

# 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: SB 944  
 SPONSOR: Senator Sanderson  
 SUBJECT: Limited Liability Companies  
 DATE: February 14, 2002      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Gillespie</u>	<u>Maclure</u>	<u>CM</u>	<u>Favorable</u>
2.	<u>Forgas</u>	<u>Johnson</u>	<u>JU</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

Senate Bill 944 is commonly referred to as a “glitch bill.” The bill clarifies technical and administrative items and corrects internal inconsistencies and oversights within the Florida Limited Liability Company Act (ch. 608, F.S.) resulting from, or remaining after, the 1999 revision of the act (ch. 99-315, L.O.F.). The bill specifies that references to the term “company” throughout the act mean a “limited liability company” (LLC), provides LLCs with enhanced flexibility in adopting articles of organization and operating agreements, revises the rights and obligations of managing members vested with the management of member-managed companies, reflects that the basis of membership interest in LLCs may be represented using a method other than capital accounts, and conforms provisions for foreign LLCs. The bill also reserves the Legislature’s power to amend or repeal statutes and governs how LLCs are affected by the amendment or repeal of these statutes.

This bill substantially amends the following sections of the Florida Statutes: 608.401, 608.402, 608.404, 608.407, 608.408, 608.4081, 608.409, 608.4101, 608.411, 608.422, 608.4225, 608.4226, 608.4227, 608.4228, 608.4229, 608.423, 608.4231, 608.4235, 608.4238, 608.425, 608.428, 608.432, 608.438, 608.441, 608.444, 608.445, 608.446, 608.449, 608.463, 608.504, and 608.507. The bill also creates ss. 608.704 and 608.705, F.S.

## II. Present Situation:

A limited liability company (LLC) is a business entity with characteristics reflective of both a corporation and a partnership. For legal purposes, an LLC is treated like a corporation and therefore affords its members certain protections from liability. For federal and state income tax purposes, however, an LLC is classified as a partnership, under which the earnings or losses of the LLC are passed through to the members, rather than treating the LLC as a separate taxable

entity. In 1982, Florida became the second state in the nation to authorize the formation of LLCs (ch. 82-177, L.O.F.). In 1998, the Legislature exempted those LLCs that are exempt from federal income tax from the state corporate income tax (ch. 98-101, L.O.F.).

During the 1999 Regular Session, the Legislature enacted a revision of the Florida Limited Liability Company Act (ch. 608, F.S.). The revision, ch. 99-315, L.O.F., incorporated modern language adapted from the National Conference of Commissioners on Uniform State Laws' Uniform Limited Liability Company Act (ULLCA) and the laws of certain model states such as Delaware. The revision modernized Florida law in an attempt to promote the use of LLCs in Florida.

The revision changed the name of the agreement for the management of LLCs from "regulations" to "operating agreements." The revision specified that, unless otherwise provided in the articles of organization or operating agreement, profits, losses, and distributions are allocated on the basis of the agreed value of each member's contributions in the LLC, rather than on the basis of each member's relative capital account. In the absence of any provision for voting, the members vote in proportion to their then-current percentage or other interests in the profits of the LLC.

The revision provided that members may delegate the authority and power to manage the LLC to one or more other persons, and managers need not be members. The revision provided for management by the members or managing members (member-managed company) and management by managers (manager-managed company). The revision provided fiduciary standards similar to those provided by the ULLCA, imposing a duty of loyalty and a duty of care on managers and managing members, including a duty to refrain from dealing with the LLC or competing with the LLC, unless otherwise provided in the articles of organization or operating agreement. The revision added a conflict of interest section modeled after a similar section in the Florida Business Corporation Act (ch. 607, F.S.).

The revision provided a new section addressing the initial admission of members. The revision eliminated the requirement of unanimous, written consent for the admission of new members to an LLC and provided language specifically outlining the nature of a member's interest, including bifurcation of the economic interest and voting interest. The revision provided a default provision, which included procedures for the assignment of a member's interest. The revision removed provisions requiring the filing of a supplemental affidavit of capital contributions, clarified provisions relating to foreign LLCs, and lowered certain filing fees.

