

1 A bill to be entitled
2 An act relating to nonprofit corporations; amending s.
3 617.01011, F.S.; renaming the "Florida Not For Profit
4 Corporation Act" as the "Florida Nonprofit Corporation
5 Act"; amending s. 617.01201, F.S.; providing
6 applicability; providing that provisions of a plan or
7 filed document may not be made dependent upon facts
8 outside the plan or filed document; requiring a
9 corporation to file articles of amendment with the
10 Department of State under certain circumstances;
11 providing that articles of amendment are deemed to be
12 authorized by the authorization of the original filed
13 document to which they relate; providing that such
14 articles of amendment may be filed by the corporation
15 without further action by the board of directors or
16 the members; defining the terms "filed document" and
17 "plan"; making technical changes; amending s.
18 617.0123, F.S.; providing that a document accepted for
19 filing may specify an effective time and a delayed
20 effective date; providing that a previous effective
21 date may be specified in the initial articles of
22 incorporation if such date is within a specified
23 timeframe; specifying when a document accepted for
24 filing is effective; providing that the date or time
25 at which a document is filed is the time and date at

26 the place of filing in this state; amending s.
27 617.0124, F.S.; revising the circumstances in which a
28 domestic or foreign corporation may correct a document
29 filed with the department; prohibiting articles of
30 correction from containing a delayed effective date
31 for the correction; authorizing a corporation to
32 withdraw a filing delivered to the department before
33 it takes effect by delivering a withdrawal statement
34 to the department for filing; specifying what
35 information must be included in a withdrawal
36 statement; providing that the action or transaction
37 evidenced by the original filing does not take effect
38 upon the filing of a withdrawal statement by the
39 department; amending s. 617.0126, F.S.; revising what
40 a domestic or foreign corporation may do if the
41 department refuses to file a document delivered to its
42 office for filing; amending s. 617.0127, F.S.;
43 requiring all courts, public offices, and official
44 bodies to receive all certificates issued by the
45 department as prima facie evidence of certain facts;
46 amending s. 617.0128, F.S.; requiring the department
47 to issue, upon request, a certificate of status for a
48 domestic corporation or a certificate of authorization
49 for a foreign corporation; amending s. 617.01301,
50 F.S.; revising who must answer interrogatories

51 directed at a corporation; making technical changes;
52 amending s. 617.01401, F.S.; defining, revising, and
53 deleting terms; amending s. 617.0141, F.S.; requiring
54 written and oral notice to be communicated in a
55 specified manner; making technical changes; creating
56 s. 617.0143, F.S.; defining terms; providing that a
57 director is not automatically prevented from being a
58 qualified director under certain circumstances;
59 amending s. 617.0202, F.S.; revising the contents of
60 the articles of incorporation; amending s. 617.0204,
61 F.S.; deleting an exception for liability for
62 preincorporation transactions; amending s. 617.0206,
63 F.S.; providing an exception when the initial bylaws
64 of a corporation must be adopted by its board of
65 directors; amending s. 617.0302, F.S.; revising the
66 corporate powers of nonprofit corporations; amending
67 s. 617.0304, F.S.; making technical changes; amending
68 s. 617.0401, F.S.; authorizing a corporation to
69 register under a name that is not otherwise
70 distinguishable on the records of the department under
71 certain circumstances; providing that the corporate
72 name as filed with the department is for public notice
73 only and does not alone create any presumption of
74 ownership of such name; providing applicability;
75 amending s. 617.0403, F.S.; authorizing a foreign

76 corporation that has registered its name to conduct
77 its affairs in this state; making technical changes;
78 amending s. 617.0501, F.S.; specifying the duties of a
79 registered agent; deleting the definition for the term
80 "authorized entity"; authorizing a court to stay a
81 proceeding commenced by a corporation until the
82 corporation is in compliance; making technical
83 changes; amending s. 617.0502, F.S.; revising the
84 information required in a statement filed with the
85 department for a corporation requesting to change its
86 registered office or its registered agent; deleting a
87 provision that a registered agent may resign by
88 signing and delivering to the department a statement
89 of resignation; revising the statement of resignation
90 requirements; deleting the notification requirements
91 for a registered agent who changes his or her business
92 name or business address; deleting a provision that a
93 registered office or registered agent may be changed
94 on the corporation's annual report form filed with the
95 department; deleting a requirement that the department
96 collect a fee for filings; creating s. 617.05021,
97 F.S.; authorizing a registered agent to resign as
98 agent for a corporation in a specified manner under
99 certain circumstances; providing applicability;
100 providing that a registered agent is terminated upon

101 the department filing certain documents; providing
102 that a registered agent ceases to have responsibility
103 for any matter tendered to the agent once a statement
104 of resignation takes effect; authorizing a registered
105 agent to resign from a corporation regardless of
106 whether the corporation has active status; creating s.
107 617.05022, F.S.; authorizing a registered agent
108 seeking to change the registered agent's name or
109 business address to file with the department a
110 statement of change; specifying the information to be
111 included in the statement of change; requiring a
112 registered agent to furnish notice of the statement of
113 change to the represented corporation; providing that
114 the statement of change is effective when filed by the
115 department; providing that such changes may be made by
116 the corporation with other filings by the department;
117 requiring the department to collect a fee for filings;
118 amending s. 617.0503, F.S.; deleting applicability for
119 alien business organizations; revising the testimony
120 and records required to be produced for the Department
121 of Legal Affairs by certain domestic or foreign
122 corporations; deleting definitions; making technical
123 changes; amending s. 617.0505, F.S.; prohibiting a
124 corporation from paying any dividend and making
125 distributions of any part of its net income or net

126 earnings to its members, directors, or officers;
127 revising exceptions; providing that a dividend or
128 distribution by a nonprofit insurance company
129 subsidiary is not a distribution under certain
130 circumstances; making technical changes; amending s.
131 617.0601, F.S.; providing that, for certain nonprofit
132 corporations, notice to, the presence of, or the vote,
133 consent, or other action by a board of directors
134 satisfies a specified requirement; requiring
135 corporation members who have no other rights except as
136 provided in the articles of incorporation or the
137 bylaws to have the same rights and obligations as
138 every other member; authorizing a corporation to admit
139 members for no consideration or for such consideration
140 as determined by the board of directors; providing
141 that such consideration may take any form; providing
142 that payment of such consideration may be made as set
143 forth in or authorized by the articles of
144 incorporation, the bylaws, or the action of the board
145 of directors; prohibiting a corporation from being a
146 member of itself or exercising the rights of a member
147 with respect to itself; providing that a corporation's
148 purchase of its own membership interest is canceled
149 under certain circumstances; making technical changes;
150 creating s. 617.0603, F.S.; authorizing a corporation

151 to pay certain compensation to and confer certain
152 benefits upon its members, directors, officers,
153 agents, and employees; authorizing a corporation to
154 make certain distributions to its members and others
155 upon dissolution or final liquidation; providing that
156 such payments, benefits, or distributions may not be
157 deemed to be a dividend or a distribution of income or
158 earnings; amending s. 617.0604, F.S.; authorizing a
159 corporation to levy dues, assessments, and fees on its
160 members to the extent authorized by the articles of
161 incorporation or bylaws; providing that such dues,
162 assessments, and fees may be imposed on members of the
163 same class in alike or different amounts or
164 proportions, and imposed on a different basis on
165 different classes of members; providing that certain
166 members may be made exempt from such dues,
167 assessments, and fees to the extent provided in the
168 articles of incorporation or bylaws; providing that
169 the amount and method of collecting such dues,
170 assessments, and fees may be fixed in the articles of
171 incorporation or bylaws, or by the board of directors
172 or its members; providing that the articles of
173 incorporation or bylaws may provide reasonable means
174 to enforce the collection of such dues, assessments,
175 and fees; prohibiting a creditor of a corporation from

176 bringing a proceeding to reach the liability of a
177 member of the corporation unless certain conditions
178 are met; authorizing all creditors of a corporation to
179 intervene in any other creditor's proceeding brought
180 to reach and apply unpaid amounts due from the
181 corporation; authorizing all members who owe unpaid
182 amounts to the corporation to be joined in the
183 proceeding; providing that satisfaction of a debt owed
184 to a creditor by the corporation through payment of a
185 member who owes unpaid amounts to the corporation
186 satisfies the debt of the corporation to the creditor
187 and the debt of the member to the corporation to the
188 extent so paid by the member to the creditor; amending
189 s. 617.0605, F.S.; revising the process by which
190 membership interests of a corporation may be
191 transferred; amending s. 617.0606, F.S.; authorizing a
192 member to resign at any time for any reason; amending
193 s. 617.0607, F.S.; providing that a member who had a
194 membership suspended or terminated may be liable to
195 the corporation for dues, assessments, or fees for
196 obligations incurred or commitments made before the
197 expulsion, suspension, or termination; providing that
198 any such expulsion, suspension, or termination does
199 not relieve the member of any obligations or
200 commitments made before the expulsion, suspension, or

201 termination; authorizing a corporation to levy fines
202 or penalize its members if such actions are authorized
203 in the articles of incorporation or bylaws;
204 prohibiting the levy of certain penalties until after
205 the corporation has provided notice to the member
206 concerned and has afforded the affected member an
207 opportunity to be heard on the matter; amending s.
208 617.0608, F.S.; prohibiting certain corporations from
209 purchasing the membership interests or any rights
210 arising from membership of any of their members;
211 authorizing certain other corporations to purchase the
212 membership interest of any member or any right arising
213 from membership, subject to the articles of
214 incorporation or bylaws; providing that payment for
215 such membership interest or right arising from
216 membership is not a dividend or a distribution of
217 income or earnings; providing circumstances in which a
218 corporation may purchase the membership interests of a
219 member who resigns; amending s. 617.0701, F.S.;

220 authorizing a corporation with members to hold
221 meetings for certain purposes; providing that
222 specified meetings may be held in or out of this
223 state; providing that failure to hold a required
224 annual meeting does not work a forfeiture or
225 dissolution of the corporation and does not affect the

226 validity of any corporate action; revising when
227 special meetings of the members may be called;
228 providing that a written demand for a special meeting
229 may be revoked by a writing received by the
230 corporation before receiving the written demands from
231 certain members sufficient in number to require
232 holding the special meeting; providing that any
233 business other than that described in the meeting
234 notice may not be conducted at the meeting;
235 authorizing special meetings to be held in or out of
236 this state at a place stated in or fixed in accordance
237 with the articles of incorporation and bylaws;
238 requiring that special meetings be held at the
239 corporation's principal office if no such place is
240 stated in or fixed in the articles of incorporation
241 and bylaws or in the notice of special meeting;
242 providing that action taken by written consent is
243 effective when such written consent is signed by
244 members entitled to cast the required number of votes
245 on the action and has been delivered to the
246 corporation; requiring that, for corporations whose
247 nonvoting members must be given notice of proposed
248 corporate action, proper notice be given to the
249 nonvoting members after obtaining authorization by
250 written consent; authorizing members to waive any

required notice within a certain timeframe; requiring
that such waiver be in writing, signed by the member,
and delivered to the corporation for filing; providing
that a member's attendance at a meeting waives certain
objections; making technical changes; amending s.
617.0721, F.S.; providing that a member or a member's
attorney in fact may appoint a proxy to vote or
otherwise act for the member for certain duties;
requiring that an appointment form contain certain
information; specifying when an appointment of a proxy
is effective and valid; providing that the death or
incapacity of a member who appoints a proxy does not
affect the right of the corporation to accept the
proxy's authority under certain circumstances;
authorizing a member to revoke appointment of a proxy;
providing an exception; providing that a corporation
may reject a ballot or demand, as well as a vote,
consent, waiver, or proxy appointment, under certain
circumstances; providing that members of any class,
their attorneys-in-fact, and proxies may participate
in any meeting of members to the extent that the board
of directors authorizes such participation for such
class; limiting participation by remote communication
to the guidelines and procedures adopted by the board
of directors; providing that members, their attorneys-

in-fact, and proxies who participate by means of remote communication are deemed present in person and may vote at a meeting under certain circumstances; requiring that a vote or action taken by a member, a member's attorney in fact, or a proxy by means of remote communication be maintained by the corporation; providing that a meeting may be held solely by means of remote communication only under certain circumstances; making technical changes; creating s. 617.0741, F.S.; prohibiting directors, officers, or members from commencing a proceeding in the right of a domestic or foreign corporation unless certain circumstances exist; creating s. 617.0742, F.S.; specifying requirements for a complaint in a proceeding brought in the right of a corporation; creating s. 617.0743, F.S.; authorizing the court to stay a derivative proceeding if the corporation commences an inquiry into the allegations made in the demand or complaint; creating s. 617.0744, F.S.; authorizing the court to dismiss a derivative proceeding on motion by the corporation if a certain determination is made by specified persons; providing that the corporation has the burden of proof in all such cases in regard to certain issues; authorizing the court to appoint a panel of disinterested and

independent persons to make such determination;
providing construction; creating s. 617.0745, F.S.;
providing that a derivative action may not be
discontinued or settled without the court's approval;
requiring the court to direct that notice be given to
certain members under certain circumstances;
authorizing the court to determine which party bears
the expense of giving such notice; creating s.
617.0746, F.S.; authorizing the court to take
specified action upon the termination of a derivative
proceeding; creating s. 617.0747, F.S.; providing
applicability; amending s. 617.0803, F.S.; revising
the number of persons to serve on the board of
directors; creating s. 617.0804, F.S.; specifying the
manner in which directors of membership and
nonmembership corporations are elected; creating s.
617.0805, F.S.; providing that the articles of
incorporation or bylaws may specify the terms of
directors; providing that if a term is not specified
in the articles of incorporation or bylaws, the term
of a director is 1 year; providing that a decrease in
the number of directors does not affect an incumbent
director's term; providing that the term of a director
elected to fill a vacancy expires at the end of the
term the director is filling; providing that a

326 director continues to serve after his or her term
327 expires until the director's successor takes office;
328 amending s. 617.0808, F.S.; providing that a director
329 may be removed under certain circumstances; amending
330 s. 617.0809, F.S.; revising the manner in which a
331 vacancy on the board of directors is filled; deleting
332 a requirement that the term of a director elected or
333 appointed to fill a vacancy expires at the next annual
334 meeting to elect directors; deleting a provision
335 authorizing a vacancy caused by an increase in the
336 number of directors to be filled by the board of
337 directors in a specified manner; creating s.
338 617.08091, F.S.; authorizing the court to remove a
339 director from office in a proceeding commenced by or
340 in the right of the corporation if the court makes
341 certain findings; limiting the persons who may bring
342 such an action; requiring that an action by a member
343 be brought only if the member or members collectively
344 bringing action have a specified voting power;
345 authorizing the court to bar the director from being
346 reelected, redesignated, or reappointed for a period
347 prescribed by the court; providing construction;
348 amending s. 617.0820, F.S.; revising the criteria for
349 when meetings of the board of directors may be called;
350 authorizing that regular meetings of the board of

directors may be held without notice of date, time, place, or purpose; requiring that special meetings of the board of directors be preceded by a certain amount of notice of the date, time, and place of the meeting; amending s. 617.0821, F.S.; requiring that actions taken without a meeting be delivered to the corporation; revising when certain action taken is effective; providing that a director's consent may be withdrawn by a revocation signed by the director and delivered to the corporation before delivery to the corporation of certain unrevoked written consents; amending s. 617.0823, F.S.; revising the list of what a director waives when he or she signs a waiver of notice and attends a meeting of the board of directors; amending s. 617.0830, F.S.; specifying the standards of conduct a member of the board of directors or a board committee must conform to in discharging his or her duties; authorizing members to rely on certain persons in discharging their duties; providing that a director is not a trustee in certain respects; amending s. 617.0832, F.S.; defining terms; providing that if a director's conflict of interest transaction is fair to the corporation at the time that transaction is authorized, approved, effectuated, or ratified, the transaction is not void or voidable,

and is not grounds for relief, damages, or other sanctions; providing that the person challenging the validity of such transaction or seeking relief has the burden of proving certain facts; specifying the burden of proof for the person defending or asserting the validity of the director's conflict of interest; providing that the presence of or a vote cast by a director with an interest in a transaction does not affect the validity of the action if the transaction is otherwise authorized, approved, or ratified by the board of directors; authorizing a party challenging the validity of the transaction to assert and prove that a director or member was not disinterested on certain grounds for the purpose of voting on, consenting to, or approving the transaction; requiring that an action to satisfy certain authorization requirements be taken by the board of directors or a committee in order to authorize the transaction under certain circumstances; requiring that action be taken to satisfy certain requirements by the members or a committee in order to authorize the transaction under certain circumstances; reordering and amending s. 617.0834, F.S.; revising immunity and liability of certain persons; specifying when such persons are deemed not to have derived an improper personal

benefit from any transaction under certain
circumstances; revising the definition of the term
"recklessness"; providing construction; amending s.
617.0835, F.S.; revising applicability; creating s.
617.0844, F.S.; providing the standards of conduct an
officer must conform to in discharging his or her
duties; authorizing officers to rely on certain
persons in discharging their duties; specifying the
duties of an officer; providing that an officer is not
a trustee with respect to the corporation or any
property held or administered by the corporation in
trust; amending s. 617.1001, F.S.; revising the
authority of the corporation to amend its articles of
incorporation; amending s. 617.1002, F.S.; revising the
procedure for amending the articles of incorporation;
amending s. 617.1006, F.S.; requiring that an
amendment to the articles of incorporation be
delivered to the department for filing articles of
amendment; specifying what must be set forth in such
articles of amendment; amending s. 617.1101, F.S.;
revising the plan of merger for certain entities;
specifying what a plan of merger must include;
providing that terms of a plan of merger may be made
dependent upon facts objectively ascertainable outside
the plan; authorizing amendments to a plan of merger

426 with the consent of each party to the merger, except
427 as provided in the plan; authorizing a domestic party
428 to a merger to approve an amendment to a plan in a
429 certain manner; amending s. 617.1102, F.S.; revising
430 the limitations on merger for certain corporations
431 that hold property for a charitable purpose; amending
432 s. 617.1103, F.S.; specifying the manner in which a
433 plan of merger must be adopted for a domestic
434 corporation whose members are entitled to vote on the
435 merger; authorizing the adoption of a plan of merger
436 at the meeting of the board of directors for certain
437 domestic corporations; providing that a plan of merger
438 may be abandoned after the plan has been approved but
439 before the articles of merger are effective; providing
440 that the plan may be abandoned by the board of
441 directors in the same manner as the plan of merger was
442 approved by a domestic corporation or a merging
443 domestic eligible entity; requiring that a statement
444 of abandonment signed by all parties that signed the
445 articles of merger be delivered to the department if
446 the merger is abandoned after articles of merger were
447 delivered to the department for filing but before the
448 articles of merger become effective; specifying what
449 must be in a statement of abandonment; creating s.
450 617.1104, F.S.; authorizing a domestic or foreign

parent eligible entity that holds membership in a domestic corporation and that carries a specified percentage of voting power of the domestic corporation to merge the subsidiary into itself or into another specified domestic or foreign eligible entity or to merge itself into the subsidiary; providing that such mergers do not require approval of the board of directors or members of the subsidiary unless required; providing that articles of merger do not need to be signed by the subsidiary entity; requiring the parent eligible entity to notify subsidiary members within a specified timeframe; providing construction; amending s. 617.1105, F.S.; requiring that the articles of merger be signed by each party to the merger if the merger has been approved; providing an exception; specifying what must be included in the articles of merger; requiring that the articles of merger be delivered to the department for filing; specifying when a merger becomes effective; authorizing the filing of articles of merger in a specified manner under certain circumstances; amending s. 617.1106, F.S.; revising the effects of a merger once such merger becomes effective; providing that a merger does not give rise to any rights that any interest holder or third party would have upon a

dissolution, liquidation, or winding up of that party;
providing that a party to a merger is not required to
wind up its affairs and cause its dissolution or
termination; prohibiting certain property held in
trust or otherwise used for charitable purposes from
being diverted from such purposes except as provided
by law; providing that any bequest, devise, gift,
grant, or promise contained in certain instruments
inures to the survivor of the merger; providing that a
trust obligation that would govern property if the
property is directed to be transferred to the
nonsurviving party is transferred to the surviving
party of a merger; amending s. 617.1107, F.S.;
deleting provisions related to mergers of foreign
corporations and domestic corporations under certain
circumstances; requiring a foreign eligible entity
that survives a merger to comply with ch. 617, F.S.;
deleting a provision to allow abandonment of merger
under certain circumstances; amending s. 617.1202,
F.S.; revising the manner in which a corporation may
sell, lease, exchange, or otherwise dispose of all, or
substantially all, of its property; specifying the
manner in which a board of directors proposes and its
members approve the proposed transaction; authorizing
the corporation to abandon such disposition of

property without action by the members; providing exceptions; providing construction; reenacting and amending s. 617.1401, F.S.; revising what must be set forth in articles of dissolution; amending s. 617.1402, F.S.; making technical changes; amending s. 617.1403, F.S.; defining the term "dissolved corporation"; reenacting and amending s. 617.1405, F.S.; authorizing the circuit court to appoint a trustee, custodian, receiver, or provisional director for any property owned or acquired by the corporation to conduct its affairs for winding up and liquidating its affairs if any director or officer of the dissolved corporation is unwilling or unable to serve or cannot be located; prohibiting certain property held in trust from being diverted from its trust or charitable purpose unless done so under certain circumstances; amending s. 617.1406, F.S.; deleting obsolete language; making technical changes; amending s. 617.1407, F.S.; revising the notice requirements that a dissolved corporation or successor entity must file with the department; revising the claimants who may bring a claim against a dissolved corporation or successor entity; providing conditions under which certain claims are barred; amending s. 617.1408, F.S.; authorizing that a dissolved corporation or successor

entity may dispose of known claims against it by giving written notice to its known claimants of the dissolution within a specified timeframe after a specified timeframe; specifying what must be in such written notice; authorizing that a dissolved corporation or successor entity may reject a claim submitted by a claimant and received before the specified timeframe by mailing notice of the rejection to the claimant within a specified timeframe; specifying what must be included in such notice; providing that a claim against a dissolved corporation is barred under certain circumstances; defining the term "known claim"; providing that such notice does not revive any claim then barred or acknowledge that any person to whom such notice is sent is a proper claimant and does not operate as a waiver of any defenses or counterclaims; creating s. 617.1409, F.S.; authorizing a dissolved corporation to file with the circuit court for a determination of the amount and form of security to be provided for payment of unknown claims; specifying certain notice requirements of such proceeding; authorizing the court to appoint a guardian ad litem for a specified purpose; requiring the dissolved corporation to pay the reasonable fees and expenses of the guardian ad litem; providing that

provisions by the dissolved corporation for security ordered by the court satisfies the dissolved corporation's obligations with respect to certain claims; creating s. 617.14091, F.S.; providing that directors of certain dissolved corporations are not personally liable to its claimants; authorizing certain claims from being enforced against the dissolved corporation's undistributed assets and a member of the dissolved corporation on a pro rata share of the claim or the corporate assets distributed to such member, whichever is less; providing construction; amending s. 617.1420, F.S.; requiring the department to serve notice in a record to the corporation of its intent to administratively dissolve a corporation under certain circumstances; specifying the manner in which the department may issue the notice; requiring the department to administratively dissolve a corporation that does not respond to such notice within a specified timeframe; requiring the department to issue a notice in a record of administrative dissolution that states the grounds for the administrative dissolution; authorizing the department to issue such notice in a specified manner; reenacting and amending s. 617.1421, F.S.; making technical changes; amending s. 617.1430, F.S.;

revising when a circuit court may dissolve a
corporation or order other remedies; amending s.
617.1431, F.S.; revising the venue for judicial
dissolution proceedings; providing that directors need
not be made parties to a proceeding to dissolve a
corporation unless relief is sought against them
individually; authorizing a court to award reasonable
attorney fees and costs to the other parties to the
proceedings if the court makes certain findings;
deleting obsolete language; amending s. 617.1432,
F.S.; prohibiting a court from appointing a custodian
or receiver brought in certain proceedings if its
members, directors, or authorized persons have
provided for the appointment of a provisional director
or other means for the resolution of a deadlock;
authorizing the court to enforce the remedy so
provided by the provisional director; revising who the
court may appoint to act as receiver or custodian of
the corporation; revising the duties of the receiver
redesignated as custodian by the court; authorizing
the court to amend the order designating the receiver
as custodian and custodian as receiver; making
technical changes; amending s. 617.1433, F.S.;
conforming provisions to changes made by the act;
making technical changes; creating s. 617.1434, F.S.;

601 authorizing the court to order certain actions be
602 taken as an alternative to directing the dissolution
603 of the corporation; creating s. 617.1435, F.S.;
604 authorizing the court to appoint a provisional
605 director for a certain proceeding if it appears such
606 appointment will remedy the grounds alleged by the
607 complaining members or directors; providing that a
608 provisional director may be appointed without a
609 vacancy on the board of directors; providing that a
610 provisional director has all the rights and powers of
611 a duly elected director, until removed; specifying the
612 criteria for a provisional director; requiring a
613 provisional director to report to the court concerning
614 certain matters; providing that a provisional director
615 is not liable for actions taken or decisions made;
616 providing exceptions; requiring the provisional
617 director to submit recommendations to the court if
618 directed; authorizing any officer or director to
619 petition the court for certain instructions; requiring
620 the court to compensate and reimburse the provisional
621 director; amending s. 617.1440, F.S.; providing an
622 exception to the assets that must be deposited with
623 the Department of Financial Services for safekeeping;
624 making technical changes; creating s. 617.15015, F.S.;
625 providing the governing law for a foreign corporation

626 for certain affairs and interests of the foreign
627 corporation; prohibiting a foreign corporation from
628 being denied a certificate of authority for a
629 specified reason; providing that a certificate of
630 authority does not authorize a foreign corporation to
631 engage in any business or exercise any prohibited
632 power; amending s. 617.1502, F.S.; making technical
633 changes; providing that any member, officer, or
634 director of a foreign corporation is not liable for
635 the debts, obligations, or other liabilities of the
636 foreign corporation under certain circumstances;
637 providing applicability; requiring a foreign
638 corporation that transacts business in this state
639 without a certificate of authority to appoint the
640 Secretary of State as its agent for service of
641 process; amending s. 617.1503, F.S.; conforming a
642 provision to changes made by the act; amending s.
643 617.1504, F.S.; revising the requirements for a
644 foreign corporation to amend its certificate of
645 authority; revising applicability; authorizing a
646 foreign corporation to amend its certificate of
647 authority to add, remove, or change certain
648 information; amending s. 617.1505, F.S.; deleting a
649 prohibition of the state to regulate the organization
650 or internal affairs of a foreign corporation; making a

651 technical change; amending s. 617.1506, F.S.; revising
652 the requirements for a foreign corporation whose name
653 is noncompliant to use an alternate name; authorizing
654 the foreign corporation to use its name if it becomes
655 available; providing construction; authorizing a
656 foreign corporation to transact business in this state
657 under the alternate name; providing an exception;
658 prohibiting a foreign corporation with a noncompliant
659 name from transacting business in this state until
660 such corporation obtains an amended certificate of
661 authority; authorizing a foreign corporation to
662 register under a name not otherwise distinguishable on
663 the records of another registered entity under certain
664 circumstances; amending s. 617.1507, F.S.; requiring
665 certain registered agents file a statement with the
666 department with certain information; providing the
667 duties of a registered agent; deleting the definition
668 of the term "authorized entity"; requiring the
669 department to maintain an accurate record of the
670 registered agent and registered offices; requiring the
671 department to furnish any information for a fee;
672 prohibiting a foreign corporation from prosecuting or
673 maintaining any action in a court in this state until
674 it complies with certain requirements; authorizing a
675 court to stay a proceeding commenced by a foreign

676 corporation until such compliance; amending s.
677 617.1508, F.S.; specifying what must be in a statement
678 of change; providing that a statement of change is
679 effective when filed with the department; providing a
680 statement of change may also be filed on the foreign
681 corporation's annual report in an application for
682 reinstatement; making technical changes; amending s.
683 617.1509, F.S.; requiring the registered agent of a
684 foreign corporation to mail a copy of his or her
685 statement of resignation to the foreign corporation
686 after filing it with the department; providing when a
687 registered agent is terminated; providing that a
688 registered agent ceases to have responsibility for any
689 matters for the foreign corporation when a statement
690 of resignation takes effect; providing that
691 resignation does not affect contractual rights between
692 the foreign corporation and the registered agent;
693 authorizing a registered agent to resign from a
694 foreign corporation regardless if it has active
695 status; creating s. 617.15091, F.S.; providing the
696 permissible means of delivery of certain
697 communications; providing when notice to the
698 department is effective; providing an exception;
699 amending s. 617.1520, F.S.; requiring a foreign
700 corporation who wishes to cancel its certificate of

701 authority to deliver to the department a notice of
702 withdrawal of certificate of authority; providing when
703 the certificate is effective; requiring such
704 certificate be signed by an officer or a director and
705 state certain information; providing that service of
706 process for a foreign corporation whose withdrawal is
707 effective is on the Secretary of State; creating s.
708 617.1521, F.S.; providing that a foreign corporation
709 that converts to a domestic corporation or another
710 domestic eligible entity is deemed to have withdrawn
711 its certificate of authority on the effective date of
712 the conversion; creating s. 617.1522, F.S.; requiring
713 certain entities no longer authorized to conduct
714 affairs in this state to deliver a notice of
715 withdrawal of certificate of authority to the
716 department for filing; specifying service of process
717 for such entities; creating s. 617.1523, F.S.;
718 authorizing the Department of Legal Affairs to
719 maintain an action to enjoin a foreign corporation
720 from illegally conducting affairs in this state;
721 amending s. 617.1530, F.S.; authorizing the department
722 to revoke a foreign corporation's certificate of
723 authority to transact business under certain
724 circumstances; requiring revocation of a foreign
725 corporation's certificate of authority to be done on a

726 specified date; requiring the department to issue
727 notice to revoke the foreign corporation's certificate
728 of authority and authority to transact business;
729 authorizing the department to issue notice stating the
730 grounds of such revocations by electronic transmission
731 if the foreign corporation provided an e-mail address;
732 providing that revocation of a foreign corporation's
733 certificate of authority does not terminate the
734 authority of the registered agent; creating s.
735 617.15315, F.S.; authorizing a foreign corporation
736 whose certificate of authority has been revoked to
737 apply to the department for reinstatement at any time
738 after the effective date of revocation; requiring the
739 foreign corporation to submit all fees and penalties
740 owed with its application for reinstatement;
741 specifying what must be included in the application
742 for reinstatement; authorizing a foreign corporation
743 to be reinstated if it pays all fees and penalties and
744 files its current annual report; requiring the
745 registered agent and an officer or director to sign
746 the annual report; requiring the department to
747 reinstate the foreign corporation if all conditions
748 are met; providing that a reinstatement relates back
749 to the effective date of the revocation of authority;
750 prohibiting another entity from using the name of the

foreign corporation whose certificate of authority has been revoked until after a specified timeframe; requiring the department to require a foreign corporation seeking reinstatement whose name has been lawfully assumed by another eligible entity to comply with choosing a new name before accepting its application for reinstatement; amending s. 617.1532, F.S.; requiring the department to serve a foreign corporation with written notice explaining the reasons for denial of its application for reinstatement; authorizing a foreign corporation to appeal the department's denial in a specified manner; specifying how service is effectuated on the department; authorizing the Circuit Court of Leon County to take certain actions; providing that the circuit court's final decision may be appealed; amending s. 617.1601, F.S.; requiring a corporation to maintain certain records; requiring such records be maintained in a certain manner; amending s. 617.1602, F.S.; revising the records a member of a corporation may inspect and copy; authorizing the corporation to impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, certain records; providing that persons who become members of a corporation after a

776 specified timeframe and who are entitled to vote at a
777 meeting are entitled to certain information; providing
778 an exception; prohibiting the abolishment or
779 limitation of the right of inspection by a
780 corporation's articles of incorporation or bylaws;
781 revising construction; prohibiting a member from
782 selling or distributing specific information or
783 records; providing an exception; prohibiting a person
784 from obtaining or using a membership list or any part
785 thereof for any purpose unrelated to a member's
786 interest without the consent of the board of
787 directors; revising the definition of the term
788 "member"; providing applicability; amending s.
789 617.1603, F.S.; authorizing a corporation to satisfy
790 the right of a member to inspect specific records by
791 means chosen by the corporation; providing that the
792 corporation bears the reasonable costs of converting
793 specified records; making technical changes;
794 conforming a cross-reference; amending s. 617.1604,
795 F.S.; revising the circumstances under which a
796 corporation is not liable for the costs of a member
797 inspecting and copying specified records; authorizing
798 the court to impose reasonable restrictions on the
799 confidentiality of such records; making technical
800 changes; amending s. 617.1605, F.S.; requiring a

corporation to deliver or make available the latest annual financial statements to a member within a specified timeframe under certain circumstance; requiring the corporation to notify the member within a specified timeframe if the annual financial statements have not been prepared for the fiscal year requested; requiring the corporation to deliver to the member the annual financial statements within a specified timeframe; specifying how a corporation may deliver the specified annual financial statements; authorizing the corporation to place reasonable restrictions on members requesting annual financial statements; authorizing a corporation to decline to issue annual financial statements if the corporation determines the request was not made in good faith or for a proper purpose; authorizing a member who has not received a response from the corporation as required to seek relief from the circuit court in the applicable county; requiring the circuit court to expedite the matter; authorizing the circuit court to impose reasonable restrictions on the annual financial statements; providing that the corporation has the burden of proof; requiring the court to award the member's expenses under certain circumstances; providing exceptions; creating s. 617.16051, F.S.;

826 providing that a director of a corporation is entitled
827 to inspect and copy specified records of the
828 corporation at any reasonable time for a specified
829 purpose; authorizing the circuit court of the
830 applicable county to order inspection and copying of
831 such records at the corporation's expense upon
832 application of a director who has been refused such
833 inspection rights; providing exceptions; requiring the
834 court to expedite such application; authorizing a
835 court that orders access to such records to include
836 specific provisions protecting the corporation from
837 undue burden or expense and prohibiting the director
838 from using such information obtained for a specified
839 purpose; authorizing the court to order the
840 corporation to reimburse the director for the costs
841 incurred for the application; amending s. 617.1622,
842 F.S.; revising the information to be included in a
843 domestic or foreign corporation's annual report to the
844 department; providing that if the name or address of a
845 registered agent in a corporation's annual report
846 differs from the records of the department, the annual
847 report is considered a statement of change; revising
848 when the first annual report must be delivered to the
849 department; providing reporting requirements for
850 specified entities involved in certain mergers,

851 conversions, or domestications; creating s.
852 617.180301, F.S.; providing construction; requiring a
853 domesticating corporation to enter into a plan of
854 domestication; specifying what must be included in a
855 plan of domestication; authorizing the terms of a plan
856 of domestication to be made dependent upon facts
857 objectively ascertainable outside the plan; providing
858 applicability; creating s. 617.18031, F.S.; providing
859 the manner in which a domestication of a domestic
860 corporation into a foreign jurisdiction must be
861 adopted; creating s. 617.18032, F.S.; providing that
862 articles of domestication must be signed by the
863 domesticating corporation after certain circumstances;
864 specifying information to be included in the articles
865 of domestication; requiring that certain information
866 be included in the articles of domestication for a
867 domesticated corporation that is seeking to become a
868 domestic corporation; requiring that articles of
869 domestication be filed with the department and take
870 effect within certain timeframes; specifying when the
871 domestications of domestic and foreign corporations
872 are effective; providing that a domesticating foreign
873 corporation's certificate of authority is
874 automatically canceled when domestication becomes
875 effective; authorizing the filing of a certified copy

876 of the articles of domestication in any county in this
877 state in which the domesticating corporation holds an
878 interest in real property; creating s. 617.18033,
879 F.S.; authorizing the amending of a plan of
880 domestication of a domestic corporation in certain
881 manners; authorizing the abandoning of a plan of
882 domestication under certain circumstances in the same
883 manner that the plan was approved or determined by the
884 board of directors; requiring a domesticating
885 corporation seeking to abandon domestication to send
886 to the department a statement of abandonment before
887 the articles of domestication become effective;
888 specifying the information the statement of
889 abandonment must include; creating s. 617.18034, F.S.;
890 specifying effects of domestication with respect to
891 rights, responsibilities, and liabilities; providing
892 that a domestication does not constitute or cause the
893 dissolution of the domesticating corporation;
894 prohibiting the diversion for any other purpose of
895 certain property held in trust or otherwise dedicated
896 to a charitable purpose and held by a domestic of
897 foreign corporation immediately before a domestication
898 becomes effective; providing that any bequest, devise,
899 gift, grant, or promise in certain instruments inures
900 to the domesticated corporation; providing that a

trust obligation that would govern property if the property is transferred to the domesticating corporation applies to property that is transferred to the domesticated corporation after domestication takes effect; creating s. 617.1804, F.S.; specifying what certain domestic and foreign entities may convert to under certain circumstances; specifying applicability of certain provisions in certain protected agreements of a domestic converting corporation; creating s. 617.18041, F.S.; prohibiting a domestic corporation that holds property for a charitable purpose from becoming a domestic eligible entity or a foreign eligible entity; providing an exception; creating s. 617.18042, F.S.; authorizing a domestic corporation to convert to a domestic or foreign eligible entity by approving a plan of conversion; specifying the information to be included in the plan of conversion; providing that the terms of a plan of conversion may be made dependent upon facts objectively ascertainable outside the plan; creating s. 617.18043, F.S.; providing for the adoption of a plan of conversion for a domestic corporation converting to a domestic or foreign eligible entity other than a domestic corporation; creating s. 617.18044, F.S.; requiring specified entities that have had plans of conversion

926 adopted and approved to sign articles of conversion;
927 specifying the information to be included in such
928 articles of conversion; requiring a converted domestic
929 corporation to satisfy the requirements of filing its
930 articles of incorporation; providing an exception;
931 requiring that certain domestic eligible entities'
932 organic records, if any, satisfy certain requirements;
933 providing an exception; requiring that articles of
934 conversion be delivered to the department for filing
935 and take effect on a specified date; specifying when
936 certain entities' conversions become effective;
937 authorizing the filing of articles of conversion in
938 combination with any filing required for certain
939 entities; providing that an eligible entity that is a
940 foreign eligible entity's foreign qualification
941 cancels automatically on the effective date of its
942 conversion; authorizing the filing of a certified copy
943 of the articles of conversion in the official records
944 of any county in this state in which the converting
945 eligible entity holds an interest in real property;
946 creating s. 617.18045, F.S.; authorizing the amending
947 of a plan of conversion of a converting eligible
948 entity that is a domestic corporation under certain
949 circumstances; authorizing such converting eligible
950 entity to abandon the plan of conversion without

951 action by its interest holders under certain
952 circumstances; requiring a converting eligible entity
953 to sign and deliver to the department for filing a
954 statement of abandonment if the conversion is
955 abandoned after the articles of conversion have been
956 delivered to the department but before the articles of
957 conversion become effective; specifying when the
958 statement of abandonment takes effect; specifying the
959 information a statement of abandonment must contain;
960 creating s. 617.18046, F.S.; specifying the effect of
961 a conversion of an eligible entity; providing that
962 certain interest holders of certain eligible entities
963 who become subject to interest holder liability as a
964 result of the conversion have such interest holder
965 liability only in respect of interest holder
966 liabilities that arise after the conversion becomes
967 effective; providing that a conversion does not
968 require the converting eligible entity to wind up its
969 affairs or cause the dissolution or termination of the
970 entity; prohibiting certain property held for
971 charitable purposes immediately before conversion of
972 specified entities from being diverted from the
973 purposes for which such property was given; providing
974 exceptions; providing that any bequest, devise, gift,
975 grant, or promise contained in certain instruments

976 made to a converting eligible entity takes effect or
977 remains payable after the conversion inures to the
978 converted eligible entity; providing for applicability
979 of certain trust obligations under certain
980 circumstances; amending s. 617.2005, F.S.; revising
981 the manner in which a court may dissolve an extinct
982 church or religious society; amending s. 617.2006,
983 F.S.; deleting certain provisions relating to a labor
984 union or body filing its articles of incorporation in
985 the applicable circuit court; amending ss. 39.8298,
986 381.00316, 605.1025, 617.0102, 617.0121, 617.0122,
987 617.0125, 617.02011, 617.0203, 617.0205, 617.0301,
988 617.0504, 617.0806, 617.0824, 617.0825, 617.0831,
989 617.0901, 617.1008, 617.1009, 617.1404, 617.1422,
990 617.1423, 617.1501, 617.1510, 617.1606, 617.1623,
991 617.1701, 617.1702, 617.1703, 617.1711, 617.1808,
992 617.1809, 617.1904, 617.1907, 617.1908, 617.2001,
993 617.2002, 617.2003, 617.2007, 617.2101, 617.221,
994 620.2108, 620.8918, 628.910, 768.38, and 893.055,
995 F.S.; conforming provisions to changes made by the
996 act; conforming cross-references; making technical
997 changes; repealing ss. 617.07401, 617.0822, 617.1108,
998 617.1301, 617.1302, 617.1531, 617.1533, 617.1803,
999 617.1805, 617.1806, 617.1807, and 617.2102, F.S.,
1000 relating to members' derivative actions; notice of

1001 meetings; merger of domestic corporation and other
1002 eligible entities; prohibited distributions;
1003 authorized distributions; procedure for and effect of
1004 revocation; reinstatement following revocation;
1005 domestication of foreign not-for-profit corporations;
1006 corporations for profit and when they may become
1007 corporations not for profit; conversion to corporation
1008 not for profit, petition, and contents; conversion to
1009 corporation not for profit and authority of circuit
1010 judge; and fines and penalties against members,
1011 respectively; reenacting s. 617.1007(3), F.S.,
1012 relating to restated articles of incorporation, to
1013 incorporate the amendments to ss. 617.01201 and
1014 617.1006, F.S., in references thereto; reenacting s.
1015 295.21(5)(a), F.S., relating to Florida Is For
1016 Veterans, Inc., to incorporate the amendment made to
1017 s. 617.0302, F.S., in a reference thereto; reenacting
1018 ss. 409.987(4)(b), 718.1265(1), 719.128(1), and
1019 720.316(1), F.S., relating to lead agency procurement,
1020 boards, and conflicts of interest; association
1021 emergency powers; association emergency powers; and
1022 association emergency powers, respectively, to
1023 incorporate the amendment made to s. 617.0830, F.S.,
1024 in references thereto; reenacting s. 718.3027(2) and
1025 (5), F.S., relating to conflicts of interest, to

incorporate the amendment made to s. 617.0832, F.S., in references thereto; reenacting s. 720.3033(2)(a) and (b) and (3), F.S., relating to officers and directors, respectively, to incorporate the amendments made to ss. 617.0832 and 617.0834, F.S., in references thereto; reenacting s 721.13(13)(a), F.S., relating to management, to incorporate the amendment made to s. 617.0834, F.S., in a reference thereto; reenacting s. 718.111(1)(d), F.S., relating to the association, to incorporate the amendments made to ss. 617.0830 and 617.0834, F.S., in references thereto; providing an effective date.

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

Section 1. Section 617.01011, Florida Statutes, is amended to read:

617.01011 Short title.—This chapter ~~act~~ may be cited as the "Florida Nonprofit ~~Not-For-Profit~~ Corporation Act."

Section 2. Subsections (1), (2), (3), (7), and (8) of section 617.01201, Florida Statutes, are amended, subsection (10) is added to that section, and subsection (9) of that section is reenacted, to read:

617.01201 Filing requirements.—

(1) A document must satisfy the requirements of this

1051 section and of any other section that adds to or varies these
1052 requirements to be entitled to filing by the department ~~of~~
1053 ~~State~~.

1054 (2) This chapter act must require or permit filing the
1055 document in the office of the department ~~of State~~.

1056 (3) The document must contain the information required by
1057 this chapter act. It may contain other information as well.

1058 (7) The person executing the document shall sign it and
1059 state beneath or opposite such person's ~~his or her~~ signature
1060 such person's ~~his or her~~ name and the capacity in which such
1061 person ~~he or she~~ signs. The document may, but need not, contain
1062 the corporate seal, an attestation, an acknowledgment, or a
1063 verification.

1064 ~~(a) The corporate seal,~~

1065 ~~(b) An attestation by the secretary or an assistant~~
1066 ~~secretary,~~

1067 ~~(c) An acknowledgment, verification, or proof.~~

1068 (8) If the department ~~of State~~ has prescribed a mandatory
1069 form for the document under s. 617.0121, the document must be in
1070 or on the prescribed form.

