisions that required the department to continue the duties as filing office and filing officer until the initial contract was issued. The committee substitute also removes authority for the department to approve forms used by the registry. The committee substitute requires the contractor performing the duties of filing office and filing officer to certify copies of financing statements and amendments for use in court proceedings, while removing the requirement that the department authorize such certifications in the contract. The committee substitute further requires the contractor to operate the registry in a manner that complies with each of the requirements specified in law, which must also be comparable to and compatible with the department’s filing system, as it existed on September 28, 2001. If the contractor fails to perform its duties or becomes bankrupt, insolvent, or is in receivership, the committee substitute requires the department to provide for a

subsequent contract, but removes the requirement that the department operate the registry until the contract is executed.

### **Repeals**

**Section 53** repeals ss. 267.171, 679.1021(1)(II), and 679.526, F.S., as follows:

#### ***Historic Properties in St. Augustine***

The committee substitute repeals s. 267.171, F.S., which relates to a contract for preservation of historic properties in the City of St. Augustine. Before 1997, various historic properties owned by the state were managed by the Historic St. Augustine Preservation Board of Trustees. During the 1997 Regular Session, the Legislature eliminated the Historic St. Augustine Preservation Board of Trustees and required the Division of Historical Resources within the Department of State to establish a regional office in St. Augustine (ch. 97-68, L.O.F.). The Legislature also directed the Department of State to contract with the City of St. Augustine for the management of these various state-owned historic properties. The 1997 law required the contract to provide that the City of St. Augustine may use all proceeds derived from the management of state-owned properties for the purpose of maintaining the state-owned buildings and advancing historic preservation in the City of St. Augustine. The Department of State was authorized to transfer ownership of and responsibility for any artifacts, documents, equipment, and other forms of tangible personal property to the City of St. Augustine to assist the city in the transition of the management of state-owned properties. The committee substitute repeals the provisions of law requiring the Department of State to contract for the management of these properties with the City of St. Augustine.

#### ***Filing-Office Rules***

The committee substitute repeals s. 679.526, F.S., which provides the Department of State with authority to adopt rules for the administration of the filing-office duties for secured transactions under the Uniform Commercial Code. The committee substitute also repeals s. 679.1021(1)(II), F.S., which defines the term “filing-office rule” as meaning a rule adopted under s. 679.526, F.S. Thus, the repeal of this definition conforms to the repeal of the authority for adopting the rules.

### **Effective Date**

**Section 54** provides an effective date of July 1, 2002.

## **IV. Constitutional Issues:**

### **A. Municipality/County Mandates Restrictions:**

None.

### **B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

The committee substitute authorizes the Department of State to collect a \$52.50 filing fee for recording a limited partnership's articles of merger. (*See* Section 43 of the committee substitute.)

**B. Private Sector Impact:**

The committee substitute requires appeals of decisions by the Department of State to refuse filing of a corporate document (*see* Section 9 of the committee substitute), or to revoke a foreign corporation's certificate of authority (*see* Section 19 of the committee substitute), brought in circuit court to be filed in Leon County, where the department's headquarters is located, rather than where the corporation's office is located. Consequently, corporations appealing the department's decisions in circuit court may incur additional expenses related to travel and other increased litigation expenses.

**C. Government Sector Impact:**

The Department of State may experience a reduction in its litigation costs associated with travel and related expenses if the venue for certain appeals of the department's decisions is established, as the committee substitute requires, only in Leon County.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.