The Business Law Section of The Florida Bar includes a Corporations, Securities and Financial Services Committee. The committee consists of practitioners and academics in the field of corporate, securities, mergers and acquisitions, and financial services law. The committee's membership includes authors of books regarding Florida corporate law and corporate law professors at Florida law schools. As part of its continuous review of the Florida Limited Liability Company Act, the committee has recommended several changes to clarify technical and administrative items and to correct internal inconsistencies and oversights within the act, which remain after the act's substantial revision in 1999. Senate Bill 944 substantially implements these recommendations.

### III. Effect of Proposed Changes:

The bill clarifies technical and administrative items and corrects internal inconsistencies and oversights within the Florida Limited Liability Company Act (ch. 608, F.S.) resulting from, or remaining after, the 1999 revision of the act (ch. 99-315, L.O.F.). The bill specifies that references to the term “company” throughout the act mean a “limited liability company” (LLC), provides LLCs with enhanced flexibility in adopting articles of organization and operating agreements, revises the rights and obligations of managing members vested with the management of member-managed companies, reflects that the basis of membership interest in LLCs may be represented using a method other than capital accounts, and conforms provisions for foreign LLCs. The bill also reserves the Legislature’s power to amend or repeal statutes and governs how LLCs are affected by the amendment or repeal of these statutes.

**Section 1** amends s. 608.401, F.S., expanding the range of sections included in the Florida Limited Liability Company Act to include ss. 608.704 and 608.705, F.S., which are created by the bill.

**Section 2** amends s. 608.402, F.S., which provides definitions for the Florida Limited Liability Company Act. The bill amends the definitions of “articles of merger” and “articles of organization” to clarify that reference to the term “company” means a foreign LLC.

The bill amends the definition of “authorized representative” to eliminate the requirement that a member of an LLC must be identified in the articles of organization or operating agreement in order to authorize a representative, thereby allowing an LLC to have an authorized representative file articles of organization upon the authorization of a member who is not identified in the articles of organization or operating agreement. The bill amends the definition of “insolvent” to clarify that references to the term “company” mean an LLC.

The bill amends the definition of “manager-managed company” to eliminate the requirement that managers be designated in an LLC’s articles of organization or operating agreement, thereby allowing the designation of managers to occur in other documents. The bill also clarifies that a manager-managed company may be managed by one or more than one manager.

The bill amends the definition of “member” to reflect that capital accounts may, but are not required, to be used as the basis for representing membership interest. The bill also requires that members be admitted to an LLC in accordance with all of ch. 608, F.S., in lieu of a cross-reference to s. 608.4232, F.S., which requires that members not be admitted unless consented to by a majority-in-interest, except as otherwise provided in the articles of organization or operating agreement.

The bill amends the definition of “operating agreement” to include managing members as an additional category of persons whose relationships are governed by an LLC’s operating agreement, thereby reflecting that a member-managed company may be managed by one or more managing members.

**Section 3** amends s. 608.404, F.S., which specifies that an LLC, unless otherwise provided in its articles of organization or operating agreement, has the same powers as an individual to do all

things necessary to carry out its business and affairs, including the power to select the LLC's "managers" and appoint the LLC's officers, directors, employees, and agents. Under current law, a manager-managed company is managed by one or more managers, but a member-managed company is managed by one or more managing members. The bill clarifies that the powers of an LLC include the power to select "managing members," thereby recognizing that managing members are an additional category of management.

**Section 4** amends s. 608.407, F.S., which includes the requirements for an 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 manger-managed company, the articles of organization must reflect this organization (s. 608.407(1)(d), F.S.). This requirement is inconsistent with s. 608.422(3), F.S., which allows an LLC to provide for management by one or more managers in its operating agreement. The bill eliminates this requirement and provides that the articles of organization may, but are not required to, include a statement that the LLC is to be a manager-managed company. The bill also provides that an entity's filing of articles of organization with the Department of State is notice the entity is an LLC and is notice of all other facts set forth in the articles of organization.

**Section 5** 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 revocations. The bill makes a technical change, clarifying that these procedures for filing also apply to "articles." Under current law, 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 bill clarifies that the articles of dissolution, not the certificate of dissolution, must be signed by an LLC's members.