1071 (9) The document must be delivered to the department for
1072 filing. Delivery may be made by electronic transmission if and
1073 to the extent allowed by the department. If the document is
1074 filed in typewritten or printed form and not transmitted
1075 electronically, the department may require that one exact or

conformed copy be delivered with the document, except as provided in s. 617.1508. The document must be accompanied by the correct filing fee and any other tax or penalty required by law.

(10) Whenever this chapter allows any of the terms of a plan or a filed document to be dependent upon facts objectively ascertainable outside the plan or filed document, the following apply:

(a) The plan or filed document must set forth the manner in which the facts will operate upon the terms of the plan or filed document.

(b) The facts may include, but are not limited to:

1. Any of the following which are available in a nationally recognized news or information medium either in print or electronically:

a. Statistical or market indices;

b. Market prices of any security or group of securities;

c. Interest rates;

d. Currency exchange rates; and

e. Similar economic or financial data;

2. A determination or action by any person or body, including the corporation or any other party to a plan or filed document; or

3. The terms of, or actions taken under, an agreement to which the corporation is a party, or any other agreement or document.

1101 (c) The following provisions of a plan or filed document
1102 may not be made dependent upon facts outside the plan or filed
1103 document:

1104 1. The name and address of any person required in a filed
1105 document;

1106 2. The registered office of any entity required in a filed
1107 document;

1108 3. The registered agent of any entity required in a filed
1109 document;

1110 4. The effective date of a filed document; and

1111 5. Any required statement in a filed document of the date
1112 on which the underlying transaction was approved or the manner
1113 in which that approval was given.

1114 (d) If a provision of a filed document is made dependent
1115 upon a fact ascertainable outside of the filed document, and
1116 that fact is not ascertainable by reference to a source
1117 described in subparagraph (b)1. or a document that is a matter
1118 of public record, and the affected members have not received
1119 notice of the fact from the corporation, the corporation must
1120 file with the department articles of amendment to the filed
1121 document setting forth the fact promptly after the time when the
1122 fact referred to is first ascertainable or thereafter changes.
1123 Articles of amendment under this section are deemed to be
1124 authorized by the authorization of the original filed document
1125 to which they relate and may be filed by the corporation without

1126 further action by the board of directors or the members.

1127 (e) As used in this subsection, the term:

1128 1. "Filed document" means a document filed with the
1129 department pursuant to this chapter, except for a document filed
1130 pursuant to ss. 617.1501-617.1532.

1131 2. "Plan" means a plan of merger, a plan of conversion, or
1132 a plan of domestication.

1133 **Section 3. Section 617.0123, Florida Statutes, is amended**
1134 **to read:**

1135 617.0123 Effective time and date of document.—

1136 ~~(1)~~ Except as provided in subsection (1) ~~(2)~~ and in s.
1137 617.0124(3), a document accepted for filing under this chapter
1138 may specify an is effective at the time and a delayed effective
1139 date. In the case of the initial articles of incorporation, a
1140 prior effective date may be specified in the articles of
1141 incorporation if such date is within 5 business days before the
1142 date of filing of filing on the date it is filed, as evidenced
1143 by the Department of State's date and time endorsement on the
1144 original document.

1145 (1) Subject to s. 617.0124(3), a document accepted for
1146 filing is effective under any of the following conditions:

1147 (a) If the record filed does not specify an effective time
1148 and does not specify a prior or a delayed effective date, on the
1149 date and at the time the record is accepted, as evidenced by the
1150 department's endorsement of the date and time on the filing.

1151 (b) If the record filed specifies an effective time, but
1152 not a prior or delayed effective date, on the date the record is
1153 accepted, as evidenced by the department's endorsement, and at
1154 the time specified in the filing.

1155 (c) If the record filed specifies a delayed effective
1156 date, but not an effective time, at 12:01 a.m. on the earlier
1157 of:

1158 1. The specified date; or

1159 2. The 90th day after the date the record is filed.

1160 (d) If the record filed specifies a delayed effective date
1161 and an effective time, at the specified time on the earlier of:

1162 1. The specified date; or

1163 2. The 90th day after the date the record is filed.

1164 (e) If the record filed is of initial articles of
1165 incorporation and specifies an effective date before the date of
1166 the filing, but no effective time, at 12:01 a.m. on the later
1167 of:

1168 1. The specified date; or

1169 2. The 5th business day before the date the record is
1170 filed.

1171 (f) If the record filed is of initial articles of
1172 incorporation and specifies an effective time and an effective
1173 date before the date of the filing, at the specified time on the
1174 later of:

1175 1. The specified date; or

1176 2. The 5th business day before the date the record is
1177 filed.

1178 (2) If the record filed does not specify the time zone or
1179 place at which the date or time, or both, is to be determined,
1180 the date or time, or both, at which it becomes effective will be
1181 those prevailing at the place of filing in this state ~~A document~~
1182 ~~may specify a delayed effective date, and if it does the~~
1183 ~~document shall become effective on the date specified. Unless~~
1184 ~~otherwise permitted by this act, a delayed effective date for a~~
1185 ~~document may not be later than the 90th day after the date on~~
1186 ~~which it is filed.~~

1187 (3) If a document is determined by the department ~~of State~~
1188 to be incomplete and inappropriate for filing, the department ~~of~~
1189 ~~State~~ may return the document to the person or corporation
1190 filing it, together with a brief written explanation of the
1191 reason for the refusal to file, in accordance with s.
1192 617.0125(3). If the applicant returns the document with
1193 corrections in accordance with the rules of the department
1194 within 60 days after it was mailed to the applicant by the
1195 department, and if at the time of return the applicant so
1196 requests in writing, the filing date of the document will be the
1197 filing date that would have been applied had the original
1198 document not been deficient, except as to persons who relied on
1199 the record before correction and were adversely affected
1200 thereby.

1201 (4) Corporate existence may predate the filing date,
1202 pursuant to s. 617.0203(1).

1203 **Section 4. Section 617.0124, Florida Statutes, is amended**
1204 **to read:**

1205 617.0124 Correcting filed document; withdrawal of filed
1206 record before effectiveness.—

1207 (1) A domestic or foreign corporation may correct a
1208 document filed by the department within 30 days after filing if:

1209 (a) The document contains an inaccuracy ~~incorrect~~
1210 ~~statement~~;

1211 (b) The document contains false, misleading, or fraudulent
1212 information;

1213 (c) The document was defectively executed, attested,
1214 sealed, verified, or acknowledged; or

1215 (d) The electronic transmission of the document to the
1216 department was defective.

1217 (2) A document is corrected:

1218 (a) By preparing articles of correction that:

1219 1. Describe the document, including its filing date, or
1220 attach a copy of the document to the articles of correction;

1221 2. Specify the inaccuracy or defect ~~incorrect statement~~
1222 ~~and the reason it is incorrect or the manner in which the~~
1223 ~~execution was defective~~; and

1224 3. Correct the inaccuracy or defect ~~incorrect statement or~~
1225 ~~defective execution~~; and

1226 (b) By delivering the executed articles of correction to
1227 the department for filing.

1228 (3) Articles of correction are effective on the effective
1229 date of the document they correct except as to persons relying
1230 on the uncorrected document and who are adversely affected by
1231 the correction. As to those persons, articles of correction are
1232 effective when filed.

1233 (4) Articles of correction may not contain a delayed
1234 effective date for the correction.

1235 (5) Unless otherwise provided for in s. 617.1103(3) or s.
1236 617.1809(8), a filing delivered to the department may be
1237 withdrawn before it takes effect by delivering a withdrawal
1238 statement to the department for filing.

1239 (a) A withdrawal statement must:

1240 1. Be signed by each person who signed the filing being
1241 withdrawn, except as otherwise agreed to by such persons;

1242 2. Identify the filing to be withdrawn; and

1243 3. If not signed by all persons who signed the filing
1244 being withdrawn, state that the filing is withdrawn in
1245 accordance with the agreement of all persons who signed the
1246 filing.

1247 (b) Upon the filing by the department of a withdrawal
1248 statement, the action or transaction evidenced by the original
1249 filing does not take effect.

1250 (6) Articles of correction that are filed to correct

1251 false, misleading, or fraudulent information are not subject to
1252 a fee of the department if the articles of correction are
1253 delivered to the department within 15 days after the
1254 notification of filing sent pursuant to s. 617.0125(2).

1255 **Section 5. Section 617.0126, Florida Statutes, is amended**
1256 **to read:**

1257 617.0126 Appeal from department's ~~Department of State's~~
1258 refusal to file document.—If the department ~~of State~~ refuses to
1259 file a document delivered to its office for filing, within 30
1260 days after return of the document by the department by mail, as
1261 evidenced by the postmark, the domestic or foreign corporation
1262 may:

1263 (1) Appeal the refusal pursuant to s. 120.68; or

1264 (2) Petition the Circuit Court of Leon County to compel
1265 filing of the document. ~~Appeal the refusal to the circuit court~~
1266 ~~of the county where the corporation's principal office (or, if~~
1267 ~~none in this state, its registered office) is or will be~~
1268 ~~located. The appeal is commenced by petitioning the court to~~
1269 ~~compel filing the document and by attaching to the petition~~ The
1270 document and the department's ~~department of State's~~ explanation
1271 of its refusal to file must be attached to the petition. ~~The~~
1272 ~~matter shall promptly be tried de novo by the court without a~~
1273 ~~jury.~~ The court may decide the matter in a summary proceeding,
1274 and the court may summarily order the department ~~of State~~ to
1275 file the document or take other action the court considers

1276 appropriate. The court's final decision may be appealed as in
1277 other civil proceedings.

1278 **Section 6. Section 617.0127, Florida Statutes, is amended**
1279 **to read:**

1280 617.0127 Certificates to be received in evidence;
1281 ~~evidentiary~~ effect of certified copy of filed document.—All
1282 certificates issued by the department pursuant to this chapter
1283 must be taken and received in all courts, public offices, and
1284 official bodies as prima facie evidence of the facts stated
1285 therein. A certificate attached to a copy of a document filed by
1286 the department ~~of State~~, bearing the signature of the Secretary
1287 of State, ~~(which may be in facsimile,)~~ and the seal of this
1288 state, is conclusive evidence that the original document is on
1289 file with the department.

1290 **Section 7. Subsection (1) of section 617.0128, Florida**
1291 **Statutes, is amended, and subsection (2) of that section is**
1292 **reenacted, to read:**

1293 617.0128 Certificate of status.—

1294 (1) ~~Anyone may apply to~~ The department, upon request,
1295 shall issue ~~of State to furnish~~ a certificate of status for a
1296 domestic corporation or a certificate of authorization for a
1297 foreign corporation.

1298 (2) A certificate of status or authorization sets forth:

1299 (a) The domestic corporation's corporate name or the
1300 foreign corporation's corporate name used in this state;

1301 (b)1. That the domestic corporation is duly incorporated
1302 under the law of this state and the date of its incorporation,
1303 or

1304 2. That the foreign corporation is authorized to conduct
1305 its affairs in this state;

1306 (c) That all fees and penalties owed to the department
1307 have been paid, if:

1308 1. Payment is reflected in the records of the department,
1309 and

1310 2. Nonpayment affects the existence or authorization of
1311 the domestic or foreign corporation;

1312 (d) That its most recent annual report required by s.
1313 617.1622 has been delivered to the department; and

1314 (e) That articles of dissolution have not been filed.

1315 **Section 8. Section 617.01301, Florida Statutes, is amended**
1316 **to read:**

1317 617.01301 Powers of department ~~of State.~~

1318 (1) The department ~~of State~~ may propound to any
1319 corporation subject to ~~the provisions of this chapter act~~, and
1320 to any officer or director thereof, such interrogatories as may
1321 be reasonably necessary and proper to enable it to ascertain
1322 whether the corporation has complied with all applicable filing
1323 provisions of this chapter act. Such interrogatories must be
1324 answered within 30 days after mailing or within such additional
1325 time as fixed by the department. Answers to interrogatories must

1326 be full and complete, in writing, and under oath.

1327 Interrogatories directed to an individual must be answered by
1328 that individual ~~him or her~~, and interrogatories directed to a
1329 corporation must be answered by an authorized officer or
1330 director of the corporation, by a member if there are no
1331 officers or directors of the corporation, or by a fiduciary if
1332 the corporation is in the hands of a receiver, trustee, or other
1333 court-appointed fiduciary ~~the president, vice president,~~
1334 ~~secretary, or assistant secretary.~~

1335 (2) The department ~~of State~~ is not required to file any
1336 document:

1337 (a) To which interrogatories, as propounded pursuant to
1338 subsection (1) relate, until the interrogatories are answered in
1339 full;

1340 (b) When interrogatories or other relevant evidence
1341 discloses that such document is not in conformity with ~~the~~
1342 ~~provisions of this chapter act~~; or

1343 (c) When the department has determined that the parties to
1344 such document have not paid all fees, taxes, and penalties due
1345 and owing this state.

1346 (3) The department ~~of State~~ may, based upon its findings
1347 hereunder or ~~as provided~~ in s. 213.053(15), bring an action in
1348 circuit court to collect any penalties, fees, or taxes
1349 determined to be due and owing the state and to compel any
1350 filing, qualification, or registration required by law. In

1351 connection with such proceeding the department may, without
1352 prior approval by the court, file a lis pendens against any
1353 property owned by the corporation and may further certify any
1354 findings to the Department of Legal Affairs for the initiation
1355 of any action permitted pursuant to s. 617.0503 which the
1356 Department of Legal Affairs may deem appropriate.

1357 (4) The department has ~~of State shall have~~ the power and
1358 authority reasonably necessary to enable it to administer this
1359 chapter ~~act~~ efficiently, to perform the duties herein imposed
1360 upon it, and to adopt rules pursuant to ss. 120.536(1) and
1361 120.54 to implement this chapter ~~the provisions of this act~~
1362 ~~conferring duties upon it.~~

1363 **Section 9. Section 617.01401, Florida Statutes, is amended**
1364 **to read:**

1365 617.01401 Definitions.—As used in this chapter, the term:

1366 (1) "Articles of incorporation" includes original,
1367 amended, and restated articles of incorporation, articles of
1368 consolidation, and articles of merger, and all amendments
1369 thereto, including documents designated by the laws of this
1370 state as charters, and, in the case of a foreign corporation,
1371 documents equivalent to articles of incorporation in the
1372 jurisdiction of incorporation.

1373 (2) "Applicable county" means the county in this state in
1374 which a corporation's principal office is located or was located
1375 when an action is or was commenced. If the corporation has, or

1376 at the time of such action had, no principal office in this
1377 state, the applicable county is the county in which the
1378 corporation has, or at the time of such action had, an office in
1379 this state. If the corporation does not have an office in this
1380 state, the applicable county is the county in which the
1381 corporation's registered office is or was last located.

1382 (3) "Authorized entity" means any of the following:

1383 (a) A corporation for profit.

1384 (b) A limited liability company.

1385 (c) A limited liability partnership.

1386 (d) A limited partnership, including a limited liability
1387 limited partnership.

1388 (4)-(2) "Board of directors" means the group of persons
1389 vested with the management of the affairs of the corporation
1390 irrespective of the name by which such group is designated,
1391 including, but not limited to, managers or trustees.

1392 (5)-(3) "Bylaws" means the code or codes of rules adopted
1393 for the regulation or management of the affairs of the
1394 corporation irrespective of the name or names by which such
1395 rules are designated.

1396 (6) "Charitable asset" means property that is given,
1397 received, or held for a charitable purpose.

1398 (7) "Charitable purpose" means a purpose that:

1399 (a) Would make a corporation organized and operated
1400 exclusively for that purpose eligible to be exempt from taxation

1401 under s. 501(c)(3) of the Internal Revenue Code of 1986, as
1402 amended, or

1403 (b) Is considered charitable under the law of this state
1404 other than as set forth in the Internal Revenue Code of 1986, as
1405 amended.

1406 (8)~~(4)~~ "Corporation" or "domestic corporation" means a
1407 nonprofit corporation ~~not for profit~~, subject to the provisions
1408 of this chapter, except a foreign corporation.

1409 ~~(5) "Corporation not for profit" means a corporation no~~
1410 ~~part of the income or profit of which is distributable to its~~
1411 ~~members, directors, or officers, except as otherwise provided~~
1412 ~~under this chapter.~~

1413 (9)~~(6)~~ "Department" means the Florida Department of State.

1414 ~~(7) "Distribution" means the payment of a dividend or any~~
1415 ~~part of the income or profit of a corporation to its members,~~
1416 ~~directors, or officers.~~

1417 ~~(a) A donation or transfer of corporate assets or income~~
1418 ~~to or from another not-for-profit corporation qualified as tax-~~
1419 ~~exempt under s. 501(c) of the Internal Revenue Code or a~~
1420 ~~governmental organization exempt from federal and state income~~
1421 ~~taxes, if such corporation or governmental organization is a~~
1422 ~~member of the corporation making such donation or transfer, is~~
1423 ~~not a distribution for purposes of this chapter.~~

1424 ~~(b) A dividend or distribution by a not-for-profit~~
1425 ~~insurance company subsidiary to its mutual insurance holding~~

1426 ~~company organized under part III of chapter 628, directly or~~
1427 ~~indirectly through one or more intermediate holding companies~~
1428 ~~authorized under that part, is not a distribution for the~~
1429 ~~purposes of this chapter.~~

1430 (10)(8) "Electronic transmission" means any form of
1431 communication, not directly involving the physical transmission
1432 or transfer of paper, which creates a record that may be
1433 retained, retrieved, and reviewed by a recipient and which may
1434 be directly reproduced in a comprehensible and legible paper
1435 form by such recipient through an automated process. Examples of
1436 electronic transmission include, but are not limited to,
1437 electronic mail, telegrams, facsimile, and transmissions through
1438 the Internet ~~transmissions of images, and text that is sent via~~
1439 ~~electronic mail between computers.~~

1440 (11)(a) "Eligible entity" means a domestic or foreign:

1441 1. Corporation or corporation for profit;

1442 2. General partnership, including a limited liability
1443 partnership;

1444 3. Limited partnership, including a limited liability
1445 limited partnership;

1446 4. Limited liability company; or

1447 5. Other unincorporated entity.

1448 (b) The term does not include:

1449 1. An individual;

1450 2. An association or relationship that is not a

1451 partnership solely by reason of s. 620.8202(2) or a similar
1452 provision of the law of another jurisdiction;

1453 3. A decedent's estate; or

1454 4. A government or a governmental subdivision, agency or
1455 instrumentality.

1456 (12) "Eligible interest" means:

1457 (a) A share;

1458 (b) A membership; or

1459 (c) Either or both of the following rights under the
1460 organic rules governing the entity:

1461 1. The right to receive distributions from the entity
1462 either in the ordinary course of business or upon liquidation.

1463 2. The right to receive notice or vote on issues involving
1464 its internal affairs, other than as an agent, assignee, proxy,
1465 or person responsible for managing its business, activities, or
1466 affairs.

1467 (13) "Entity" includes corporations and foreign
1468 corporations; unincorporated associations; business trusts,
1469 estates, limited liability companies, partnerships, trusts, and
1470 two or more persons having a joint or common economic interest;
1471 any state, the United States, or any foreign government.

1472 (14)(9) "Foreign corporation" means a nonprofit
1473 corporation not for profit organized under laws other than the
1474 laws of this state.

1475 (15)(10) "Insolvent" means the inability of a corporation

to pay its debts as they become due in the usual course of its affairs.

(16) "Interest holder" means any of the following persons:

(a) A shareholder of a corporation for profit.

(b) A member of a nonprofit corporation.

(c) A general partner of a general partnership.

(d) A general partner of a limited partnership.

(e) A limited partner of a limited partnership.

(f) A member of a limited liability company.

(g) A shareholder or beneficial owner of a real estate investment trust.

(h) A beneficiary or beneficial owner of a statutory trust, business trust, or common law business trust.

(i) Another direct holder of an interest.

(17) "Interest holder liability" means:

(a) Personal liability for a liability of an entity which arises, except as otherwise provided in the organic rules of the entity, when the entity incurs the liability and which is imposed on a person:

1. Solely by reason of the status of the person as an interest holder; or

2. By the organic rules of the entity which make one or more specified interest holders or categories of interest holders liable in their capacity as interest holders for all or specified liabilities of the entity; or

(b) An obligation of an interest holder under the organic rules of an entity to contribute to the entity.

(18)~~(11)~~ "Mail" means the United States mail, facsimile transmissions, and private mail carriers handling nationwide mail services.

(19)~~(12)~~ "Member" means one having membership rights in a corporation in accordance with ~~the provisions of its articles of incorporation or bylaws or the provisions of this chapter.~~

~~(13) "Mutual benefit corporation" means a domestic corporation that is not organized primarily or exclusively for religious purposes; is not recognized as exempt under s. 501(c)(3) of the Internal Revenue Code; and is not organized for a public or charitable purpose that is required upon its dissolution to distribute its assets to the United States, a state, a local subdivision thereof, or a person that is recognized as exempt under s. 501(c)(3) of the Internal Revenue Code. The term does not include an association organized under chapter 718, chapter 719, chapter 720, or chapter 721, or any corporation where membership in the corporation is required pursuant to a document recorded in county property records.~~

(20) "Nonprofit corporation" means a corporation no part of the income or profit of which is distributable to its members, directors, or officers, except as otherwise provided under this chapter.

(21) "Organic rules" means the public organic record and

1526 private organic rules of an entity.

1527 (22) ~~(14)~~ "Person" includes an individual and entity.

1528 (23) "Private organic rules" means the rules, regardless
1529 of whether in a record, which govern the internal affairs of an
1530 entity, are binding on all its interest holders, and are not
1531 part of its public organic record, if any. If the private
1532 organic rules are amended or restated, the term means the
1533 private organic rules as last amended or restated. The term
1534 includes any of the following:

1535 (a) The bylaws of a corporation for profit.

1536 (b) The bylaws of a nonprofit corporation.

1537 (c) The partnership agreement of a general partnership.

1538 (d) The partnership agreement of a limited partnership.

1539 (e) The operating agreement, limited liability company
1540 agreement, or similar agreement of a limited liability company.

1541 (f) The bylaws, trust instrument, or similar rules of a
1542 real estate investment trust.

1543 (g) The trust instrument of a statutory trust or similar
1544 rules of a business trust or common law business trust.

1545 (24) "Protected agreement" means any of the following:

1546 (a) A document evidencing indebtedness of a domestic
1547 corporation or eligible entity and any related agreement in
1548 effect immediately before July 1, 2026.

1549 (b) An agreement that is binding on a domestic corporation
1550 or eligible entity immediately before July 1, 2026.

1551 (c) The articles of incorporation or bylaws of a domestic
1552 corporation or the organic rules of a domestic eligible entity,
1553 in each case in effect immediately before July 1, 2026.

1554 (d) An agreement that is binding on any of the interest
1555 holders, directors, or other governors of a domestic corporation
1556 or eligible entity, in their capacities as such, immediately
1557 before July 1, 2026.

1558 (25) "Public organic record" means a record, the filing of
1559 which by a governmental body is required to form an entity, and
1560 an amendment to or restatement of such record. When a public
1561 organic record has been amended or restated, the term means the
1562 public organic record as last amended or restated. The term
1563 includes any of the following:

1564 (a) The articles of incorporation of a corporation for
1565 profit.

1566 (b) The articles of incorporation of a nonprofit
1567 corporation.

1568 (c) The certificate of limited partnership of a limited
1569 partnership.

1570 (d) The articles of organization, certificate of
1571 organization, or certificate of formation of a limited liability
1572 company.

1573 (e) The articles of incorporation of a general cooperative
1574 association or a limited cooperative association.

1575 (f) The certificate of trust of a statutory trust or

1576 similar record of a business trust.

1577 (g) The articles of incorporation of a real estate
1578 investment trust.

1579 (26)-(15) "Successor entity" means any ~~trust, receivership,~~
1580 ~~or other legal entity that is governed by the laws of this state~~
1581 ~~to which the remaining assets of the and liabilities of a~~
1582 ~~dissolved corporation are transferred, subject to its~~
1583 ~~liabilities, for purposes of liquidation and that exists solely~~
1584 ~~for the purposes of prosecuting and defending suits by or~~
1585 ~~against the dissolved corporation and enabling the dissolved~~
1586 ~~corporation to settle and close the business of the dissolved~~
1587 ~~corporation, to dispose of and convey the property of the~~
1588 ~~dissolved corporation, to discharge the liabilities of the~~
1589 ~~dissolved corporation, and to distribute to the dissolved~~
1590 ~~corporation's members any remaining assets, but not for the~~
1591 ~~purpose of continuing the business for which the dissolved~~
1592 ~~corporation was organized.~~

1593 (27)-(16) "Voting power" means the total number of votes
1594 entitled to be cast for the election of directors at the time
1595 the determination of voting power is made, excluding a vote that
1596 is contingent upon the happening of a condition or event that
1597 has not yet occurred. If the corporation's directors are not
1598 elected by the members, voting power must, unless otherwise
1599 provided in the articles of incorporation or bylaws, be on a
1600 one-member, one-vote basis. If the members of a class are

entitled to vote as a class to elect directors, the determination of the voting power of the class is based on the percentage of the number of directors the class is entitled to elect relative to the total number of authorized directors. ~~If the corporation's directors are not elected by the members, voting power shall, unless otherwise provided in the articles of incorporation or bylaws, be on a one-member, one-vote basis.~~

Section 10. Subsections (1) through (6), (8), and (9) of section 617.0141, Florida Statutes, are amended to read:

617.0141 Notice.—

(1) Notice under this chapter ~~act~~ must be in writing, unless oral notice is:

(a) Expressly authorized by the articles of incorporation or the bylaws; and

(b) Reasonable under the circumstances.

(2) Written notice may be communicated by mail, electronic mail, facsimile in person; by telephone (where oral notice is permitted), telegraph, teletype, or other form of electronic transmission; or by mail. When oral notice is permitted, notice may be communicated in person, by telephone, or other electronic transmission by means of which all persons participating can hear each other.

(3) Written notice by a domestic or foreign corporation authorized to conduct its affairs in this state to its member, if in a comprehensible form, is effective under any of the

1626 following circumstances:

1627 (a) When mailed, if mailed postpaid and correctly
1628 addressed to the member's address shown in the domestic or
1629 foreign corporation's current record of members.~~+~~

1630 (b) When actually transmitted by facsimile
1631 ~~telecommunication~~, if correctly directed to a telephone number
1632 at which the member has consented to receive notice.~~+~~

1633 (c) When actually transmitted by electronic mail, if
1634 correctly directed to an electronic mail address at which the
1635 member has consented to receive notice.~~+~~

1636 (d) When posted on an electronic network that the member
1637 has consented to consult, upon the later of:

- 1638 1. Such correct posting; or
1639 2. The giving of a separate notice to the member of the
1640 fact of such specific posting.~~+~~~~or~~

1641 (e) When correctly transmitted to the member, if by any
1642 other form of electronic transmission consented to by the member
1643 to whom notice is given.

1644 (4) Consent by a member to receive notice by electronic
1645 transmission is ~~shall be~~ revocable by the member by written
1646 notice to the domestic or foreign corporation. Any such consent
1647 is ~~shall be~~ deemed revoked if:

1648 (a) The domestic or foreign corporation is unable to
1649 deliver by electronic transmission two consecutive notices given
1650 by the domestic or foreign corporation in accordance with such

1651 consent; and

1652 (b) Such inability becomes known to the secretary or an
1653 assistant secretary of the domestic or foreign corporation, or
1654 other authorized person responsible for the giving of notice.
1655 However, the inadvertent failure to treat such inability as a
1656 revocation does not invalidate any meeting or other action.

1657 (5) Written notice to a domestic or foreign corporation
1658 authorized to conduct its affairs in this state may be addressed
1659 to its registered agent at its registered office. Written notice
1660 may also be delivered ~~or~~ to the domestic or foreign corporation
1661 ~~or its secretary~~ at its principal office shown in its most
1662 recent annual report or, in the case of a domestic or foreign
1663 corporation that has not yet delivered an annual report, in a
1664 domestic corporation's articles of incorporation or in a foreign
1665 corporation's application for certificate of authority.

1666 (6) Except as provided in subsection (3) or elsewhere in
1667 this chapter ~~act~~, written notice, if in a comprehensible form,
1668 is effective at the earliest date of any of the following:

1669 (a) When received. ~~;~~

1670 (b) Five days after its deposit in the United States mail,
1671 as evidenced by the postmark, if mailed postpaid and correctly
1672 addressed. ~~;~~ ~~or~~

1673 (c) On the date shown on the return receipt, if sent by
1674 registered or certified mail, return receipt requested, and the
1675 receipt is signed by or on behalf of the addressee.

1676 (8) An affidavit of the secretary, an assistant secretary,
1677 the transfer agent, or other authorized agent of the domestic or
1678 foreign corporation that the notice has been given by a form of
1679 electronic transmission is, in the absence of fraud, prima facie
1680 evidence of the facts stated in the notice.

1681 (9) If this chapter ~~act~~ prescribes notice requirements for
1682 particular circumstances, those requirements govern. If articles
1683 of incorporation or bylaws prescribe notice requirements not
1684 less stringent than the requirements of this section or other
1685 provisions of this chapter ~~act~~, those requirements govern.

1686 **Section 11. Section 617.0143, Florida Statutes, is created**
1687 **to read:**

1688 617.0143 Qualified director.—

1689 (1) For purposes of this chapter, the term:

1690 (a) "Material interest" means an actual or potential
1691 benefit or detriment, other than one which would devolve on the
1692 corporation or the members generally, which would reasonably be
1693 expected to impair the objectivity of the director's judgment
1694 when participating in the action to be taken. For a corporation
1695 that is regulated by chapter 718, chapter 719, chapter 720,
1696 chapter 721, or chapter 723, or a corporation when membership in
1697 such corporation is required pursuant to a document recorded in
1698 the county property records, a "material interest" is limited to
1699 familial, financial, professional, or employment interests.

1700 (b) "Material relationship" means a familial, financial,

1701 professional, employment, or other relationship that would
1702 reasonably be expected to impair the objectivity of the
1703 director's judgment when participating in the action to be
1704 taken.

1705 (c) "Qualified director" is a director who, at the time
1706 action is to be taken under:

1707 1. Section 617.0744, and who does not have an interest in
1708 the outcome of the proceeding or has a material relationship
1709 with a person who has an interest in the outcome of the
1710 proceeding;

1711 2. Section 617.0832, and who is not a director as to whom
1712 the transaction is a director's conflict of interest
1713 transaction, or who has a material relationship with another
1714 director as to whom the transaction is a director's conflict of
1715 interest transaction; or

1716 3. Section 617.0831, with respect to the application of
1717 ss. 607.0850-607.0859, and who:

1718 a. Is not a party to the proceeding;

1719 b. Is not a director as to whom a transaction is a
1720 director's conflict of interest transaction, which transaction
1721 is challenged in the proceeding; and

1722 c. Does not have a material relationship with a director
1723 who is disqualified by virtue of not meeting the requirements of
1724 sub-subparagraph a. or sub-subparagraph b.

1725 (2) A director is not automatically prevented from being a

1726 qualified director if any of the following is present:

1727 (a) The nomination or election of the director to the
1728 current board of directors by any director who is not a
1729 qualified director with respect to the matter, or by any person
1730 who has a material relationship with that director, acting alone
1731 or participating with others.

1732 (b) Service as a director of another corporation of which
1733 a director who is not a qualified director with respect to the
1734 matter, or any individual who has a material relationship with
1735 that director is or was also a director.

1736 (c) With respect to actions pursuant to s. 617.0744,
1737 status as a named defendant, as a director against whom action
1738 is demanded, or as a director who approved the conduct being
1739 challenged.

1740 **Section 12. Subsections (1) and (2) of section 617.0202,**
1741 **Florida Statutes, are amended to read:**

1742 617.0202 Articles of incorporation; content.—

1743 (1) The articles of incorporation must set forth:

1744 (a) A ~~corporate~~ name for the corporation that satisfies
1745 the requirements of s. 617.0401;~~—~~

1746 (b) The street address of the initial principal office
1747 and, if different, the mailing address of the corporation;

1748 (c) The purpose or purposes for which the corporation is
1749 organized;

1750 (d) A statement of the manner in which the directors are

1751 to be elected or appointed. In lieu thereof, the articles of
1752 incorporation may provide that the method of election of
1753 directors be stated in the bylaws;

1754 (e) Any provision that lawfully limits the corporate
1755 powers authorized under this chapter, ~~not inconsistent with this~~
1756 ~~act or with any other law, which limits in any manner the~~
1757 ~~corporate powers authorized under this act;~~

1758 (f) The street address of the corporation's initial
1759 registered office and the name of its initial registered agent
1760 at that address together with a written acceptance of
1761 appointment as a registered agent as required by s. 617.0501;
1762 and

1763 (g) The name and address of each incorporator.

1764 (2) The articles of incorporation may set forth:

1765 (a) The names and addresses of the individuals who are to
1766 serve as the initial directors;

1767 (b) Any provision not inconsistent with law, regarding the
1768 regulation of the internal affairs of the corporation,
1769 including, without limitation, any provision with respect to the
1770 relative rights or interests of the members as among themselves
1771 or in the property of the corporation;

1772 (c) The manner of termination of membership in the
1773 corporation;

1774 (d) The rights, upon termination of membership, of the
1775 corporation, the terminated members, and the remaining members;

(e) The transferability or nontransferability of membership to the extent consistent with s. 617.0605;

(f) The distribution of assets upon dissolution or final liquidation or, if otherwise permitted by law, upon partial liquidation;

(g) If the corporation is to have one or more classes of members, any provision designating the class or classes of members and stating the qualifications and rights of the members of each class;

(h) The names of any persons or the designations of any groups of persons who are to be the initial members;

(i) A provision to the effect that the corporation will be subordinate to and subject to the authority of any head or national association, lodge, order, beneficial association, fraternal or beneficial society, foundation, federation, or other corporation, society, organization, or nonprofit association ~~not for profit~~; and

(j) Any provision that under this chapter ~~act~~ is required or permitted to be set forth in the bylaws. Any such provision set forth in the articles of incorporation need not be set forth in the bylaws.

Section 13. Section 617.0204, Florida Statutes, is amended to read:

617.0204 Liability for preincorporation transactions.—All persons purporting to act as or on behalf of a corporation,

1801 ~~knowing having actual knowledge~~ that there was no incorporation
1802 under this chapter act, are jointly and severally liable for all
1803 liabilities created while so acting ~~except for any liability to~~
1804 ~~any person who also had actual knowledge that there was no~~
1805 ~~incorporation.~~

1806 **Section 14. Section 617.0206, Florida Statutes, is amended**
1807 **to read:**

1808 617.0206 Bylaws.—The initial bylaws of a corporation shall
1809 be adopted by its board of directors unless that power is
1810 reserved to the members by the articles of incorporation. The
1811 power to alter, amend, or repeal the bylaws or adopt new bylaws
1812 is ~~shall be~~ vested in the board of directors unless otherwise
1813 provided in the articles of incorporation or the bylaws. The
1814 bylaws may contain any provision for the regulation and
1815 management of the affairs of the corporation not inconsistent
1816 with law or the articles of incorporation.

1817 **Section 15. Subsections (1), (3), (6), (8), (12), (14),**
1818 **and (16) of section 617.0302, Florida Statutes, are amended, and**
1819 **a new subsection (16) is added to that section, to read:**

1820 617.0302 Corporate powers.—Every nonprofit corporation ~~not~~
1821 ~~for-profit~~ organized under this chapter, unless otherwise
1822 provided in its articles of incorporation or bylaws, shall have
1823 power to:

1824 ~~(1) Have succession by its corporate name for the period~~
1825 ~~set forth in its articles of incorporation.~~

1826 (2)~~(3)~~ Adopt, use, and alter a ~~common~~ corporate seal.

1827 However, such seal must always contain the words "corporation
1828 not for profit" or "nonprofit corporation."

1829 (5)~~(6)~~ Increase or decrease, ~~by a vote of its members cast~~
1830 ~~as the bylaws may direct~~, the number of its directors, subject
1831 to any minimum number of directors required under s. 617.0803 ~~so~~
1832 ~~that the number shall not be less than three but may be any~~
1833 ~~number in excess thereof.~~

1834 (7)~~(8)~~ Conduct its affairs, carry on its operations, and
1835 have offices and exercise the powers granted by this chapter ~~act~~
1836 in any state, territory, district, or possession of the United
1837 States or any foreign country.

1838 (11)~~(12)~~ Purchase, take, receive, subscribe for, or
1839 otherwise acquire, own, hold, vote, use, employ, sell, mortgage,
1840 lend, pledge, or otherwise dispose of and otherwise use and deal
1841 in and with, shares and other interests in, or obligations of,
1842 other entities ~~domestic or foreign corporations, whether for~~
1843 ~~profit or not for profit, associations, partnerships, or~~
1844 individuals, or direct or indirect obligations of the United
1845 States, or of any other government, state, territory,
1846 governmental district, municipality, or of any instrumentality
1847 thereof.

1848 (13)~~(14)~~ Make donations for the public welfare or for
1849 religious, charitable, scientific, literary, educational, or
1850 other similar purposes.

1851 (15) ~~(16)~~ Merge with other corporations or other eligible
1852 entities ~~identified in s. 607.1101~~, both for profit and
1853 nonprofit not for profit, domestic and foreign, in accordance
1854 with the merger provisions of this chapter ~~if the surviving~~
1855 ~~corporation or other surviving eligible entity is a corporation~~
1856 ~~not for profit or other eligible entity that has been organized~~
1857 ~~as a not-for-profit entity under a governing statute or other~~
1858 ~~applicable law that permits such a merger.~~

1859 (16) Be a promoter, incorporator, partner, member,
1860 associate, or manager of any corporation, joint venture, or
1861 other entity.

1862 **Section 16. Section 617.0304, Florida Statutes, is amended**
1863 **to read:**

1864 617.0304 Lack of power to act ~~Ultra vires.~~—

1865 (1) Except as provided in subsection (2), the validity of
1866 corporate action, including, but not limited to, any conveyance,
1867 transfer, or encumbrance of real or personal property to or by a
1868 corporation, may not be challenged on the ground that the
1869 corporation lacks or lacked power to act.

1870 (2) A corporation's power to act may be challenged:

1871 (a) In a proceeding by a member against the corporation to
1872 enjoin the act;

1873 (b) In a proceeding by the corporation, directly,
1874 derivatively, or through a receiver, trustee, or other legal
1875 representative, or through members in a representative suit,

1876 against an incumbent or former officer, employee, or agent of
1877 the corporation; or

1878 (c) In a proceeding by the Attorney General, as provided
1879 in this chapter act, to dissolve the corporation or in a
1880 proceeding by the Attorney General to enjoin the corporation
1881 from the transaction of unauthorized business.

1882 (3) In a member's proceeding under paragraph (2) (a) to
1883 enjoin an unauthorized corporate act, the court may enjoin or
1884 set aside the act, if equitable and if all affected persons are
1885 parties to the proceeding, and may award damages for loss ~~(other~~
1886 ~~than anticipated profits)~~ suffered by the corporation or another
1887 party because of enjoining the unauthorized act, except the
1888 court may not award damages for anticipated profits.

1889 **Section 17. Subsections (3), (4), and (5) are added to**
1890 **section 617.0401, Florida Statutes, to read:**

1891 617.0401 Corporate name.—

1892 (3) Notwithstanding subsection (2), a corporation may
1893 register under a name that is not otherwise distinguishable on
1894 the records of the department if:

1895 (a) The other entity consents to the use and submits an
1896 undertaking in form satisfactory to the secretary of state to
1897 change its name to a name that is distinguishable upon the
1898 records of the department from the name of the applying
1899 corporation; or

1900 (b) The applicant delivers to the department a certified

1901 copy of a final judgment of a court of competent jurisdiction
1902 establishing the applicant's right to use the name applied for
1903 in the state.

1904 (4) A corporate name as filed with the department is for
1905 public notice only and does not alone create any presumption of
1906 ownership of such name.

1907 (5) This section does not apply to the use of fictitious
1908 names.

1909 **Section 18. Subsections (1), (2), (5), and (6) of section**
1910 **617.0403, Florida Statutes, are amended to read:**

1911 617.0403 Registered name; application; renewal;
1912 revocation.—

1913 (1) A foreign corporation may register its corporate name,
1914 or its corporate name with any addition required by s. 617.1506,
1915 if the name is distinguishable upon the records of the
1916 department ~~of State~~ from the corporate names that are not
1917 available under s. 617.0401(1)(e).

1918 (2) A foreign corporation registers its corporate name, or
1919 its corporate name with any addition required by s. 617.1506, by
1920 delivering to the department ~~of State~~ for filing an application:

1921 (a) Setting forth its corporate name, or its corporate
1922 name with any addition required by s. 617.1506, the state or
1923 country and date of its incorporation, and a brief description
1924 of the nature of its purposes and the affairs in which it is
1925 engaged; and

(b) Accompanied by a certificate of existence, or a certificate setting forth that such corporation is in good standing under the laws of the state or country wherein it is organized, ~~for a document of similar import~~, from the state or country of incorporation.

(5) A foreign corporation that has so registered its name ~~the registration of which is effective~~ may thereafter qualify to conduct its affairs in this state as a foreign corporation under the registered name or consent in writing to the use of that name by a corporation thereafter incorporated under this chapter ~~act~~ or by another foreign corporation thereafter authorized to conduct its affairs in this state. The registration terminates when the domestic corporation is incorporated or the foreign corporation qualifies or consents to the qualification of another foreign corporation under the registered name.

(6) The department ~~of State~~ may revoke any registration if, after a hearing, it finds that the application therefor or any renewal thereof was not made in good faith.

Section 19. Present subsections (4) and (5) of section 617.0501, Florida Statutes, are redesignated as subsections (5) and (6), respectively, a new subsection (4) is added to that section, and subsections (1) and (3) and present subsection (5) and subsection (6) of that section are amended, to read:

617.0501 Registered office and registered agent.—

(1) Each corporation shall have and continuously maintain

in this state:

(a) A registered office which may be the same as its principal office; and

(b) A registered agent, who may be ~~either~~:

1. An individual who resides in this state whose business office is identical to ~~with~~ such registered office; ~~or~~

2. ~~a~~ Another domestic entity that is an authorized entity whose business address is identical to the address of the registered office; or

3. ~~b~~ A foreign entity authorized to transact business in this state that is an authorized entity and whose business address is identical to the address of the registered office.

(3) Each initial A registered agent, and each appointed ~~pursuant to this section or a~~ successor registered agent that is ~~appointed, pursuant to s. 617.0502 on whom process may be served~~ shall ~~each~~ file a statement in writing with the department ~~of State, in the such~~ form and manner ~~as shall be~~ prescribed by the department, accepting the appointment as a registered agent while simultaneously with his or her being designated as the registered agent. The such statement of acceptance must provide ~~shall state~~ that the registered agent is familiar with, and accepts, the obligations of that position.

(4) The duties of a registered agent are:

(a) To forward to the corporation, at the address most recently supplied to the registered agent by the corporation, a

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process, notice, or demand pertaining to the corporation which is served on or received by the registered agent; and

(b) If the registered agent resigns, to provide the notice required under s. 617.0502 to the corporation at the address most recently supplied to the registered agent by the corporation.

(6)-(5) A corporation may not prosecute or maintain any action in a court in this state until the corporation complies with this section or s. 617.1508, as applicable; pays to the department of State any amounts required under this chapter; and, to the extent ordered by a court of competent jurisdiction, pays to the department of State a penalty of \$5 for each day it has failed to so comply or \$500, whichever is less. A court may stay a proceeding commenced by a corporation until the corporation complies with this section.

~~(6) For the purposes of this section, the term "authorized entity" means:~~

~~(a) A corporation for profit;~~
~~(b) A limited liability company;~~
~~(c) A limited liability partnership; or~~
~~(d) A limited partnership, including a limited liability limited partnership.~~

Section 20. Section 617.0502, Florida Statutes, is amended to read:

617.0502 Change of registered office or registered agent;

~~resignation of registered agent.~~

(1) A corporation may change its registered office or its registered agent upon filing with the department ~~of State~~ a statement of change setting forth:

(a) The name of the corporation;

(b) The name ~~street address~~ of its current registered agent ~~office~~;

(c) If the current registered agent ~~office~~ is to be changed, the name ~~street address~~ of the new registered agent ~~office~~;

(d) The street address ~~name~~ of its current registered office for its current registered agent;

(e) If the street address of the current registered office is to be changed, the new street address of the registered office in this state.