**Section 6** amends s. 608.4081, F.S., which provides requirements for filing documents with the Department of State. Under current law, an LLC's documents must be executed as required by s. 608.407, F.S.; however, that section prescribes the required contents for an LLC's articles of organization. The bill corrects the cross-reference to s. 608.408, F.S., which, as amended by the bill, will govern how an LLC's articles, certificates, or statements must be executed. These provisions prescribe whether a particular document must be signed by the LLC's members, an authorized representative, an attorney in fact, or a registered agent. The bill also clarifies that reference to the term "company" means an LLC.

**Section 7** amends s. 608.409, F.S., which governs when an LLC's existence commences after filing articles of organization. Under current law, an LLC's existence begins at the date and time when the LLC's articles of organization are filed with the Department of State (s. 608.409(1), F.S.). An LLC's existence may commence at a delayed date and time if specified in the LLC's articles of organization (s. 608.409(2), F.S.). An LLC is generally prohibited from transacting business or incurring indebtedness until the articles of organization are filed. Thus, under current law, an LLC could technically transact business and incur indebtedness after its articles of

organization are filed, but before its existence has commenced. The bill clarifies that the prohibition against transacting business or incurring indebtedness applies to the LLC's effective date and time of commencement, not the date and time when the articles of organization are filed. The bill also clarifies that references to the term "company" mean an LLC.

**Section 8** amends s. 608.4101, F.S., which requires an LLC to keep certain records at its principal office and provide its members, their agents and attorneys, its managers, and the legal representatives of its deceased members with access to these records. The current law provides that these records must include a current list of the full names and last known addresses of all members and managers, but the current law does not require a list of managing members for an LLC organized as a member-managed company. The bill requires the list to include managing members.

Under current law, an LLC's records must also include a copy of the LLC's articles of organization, certificates of conversion, and powers of attorney. In addition to these documents, the bill requires the records kept by an LLC to include a copy of any other document filed with the Department of State concerning the LLC. The bill also clarifies that references to the term "company" mean an LLC.

**Section 9** amends s. 608.411, F.S., which provides requirements for filing an LLC's restated articles of organization with the Department of State. Restated articles of organization integrate and incorporate an LLC's articles of organization and all effective amendments into one document. The bill clarifies that references to the term "company" mean an LLC, but does not make any substantive changes.

**Section 10** amends 608.422, F.S., which governs the management of LLCs. Under current law, an LLC is organized as a member-managed company unless otherwise provided in the LLC's articles of organization or operating agreement. For a member-managed company, unless otherwise provided in its articles of organization or operating agreement, management is vested in the LLC's members in proportion to their current membership interest, and a decision of the membership's majority-in-interest is controlling. The current law does not allow a member-managed company's articles of organization or operating agreement to specify that a decision is controlling by anyone other than the membership's majority-in-interest. The bill provides that management of a member-managed company may be vested in elected managing members and that a decision of elected managing members is also controlling unless otherwise provided in the LLC's articles of organization or operating agreement.

For a manager-managed company, under current law, each manager must have equal rights in the management of the LLC; the manager, or majority of the managers, must have authority to make exclusive decisions about the LLC's business; and each manager must be selected by the membership's majority-in-interest and must hold office until a successor is elected and qualified. The bill allows an LLC's articles of organization or operating agreement to govern these requirements, but provides that these requirements govern unless otherwise provided in the articles of organization or operating agreement. The bill also clarifies that references to the term "company" mean an LLC.

**Section 11** amends s. 608.4225, F.S., which provides standards of conduct for the managers or managing members of an LLC. Under current law, each LLC's manager or managing member has a duty of loyalty and duty of care to the LLC and to the "other" members of the LLC. Each manager and managing member must also discharge duties to the LLC and to the "other" members as provided in the articles of organization or operating agreement and in law. Under current law, a manager may be, but is not required to be, a member of the LLC (s. 608.402(18), F.S.). The bill clarifies that a manager is not required to be a member by removing reference to "other" members and requiring a manager to discharge his or her duties for "all" members of the LLC. The bill also clarifies that reference to the term "company" means an LLC.