(2) If the ~~its current~~ registered agent is ~~to be~~ changed, the written acceptance ~~name~~ of the successor ~~new~~ registered agent as described in s. 617.0501(3) must be provided to the department ~~and the new agent's written consent (either on the statement or attached to it) to the appointment;~~

~~(f) That the street address of its registered office and the street address of the business office of its registered agent, as changed, will be identical; and~~

~~(g) That such change was authorized by resolution duly adopted by its board of directors or by an officer of the~~

2026 ~~corporation so authorized by the board of directors.~~

2027 ~~(2)(a) Any registered agent may resign his or her agency~~
2028 ~~appointment by signing and delivering for filing with the~~
2029 ~~Department of State a statement of resignation and mailing a~~
2030 ~~copy of such statement to the corporation at its mailing address~~
2031 ~~of the respective corporation that then appears in the records~~
2032 ~~of the Department of State; provided, however, that if a~~
2033 ~~composite statement of resignation is being filed pursuant to~~
2034 ~~paragraph (b), the registered agent must promptly mail a copy of~~
2035 ~~either the composite statement of resignation or a separate~~
2036 ~~notice of resignation for each respective corporation, in each~~
2037 ~~case using the respective mailing address of the respective~~
2038 ~~corporation that then appears in the records of the Department~~
2039 ~~of State. The statement of resignation shall state that a copy~~
2040 ~~of such statement of resignation or, if applicable, notice of~~
2041 ~~resignation, has been mailed to the corporation at the address~~
2042 ~~so stated. The agency is terminated as of the 31st day after the~~
2043 ~~date on which the statement was filed and unless otherwise~~
2044 ~~provided in the statement, termination of the agency acts as a~~
2045 ~~termination of the registered office.~~

2046 ~~(b) If a registered agent is resigning as registered agent~~
2047 ~~from one or more corporations that each have been dissolved,~~
2048 ~~either voluntarily, administratively, or by court action, for a~~
2049 ~~continuous period of 10 years or longer, the registered agent~~
2050 ~~may elect to file the statement of resignation separately for~~

~~each such corporation or may elect to file a single composite statement of resignation covering two or more corporations. Any such composite statement of resignation must set forth, for each such corporation covered by the statement of resignation, the name of the respective corporation and the date that dissolution became effective for the respective corporation. This subsection is applicable only to resignations by registered agents from domestic corporations.~~

~~(3) If a registered agent changes his or her business name or business address, he or she may change such name or address and the address of the registered office of any corporation for which he or she is the registered agent by:~~

~~(a) Notifying all such corporations in writing of the change;~~

~~(b) Signing (either manually or in facsimile) and delivering to the Department of State for filing a statement that substantially complies with the requirements of paragraphs (1)(a)-(f), setting forth the names of all such corporations represented by the registered agent; and~~

~~(c) Reciting that each corporation has been notified of the change.~~

~~(4) Changes of the registered office or registered agent may be made by a change on the corporation's annual report form filed with the Department of State.~~

~~(5) The Department of State shall collect a fee pursuant~~

2076 ~~to s. 15.09(2) for filings authorized by this section.~~

2077 **Section 21. Section 617.05021, Florida Statutes, is**
2078 **created to read:**

2079 617.05021 Resignation of a registered agent.—

2080 (1)(a) A registered agent may resign as agent for a
2081 corporation by delivering to the department a signed statement
2082 of resignation and mailing a copy of such statement to the
2083 corporation at its mailing address of the respective corporation
2084 that then appears in the records of the department; provided,
2085 however, that if a composite statement of resignation is being
2086 filed pursuant to paragraph (b), the registered agent must
2087 promptly mail a copy of either the composite statement of
2088 resignation or a separate notice of resignation for each
2089 respective corporation, in each case using the respective
2090 mailing address of the respective corporation that then appears
2091 in the records of the department.

2092 (b) If a registered agent is resigning as registered agent
2093 from one or more corporations that each have been dissolved,
2094 either voluntarily, administratively, or by court action, for a
2095 continuous period of 10 years or longer, the registered agent
2096 may elect to file the statement of resignation separately for
2097 each such corporation or may elect to file a single composite
2098 statement of resignation covering two or more corporations. Any
2099 such composite statement of resignation must set forth, for each
2100 such corporation covered by the statement of resignation, the

name of the respective corporation and the date that dissolution became effective for the respective corporation. This paragraph is applicable only to resignations by registered agents from domestic corporations.

(2) A registered agent is terminated upon the earlier of:

(a) The 31st day after the department files the statement of resignation; or

(b) When a statement of change or other record designating a new registered agent is filed by the department.

(3) When a statement of resignation takes effect, the registered agent ceases to have responsibility for a matter thereafter tendered to it as agent for the corporation. The resignation does not affect contractual rights that the corporation has against the agent or that the agent has against the corporation.

(4) A registered agent may resign from a corporation regardless of whether the corporation has active status.

Section 22. Section 617.05022, Florida Statutes, is created to read:

617.05022 Change of name or address by a registered agent.—

(1) If a registered agent changes the registered agent's name or business address, the agent may deliver to the department for filing a statement of change that provides the following:

2126 (a) The name of the corporation represented by the
2127 registered agent.

2128 (b) The name of the registered agent as currently shown in
2129 the records of the department for the corporation.

2130 (c) If the name of the registered agent has changed, its
2131 new name.

2132 (d) If the address of the registered agent has changed,
2133 the new address.

2134 (e) A statement that the registered agent has given the
2135 notice required under subsection (2).

2136 (2) A registered agent shall promptly furnish notice to
2137 the represented corporation of the statement of change and the
2138 changes made in the statement, as delivered to the department.

2139 (3) A statement of change is effective when filed by the
2140 department.

2141 (4) The changes described in this section may also be made
2142 on the corporation's annual report, in an application for
2143 reinstatement filed with the department under s. 617.1422, or in
2144 an amendment to or restatement of the company's articles of
2145 incorporation in accordance with s. 617.1006 or s. 617.1007.

2146 (5) The department shall collect a fee pursuant to s.
2147 15.09(2) for filings authorized by this section.

2148 **Section 23. Section 617.0503, Florida Statutes, is amended**
2149 **to read:**

2150 617.0503 Failure to maintain registered agent; subpoena by

2151 the Department of Legal Affairs ~~Registered agent; duties;~~
2152 ~~confidentiality of investigation records.-~~

2153 (1) (a) Each corporation or, ~~foreign corporation, or alien~~
2154 ~~business organization~~ that owns real property located in this
2155 state, that owns a mortgage on real property located in this
2156 state, or that conducts affairs ~~transacts business~~ in this state
2157 shall have and continuously maintain in this state a registered
2158 office and a registered agent and shall file with the department
2159 ~~of State~~ notice of the registered office and registered agent as
2160 provided in ss. 617.0501 and 617.0502. The appointment of a
2161 registered agent in compliance with s. 617.0501 or s. 617.0502
2162 is sufficient for purposes of this section if the registered
2163 agent so appointed files, in the form and manner prescribed by
2164 the department ~~of State~~, an acceptance of the obligations
2165 provided for in this section.

2166 (b) Each such corporation or, ~~foreign corporation, or~~
2167 ~~alien business organization~~ that fails to have and continuously
2168 maintain a registered office and a registered agent as required
2169 in this section is liable to this state for \$500 for each year,
2170 or part of a year, during which the domestic or ~~corporation,~~
2171 ~~foreign corporation, or alien business organization~~ fails to
2172 comply with these requirements; but this liability is forgiven
2173 in full upon the compliance by the domestic or foreign
2174 ~~corporation, foreign corporation, or alien business organization~~
2175 with the requirements of this subsection, even if that

2176 compliance occurs after an action to collect such amount is
2177 instituted. The Department of Legal Affairs may file an action
2178 in the circuit court for the judicial circuit in which the
2179 domestic or foreign corporation, ~~foreign corporation, or alien~~
2180 ~~business organization~~ is found or conducts affairs ~~transacts~~
2181 ~~business~~, or in which real property belonging to the domestic or
2182 foreign corporation, ~~foreign corporation, or alien business~~
2183 ~~organization~~ is located, to petition the court for an order
2184 directing that a registered agent be appointed and that a
2185 registered office be designated, and to obtain judgment for the
2186 amount owed under this subsection. In connection with such
2187 proceeding, the department may, without prior approval by the
2188 court, file a lis pendens against real property owned by the
2189 domestic or foreign corporation, ~~foreign corporation, or alien~~
2190 ~~business organization~~, which lis pendens must ~~shall~~ set forth
2191 the legal description of the real property and must ~~shall~~ be
2192 filed in the public records of the county where the real
2193 property is located. If the lis pendens is filed in any county
2194 other than the county in which the action is pending, the lis
2195 pendens that is filed must be a certified copy of the original
2196 lis pendens. The failure to comply timely or fully with an order
2197 directing that a registered agent be appointed and that a
2198 registered office be designated will result in a civil penalty
2199 of not more than \$1,000 for each day of noncompliance. A
2200 judgment or an order of payment entered under this subsection

2201 becomes a judgment lien against any real property owned by the
2202 domestic or foreign corporation, ~~foreign corporation, or alien~~
2203 ~~business organization~~ when a certified copy of the judgment or
2204 order is recorded as required by s. 55.10. The department may
2205 avail itself of, and is entitled to use, any ~~provision of~~ law or
2206 of the Florida Rules of Civil Procedure to further the
2207 collecting or obtaining of payment pursuant to a judgment or
2208 order of payment. The state, through the Attorney General, may
2209 bid, at any judicial sale to enforce its judgment lien, any
2210 amount up to the amount of the judgment or lien obtained
2211 pursuant to this subsection. All moneys recovered under this
2212 subsection must ~~shall~~ be treated as forfeitures under ss.
2213 895.01-895.09 and used or distributed in accordance with the
2214 procedure set forth in s. 895.09. A domestic or foreign
2215 corporation, ~~foreign corporation, or alien business organization~~
2216 that fails to have and continuously maintain a registered office
2217 and a registered agent as required in this section may not
2218 defend itself against any action instituted by the Department of
2219 Legal Affairs or by any other agency of this state until the
2220 requirements of this subsection have been met.

2221 (2) Each domestic or foreign corporation, ~~foreign~~
2222 ~~corporation, or alien business organization~~ that owns real
2223 property located in this state, that owns a mortgage on real
2224 property located in this state, or that conducts affairs
2225 ~~transacts business~~ in this state must ~~shall~~, pursuant to

subpoena served upon the registered agent of the domestic or
foreign corporation, ~~foreign corporation, or alien business~~
~~organization~~ issued by the Department of Legal Affairs, produce,
through its registered agent or through a designated
representative within 30 days after service of the subpoena,
testimony and records showing the following:

(a) True copies of documents evidencing the legal
existence of the entity, including the articles of incorporation
and any amendments to the articles of incorporation or the legal
equivalent of the articles of incorporation and such amendments.

(b) The names and addresses of each current officer and
director of the entity or persons holding equivalent positions.

(c) The names and addresses of all prior officers and
directors of the entity or persons holding equivalent positions,
for a period not to exceed the 5 years previous to the date of
issuance of the subpoena.

(d) The names and addresses of each member ~~current~~
~~shareholder, equivalent equitable owner, and ultimate equitable~~
~~owner~~ of the entity, the number of which names is limited to the
names of the 100 members holding the largest share of voting
power of the domestic or foreign corporation ~~shareholders,~~
~~equivalent equitable owners, and ultimate equitable owners that,~~
~~in comparison to all other shareholders, equivalent equitable~~
~~owners, or ultimate equitable owners, respectively, own the~~
~~largest number of shares of stock of the corporation, foreign~~

2251 ~~corporation, or alien business organization or the largest~~
2252 ~~percentage of an equivalent form of equitable ownership of the~~
2253 ~~corporation, foreign corporation, or alien business~~
2254 ~~organization.~~

2255 (e) The names and addresses of all previous members ~~prior~~
2256 ~~shareholders, equivalent equitable owners, and ultimate~~
2257 ~~equitable owners of the entity~~ for the 12-month period preceding
2258 the date of issuance of the subpoena, the number of which names
2259 is limited to the 100 members holding the largest share of
2260 voting power of the domestic or foreign corporation
2261 ~~shareholders, equivalent equitable owners, and ultimate~~
2262 ~~equitable owners that, in comparison to all other shareholders,~~
2263 ~~equivalent equitable owners, or ultimate equitable owners,~~
2264 ~~respectively, own the largest number of shares of stock of the~~
2265 ~~corporation, foreign corporation, or alien business organization~~
2266 ~~or the largest percentage of an equivalent form of equitable~~
2267 ~~ownership of the corporation, foreign corporation, or alien~~
2268 ~~business organization.~~

2269 (f) The names and addresses of the person or persons who
2270 provided the records and information to the registered agent or
2271 designated representative of the entity.

2272 (g) The requirements of paragraphs (d) and (e) do not
2273 apply to:

- 2274 1. A financial institution;
- 2275 2. A corporation, foreign corporation, or alien business

organization the securities of which are registered pursuant to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, if such corporation, foreign corporation, or alien business organization files with the United States Securities and Exchange Commission the reports required by s. 13 of that act; or

3. A corporation, foreign corporation, or alien business organization, the securities of which are regularly traded on an established securities market located in the United States or on an established securities market located outside the United States, if such non-United States securities market is designated by rule adopted by the Department of Legal Affairs;

upon a showing by the corporation, foreign corporation, or alien business organization that the exception in subparagraph 1., subparagraph 2., or subparagraph 3. applies to the corporation, foreign corporation, or alien business organization. Such exception in subparagraph 1., subparagraph 2., or subparagraph 3. does not, however, exempt the corporation, foreign corporation, or alien business organization from the requirements for producing records, information, or testimony otherwise imposed under this section for any period of time when the requisite conditions for the exception did not exist.

(3) The time limit for producing records and testimony may be extended for good cause shown by the domestic or foreign

2301 corporation, ~~foreign corporation, or alien business~~
2302 ~~organization.~~

2303 (4) A domestic or foreign corporation ~~person, corporation,~~
2304 ~~foreign corporation, or alien business organization~~ designating
2305 an attorney or, ~~accountant, or spouse~~ as a registered agent or
2306 designated representative shall, with respect to this state or
2307 any agency or subdivision of this state, be deemed to have
2308 waived any privilege that might otherwise attach to
2309 communications with respect to the information required to be
2310 produced pursuant to subsection (2), which communications are
2311 among such domestic or foreign corporation, ~~foreign corporation,~~
2312 ~~or alien business organization~~; the registered agent or
2313 designated representative of such domestic or foreign
2314 ~~corporation, foreign corporation, or alien business~~
2315 ~~organization~~; and the beneficial owners of such domestic or
2316 foreign corporation, ~~foreign corporation, or alien business~~
2317 ~~organization~~. The duty to comply with ~~the provisions of this~~
2318 section will not be excused by virtue of any privilege or
2319 ~~provision of~~ law of this state or any other state or country,
2320 which privilege or provision authorizes or directs that the
2321 testimony or records required to be produced under subsection
2322 (2) are privileged or confidential or otherwise may not be
2323 disclosed.

2324 (5) If a domestic or foreign corporation, ~~foreign~~
2325 ~~corporation, or alien business organization~~ fails without lawful

2326 | excuse to comply timely or fully with a subpoena issued pursuant
2327 | to subsection (2), the Department of Legal Affairs may file an
2328 | action in the circuit court for the judicial circuit in which
2329 | the domestic or foreign corporation, ~~foreign corporation, or~~
2330 | ~~alien business organization~~ is found or conducts affairs,
2331 | ~~transacts business~~ or in which real property belonging to the
2332 | domestic or foreign corporation, ~~foreign corporation, or alien~~
2333 | ~~business organization~~ is located, for an order compelling
2334 | compliance with the subpoena. The failure without a lawful
2335 | excuse to comply timely or fully with an order compelling
2336 | compliance with the subpoena will result in a civil penalty of
2337 | not more than \$1,000 for each day of noncompliance with the
2338 | order. In connection with such proceeding, the department may,
2339 | without prior approval by the court, file a lis pendens against
2340 | real property owned by the domestic or foreign corporation,
2341 | ~~foreign corporation, or alien business organization,~~ which lis
2342 | pendens must ~~shall~~ set forth the legal description of the real
2343 | property and must ~~shall~~ be filed in the public records of the
2344 | county where the real property is located. If the lis pendens is
2345 | filed in any county other than the county in which the action is
2346 | pending, the lis pendens that is filed must be a certified copy
2347 | of the original lis pendens. A judgment or an order of payment
2348 | entered pursuant to this subsection will become a judgment lien
2349 | against any real property owned by the domestic or foreign
2350 | ~~corporation, foreign corporation, or alien business organization~~

2351 when a certified copy of the judgment or order is recorded as
2352 required by s. 55.10. The department may avail itself of, and is
2353 entitled to use, any provision of law or of the Florida Rules of
2354 Civil Procedure to further the collecting or obtaining of
2355 payment pursuant to a judgment or order of payment. The state,
2356 through the Attorney General, may bid at any judicial sale to
2357 enforce its judgment lien, an amount up to the amount of the
2358 judgment or lien obtained pursuant to this subsection. All
2359 moneys recovered under this subsection shall be treated as
2360 forfeitures under ss. 895.01-895.09 and used or distributed in
2361 accordance with the procedure set forth in s. 895.09.

2362 (6) Information provided to, and records and
2363 transcriptions of testimony obtained by, the Department of Legal
2364 Affairs pursuant to this section are confidential and exempt
2365 from ~~the provisions of~~ s. 119.07(1) and s. 24(a), Art. I of the
2366 State Constitution while the investigation is active. For
2367 purposes of this section, an investigation shall be considered
2368 "active" while such investigation is being conducted with a
2369 reasonable, good faith belief that it may lead to the filing of
2370 an administrative, a civil, or a criminal proceeding. An
2371 investigation does not cease being ~~to be~~ active so long as the
2372 department is proceeding with reasonable dispatch and there is a
2373 good faith belief that action may be initiated by the department
2374 or other administrative or law enforcement agency. Except for
2375 active criminal intelligence or criminal investigative

information, as defined in s. 119.011, and information which, if disclosed, would reveal a trade secret, as defined in s. 688.002, or would jeopardize the safety of an individual, all information, records, and transcriptions become available to the public when the investigation is completed or becomes inactive ~~ceases to be active~~. The department may ~~shall~~ not disclose confidential information, records, or transcriptions of testimony except pursuant to authorization by the Attorney General in any of the following circumstances:

(a) To a law enforcement agency participating in or conducting a civil investigation under chapter 895, or participating in or conducting a criminal investigation.

(b) In the course of filing, participating in, or conducting a judicial proceeding instituted pursuant to this section or chapter 895.

(c) In the course of filing, participating in, or conducting a judicial proceeding to enforce an order or judgment entered pursuant to this section or chapter 895.

(d) In the course of a criminal proceeding.

A person or law enforcement agency that receives any information, record, or transcription of testimony that has been made confidential by this subsection shall maintain the confidentiality of such material and may ~~shall~~ not disclose such information, record, or transcription of testimony except as

2401 provided for herein. Any person who willfully discloses any
2402 information, record, or transcription of testimony that has been
2403 made confidential by this subsection, except as provided for in
2404 this subsection, commits a misdemeanor of the first degree,
2405 punishable as provided in s. 775.082 or s. 775.083. If any
2406 information, record, or testimony obtained pursuant to
2407 subsection (2) is offered in evidence in any judicial
2408 proceeding, the court may, in its discretion, seal that portion
2409 of the record to further the policies of confidentiality set
2410 forth in this subsection.

2411 (7) This section is supplemental and may ~~shall~~ not be
2412 construed to preclude or limit the scope of evidence gathering
2413 or other permissible discovery pursuant to any other subpoena or
2414 discovery method authorized by law or rule of procedure.

2415 (8) It is unlawful for any person, with respect to any
2416 record or testimony produced pursuant to a subpoena issued by
2417 the Department of Legal Affairs under subsection (2), to
2418 knowingly and willfully falsify, conceal, or cover up a material
2419 fact by a trick, scheme, or device; make any false, fictitious,
2420 or fraudulent statement or representation; or make or use any
2421 false writing or document knowing the writing or document to
2422 contain any false, fictitious, or fraudulent statement or entry.
2423 A person who violates this subsection commits a felony of the
2424 third degree, punishable as provided in s. 775.082, s. 775.083,
2425 or s. 775.084.

2426 (9) In the absence of a written agreement to the contrary,
2427 a registered agent is not liable for the failure to give notice
2428 of the receipt of a subpoena under subsection (2) to the
2429 domestic or foreign corporation, ~~foreign corporation, or alien~~
2430 ~~business organization~~ that appointed the registered agent if the
2431 registered agent timely sends written notice of the receipt of
2432 the subpoena by first-class mail or domestic or international
2433 air mail, postage fees prepaid, to the last address that has
2434 been designated in writing to the registered agent by the
2435 appointing domestic or foreign corporation, ~~foreign corporation,~~
2436 ~~or alien business organization~~.

2437 (10) The designation of a registered agent and a
2438 registered office as required by subsection (1) for a domestic
2439 or foreign corporation, ~~foreign corporation, or alien business~~
2440 ~~organization~~ that owns real property in this state or a mortgage
2441 on real property in this state is solely for the purposes of
2442 this chapter; and, notwithstanding s. 48.181, s. 617.1502, s.
2443 617.1503, or any other relevant section of the Florida Statutes,
2444 such designation may not be used in determining whether the
2445 domestic or foreign corporation, ~~foreign corporation, or alien~~
2446 ~~business organization~~ is actually doing business in this state.

2447 (11) As used in this section, the term:

2448 (a) ~~"Alien business organization" means:~~

2449 1. ~~Any corporation, association, partnership, trust, joint~~
2450 ~~stock company, or other entity organized under any laws other~~

2451 ~~than the laws of the United States, of any United States~~
2452 ~~territory or possession, or of any state of the United States;~~
2453 ~~or~~

2454 ~~2. Any corporation, association, partnership, trust, joint~~
2455 ~~stock company, or other entity or device 10 percent or more of~~
2456 ~~which is owned or controlled, directly or indirectly, by an~~
2457 ~~entity described in subparagraph 1. or by a foreign natural~~
2458 ~~person.~~

2459 ~~(b) "Financial institution" means:~~

2460 ~~1. A bank, banking organization, or savings association,~~
2461 ~~as defined in s. 220.62;~~

2462 ~~2. An insurance company, trust company, credit union, or~~
2463 ~~industrial savings bank, any of which is licensed or regulated~~
2464 ~~by an agency of the United States or any state of the United~~
2465 ~~States; or~~

2466 ~~3. Any person licensed under the provisions of chapter~~
2467 ~~494.~~

2468 ~~(c) "Mortgage" means a mortgage on real property situated~~
2469 ~~in this state, except a mortgage owned by a financial~~
2470 ~~institution.~~

2471 ~~(b)(d) "Real property" means any real property situated in~~
2472 ~~this state or any interest in such real property.~~

2473 ~~(e) "Ultimate equitable owner" means a natural person who,~~
2474 ~~directly or indirectly, owns or controls an ownership interest~~
2475 ~~in a corporation, foreign corporation, or alien business~~

2476 ~~organization, regardless of whether such natural person owns or~~
2477 ~~controls such ownership interest through one or other natural~~
2478 ~~persons or one or more proxies, powers of attorney, nominees,~~
2479 ~~corporations, associations, partnerships, trusts, joint stock~~
2480 ~~companies, or other entities or devices, or any combination~~
2481 ~~thereof.~~

2482 ~~(12) Any alien business organization may withdraw its~~
2483 ~~registered agent designation by delivering an application for~~
2484 ~~certificate of withdrawal to the department for filing. The~~
2485 ~~application shall set forth:~~

2486 ~~(a) The name of the alien business organization and the~~
2487 ~~jurisdiction under the law of which it is incorporated or~~
2488 ~~organized; and~~

2489 ~~(b) That it is no longer required to maintain a registered~~
2490 ~~agent in this state.~~

2491 **Section 24. Section 617.0505, Florida Statutes, is amended**
2492 **to read:**

2493 617.0505 Distributions and dividends prohibited;
2494 ~~exceptions. Except as authorized in s. 617.1302,~~ A corporation
2495 may not make distributions to its members, directors, or
2496 officers.

2497 (1) A corporation may not pay any dividend and may not
2498 make distributions of any part of the net income or net earnings
2499 of the corporation to its members, directors, or officers,
2500 except that a corporation may:

2501 (a) Make payments for compensation and benefits as
2502 authorized in s. 617.0603, membership purchases as authorized in
2503 s. 617.0608(2), and compensation for directors as authorized in
2504 s. 617.08101;

2505 (b) Make distributions to its members upon dissolution in
2506 conformity with the dissolution provisions of this chapter or,
2507 if expressly permitted by its articles of incorporation, upon
2508 partial liquidation; and

2509 (c) Make distributions to another nonprofit entity or
2510 governmental unit that is a member of the distributing
2511 corporation or has the power to appoint one or more of the
2512 directors of the distributing corporation ~~A mutual benefit~~
2513 ~~corporation, such as a private club that is established for~~
2514 ~~social, pleasure, or recreational purposes and that is organized~~
2515 ~~as a corporation of which the equity interests are held by the~~
2516 ~~members, may, subject to s. 617.1302, purchase the equity~~
2517 ~~membership interest of any member, and the payment for such~~
2518 ~~interest is not a distribution for purposes of this section.~~

2519 ~~(2) A corporation may pay compensation in a reasonable~~
2520 ~~amount to its members, directors, or officers for services~~
2521 ~~rendered, may confer benefits upon its members in conformity~~
2522 ~~with its purposes, and, upon dissolution or final liquidation,~~
2523 ~~may make distributions to its members as permitted by this~~
2524 ~~chapter.~~

2525 ~~(3) If expressly permitted by its articles of~~

2526 ~~incorporation, a corporation may make distributions upon partial~~
2527 ~~liquidation to its members, as permitted by this section. Any~~
2528 ~~such payment, benefit, or distribution does not constitute a~~
2529 ~~dividend or a distribution of income or profit for purposes of~~
2530 ~~this section.~~

2531 ~~(4)~~ A corporation that is a utility exempt from regulation
2532 under s. 367.022(7), whose articles of incorporation state that
2533 it is exempt from taxation under s. 501(c)(12) of the Internal
2534 Revenue Code of 1986, as amended, may make refunds to its
2535 members, before ~~prior to~~ a dissolution or liquidation, as its
2536 managing board deems necessary to establish or preserve its tax-
2537 exempt status. Any such refund does not constitute a dividend or
2538 a distribution of income or earnings ~~profit~~ for purposes of this
2539 section.

2540 ~~(3)(5)~~ A corporation that is regulated by chapter 718,
2541 chapter 719, chapter 720, chapter 721, or chapter 723, or a
2542 corporation where membership in such corporation is required
2543 pursuant to a document recorded in the official county property
2544 records, may make refunds to its members, give ~~giving~~ credits to
2545 its members, disburse ~~disbursing~~ insurance proceeds to its
2546 members, or disburse ~~disbursing~~ or pay ~~paying~~ settlements to its
2547 members without violating this section.

2548 (4) A dividend or distribution by a nonprofit insurance
2549 company subsidiary to its mutual insurance holding company
2550 organized under part III of chapter 628, directly or indirectly

2551 through one or more intermediate holding companies authorized
2552 under that part, is not a distribution for the purposes of this
2553 chapter.

2554 **Section 25. Paragraph (b) of subsection (1) and**
2555 **subsections (3) through (7) of section 617.0601, Florida**
2556 **Statutes, are amended, and subsections (8) and (9) are added to**
2557 **that section, to read:**

2558 617.0601 Members, generally.—

2559 (1)

2560 (b) For ~~The articles of incorporation or bylaws of any~~
2561 nonprofit corporation not for profit that does not have members,
2562 or does not have members entitled to vote on a matter, any law
2563 requiring notice to, the presence of, or the vote, consent, or
2564 other action by members of the corporation in connection with
2565 such matter is satisfied by notice to, the presence of, or the
2566 vote, consent, or other action by the board of directors of the
2567 nonprofit corporation ~~maintains chapters or affiliates may grant~~
2568 ~~representatives of such chapters or affiliates the right to vote~~
2569 ~~in conjunction with the board of directors of the corporation~~
2570 ~~notwithstanding applicable quorum or voting requirements of this~~
2571 ~~chapter if the corporation is registered with the Department of~~
2572 ~~Agriculture and Consumer Services pursuant to ss. 496.401-~~
2573 ~~496.424, the Solicitation of Contributions Act.~~

2574 (3) Corporation members have no voting or other rights
2575 except as provided in the articles of incorporation or bylaws

2576 and each member has the same rights and obligations as every
2577 other member except as provided in the articles of incorporation
2578 or bylaws. However, members of any corporation existing on July
2579 1, 1991, ~~shall~~ continue to have the same voting and other rights
2580 as before such date until changed by amendment of the articles
2581 of incorporation or bylaws.

2582 (4) A corporation shall keep a membership list ~~book~~
2583 containing, in alphabetical order, the name and address of each
2584 member. The corporation shall also keep records in accordance
2585 with s. 617.1601.

2586 (5) A resignation, expulsion, suspension, or termination
2587 of membership pursuant to s. 617.0606 or s. 617.0607 must ~~shall~~
2588 be recorded in the membership list ~~book~~. Unless otherwise
2589 provided in the articles of incorporation or the bylaws, all the
2590 rights and privileges of a member cease on termination of
2591 membership.

2592 (6) Except as provided in the articles of incorporation or
2593 the bylaws, a corporation may admit members for no consideration
2594 or for such consideration as is determined by the board of
2595 directors. The consideration may take any form, including, but
2596 not limited to, promissory notes, intangible property, or past
2597 or future services. Payment of such consideration may be made at
2598 such times and upon such terms as are set forth in or authorized
2599 by the articles of incorporation, bylaws, or action of the board
2600 of directors ~~Subsections (1), (2), (3), and (4) do not apply to~~

~~a corporation that is an association as defined in s. 720.301.~~

(7) Where the articles of incorporation expressly limit membership in the corporation to property owners within specific measurable geographic boundaries and where the corporation has been formed for the benefit of all of those property owners, ~~no~~ such property owner may not ~~shall~~ be denied membership, provided that such property owner once admitted to membership complies, ~~shall comply~~ with the terms and conditions of membership which may provide for termination of membership upon ceasing to be a property owner. Any bylaws, rules, or other regulations to the contrary are deemed void and any persons excluded from membership by such bylaws, rules, or other regulations are deemed members with full rights, including the right, by the majority, or as otherwise provided in the articles of incorporation, to call for a meeting of the membership.

(8) A corporation may not be a member of itself or exercise the rights of a member with respect to itself. Upon a corporation's purchase of its own membership interest in accordance with s. 617.0608, the membership interest is canceled.

(9) Subsections (1)-(4) do not apply to a corporation that is an association as defined in s. 720.301.

Section 26. Section 617.0603, Florida Statutes, is created to read:

617.0603 Compensation and benefits.—A corporation may do

any of the following:

(1) Pay compensation in reasonable amounts to its members, directors, officers, agents, and employees for services rendered.

(2) Confer benefits upon its members in conformity with its purposes.

(3) Upon dissolution or final liquidation, make distributions to its members or others as permitted by this chapter.

No such payments, benefits, or distributions may be deemed to be a dividend or a distribution of income or earnings.

Section 27. Subsection (2) of section 617.0604, Florida Statutes, is amended, and subsections (3) through (7) are added to that section, to read:

617.0604 Liability of members.—

(2) A corporation may levy dues, assessments, and fees on its members to the extent authorized in the articles of incorporation or the bylaws. Dues, assessments, and fees may be imposed on members of the same class either alike or in different amounts or proportions, and may be imposed on a different basis on different classes of members. Members of a class may be made exempt from dues, assessments, and fees to the extent provided in the articles of incorporation or the bylaws ~~A member may become liable to the corporation for dues,~~

2651 ~~assessments, or fees as provided by law.~~

2652 (3) The amount and method of collection of dues,
2653 assessments, and fees may be fixed in the articles of
2654 incorporation or bylaws, or the articles of incorporation or
2655 bylaws may authorize the board of directors or its members to
2656 fix the amount and method of collection.

2657 (4) The articles of incorporation or bylaws may provide
2658 reasonable means, such as termination and reinstatement of
2659 membership, to enforce the collection of dues, assessments, and
2660 fees.

2661 (5) A creditor of a corporation may not bring a proceeding
2662 to reach the liability, if any, of a member of the corporation
2663 unless final judgment has been rendered in favor of the creditor
2664 against the corporation and execution has been returned
2665 unsatisfied in whole or in part or unless the proceeding would
2666 be useless.

2667 (6) All creditors of a corporation, with or without
2668 reducing their claims to judgment, may intervene in any other
2669 creditor's proceeding brought pursuant to subsection (5) to
2670 reach and apply unpaid amounts due from the corporation. All
2671 members who owe unpaid amounts to the corporation may be joined
2672 in the proceeding.

2673 (7) Satisfaction of a debt owed to a creditor by the
2674 corporation through payment of a member who owes unpaid amounts
2675 to the corporation satisfies the debt of the corporation to the

2676 creditor and the debt of the member to the corporation to the
2677 extent so paid by the member to the creditor.

2678 **Section 28. Section 617.0605, Florida Statutes, is amended**
2679 **to read:**

2680 617.0605 Transfer of membership interests.—

2681 (1) Except as provided in the articles of incorporation or
2682 bylaws, a member of a corporation may not transfer a membership
2683 or any right arising from membership ~~except as otherwise allowed~~
2684 ~~in this section.~~

2685 (2) ~~Except as set forth in the articles of incorporation~~
2686 ~~or bylaws of a mutual benefit corporation, a member of a mutual~~
2687 ~~benefit corporation may not transfer a membership or any right~~
2688 ~~arising from membership.~~

2689 ~~(3) Where the right to~~ If transfer a membership has been
2690 provided in the articles of incorporation or bylaws ~~rights have~~
2691 ~~been provided for one or more members of a mutual benefit~~
2692 ~~corporation,~~ a restriction on such rights is not binding with
2693 respect to a member holding a membership issued before the
2694 adoption of the restriction unless the restriction is approved
2695 by the ~~members and the~~ affected member.

2696 **Section 29. Section 617.0606, Florida Statutes, is amended**
2697 **to read:**

2698 617.0606 Resignation of members.—

2699 (1) ~~Except as may be provided in the articles of~~
2700 ~~incorporation or bylaws of a corporation,~~ A member may resign at

2701 ~~any time for any reason of a mutual benefit corporation may not~~
2702 ~~transfer a membership or any right arising from membership.~~

2703 (2) The resignation of a member does not relieve the
2704 member from any obligations ~~that the member may have to the~~
2705 ~~corporation as a result of obligations~~ incurred or commitments
2706 made before resignation.

2707 **Section 30. Subsections (3) and (4) of section 617.0607,**
2708 **Florida Statutes, are amended, and subsection (5) is added to**
2709 **that section, to read:**

2710 617.0607 Termination, expulsion, and suspension.—

2711 (3) Any proceeding challenging an expulsion, suspension,
2712 or termination, including a proceeding in which ~~the~~ defective
2713 notice is alleged, must be commenced within 1 year after the
2714 effective date of the expulsion, suspension, or termination.

2715 (4) A member who has been expelled or suspended or has had
2716 a membership suspended or terminated may be liable to the
2717 corporation for dues, assessments, or fees as a result of
2718 obligations incurred or commitments made before the expulsion,
2719 ~~or~~ suspension, or termination. The expulsion, suspension, or
2720 termination does not relieve the member of any obligations or
2721 commitments made before the expulsion, suspension, or
2722 termination.

2723 (5) A corporation may, if authorized in the articles of
2724 incorporation or bylaws, levy fines or otherwise penalize its
2725 members. A fine or penalty, other than a late fee for nonpayment

of dues, may not be levied until after the corporation has provided notice thereof to the member concerned and has afforded the affected member an opportunity to be heard on the matter.

Section 31. Section 617.0608, Florida Statutes, is amended to read:

617.0608 Purchase of memberships.—

(1) A corporation described in s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, may not purchase the membership interests of any of its members ~~any of its memberships~~ or any right arising from membership. Any corporation that is not described in s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, may purchase the membership interest of any member or any right arising from membership to the extent provided in the articles of incorporation or bylaws. No such payment for purchase of membership interest or right arising from membership may be deemed a dividend or a distribution of income or earnings ~~except as provided in s. 617.0505 or subsection (2).~~

(2) Subject to subsection (1) ~~s. 617.1302~~, a ~~mutual benefit~~ corporation may purchase the membership interest of a member who resigns, or whose membership is terminated, for the amount and pursuant to the conditions set forth in its articles of incorporation or bylaws, but only if, after the completing the purchase:

(a) The corporation is able to pay its debts as they

2751 become due in the usual course of its activities; and

2752 (b) The total assets of the corporation are at least equal
2753 to the sum of its liabilities.

2754 **Section 32. Section 617.0701, Florida Statutes, is amended**
2755 **to read:**

2756 617.0701 Meetings of members, generally; failure to hold
2757 annual meeting; special meeting; consent to corporate actions
2758 without meetings; waiver of notice of meetings.—

2759 (1) A corporation with members may hold meetings of
2760 members for the transaction of any proper business at such times
2761 stated in or fixed in accordance with the articles of
2762 incorporation or bylaws. The frequency of all meetings of
2763 members, the time and manner of notice of such meetings, the
2764 conduct and adjournment of such meetings, the determination of
2765 members entitled to notice or to vote at such meetings, and the
2766 number or voting power of members necessary to constitute a
2767 quorum, shall be determined by or in accordance with the
2768 articles of incorporation or the bylaws. Annual, regular, and
2769 special meetings of the members may be held in or out of this
2770 state, and the place and time of all meetings may be determined
2771 by the board of directors.

2772 (2) The failure to hold an annual meeting at the time
2773 stated in or fixed in accordance with a corporation's articles
2774 of incorporation or bylaws or pursuant to this chapter does not
2775 work ~~cause~~ a forfeiture or ~~give cause for~~ dissolution of the

2776 corporation, ~~and nor~~ does not ~~such failure~~ affect the validity
2777 of any corporate action ~~otherwise valid corporate acts~~, except
2778 as provided in s. 617.1430 in the case of a deadlock among the
2779 directors or the members.

2780 (3) (a) Except as provided in the articles of incorporation
2781 or bylaws, special meetings of the members may be called ~~by~~
2782 either:

2783 1. By the corporation's board of directors or the person
2784 or persons authorized to do so by the articles of incorporation
2785 or bylaws; or

2786 2. If members holding no less than 10 percent, or such
2787 other amount as specified in the articles of incorporation or
2788 bylaws, of all the votes entitled to be cast on any issue being
2789 considered at the proposed special meeting sign, date, and
2790 deliver to the corporation's secretary one or more written
2791 demands for the meeting describing the purpose or purposes for
2792 which it is to be held.

2793 (b) Unless otherwise provided in the articles of
2794 incorporation or bylaws, a written demand for a special meeting
2795 may be revoked by a writing to that effect received by the
2796 corporation before the receipt by the corporation of demands
2797 sufficient in number to require holding a special meeting
2798 pursuant to subparagraph (a)2.

2799 (c) Only business within the purpose or purposes described
2800 in the meeting notice may be conducted at a special meeting of

2801 members.

2802 (d) Special meetings of members may be held in or out of
2803 this state at a place stated in or fixed in accordance with the
2804 articles of incorporation or the bylaws or, when not
2805 inconsistent with the articles of incorporation or the bylaws,
2806 in the notice of the special meeting. If no place is stated or
2807 fixed in accordance with the articles of incorporation or the
2808 bylaws or in the notice of the special meeting, special meetings
2809 must be held at the corporation's principal office.

2810 ~~(a) The president;~~

2811 ~~(b) The chair of the board of directors;~~

2812 ~~(c) The board of directors;~~

2813 ~~(d) Other officers or persons as are provided for in the~~
2814 ~~articles of incorporation or the bylaws;~~

2815 ~~(e) The holders of at least 5 percent of the voting power~~
2816 ~~of a corporation when one or more written demands for the~~
2817 ~~meeting, which describe the purpose for which the meeting is to~~
2818 ~~be held, are signed, dated, and delivered to a corporate~~
2819 ~~officer; or~~

2820 ~~(f) A person who signs a demand for a special meeting~~
2821 ~~pursuant to paragraph (c) if notice for a special meeting is not~~
2822 ~~given within 30 days after receipt of the demand. The person~~
2823 ~~signing the demand may set the time and place of the meeting and~~
2824 ~~give notice under this subsection.~~

2825 (4) Unless otherwise provided in the articles of

2826 incorporation or bylaws, action required or permitted by this
2827 chapter to be taken at an annual or special meeting of members
2828 may be taken without a meeting, without prior notice, and
2829 without a vote if the action is taken by the members entitled to
2830 vote on such action and having not less than the minimum number
2831 of votes necessary to authorize such action at a meeting at
2832 which all members entitled to vote on such action were present
2833 and voted.

2834 (a) To be effective, the action must be evidenced by one
2835 or more written consents describing the action taken, dated and
2836 signed by approving members having the requisite number of votes
2837 and entitled to vote on such action, and delivered to the
2838 corporation to its principal office in this state, its principal
2839 place of business, the corporate secretary, or another officer
2840 or agent of the corporation having custody of the book in which
2841 proceedings of meetings of members are recorded. The action
2842 taken by written consent is effective when such written consent
2843 is signed by members entitled to cast the required number of
2844 votes on the action and has been delivered to the corporation by
2845 delivery as set forth in this section, but only if ~~Written~~
2846 ~~consent to take the corporate action referred to in the consent~~
2847 ~~is not effective unless~~ the consent is signed by members having
2848 the requisite number of votes necessary to authorize the action
2849 within 90 days after the date of the earliest dated consent ~~and~~
2850 ~~is delivered in the manner required by this section.~~

2851 (b) Any written consent may be revoked before ~~prior to~~ the
2852 date that the corporation receives the required number of
2853 consents to authorize the proposed action. A revocation is not
2854 effective unless in writing and until received by the
2855 corporation at its principal office ~~in this state~~ or its
2856 principal place of business, or received by the corporate
2857 secretary or other officer or agent of the corporation having
2858 custody of the book in which proceedings of meetings of members
2859 are recorded.

2860 (c) If the articles of incorporation or bylaws require
2861 that notice of proposed corporate action be delivered to members
2862 not entitled to vote on the action and the action is to be taken
2863 by consent of the members entitled to vote, within 30 days after
2864 obtaining authorization by written consent, notice must be given
2865 to those members who are entitled to vote on the action but who
2866 have not consented in writing and to those members who are not
2867 entitled to vote. The notice must fairly summarize the material
2868 features of the authorized action.

2869 (d) A consent signed under this section has the effect of
2870 a meeting vote and may be described as such in any document.

2871 (e) If the action to which the members consent is such as
2872 would have required the filing of articles or a certificate
2873 under any other section of this chapter if such action had been
2874 voted on by members at a meeting, the articles or certificate
2875 filed under such other section must state that written consent

has been given in accordance with this section.

(f) Whenever action is taken pursuant to this section, the written consent of the members consenting thereto ~~to such action~~ or the written reports of inspectors appointed to tabulate such consents must be filed with the minutes of member proceedings.

(5) (a) A member may waive any notice required by this chapter, the articles of incorporation, or the bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed electronically or otherwise by the member entitled to the notice, and delivered to the corporation for filing by the corporation with the minutes or corporate records ~~Notice of a meeting of members need not be given to any member who signs a waiver of notice, in person or by proxy, either before or after the meeting.~~ Unless required by the articles of incorporation or bylaws, neither the affairs to be transacted at nor the purpose of the meeting need to be specified in the waiver.

(b) Attendance of a member at a meeting waives objection to:

1. Lack, either in person or by proxy, constitutes waiver of notice or defective notice of the meeting, unless the member promptly objects to holding the meeting or transacting business at the beginning of the meeting and does not thereafter vote for or assent to action taken at the meeting; and

2. Consideration of a particular matter at the meeting

2901 which is not within the purposes described in the meeting notice
2902 ~~waiver of any and all objections to the place of the meeting,~~
2903 ~~the time of the meeting, or the manner in which it has been~~
2904 ~~called or convened,~~ unless the member objects to considering the
2905 matter when it is presented at the meeting attends a meeting
2906 ~~solely for the purpose of stating, at the beginning of the~~
2907 ~~meeting, any such objection or objections to the transaction of~~
2908 ~~affairs.~~

2909 (6) Subsections (1) and (3) do not apply to any
2910 corporation that is an association as defined in s. 720.301; a
2911 corporation regulated by chapter 718, chapter 719, chapter 720,
2912 chapter 721, or chapter 723; or a corporation where membership
2913 in such corporation is required pursuant to a document recorded
2914 in the county official ~~property~~ records.