**Section 12** amends s. 608.4226, F.S., which governs conflicts of interest in transactions between an LLC and one or more of its members, managers, or managing members. Under current law, if a financial interest is disclosed and the transaction is fair and reasonable, the financial interest does not create a conflict of interest due to the member's, manager's, or managing member's attendance at the meeting of the managers, managing members, or committee that approved the transaction. Under current law, these provisions do not specifically apply to attendance at meetings of the "members." The bill clarifies that attendance at a meeting of members at which a transaction involving the financial interest of a member, manager, or managing member is approved does not create a conflict of interest if the financial interest is disclosed and the transaction is fair and reasonable. The bill also clarifies that provisions governing votes on transactions involving a conflict of interest at a meeting of the members do not apply to votes on other matters.

**Section 13** amends s. 608.4227, F.S., which provides an LLC's members and managers qualified immunity from liability resulting solely from the fact that they serve as members or managers. Under current law, this immunity applies to members and managers, but does not clearly apply to managing members. The bill clarifies that the immunity for members and managers applies to managing members.

**Section 14** amends s. 608.4228, F.S., which provides an LLC's managers and managing members qualified immunity from personal liability for damages related to a manager's or managing member's duties unless the manager or managing member acts unlawfully, recklessly, or improperly. Under current law, this immunity applies to damages of the LLC, but does not specifically apply to damages of the LLC's members. The bill clarifies that the immunity for managers and managing members applies to the damages of an LLC's members.

**Section 15** amends s. 608.4229, F.S., which allows an LLC's articles of organization or operating agreement to indemnify its managers, managing members, officers, employees, and agents from all claims and demands under certain circumstances. Under current law, this indemnification may apply to managing members, but is not specifically authorized to apply to other members. The bill clarifies that the indemnification for managing members may also apply to other members.

**Section 16** amends s. 608.423, F.S., which governs the contents of an LLC's operating agreement. Under current law, all members of an LLC may enter into an operating agreement to regulate the affairs of the LLC, but this operating agreement may not vary the right to expel a member in an event specified in the Florida Limited Liability Company Act (ch. 608, F.S.). The

current law does not specify when members may enter into an operating agreement, nor does the current law include any specified events for expelling a member. The bill provides that the members of an LLC may enter into an operating agreement before, after, or simultaneously when the articles of organization are filed. The bill specifies that the operating agreement takes effect on the date of the LLC's formation or on any other date provided in the operating agreement. The bill also removes the provision prohibiting an LLC from varying the right to expel a member and clarifies that references to the term "company" mean an LLC.

**Section 17** amends s. 608.4231, F.S., which governs voting by an LLC's members and managers. Under current law, unless a voting provision is contained in the LLC's articles of organization or operating agreement, the members vote in proportion to their percentage or other membership interest in the LLC, and all matters are decided by a majority-in-interest. If an LLC's members appoint more than one manager, matters are decided by a majority vote of the managers unless otherwise provided in the articles of organization or operating agreement. Under current law, proxy voting is permitted on any matter to be voted on by members or managers unless otherwise provided in the LLC's articles of organization or operating agreement, but proxy voting is not clearly permitted for managing members. The bill clarifies that a voting provision in an LLC's articles of organization or operating agreement must conflict with these statutory voting provisions to take precedence. The bill clarifies that the value of a member's vote is based in proportion to the member's percentage or other "allocable" interest, reflecting that the basis of a member's interest may be represented using a method other than a capital account. The bill also provides that proxy voting permitted for members and managers is also permitted for managing members and clarifies that reference to the term "company" means an LLC.

**Section 18** amends s. 608.4235, F.S., which governs when an LLC's member or manager is considered an agent of the LLC, thereby causing the member's or manager's acts to be considered acts of the LLC. The bill clarifies that references to the term "company" mean an LLC and clarifies in the section's catch line that this section applies to managing members, but does not make any substantive changes.

**Section 19** amends s. 608.4238, F.S., which establishes joint-and-several liability of persons purporting to act on behalf of an LLC who know that no LLC has been organized. The bill clarifies that reference to the term "company" means an LLC, but does not make any substantive changes.