2915 **Section 33. Section 617.0721, Florida Statutes, is amended**
2916 **to read:**

2917 617.0721 Voting by members.—

2918 (1) Members are not entitled to vote except as conferred
2919 by the articles of incorporation or the bylaws.

2920 (2) A member who is entitled to vote may vote in person
2921 or, unless the articles of incorporation or the bylaws otherwise
2922 provide, may vote by proxy ~~executed in writing by the member or~~
2923 ~~by his or her duly authorized attorney in fact.~~

2924 (3) (a) A member or the member's attorney-in-fact may
2925 appoint a proxy to vote or otherwise act for the member by:

2926 1. Signing an appointment form, with his or her signature
2927 affixed, by any reasonable means, including, but not limited to,
2928 facsimile or electronic signature;

2929 2. Transmitting or authorizing the transmission of an
2930 electronic signature to the person who will be appointed as the
2931 proxy or to a proxy solicitation firm, a proxy support service
2932 organization, a registrar, or an agent authorized by the person
2933 who will be designated as the proxy to receive such
2934 transmission; or

2935 3. Using such other means as provided for in the articles
2936 of incorporation or the bylaws.

2937 (b) An appointment form must contain or be accompanied by
2938 information from which it can be determined that the member or
2939 the member's attorney in fact authorized the appointment of the
2940 proxy.

2941 (4) Notwithstanding any provision to the contrary in the
2942 articles of incorporation or bylaws, any copy, facsimile
2943 transmission, or other reliable reproduction of the appointment
2944 form ~~original proxy~~ may be substituted or used in lieu of the
2945 original proxy for any purpose for which the original proxy
2946 could be used if the copy, facsimile transmission, or other
2947 reproduction is a complete reproduction of the appointment form
2948 ~~entire proxy~~. An appointment of a proxy is effective when a
2949 signed appointment in a record is received by the inspectors of
2950 election, the officer or agent of the corporation authorized to

2951 count votes, or the secretary. An appointment of a proxy is ~~not~~
2952 valid ~~for~~ after 11 months following the date of its execution
2953 unless a longer period, which may not exceed 3 years, is
2954 expressly ~~otherwise~~ provided in the appointment form ~~proxy~~. The
2955 death or incapacity of the member appointing a proxy does not
2956 affect the right of the corporation to accept the proxy's
2957 authority unless notice of the death or incapacity is received
2958 by the inspectors of election, the officer or agent authorized
2959 to count votes, or the secretary before the proxy exercises his
2960 or her authority under the appointment. A member may revoke
2961 appointment of a proxy unless the appointment form or electronic
2962 transmission states that it is irrevocable and the appointment
2963 is coupled with an interest.

2964 (a) If directors or officers are to be elected by members,
2965 the bylaws may provide that such elections may be conducted by
2966 mail.

2967 (b) A corporation may reject a vote, ballot, consent,
2968 waiver, demand, or proxy appointment if the person ~~secretary or~~
2969 ~~other officer or agent~~ authorized to accept or reject such vote,
2970 ballot, consent, waiver, demand, or proxy appointment ~~tabulate~~
2971 ~~votes,~~ acting in good faith, has a reasonable basis to doubt ~~for~~
2972 ~~doubting~~ the validity of the signature on it or the signatory's
2973 authority to sign for the member.

2974 ~~(5) (a) (3) If authorized by the board of directors, and~~
2975 ~~subject to such guidelines and procedures as the board of~~

~~directors may adopt,~~ Members of any class, their attorneys-in-
fact, and proxies may participate in any and proxy holders who
~~are not physically present at a meeting of members may,~~ by means
of remote communication to the extent the board of directors
authorizes such participation for such class. Participation by
means of remote communication is subject to the guidelines and
procedures adopted by the board of directors and must be in
conformity with paragraph (b).÷

~~(a) Participate in the meeting.~~

(b) Members, their attorneys-in-fact, and proxies
participating in a members' meeting by means of remote
communication authorized in paragraph (a) are ~~Be~~ deemed to be
present in person and may vote at the meeting if the corporation
has implemented reasonable measures to:

1. ~~The corporation implements reasonable means to~~ Verify
that each person participating remotely as a member is a member,
a member's attorney-in-fact, or a proxy ~~deemed present and~~
~~authorized to vote by means of remote communication is a member~~
~~or proxy holder;~~ and

2. ~~The corporation implements reasonable measures to~~
Provide such members, member's attorneys-in-fact, and proxies ~~or~~
~~proxy holders with~~ a reasonable opportunity to participate in
the meeting and to vote on matters submitted to the members,
including an opportunity to communicate and to read or hear the
proceedings of the meeting substantially concurrent with the

3001 proceedings.

3002 (c) If any member, attorney-in-fact for a member, or proxy
3003 ~~holder~~ votes or takes other action at a members' meeting by
3004 means of remote communication, a record of such vote or other
3005 action ~~that member's participation in the meeting~~ must be
3006 maintained by the corporation in accordance with s. 617.1601.

3007 (d) Unless the articles of incorporation, bylaws, or
3008 demands of members in accordance with s. 617.0701(3) require a
3009 meeting of members to be held at a geographic location, the
3010 board of directors may determine that any meeting of members
3011 will not be held at a geographic location, and instead will be
3012 held solely by means of remote communication, but only if the
3013 corporation implements the measures required by paragraph (b).

3014 (6)-(4) If any entity corporation, ~~whether for profit or~~
3015 ~~not for profit,~~ is a member of a corporation organized under
3016 this chapter, the chair of the governing body ~~board,~~ the
3017 president, any vice president, the secretary, or the treasurer
3018 of the member entity corporation, and any such officer or
3019 cashier or trust officer of a banking or trust corporation
3020 holding such membership, and any like officer of a foreign
3021 entity corporation ~~whether for profit or not for profit,~~ holding
3022 such membership in a domestic corporation, is ~~shall be~~ deemed by
3023 the corporation in which membership is held to have the
3024 authority to vote on behalf of the member entity corporation and
3025 to execute proxies and written waivers and consents in relation

thereto, unless, before a vote is taken or a waiver or consent is acted upon, it appears pursuant to a certified copy of the bylaws or other governing documents of the entity or a resolution of the governing documents ~~board of directors~~ or executive committee of the member entity ~~corporation~~ that such authority does not exist or is vested in some other officer or person. In the absence of such certification, a person executing any such proxies, waivers, or consents or presenting himself or herself at a meeting as one of such officers of a ~~corporate~~ member entity ~~is shall be~~, for the purposes of this section, conclusively deemed to be duly elected, qualified, and acting as such officer and to be fully authorized. In the case of conflicting representation, the ~~corporate~~ member entity shall be represented by its senior officer, in the order stated in this subsection.

(7) ~~(5)~~ The articles of incorporation or the bylaws may provide that, in all elections for directors, every member entitled to vote has the right to cumulate the member's ~~his or her~~ votes and to give one candidate a number of votes equal to the number of votes the member ~~he or she~~ could give if one director were being elected multiplied by the number of directors to be elected or to distribute such votes on the same principles among any number of such candidates. A corporation may not have cumulative voting unless such voting is expressly authorized in the articles of incorporation.

3051 ~~(8)(6)~~ If a corporation has no members or its members do
3052 not have the right to vote, the directors ~~shall~~ have the sole
3053 voting power.

3054 ~~(9)(7)~~ Subsections (1), ~~(7)~~ ~~(5)~~, and ~~(8)~~ ~~(6)~~ do not apply
3055 to a corporation that is an association, as defined in s.
3056 720.301, or a corporation regulated by chapter 718 or chapter
3057 719.

3058 **Section 34. Section 617.0741, Florida Statutes, is created**
3059 **to read:**

3060 617.0741 Standing.—A director, an officer, or a member may
3061 not commence a proceeding in the right of a domestic or foreign
3062 corporation unless such director, officer, or member holds that
3063 position at the time the action is commenced and:

3064 (1) Was a director, an officer, or a member when the
3065 conduct giving rise to the action occurred; or

3066 (2) The person became a member through transfer or by
3067 operation of law from a person who was a member when the conduct
3068 giving rise to the action occurred.

3069 **Section 35. Section 617.0742, Florida Statutes, is created**
3070 **to read:**

3071 617.0742 Complaint; demand and excuse.—A complaint in a
3072 proceeding brought in the right of a corporation must be
3073 verified and allege with particularity:

3074 (1) The demand, if any, made to obtain the action desired
3075 by the director, officer, or member from the board of directors;

3076 and

3077 (2) Either:

3078 (a) If such demand was made, that the demand was refused,
3079 rejected, or ignored by the board of directors before the
3080 expiration of 90 days from the date the demand was made.

3081 (b) If such a demand was made, why irreparable injury to
3082 the corporation or misapplication or waste of corporate assets
3083 causing material injury to the corporation would result by
3084 waiting for the expiration of a 90-day period from the date the
3085 demand was made; or

3086 (c) The reason or reasons the director, officer, or member
3087 did not make the effort to obtain the desired action from the
3088 board of directors or comparable authority.

3089 **Section 36. Section 617.0743, Florida Statutes, is created**
3090 **to read:**

3091 617.0743 Stay of proceedings.—If the corporation commences
3092 an inquiry into the allegations made in the demand or complaint,
3093 the court may stay any derivative proceeding for such period as
3094 the court deems appropriate.

3095 **Section 37. Section 617.0744, Florida Statutes, is created**
3096 **to read:**

3097 617.0744 Dismissal.—

3098 (1) A derivative proceeding may be dismissed, in whole or
3099 in part, by the court upon motion by the corporation if a group
3100 specified in subsection (2) or subsection (3) has determined in

3101 good faith, after conducting a reasonable inquiry upon which its
3102 conclusions are based, that the maintenance of the derivative
3103 proceeding is not in the best interests of the corporation. In
3104 all such cases, the corporation has the burden of proof
3105 regarding the qualifications, good faith, and reasonable inquiry
3106 of the group making the determination.

3107 (2) Unless a panel is appointed pursuant to subsection
3108 (3), the determination required in subsection (1) must be made
3109 by:

3110 (a) A majority of qualified directors present at a meeting
3111 of the board of directors if the qualified directors constitute
3112 a quorum; or

3113 (b) A majority vote of a committee consisting of two or
3114 more qualified directors appointed by majority vote of qualified
3115 directors present at a meeting of the board of directors,
3116 regardless of whether such qualified directors constitute a
3117 quorum.

3118 (3) Upon motion by the corporation, the court may appoint
3119 a panel consisting of one or more disinterested and independent
3120 individuals to make a determination required in subsection (1).

3121 (4) This section does not prevent the court from:

3122 (a) Enforcing a person's rights under the corporation's
3123 articles of incorporation or bylaws or this chapter, including
3124 the person's rights to information under s. 617.1602; or

3125 (b) Exercising its equitable or other powers, including

3126 granting extraordinary relief in the form of a temporary
3127 restraining order or preliminary injunction.

3128 **Section 38. Section 617.0745, Florida Statutes, is created**
3129 **to read:**

3130 617.0745 Discontinuance or settlement; notice.—

3131 (1) A derivative action on behalf of a corporation may not
3132 be discontinued or settled without the court's approval.

3133 (2) If the court determines that a proposed discontinuance
3134 or settlement will substantially affect the interest of any of
3135 the corporation's members, the court must direct that notice be
3136 given to the members affected. The court may determine which
3137 party or parties to the derivative action bears the expense of
3138 giving the notice.

3139 **Section 39. Section 617.0746, Florida Statutes, is created**
3140 **to read:**

3141 617.0746 Proceeds and expenses.—On termination of the
3142 derivative proceeding, the court may:

3143 (1) Order the corporation to pay from the amount recovered
3144 in the derivative proceeding by the corporation the plaintiff's
3145 reasonable expenses, including reasonable attorney fees and
3146 costs, incurred in the derivative proceeding if it finds that,
3147 in the derivative proceeding, the plaintiff was successful in
3148 whole or in part; or

3149 (2) Order the plaintiff to pay any of the defendant's
3150 reasonable expenses, including reasonable attorney fees and

costs, incurred in defending the derivative proceeding if it finds that the derivative proceeding was commenced or maintained without reasonable cause or for an improper purpose.

Section 40. Section 617.0747, Florida Statutes, is created to read:

617.0747 Applicability to foreign corporations.—In any derivative proceeding in the right of a foreign corporation brought in the courts of this state, the matters covered by ss. 617.0741–617.0747 are governed by the laws of the jurisdiction of incorporation of the foreign corporation, except for ss. 617.0743, 617.0745, and 617.0746.

Section 41. Section 617.0803, Florida Statutes, is amended to read:

617.0803 Number of directors.—

~~(1)~~ A board of directors must consist of one ~~three~~ or more individuals, as may be ~~with the number~~ specified in or fixed in accordance with the articles of incorporation or the bylaws, as may be amended, except that a corporation that is exempt from federal income taxation under s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, must have a board of directors that consists of three or more individuals.

~~(2) The number of directors may be increased or decreased from time to time by amendment to, or in the manner provided in, the articles of incorporation or the bylaws, but the corporation must never have fewer than three directors.~~

3176 ~~(3) Directors shall be elected or appointed in the manner~~
3177 ~~and for the terms provided in the articles of incorporation or~~
3178 ~~the bylaws.~~

3179 **Section 42. Section 617.0804, Florida Statutes, is created**
3180 **to read:**

3181 617.0804 Selection of directors.—

3182 (1) The directors of a membership corporation, except for
3183 any initial directors named in the articles of incorporation or
3184 elected by the incorporators, shall be elected by the members
3185 entitled to vote at the time at the first annual meeting of
3186 members, and at each annual meeting thereafter. Notwithstanding
3187 this subsection, the articles of incorporation or bylaws may
3188 provide some other time or method of election, or provide that
3189 some or all of the directors are appointed by some other person
3190 or designated in some other manner.

3191 (2) The directors of a nonmembership corporation, except
3192 for any initial directors named in the articles of incorporation
3193 or elected by the incorporators, shall be elected, appointed, or
3194 designated as provided in the articles of incorporation or
3195 bylaws. If no method of election, appointment, or designation is
3196 set forth in the articles of incorporation or bylaws, such
3197 directors are elected by the board of directors.

3198 (3) If the articles of incorporation or bylaws divide, or
3199 authorize dividing, the members into classes, the articles of
3200 incorporation or bylaws may also authorize the election of all

3201 or a specified number of directors by the holders of one or more
3202 authorized classes of members. A class or multiple classes of
3203 members entitled to elect one or more directors is a separate
3204 voting group for purposes of the election of directors.

3205 **Section 43. Section 617.0805, Florida Statutes, is created**
3206 **to read:**

3207 617.0805 Terms of directors, generally.—

3208 (1) The articles of incorporation or bylaws may specify
3209 the terms of directors. If a term is not specified in the
3210 articles of incorporation or bylaws, the term of a director is 1
3211 year.

3212 (2) A decrease in the number of directors or term of
3213 office does not shorten an incumbent director's term.

3214 (3) Except as provided in the articles of incorporation or
3215 bylaws, the term of a director elected to fill a vacancy expires
3216 at the end of the term that the director is filling.

3217 (4) Notwithstanding the expiration of a director's term,
3218 the director continues to serve until the director's successor
3219 is elected, appointed, or designated and until the director's
3220 successor takes office unless otherwise provided in the articles
3221 of incorporation or bylaws or there is a decrease in the number
3222 of directors.

3223 **Section 44. Present subsection (3) of section 617.0808,**
3224 **Florida Statutes, is redesignated as subsection (2) of that**
3225 **section, and subsection (1) and present subsection (2) of that**

section are amended, to read:

617.0808 Removal of directors.—

(1) ~~Subject to subsection (2),~~ A director may be removed from office pursuant to procedures provided in the articles of incorporation or the bylaws. Unless the articles of incorporation or bylaws provide otherwise, a director may be removed as follows ~~, which shall provide the following, and if they do not do so, shall be deemed to include the following:~~

(a) Any member of the board of directors may be removed from office with or without cause by:

1. Except as provided in paragraph (i), a majority of all votes of the directors, if the director was elected or appointed by the directors; or

2. A majority of all votes of the members, if the director was elected or appointed by the members.

(b) If a director is elected by a class, chapter, or other organizational unit, or by region or other geographic grouping, the director may be removed only by the members of that class, chapter, unit, or grouping. However:

1. A director may be removed only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors, except as provided in subparagraphs 2. and 3.

2. If cumulative voting is authorized, a director may not be removed if the number of votes sufficient to elect the

3251 director under cumulative voting is voted against the removal of
3252 the director.

3253 3. If at the beginning of the term of a director the
3254 articles of incorporation or bylaws provide that the director
3255 may be removed for missing a specified number of board meetings,
3256 the board may remove the director for failing to attend the
3257 specified number of meetings. The director may be removed only
3258 if a majority of the directors then in office vote for the
3259 removal.

3260 (c) The notice of a meeting to recall a member or members
3261 of the board of directors must ~~shall~~ state the specific
3262 directors sought to be removed.

3263 (d) A proposed removal of a director at a meeting requires
3264 ~~shall require~~ a separate vote for each director whose removal is
3265 sought. Where removal is sought by written consent, a separate
3266 consent is required for each director to be removed.

3267 (e) If removal is effected at a meeting, any vacancies
3268 created shall be filled by the members or directors eligible to
3269 vote for the removal.

3270 (f) Any director who is removed from the board is not
3271 eligible to stand for reelection until the next annual meeting
3272 at which directors are elected.

3273 (g) Any director removed from office must ~~shall~~ turn over
3274 to the board of directors within 72 hours any and all records of
3275 the corporation in such director's ~~his or her~~ possession.

(h) If a director who is removed does not relinquish such director's ~~his or her~~ office or turn over records as required under this section, the circuit court in the county where the corporation's principal office is located may summarily order the director to relinquish such director's ~~his or her~~ office and turn over corporate records upon application of any member.

(i) A director elected or appointed by the board may be removed without cause by a vote of two-thirds of the directors then in office or such greater number as is set forth in the articles of incorporation or bylaws.

~~(2) A director of a corporation described in s. 501(c) of the Internal Revenue Code may be removed from office pursuant to procedures provided in the articles of incorporation or the bylaws, and the corporation may provide in the articles of incorporation or the bylaws that it is subject to the provisions of subsection (1).~~

Section 45. Present subsection (4) of section 617.0809, Florida Statutes, is redesignated as subsection (3) of that section, and subsections (1) and (2) and present subsection (3) of that section are amended, to read:

617.0809 Board vacancy.—

(1) Except as otherwise provided in subsection (2) ~~s. 617.0808(1)(f)~~, the articles of incorporation, or the bylaws, if a any vacancy occurs occurring on the board of directors, including a vacancy resulting from an increase in the number of

3301 directors, the vacancy may be filled by a ~~the affirmative vote~~
3302 ~~of the~~ majority of the remaining directors in office, even if
3303 ~~though~~ the remaining directors constitute less than a quorum, ~~or~~
3304 ~~by the sole remaining director or, if the vacancy is not so~~
3305 ~~filled or if no director remains, by the members or, on the~~
3306 ~~application of any person, by the circuit court of the county~~
3307 ~~where the registered office of the corporation is located.~~

3308 (2) Except as otherwise provided in the articles of
3309 incorporation or bylaws, whenever a vacancy in the position of a
3310 director who is: ~~occurs with respect to a director~~

3311 (a) Elected by a voting group of members, a class, chapter
3312 or other organizational, unit of members, or a region or other
3313 geographic grouping of members group, the vacancy may be filled
3314 during the first 3 months after the vacancy occurs only by
3315 ~~members of that voting class, chapter, unit, or group, chapter,~~
3316 unit, region, or grouping, or by a majority of the directors
3317 then in office elected by such voting group, chapter, unit,
3318 region, or grouping class, chapter, unit, or group. If the
3319 vacancy has not been filled within the 3-month period, the
3320 vacancy may be filled by vote of a majority of the directors
3321 remaining in office in accordance with subsection (1);

3322 (b) Appointed by persons, other than the members, may be
3323 filled only by those persons; or

3324 (c) Designated in the articles of incorporation or bylaws
3325 may not be filled by action of the board of directors.

~~(3) The term of a director elected or appointed to fill a vacancy expires at the next annual meeting at which directors are elected. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors, but only for a term of office continuing until the next election of directors by the members or, if the corporation has no members or no members having the right to vote thereon, for such term of office as is provided in the articles of incorporation or the bylaws.~~

Section 46. Section 617.08091, Florida Statutes, is created to read:

617.08091 Removal of directors by judicial proceedings.—

(1) The court of the county where the principal office of a corporation, or if one is not in this state, its registered office, is located may remove a director from office in a proceeding commenced by or in the right of the corporation if the court finds that:

(a) The director engaged in fraudulent conduct with respect to the corporation or its members, grossly abused the position of director, or intentionally inflicted harm on the corporation; and

(b) Considering the director's course of conduct and the inadequacy of other available remedies, removal is in the best interest of the corporation.

(2) Only a member, an officer, or a director may bring an

3351 action under this section, and such action must comply with the
3352 requirements of ss. 617.0742-617.0747. An action by a member may
3353 not be brought unless the complaint is filed by a member having,
3354 or is formally joined by members collectively having, no less
3355 than 10 percent of the corporation's voting power.

3356 (3) In addition to removing the director, the court may
3357 bar the director from being reelected, redesignated, or
3358 reappointed for a period prescribed by the court.

3359 (4) This section does not limit the equitable powers of
3360 the court to order other relief.

3361 **Section 47. Section 617.0820, Florida Statutes, is amended**
3362 **to read:**

3363 617.0820 Board meetings.—

3364 (1) The board of directors may hold regular or special
3365 meetings in or out of this state.

3366 (2) A majority of the directors present, whether or not a
3367 quorum exists, may adjourn any meeting of the board of directors
3368 to another time and place. Unless the bylaws otherwise provide,
3369 notice of any such adjourned meeting shall be given to the
3370 directors who were not present at the time of the adjournment
3371 and, unless the time and place of the adjourned meeting are
3372 announced at the time of the adjournment, to the other
3373 directors.

3374 (3) Unless the articles of incorporation or the bylaws
3375 provide otherwise, meetings of the board of directors may be

3376 called and notice of the meeting delivered by the chair of the
3377 board, the president or a similarly situated officer, or 20
3378 percent of the directors then in office ~~or by the president~~
3379 ~~unless otherwise provided in the articles of incorporation or~~
3380 ~~the bylaws.~~

3381 (4) Unless the articles of incorporation or the bylaws
3382 provide otherwise, the board of directors may permit any or all
3383 directors to participate in a regular or special meeting by, or
3384 conduct the meeting through the use of, any means of
3385 communication by which all directors participating may
3386 simultaneously hear each other during the meeting. A director
3387 participating in a meeting by this means is deemed to be present
3388 in person at the meeting.

3389 (5) Unless the articles of incorporation or the bylaws
3390 provide for a longer or shorter period, regular meetings of the
3391 board of directors may be held without notice of the date, time,
3392 place, or purpose of the meeting.

3393 (6) Unless the articles of incorporation or the bylaws
3394 provide otherwise, a special meeting of the board of directors
3395 must be preceded by at least 2 days' notice of the date, time,
3396 and place of the meeting. The notice need not describe the
3397 purpose of the special meeting unless required by the articles
3398 of incorporation or the bylaws.

3399 **Section 48. Subsections (1) and (2) of section 617.0821,**
3400 **Florida Statutes, are amended to read:**

617.0821 Action by directors without a meeting.—

(1) Unless the articles of incorporation or the bylaws provide otherwise, action required or permitted by this chapter ~~act~~ to be taken at a board of directors' meeting or committee meeting may be taken without a meeting if the action is taken by all members of the board or of the committee. The action must be evidenced by one or more written consents describing the action taken and signed by each director or committee member and delivered to the corporation.

(2) Action taken under this section is effective when the last director signs the consent and delivers the consent to the corporation, unless the consent specifies a different effective date. A director's consent may be withdrawn by a revocation signed by the director and delivered to the corporation before delivery to the corporation of unrevoked written consents signed by all the directors.

Section 49. Section 617.0823, Florida Statutes, is amended to read:

617.0823 Waiver of notice.—Notice of a meeting of the board of directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting constitutes ~~shall constitute~~ a waiver of notice of such meeting and a waiver of any objection ~~and all objections~~ to the date of the meeting, the place of the meeting, the time of the meeting, or the manner in which it has been

called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to holding the meeting or the transaction of affairs because the meeting is not lawfully called or convened and, after such objection, the director does not vote for or consent to action taken at the meeting.

Section 50. Section 617.0830, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 617.0830, F.S., for present text.)

617.0830 General standards for directors.—

(1) Each member of the board of directors, when discharging duties of a director, including in discharging duties as a member of a board committee, shall act:

(a) In good faith; and

(b) In a manner such director reasonably believes is in the best interests of the corporation.

(2) The members of the board of directors or a board committee, when becoming informed in connection with a decisionmaking function or devoting attention to an oversight function, shall discharge their duties with the care that an ordinary prudent person in a like position would reasonably believe appropriate under similar circumstances.

(3) In discharging board or board committee duties, a director who does not have knowledge that makes reliance

unwarranted is entitled to rely on the performance by any of the persons specified in paragraph (5)(a) or paragraph (5)(b) to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

(4) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on any information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (5).

(5) A director is entitled to rely, in accordance with subsection (3) or subsection (4), on:

(a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;

(b) Legal counsel, public accountants, or other persons retained by the corporation or by a committee of the board of the corporation as to matters involving skills or expertise the director reasonably believes are matters:

1. Within the particular person's professional or expert competence; or

2. As to which the particular person merits confidence; or

3476 (c) A committee of the board of directors of which the
3477 director is not a member if the director reasonably believes the
3478 committee merits confidence.

3479 (d) In the case of a corporation engaged in religious
3480 activity, religious authorities and ministers, priests, rabbis,
3481 imams, or other persons whose positions or duties the director
3482 reasonably believes justify reliance and confidence and whom the
3483 director believes to be reliable and competent in the matters
3484 presented.

3485 (6) A director is not a trustee with respect to the
3486 corporation or with respect to any property held or administered
3487 by the corporation in trust, including property that may be
3488 subject to restrictions imposed by the donor or transferor of
3489 the property.

3490 **Section 51. Section 617.0832, Florida Statutes, is amended**
3491 **to read:**

3492 (Substantial rewording of section.

3493 See s. 617.0832, F.S., for present text.)

3494 617.0832 General standards for directors.—

3495 (1) As used in this section, the following terms and
3496 definitions apply:

3497 (a) "Director's conflict of interest transaction" means a
3498 transaction between a corporation and one or more of its
3499 directors, or another entity in which one or more of the
3500 corporation's directors are directly or indirectly a party to

3501 the transaction, other than being an indirect party as a result
3502 of being a member of the corporation, and have a direct or
3503 indirect material financial interest or other material interest.

3504 (b) "Fair to the corporation" means that the transaction,
3505 as a whole, is beneficial to the corporation and its members,
3506 taking into appropriate account whether it is:

3507 1. Fair in terms of the director's dealings with the
3508 corporation in connection with that transaction; and

3509 2. Comparable to what might have been obtainable in an
3510 arm's length transaction.

3511 (c) "Family member" includes any of the following:

3512 1. The director's spouse.

3513 2. A child, stepchild, parent, stepparent, grandparent,
3514 sibling, step sibling, or half sibling of the director or the
3515 director's spouse.

3516 (d) A director has an "indirect material financial
3517 interest" if a director's family member has a material financial
3518 interest in the transaction, other than having an indirect
3519 interest as a member of the corporation, or if the transaction
3520 is with an entity, other than the corporation, which has a
3521 material financial interest in the transaction and controls, or
3522 is controlled by, the director or another person specified in
3523 this section.

3524 (e) A director is "indirectly" a party to a transaction if
3525 the director has a material financial interest in or is a

3526 director, officer, member, manager, or partner of a person,
3527 other than the corporation, who is a party to the transaction.

3528 (f) "Material financial interest" or "other material
3529 interest" means a financial or other interest in the transaction
3530 that would reasonably be expected to impair the objectivity of a
3531 director's judgment when participating in the action on the
3532 authorization of the transaction.

3533 (2) If a director's conflict of interest transaction is
3534 fair to the corporation at the time it is authorized, approved,
3535 effectuated, or ratified:

3536 (a) Such transaction is not void or voidable; and

3537 (b) The fact that the transaction is a director's conflict
3538 of interest transaction is not grounds for any equitable relief,
3539 an award of damages, or other sanctions, because of that
3540 relationship or interest, because such director or directors are
3541 present at the meeting of the board of directors or a committee
3542 thereof which authorizes, approves, or ratifies such
3543 transaction, or because such directors or their votes are
3544 counted for such purpose.

3545 (3) (a) In a proceeding challenging the validity of a
3546 director's conflict of interest transaction or in a proceeding
3547 seeking equitable relief, award of damages, or other sanctions
3548 with respect to a director's conflict of interest transaction,
3549 the person challenging the validity or seeking equitable relief,
3550 award of damages, or other sanctions has the burden of proving

3551 the lack of fairness of the transaction if:

3552 1. The material facts of the transaction and the
3553 director's interest in the transaction were disclosed or known
3554 to the board of directors or committee that authorizes,
3555 approves, or ratifies the transaction and the transaction was
3556 authorized, approved, or ratified by a vote of a majority of the
3557 qualified directors, even if the qualified directors constitute
3558 less than a quorum of the board or the committee; however, the
3559 transaction may not be authorized, approved, or ratified under
3560 this subsection solely by a single director; or

3561 2. The material facts of the transaction and the
3562 director's interest in the transaction were disclosed or known
3563 to the members who voted upon such transaction and the
3564 transaction was authorized, approved, or ratified by a majority
3565 of the votes cast by disinterested members or by the written
3566 consent of disinterested members representing a majority of the
3567 votes that could be cast by all disinterested members. A
3568 membership interest owned by or voted under the control of a
3569 director who has a relationship or interest in the director's
3570 conflict of interest transaction may not be considered a
3571 membership interest owned by a disinterested member and may not
3572 be counted in a vote of members to determine whether to
3573 authorize, approve, or ratify a director's conflict of interest
3574 transaction under this subsection. The vote of those membership
3575 interests, however, is counted in determining whether the

3576 transaction is approved under other sections of this chapter. A
3577 majority of the membership interests, whether or not present,
3578 that are entitled to be counted in a vote on the transaction
3579 under this subsection constitutes a quorum for the purpose of
3580 taking action under this section.

3581 (b) If neither of the conditions provided in paragraph (a)
3582 has been satisfied, the person defending or asserting the
3583 validity of a director's conflict of interest transaction has
3584 the burden of proving its fairness in a proceeding challenging
3585 the validity of the transaction.

3586 (4) The presence of or a vote cast by a director with an
3587 interest in the transaction does not affect the validity of an
3588 action taken under paragraph (3)(a) if the transaction is
3589 otherwise authorized, approved, or ratified as provided in
3590 subsection (3), but the presence or vote of the director may be
3591 counted for purposes of determining whether the transaction is
3592 approved under this chapter.

3593 (5) In addition to other grounds for challenge, a party
3594 challenging the validity of the transaction is not precluded
3595 from asserting and proving that a particular director or member
3596 was not disinterested on grounds of financial or other interest
3597 for purposes of the vote on, consent to, or approval of the
3598 transaction.

3599 (6) If directors' action under this section does not
3600 otherwise satisfy a quorum or voting requirement applicable to

3601 the authorization of the transaction by directors as required by
3602 the articles of incorporation, the bylaws, this chapter, or any
3603 other law, an action to satisfy those authorization
3604 requirements, whether as part of the same action or by way of
3605 another action, must be taken by the board of directors or a
3606 committee in order to authorize the transaction. In such action,
3607 the vote or consent of directors who are not disinterested may
3608 be counted.

3609 (7) If members' action under this section does not satisfy
3610 a quorum or voting requirement applicable to the authorization
3611 of the transaction by members as required by the articles of
3612 incorporation, the bylaws, this chapter, or any other law, an
3613 action to satisfy those authorization requirements, whether as
3614 part of the same action or by way of another action, must be
3615 taken by the members in order to authorize the transaction. In
3616 such action, the vote or consent of members who are not
3617 disinterested members may be counted.

3618 **Section 52.** Section 617.0834, Florida Statutes, is
3619 reordered and amended to read:

3620 617.0834 Liability of directors and officers and directors
3621 ~~of certain corporations and associations not for profit;~~
3622 ~~immunity from civil liability.—~~

3623 (1) A director or an officer ~~or director of a nonprofit~~
3624 ~~organization recognized under s. 501(c)(3) or s. 501(c)(4) or s.~~
3625 ~~501(c)(6) of the Internal Revenue Code of 1986, as amended, or~~

3626 ~~of an agricultural or a horticultural organization recognized~~
3627 ~~under s. 501(c)(5), of the Internal Revenue Code of 1986, as~~
3628 ~~amended,~~ is not personally liable for monetary damages to the
3629 corporation or any person for any statement, vote, decision to
3630 take or not, ~~or failure to take an action, or any failure to~~
3631 take any action, as a director or an officer regarding
3632 ~~organizational management or policy by an officer or director,~~
3633 unless:

3634 (a) The director or officer ~~or director~~ breached or failed
3635 to perform the director's or officer's ~~his or her~~ duties as a
3636 director or an officer ~~or director~~; and

3637 (b) The director's or officer's ~~or director's~~ breach of,
3638 or failure to perform, the director's or officer's ~~his or her~~
3639 duties constitutes any of the following:

3640 1. A violation of the criminal law, unless the ~~officer or~~
3641 director or officer had reasonable cause to believe the
3642 director's or officer's ~~his or her~~ conduct was lawful or had no
3643 reasonable cause to believe the director's or officer's ~~his or~~
3644 ~~her~~ conduct was unlawful. A judgment or other final adjudication
3645 against a director or ~~an officer or director~~ in any criminal
3646 proceeding for violation of the criminal law estops that
3647 director or officer ~~or director~~ from contesting the fact that
3648 the director's or officer's ~~his or her~~ breach, or failure to
3649 perform, constitutes a violation of the criminal law, but does
3650 not estop the director or ~~officer or director~~ from establishing

3651 that the director or officer ~~he or she~~ had reasonable cause to
3652 believe that the director's or officer's ~~his or her~~ conduct was
3653 lawful or had no reasonable cause to believe that the director's
3654 or officer's ~~his or her~~ conduct was unlawful;

3655 2. A transaction from which the director or officer ~~or~~
3656 ~~director~~ derived an improper personal benefit, directly or
3657 indirectly; ~~or~~

3658 3. In a proceeding by or in the right of the corporation
3659 to procure a judgment in its favor or by or in the right of a
3660 member, conscious disregard for the best interest of the
3661 corporation, or willful or intentional misconduct; or

3662 4. In a proceeding by or in the right of someone other
3663 than the corporation or a member, recklessness or an act or
3664 omission that was committed in bad faith or with malicious
3665 purpose or in a manner exhibiting wanton and willful disregard
3666 of human rights, safety, or property.

3667 (2) A director or an officer is deemed not to have derived
3668 an improper personal benefit from any transaction if the
3669 transaction and the nature of any personal benefit derived by
3670 the director or officer are not prohibited by state or federal
3671 law or regulation and, without further limitation, the
3672 transaction is fair to the corporation at the time it is
3673 authorized, approved, or ratified as determined in accordance
3674 with s. 617.0832.

3675 (3) The circumstances set forth in subsection (2) are not

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exclusive and do not preclude the existence of other
circumstances under which a director or officer will be deemed
not to have derived an improper benefit.

(4) For the purposes of this section, the term:

(c)~~(a)~~ "Recklessness" means the acting, or omission to
act, in conscious disregard of a risk:

1. Known, or so obvious that it should have been known, to
the director or officer ~~or director~~; and

2. Known to the director or officer ~~or director~~, or so
obvious that it should have been known, to be so great as to
make it highly probable that harm would follow from such action
or omission.

(a)~~(b)~~ "Director" means a person who serves as a director,
trustee, or member of the governing board of an organization.

(b)~~(c)~~ "Officer" means a person who serves as an officer
without compensation except reimbursement for actual expenses
incurred or to be incurred.

**Section 53. Subsection (4) of section 617.0835, Florida
Statutes, is amended to read:**

617.0835 Prohibited activities by private foundations.—

(4) ~~The provisions of~~ Subsections (2) and (3) do not apply
to any corporation that was incorporated before January 1, 1970,
and that has been properly relieved from the requirements of 26
U.S.C. s. 508(e) (1) by a timely judicial proceeding to the
~~extent that a court of competent jurisdiction determines that~~

~~such application would be contrary to the terms of the articles of incorporation or organization or other instrument governing such corporation or governing the administration of charitable funds held by it and that the same may not properly be changed to conform to such subsections.~~

Section 54. Section 617.0844, Florida Statutes, is created to read:

617.0844 Standards of conduct for officers.—

(1) An officer, when discharging his or her duties, shall act:

(a) In good faith; and

(b) In a manner such officer reasonably believes to be in the best interests of the corporation.

(2) An officer, when becoming informed in connection with a decisionmaking function or devoting attention to an oversight function, shall discharge his or her duties with the care that an ordinary prudent person in a like position would reasonably believe appropriate under similar circumstances.

(3) In discharging his or her duties, an officer who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in paragraph (5) (a) or paragraph (5) (b) to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

3726 (4) In discharging his or her duties, an officer who does
3727 not have knowledge that makes reliance unwarranted is entitled
3728 to rely on any information, opinions, reports, or statements,
3729 including financial statements and other financial data,
3730 prepared or presented by any of the persons specified in
3731 subsection (5).

3732 (5) An officer is entitled to rely, in accordance with
3733 subsection (3) or subsection (4), on:

3734 (a) One or more officers or employees of the corporation
3735 whom the officer reasonably believes to be reliable and
3736 competent in the functions performed or the information,
3737 opinions, reports, or statements provided;

3738 (b) Legal counsel, public accountants, or other persons
3739 retained by the corporation or by a committee of the board of
3740 the corporation as to matters involving skills or expertise the
3741 officer reasonably believes are matters:

3742 1. Within the particular person's professional or expert
3743 competence; or

3744 2. As to which the particular person merits confidence; or

3745 (c) A committee of the board of directors of which the
3746 officer is not a member if the officer reasonably believes the
3747 committee merits confidence.

3748 (d) In the case of a corporation engaged in religious
3749 activity, religious authorities and ministers, priests, rabbis,
3750 imams, or other persons whose positions or duties the officer

3751 reasonably believes justify reliance and confidence and whom the
3752 officer believes to be reliable and competent in the matters
3753 presented.

3754 (6) The duty of an officer includes the obligation to:

3755 (a) Inform the superior officer to whom, or the board of
3756 directors or the committee to which, the officer reports of
3757 information about the affairs of the corporation known to the
3758 officer, within the scope of the officer's functions, and known
3759 or as should be known to the officer to be material to such
3760 superior officer, board, or committee; and

3761 (b) Inform such officer's superior officer, or another
3762 appropriate person within the corporation, or the board of
3763 directors, or a committee thereof, of any actual or probable
3764 material violation of law involving the corporation or material
3765 breach of duty to the corporation by an officer, employee, or
3766 agent of the corporation the officer believes has occurred or is
3767 likely to occur.

3768 (7) An officer is not a trustee with respect to the
3769 corporation or to any property held or administered by the
3770 corporation in trust, including property that may be subject to
3771 restrictions imposed by the donor.

3772 **Section 55. Subsection (1) of section 617.1001, Florida**
3773 **Statutes, is amended to read:**

3774 617.1001 Authority to amend the articles of
3775 incorporation.—

(1) A corporation may amend its articles of incorporation at any time to add or change a provision that is required or permitted in the articles of incorporation or to delete a provision not required to be contained in the articles of incorporation. Whether a provision is required or permitted in the articles of incorporation is determined as of the effective date of the amendment ~~as provided in this act.~~

Section 56. Present paragraph (b) of subsection (1) and present subsections (2) and (3) of section 617.1002, Florida Statutes, are redesignated as subsections (2), (4), and (5), respectively, a new subsection (3) is added to that section, and present subsection (1) of that section is amended, to read:

617.1002 Procedure for amending articles of incorporation.—

(1) Unless the articles of incorporation provide otherwise ~~an alternative procedure~~, amendments to the articles of incorporation shall ~~must~~ be adopted ~~made~~ in the following manner:

(a) If there are members entitled to vote on a proposed amendment to the articles of incorporation, the proposed amendment shall first be adopted by the board of directors. ~~must adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote on the proposed amendment, which may be either an annual or a special meeting. Written notice setting forth the~~

~~proposed amendment or a summary of the changes to be effected by the amendment must be given to each member entitled to vote at such meeting in accordance with the articles of incorporation or the bylaws. The proposed amendment shall be adopted upon receiving at least a majority, or any larger or smaller percentage specified in the articles of incorporation or the bylaws, of the votes which members present at such meeting or represented by proxy are entitled to cast; or~~

(b) Except as provided in subsection (3) or, with respect to restatements that do not require member approval, or s. 617.1007, the members shall approve the amendment.

(c) In submitting the proposed amendment to the members for approval, the board of directors shall recommend that the members approve the amendment unless the board of directors determines that, because of a conflict of interest or other special circumstances, it should not make such a recommendation, in which case the board must inform the members of the basis for proceeding without such recommendation.

(d) The board of directors may set conditions for the approval of the amendment by the members or the effectiveness of the amendment.

(e) If the amendment is required to be approved by the members, and the approval is to be given at a meeting, the corporation must notify each member entitled to vote on the amendment of the meeting of members at which the amendment is to

3826 be submitted for approval. The notice must state that the
3827 purpose, or one of the purposes, of the meeting is to consider
3828 the amendment, and must contain or be accompanied by a copy of
3829 the amendment.

3830 (f) Unless this chapter, the articles of incorporation, or
3831 the board of directors, acting pursuant to paragraph (d),
3832 requires a greater vote or a greater quorum, the approval of the
3833 amendment requires the approval of the members at a meeting at
3834 which the current required quorum exists.

3835 (2) ~~(b)~~ If there are no members or if members are not
3836 entitled to vote on proposed amendments to the articles of
3837 incorporation, unless the articles of incorporation provide
3838 otherwise, an amendment may be adopted at a meeting of the board
3839 of directors by a majority vote of the directors then in office,
3840 or by the incorporators if no board has been elected. Unless the
3841 articles of incorporation provide otherwise, an amendment
3842 adopted by the board of directors under this subsection must
3843 also be approved, if the amendment changes or deletes a
3844 provision regarding the appointment of a director by persons
3845 other than the board, by those persons as if they constituted a
3846 voting group.

3847 (3) Unless the articles of incorporation provide
3848 otherwise, the board of directors of a corporation with members
3849 entitled to vote on proposed amendments may adopt amendments to
3850 the corporation's articles of incorporation without approval of

the members to:

(a) Extend the duration of the corporation if it was incorporated at a time when limited duration was required by law;

(b) Delete the names and addresses of the initial directors;

(c) Delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the department;

(d) Delete any other information contained in the articles of incorporation which is solely of historical interest;

(e) Change the corporate name by substituting the word "corporation," "incorporated," or the abbreviation "Corp.," or "Inc.," for a similar word or abbreviation in the name, or by adding, deleting, or changing a geographical attribution for the name; or

(f) Restate without change all of the then operative provisions of the articles of incorporation as provided in s. 617.1007.