**Section 20** amends s. 608.425, F.S., which provides that documents relating to an LLC's property are binding upon the LLC if the documents are executed as required by law. The bill clarifies that reference to the term "company" means an LLC, but does not make any substantive changes.

**Section 21** amends s. 608.428, F.S., which prohibits an LLC's member from receiving a distribution from the LLC if, after the distribution, all of the LLC's liabilities, other than liabilities to members for their membership interests, exceed the value of the LLC's assets. Under current law, a member of an LLC is generally entitled to a distribution of his or her membership interest in the LLC (s. 608.427, F.S.). A member is not, however, entitled to a distribution of his or her membership interest if, after the distribution, the LLC's liabilities would

exceed its assets. The bill clarifies that a member is not entitled to distribution of his or her membership interest if, after the distribution, the LLC would be “insolvent.” The term “insolvent” is defined under current law (s. 608.402(14), F.S.):

“Insolvent” means the inability of [an LLC] to pay the [LLC]’s debts as they become due in the ordinary course of business or that the fair value of the [LLC]’s total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the [LLC] were to be dissolved and terminated at the time of the distribution, to satisfy the preferential distribution rights of the [LLC]’s members accrued through such dissolution and termination.

Accordingly, the bill clarifies how an LLC’s liabilities are calculated as exceeding its assets, thereby preventing a member’s membership interest from being distributed when an LLC is insolvent. The bill also clarifies that reference to the term “company” means an LLC.

**Section 22** amends s. 608.432, F.S., which governs the assignment by an LLC’s member of his or her membership interest. Under current law, an LLC’s articles of organization or operating agreement govern the assignment of a member’s membership interest and the assignee’s rights to participate in the LLC’s management. To allow an assignee to participate in the LLC’s management, the current law also requires the approval of each member of the LLC other than the member assigning the interest and compliance with any procedure provided for in the “limited liability company agreement.” The term “limited liability company agreement” is not defined under Florida law, but is often found in model acts from Delaware. The bill replaces this term and clarifies an LLC must adhere to its articles of organization or operating agreement.

**Section 23** amends s. 608.438, F.S., which governs the merger of an LLC. Under current law, the plan for a merger must set forth the names and addresses of the LLC’s managers, if the LLC is the entity surviving the merger and management is vested in one or more managers. Under current law, the names of the managers must be included, but the names of managing members are not clearly required. The bill clarifies that the names and addresses of managing members must also be included in the plan for a merger.

**Section 24** amends s. 608.441, F.S., which governs the dissolution of an LLC. Under current law, an LLC is dissolved at any time there are no members; however, unless otherwise provided in the LLC’s articles of organization or operating agreement, the personal or legal representative of the last remaining member can continue the LLC within 90 days after the member left the LLC’s membership or within a period specified in the articles of organization or operating agreement. Under current law, except as otherwise provided in the articles of organization or operating agreement, an LLC is not dissolved because of the death, retirement, resignation, expulsion, bankruptcy, or dissolution of a member as long as the LLC has at least one remaining member. The bill clarifies that the death, retirement, resignation, expulsion, bankruptcy, or dissolution of the last remaining member does not cause the dissolution of the LLC if the personal or legal representative of the deceased member agrees to continue the LLC. The bill also clarifies that reference to the term “company” means an LLC.

**Section 25** amends s. 608.444, F.S., which requires that, upon an LLC’s dissolution, the LLC’s assets are distributed first to creditors and then, except as provided in the articles of organization



or operating agreement, to the members. The bill clarifies that reference to the term “company” means an LLC, but does not make any substantive changes.

**Section 26** amends s. 608.445, F.S., which requires an LLC’s articles of dissolution to stipulate 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. The bill clarifies that reference to the term “company” means an LLC, but does not make any substantive changes.

**Section 27** amends s. 608.446, F.S., which provides requirements for the Department of State to issue certificates of dissolution to LLCs that file articles of dissolution and which governs how dissolved LLCs are handled. The bill clarifies that references to the term “company” mean an LLC, but does not make any substantive changes.