Section 57. Section 617.1006, Florida Statutes, is amended to read:

617.1006 Contents of articles of amendment.—

(1) After an amendment to the articles of incorporation has been adopted and approved as required by this chapter, the corporation shall deliver to the department for filing articles

3876 of amendment which must be signed in accordance with The
3877 ~~articles of amendment must be executed by the corporation as~~
3878 ~~provided in s. 617.01201 and must set forth:~~

3879 (a) ~~(1)~~ The name of the corporation;

3880 (b) ~~(2)~~ The text of each amendment adopted or the
3881 information required by s. 617.01201(10), if applicable;

3882 (c) If the amendment provides for an exchange, a
3883 reclassification, or a cancellation of memberships, provisions
3884 for implementing the amendment if not contained in the amendment
3885 itself, which may be made dependent upon facts objectively
3886 ascertainable outside the articles of amendment in accordance
3887 with s. 617.01201(10);

3888 (d) The date of each amendment's adoption; and

3889 (e) If the amendment:

3890 1. Was adopted by the incorporators or the board of
3891 directors without member approval, a statement that the
3892 amendment was adopted by the incorporators or by the board of
3893 directors and that member approval was not required;

3894 2. Required approval by the members, a statement that the
3895 amendment was duly approved by the members in the manner
3896 required by this chapter and by the articles of incorporation
3897 and bylaws; or

3898 3. Is being filed pursuant to s. 617.01201(10), a
3899 statement to that effect.

3900 (2) Articles of amendment take effect on the effective

3901 date determined pursuant to s. 617.0123.

3902 ~~(3) If there are members entitled to vote on a proposed~~
3903 ~~amendment, the date of the adoption of the amendment by the~~
3904 ~~members and a statement that the number of votes cast for the~~
3905 ~~amendment was sufficient for approval; and~~

3906 ~~(4) If there are no members or if members are not entitled~~
3907 ~~to vote on a proposed amendment, a statement of such fact and~~
3908 ~~the date of the adoption of the amendment by the board of~~
3909 ~~directors.~~

3910 **Section 58. Section 617.1101, Florida Statutes, is amended**
3911 **to read:**

3912 (Substantial rewording of section.

3913 See s. 617.1101, F.S., for present text.)

3914 617.1101 Plan of merger.—

3915 (1) By complying with this chapter, including adopting a
3916 plan of merger in accordance with subsection (3) and complying
3917 with s. 617.1103:

3918 (a) Subject to and except as otherwise provided in s.
3919 617.1102, one or more domestic corporations may merge with one
3920 or more domestic or foreign eligible entities pursuant to a plan
3921 of merger, resulting in a survivor; and

3922 (b) Any two or more eligible entities may merge, resulting
3923 in a surviving entity that is a domestic corporation created in
3924 the merger.

3925 (2) Subject to and except as otherwise provided in s.

3926 617.1102, a domestic eligible entity that is not a corporation
3927 may be a party to a merger with a domestic corporation, or may
3928 be created as the survivor in a merger in which a domestic
3929 corporation is a party, but only if the parties to the merger
3930 comply with this chapter and the merger is permitted by the
3931 organic law of the domestic eligible entity that is not a
3932 corporation. A foreign eligible entity may be a party to a
3933 merger with a domestic corporation or, subject to and as
3934 otherwise provided in s. 617.1102, may be created as the
3935 survivor in a merger in which a domestic corporation is a party,
3936 but only if the parties to the merger comply with this chapter
3937 and the merger is permitted by the organic law of the foreign
3938 eligible entity.

3939 (3) The plan of merger must set forth:

3940 (a) As to each party to the merger, its name, jurisdiction
3941 of formation, and type of entity;

3942 (b) The survivor's name, jurisdiction of formation, and
3943 type of entity, and, if the survivor is to be created in the
3944 merger, a statement to that effect;

3945 (c) The terms and conditions of the merger, including:

3946 1. A statement that the interests in such entity are to be
3947 canceled; or

3948 2. The manner of converting the interests in such entity
3949 into interests, securities, obligations, money, other property,
3950 rights to acquire interests or securities, or any combination of

the foregoing;

(d) The articles of incorporation of any domestic or foreign corporation, or the public organic record of any other domestic or foreign eligible entity to be created by the merger, or if a new domestic or foreign corporation or other eligible entity is not to be created by the merger, any amendment to, or restatement of, the survivor's articles of incorporation or other public organic record;

(e) The effective date and time of the merger, which may be on or after the filing date of filing the articles of merger; and

(f) Any other provision required by the laws under which any party to the merger is organized or by which it is governed, or by the articles of incorporation or organic rules of any such party.

(4) In addition to the requirements of subsection (3), a plan of merger may contain any other provision that is not prohibited by law.

(5) Terms of a plan of merger may be made dependent upon facts objectively ascertainable outside the plan in accordance with s. 617.01201(10).

(6) A plan of merger may be amended only with the consent of each party to the merger, except as provided in the plan. A domestic party to a merger may approve an amendment to a plan:

(a) In the same manner as the plan was approved, if the

plan does not provide for the manner in which it may be amended;
or

(b) In the manner provided in the plan, except that an interest holder that was entitled to vote on or consent to the approval of the plan is entitled to vote on or consent to any amendment to the plan which will change:

1. The amount or kind of interests, securities, obligations, money, other property, rights to acquire interests or securities, or any combination of the foregoing, to be received under the plan by the interest holders of any party to the merger;

2. The articles of incorporation of any domestic corporation, or the organic rules of any other type of entity, that will be the survivor of the merger, except for changes permitted by s. 617.1002(3) or by comparable provisions of the organic law of any other type of entity; or

3. Any of the other terms or conditions of the plan if the change would adversely affect the interest holder in any material respect.

Section 59. Section 617.1102, Florida Statutes, is amended to read:

617.1102 Limitation on merger.—A domestic corporation that holds property for a charitable purpose ~~not for profit organized under this chapter~~ may merge with one or more other eligible entities, ~~as identified in s. 607.1101(1),~~ only if the surviving

entity of such merger is a domestic or foreign corporation ~~not~~
~~for profit~~ or other eligible entity that has been organized as a
nonprofit ~~not-for-profit~~ entity under a governing statute or
other applicable law that allows such a merger.

**Section 60. Section 617.1103, Florida Statutes, is amended
to read:**

(Substantial rewording of section.

See s. 617.1103, F.S., for present text.)

617.1103 Approval of plan of merger; abandonment of plan
thereafter.—

(1) In the case of a domestic corporation that is a party
to a merger, the plan of merger shall be adopted in the
following manner if there are members of the domestic
corporation entitled to vote on the merger:

(a) The plan of merger shall first be adopted by the board
of directors of such domestic corporation.

(b) Except as provided in paragraph (h), and in s.
617.1104, the members entitled to vote shall vote to adopt the
plan of merger.

(c) In submitting the plan of merger to the members for
approval, the board of directors shall recommend that the
members approve the plan, unless the board of directors makes a
determination that because of conflicts of interest or other
special circumstances it should not make such a recommendation,
in which case the board shall inform the members of the basis

4026 for proceeding without such recommendation.

4027 (d) The board of directors may set conditions for the
4028 approval of the proposed merger by the members or the
4029 effectiveness of the plan of merger.

4030 (e) If the approval by members is to be given at a
4031 meeting, the corporation shall notify each member entitled to
4032 vote of the meeting of members at which the plan is submitted
4033 for approval in accordance with this chapter and the articles of
4034 incorporation and bylaws of the corporation. The notice must
4035 also state that the purpose, or one of the purposes, of the
4036 meeting is to consider the plan of merger, regardless of whether
4037 the meeting is an annual or a special meeting, and contain or be
4038 accompanied by a copy of the plan. If the corporation is not to
4039 be the surviving entity, the notice must also include or be
4040 accompanied by a copy of the articles of incorporation and
4041 bylaws or the organic rules of the surviving entity.

4042 (f) Unless this chapter, the articles of incorporation, or
4043 the board of directors, acting pursuant to paragraph (d),
4044 requires a greater vote or a greater quorum in the respective
4045 case, approval of the plan of merger shall require the approval
4046 of the members at a meeting at which the current required quorum
4047 exists by a majority of the votes entitled to be cast on the
4048 plan and, if any class of members is entitled to vote as a
4049 separate voting group on the plan of merger, the approval of
4050 each such separate voting group at a meeting at which a quorum

4051 of the voting group is present by a majority of the votes
4052 entitled to be cast on the merger by that voting group.

4053 (g) Subject to paragraph (h), unless otherwise provided in
4054 the articles of incorporation, separate voting on a plan of
4055 merger is required for each class of members that is to be
4056 converted under the plan of merger into securities, interests,
4057 or obligations; rights to acquire securities or other interests;
4058 or cash, other property, or any combination thereof.

4059 (h) The articles of incorporation may expressly limit or
4060 eliminate the separate voting rights as to any class of members.

4061 (2) If a domestic corporation that is a party to a merger
4062 has no members or if its members are not entitled to vote on a
4063 plan of merger, such plan may be adopted at a meeting of its
4064 board of directors by a majority vote of the directors then in
4065 office.

4066 (3) (a) After a plan of merger has been approved and before
4067 articles of merger are effective, the plan may be abandoned as
4068 provided in the plan. Unless prohibited by the plan, the plan
4069 may be abandoned by the board of directors in the same manner as
4070 the plan was approved by:

4071 1. A domestic corporation; or
4072 2. A merging domestic eligible entity if the organic law
4073 of the entity does not provide for amendment of a plan of
4074 merger.

4075 (b) If a merger is abandoned under paragraph (a) after

4076 articles of merger have been delivered to the department for
4077 filing but before the articles of merger have become effective,
4078 a statement of abandonment signed by all the parties that signed
4079 the articles of merger shall be delivered to the department for
4080 filing before the articles of merger become effective. The
4081 statement takes effect on filing, whereupon the merger is deemed
4082 abandoned and does not become effective. The statement of
4083 abandonment must contain:

- 4084 1. The name of each party to the merger;
4085 2. The date on which the articles of merger were filed by
4086 the department; and
4087 3. A statement that the merger has been abandoned in
4088 accordance with this section.

4089 **Section 61. Section 617.1104, Florida Statutes, is created**
4090 **to read:**

4091 617.1104 Short-form merger between parent and subsidiary
4092 or between subsidiaries.—

4093 (1) (a) A domestic or foreign parent eligible entity that
4094 holds a membership in a domestic corporation that carries at
4095 least 80 percent of the voting power of each class of membership
4096 of the domestic corporation which has voting power may:

- 4097 1. Merge the subsidiary into itself, or into another
4098 domestic or foreign eligible entity in which the parent eligible
4099 entity owns at least 80 percent of the voting power of each
4100 class and series of the outstanding interests that have voting

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power; or

2. Merge itself into the subsidiary.

(b) Mergers under subparagraphs (a)1. and 2. do not require the approval of the board of directors or members of the subsidiary unless the articles of incorporation or organic rules of the parent eligible entity or the articles of incorporation of the subsidiary entity otherwise provide. The articles of merger relating to a merger under this section do not need to be signed by the subsidiary entity.

(2) The parent eligible entity shall, within 10 days after the effective date of a merger approved under subsection (1), notify each of the subsidiary entity's members that the merger has become effective.

(3) Except as provided for in subsections (1) and (2), a merger between a parent eligible entity and a domestic subsidiary corporation is governed by ss. 617.1101-617.1107, which are applicable to mergers generally.

Section 62. Section 617.1105, Florida Statutes, is amended to read:

(Substantial rewording of section.

See s. 617.1105, F.S., for present text.)

617.1105 Articles of merger.—

(1) After a plan of merger has been adopted and approved as required by this chapter or, if the merger is being effected pursuant to s. 617.1101(1)(b), the merger has been approved as

4126 required by the organic law governing the parties to the merger,
4127 the articles of merger must be signed by each party to the
4128 merger, except as provided in s. 617.1104. The articles of
4129 merger must set forth:

4130 (a) The name, jurisdiction of formation, and type of
4131 entity of each party to the merger;

4132 (b) If not already identified as the survivor pursuant to
4133 paragraph (a), the name, jurisdiction of formation, and type of
4134 entity of the survivor;

4135 (c) If the articles of incorporation of the survivor are
4136 being amended, or if a new domestic corporation is being created
4137 as a result of the merger:

4138 1. The amendments to the survivor's articles of
4139 incorporation; or

4140 2. The articles of incorporation of the new corporation;

4141 (d) If the plan of merger required approval by the members
4142 of a domestic corporation that is a party to the merger, a
4143 statement that the plan was duly approved by the members and, if
4144 voting by any separate voting group was required, by each such
4145 separate voting group, in the manner required by this chapter
4146 and the articles of incorporation of such domestic corporation;

4147 (e) If the plan of merger did not require approval by the
4148 members of a domestic corporation that is a party to the merger,
4149 a statement to that effect;

4150 (f) As to each foreign corporation that is a party to the

4151 merger, a statement that the participation of the foreign
4152 corporation was duly authorized in accordance with such
4153 corporation's organic law;

4154 (g) As to each domestic or foreign eligible entity that is
4155 a party to the merger and that is not a domestic or foreign
4156 corporation, a statement that the participation of the eligible
4157 entity in the merger was duly authorized in accordance with such
4158 eligible entity's organic law; and

4159 (h) If the survivor is not a domestic or foreign
4160 corporation or other eligible entity that has been organized as
4161 a nonprofit entity under a governing statute or other applicable
4162 law that allows such a merger, as to each domestic corporation
4163 that is a party to the merger, a statement that it does not hold
4164 any property for a charitable purpose.

4165 (2) In addition to the requirements of subsection (1),
4166 articles of merger may contain any other provision not
4167 prohibited by law.

4168 (3) The articles of merger shall be delivered to the
4169 department for filing, and, subject to subsection (4), the
4170 merger must take effect on the effective date determined in
4171 accordance with s. 617.0123.

4172 (4) With respect to a merger in which one or more foreign
4173 entities is a party or a foreign corporation created by the
4174 merger is the survivor, the merger itself becomes effective at
4175 the later of:

4176 (a) When all documents required to be filed in all foreign
4177 jurisdictions to effect the merger have become effective; or

4178 (b) When the articles of merger take effect.

4179 (5) Articles of merger required to be filed under this
4180 section may be combined with any filing required under the
4181 organic law governing any other domestic eligible entity
4182 involved in the transaction if the combined filing satisfies the
4183 requirements of both this section and the other organic law.

4184 **Section 63. Section 617.1106, Florida Statutes, is amended**
4185 **to read:**

4186 (Substantial rewording of section.

4187 See s. 617.1106, F.S., for present text.)

4188 617.1106 Effect of merger.—

4189 (1) When a merger becomes effective:

4190 (a) The domestic or foreign eligible entity that is
4191 designated in the plan of merger as the survivor continues or
4192 comes into existence, as the case may be;

4193 (b) The separate existence of every merging entity, other
4194 than the survivor, ceases;

4195 (c) All property owned by, and every contract right and
4196 other right possessed by, each merging entity vests in the
4197 survivor, without transfer, reversion, or impairment;

4198 (d) All debts, obligations, and other liabilities of each
4199 merging entity become debts, obligations, and liabilities of the
4200 survivor;

4201 (e) The name of the survivor may be, but need not be,
4202 substituted in any pending proceeding for the name of any party
4203 to the merger whose separate existence ceased in the merger;

4204 (f) Neither the rights of creditors nor any liens upon the
4205 property of any corporation party to the merger are impaired by
4206 such merger;

4207 (g) If the survivor is a domestic eligible entity, the
4208 articles of incorporation and bylaws or the organic rules of the
4209 survivor are amended to the extent provided in the plan of
4210 merger;

4211 (h) The articles of incorporation and bylaws or the
4212 organic rules of a survivor that is a domestic eligible entity
4213 and is created by the merger become effective;

4214 (i) The interests of each merging entity which are to be
4215 canceled or converted in the merger are canceled or converted,
4216 and the interest holders of those interests are entitled only to
4217 the rights provided to them under the plan of merger and to any
4218 appraisal rights they have under the merging entity's organic
4219 law;

4220 (j) Except as provided by law or the plan of merger, all
4221 the rights, privileges, franchises, and immunities of each
4222 eligible entity that is a party to the merger, other than the
4223 survivor, become the rights, privileges, franchises, and
4224 immunities of the survivor; and

4225 (k) If the survivor exists before the merger:

4226 1. All the property and contract and other rights of the
4227 survivor remain its property and contract and other rights
4228 without transfer, reversion, or impairment;

4229 2. The survivor remains subject to all of its debts,
4230 obligations, and other liabilities; and

4231 3. Except as provided by law or the plan of merger, the
4232 survivor continues to hold all of its rights, privileges,
4233 franchises, and immunities.

4234 (2) Except as provided in the organic law governing a
4235 party to a merger or in its articles of incorporation or organic
4236 rules, the merger does not give rise to any rights that any
4237 interest holder or third party would have upon a dissolution,
4238 liquidation, or winding up of that party. The merger does not
4239 require a party to the merger to wind up its affairs and does
4240 not constitute or cause its dissolution or termination.

4241 (3) Property held in trust or otherwise dedicated to a
4242 charitable purpose and held by a domestic or foreign eligible
4243 entity immediately before a merger becomes effective may not, as
4244 a result of the merger, be diverted from the purposes for which
4245 it was donated, granted, devised, or otherwise transferred
4246 except pursuant to the laws of this state addressing cy pres or
4247 dealing with nondiversion of charitable assets.

4248 (4) Any bequest, devise, gift, grant, or promise contained
4249 in a will or other instrument of donation, subscription, or
4250 conveyance which is made to an eligible entity that is a party

4251 to a merger that is not the survivor and which takes effect or
4252 remains payable after the merger inures to the survivor.

4253 (5) A trust obligation that would govern property if the
4254 property is directed to be transferred to a nonsurviving
4255 eligible entity applies to property that is to be transferred
4256 instead to the survivor after a merger becomes effective.

4257 **Section 64. Section 617.1107, Florida Statutes, is amended**
4258 **to read:**

4259 617.1107 Merger of domestic and foreign corporations.—

4260 ~~(1) One or more foreign corporations and one or more~~
4261 ~~domestic corporations may be merged into a corporation of this~~
4262 ~~state or of another jurisdiction if such merger is permitted by~~
4263 ~~the laws of the jurisdiction under which each such foreign~~
4264 ~~corporation is organized and if:~~

4265 ~~(a) Each foreign corporation complies with the applicable~~
4266 ~~laws of the jurisdiction under which it is organized; and~~

4267 ~~(b) Each domestic corporation complies with the provisions~~
4268 ~~of this act relating to the merger of domestic corporations.~~

4269 ~~(2)~~ Following a merger in accordance with s. 617.1101, if
4270 the surviving eligible entity is a foreign eligible entity
4271 ~~corporation is to be governed by the laws of any jurisdiction~~
4272 ~~other than this state, it must comply with the provisions of~~
4273 this chapter ~~act~~ with respect to foreign corporations if it is
4274 to conduct its affairs in this state, and in every case it will
4275 be deemed to have filed with the department of State:

4276 (a) An agreement that it may be served with process in
4277 this state in any proceeding for the enforcement of any
4278 obligation of any domestic corporation which is a party to such
4279 merger; and

4280 (b) An irrevocable appointment of the department ~~of State~~
4281 ~~of this state~~ as its agent to accept service of process in any
4282 such proceeding.

4283 (2)(3) Following a merger in accordance with s. 617.1101,
4284 if the surviving eligible entity is a corporation ~~is~~ to be
4285 governed by the laws of this state, the effect of such merger is
4286 the same as in the case of the merger of domestic corporations.
4287 If the surviving eligible entity ~~corporation~~ is to be governed
4288 by the laws of any jurisdiction other than this state, the
4289 effect of such merger is governed by the laws of such other
4290 jurisdiction.

4291 ~~(4) At any time prior to the filing of the articles of~~
4292 ~~merger by the Department of State, the merger may be abandoned~~
4293 ~~pursuant to provisions therefor, if any, set forth in the plan~~
4294 ~~of merger.~~

4295 **Section 65. Section 617.1202, Florida Statutes, is amended**
4296 **to read:**

4297 617.1202 Sale, lease, exchange, or other disposition of
4298 corporate property and assets requiring member approval. ~~A sale,~~
4299 ~~lease, exchange, or other disposition of all or substantially~~
4300 ~~all of the property and assets of a corporation, in all cases~~

4301 ~~other than those not requiring member approval as specified in~~
4302 ~~s. 617.1201, may be made upon such terms and conditions and for~~
4303 ~~such consideration, which may consist in whole or in part of~~
4304 ~~money or property, real or personal, including shares, bonds, or~~
4305 ~~other securities of any corporation or corporations for profit,~~
4306 ~~domestic or foreign, and must be authorized in the following~~
4307 ~~manner:~~

4308 (1) If a the corporation has members entitled to vote, the
4309 corporation may sell, lease, exchange, or otherwise dispose of
4310 all, or substantially all, of its property, with or without good
4311 will, on the terms and conditions and for the consideration
4312 determined by the corporation's board of directors, but only if
4313 the board of directors proposes and its members approve the
4314 proposed transaction in the following manner: ~~on the sale,~~
4315 ~~lease, exchange, or other disposition of corporate property, the~~
4316 ~~board of directors must adopt a resolution approving such sale,~~
4317 ~~lease, exchange, or other disposition, and directing that it be~~
4318 ~~submitted to a vote at a meeting of members entitled to vote~~
4319 ~~thereon, which may be either an annual or special meeting.~~
4320 ~~Written notice stating that the purpose, or one of the purposes,~~
4321 ~~of such meeting is to consider the sale, lease, exchange, or~~
4322 ~~other disposition of all or substantially all of the property~~
4323 ~~and assets of the corporation must be given to each member~~
4324 ~~entitled to vote at such meeting in accordance with the articles~~
4325 ~~of incorporation or the bylaws. At such meeting, the members may~~

~~authorize such sale, lease, exchange, or other disposition and
may approve or fix, or may authorize the board of directors to
fix, any or all of the terms and conditions thereof and the
consideration to be received by the corporation therefor. Such
authorization requires at least a majority of the votes which
members present at such meeting or represented by proxy are
entitled to cast. After such authorization by a vote of members,
the board of directors may, in its discretion, abandon such
sale, lease, exchange, or other disposition of assets, subject
to the rights of third parties under any contracts relating to
such sale, lease, exchange, or other disposition, without
further action or approval by members.~~

(a) The board of directors shall first adopt a resolution
approving the disposition, and thereafter, the disposition must
also be approved by the corporation's members having voting
rights thereon.

(b) In submitting the disposition to the members who have
voting rights for approval, the board of directors shall
recommend the proposed transaction to the members of record
unless the board of directors makes a determination that because
of a conflict of interest or other special circumstances it
should not make such a recommendation, in which event the board
of directors shall inform the members of the basis for its so
proceeding without such recommendation.

(c) The board of directors may set conditions for approval

4351 of the disposition or the effectiveness of the disposition.

4352 (d) If the disposition is required to be approved by the
4353 members under this subsection and if the approval is to be given
4354 at the meeting, the corporation must notify each member entitled
4355 to vote of the meeting of members at which the disposition is to
4356 be submitted for approval. The notice must state that the
4357 purpose, or one of the purposes, of the meeting is to consider
4358 the disposition and must contain a description of the
4359 disposition and the consideration to be received by the
4360 corporation.

4361 (e) Unless this chapter, the articles of incorporation, or
4362 the board of directors acting pursuant to paragraph (c) requires
4363 a greater vote or a greater quorum, the approval of the
4364 disposition shall require the approval of the members entitled
4365 to vote at a meeting at which the current required quorum exists
4366 consisting of a majority of all the votes entitled to be cast on
4367 the disposition.

4368 (2) After a disposition has been approved by the members
4369 under this section, and at any time before the disposition has
4370 been consummated, it may be abandoned by the corporation without
4371 action by the members, subject to any contractual rights of
4372 other parties to the disposition.

4373 (3) A disposition of assets in the course of dissolution
4374 is governed by ss. 617.1401-617.1440 and not by this section.

4375 (4) If the corporation has no members or if its members

are not entitled to vote thereon, a sale, lease, exchange, or other disposition of all or substantially all the property and assets of a corporation may be authorized by a majority vote of the directors then in office.

Section 66. Subsection (2) of section 617.1401, Florida Statutes, is amended, and subsection (3) of that section is reenacted, to read:

617.1401 Voluntary dissolution of corporation prior to conducting its affairs.—

(2) Articles of dissolution must be executed in accordance with s. 617.01201 and must set forth:

- (a) The name of the corporation;
- (b) The date of filing of its articles of incorporation;
- (c) That the corporation has not commenced to conduct its affairs;
- (d) That no debts of the corporation remain unpaid; ~~and~~
- (e) That any net assets of the corporation remaining after winding up have been distributed in accordance with s. 617.1406;
- and

(f) That the incorporator or a majority of the incorporators or a majority of the directors, as the case may be, authorized the dissolution.

(3) The articles of dissolution must be filed and shall become effective in accordance with s. 617.1403, may be revoked in accordance with s. 617.1404, and shall have the effect

prescribed in s. 617.1405.

Section 67. Section 617.1402, Florida Statutes, is amended to read:

617.1402 Dissolution of corporation subsequent to conducting its affairs.—A corporation desiring to dissolve and wind up its affairs must adopt a resolution to dissolve in the following manner:

(1) If the corporation has members entitled to vote on a resolution to dissolve, and unless the board of directors determines that because of a conflict of interest or other substantial reason it should not make any recommendation, the board of directors must adopt a resolution recommending that the corporation be dissolved and directing that the question of such dissolution be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or special meeting. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation must be given to each member entitled to vote at such meeting in accordance with the articles of incorporation or the bylaws. A resolution to dissolve the corporation must ~~shall~~ be adopted upon receiving at least a majority of the votes which members present at such meeting or represented by proxy are entitled to cast.

(2) If the corporation has no members or if its members are not entitled to vote on a resolution to dissolve, the

dissolution of the corporation may be authorized at a meeting of the board of directors by a majority vote of the directors then in office.

Section 68. Subsection (1) of section 617.1403, Florida Statutes, is amended, and subsection (3) is added to that section, to read:

617.1403 Articles of dissolution.—

(1) At any time after dissolution is authorized, the corporation may dissolve by delivering to the department ~~of~~ State for filing articles of dissolution setting forth:

(a) The name of the corporation;

(b) If the corporation has members entitled to vote on dissolution, the date of the meeting of members at which the resolution to dissolve was adopted, a statement that the number of votes cast for dissolution was sufficient for approval, or a statement that such a resolution was adopted by written consent and executed in accordance with s. 617.0701; and

(c) If the corporation has no members or if its members are not entitled to vote on dissolution, a statement of such fact, the date of the adoption of such resolution by the board of directors, the number of directors then in office, and the vote for the resolution.

(3) For purposes of ss. 617.1401-617.1422, the term "dissolved corporation" means a corporation whose articles of dissolution have become effective and includes a successor

entity, as defined in s. 617.01401.

Section 69. Subsection (1) of section 617.1405, Florida Statutes, is amended, subsections (5) and (6) are added to that section, and subsection (4) of that section is reenacted, to read:

617.1405 Effect of dissolution.—

(1) A ~~dissolved~~ corporation that has dissolved continues its corporate existence but may not conduct its affairs except to the extent appropriate to wind up and liquidate its affairs, including:

(a) Collecting its assets;

(b) Disposing of its properties that will not be distributed in kind pursuant to the plan of distribution of assets adopted under s. 617.1406;

(c) Discharging or making provision for discharging its liabilities;

(d) Distributing its remaining property in accordance with the plan of distribution of assets adopted under s. 617.1406; and

(e) Doing every other act necessary to wind up and liquidate its affairs.

(4) The name of a dissolved corporation is not available for assumption or use by another corporation until 120 days after the effective date of dissolution unless the dissolved corporation provides the department with an affidavit, executed

4476 pursuant to s. 617.01201, authorizing the immediate assumption
4477 or use of the name by another corporation.

4478 (5) For purposes of this section, the circuit court may
4479 appoint a trustee, custodian, receiver, or provisional director
4480 as described in s. 617.1435 for any property owned or acquired
4481 by the corporation who may engage in any act permitted in
4482 accordance with subsection (1) if any director or officer of the
4483 dissolved corporation is unwilling or unable to serve or cannot
4484 be located.

4485 (6) Property held in trust or otherwise dedicated to a
4486 public or charitable purpose may not be diverted from its trust
4487 or charitable purpose by the dissolution of a corporation except
4488 in compliance with and pursuant to the laws of this state
4489 addressing cy pres or otherwise dealing with the nondiversion of
4490 charitable assets.

4491 **Section 70. Section 617.1406, Florida Statutes, is amended**
4492 **to read:**

4493 617.1406 Plan of distribution of assets.—A plan providing
4494 for the distribution of assets, not inconsistent with this
4495 chapter ~~act~~ or the articles of incorporation, must be adopted by
4496 a corporation in the following manner:

4497 (1) If the corporation has members entitled to vote on a
4498 plan of distribution of assets, the board of directors must
4499 adopt a resolution recommending a plan of distribution and
4500 directing its submission to a vote at a meeting of members

entitled to vote thereon, which may be either an annual or a special meeting. Written notice setting forth the proposed plan of distribution or a summary thereof must be given to each member entitled to vote at such meeting in accordance with the articles of incorporation or the bylaws. Such plan of distribution shall be adopted upon receiving at least a majority of the votes which the members present at such meeting or represented by proxy are entitled to cast.

(2) If the corporation has no members or if its members are not entitled to vote on a plan of distribution, such plan may be adopted at a meeting of the board of directors by a majority vote of the directors then in office.

(3) A plan of distribution of assets must provide that:

(a) All liabilities and obligations of the corporation be paid and discharged, or adequate provisions be made therefor;

(b) Assets held by the corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, be returned, transferred, or conveyed in accordance with such requirements;

(c) Assets received and held by the corporation subject to limitations permitting their use only for charitable, religious, ~~eleemosynary~~, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, be transferred or conveyed to one or more domestic or foreign corporations,

trusts, societies, or organizations engaged in activities substantially similar to those of the dissolving corporation, as provided in the plan of distribution of assets;

(d) Other assets, if any, be distributed in accordance with the ~~provisions of the~~ articles of incorporation or the bylaws to the extent that the articles of incorporation or the bylaws determine the distributive rights of members, or any class or classes of members, or provide for distribution to others; and

(e) Any remaining assets be distributed to such persons, trusts, societies, organizations, or domestic or foreign corporations, whether for profit or not for profit, as specified in the plan of distribution of assets.

(4) A copy of the plan of distribution of assets, authenticated by an officer of the corporation and containing the officer's certificate of compliance with the requirements of subsection (1) or subsection (2) must be filed with the department ~~of State~~.

Section 71. Section 617.1407, Florida Statutes, is amended to read:

617.1407 Unknown claims against dissolved corporation.—

(1) A dissolved corporation or successor entity may execute one of the following procedures to resolve payment of unknown claims:

(a) A dissolved corporation or successor entity may file

notice of its dissolution with the department on the form prescribed by the department and request that persons with ~~having~~ claims against the corporation which are not known claims as defined in s. 617.1408(5) to the corporation or successor entity present them in accordance with the notice. The notice must:

1. State the name of the corporation that is the subject ~~and the date of the~~ dissolution;

2. State that the corporation is the subject of a dissolution and the effective date of the dissolution;

3. Specify ~~Describe~~ the information that must be included in a claim;

4. State that a claim must be in writing and provide a mailing address to which the claim may be sent; and

~~5.3.~~ State that a claim against the corporation under this subsection will be ~~is~~ barred unless a proceeding to enforce the claim is commenced within 4 years after the date of the filing of the notice.

(b) A dissolved corporation or successor entity may, within 10 days after filing articles of dissolution with the department, publish a "Notice of Corporate Dissolution." The notice must appear once a week for 2 consecutive weeks in a newspaper of general circulation in the county in the state in which the corporation has its principal office, if any, or, if none, in a county in the state in which the corporation owns

4576 real or personal property. Such newspaper shall meet the
4577 requirements as are prescribed by law for such purposes. The
4578 notice must:

4579 1. State the name of the corporation that is the subject
4580 ~~and the date of the~~ dissolution;

4581 2. State that the corporation is the subject of a
4582 dissolution and the effective date of the dissolution;

4583 3. Specify ~~Describe~~ the information that must be included
4584 in a claim;

4585 4. State that a claim must be in writing and provide a
4586 mailing address to which the claim may be sent; and

4587 ~~5.3-~~ State that a claim against the corporation under this
4588 subsection will be ~~is~~ barred unless a proceeding to enforce the
4589 claim is commenced within 4 years after the filing ~~date of the~~
4590 ~~second consecutive weekly publication~~ of the notice.

4591 (2) If the dissolved corporation or successor entity
4592 complies with paragraph (1)(a) or paragraph (1)(b), unless
4593 sooner barred by another statute limiting actions, the claim of
4594 each of the following claimants is barred unless the claimant
4595 commences a proceeding to enforce the claim against the
4596 dissolved corporation within 4 years after the date of filing
4597 the notice with the department or the date of the second
4598 consecutive weekly publication, as applicable:

4599 (a) A claimant who was not given ~~did not receive~~ written
4600 notice under s. 617.1408; ~~(9)~~, or whose claim is not provided for

4601 ~~under s. 617.1408(10), regardless of whether such claim is based~~
4602 ~~on an event occurring before or after the effective date of~~
4603 ~~dissolution.~~

4604 (b) A claimant whose claim was timely sent to the
4605 dissolved corporation but on which no action was taken; ~~or.~~

4606 (c) A claimant whose claim was excluded as a known claim
4607 as defined in s. 617.1408(5)(b).

4608 (3) This section does not preclude or relieve the
4609 corporation from its notification to claimants otherwise set
4610 forth in this chapter ~~A claim may be entered under this section:~~

4611 ~~(a) Against the dissolved corporation, to the extent of~~
4612 ~~its undistributed assets; or~~

4613 ~~(b) If the assets have been distributed in liquidation,~~
4614 ~~against a member of the dissolved corporation to the extent of~~
4615 ~~such member's pro rata share of the claim or the corporate~~
4616 ~~assets distributed to such member in liquidation, whichever is~~
4617 ~~less; however, the aggregate liability of any member of a~~
4618 ~~dissolved corporation may not exceed the amount distributed to~~
4619 ~~the member in dissolution.~~

4620 **Section 72. Section 617.1408, Florida Statutes, is amended**
4621 **to read:**

4622 (Substantial rewording of section.

4623 See s. 617.1408, F.S., for present text.)

4624 617.1408 Known claims against dissolved corporation.

4625 (1) A dissolved corporation or a successor entity may

4626 dispose of the known claims against it by giving written notice
4627 that satisfies the requirements of subsection (2) to its known
4628 claimants of the dissolution at any time after the effective
4629 date of the dissolution, but no later than the date that is 270
4630 days before the date which is 3 years after the effective date
4631 of the dissolution.

4632 (2) The written notice must:

4633 (a) State the name of the corporation that is the subject
4634 of the dissolution;

4635 (b) State that the corporation is the subject of a
4636 dissolution and the effective date of the dissolution;

4637 (c) Specify the information that must be included in a
4638 claim;

4639 (d) State that a claim must be in writing and provide a
4640 mailing address where a claim may be sent;

4641 (e) State the deadline, which may not be less than 120
4642 days after the date of the written notice is received by the
4643 claimant, by which the dissolved corporation must receive the
4644 claim;

4645 (f) State that the claim will be barred if not received by
4646 the deadline;

4647 (g) State that the dissolved corporation or successor
4648 entity may make distributions thereafter to other claimants and
4649 the members of the corporation or persons interested as having
4650 been such claimants without further notice; and

4651 (h) Be accompanied by a copy of ss. 617.1405-617.14091.

4652 (3) A dissolved corporation or successor entity may
4653 reject, in whole or in part, a claim submitted by a claimant and
4654 received before the deadline specified in the written notice
4655 pursuant to subsections (1) and (2) by mailing notice of the
4656 rejection to the claimant, on or before the date that is the
4657 earlier of 90 days after the dissolved corporation receives the
4658 claim, or the date that is at least 150 days before the date
4659 which is 3 years after the effective date of the dissolution. A
4660 rejection notice sent by the dissolved corporation pursuant to
4661 this subsection must state that the claim will be barred unless
4662 the claimant, not later than 120 days after the claimant
4663 receives the rejection notice, commences an action in the
4664 circuit court in the applicable county against the dissolved
4665 corporation to enforce the claim.

4666 (4) A claim against a dissolved corporation is barred:

4667 (a) If a claimant who is given written notice pursuant to
4668 this section does not deliver the claim to the dissolved
4669 corporation by the specified deadline; or

4670 (b) If the claim was timely received by the dissolved
4671 corporation but was timely rejected by the dissolved corporation
4672 under subsection (3) and the claimant does not commence the
4673 required action in the applicable county within 120 days after
4674 the claimant receives the rejection notice.

4675 (5) (a) For purposes of this chapter, "known claim" means

any claim or liability that, as of the date of the giving of written notice described in subsections (1) and (2) above:

1. Has matured sufficiently on or before the date of dissolution to be legally capable of assertion against the dissolved corporation; or

2. Is unmatured as of the date of dissolution but will mature in the future solely because of the passage of time.

(b) For purposes of this chapter, "known claim" does not include a contingent liability or a claim based on an event occurring after the effective date of the dissolution.

(6) The giving of any notice pursuant to this section does not revive any claim then barred or constitute acknowledgment by the dissolved corporation that any person to whom such notice is sent is a proper claimant and does not operate as a waiver of any defense or counterclaim in respect of any claim asserted by any person to whom such notice is sent.

Section 73. Section 617.1409, Florida Statutes, is created to read:

617.1409 Court proceedings.—

(1) A dissolved corporation that has filed a notice under s. 617.1407(1)(a) or published a notice under s. 617.1407(1)(b) may file an application with the circuit court in the applicable county for a determination of the amount and form of security to be provided for payment of claims that are not known claims as defined in s. 617.1408(5) but that, based on the facts known to

4701 the dissolved corporation, are reasonably estimated to arise
4702 after the effective date of dissolution. Provisions need not be
4703 made for any claim that is or is reasonably anticipated to be
4704 barred under s. 617.1407(2).

4705 (2) Within 10 days after the filing of the application
4706 pursuant to subsection (1), notice of the proceeding must be
4707 given by the dissolved corporation to each claimant holding a
4708 claim whose identity and contingent claim is known to the
4709 dissolved corporation.

4710 (3) In any proceeding under this section, the court may
4711 appoint a guardian ad litem to represent all claimants whose
4712 identities are unknown. The reasonable fees and expenses of such
4713 guardian ad litem, including all reasonable expert witness fees,
4714 must be paid by the dissolved corporation.

4715 (4) Provisions by the dissolved corporation for security
4716 in the amount and the form ordered by the court under subsection
4717 (1) satisfies the dissolved corporation's obligations with
4718 respect to claims that are contingent, have not been made known
4719 to the dissolved corporation, or are based on an event occurring
4720 after the effective date of dissolution, and such claims may not
4721 be enforced against a person who received assets in liquidation.

4722 **Section 74. Section 617.14091, Florida Statutes, is**
4723 **created to read:**

4724 617.14091 Limitation on director liability for a dissolved
4725 corporation; claims against dissolved corporation; enforcement.-

4726 (1) Directors of a dissolved corporation or governing
4727 persons of a successor entity that has disposed of claims under
4728 s. 617.1407, s. 617.1408, or s. 617.1409 are not personally
4729 liable to the claimants of the dissolved corporation.

4730 (2) A claim that is not barred by s. 617.1407, s.
4731 617.1408, or by any other law limiting claims, may be enforced:

4732 (a) Against the dissolved corporation, to the extent of
4733 its undistributed assets; or

4734 (b) Except as provided in s. 617.1409(4), if the assets
4735 have been distributed in liquidation, against a member of the
4736 dissolved corporation to the extent of the member's pro rata
4737 share of the claim or the corporate assets distributed to the
4738 member in liquidation, whichever is less, provided that the
4739 aggregate liability of any member of a dissolved corporation
4740 arising under s. 617.1408 or otherwise may not exceed the total
4741 amount distributed to the member in dissolution.

4742 **Section 75. Subsection (1) of section 617.1420, Florida**
4743 **Statutes, is amended, and subsections (3) and (4) are added to**
4744 **that section, to read:**

4745 617.1420 Grounds for administrative dissolution.—

4746 (1) The department ~~of State~~ may commence a proceeding
4747 under s. 617.1421 to administratively dissolve a corporation if:

4748 (a) The corporation has failed to file its annual report
4749 and pay the annual report filing fee by 5 p.m. Eastern Time on
4750 the third Friday in September;

4751 (b) The corporation is without a registered agent or
4752 registered office in this state for 30 days or more;

4753 (c) The corporation does not notify the department ~~of~~
4754 ~~State~~ within 30 days after its registered agent or registered
4755 office has been changed, after its registered agent has
4756 resigned, or after its registered office has been discontinued;

4757 (d) The corporation has failed to answer truthfully and
4758 fully, within the time prescribed by this chapter act,
4759 interrogatories propounded by the department ~~of State~~; or

4760 (e) The corporation's period of duration stated in its
4761 articles of incorporation has expired.

4762 (3) If the department determines that one or more grounds
4763 exist for administratively dissolving a corporation under
4764 paragraph (1)(a), paragraph (1)(b), paragraph (1)(c), or
4765 paragraph (1)(d), the department shall serve notice in a record
4766 to the corporation of its intent to administratively dissolve
4767 the corporation. Issuance of the notice may be made by
4768 electronic transmission to a corporation that has provided the
4769 department with an e-mail address.

4770 (4) If, within 60 days after sending the notice of intent
4771 to administratively dissolve pursuant to subsection (3), a
4772 corporation does not correct each ground for dissolution under
4773 paragraph (1)(a), paragraph (1)(b), paragraph (1)(c), or
4774 paragraph (1)(d), or demonstrate to the reasonable satisfaction
4775 of the department that each ground determined by the department

4776 does not exist, the department shall dissolve the corporation
4777 administratively and issue to the corporation a notice in a
4778 record of administrative dissolution that states the grounds for
4779 dissolution. Issuance of the notice of administrative
4780 dissolution may be made by electronic transmission to a
4781 corporation that has provided the department with an e-mail
4782 address.

4783 **Section 76. Subsections (1), (2), and (4) of section**
4784 **617.1421, Florida Statutes, are amended, and subsection (3) of**
4785 **that section is reenacted, to read:**

4786 617.1421 Procedure for and effect of administrative
4787 dissolution.—

4788 (1) If the department ~~of State~~ determines that one or more
4789 grounds exist under s. 617.1420 for administratively dissolving
4790 a corporation, it shall serve the corporation with notice of its
4791 intent under s. 617.0504(2) to administratively dissolve the
4792 corporation. If the corporation has provided the department with
4793 an e-mail ~~electronic mail~~ address, such notice shall be by
4794 electronic transmission. Administrative dissolution for failure
4795 to file an annual report shall occur on the fourth Friday in
4796 September of each year. The department ~~of State~~ shall issue a
4797 certificate of dissolution to each dissolved corporation.
4798 Issuance of the certificate of dissolution may be by electronic
4799 transmission to any corporation that has provided the department
4800 with an e-mail ~~electronic mail~~ address.

4801 (2) If the corporation does not correct each ground for
4802 dissolution under s. 617.1420(1)(b), (c), (d), or (e) or
4803 demonstrate to the reasonable satisfaction of the department ~~of~~
4804 ~~State~~ that each ground determined by the department does not
4805 exist within 60 days after issuance of the notice, the
4806 department shall administratively dissolve the corporation by
4807 issuing a certificate of dissolution that recites the ground or
4808 grounds for dissolution and its effective date. Issuance of the
4809 certificate of dissolution may be by electronic transmission to
4810 any corporation that has provided the department with an e-mail
4811 ~~electronic mail~~ address.

4812 (3) A corporation administratively dissolved continues its
4813 corporate existence but may not conduct any affairs except that
4814 necessary to wind up and liquidate its affairs under s. 617.1405
4815 and adopt a plan of distribution of assets pursuant to s.
4816 617.1406.

4817 (4) A director, officer, or agent of a corporation
4818 dissolved pursuant to this section, purporting to act on behalf
4819 of the corporation, is not personally liable for the debts,
4820 obligations, and liabilities of the corporation arising from
4821 such action and incurred subsequent to the corporation's
4822 administrative dissolution unless that officer, director, or
4823 agent ~~only if he or she~~ has actual notice of the administrative
4824 dissolution at the time such action is taken. Any; ~~but~~ such
4825 liability shall be terminated upon the ratification of such

4826 action by the corporation's board of directors or members
4827 subsequent to the reinstatement of the corporation.

4828 **Section 77. Section 617.1430, Florida Statutes, is amended**
4829 **to read:**

4830 617.1430 Grounds for judicial dissolution.—A circuit court
4831 may dissolve a corporation or order such other remedy as
4832 provided in s. 617.1432 or s. 617.1434:

4833 (1) (a) In a proceeding by the Department of Legal Affairs
4834 if it is established that:

4835 1. The corporation obtained its articles of incorporation
4836 through fraud; or

4837 2. The corporation has exceeded or abused, or is
4838 continuing to exceed or abuse ~~continued to exceed or abuse~~ the
4839 authority conferred upon it by law.

4840 (b) The enumeration in paragraph (a) of grounds for
4841 judicial dissolution does not exclude actions or special
4842 proceedings by the Department of Legal Affairs or any state
4843 official for the annulment or dissolution of a corporation for
4844 other causes as provided by law.

4845 (2) In a proceeding brought by at least 50 members or
4846 members holding at least 10 percent of the voting power,
4847 whichever is less, or by a member or group or percentage of
4848 members as otherwise provided in the articles of incorporation
4849 or bylaws, or by a director or any person authorized in the
4850 articles of incorporation, if it is established that:

4851 (a) The directors are deadlocked in the management of the
4852 corporate affairs, the members are unable to break the deadlock,
4853 and irreparable injury to the corporation or its mission is
4854 threatened or being suffered because of the deadlock;

4855 (b) The members are deadlocked in voting power and have
4856 failed, for a period that includes at least two consecutive
4857 annual meeting dates, to elect successors to directors whose
4858 terms have expired or would have expired upon qualification of
4859 their successors; ~~or~~

4860 (c) The corporate assets are being misapplied or wasted;

4861 (d) The directors or those in control of the corporation
4862 have acted, are acting, or are reasonably expected to act in a
4863 manner that is illegal or fraudulent; or

4864 (e) The corporation has insufficient assets to continue
4865 its activities and is no longer able to assemble a quorum of
4866 directors or members.

4867 (3) In a proceeding by a creditor if it is established
4868 that:

4869 (a) The creditor's claim has been reduced to judgment, the
4870 execution on the judgment returned unsatisfied, and the
4871 corporation is insolvent; or

4872 (b) The corporation has admitted in writing that the
4873 creditor's claim is due and owing and the corporation is
4874 insolvent.

4875 (4) In a proceeding by the corporation to have its

voluntary dissolution continued under court supervision.

Section 78. Section 617.1431, Florida Statutes, is amended to read:

617.1431 Procedure for judicial dissolution.—

(1) Venue for a proceeding brought under s. 617.1430 lies in the circuit court of the applicable county ~~where the corporation's principal office is or was last located, as shown by the records of the Department of State, or, if none in this state, where its registered office is or was last located.~~

(2) It is not necessary to make members or directors parties to a proceeding to dissolve a corporation unless relief is sought against them individually.

(3) A court in a proceeding brought to dissolve a corporation may issue injunctions, appoint a receiver or custodian during the proceeding ~~pendente lite~~ with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, and carry on the affairs of the corporation until a full hearing can be held.

(4) If the court determines that any party has commenced, continued, or participated in a proceeding under s. 617.1430, and has acted arbitrarily, frivolously, vexatiously, or in bad faith, the court may award reasonable attorney fees and costs to the other parties to the proceeding who have been affected adversely by such actions.

Section 79. Subsections (1) through (5) of section

617.1432, Florida Statutes, are amended to read:

617.1432 Receivership or custodianship.—

(1) A court in a judicial proceeding brought under s. 617.1430 to dissolve a corporation may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the affairs of the corporation, except as otherwise provided herein. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian. The court appointing a receiver or custodian has exclusive jurisdiction over the corporation and all of its property wherever located. A court may not appoint a custodian or a receiver in a judicial proceeding brought under s. 617.1430(2)(a) or s. 617.1430(2)(b) if the members, directors, or any person authorized in the articles of incorporation, by agreement or otherwise, or a court pursuant to s. 617.1435, have provided for the appointment of a provisional director or other means for the resolution of the deadlock, but the court may enforce the remedy so provided, if appropriate.

(2) The court may appoint a natural person or an eligible entity ~~a corporation~~ authorized to act as a receiver or custodian. The eligible entity ~~corporation~~ may be a domestic ~~corporation~~ or a foreign eligible entity ~~corporation~~ authorized to transact business in this state. The court may require the receiver or custodian to post bond, with or without sureties, in

an amount the court directs.

(3) The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:

(a) The receiver:

1. May dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court; and

2. May sue and defend in the receiver's ~~his or her~~ own name as receiver of the corporation in all courts of this state.

(b) The custodian may exercise all of the powers of the corporation, through or in place of its board of directors or officers, to the extent necessary to manage the affairs of the corporation in the best interests of its members and creditors.

(4) The court during a receivership may redesignate the receiver to act as a custodian, and during a custodianship may redesignate the custodian to act as a receiver, if doing so is consistent with the mission of the corporation and in the best interests of the corporation, and its members, if any, and creditors. The court may amend the order designating the receiver as custodian and custodian as receiver as the court deems appropriate.

(5) The court from time to time during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to the receiver or

4951 | custodian and ~~his or her~~ counsel for the receiver or custodian
4952 | from the assets of the corporation or proceeds from the sale of
4953 | the assets.

4954 | **Section 80. Section 617.1433, Florida Statutes, is amended**
4955 | **to read:**

4956 | 617.1433 Judgment of dissolution.—

4957 | (1) If after a hearing in a proceeding under s. 617.1430
4958 | the court determines that one or more grounds for judicial
4959 | dissolution described in s. 617.1430 exist, it may enter a
4960 | judgment dissolving the corporation and specifying the effective
4961 | date of the dissolution, and the clerk of the court shall
4962 | deliver a certified copy of the judgment to the department ~~of~~
4963 | ~~State~~, which shall file it.

4964 | (2) After entering the judgment of dissolution, the court
4965 | shall direct or oversee the winding up and liquidation of the
4966 | corporation's affairs in accordance with ss. 617.1405 and
4967 | 617.1406, and the notification of claimants in accordance with
4968 | ss. 617.1407 and 617.1408, subject to ~~the provisions of~~
4969 | subsection (3).

4970 | (3) In a proceeding for judicial dissolution, the court
4971 | may require all creditors of the corporation to file with the
4972 | clerk of the court or with the receiver, in such form as the
4973 | court may prescribe, proofs under oath of their respective
4974 | claims. If the court requires the filing of claims, it shall fix
4975 | a date, which shall be not less than 4 months after the date of

the order, as the last day for filing of claims. The court shall prescribe the method by which such notice for the deadline for filing claims ~~that~~ shall be given to creditors and claimants. Before ~~Prior to~~ the fixed date ~~so fixed~~, the court may extend the time for the filing of claims by court order. Creditors and claimants failing to file proofs of claim on or before the fixed date ~~so fixed~~ may be barred, by order of court, from participating in the distribution of the assets of the corporation. ~~Nothing in~~ This section does not affect ~~affects~~ the enforceability of any recorded mortgage or lien or the perfected security interest or rights of a person in possession of real or personal property.

Section 81. Section 617.1434, Florida Statutes, is created to read:

617.1434 Alternative remedies to judicial dissolution.—

(1) In a proceeding under s. 617.1430, the court may, as an alternative to directing the dissolution of the corporation and upon a showing of sufficient merit to warrant such remedy:

(a) Appoint a receiver or a custodian during the proceeding as provided in s. 617.1432;

(b) Appoint a provisional director as provided in s. 617.1435; or

(c) Make any order or grant any equitable relief other than dissolution as in its discretion it may deem appropriate.

(2) Alternative remedies, such as the appointment of a

5001 receiver or custodian, may also be ordered upon a showing of
5002 sufficient merit to warrant such remedy, in advance of directing
5003 the dissolution of the corporation or, after a judgment of
5004 dissolution is entered, to assist in facilitating the winding up
5005 of the corporation.

5006 **Section 82. Section 617.1435, Florida Statutes, is created**
5007 **to read:**

5008 617.1435 Provisional director.—

5009 (1) (a) In a proceeding under s. 617.1430(2), the court may
5010 appoint a provisional director if it appears that such
5011 appointment will remedy the grounds alleged by the complaining
5012 members or director to support the jurisdiction of the court
5013 under s. 617.1430. A provisional director may be appointed
5014 notwithstanding the absence of a vacancy on the board of
5015 directors, and such director has all the rights and powers of a
5016 duly elected director, including the right to notice of and to
5017 vote at meetings of directors.

5018 (b) A provisional director retains the rights described in
5019 paragraph (a) until such time as the provisional director is
5020 removed by order of the court or, unless otherwise ordered by a
5021 court, removed by a vote of the members or directors sufficient
5022 either to elect a majority of the board of directors or, if
5023 greater than majority voting is required by the articles of
5024 incorporation or the bylaws, to elect the requisite number of
5025 directors needed to take action. A provisional director shall be

5026 an impartial person who is neither a member nor a creditor of
5027 the corporation or of any subsidiary or affiliate of the
5028 corporation, and whose further qualifications, if any, may be
5029 determined by the court.

5030 (2) The provisional director shall report to the court as
5031 ordered by the court concerning the matter complained of, or the
5032 status of the deadlock, if any, and of the status of the
5033 corporation's affairs, as the court shall direct. A provisional
5034 director is not liable for any action taken or decision made,
5035 except as directors may be liable under s. 617.0831. In
5036 addition, the provisional director must submit to the court, if
5037 so directed, recommendations as to the appropriate disposition
5038 of the action. Whenever a provisional director is appointed, any
5039 officer or director of the corporation may petition the court
5040 for instructions clarifying the duties and responsibilities of
5041 such officer or director.

5042 (3) In any proceeding under which a provisional director
5043 is appointed pursuant to this section, the court must allow
5044 reasonable compensation to the provisional director for services
5045 rendered and reimbursement or direct payment of reasonable costs
5046 and expenses, which amounts shall be paid by the corporation.

5047 **Section 83. Section 617.1440, Florida Statutes, is amended**
5048 **to read:**

5049 617.1440 Deposit with Department of Financial Services.—
5050 Unless otherwise provided in ss. 617.1407-617.1409, assets of a

dissolved corporation that should be transferred to a creditor, claimant, member of the corporation, or other person who cannot be found or who is not competent to receive them must ~~shall~~ be deposited, or reduced to cash and deposited, as appropriate, within 6 months after the date fixed for the payment of the final liquidating distribution, with the Department of Financial Services for safekeeping, where such assets shall be held as abandoned property. When the creditor, claimant, member, or other person furnishes satisfactory proof of entitlement to the amount or assets deposited, the Department of Financial Services shall pay the creditor, claimant, member, or other person, or their ~~him or her or his or her~~ representative for that creditor, claimant, member or other person, that amount or those assets.

Section 84. Section 617.15015, Florida Statutes, is created to read:

617.15015 Foreign corporation governing law.—

(1) The laws of this state or other jurisdiction under which a foreign corporation exists govern:

(a) The organization and internal affairs of the foreign corporation; and

(b) The interest holder liability of its members.

(2) A foreign corporation may not be denied a certificate of authority by reason of a difference between the laws of its jurisdiction of formation and the laws of this state.

(3) A certificate of authority does not authorize a

foreign corporation to engage in any business or exercise any power that a corporation may not engage in or exercise in this state.

Section 85. Subsection (4) of section 617.1502, Florida Statutes, is amended, and subsections (6), (7), and (8) are added to that section, to read:

617.1502 Consequences of conducting affairs without authority.—

(4) A foreign corporation which conducts its affairs in this state without authority to do so is ~~shall be~~ liable to this state for the years or parts thereof during which it conducted its affairs in this state without authority in an amount equal to all fees and taxes which would have been imposed by this chapter act upon such corporation had it duly applied for and received authority to conduct its affairs in this state as required by this chapter act. In addition to the payments ~~thus~~ prescribed in this subsection, such corporation is ~~shall be~~ liable for a civil penalty of not less than \$500 or more than \$1,000 for each year or part thereof during which it conducts its affairs in this state without a certificate of authority. The department ~~of State~~ may collect all penalties due under this subsection.

(6) A member, an officer, or a director of a foreign corporation is not liable for the debts, obligations, or other liabilities of the foreign corporation solely because the

foreign corporation transacted business in this state without a
certificate of authority.

(7) Section 617.15015(1) applies even if a foreign
corporation fails to have a certificate of authority to transact
business in this state.

(8) If a foreign corporation transacts business in this
state without a certificate of authority or cancels its
certificate of authority, it appoints the Secretary of State as
its agent for service of process in proceedings and actions
arising out of the transaction of business in this state.

**Section 86. Subsections (1) and (3) of section 617.1503,
Florida Statutes, are amended to read:**

617.1503 Application for certificate of authority.—

(1) A foreign corporation may apply for a certificate of
authority to conduct its affairs in this state by delivering an
application to the department ~~of State~~ for filing. Such
application must ~~shall~~ be made on forms prescribed and furnished
by the department ~~of State~~ and must ~~shall~~ set forth:

(a) The name of the foreign corporation or, if its name is
unavailable for use in this state, a corporate name that
satisfies the requirements of s. 617.1506;

(b) The jurisdiction under the law of which it is
incorporated;

(c) Its date of incorporation and period of duration;

(d) The purpose or purposes which it intends to pursue in

5126 this state and a statement that it is authorized to pursue such
5127 purpose or purposes in the jurisdiction of its incorporation;

5128 (e) The street address of its principal office;

5129 (f) The address of its registered office in this state and
5130 the name of its registered agent at that office;

5131 (g) The names and usual business addresses of its current
5132 directors and officers; and

5133 (h) Such additional information as may be necessary or
5134 appropriate in order to enable the department ~~of State~~ to
5135 determine whether such corporation is entitled to file an
5136 application for authority to conduct its affairs in this state
5137 and to determine and assess the fees and taxes payable as
5138 prescribed in this chapter ~~act~~.

5139 ~~(3) A foreign corporation may not be denied authority to~~
5140 ~~conduct its affairs in this state by reason of the fact that the~~
5141 ~~laws of the jurisdiction under which such corporation is~~
5142 ~~organized governing its organization and internal affairs differ~~
5143 ~~from the laws of this state.~~

5144 **Section 87. Section 617.1504, Florida Statutes, is amended**
5145 **to read:**

5146 617.1504 Amended certificate of authority.—

5147 (1) A foreign corporation authorized to conduct its
5148 affairs in this state shall make application to the department
5149 ~~of State~~ to obtain an amended certificate of authority if it
5150 changes:

- 5151 (a) Its corporate name;
- 5152 (b) The period of its duration;
- 5153 (c) The purpose or purposes which it intends to pursue in
5154 this state; ~~or~~
- 5155 (d) The jurisdiction of its incorporation; or
- 5156 (e) The name and street address in this state of the
5157 foreign corporation's registered agent in this state, unless the
5158 change was timely made in accordance with s. 617.1508.
- 5159 (2) Such application must ~~shall~~ be made within 90 days
5160 after the occurrence of any change mentioned in subsection (1),
5161 ~~shall be made~~ on forms prescribed by the department, and must
5162 ~~shall~~ be executed and filed in the same manner as an original
5163 application for authority, and must ~~shall~~ set forth:
- 5164 (a) The name of the foreign corporation as it appears on
5165 the department's records;
- 5166 (b) The jurisdiction of its incorporation;
- 5167 (c) The date it was authorized to conduct its affairs in
5168 this state;
- 5169 (d) If the name of the foreign corporation has changed,
5170 the name relinquished, the new name, a statement that the change
5171 of name has been effected under the laws of the jurisdiction of
5172 its incorporation, and the date the change was effected;
- 5173 (e) If the period of duration has changed, a statement of
5174 such change and the date the change was effected;
- 5175 (f) If the jurisdiction of incorporation has changed, a

statement of such change and the date the change was effected;
and

(g) If the purposes that the foreign corporation intends to pursue in this state have changed, a statement of such new purposes, and a further statement that the foreign corporation is authorized to pursue such purposes in the jurisdiction of its incorporation.

(3) The requirements of s. 617.1503 for obtaining an original certificate of authority apply to obtaining an amended certificate under this section unless the official having custody of the foreign corporation's publicly filed records in its jurisdiction of incorporation did not require an amendment to effectuate the change on its records.

(4) Subject to subsection (3), a foreign corporation authorized to transact business in this state may make an application to the department to obtain an amended certificate of authority to add, remove, or change the name, title, capacity, or address of an officer or director of the foreign corporation.

Section 88. Section 617.1505, Florida Statutes, is amended to read:

617.1505 Effect of certificate of authority.—

(1) Unless the department determines that an application for a certificate of authority does not comply with the filing requirements of this chapter, upon payment of all filing fees, a

5201 certificate of authority authorizes the foreign corporation to
5202 which it is issued to conduct its affairs in this state subject,
5203 however, to the right of the department ~~of State~~ to suspend or
5204 revoke the certificate as provided in this chapter ~~act~~.

5205 (2) A foreign corporation with a valid certificate of
5206 authority has the same but no greater rights and has the same
5207 but no greater privileges as, and except as otherwise provided
5208 by this chapter ~~act~~ is subject to the same duties, restrictions,
5209 penalties, and liabilities now or later imposed on, a domestic
5210 corporation of like character.

5211 ~~(3) This act does not authorize this state to regulate the~~
5212 ~~organization or internal affairs of a foreign corporation~~
5213 ~~authorized to conduct its affairs in this state.~~

5214 **Section 89. Section 617.1506, Florida Statutes, is amended**
5215 **to read:**

5216 617.1506 Corporate name of foreign corporation.—

5217 (1) A foreign corporation whose name is unavailable under
5218 or whose name does not otherwise comply with s. 617.0401 must
5219 use an alternate name that complies with s. 617.0401 to transact
5220 business in this state. An alternate name adopted for use in
5221 this state must be cross-referenced to the actual name of the
5222 foreign corporation in the records of the Division of
5223 Corporations, provided that no cross-reference is required if
5224 the alternate name involves no more than adding the suffix
5225 "corporation" or "incorporated" or the abbreviation "Corp.," or

5226 "Inc.," or the designation "Corp" or "Inc" to the name; provided
5227 that the name of a foreign corporation may not contain the word
5228 "company" or the abbreviation "co." If the actual name of the
5229 foreign corporation subsequently becomes available in this state
5230 and the foreign corporation elects to operate in this state
5231 under its actual name, or the foreign corporation chooses to
5232 change its alternate name, a record approving the election or
5233 change, as the case may be, by its board of directors or by its
5234 members if such members are entitled to vote on such a record,
5235 and signed as required pursuant to s. 617.01201, must be
5236 delivered to the department for filing ~~may not file an~~
5237 ~~application for a certificate of authority unless the corporate~~
5238 ~~name of such corporation satisfies the requirements of s.~~
5239 ~~617.0401. To obtain or maintain a certificate of authority to~~
5240 ~~transact business in this state, the foreign corporation:~~
5241 ~~(a) May add the word "corporation" or "incorporated" or~~
5242 ~~the abbreviation "corp." or "inc." or words of like import,~~
5243 ~~which clearly indicate that it is a corporation instead of a~~
5244 ~~natural person or partnership or other business entity; however,~~
5245 ~~the name of a foreign corporation may not contain the word~~
5246 ~~"company" or the abbreviation "co."; or~~
5247 ~~(b) May use an alternate name to transact business in this~~
5248 ~~state if its real name is unavailable. Any alternate corporate~~
5249 ~~name adopted for use in this state must be cross-referenced to~~
5250 ~~the real corporate name in the records of the Division of~~

5251 ~~Corporations. If the real corporate name of the corporation~~
5252 ~~becomes available in this state or if the corporation chooses to~~
5253 ~~change its alternate name, a copy of the resolution of its board~~
5254 ~~of directors, changing or withdrawing the alternate name and~~
5255 ~~executed as required by s. 617.01201, must be delivered for~~
5256 ~~filing.~~

5257 (2) The corporate name, including the alternate name, of a
5258 foreign corporation must be distinguishable, within the records
5259 of the Division of Corporations, from:

5260 (a) Any corporate name of a corporation for profit
5261 incorporated or authorized to transact business in this state.

5262 (b) The alternate name of another foreign corporation
5263 authorized to transact business in this state.

5264 (c) The corporate name of a nonprofit ~~not-for-profit~~
5265 corporation incorporated or authorized to transact business in
5266 this state.

5267 (d) The names of all other entities or filings, except
5268 fictitious name registrations pursuant to s. 865.09, organized,
5269 or registered under the laws of this state, that are on file
5270 with the Division of Corporations.

5271 (3) A foreign corporation that adopts an alternate name
5272 under subsection (1) and obtains a certificate of authority with
5273 the alternate name need not comply with s. 865.09 with respect
5274 to the alternate name.

5275 (4) So long as a foreign corporation maintains a

5276 certificate of authority with an alternate name, it may transact
5277 business in this state under the alternate name unless the
5278 foreign corporation is authorized under s. 865.09 to transact
5279 business in this state under another name.

5280 (5) If a foreign corporation authorized to transact
5281 business in this state changes its corporate name to one that
5282 does not satisfy the requirements of s. 617.0401, such
5283 corporation may not transact business in this state under the
5284 changed name until the corporation adopts a name satisfying the
5285 requirements of s. 617.0401 and obtains an amended certificate
5286 of authority under s. 617.1504.

5287 (6) Notwithstanding this section, a foreign corporation
5288 may register under a name that is not otherwise distinguishable
5289 on the records of another entity registered with the department
5290 if:

5291 (a) The other entity consents to the use and submits an
5292 undertaking in a form satisfactory to the Secretary of State to
5293 change its name to a name that is distinguishable upon the
5294 records of the department from the name of the applying
5295 corporation; or

5296 (b) The applicant delivers to the department a certified
5297 copy of a final judgment of a court of competent jurisdiction
5298 establishing the applicant's right to use the name applied for
5299 in the state.

5300 **Section 90. Subsections (2) and (3) of section 617.1507,**

5301 **Florida Statutes, are amended, and subsection (4), (5), and (6)**
5302 **are added to that section, to read:**

5303 617.1507 Registered office and registered agent of foreign
5304 corporation.—

5305 (2) Each initial A registered agent, and each ~~appointed~~
5306 ~~pursuant to this section or a~~ successor registered agent
5307 appointed pursuant to s. 617.1508 on whom process may be served
5308 shall ~~each~~ file a statement in writing with the department ~~of~~
5309 ~~State~~, in the ~~such~~ form and manner ~~as shall be~~ prescribed by the
5310 department, accepting the appointment as a registered agent
5311 while simultaneously with his or her being designated as the
5312 registered agent. Such statement of acceptance shall state that
5313 the registered agent is familiar with, and accepts, the
5314 obligations of that position.

5315 (3) The duties of a registered agent are:

5316 (a) To forward to the foreign corporation at the address
5317 most recently supplied to the registered agent by the foreign
5318 corporation, a process, notice, or demand pertaining to the
5319 foreign corporation which is served on or received by the
5320 registered agent; and

5321 (b) If the registered agent resigns, to provide the
5322 statement required under s. 617.1509 to the foreign corporation
5323 at the address most recently supplied to the registered agent by
5324 the foreign corporation ~~For purposes of this section,~~
5325 ~~"authorized entity" means:~~

~~(a) A corporation for profit;~~
~~(b) A limited liability company;~~
~~(c) A limited liability partnership; or~~
~~(d) A limited partnership, including a limited liability~~
~~limited partnership.~~

(4) The department shall maintain an accurate record of
the registered agents and registered offices for service of
process and promptly furnish any information disclosed thereby
upon request and payment of the required fee.

(5) A foreign corporation may not prosecute or maintain
any action in a court in this state until the foreign
corporation complies with this section, pays to the department
the amounts required by this chapter, and, to the extent ordered
by a court of competent jurisdiction, pays to the department a
penalty of \$5 for each day it has failed to so comply, or \$500,
whichever is less.

(6) A court may stay a proceeding commenced by a foreign
corporation until the corporation complies with this section.

Section 91. Section 617.1508, Florida Statutes, is amended
to read:

617.1508 Change of registered office and registered agent
of foreign corporation.—

(1) A foreign corporation authorized to conduct its
affairs in this state may change its registered office or
registered agent by delivering to the department ~~of State~~ for

5351 filing a statement of change that sets forth:

5352 (a) Its name;

5353 (b) The street address of its current registered office;

5354 (c) If the current registered office is to be changed, the
5355 street address of its new registered office;

5356 (d) The name of its current registered agent; and

5357 (e) If the current registered agent is to be changed, the
5358 name of its new registered agent and the new agent's written
5359 consent described in s. 617.1507(3), ~~either on the statement or~~
5360 ~~attached to it,~~ to the appointment;

5361 ~~(f) That, after the change or changes are made, the street~~
5362 ~~address of its registered office and the business office of its~~
5363 ~~registered agent will be identical; and~~

5364 ~~(g) That any such change was authorized by resolution duly~~
5365 ~~adopted by its board of directors or by an officer of the~~
5366 ~~corporation so authorized by the board of directors.~~

5367 (2) A statement of change is effective when filed by the
5368 department.

5369 (3) If a registered agent changes the name or street
5370 address of the registered agent's ~~his or her~~ business office,
5371 they ~~he or she~~ may change the name or street address of the
5372 registered office of any foreign corporation for which they are
5373 ~~he or she is~~ the registered agent by notifying the corporation
5374 in writing of the change and signing, ~~either manually or in~~
5375 ~~facsimile,~~ and delivering to the department ~~of State~~ for filing

5376 a statement of change that complies with the requirements of
5377 paragraphs (1)(a)-(e) ~~(1)(a)-(f)~~ and recites that the
5378 corporation has been notified of the change.

5379 (4) The changes described in this section may also be made
5380 on the foreign corporation's annual report or in an application
5381 for reinstatement filed with the department under s. 617.1422.

5382 **Section 92. Section 617.1509, Florida Statutes, is amended**
5383 **to read:**

5384 617.1509 Resignation of registered agent of foreign
5385 corporation.—

5386 (1) The registered agent of a foreign corporation may
5387 resign as agent ~~his or her agency appointment~~ by signing and
5388 delivering to the department ~~of State~~ for filing a statement of
5389 resignation and mailing a copy of such statement to the
5390 corporation at the corporation's principal office address shown
5391 in its most recent annual report or, if none, shown in its
5392 application for a certificate of authority or other most
5393 recently filed document. After delivering the statement of
5394 resignation to the department for filing, the registered agent
5395 must promptly mail a copy to the foreign corporation at its
5396 current mailing address ~~The statement of resignation must state~~
5397 ~~that a copy of such statement has been mailed to the corporation~~
5398 ~~at the address so stated.~~ The statement of resignation may
5399 include a statement that the registered office is also
5400 discontinued.

5401 (2) A registered agent is terminated upon the earlier of:

5402 (a) The 31st day after the department files the statement
5403 of resignation; or

5404 (b) When a statement of change or other record designating
5405 a new registered agent is filed with the department ~~The agency~~
5406 ~~appointment is terminated as of the 31st day after the date on~~
5407 ~~which the statement was filed and, unless otherwise provided in~~
5408 ~~the statement, termination of the agency acts as a termination~~
5409 ~~of the registered office.~~

5410 (3) When a statement of resignation takes effect, the
5411 registered agent ceases to have responsibility for a matter
5412 thereafter tendered to them as agent for the foreign
5413 corporation. The resignation does not affect contractual rights
5414 that the foreign corporation has against the agent or that the
5415 agent has against the foreign corporation.

5416 (4) A registered agent may resign from a foreign
5417 corporation regardless of whether the foreign corporation has
5418 active status.

5419 **Section 93. Section 617.15091, Florida Statutes, is**
5420 **created to read:**

5421 617.15091 Delivery of notice or other communication.—

5422 (1) Except as otherwise provided in this chapter,
5423 permissible means of delivery of a notice or other communication
5424 includes delivery by hand, the United States Postal Service, a
5425 commercial delivery service, and electronic transmission, all as

5426 more particularly described in s. 617.0141.

5427 (2) Except as provided in subsection (3), delivery to the
5428 department is effective only when a notice or other
5429 communication is received by the department.

5430 (3) If a check is mailed to the department for payment of
5431 an annual report fee, the check is deemed to have been received
5432 by the department as of the postmark date appearing on the
5433 envelope or package transmitting the check if the envelope or
5434 the package is received by the department.

5435 **Section 94. Section 617.1520, Florida Statutes, is amended**
5436 **to read:**

5437 (Substantial rewording of section.

5438 See s. 617.1520, F.S., for present text.)

5439 617.1520 Withdrawal and cancellation of certificate of
5440 authority for foreign corporation.—

5441 (1) To cancel its certificate of authority to conduct
5442 affairs in this state, a foreign corporation must deliver to the
5443 department for filing a notice of withdrawal of certificate of
5444 authority. The certificate of authority is canceled when the
5445 notice of withdrawal becomes effective pursuant to s. 617.0123.
5446 The notice of withdrawal of certificate of authority must be
5447 signed by an officer or a director and state all of the
5448 following:

5449 (a) The name of the foreign corporation as it appears on
5450 the records with the department.

5451 (b) The name of the foreign corporation's jurisdiction of
5452 incorporation.

5453 (c) The date the foreign corporation was authorized to
5454 conduct affairs in this state.

5455 (d) That the foreign corporation is withdrawing its
5456 certificate of authority in this state.

5457 (e) That the foreign corporation revokes the authority of
5458 its registered agent to accept service on its behalf and
5459 appoints the Secretary of State as its agent for service of
5460 process based on a cause of action arising during the time it
5461 was authorized to conduct its affairs in this state.

5462 (f) A mailing address and an e-mail address to which a
5463 party seeking to effectuate service of process may send a copy
5464 of any process served on the Secretary of State under paragraph
5465 (e).

5466 (g) A commitment to notify the department in the future of
5467 any change in its mailing address or e-mail address.

5468 (2) After the withdrawal of the foreign corporation is
5469 effective, service of process is on the Secretary of State using
5470 the procedures in s. 48.161 for service on the foreign
5471 corporation.

5472 **Section 95. Section 617.1521, Florida Statutes, is created**
5473 **to read:**

5474 617.1521 Withdrawal of certificate of authority deemed on
5475 conversion to domestic filing entity.—A foreign corporation

authorized to conduct affairs in this state that converts to a domestic corporation or another domestic eligible entity that is organized, incorporated, registered, or otherwise formed through the delivery of a record to the department for filing is deemed to have withdrawn its certificate of authority on the effective date of the conversion.

Section 96. Section 617.1522, Florida Statutes, is created to read:

617.1522 Withdrawal on dissolution, merger, or conversion to certain non-filing entities.—

(1) A foreign corporation that is authorized to conduct affairs in this state that has dissolved and completed winding up, has merged into a foreign eligible entity that is not authorized to conduct affairs in this state, or has converted to a domestic or foreign eligible entity that is not organized, incorporated, registered, or otherwise formed through the public filing of a record, must deliver a notice of withdrawal of certificate of authority to the department for filing in accordance with s. 617.1520.

(2) After a withdrawal under this section of a foreign corporation that has converted to another type of entity is effective, service of process in any action or proceeding based on a cause of action arising during the time the foreign corporation was authorized to conduct affairs in this state may be made pursuant to s. 617.1510.

5501 **Section 97. Section 617.1523, Florida Statutes, is created**
5502 **to read:**

5503 617.1523 Action against foreign corporation by Department
5504 of Legal Affairs.—The Department of Legal Affairs may maintain
5505 an action to enjoin a foreign corporation from conducting
5506 affairs in this state in violation of this chapter.

5507 **Section 98. Section 617.1530, Florida Statutes, is amended**
5508 **to read:**

5509 617.1530 ~~Grounds for~~ Revocation of certificate of
5510 authority to transact business.—

5511 (1) A ~~conduct affairs.—The Department of State may~~
5512 ~~commence a proceeding under s. 617.1531 to revoke the~~
5513 ~~certificate of authority of a foreign corporation to transact~~
5514 ~~business authorized to conduct its affairs in this state may be~~
5515 ~~revoked by the department if:~~

5516 (a) (1) The foreign corporation does not deliver ~~has failed~~
5517 ~~to file its annual report to~~ with the department ~~of State~~ by 5
5518 p.m. Eastern Time on the third Friday in September of each
5519 year;—

5520 (b) (2) The foreign corporation does not pay a fee or
5521 penalty due to, ~~within the department under time required by~~
5522 ~~this chapter; act, any fees, taxes, or penalties imposed by this~~
5523 ~~act or other law.—~~

5524 (c) (3) The foreign corporation does not appoint and
5525 maintain ~~is without~~ a registered agent as required by s.

5526 617.1507; or registered office in this state for 30 days or
5527 more.

5528 ~~(4) The foreign corporation does not notify the Department~~
5529 ~~of State under s. 617.1508 or s. 617.1509 that its registered~~
5530 ~~agent has resigned or that its registered office has been~~
5531 ~~discontinued within 30 days after the date of such resignation~~
5532 ~~or discontinuance.~~

5533 (d)(5) The foreign corporation does not deliver for filing
5534 a statement of a change under s. 617.1508 within 30 days after
5535 the change in the name or address of the agent has occurred,
5536 unless, within 30 days after the change occurred, either:

5537 1. The registered agent files a statement of change under
5538 s. 617.1508; or

5539 2. The change was made in accordance with s. 617.1508(4)
5540 or s. 617.1504(1)(e);

5541 (e) The foreign corporation has failed to amend its
5542 certificate of authority to reflect a change in its name on the
5543 records of the department or its jurisdiction of incorporation;

5544 (f) The foreign corporation's period of duration stated in
5545 its articles of incorporation has expired;

5546 (g) An incorporator, director, officer, or agent of the
5547 foreign corporation signs signed a document that he or she knew
5548 was false in a any material respect with the intent that the
5549 document be delivered to the department of State for filing;

5550 (h)(6) The department receives a duly authenticated

5551 certificate from the secretary of state or other official having
5552 custody of corporate records in the jurisdiction under the law
5553 of which the foreign corporation is incorporated stating that it
5554 has been dissolved or is no longer active on the official's
5555 record; or disappeared as the result of a merger.

5556 (i) ~~(7)~~ The foreign corporation has failed to answer
5557 truthfully and fully, within the time prescribed by this chapter
5558 act, interrogatories propounded by the department ~~of State~~.

5559 (2) Revocation of a foreign corporation's certificate of
5560 authority for failure to file an annual report shall occur on
5561 the fourth Friday in September of each year. The department
5562 shall issue a notice in a record of the revocation to the
5563 revoked foreign corporation. Issuance of the notice may be made
5564 by electronic transmission to a foreign corporation that has
5565 provided the department with an e-mail address.

5566 (3) If the department determines that one or more grounds
5567 exist under paragraph (1) (b) for revoking a foreign
5568 corporation's certificate of authority, the department shall
5569 issue a notice in a record to the foreign corporation of the
5570 department's intent to revoke the certificate of authority.
5571 Issuance of the notice may be made by electronic transmission to
5572 a foreign corporation that has provided the department with an
5573 e-mail address.

5574 (4) If, within 60 days after the department sends the
5575 notice of intent to revoke in accordance with subsection (3),

5576 and the foreign corporation does not correct each ground for
5577 revocation or demonstrate to the reasonable satisfaction of the
5578 department that each ground determined by the department does
5579 not exist, the department shall revoke the foreign corporation's
5580 authority to transact business in this state and issue a notice
5581 in a record of revocation which states the grounds for
5582 revocation. Issuance of the notice may be made by electronic
5583 transmission to a foreign corporation that has provided the
5584 department with an e-mail address.

5585 (5) Revocation of a foreign corporation's certificate of
5586 authority does not terminate the authority of the registered
5587 agent of the corporation.

5588 **Section 99. Section 617.15315, Florida Statutes, is**
5589 **created to read:**

5590 617.15315 Reinstatement following revocation.—

5591 (1) A foreign corporation whose certificate of authority
5592 has been revoked pursuant to s. 617.1530 or former s. 617.1531
5593 may apply to the department for reinstatement at any time after
5594 the effective date of revocation of authority. The foreign
5595 corporation applying for reinstatement must submit all fees and
5596 penalties then owed by the foreign corporation at rates provided
5597 by law at the time the foreign corporation applies for
5598 reinstatement, together with an application for reinstatement
5599 prescribed and furnished by the department, which is signed by
5600 both the registered agent and an officer or director of the

foreign corporation and states:

(a) The name under which the foreign corporation is authorized to conduct affairs in this state.

(b) The street address of the foreign corporation's principal office and mailing address.

(c) The jurisdiction of the foreign corporation's formation and the date on which it became qualified to conduct affairs in this state.

(d) The foreign corporation's federal employer identification number or, if none, whether one has been applied for.

(e) The name, title or capacity, and address of at least one officer or director of the foreign corporation.

(f) Additional information that is necessary or appropriate to enable the department to carry out this chapter.

(2) In lieu of the requirement to file an application for reinstatement as described in subsection (1), a foreign corporation whose certificate of authority has been revoked may submit all fees and penalties owed by the corporation at the rates provided by law at the time the corporation applies for reinstatement, together with a current annual report, signed by both the registered agent and an officer or director of the corporation, which contains the information described in subsection (1).

(3) If the department determines that an application for

reinstatement contains the information required under subsection (1) or subsection (2) and that the information is correct, upon payment of all required fees and penalties, the department shall reinstate the foreign corporation's certificate of authority.

(4) When a reinstatement becomes effective, it relates back to and takes effect as of the effective date of the revocation of authority, and the foreign corporation may operate in this state as if the revocation of authority had never occurred.

(5) The name of the foreign corporation whose certificate of authority has been revoked is not available for assumption or use by another eligible entity until 1 year after the effective date of revocation of authority unless the corporation provides the department with a record signed as required by s. 617.01201, which authorizes the immediate assumption or use of the name by another eligible entity.

(6) If the name of the foreign corporation applying for reinstatement has been lawfully assumed in this state by another eligible entity, the department must require the foreign corporation to comply with s. 617.1506 before accepting its application for reinstatement.

Section 100. Section 617.1532, Florida Statutes, is amended to read:

(Substantial rewording of section.

See s. 617.1532, F.S., for present text.)

5651 617.1532 Judicial review of denial of reinstatement.—

5652 (1) If the department denies a foreign corporation's
5653 application for reinstatement after revocation of its
5654 certificate of authority, the department shall serve the foreign
5655 corporation pursuant to s. 617.1510 with a written notice that
5656 explains the reasons for the denial.

5657 (2) Within 30 days after service of a notice of denial of
5658 reinstatement, a foreign corporation may appeal the department's
5659 denial by petitioning the Circuit Court of Leon County to set
5660 aside the revocation. The petition must be served on the
5661 department and contain a copy of the department's notice of
5662 revocation, the foreign corporation's application for
5663 reinstatement, and the department's notice of denial.

5664 (3) The circuit court may order the department to
5665 reinstate the certificate of authority of the foreign
5666 corporation or take other action the court considers
5667 appropriate.

5668 (4) The circuit court's final decision may be appealed as
5669 in other civil proceedings.

5670 **Section 101. Section 617.1601, Florida Statutes, is**
5671 **amended to read:**

5672 617.1601 Corporate records.—

5673 (1) A corporation shall maintain the following records:

5674 (a) Its articles of incorporation, as currently in effect.

5675 (b) Its bylaws, as currently in effect.

5676 (c) If the corporation has members, the minutes of all
5677 members' meetings and records of all action taken by members
5678 without a meeting for the past 3 years.

5679 (d) The minutes of all meetings of its board of directors,
5680 a record of all actions taken by the board of directors without
5681 a meeting, and a record of all actions taken by a committee of
5682 the board of directors in place of the board of directors on
5683 behalf of the corporation.

5684 (e) If the corporation has members, all written
5685 communications within the past 3 years to members generally or
5686 to members of a class, including the financial statements
5687 furnished for the past 3 years under s. 617.1605.

5688 (f) A list of the names and business street addresses, or
5689 the home street addresses if there is no business street
5690 address, of its current directors and officers.

5691 (g) Its most recent annual report delivered to the
5692 department under s. 617.1622 ~~keep as records minutes of all~~
5693 ~~meetings of its members and board of directors, a record of all~~
5694 ~~actions taken by the members or board of directors without a~~
5695 ~~meeting, and a record of all actions taken by a committee of the~~
5696 ~~board of directors in place of the board of directors on behalf~~
5697 ~~of the corporation.~~

5698 (2) A corporation shall maintain ~~aeccurate~~ accounting
5699 records in a form that permits preparation of its financial
5700 statements as required by s. 617.1605.

5701 (3) If a corporation has members, a corporation or its
5702 agent must ~~shall~~ maintain a record of its members in a form that
5703 permits preparation of a list of the names and addresses, which
5704 may be an e-mail address or other electronic contact
5705 information, of all members in alphabetical order by class of
5706 ~~voting~~ members. This subsection does not require the corporation
5707 to include the e-mail address or other electronic contact
5708 information of a member in such record.

5709 (4) A corporation shall maintain the ~~its~~ records specified
5710 in this section in a manner that allows them to be made
5711 available for inspection ~~written form or in another form capable~~
5712 ~~of conversion into written form~~ within a reasonable time.

5713 ~~(5) A corporation shall keep a copy of the following~~
5714 ~~records:-~~

5715 ~~(a) Its articles of incorporation or restated articles of~~
5716 ~~incorporation and all amendments to them currently in effect.~~

5717 ~~(b) Its bylaws or restated bylaws and all amendments to~~
5718 ~~them currently in effect.~~

5719 ~~(c) The minutes of all members' meetings and records of~~
5720 ~~all action taken by members without a meeting for the past 3~~
5721 ~~years.~~

5722 ~~(d) Written communications to all members generally or all~~
5723 ~~members of a class within the past 3 years, including the~~
5724 ~~financial statements furnished for the past 3 years under s.~~
5725 ~~617.1605.~~

5726 ~~(e) A list of the names and business street, or home if~~
5727 ~~there is no business street, addresses of its current directors~~
5728 ~~and officers.~~

5729 ~~(f) Its most recent annual report delivered to the~~
5730 ~~Department of State under s. 617.1622.~~

5731 **Section 102. Section 617.1602, Florida Statutes, is**
5732 **amended to read:**

5733 617.1602 Inspection of records by members.—

5734 (1) A member of a corporation is entitled to inspect and
5735 copy, during regular business hours at the corporation's
5736 principal office or at a reasonable location specified by the
5737 corporation, any of the records of the corporation described in
5738 s. 617.1601(1) s. 617.1601(5), excluding minutes of meetings of,
5739 and records of actions taken without a meeting by, the
5740 corporation's board of directors and any committee of the
5741 corporation, if the member delivers to ~~gives~~ the corporation
5742 written notice of the member's ~~his or her~~ demand at least 5 ~~10~~
5743 business days before the date on which the member ~~he or she~~
5744 wishes to inspect and copy.

5745 (2) A member of a corporation is entitled to inspect and
5746 copy, during regular business hours at a reasonable location
5747 specified by the corporation, any of the following records of
5748 the corporation if the member meets the requirements of
5749 subsection (3) and gives the corporation written notice of the
5750 member's ~~his or her~~ demand at least 5 ~~10~~ business days before

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the date on which the member ~~he or she~~ wishes to inspect and copy:

(a) Excerpts from minutes of any meeting of, or records of any actions taken without a meeting by, the corporation's board of directors and board committees of the corporation maintained in accordance with s. 617.1601(1)(d); ~~records of any action of a committee of the board of directors while acting in place of the board of directors on behalf of the corporation, minutes of any meeting of the members, and records of action taken by the members or board of directors without a meeting, to the extent not subject to inspection under subsection (1).~~

(b) Accounting records of the corporation;~~;~~

(c) The record of members maintained in accordance with s. 617.1601(3); ~~and.~~

(d) Any other books and records.

(3) A member may inspect and copy the records described in subsection (2) only if:

(a) The member's demand is made in good faith and for a proper purpose;

(b) The member's demand ~~member~~ describes with reasonable particularity the member's ~~his or her~~ purpose and the records the member ~~he or she~~ desires to inspect; and

(c) The records are directly connected with the member's purpose.

(4) The corporation may impose reasonable restrictions on

5776 the disclosure, use, or distribution of, and reasonable
5777 obligations to maintain the confidentiality of, records
5778 described in subsection (2).

5779 (5) For any meeting of members for which the record date
5780 for determining members entitled to vote at the meeting is
5781 different than the record date for notice of the meeting, any
5782 person who becomes a member after the record date for notice of
5783 the meeting and is entitled to vote at the meeting is entitled
5784 to obtain from the corporation upon request the notice and any
5785 other information provided by the corporation to members in
5786 connection with the meeting, unless the corporation has made
5787 such information generally available to members by posting it on
5788 its website or by other generally recognized means. Failure of a
5789 corporation to provide such information does not affect the
5790 validity of action taken at the meeting.