**Section 28** amends s. 608.449, F.S., which allows an LLC’s manager or member to bring an action in circuit court to dissolve the LLC in circumstances in which: the managers or members are deadlocked in the LLC’s management, the members cannot break the deadlock, and irreparable injury to the LLC is threatened. Under the current law, the circuit court may dissolve an LLC if the managers or members are deadlocked, but a deadlock involving managing members does not clearly authorize an LLC’s dissolution. The bill clarifies that the circuit court may dissolve an LLC in circumstances in which the managing members are deadlocked in the management of an LLC.

**Section 29** amends s. 608.463, F.S., which governs services of process upon an LLC. Under current law, any notice to or demand on an LLC may be served on a manager if management is vested in a manager. The current law, however, is unclear about service on an LLC that is managed by more than one manager. The bill clarifies that a notice or demand may be served on a manager if management is vested in one or more managers. The bill also clarifies that references to the term “company” mean an LLC.

**Section 30** amends s. 608.504, F.S., which requires a foreign LLC authorized to transact business in this state to apply for an amended certificate of authority if the company’s application was, or becomes, false due to changes in circumstances or if the foreign LLC changes its name, the period of its duration, or the jurisdiction of its organization. The bill clarifies that reference to the term “company” means an LLC, but does not make any substantive changes.

**Section 31** amends s. 608.507, F.S., which provides requirements for the registered agent of a foreign LLC. Under current law, the registered agent of a foreign LLC can be an individual who resides in this state, a domestic corporation, a domestic LLC, a foreign corporation, or a foreign LLC. The current law does not recognize a business entity other than a corporation or an LLC as eligible to serve as a foreign LLC’s registered agent. The bill clarifies that a “foreign or domestic entity” may be a foreign LLC’s registered agent and deletes specific references to a domestic corporation, a domestic LLC, a foreign corporation, and a foreign LLC. These changes conform this section to the requirements for the registered agent of a domestic LLC in s. 608.415, F.S.

**Section 32** creates s. 608.704, F.S., which provides that the Legislature has the power to amend or repeal all or part of the Florida Limited Liability Company Act (ch. 608, F.S.), and that all

domestic and foreign LLCs are governed by the future amendments and repeals. In 1819, the United States Supreme Court held that the charter of a corporation created by the state is a contract, and is in all particulars inviolable, unless in the charter itself, or in some general or special law to which it was taken subject, there is a power reserved to the legislature to alter or amend. *Trustees of Dartmouth College v. Woodward*, 17 U.S. 518 (1819). This section, therefore, reserves the Legislature's power and requires LLCs to be governed by subsequent amendments and repeals, establishing this provision as part of the "contract" between the state and each LLC. This section is substantially similar to s. 607.0102, F.S., which reserves the Legislature's power to amend or repeal all or part of the Florida Business Corporation Act (ch. 607, F.S.).

**Section 33** creates s. 608.705, F.S., which governs how LLCs are affected by the future repeal of a statute by the Florida Limited Liability Company Act. In effect, the bill allows an LLC to remain in existence after the repeal of statutes that authorized its creation. The bill provides that the repeal does not affect the future operation of the repealed statute and actions taken under the statute before the repeal, including the continuing validity of articles of organization and operating agreements adopted while the statute was effective and all rights and obligations acquired under the statute while it was effective. The bill permits an LLC's merger, sale of assets, reorganization, or dissolution commenced under the repealed statute while it was effective to be completed. The bill specifies that the repeal does not affect penalties and forfeitures imposed for violations under the statute while it was effective, and if the Legislature reduces a penalty in ch. 608, F.S., the reduced penalty is imposed for violations that occurred while the repealed statute was effective. This section is substantially similar to s. 607.1907, F.S., which governs the effect of a statute's repeal on corporations by the Florida Business Corporation Act (ch. 607, F.S.).

**Section 34** provides an effective date of October 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:

None.

**B. Private Sector Impact:**

The bill clarifies technical and administrative items and corrects internal inconsistencies and oversights within the Florida Limited Liability Company Act. Thus, the bill is essentially technical in nature, and any financial impact on limited liability companies will most likely be minimal.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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