5791 (6) The right of inspection granted by this section may
5792 not be abolished or limited by a corporation's articles of
5793 incorporation or bylaws.

5794 (7)~~(4)~~ This section does not affect:

5795 (a) The right of a member in litigation with the
5796 corporation to inspect and copy records to the same extent as
5797 any other litigant; or-

5798 (b) The power of a court, independently of this chapter,
5799 to compel the production of corporate records for examination
5800 and to impose reasonable restrictions as provided in s.

5801 617.1604(3), provided that, in the case of production of records
5802 described in subsection (2) at the request of the member, the
5803 member has met the requirements of subsection (3).

5804 (8)-(5) A corporation may deny any demand for inspection
5805 made pursuant to subsection (2) if the demand was made for an
5806 improper purpose, or if the demanding member has within 2 years
5807 preceding the member's ~~his or her~~ demand sold or offered for
5808 sale any list of members of the corporation or any other
5809 corporation, has aided or abetted any person in procuring any
5810 list of members for any such purpose, or has improperly used any
5811 information secured through any prior examination of the records
5812 of the corporation or any other corporation.

5813 (9) A member may not sell or otherwise distribute any
5814 information or records inspected under this section, except to
5815 the extent that such use is for a proper purpose.

5816 (10) Without consent of the board of directors, a
5817 membership list or any part thereof may not be obtained or used
5818 by any person for any purpose unrelated to a member's interest
5819 as a member. Without limiting the foregoing, without the consent
5820 of the board, a membership list or any part thereof may not be:

5821 (a) Used to solicit money or property unless the money or
5822 property will be used solely to solicit the votes of the
5823 members;

5824 (b) Used for any commercial purpose; or

5825 (c) Sold to or purchased by any person.

5826 ~~(11)(6)~~ For purposes of this section, the term "member"
5827 includes a beneficial owner whose beneficial interest is ~~shares~~
5828 ~~are~~ held in a voting trust or by a nominee on the individual's
5829 ~~his or her~~ behalf.

5830 ~~(12)(7)~~ For purposes of this section, a "proper purpose"
5831 means a purpose reasonably related to such person's interest as
5832 a member.

5833 (13) The rights of a member to obtain records under
5834 subsections (1) and (2) apply to the records of subsidiaries of
5835 the corporation.

5836 **Section 103. Section 617.1603, Florida Statutes, is**
5837 **amended to read:**

5838 617.1603 Scope of inspection right.—

5839 (1) A member's agent or attorney has the same inspection
5840 and copying rights as the member ~~he or she represents.~~

5841 (2) The corporation may, if deemed reasonable, satisfy the
5842 right of a member to copy records under s. 617.1602 by
5843 furnishing to the member copies by such means as are chosen by
5844 the corporation, including furnishing copies through electronic
5845 delivery ~~The right to copy records under s. 617.1602 includes,~~
5846 ~~if reasonable, the right to receive copies made by photographic,~~
5847 ~~xerographic, or other means.~~

5848 (3) The corporation may impose a reasonable charge,
5849 covering the costs of labor and material, for copies of any
5850 documents provided to the member. The charge may not exceed the

5851 estimated cost of production or reproduction of the records. If
5852 the records are kept in other than written form, the corporation
5853 must ~~shall~~ convert such records into written form upon the
5854 request of any person entitled to inspect the same. The
5855 corporation shall bear the reasonable costs of converting any
5856 records described in s. 617.1601(1) ~~s. 617.1601(5)~~. The
5857 requesting member shall bear the costs, including the cost of
5858 compiling the information requested, incurred to convert any
5859 records described in s. 617.1602(2).

5860 (4) If requested by a member, the corporation shall comply
5861 with a member's demand to inspect the records of members under
5862 s. 617.1602(2) (c) by providing the member ~~him or her~~ with a list
5863 of its members of the nature described in s. 617.1601(3). Such a
5864 list must ~~shall~~ be compiled as of the last record date for which
5865 it has been compiled or as of a subsequent date if specified by
5866 the member.

5867 **Section 104. Section 617.1604, Florida Statutes, is**
5868 **amended to read:**

5869 617.1604 Court-ordered inspection.—

5870 (1) If a corporation does not, within a reasonable time,
5871 allow a member who complies with s. 617.1602 to inspect and copy
5872 any record, and the member complies with any prerequisites to
5873 inspection and copying imposed by this section, the member may
5874 apply to the circuit court in the county where the corporation's
5875 principal office, or, if none in this state, its registered

5876 office, is located for an order to permit inspection and copying
5877 of the records demanded. The court shall dispose of an
5878 application under this subsection on an expedited ~~summary~~ basis.

5879 (2) If the court orders inspection or copying of the
5880 records demanded, it shall also order the corporation and the
5881 custodian of the particular records demanded to pay the member's
5882 costs, including reasonable attorney ~~attorney's~~ fees, reasonably
5883 incurred to obtain the order and enforce its rights under this
5884 section unless the corporation establishes that the corporation,
5885 ~~or the officer, director, or agent, as the case may be, provides~~
5886 ~~that it or he or she~~ refused inspection in good faith because it
5887 ~~or he or she~~ had:

5888 (a) A reasonable basis for doubt about the right of the
5889 member to inspect or copy the records demanded; or

5890 (b) Required reasonable restrictions on the disclosure,
5891 use, or distribution of, and reasonable obligations to maintain
5892 the confidentiality of, such records demanded to which the
5893 demanding member had been unwilling to agree.

5894 (3) If the court orders inspection or copying of the
5895 records demanded, it may impose reasonable restrictions on their
5896 confidentiality and the use or distribution of the records by
5897 the demanding member.

5898 **Section 105. Section 617.1605, Florida Statutes, is**
5899 **amended to read:**

5900 617.1605 Financial reports for members.—

5901 (1) A corporation, upon a member's written demand, shall
5902 furnish that member its latest annual financial statements,
5903 which may be consolidated or combined statements of the
5904 corporation and one or more of its subsidiaries or affiliates,
5905 as appropriate, and which include a balance sheet as of the end
5906 of the fiscal year and a statement of operations for that year.
5907 If financial statements are prepared for the corporation on the
5908 basis of generally accepted accounting principles, the annual
5909 financial statements must also be prepared on such basis.

5910 (2) A corporation must deliver or make available the
5911 latest annual financial statements to such member within 5
5912 business days after the request if the annual financial
5913 statements have already been prepared and are available. If the
5914 annual financial statements have not been prepared for the
5915 fiscal year requested, the corporation must notify the member
5916 within 5 business days that the annual financial statements have
5917 not yet been prepared and must deliver or make available such
5918 annual financial statements to the member within 60 days after
5919 the corporation receives the request, or within such additional
5920 time thereafter as is reasonably necessary to enable the
5921 corporation to prepare its annual financial statements if, for
5922 reasons beyond the corporation's control, it is unable to
5923 prepare its annual financial statements within the prescribed
5924 period.

5925 (3) A corporation may fulfill its responsibilities under

5926 this section by delivering the specified annual financial
5927 statements by posting the specified annual financial statements
5928 on its website or by any other generally recognized means.

5929 (4) Notwithstanding subsections (1), (2), and (3):

5930 (a) As a condition to delivering or making available
5931 annual financial statements to any requesting member, the
5932 corporation may require the requesting member to agree to
5933 reasonable restrictions on the confidentiality, use, and
5934 distribution of such annual financial statements; and

5935 (b) The corporation may, if it reasonably determines that
5936 the member's request is not made in good faith or for a proper
5937 purpose, decline to deliver or make available such annual
5938 financial statements to that member.

5939 (5) If a corporation does not respond to a member's
5940 request for annual financial statements pursuant to this section
5941 within the applicable period specified in subsection (2), all of
5942 the following apply:

5943 (a) The requesting member may apply to the circuit court
5944 in the applicable county for an order requiring delivery of or
5945 access to the requested annual financial statements. The court
5946 shall dispose of an application under this subsection on an
5947 expedited basis.

5948 (b) If the court orders delivery or access to the
5949 requested annual financial statements, it may impose reasonable
5950 restrictions on their confidentiality, use, or distribution.

5951 (c) In such proceeding, if the corporation has declined to
5952 deliver or make available such annual financial statements
5953 because the member had been unwilling to agree to restrictions
5954 proposed by the corporation on the confidentiality, use, and
5955 distribution of such financial statements, the corporation has
5956 the burden of demonstrating that the restrictions proposed by
5957 the corporation were reasonable.

5958 (d) In such a proceeding, if the corporation has declined
5959 to deliver or make available such annual financial statements
5960 pursuant to this section, the corporation has the burden of
5961 demonstrating that it reasonably determined that the member's
5962 request was not made in good faith or for a proper purpose.

5963 (6) If the court orders delivery or access to the
5964 requested annual financial statements, it shall order the
5965 corporation to pay the member's expenses, including reasonable
5966 attorney fees, incurred to obtain such order unless the
5967 corporation establishes that it had refused delivery or access
5968 to the requested annual financial statements because the member
5969 had refused to agree to reasonable restrictions on the
5970 confidentiality, use, or distribution of the annual financial
5971 statements or that the corporation had reasonably determined
5972 that the member's request was not made in good faith or for a
5973 proper purpose.

5974 **Section 106. Section 617.16051, Florida Statutes, is**
5975 **created to read:**

617.16051 Inspection rights of directors.-

(1) A director of a corporation is entitled to inspect and copy the books, records, and documents of the corporation at any reasonable time to the extent reasonably related to the performance of the director's duties as a director, including duties as a member of a board committee, but not for any other purpose or in any manner that would violate any duty to the corporation or attorney-client privilege or work-product privilege of the corporation.

(2) The circuit court of the applicable county may order inspection and copying of the books, records, and documents at the corporation's expense, upon application of a director who has been refused such inspection rights, unless the corporation establishes that the director is not entitled to such inspection rights. The court shall dispose of an application under this subsection on an expedited basis.

(3) If an order is issued, the court may include provisions protecting the corporation from undue burden or expense and prohibiting the director from using information obtained upon exercise of the inspection rights in a manner that would violate a duty to the corporation, and may also order the corporation to reimburse the director for the director's costs, including reasonable attorney fees, incurred in connection with the application.

Section 107. Section 617.1622, Florida Statutes, is

amended to read:

617.1622 Annual report for department ~~of State.~~

(1) Each domestic corporation and each foreign corporation authorized to transact business ~~conduct its affairs~~ in this state shall deliver to the department ~~of State~~ for filing an a ~~sworn~~ annual report, ~~on such form as the Department of State prescribes,~~ that states the following sets forth:

(a) The name of the corporation or, if a foreign corporation, the name under which the foreign corporation is authorized to transact business in this state ~~and the state or country under the law of which it is incorporated;~~

(b) The date of its incorporation and ~~or,~~ if a foreign corporation, the jurisdiction of its incorporation and the date on which it became qualified to transact business ~~was admitted to conduct its affairs~~ in this state;

(c) The street address of its ~~the~~ principal office and the mailing address of the corporation;

(d) The corporation's or foreign corporation's federal employer identification number, if any, or, if none, whether one has been applied for;

(e) The names and business street addresses of its directors and principal officers; and

(f) ~~The street address of its registered office in this state and the name of its registered agent at that office; and~~

~~(g)~~ Any such additional information that the department

6026 has identified as ~~may be~~ necessary or appropriate to enable the
6027 department ~~of State~~ to carry out the provisions of this chapter
6028 ~~act~~.

6029 (2) If an annual report contains the name and address of a
6030 registered agent which differs from the information shown in the
6031 records of the department immediately before the annual report
6032 becomes effective, the differing information in the annual
6033 report is considered a statement of change under s. 617.0502 or
6034 s. 617.1508, as the case may be ~~The deposit of such report, on~~
6035 ~~or before May 1, in the United States mail in a sealed envelope,~~
6036 ~~properly addressed with postage prepaid, constitutes compliance~~
6037 ~~with subsection (1).~~

6038 (3) If an annual report does not contain the information
6039 required by this section ~~subsection (1)~~, the department ~~of State~~
6040 shall promptly notify the reporting domestic corporation or
6041 foreign corporation ~~in writing and return the report to it for~~
6042 ~~correction~~. If the report is corrected to contain the
6043 information required by subsection (1) and delivered to the
6044 department ~~of State~~ within 30 days after the effective date of
6045 notice, it will ~~is deemed to be~~ considered timely delivered
6046 ~~filed~~.

6047 (4) ~~Each annual report must be executed by the corporation~~
6048 ~~by an officer or director or, if the corporation is in the hands~~
6049 ~~of a receiver or trustee, must be executed on behalf of the~~
6050 ~~corporation by such receiver or trustee, and the signing of the~~

6051 ~~annual report shall have the same legal effect as if made under~~
6052 ~~oath, without the necessity of appending such oath thereto.~~

6053 ~~(5)~~ The first annual report must be delivered to the department
6054 ~~of State~~ between January 1 and May 1 of the year following the
6055 calendar year in which a domestic corporation's articles of
6056 incorporation became effective or a foreign corporation obtained
6057 its certificate of authority to transact business in this state
6058 ~~corporation was incorporated or a foreign corporation was~~
6059 ~~authorized to conduct affairs.~~ Subsequent annual reports must be
6060 delivered to the department ~~of State~~ between January 1 and May 1
6061 of each the subsequent calendar year thereafter. If one or more
6062 forms of annual report are submitted for a calendar year, the
6063 department shall file each of them and make the information
6064 contained in them part of the official record. The first form of
6065 annual report filed in a calendar year shall be considered the
6066 annual report for that calendar year, and each report filed
6067 after that one in the same calendar year shall be treated as an
6068 amended report for that calendar year years.

6069 ~~(5)(6)~~ Information in the annual report must be current as
6070 of the date the annual report is delivered to the department for
6071 filing ~~executed on behalf of the corporation.~~

6072 ~~(7)~~ If an additional report is received, the department
6073 shall file the document and make the information contained
6074 therein part of the official record.

6075 ~~(6)(8)~~ Any domestic corporation or foreign corporation

6076 that fails to file an annual report that ~~which~~ complies with the
6077 requirements of this section may not prosecute or maintain ~~or~~
6078 ~~defend~~ any action in any court of this state until the ~~such~~
6079 report is filed and all fees and penalties ~~taxes~~ due under this
6080 chapter act are paid, and ~~such corporation~~ is subject to
6081 dissolution or cancellation of its certificate of authority to
6082 transact business ~~conduct its affairs~~ as provided in this
6083 chapter act.

6084 (7)-(9) The department shall prescribe the forms, which may
6085 be in an electronic format, on which to make the annual report
6086 called for in this section and may substitute the uniform
6087 business report, pursuant to s. 606.06, as a means of satisfying
6088 the requirement of this chapter ~~section~~.

6089 (8) As a condition of a merger under s. 617.1101, each
6090 party to a merger which exists under the laws of this state, and
6091 each party to a merger which exists under the laws of another
6092 jurisdiction and has a certificate of authority to transact
6093 business or conduct its affairs in this state, must be active
6094 and current in filing its annual reports in the records of the
6095 department through December 31 of the calendar year in which the
6096 articles of merger are submitted to the department for filing.

6097 (9) As a condition of a conversion of an entity to a
6098 corporation under s. 617.1804, the entity, if it exists under
6099 the laws of this state or if it exists under the laws of another
6100 jurisdiction and has a certificate of authority to transact

business or conduct its affairs in this state, must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of conversion are submitted to the department for filing.

(10) As a condition of a conversion of a domestic corporation to another type of entity under s. 617.1804, the domestic corporation converting to the other type of entity must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of conversion are submitted to the department for filing.

(11) As a condition of domestication of a domestic corporation into a foreign jurisdiction under s. 617.180301, the domestic corporation domesticating into a foreign jurisdiction must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of domestication are submitted to the department for filing.

Section 108. Section 617.180301, Florida Statutes, is created to read:

617.180301 Domestication.—

(1) By complying with this section and ss. 617.18031-617.18034, as applicable, a foreign corporation may become a domestic corporation if the domestication is permitted by the

6126 organic law of the foreign corporation.

6127 (2) By complying with this section and ss. 617.18031-
6128 617.18034, as applicable, a domestic corporation may become a
6129 foreign corporation pursuant to a plan of domestication if the
6130 domestication is permitted by the organic law of the foreign
6131 corporation.

6132 (3) In a domestication under subsection (2), the
6133 domesticating corporation must enter into a plan of
6134 domestication. The plan of domestication must include:

6135 (a) The name of the domesticating corporation;

6136 (b) The name and governing jurisdiction of the
6137 domesticated corporation;

6138 (c) The manner and basis of cancelling or converting the
6139 eligible interests or other rights of the domesticating
6140 corporation into other eligible interests, other rights,
6141 obligations, rights to acquire eligible interests, cash, other
6142 property, other rights, or any combination of the foregoing of
6143 the domesticated corporation;

6144 (d) The proposed organic rules of the domesticated
6145 corporation, which must be in writing; and

6146 (e) The other terms and conditions of the domestication.

6147 (4) In addition to the requirements of subsection (3), a
6148 plan of domestication may contain any other provision not
6149 prohibited by law.

6150 (5) The terms of a plan of domestication may be made

dependent upon facts objectively ascertainable outside the plan in accordance with s. 617.01201(10).

(6) If a protected agreement of a domesticating corporation in effect immediately before the domestication becomes effective contains a provision applying to a merger of the corporation and the agreement does not refer to a domestication of the corporation, the provision applies to a domestication of the corporation as if the domestication were a merger until such time as the provision is first amended after July 1, 2026.

Section 109. Section 617.18031, Florida Statutes, is created to read:

617.18031 Action on a plan of domestication.—In the case of a domestication of a domestic corporation into a foreign jurisdiction, the plan of domestication must be adopted in the following manner:

(1) Except as otherwise provided in the articles of incorporation or bylaws, the plan of domestication must first be adopted by the board of directors of such domestic corporation. If the domesticating corporation does not have any members entitled to vote on the domestication, a plan of domestication is adopted by the corporation when it has been adopted by the board of directors pursuant to this section.

(2) If the domesticating corporation has members entitled to vote on the domestication, the plan of domestication must be

6176 approved by such members. In submitting the plan of
6177 domestication to the members for approval, the board of
6178 directors shall recommend that the members approve the plan,
6179 unless the board of directors makes a determination that because
6180 of conflicts of interest or other special circumstances it
6181 should not make such a recommendation, in which case the board
6182 of directors must inform the members of the basis for its so
6183 proceeding without such recommendation.

6184 (3) The board of directors may set conditions for approval
6185 of the plan of domestication by the members or the effectiveness
6186 of the plan of domestication.

6187 (4) If the plan of domestication is required to be
6188 approved by the members, and if the approval of the members is
6189 to be given at a meeting, the corporation must notify each
6190 member entitled to vote on the domestication of the meeting of
6191 members at which the plan of domestication is to be submitted
6192 for approval. The notice must state that the purpose, or one of
6193 the purposes, of the meeting is to consider the plan of
6194 domestication and must contain or be accompanied by a copy of
6195 the plan. The notice must include or be accompanied by a written
6196 copy of the organic rules of the domesticated corporation as
6197 they will be in effect immediately after the domestication.

6198 (5) Unless this chapter, the articles of incorporation,
6199 the bylaws, or the board of directors acting pursuant to
6200 subsection (3) require a greater vote or a greater quorum in the

6201 respective case, approval of the plan of domestication requires:

6202 (a) The approval of the members entitled to vote on the
6203 domestication at a meeting at which a quorum exists consisting
6204 of a majority of the votes entitled to be cast on the plan; and

6205 (b) If any class of members is entitled to vote as a
6206 separate group on the plan of domestication, the approval of
6207 each class of members voting as a separate voting group at a
6208 meeting at which a quorum of the voting group exists consisting
6209 of a majority of the votes entitled to be cast on the plan by
6210 that voting group.

6211 (6) The articles of incorporation may expressly limit or
6212 eliminate the separate voting rights provided in paragraph
6213 (5) (b) as to any class of members, except when the public
6214 organic rules of the foreign corporation resulting from the
6215 domestication include what would be in effect an amendment that
6216 would entitle the class to vote as a separate voting group if it
6217 were a proposed amendment of the articles of incorporation of a
6218 domestic domesticating corporation.

6219 (7) If, as a result of a domestication, one or more
6220 members of a domestic domesticating corporation would become
6221 subject to interest holder liability, approval of the plan of
6222 domestication must require the signing in connection with the
6223 domestication, by each such member, of a separate written
6224 consent to become subject to such interest holder liability,
6225 unless in the case of a member that already has interest holder

liability with respect to the domesticating corporation, the terms and conditions of the interest holder liability with respect to the domesticated corporation are substantially identical to those of the existing interest holder liability, other than for changes that eliminate or reduce such interest holder liability.

(8) In addition to the adoption and approval of the plan of domestication by the board of directors and any members entitled to vote on the domestication as required by this section, the plan of domestication must be approved in writing by any person or group of persons whose approval is required under the articles of incorporation or bylaws or whose approval is required to amend the articles of incorporation or bylaws.

Section 110. Section 617.18032, Florida Statutes, is created to read:

617.18032 Articles of incorporation; effectiveness.—

(1) Articles of domestication must be signed by the domesticating corporation after:

(a) A plan of domestication of a domestic corporation has been adopted and approved as required by this chapter; or

(b) A foreign corporation that is the domesticating corporation has approved a domestication as required by this chapter and under the foreign corporation's organic law.

(2) Articles of domestication must set forth:

(a) The name of the domesticating corporation and its

6251 governing jurisdiction;

6252 (b) The name and governing jurisdiction of the
6253 domesticated corporation; and

6254 (c)1. If the domesticating corporation is a domestic
6255 corporation, a statement that the plan of domestication was
6256 approved in accordance with this chapter; or

6257 2. If the domesticating corporation is a foreign
6258 corporation, a statement that the domestication was approved in
6259 accordance with its organic law.

6260 (3) If the domesticated corporation is to be a domestic
6261 corporation, articles of incorporation of the domesticated
6262 corporation that satisfy the requirements of s. 617.0202 must be
6263 attached to the articles of domestication. Provisions that would
6264 not be required to be included in restated articles of
6265 incorporation may be omitted from the articles of incorporation
6266 attached to the articles of domestication.

6267 (4) The articles of domestication shall be delivered to
6268 the department for filing and shall take effect on the effective
6269 date determined in accordance with s. 617.0123.

6270 (5)(a) If the domesticated corporation is a domestic
6271 corporation, the domestication becomes effective when the
6272 articles of domestication are effective.

6273 (b) If the domesticated corporation is a foreign
6274 corporation, the domestication becomes effective on the later of
6275 the date and time provided by the organic law of the

domesticated corporation or when the articles of domestication
are effective.

(6) If the domesticating corporation is a foreign
corporation that is qualified to transact business in this state
under ss. 617.1501-617.1532, its certificate of authority is
automatically canceled when the domestication becomes effective.

(7) A copy of the articles of domestication, certified by
the department, may be filed in the official records of any
county in this state in which the domesticating corporation
holds an interest in real property.

**Section 111. Section 617.18033, Florida Statutes, is
created to read:**

617.18033 Amendment of a plan of domestication;
abandonment.—

(1) Except as otherwise provided in the plan of
domestication and before the articles of domestication have
taken effect, a plan of domestication of a domestic corporation
adopted under s. 617.180301(3) may be amended:

(a) In the same manner as the plan of domestication was
approved, if the plan does not provide for the manner in which
it may be amended; or

(b) In the manner provided in the plan of domestication,
except that an interest holder who was entitled to vote on or
consent to approval of the plan is entitled to vote on or
consent to any amendment of the plan which will change:

6301 1. The amount or kind of eligible interests or other
6302 rights, obligations, rights to acquire eligible interests, cash,
6303 other property, other rights, or any combination of the
6304 foregoing, to be received by any of the interest holders of the
6305 domesticating corporation under the plan;

6306 2. The organic rules of the domesticated corporation that
6307 are to be in writing and that will be in effect immediately
6308 after the domestication becomes effective, except for changes
6309 that do not require approval of the interest holder of the
6310 domesticated corporation under its proposed organic rules as set
6311 forth in the plan of domestication; or

6312 3. Any of the other terms or conditions of the plan, if
6313 the change would adversely affect the interest holder in any
6314 material respect.

6315 (2) After a plan of domestication has been adopted and
6316 approved by a domestic corporation as required by this chapter,
6317 and before the articles of domestication have become effective,
6318 the plan may be abandoned by the corporation in the same manner
6319 as the plan was approved by the corporation without action by
6320 its interest holders in accordance with any procedures set forth
6321 in the plan or, if no such procedures are set forth in the plan,
6322 in the manner determined by the board of directors of the
6323 domestic corporation.

6324 (3) If a domestication is abandoned after the articles of
6325 domestication have been delivered to the department for filing

6326 but before the articles of domestication become effective, a
6327 statement of abandonment signed by the domesticating corporation
6328 must be delivered to the department for filing before the
6329 articles of domestication become effective. The statement shall
6330 take effect upon filing, and the domestication shall be deemed
6331 abandoned and may not become effective. The statement of
6332 abandonment must contain:

6333 (a) The name of the domesticating corporation;

6334 (b) The date on which the articles of domestication were
6335 filed by the department; and

6336 (c) A statement that the domestication has been abandoned
6337 in accordance with this section.

6338 **Section 112. Section 617.18034, Florida Statutes, is**
6339 **created to read:**

6340 617.18034 Effect of domestication.—

6341 (1) When a domestication becomes effective:

6342 (a) All real property and other property owned by the
6343 domesticating corporation, including any interests therein and
6344 all title thereto, and every contract right and other right
6345 possessed by the domesticating corporation, are the property,
6346 contract rights, and other rights of the domesticated
6347 corporation without transfer, reversion, or impairment;

6348 (b) All debts, obligations, and other liabilities of the
6349 domesticating corporation are the debts, obligations, and other
6350 liabilities of the domesticated corporation;

6351 (c) The name of the domesticated corporation may be, but
6352 need not be, substituted for the name of the domesticating
6353 corporation in any pending action or proceeding;

6354 (d) The organic rules of the domesticated corporation
6355 become effective;

6356 (e) The eligible interests or other rights of the
6357 domesticating corporation are cancelled or reclassified into
6358 eligible interests or other rights, obligations, rights to
6359 acquire eligible interests, cash, other property, or any
6360 combination of the foregoing, in accordance with the terms of
6361 the domestication, and the interest holders of the domesticating
6362 corporation are entitled only to the rights provided to them by
6363 those terms; and

6364 (f) The domesticated corporation is:

6365 1. Incorporated under and subject to the organic law of
6366 the domesticated corporation;

6367 2. The same corporation, without interruption, as the
6368 domesticating corporation; and

6369 3. Deemed to have been incorporated on the date the
6370 domesticating corporation was originally incorporated.

6371 (2) Except as otherwise provided in the organic law or
6372 organic rules of a domesticating foreign corporation, the
6373 interest holder liability of an interest holder in a foreign
6374 corporation that is domesticated into this state who had
6375 interest holder liability with respect to such domesticating

6376 corporation before the domestication becomes effective must be
6377 as follows:

6378 (a) The domestication does not discharge that prior
6379 interest holder liability with respect to any interest holder
6380 liabilities that arose before the domestication becomes
6381 effective.

6382 (b) The organic law of the domesticating corporation must
6383 continue to apply to the collection or discharge of any interest
6384 holder liabilities preserved by paragraph (a), as if the
6385 domestication had not occurred.

6386 (c) The interest holder shall have such rights of
6387 contribution from other persons as are provided by the organic
6388 law of the domesticating corporation with respect to any
6389 interest holder liabilities preserved by paragraph (a), as if
6390 the domestication had not occurred.

6391 (d) The interest holder may not, by reason of such prior
6392 interest holder liability, have interest holder liability with
6393 respect to any interest holder liabilities that are incurred
6394 after the domestication becomes effective.

6395 (3) An interest holder who becomes subject to interest
6396 holder liability in respect of the domesticated corporation as a
6397 result of the domestication has such interest holder liability
6398 only with respect to interest holder liabilities that arise
6399 after the domestication becomes effective.

6400 (4) A domestication does not constitute or cause the

dissolution of the domesticating corporation.

(5) Property held in trust or otherwise dedicated to a charitable purpose and held by a domestic or foreign corporation immediately before a domestication becomes effective may not, as a result of the domestication, be diverted from the purposes for which it was donated, granted, devised, or otherwise transferred except pursuant to the laws of this state addressing cy pres or dealing with nondiversion of charitable assets.

(6) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance which is made to the domesticating corporation, and which takes effect or remains payable after the domestication inures to the domesticated corporation.

(7) A trust obligation that would govern property if transferred to the domesticating corporation applies to property that is to be transferred to the domesticated corporation after the domestication takes effect.

Section 113. Section 617.1804, Florida Statutes, is created to read:

617.1804 Conversion.—

(1) By complying with this chapter, including being eligible under s. 617.18041, adopting a plan of conversion in accordance with s. 617.18042, and complying with s. 617.18043, a domestic corporation may become:

(a) A domestic eligible entity, other than a domestic

6426 corporation; or

6427 (b) If the conversion is permitted by the organic law of
6428 the foreign eligible entity, a foreign eligible entity.

6429 (2) By complying with this section and ss. 617.18042-
6430 617.18046, as applicable, and applicable provisions of its
6431 organic law, a domestic eligible entity other than a domestic
6432 corporation may become a domestic corporation.

6433 (3) By complying with this section and ss. 617.18042-
6434 617.18046, as applicable, and by complying with the applicable
6435 provisions of its organic law, a foreign eligible entity may
6436 become a domestic corporation, but only if the organic law of
6437 the foreign eligible entity permits it to become a nonprofit
6438 corporation in another jurisdiction.

6439 (4) If a protected agreement of a domestic converting
6440 corporation in effect immediately before the conversion becomes
6441 effective contains a provision applying to a merger of the
6442 corporation that is a converting corporation and the agreement
6443 does not refer to a conversion of the corporation, the provision
6444 applies to a conversion of the corporation as if the conversion
6445 were a merger, until such time as the provision is first amended
6446 after July 1, 2026.

6447 **Section 114. Section 617.18041, Florida Statutes, is**
6448 **created to read:**

6449 617.18041 Limitation on conversion.—A domestic corporation
6450 that holds property for a charitable purpose is prohibited from

6451 becoming a domestic eligible entity or a foreign eligible
6452 entity, except by domestication to become a foreign corporation.

6453 **Section 115. Section 617.18042, Florida Statutes, is**
6454 **created to read:**

6455 617.18042 Plan of conversion.—

6456 (1) A domestic corporation may convert to a domestic or
6457 foreign eligible entity under this chapter by approving a plan
6458 of conversion. The plan of conversion must include all of the
6459 following:

6460 (a) The name of the domestic converting corporation.

6461 (b) The name, governing jurisdiction, and type of entity
6462 of the converted eligible entity.

6463 (c) The manner and basis of canceling or converting the
6464 eligible interests or other rights of the domestic corporation;
6465 or the rights to acquire eligible interests, obligations, other
6466 rights, or any combination of the foregoing of the domestic
6467 corporation, into:

6468 1. Shares.

6469 2. Other securities.

6470 3. Eligible interests.

6471 4. Obligations.

6472 5. Rights to acquire shares, other securities, or eligible
6473 interests.

6474 6. Cash.

6475 7. Other property.

6476 8. Other rights.

6477 (d) The other terms and conditions of the conversion.

6478 (e) The full text, as it will be in effect immediately
6479 after the conversion becomes effective, of the organic rules of
6480 the converted eligible entity, which are to be in writing.

6481 (2) In addition to the requirements of subsection (1), a
6482 plan of conversion may contain any other provision not
6483 prohibited by law.

6484 (3) The terms of a plan of conversion may be made
6485 dependent upon facts objectively ascertainable outside the plan
6486 in accordance with s. 617.01201(10).

6487 **Section 116. Section 617.18043, Florida Statutes, is**
6488 **created to read:**

6489 617.18043 Action on a plan of conversion.—In the case of a
6490 conversion of a domestic corporation to a domestic or foreign
6491 eligible entity other than a domestic corporation, the plan of
6492 conversion must be adopted in the following manner:

6493 (1) Except as provided in the articles of incorporation or
6494 bylaws, the plan of conversion must first be adopted by the
6495 board of directors of such domestic corporation. If the
6496 converting corporation does not have any members entitled to
6497 vote on the conversion, a plan of conversion is adopted by the
6498 corporation when it has been adopted by the board of directors
6499 pursuant to this section.

6500 (2) (a) If the converting corporation has members entitled

6501 to vote on the conversion, the plan of conversion must then be
6502 approved by such members.

6503 (b) In submitting the plan of conversion to the members
6504 for approval, the board of directors must recommend that the
6505 members approve the plan of conversion, unless the board of
6506 directors makes a determination that because of conflicts of
6507 interest or other special circumstances it should not make such
6508 a recommendation, in which case the board of directors must
6509 inform the members of the basis for proceeding without such
6510 recommendation.

6511 (3) The board of directors may set conditions for approval
6512 of the plan of conversion by the members or the effectiveness of
6513 the plan of conversion.

6514 (4) If a plan of conversion is required to be approved by
6515 the members, and if the approval of the members is to be given
6516 at a meeting, the corporation must notify each member entitled
6517 to vote on the conversion of the meeting of members at which the
6518 plan of conversion is to be submitted for approval. The notice
6519 must state that the purpose, or one of the purposes, of the
6520 meeting is to consider the plan of conversion and must contain
6521 or be accompanied by a copy of the plan. The notice must include
6522 or be accompanied by a written copy of the organic rules of the
6523 converted eligible entity as they will be in effect immediately
6524 after the conversion.

6525 (5) Unless this chapter, the articles of incorporation,

6526 bylaws, or the board of directors acting pursuant to subsection
6527 (3) require a greater vote or a greater quorum in the respective
6528 case, approval of the plan of conversion requires:

6529 (a) The approval of the members entitled to vote on the
6530 conversion at a meeting at which a quorum exists consisting of a
6531 majority of the votes entitled to be cast on the plan; and

6532 (b) If any class of members is entitled to vote as a
6533 separate group on the plan of conversion, the approval of each
6534 class of members voting as a separate voting group at a meeting
6535 at which a quorum of the voting group exists consisting of a
6536 majority of the votes entitled to be cast on the plan by that
6537 voting group.

6538 (6) If, as a result of the conversion, one or more members
6539 of the converting domestic corporation would become subject to
6540 interest holder liability, approval of the plan of conversion
6541 must require the signing in connection with the conversion, by
6542 each such member, of a separate written consent to become
6543 subject to such interest holder liability, unless in the case of
6544 a member that already has interest holder liability with respect
6545 to the converting corporation, the terms and conditions of the
6546 interest holder liability with respect to the converted entity
6547 are substantially identical to those of the existing interest
6548 holder liability, other than for changes that eliminate or
6549 reduce such interest holder liability.

6550 (7) If the converted eligible entity is a partnership or

6551 limited partnership, a member of the converting domestic
6552 corporation may not, as a result of the conversion, become a
6553 general partner of the partnership or limited partnership,
6554 unless such member specifically consents in writing to becoming
6555 a general partner of such partnership or limited partnership,
6556 and, unless such written consent is obtained from each such
6557 member, such conversion may not become effective under s.
6558 617.18044. Any member providing such consent in writing is
6559 deemed to have voted in favor of the plan of conversion pursuant
6560 to which the member became a general partner.

6561 (8) In addition to the adoption and approval of the plan
6562 of conversion by the board of directors and any members entitled
6563 to vote on the conversion as required by this section, the plan
6564 of conversion must also be approved in writing by any person or
6565 group of persons whose approval is required under the articles
6566 of incorporation or bylaws or whose approval is required to
6567 amend the articles of incorporation or bylaws.

6568 **Section 117. Section 617.18044, Florida Statutes, is**
6569 **created to read:**

6570 617.18044 Articles of conversion; effectiveness.—

6571 (1) After a plan of conversion of a domestic corporation
6572 has been adopted and approved as required by this chapter, or a
6573 domestic or foreign eligible entity, other than a domestic
6574 corporation, that is the converting eligible entity has approved
6575 a conversion as required by its organic law, articles of

conversion must be signed by the converting eligible entity as required by s. 617.01201 and must:

(a) State the name, governing jurisdiction, and type of entity of the converting eligible entity;

(b) State the name, governing jurisdiction, and type of entity of the converted eligible entity;

(c) If the converting eligible entity is:

1. A domestic corporation, state that the plan of conversion was approved in accordance with this chapter; or

2. A domestic or foreign eligible entity other than a domestic corporation, state that the conversion was approved by the eligible entity in accordance with its organic law; and

(d) If the converted eligible entity is:

1. A domestic corporation or a domestic or foreign eligible entity that is not a domestic corporation, attach the public organic record of the converted eligible entity, except that provisions that would not be required to be included in a restated public organic record may be omitted; or

2. A domestic limited liability partnership, attach the filing or filings required to become a domestic limited liability partnership.

(2) If the converted eligible entity is a domestic corporation, its articles of incorporation must satisfy the requirements of s. 617.0202, except that provisions that would not be required to be included in restated articles of

6601 incorporation may be omitted from the articles of incorporation.
6602 If the converted eligible entity is a domestic eligible entity
6603 that is not a domestic corporation, its public organic record,
6604 if any, must satisfy the applicable requirements of the organic
6605 law of this state, except that the public organic record does
6606 not need to be signed.

6607 (3) The articles of conversion must be delivered to the
6608 department for filing and shall take effect on the effective
6609 date determined in accordance with s. 617.0123.

6610 (4)(a) If the converted eligible entity is a domestic
6611 eligible entity, the conversion becomes effective when the
6612 articles of conversion are effective.

6613 (b) If the converted eligible entity is a foreign eligible
6614 entity, the conversion becomes effective at the later of:

6615 1. The date and time provided by the organic law of that
6616 eligible entity; or

6617 2. When the articles of conversion take effect.

6618 (5) Articles of conversion required to be filed under this
6619 section may be combined with any filing required under the
6620 organic law of a domestic eligible entity that is the converting
6621 eligible entity or the converted eligible entity if the combined
6622 filing satisfies the requirements of both this section and the
6623 other organic law.

6624 (6) If the converting eligible entity is a foreign
6625 eligible entity that is authorized to transact business in this

6626 state under a law similar to ss. 617.1501-617.1532, its foreign
6627 qualification is canceled automatically on the effective date of
6628 its conversion.

6629 (7) A copy of the articles of conversion, certified by the
6630 department, may be filed in the official records of any county
6631 in this state in which the converting eligible entity holds an
6632 interest in real property.

6633 **Section 118. Section 617.18045, Florida Statutes, is**
6634 **created to read:**

6635 617.18045 Amendment to a plan of conversion; abandonment.-

6636 (1) Except as otherwise provided in the plan of conversion
6637 and before the articles of conversion have taken effect, a plan
6638 of conversion of a converting eligible entity that is a domestic
6639 corporation may be amended:

6640 (a) In the same manner as the plan of conversion was
6641 approved, if the plan does not provide for the manner in which
6642 it may be amended; or

6643 (b) In the manner provided in the plan of conversion,
6644 except that an interest holder that was entitled to vote on or
6645 consent to approval of the plan is entitled to vote on or
6646 consent to any amendment of the plan which will change:

6647 1. The amount or kind of interests; obligations; rights to
6648 acquire other interests; cash; other property; or any
6649 combination of the foregoing, to be received by any of the
6650 interest holders of the converting corporation under the plan;

6651 2. The organic rules of the converted eligible entity
6652 which will be in effect immediately after the conversion becomes
6653 effective, except for changes that do not require approval of
6654 the eligible interest holders of the converted eligible entity
6655 under its organic law or organic rules; or

6656 3. Any other terms or conditions of the plan, if the
6657 change would adversely affect such interest holders in any
6658 material respect.

6659 (2) After a plan of conversion has been adopted and
6660 approved by a converting eligible entity that is a domestic
6661 corporation in the manner required by this chapter and before
6662 the articles of conversion become effective, the plan may be
6663 abandoned by the domestic corporation without action by its
6664 interest holders in accordance with any procedures set forth in
6665 the plan or, if no such procedures are set forth in the plan, in
6666 the manner determined by the board of directors of the domestic
6667 corporation.

6668 (3) If a conversion is abandoned after the articles of
6669 conversion have been delivered to the department for filing but
6670 before the articles of conversion have become effective, a
6671 statement of abandonment signed by the converting eligible
6672 entity must be delivered to the department for filing before the
6673 articles of conversion become effective. The statement takes
6674 effect upon filing, and the conversion is deemed abandoned and
6675 may not become effective. The statement of abandonment must

contain:

(a) The name of the converting eligible entity;

(b) The date on which the articles of conversion were
filed by the department; and

(c) A statement that the conversion has been abandoned in
accordance with this section.

**Section 119. Section 617.18046, Florida Statutes, is
created to read:**

617.18046 Effect of conversion.—

(1) When a conversion becomes effective:

(a) All real property and other property owned by the
converting eligible entity, including any interest therein and
all title thereto, and every contract right and other right
possessed by the converting eligible entity remain the property,
contract rights, and other rights of the converted eligible
entity without transfer, reversion, or impairment;

(b) All debts, obligations, and other liabilities of the
converting eligible entity remain the debts, obligations, and
other liabilities of the converted eligible entity;

(c) The name of the converted eligible entity may be
substituted for the name of the converting eligible entity in
any pending action or proceeding;

(d) If the converted eligible entity is a filing entity, a
domestic corporation, or a domestic or foreign corporation, its
public organic record and its private organic rules become

6701 effective;

6702 (e) If the converted eligible entity is a nonfiling
6703 entity, its private organic rules become effective;

6704 (f) If the converted eligible entity is a limited
6705 liability partnership, the filing required to become a limited
6706 liability partnership and its private organic rules become
6707 effective;

6708 (g) The shares; obligations; eligible interests; other
6709 securities; and rights to acquire shares, obligations, eligible
6710 interests, or other securities of the converting eligible entity
6711 are reclassified into shares; obligations; eligible interests;
6712 other securities; and rights to acquire shares, obligations,
6713 eligible interests, or other securities; or eligible interests,
6714 cash; other property; or any combination of the foregoing, in
6715 accordance with the terms of the conversion, and the members or
6716 interest holders of the converting eligible entity are entitled
6717 only to the rights provided to them by those terms or under the
6718 organic law of the converting eligible entity; and

6719 (h) The converted eligible entity is:

6720 1. Deemed to be incorporated or organized under and
6721 subject to the organic law of the converted eligible entity;

6722 2. Deemed to be the same entity without interruption as
6723 the converting eligible entity; and

6724 3. Deemed to have been incorporated or otherwise organized
6725 on the date that the converting eligible entity was originally

6726 incorporated or organized.

6727 (2) Except as otherwise provided in the articles of
6728 incorporation or bylaws of a domestic corporation or the organic
6729 law or organic rules of a domestic or foreign eligible entity
6730 other than a domestic corporation, a member or eligible interest
6731 holder who becomes subject to interest holder liability in
6732 respect of a domestic corporation or domestic or foreign
6733 eligible entity other than a domestic corporation as a result of
6734 the conversion shall have such interest holder liability only in
6735 respect of interest holder liabilities that arise after the
6736 conversion becomes effective.

6737 (3) Except as otherwise provided in the organic law or the
6738 organic rules of the domestic or foreign eligible entity, the
6739 interest holder liability of an interest holder in a converting
6740 eligible entity that converts to a domestic corporation who had
6741 interest holder liability in respect of such converting eligible
6742 entity before the conversion becomes effective is as follows:

6743 (a) The conversion does not discharge that prior interest
6744 holder liability with respect to any interest holder liabilities
6745 that arose before the conversion became effective.

6746 (b) The organic law of the eligible entity continues to
6747 apply to the collection or discharge of any interest holder
6748 liabilities preserved by paragraph (a), as if the conversion had
6749 not occurred.

6750 (c) The eligible interest holder has such rights of

6751 contribution from other persons as are provided by the organic
6752 law of the eligible entity with respect to any interest holder
6753 liabilities preserved by paragraph (a), as if the conversion had
6754 not occurred.

6755 (d) The eligible interest holder may not, by reason of
6756 such prior interest holder liability, have interest holder
6757 liability with respect to any interest holder liabilities that
6758 arise after the conversion becomes effective.

6759 (4) A conversion does not require the converting eligible
6760 entity to wind up its affairs and does not constitute or cause
6761 the dissolution or termination of the entity.

6762 (5) Property held for charitable purposes under the laws
6763 of this state by a domestic or foreign eligible entity
6764 immediately before a conversion becomes effective may not, as a
6765 result of the conversion, be diverted from the purposes for
6766 which it was donated, granted, devised, or otherwise transferred
6767 except and to the extent permitted by or pursuant to the laws of
6768 this state addressing cy pres or dealing with nondiversion of
6769 charitable assets.

6770 (6) Any bequest, devise, gift, grant, or promise contained
6771 in a will or other instrument of donation, subscription, or
6772 conveyance which is made to the converting eligible entity and
6773 which takes effect or remains payable after the conversion
6774 inures to the converted eligible entity.

6775 (7) A trust obligation that would govern property if

transferred to the converting eligible entity applies to
property that is to be transferred to the converted eligible
entity after the conversion becomes effective.

**Section 120. Section 617.2005, Florida Statutes, is
amended to read:**

617.2005 Extinct churches and religious societies;
dissolution.—Any church or religious society in this state which
has ceased or failed to maintain religious worship or service,
or to use its property for religious worship or services
according to the tenets, usages, and customs of a church of the
denomination of which it is a member in this state for the space
of 2 consecutive years, or whose membership has so diminished in
numbers or in financial strength as to render it impossible for
such church or society to maintain religious worship or
services, or to protect its property from exposure to waste and
dilapidation for a period of 2 years, shall be extinct. Upon an
action filed by a member of the church or religious society, the
facts being established to the satisfaction of the circuit court
in and for the county in which such church or society has been
situated, an order of such court may be made dissolving the
church or religious society and the property of such church or
society, or the property which may be held in trust for such
church or society, may by court order be transferred to and the
title and possession thereof vested in the denomination of which
such church or society was a member. A copy of the decree of

dissolution must ~~shall~~ be filed with the department ~~of State~~.

Section 121. Section 617.2006, Florida Statutes, is amended to read:

617.2006 Incorporation of labor unions or bodies.—

(1) Any group or combination of groups of workers or wage earners, bearing the name labor, organized labor, federation of labor, brotherhood of labor, union labor, union labor committee, trade union, trades union, union labor council, building trades council, building trades union, allied trades union, central labor body, central labor union, federated trades council, local union, state union, national union, international union, district labor council, district labor union, American Federation of Labor, Florida Federation of Labor, or any component parts or significant words of such terms, whether the same be used in juxtaposition or with interspace, may be incorporated under this chapter ~~act~~.

(2) ~~(1)~~ In addition to the requirements of ss. 617.02011 and 617.0202, the articles of incorporation for a labor union or body must ~~shall~~ set forth the necessity for the incorporation, ~~shall~~ be subscribed to by not less than five persons, and ~~shall~~ be acknowledged by all of the subscribers, who shall also make and subscribe to an oath, to be endorsed on the articles of incorporation, that it is intended in good faith to carry out the purposes and objects set forth in the articles of incorporation. ~~The articles of incorporation shall be filed in~~

6826 ~~the office of the clerk of the circuit court of the county in~~
6827 ~~which the labor union or body is organized, and the approval of~~
6828 ~~the judge of the circuit court shall be obtained.~~

6829 ~~(2) The subscribers of the articles of incorporation shall~~
6830 ~~give notice of their intention to obtain approval thereof by the~~
6831 ~~circuit judge. Such notice shall state the name of the judge,~~
6832 ~~the date the articles of incorporation will be presented, and~~
6833 ~~the general nature and necessity of the articles of~~
6834 ~~incorporation. Notice shall be published in a newspaper of~~
6835 ~~general circulation in the county in which the labor union or~~
6836 ~~body is organized at least once, or posted at the courthouse~~
6837 ~~door in counties having no newspapers, at least 10 days prior to~~
6838 ~~the date the articles of incorporation will be presented to the~~
6839 ~~judge.~~

6840 ~~(3) When presented to the judge, the articles of~~
6841 ~~incorporation shall be accompanied by a petition, signed and~~
6842 ~~sworn to by the subscribers, stating fully the aims and purposes~~
6843 ~~of such organization and the necessity therefor.~~

6844 ~~(4) Upon the filing of the articles of incorporation and~~
6845 ~~the petition, and the giving of such notice, the circuit judge~~
6846 ~~to whom such petition may be addressed shall, upon the date~~
6847 ~~stated in such notice, take testimony and inquire into the~~
6848 ~~admissions and purposes of such organization and the necessity~~
6849 ~~therefor, and upon such hearing, if the circuit judge shall be~~
6850 ~~satisfied that the allegations set forth in the petition and~~

~~articles of incorporation have been substantiated, and shall find that such organization will not be harmful to the community in which it proposes to operate, or to the state, and that it is intended in good faith to carry out the purposes and objects set forth in the articles of incorporation, and that there is a necessity therefor, the judge shall approve the articles of incorporation and endorse his or her approval thereon. Upon the filing of the articles of incorporation with its endorsements thereupon with the Department of State and payment of the filing fees specified in s. 617.0122, the subscribers and their associates and successors shall be a corporation by the name given.~~

~~(5) Any person may intervene by filing an answer to the petition stating his or her reasons, if any, and be heard thereon, why the circuit judge shall not approve the articles of incorporation.~~

~~(6) The existence, amendment of the articles of incorporation, and dissolution of any such corporation shall be in accordance with this act.~~

Section 122. Subsection (7) of section 39.8298, Florida Statutes, is amended to read:

39.8298 Guardian ad Litem direct-support organization.—

(7) LIMITS ON DIRECT-SUPPORT ORGANIZATION.—The direct-support organization shall not exercise any power under s. 617.0302(11) or (15) ~~s. 617.0302(12) or (16)~~. No state employee

shall receive compensation from the direct-support organization for service on the board of directors or for services rendered to the direct-support organization.

Section 123. Paragraph (a) of subsection (2) of section 381.00316, Florida Statutes, is amended to read:

381.00316 Discrimination by governmental and business entities based on health care choices; prohibition.—

(2) As used in this section, the term:

(a) "Business entity" has the same meaning as in s. 606.03. The term also includes a charitable organization as defined in s. 496.404, a nonprofit corporation ~~not for profit~~ as defined in s. 617.01401, or any other business operating in this state.

Section 124. Subsection (6) of section 605.1025, Florida Statutes, is amended to read:

605.1025 Articles of merger.—

(6) A limited liability company is not required to deliver articles of merger for filing pursuant to subsection (1) if the limited liability company is named as a merging entity or surviving entity in articles of merger or a certificate of merger filed for the same merger in accordance with s. 607.1105, ~~s. 617.1108,~~ s. 620.2108(3), or s. 620.8918(3), and if such articles of merger or certificate of merger substantially comply with the requirements of this section. In such a case, the other articles of merger or certificate of merger may also be used for

6901 purposes of subsection (5).

6902 **Section 125. Section 617.0102, Florida Statutes, is**
6903 **amended to read:**

6904 617.0102 Reservation of power to amend or repeal.—The
6905 Legislature has the power to amend or repeal all or part of this
6906 chapter act at any time, and all domestic and foreign
6907 corporations subject to this chapter act shall be governed by
6908 the amendment or repeal.

6909 **Section 126. Section 617.0121, Florida Statutes, is**
6910 **amended to read:**

6911 617.0121 Forms.—

6912 (1) The department ~~of State~~ may prescribe and furnish on
6913 request forms for:

6914 (a) An application for certificate of status,

6915 (b) A foreign corporation's application for certificate of
6916 authority to conduct its affairs in the state,

6917 (c) A foreign corporation's application for certificate of
6918 withdrawal, and

6919 (d) The annual report, for which the department may
6920 prescribe the use of the uniform business report, pursuant to s.
6921 606.06.

6922
6923 If the department ~~of State~~ so requires, the use of these forms
6924 are shall be mandatory.

6925 (2) The department ~~of State~~ may prescribe and furnish on

request forms for other documents required or permitted to be filed by this chapter act, but their use may ~~shall~~ not be mandatory.

Section 127. Section 617.0122, Florida Statutes, is amended to read:

617.0122 Fees for filing documents and issuing certificates.—The department ~~of State~~ shall collect the following fees on documents delivered to the department for filing:

(1) Articles of incorporation: \$35.

(2) Application for registered name: \$87.50.

(3) Application for renewal of registered name: \$87.50.

(4) Corporation's statement of change of registered agent or registered office or both if not included on the annual report: \$35.

(5) Designation of and acceptance by registered agent: \$35.

(6) Agent's statement of resignation from a corporation that has not been dissolved: \$87.50.

(7) Agent's statement of resignation from a dissolved corporation or a composite statement of resignation from two or more dissolved corporations pursuant to s. 617.05021(1)(b) ~~s. 617.0502(2)(b)~~: \$35.

(8) Amendment of articles of incorporation: \$35.

(9) Restatement of articles of incorporation with

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6951 amendment of articles: \$35.
 6952 (10) Articles of merger for each party thereto: \$35.
 6953 (11) Articles of dissolution: \$35.
 6954 (12) Articles of revocation of dissolution: \$35.
 6955 (13) Application for reinstatement following
 6956 administrative dissolution: \$175.
 6957 (14) Application for certificate of authority to transact
 6958 business in this state by a foreign corporation: \$35.
 6959 (15) Application for amended certificate of authority:
 6960 \$35.
 6961 (16) Application for certificate of withdrawal by a
 6962 foreign corporation: \$35.
 6963 (17) Annual report: \$61.25.
 6964 (18) Articles of correction: \$35.
 6965 (19) Application for certificate of status: \$8.75.
 6966 (20) Certified copy of document: \$52.50.
 6967 (21) Serving as agent for substitute service of process:
 6968 \$87.50.
 6969 (22) Certificate of conversion of a limited agricultural
 6970 association to a domestic corporation: \$35.
 6971 (23) Any other document required or permitted to be filed
 6972 by this chapter: \$35.
 6973
 6974 Any citizen support organization that is required by rule of the
 6975 Department of Environmental Protection to be formed as a

6976 nonprofit organization and is under contract with the Department
6977 of Environmental Protection ~~department~~ is exempt from any fees
6978 required for incorporation as a nonprofit organization, and the
6979 Secretary of State may not assess any such fees if the citizen
6980 support organization is certified by the Department of
6981 Environmental Protection to the Secretary of State as being
6982 under contract with the Department of Environmental Protection.

6983 **Section 128. Section 617.0125, Florida Statutes, is**
6984 **amended to read:**

6985 617.0125 Filing duties of the department ~~of State~~.—

6986 (1) If a document delivered to the department for filing
6987 satisfies the requirements of s. 617.01201, the department shall
6988 file it.

6989 (2) The department files a document by stamping or
6990 otherwise endorsing "filed," together with the Secretary of
6991 State's official title and the date and time of receipt. After
6992 filing a document, the department shall send a notice of the
6993 filing to the electronic mail address on file for the domestic
6994 or foreign corporation or its representative or send a copy of
6995 the document to the mailing address of such corporation or its
6996 representative. If the record changes the electronic mail
6997 address of the domestic or foreign corporation, the department
6998 must send such notice to the new electronic mail address and to
6999 the most recent prior electronic mail address. If the record
7000 changes the mailing address of the domestic or foreign

7001 corporation, the department must send such notice to the new
7002 mailing address and to the most recent prior mailing address.

7003 (3) If the department refuses to file a document, it shall
7004 return it to the domestic or foreign corporation or its
7005 representative within 15 days after the document was received
7006 for filing, together with a brief, written explanation of the
7007 reason for refusal.

7008 (4) The department's duty to file documents under this
7009 section is ministerial. The filing or refusing to file a
7010 document does not:

7011 (a) Affect the validity or invalidity of the document in
7012 whole or part;

7013 (b) Relate to the correctness or incorrectness of
7014 information contained in the document; or

7015 (c) Create a presumption that the document is valid or
7016 invalid or that information contained in the document is correct
7017 or incorrect.

7018 (5) If not otherwise provided by law and ~~the provisions of~~
7019 this chapter act, the department shall determine, by rule, the
7020 appropriate format for, number of copies of, manner of execution
7021 of, method of electronic transmission of, and amount of and
7022 method of payment of fees for, any document placed under its
7023 jurisdiction.

7024 **Section 129. Section 617.02011, Florida Statutes, is**
7025 **amended to read:**

617.02011 Incorporators.—One or more persons may act as the incorporator or incorporators of a corporation by delivering articles of incorporation to the department ~~of State~~ for filing.

Section 130. Subsection (2) of section 617.0203, Florida Statutes, is amended to read:

617.0203 Incorporation.—

(2) The department's ~~Department of State's~~ filing of the articles of incorporation, and the original recorded charter or certified copy of the charter of a corporation which has not been reincorporated under s. 617.0901, is conclusive proof that the incorporators satisfied all conditions precedent to incorporation and that the corporation has been incorporated under this chapter act, except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation.

Section 131. Subsection (2) of section 617.0205, Florida Statutes, is amended to read:

617.0205 Organizational meeting of directors.—

(2) Action required or permitted by this chapter act to be taken by incorporators or directors at an organizational meeting may be taken without a meeting if the action taken is evidenced by one or more written consents describing the action taken and signed by each incorporator or director.

Section 132. Section 617.0301, Florida Statutes, is amended to read:

617.0301 Purposes and application.—Corporations may be organized under this chapter ~~act~~ for any lawful purpose or purposes not for pecuniary profit and not specifically prohibited to corporations under other laws of this state. Such purposes include, without limitation, charitable, benevolent, ~~eleemosynary,~~ educational, historical, civic, patriotic, political, religious, social, fraternal, literary, cultural, athletic, scientific, agricultural, horticultural, animal husbandry, and professional, commercial, industrial, or trade association purposes. If special provisions are made, by law, for the organization of designated classes of nonprofit corporations ~~not for profit~~, such corporations must ~~shall~~ be formed under such provisions and not under this chapter ~~act~~.

Section 133. Subsection (2) of section 617.0504, Florida Statutes, is amended to read:

617.0504 Serving process, giving notice, or making a demand on a corporation.—

(2) Any notice to or demand on a corporation made pursuant to this chapter ~~act~~ may be made to the chair of the board, the president, any vice president, the secretary, the treasurer, the registered agent of the corporation at the registered office of the corporation in this state, or any address in this state that is in fact the principal office of the corporation in this state.

Section 134. Section 617.0806, Florida Statutes, is

7076 **amended to read:**

7077 617.0806 Staggered terms for directors.—The articles of
7078 incorporation or bylaws may provide that directors be divided
7079 into classes. Each director shall hold office for the term to
7080 which such director ~~he or she~~ is elected or appointed and until
7081 such director's ~~his or her~~ successor has been elected or
7082 appointed and qualified or until such director's ~~his or her~~
7083 earlier resignation, removal from office, or death.

7084 **Section 135. Subsection (4) of section 617.0824, Florida**
7085 **Statutes, is amended to read:**

7086 617.0824 Quorum and voting.—

7087 (4) A director of a corporation who is present at a
7088 meeting of the board of directors or a committee of the board of
7089 directors when corporate action is taken is deemed to have
7090 assented to the action taken unless:

7091 (a) The director objects, at the beginning of the meeting
7092 or promptly upon such director's ~~his or her~~ arrival, to holding
7093 the meeting or transacting specified affairs at the meeting; or

7094 (b) The director votes against or abstains from the action
7095 taken.

7096 **Section 136. Subsections (3), (4), and (7) of section**
7097 **617.0825, Florida Statutes, are amended to read:**

7098 617.0825 Board committees and advisory committees.—

7099 (3) To the extent provided by the board of directors in a
7100 resolution or in the articles of incorporation or the bylaws of

7101 the corporation, each such committee has ~~shall have~~ and may
7102 exercise powers and authority of the board of directors, except
7103 that ~~no~~ such committee does not ~~shall~~ have the power or
7104 authority to:

7105 (a) Approve or recommend to members actions or proposals
7106 required by this chapter ~~act~~ to be approved by members.

7107 (b) Fill vacancies on the board of directors or any
7108 committee thereof.

7109 (c) Adopt, amend, or repeal the bylaws.

7110 (4) Unless the articles of incorporation or the bylaws
7111 provide otherwise, ss. 617.0820, 617.0823, and 617.0824 ~~ss.~~
7112 ~~617.0820, 617.0822, 617.0823, and 617.0824~~, which govern
7113 meetings, ~~notice and~~ waiver of notice, and quorum and voting
7114 requirements of the board of directors, apply to committees and
7115 their members as well.

7116 (7) ~~Neither~~ The designation of any such committee, the
7117 delegation thereto of authority, or ~~nor~~ action by such committee
7118 pursuant to such authority does not ~~shall~~ alone constitute
7119 compliance by any member of the board of directors not a member
7120 of the committee in question with such member's ~~his or her~~
7121 responsibility to act in good faith, in a manner such member ~~he~~
7122 ~~or she~~ reasonably believes to be in the best interests of the
7123 corporation, and with such care as an ordinarily prudent person
7124 in a like position would use under similar circumstances.

7125 **Section 137. Section 617.0831, Florida Statutes, is**

amended to read:

617.0831 Indemnification and liability of officers, directors, employees, and agents.— Sections ~~Except as provided in s. 617.0834, s. 607.0831 and ss. 607.0850-607.0859~~ apply to a corporation organized under this chapter ~~act~~ and a rural electric cooperative organized under chapter 425. Any reference to "directors" in those sections includes the directors, managers, or trustees of a corporation organized under this chapter ~~act~~ or of a rural electric cooperative organized under chapter 425. However, the term "director" as used in s. 607.0831 and ss. 607.0850-607.0859 does not include a director appointed by the developer to the board of directors of a condominium association under chapter 718, a cooperative association under chapter 719, a homeowners' association defined in s. 720.301, or a timeshare managing entity under chapter 721. Any reference to "shareholders" in those sections includes members of a corporation organized under this chapter ~~act~~ and members of a rural electric cooperative organized under chapter 425.

Section 138. Section 617.0901, Florida Statutes, is amended to read:

617.0901 Reincorporation.—

(1) Any corporation which has a charter approved by a circuit judge under former chapter 617, Florida Statutes (1989), or a charter granted by the Legislature of this state, on or prior to September 1, 1959, the effective date of chapter 59—

7151 427, Laws of Florida, may reincorporate under this chapter act
7152 by filing with the department ~~of State~~ a copy of its charter and
7153 all amendments thereto, certified by the clerk of the circuit
7154 court of the county wherein recorded, as to charters and
7155 amendments granted by circuit judges, and by the department ~~of~~
7156 ~~State~~, as to legislative charters, together with a certificate
7157 containing the provisions required in original articles of
7158 incorporation by s. 617.0202, and accepting ~~the provisions of~~
7159 this chapter act.

7160 (2) A certificate of reincorporation must be executed in
7161 accordance with s. 617.01201, and it must show that its issuance
7162 was duly authorized by a meeting of its members regularly
7163 called, or if there are no members entitled to vote on
7164 reincorporation, by a meeting of its board of directors. Upon
7165 the filing of a certificate of reincorporation in accordance
7166 with s. 617.01201, the corporation is ~~shall be~~ deemed to be
7167 incorporated under this chapter act and the certificate
7168 constitutes ~~shall constitute~~ its articles of incorporation.

7169 (3) The corporation shall then be entitled to and be
7170 possessed of all the privileges, franchises, and powers as if
7171 originally incorporated under this chapter act, and all the
7172 properties, rights, and privileges belonging to the corporation
7173 before ~~prior to~~ reincorporation, which were acquired by gift,
7174 grant, conveyance, assignment, or otherwise are hereby ratified,
7175 approved, confirmed, and assured to the corporation with like

7176 effect and to all intents and purposes as if they had been
7177 originally acquired pursuant to incorporation under this chapter
7178 ~~act~~. However, any corporation reincorporating under this chapter
7179 is ~~act shall be~~ subject to all the contracts, duties, and
7180 obligations resting upon the corporation before ~~prior to~~
7181 reincorporation or to which the corporation is ~~shall then be~~ in
7182 any way liable.

7183 **Section 139. Subsection (2) of section 617.1008, Florida**
7184 **Statutes, is amended to read:**

7185 617.1008 Amendment pursuant to reorganization.—

7186 (2) The individual or individuals designated by the court
7187 shall deliver to the department ~~of State~~ for filing articles of
7188 amendment setting forth:

7189 (a) The name of the corporation;

7190 (b) The text of each amendment approved by the court;

7191 (c) The date of the court's order or decree approving the
7192 articles of amendment;

7193 (d) The title of the reorganization proceeding in which
7194 the order or decree was entered; and

7195 (e) A statement that the court had jurisdiction of the
7196 proceeding under federal or state law.

7197 **Section 140. Section 617.1009, Florida Statutes, is**
7198 **amended to read:**

7199 617.1009 Effect of amendment.—An amendment to articles of
7200 incorporation does not affect a cause of action existing against

7201 or in favor of the corporation, a proceeding to which the
7202 corporation is a party, or the existing rights of persons other
7203 than members of the corporation. An amendment changing a
7204 corporation's name does not affect ~~abate~~ a proceeding brought by
7205 or against the corporation in its former name.

7206 **Section 141. Subsection (3) of section 617.1404, Florida**
7207 **Statutes, is amended to read:**

7208 617.1404 Revocation of dissolution.—

7209 (3) After the revocation of dissolution is authorized, the
7210 corporation may revoke the dissolution by delivering to the
7211 department ~~of State~~ for filing articles of revocation of
7212 dissolution, together with a copy of its articles of
7213 dissolution, that set forth:

7214 (a) The name of the corporation;

7215 (b) The effective date of the dissolution that was
7216 revoked;

7217 (c) The date that the revocation of dissolution was
7218 authorized;

7219 (d) If the corporation's board of directors revoked a
7220 dissolution authorized by the members, a statement that
7221 revocation was permitted by action by the board of directors
7222 alone pursuant to that authorization; and

7223 (e) If member action was required to revoke the
7224 dissolution, the information required by s. 617.1403(1)(b) or
7225 (c), whichever is applicable.

7226 **Section 142. Subsection (1) of section 617.1422, Florida**
7227 **Statutes, is amended, and subsection (4) of that section is**
7228 **reenacted, to read:**

7229 617.1422 Reinstatement following administrative
7230 dissolution.—

7231 (1) A corporation administratively dissolved under s.
7232 617.1421 may apply to the department for reinstatement at any
7233 time after the effective date of dissolution. The corporation
7234 must submit a reinstatement form prescribed and furnished by the
7235 department or a current uniform business annual report signed by
7236 a registered agent and an officer or director and submit all
7237 fees owed by the corporation and computed at the rate provided
7238 by law at the time the corporation applies for reinstatement.

7239 (4) The name of the dissolved corporation is not available
7240 for assumption or use by another corporation until 1 year after
7241 the effective date of dissolution unless the dissolved
7242 corporation provides the department with an affidavit executed
7243 pursuant to s. 617.01201 authorizing the immediate assumption or
7244 use of the name by another corporation.

7245 **Section 143. Subsections (2) and (3) of section 617.1423,**
7246 **Florida Statutes, are amended to read:**

7247 617.1423 Appeal from denial of reinstatement.—

7248 (2) After exhaustion of administrative remedies, the
7249 corporation may appeal the denial of reinstatement to the
7250 appropriate court as provided in s. 120.68 within 30 days after

7251 service of the notice of denial is perfected. The corporation
7252 appeals by petitioning the court to set aside the dissolution
7253 and attaching to the petition copies of the department's
7254 ~~department of State's~~ certificate of dissolution, the
7255 corporation's application for reinstatement, and the
7256 department's notice of denial.

7257 (3) The court may summarily order the department ~~of State~~
7258 to reinstate the dissolved corporation or may take other action
7259 the court considers appropriate.

7260 **Section 144. Subsection (1) of section 617.1501, Florida**
7261 **Statutes, is amended to read:**

7262 617.1501 Authority of foreign corporation to conduct
7263 affairs required.—

7264 (1) A foreign corporation may not conduct its affairs in
7265 this state until it obtains a certificate of authority from the
7266 department ~~of State~~.

7267 **Section 145. Subsection (2) of section 617.1510, Florida**
7268 **Statutes, is amended to read:**

7269 617.1510 Serving process, giving notice, or making a
7270 demand on a foreign corporation.—

7271 (2) Any notice to or demand on a foreign corporation made
7272 pursuant to this chapter ~~act~~ may be made in accordance with the
7273 procedures for notice to or demand on domestic corporations
7274 under s. 617.0504.

7275 **Section 146. Section 617.1606, Florida Statutes, is**

7276 **amended to read:**

7277 617.1606 Access to records.—Sections 617.1601-617.16051
7278 ~~617.1601-617.1605~~ do not apply to a corporation that is an
7279 association, as defined in s. 720.301, or a corporation
7280 regulated under chapter 718 or chapter 719.

7281 **Section 147. Paragraphs (a), (b), (d), and (e) of**
7282 **subsection (1) of section 617.1623, Florida Statutes, are**
7283 **amended, to read:**

7284 617.1623 Corporate information available to the public;
7285 application to corporations incorporated by circuit courts and
7286 by special act of the Legislature.—

7287 (1)(a) Each corporation incorporated in this state shall
7288 maintain a registered agent and registered office in accordance
7289 with s. 617.0501, and current information regarding the
7290 corporations incorporated in this state must ~~shall~~ be readily
7291 available to the public. At a minimum, such information must
7292 include the text of the charter or articles of incorporation and
7293 all amendments thereto, the name of the corporation, the date of
7294 incorporation, the street address of the principal office of the
7295 corporation, the corporation's federal employer identification
7296 number, the name and business street address of each officer,
7297 the name and business street address of each director, the name
7298 of its registered agent, and the street address of its
7299 registered office.

7300 (b) Any corporation which has a charter approved by a

7301 circuit judge under former chapter 617, Florida Statutes 1989,
7302 or a charter granted by the Legislature on or before September
7303 1, 1959, the effective date of chapter 59-427, Laws of Florida,
7304 must file with the department ~~of State~~, not later than July 1,
7305 1992, a copy of its charter and all amendments thereto,
7306 certified by the clerk of the circuit court of the county
7307 wherein recorded, together with a registration containing the
7308 provisions required in paragraph (a), as to charters and
7309 amendments granted by circuit judges, and by the department ~~of~~
7310 ~~State~~, as to legislative charters, and the corporation
7311 thereafter is ~~shall be~~ subject to the requirements of ss.
7312 617.0501 and 617.1622.

7313 (d) Any corporation dissolved pursuant to paragraph (c)
7314 shall be reinstated upon application to the department ~~of State~~,
7315 signed by an officer or director thereof, accompanied by a copy
7316 of its charter and all amendments thereto, certified by the
7317 clerk of the circuit court of the county wherein recorded, as to
7318 charters and amendments granted by circuit judges, and by the
7319 department ~~of State~~, as to legislative charters, together with a
7320 registration containing the provisions required in paragraph
7321 (a), and the payment of all fees due from the time of
7322 dissolution computed at the rate provided by law at the time the
7323 corporation applies for reinstatement.

7324 (e) Whenever the application for reinstatement is approved
7325 and filed by the department ~~of State~~, the corporate existence is

7326 ~~shall be~~ deemed to have continued without interruption from the
7327 date of dissolution. The reinstatement terminates any personal
7328 liability of the directors, officers, or agents of the
7329 corporation incurred on account of actions taken during the
7330 period between dissolution and reinstatement. Upon
7331 reinstatement, the corporation is ~~shall be~~ subject to the
7332 requirements of ss. 617.0501 and 617.1622.

7333 **Section 148. Section 617.1701, Florida Statutes, is**
7334 **amended to read:**

7335 617.1701 Application to existing domestic corporation.—
7336 This chapter act applies to all domestic corporations in
7337 existence on July 1, 1991, that were incorporated under any
7338 general statute of this state providing for incorporation of
7339 nonprofit corporations ~~not for profit~~ if power to amend or
7340 repeal the statute under which the corporation was incorporated
7341 was reserved.

7342 **Section 149. Section 617.1702, Florida Statutes, is**
7343 **amended to read:**

7344 617.1702 Application to qualified foreign corporations.—A
7345 foreign corporation authorized to conduct its affairs in this
7346 state on July 1, 1991, is subject to this chapter act but is not
7347 required to obtain a new certificate of authority to conduct its
7348 affairs under this chapter act.

7349 **Section 150. Subsection (2) of section 617.1703, Florida**
7350 **Statutes, is amended to read:**

617.1703 Application of chapter.—

(2) Sections ~~The provisions of ss.~~ 617.0605-617.0608 do not apply to corporations regulated by any of the foregoing chapters or to any other corporation where membership in the corporation is required pursuant to a document recorded in the county's official ~~county property~~ records.

Section 151. Section 617.1711, Florida Statutes, is amended to read:

617.1711 Application to foreign and interstate commerce.—
~~The provisions of This chapter applies act apply~~ to commerce with foreign nations and among the several states only insofar as such commerce may be permitted under the Constitution and laws of the United States.

Section 152. Section 617.1808, Florida Statutes, is amended to read:

617.1808 Application of chapter ~~act~~ to corporation converted to nonprofit corporation ~~not for profit~~. ~~All the provisions of This chapter act relating to corporations not for profit,~~ except insofar as they are inconsistent with ss. 617.1804-617.18046, ~~apply ss. 617.1805, 617.1806, and 617.1807,~~ ~~shall be applicable~~ to any for profit corporation whose character has been changed under ss. 617.1804-617.18046 ~~ss.~~ ~~617.1805, 617.1806, and 617.1807~~ and shall henceforth govern such corporation.

Section 153. Section 617.1809, Florida Statutes, is

amended to read:

617.1809 Limited agricultural association; conversion to a domestic corporation ~~not for profit~~.—

(1) As used in this section, the term "limited agricultural association" or "association" means a limited agricultural association formed under ss. 604.09-604.14.

(2) A limited agricultural association may convert to a domestic corporation ~~not for profit~~ by filing the following documents with the department in accordance with s. 617.01201:

(a) A certificate of conversion, which must be executed by a person authorized in s. 617.01201(6) and such other persons that may be required in the association's articles of association or bylaws.

(b) Articles of incorporation, which must comply with s. 617.0202 and be executed by a person authorized in s. 617.01201(6).

(3) The certificate of conversion must include:

(a) The date upon which the association was initially formed under ss. 604.09-604.14.

(b) The name of the association immediately before filing the certificate of conversion.

(c) The name of the domestic corporation as set forth in its articles of incorporation.

(d) The effective date of the conversion. If the conversion does not take effect upon filing the certificate of

conversion and articles of incorporation, the delayed effective date for the conversion, subject to the limitation in s. 617.0123(1) ~~s. 617.0123(2)~~, must be a date certain and the same as the effective date of the articles of incorporation.

(4) When the certificate of conversion and articles of incorporation are filed with the department, or upon the delayed effective date, the association is converted to the domestic corporation, and the corporation becomes subject to this chapter. However, notwithstanding s. 617.0123, the existence of the corporation is deemed to have commenced when the association was initially formed under ss. 604.09-604.14.

(5) Conversion of a limited agricultural association to a domestic corporation does not affect any obligation or liability of the association that was incurred before the conversion.

(6) When a conversion takes effect under this section, all rights, privileges, and powers of the converting association, all property, real, personal, and mixed, and all debts due to the association, as well as all other assets and causes of action belonging to the association, are vested in the domestic corporation to which the association is converted and are the property of the corporation as they were of the association. The title to any real property that is vested by deed or otherwise in the converting association does not revert and is not impaired by the operation of this chapter, but all rights of creditors and all liens upon any property of the association are

7426 preserved unimpaired, and all debts, liabilities, and duties of
7427 the association attach to the domestic corporation and are
7428 enforceable against it to the same extent as if the debts,
7429 liabilities, and duties had been incurred or contracted by the
7430 corporation.

7431 (7) The limited agricultural association is not required
7432 to wind up its affairs or pay its liabilities and distribute its
7433 assets. Conversion does not constitute a dissolution of the
7434 association but is a continuation of the association's existence
7435 in the form of the domestic corporation.

7436 (8) Before a limited agricultural association may file a
7437 certificate of conversion with the department, unless otherwise
7438 specified in the association's articles of association or
7439 bylaws, the conversion must be approved by a majority vote of
7440 the association's members, and the articles of incorporation
7441 must be approved by the same authorization required for approval
7442 of the conversion. As part of the approval, the converting
7443 association may provide a plan or other record of conversion
7444 which describes the manner and basis of converting the
7445 membership interests in the association into membership
7446 interests in the domestic corporation. The plan or other record
7447 may also contain other provisions relating to the conversion,
7448 including, but not limited to, the right of the converting
7449 association to abandon the proposed conversion or an effective
7450 date for the conversion that is consistent with paragraph

7451 (3) (d) .

7452 **Section 154. Section 617.1904, Florida Statutes, is**
7453 **amended to read:**

7454 617.1904 Estoppel.—A ~~No~~ body of persons acting as a
7455 corporation may not ~~shall~~ be permitted to set up the lack of
7456 legal organization as a defense to an action against them as a
7457 corporation, nor may ~~shall~~ any person sued on a contract made
7458 with the corporation or sued for an injury to its property or a
7459 wrong done to its interests be permitted to set up the lack of
7460 such legal organization in such person's ~~his or her~~ defense.

7461 **Section 155. Subsection (2) of section 617.1907, Florida**
7462 **Statutes, is amended to read:**

7463 617.1907 Effect of repeal or amendment of prior acts.—

7464 (2) If a penalty or punishment imposed for violation of a
7465 statute repealed or amended by this chapter is reduced by this
7466 chapter act, the penalty or punishment if not already imposed
7467 shall be imposed in accordance with this chapter.

7468 **Section 156. Section 617.1908, Florida Statutes, is**
7469 **amended to read:**

7470 617.1908 Applicability of Florida Business Corporation
7471 Act.—Except as made applicable by specific reference in any
7472 other section of this chapter, part I of chapter 607, the
7473 Florida Business Corporation Act, does not apply to any
7474 nonprofit corporations ~~not for profit~~.

7475 **Section 157. Section 617.2001, Florida Statutes, is**

7476 **amended to read:**

7477 617.2001 Corporations which may be incorporated hereunder;
7478 incorporation of certain medical services corporations.—

7479 (1) Corporations may be organized and incorporated under
7480 this chapter act for any one or more lawful purposes not for
7481 pecuniary profit. However, nonprofit corporations ~~not for profit~~
7482 which may be incorporated under any other law of this state
7483 governing particular types of corporations may not be
7484 incorporated under this chapter act.

7485 (2) A nonprofit corporation ~~not for profit~~ organized
7486 before ~~prior to~~ December 1, 1987, pursuant to ~~the provisions of~~
7487 chapter 85-56, Laws of Florida, or to ~~the provisions of~~ s. 2,
7488 chapter 87-296, Laws of Florida, may conduct the practice of
7489 medicine, conduct programs of medical education, and carry on
7490 major medical research efforts.

7491 **Section 158. Section 617.2002, Florida Statutes, is**
7492 **amended to read:**

7493 617.2002 Nonprofit corporation ~~not for profit~~ organized
7494 pursuant to s. 2, ch. 87-296; requirements.—A nonprofit
7495 corporation ~~not for profit~~ organized pursuant to ~~the provisions~~
7496 ~~of~~ s. 2, chapter 87-296, Laws of Florida, must meet the
7497 following requirements:

7498 (1) At least 25 percent of its physicians must have a
7499 full-time contract for the provision of medical services with
7500 the corporation, be currently certified as specialists by the

7501 appropriate American specialty boards accredited by the Council
7502 on Medical Education of the American Medical Association, and
7503 have clinical privileges at one or more hospitals in this state.

7504 (2) A hospital owned by a corporation organized pursuant
7505 to s. 2, chapter 87-296, Laws of Florida, must provide Medicaid
7506 and charity care.

7507 **Section 159. Section 617.2003, Florida Statutes, is**
7508 **amended to read:**

7509 617.2003 Proceedings to revoke articles of incorporation
7510 or charter or prevent its use.—If any member or citizen
7511 complains to the Department of Legal Affairs that any
7512 corporation organized under this chapter ~~act~~ was organized or is
7513 being used as a cover to evade any of the laws against crime, or
7514 for purposes inconsistent with those stated in its articles of
7515 incorporation or charter, or that an officer or director of a
7516 corporation has participated in a sale or transaction that is
7517 affected by a conflict of interest or from which the officer or
7518 director ~~he or she~~ derived an improper personal benefit, either
7519 directly or indirectly, and submits ~~shall submit~~ prima facie
7520 evidence to sustain such charge, together with sufficient money
7521 to cover court costs and expenses, the department shall
7522 institute and in due course prosecute to final judgment such
7523 legal or equitable proceedings as may be considered advisable
7524 either to revoke the articles of incorporation or charter, to
7525 prevent its improper use, or to recover on behalf of the

7526 corporation or its unknown beneficiaries any profits improperly
7527 received by the corporation or its officers or directors.

7528 **Section 160. Section 617.2007, Florida Statutes, is**
7529 **amended to read:**

7530 617.2007 Sponge packing and marketing corporations.—
7531 Persons engaged in the business of buying, selling, packing, and
7532 marketing commercial sponges may incorporate under this chapter
7533 ~~act~~ to aid in facilitating the orderly cooperative buying,
7534 selling, packing, and marketing of commercial sponges. Such
7535 association is not a combination in restraint of trade or an
7536 illegal monopoly or an attempt to lessen competition or fix
7537 prices arbitrarily, and any marketing contract or agreement by
7538 the corporation and its members, or the exercise of any power
7539 granted by this chapter ~~act~~ is not illegal or in restraint of
7540 trade.

7541 **Section 161. Section 617.2101, Florida Statutes, is**
7542 **amended to read:**

7543 617.2101 Corporation authorized to act as trustee.—Any
7544 corporation, organized under this chapter ~~act~~, may act as
7545 trustee of property whenever the corporation has either a
7546 beneficial, contingent, or remainder interest in such property.
7547 Any corporation may accept and hold the legal title to property,
7548 the beneficial interest of which is owned by any other
7549 ~~eleemosynary institution or~~ nonprofit corporation or fraternal,
7550 benevolent, charitable, or religious society or association.

Section 162. Subsection (1) of section 617.221, Florida Statutes, is amended to read:

617.221 Membership associations.—

(1) As used in this section, the term "membership association" means a nonprofit ~~not-for-profit~~ corporation, including a department or division of such corporation, the majority of whose board members are constitutional officers who, pursuant to s. 1001.32(2), operate, control, and supervise public entities that receive annual state appropriations through a statutorily defined formulaic allocation that is funded and prescribed annually in the General Appropriations Act or the substantive bill implementing the annual appropriations act. The term does not include a labor organization as defined in s. 447.02 or an entity funded through the Justice Administrative Commission.

Section 163. Subsection (3) of section 620.2108, Florida Statutes, is amended to read:

620.2108 Filings required for merger; effective date.—

(3) Each constituent limited partnership shall deliver the certificate of merger for filing in the Department of State unless the constituent limited partnership is named as a party or constituent organization in articles of merger or a certificate of merger filed for the same merger in accordance with ~~s. 605.1025~~, s. 607.1105, s. 617.1108, or s. 620.8918(1) and (2) and such articles of merger or certificate of merger

7576 substantially complies with the requirements of this section. In
7577 such a case, the other articles of merger or certificate of
7578 merger may also be used for purposes of s. 620.2109(3).

7579 **Section 164. Subsection (3) of section 620.8918, Florida**
7580 **Statutes, is amended to read:**

7581 620.8918 Filings required for merger; effective date.—

7582 (3) Each domestic constituent partnership shall deliver
7583 the certificate of merger for filing with the Department of
7584 State, unless the domestic constituent partnership is named as a
7585 party or constituent organization in articles of merger or a
7586 certificate of merger filed for the same merger in accordance
7587 with s. 605.1025, s. 607.1105, ~~s. 617.1108~~, or s. 620.2108(3).
7588 The articles of merger or certificate of merger must
7589 substantially comply with the requirements of this section. In
7590 such a case, the other articles of merger or certificate of
7591 merger may also be used for purposes of s. 620.8919(3). Each
7592 domestic constituent partnership in the merger shall also file a
7593 registration statement in accordance with s. 620.8105(1) if it
7594 does not have a currently effective registration statement filed
7595 with the Department of State.

7596 **Section 165. Paragraph (b) of subsection (1) and**
7597 **subsections (5), (8), and (9) of section 628.910, Florida**
7598 **Statutes, are amended to read:**

7599 628.910 Incorporation options and requirements.—

7600 (1) A pure captive insurance company may be:

7601 (b) Incorporated as a public benefit, mutual benefit, or
7602 religious nonprofit corporation with members in accordance with
7603 the Florida Nonprofit ~~Not For Profit~~ Corporation Act.

7604 (5) The articles of incorporation, the certificate issued
7605 pursuant to this section, and the organization fees required by
7606 the Florida Business Corporation Act or the Florida Nonprofit
7607 ~~Not For Profit~~ Corporation Act, as applicable, must be
7608 transmitted to the Secretary of State, who must record the
7609 articles of incorporation and the certificate.

7610 (8) A captive insurance company formed as a corporation or
7611 a nonprofit corporation, pursuant to ~~the provisions of~~ this
7612 chapter, has the privileges and is subject to the ~~provisions of~~
7613 ~~the~~ general corporation law, including the Florida Nonprofit ~~Not~~
7614 ~~For Profit~~ Corporation Act for nonprofit corporations, as
7615 applicable, as well as the applicable provisions contained in
7616 this chapter. If a conflict occurs between ~~a provision of~~ the
7617 general corporation law, including the Florida Nonprofit ~~Not For~~
7618 ~~Profit~~ Corporation Act for nonprofit corporations, as
7619 applicable, and ~~a provision of~~ this chapter, the latter
7620 controls. The provisions of this title pertaining to mergers,
7621 consolidations, conversions, mutualizations, and
7622 redomestications apply in determining the procedures to be
7623 followed by a captive insurance company in carrying out any of
7624 the transactions described in such provisions, except that the
7625 office may waive or modify the requirements for public notice

and hearing in accordance with rules the office may adopt addressing categories of transactions. If a notice of public hearing is required, but no one requests a hearing, the office may cancel the hearing.

(9) The articles of incorporation or bylaws of a captive insurance company may authorize a quorum of a board of directors to consist of no fewer than one-third of the fixed or prescribed number of directors as provided for by the Florida Business Corporation Act or the Florida Nonprofit ~~Not For Profit~~ Corporation Act.

Section 166. Paragraph (a) of subsection (2) of section 768.38, Florida Statutes, is amended to read:

768.38 Liability protections for COVID-19-related claims.—

(2) As used in this section, the term:

(a) "Business entity" has the same meaning as provided in s. 606.03. The term also includes a charitable organization as defined in s. 496.404 and a nonprofit corporation ~~not for profit~~ as defined in s. 617.01401.

Section 167. Paragraph (f) of subsection (15) of section 893.055, Florida Statutes, is amended to read:

893.055 Prescription drug monitoring program.—

(15) The department may establish a direct-support organization to provide assistance, funding, and promotional support for the activities authorized for the prescription drug monitoring program.

(f) The direct-support organization may not exercise any power under s. 617.0302(11) or (15) ~~s. 617.0302(12) or (16)~~.

Section 168. Section 617.07401, Florida Statutes, is repealed.

Section 169. Section 617.0822, Florida Statutes, is repealed.

Section 170. Section 617.1108, Florida Statutes, is repealed.

Section 171. Section 617.1301, Florida Statutes, is repealed.

Section 172. Section 617.1302, Florida Statutes, is repealed.

Section 173. Section 617.1531, Florida Statutes, is repealed.

Section 174. Section 617.1533, Florida Statutes, is repealed.

Section 175. Section 617.1803, Florida Statutes, is repealed.

Section 176. Section 617.1805, Florida Statutes, is repealed.

Section 177. Section 617.1806, Florida Statutes, is repealed.

Section 178. Section 617.1807, Florida Statutes, is repealed.

Section 179. Section 617.2102, Florida Statutes, is

repealed.

Section 180. For the purpose of incorporating the amendment made by this act to sections 617.01201 and 617.1006, Florida Statutes, in references thereto, subsection (3) of section 617.1007, Florida Statutes, is reenacted to read:

617.1007 Restated articles of incorporation.—

(3) A corporation restating its articles of incorporation shall deliver to the department for filing articles of restatement, executed in accordance with s. 617.01201, setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

(a) Whether the restatement contains an amendment to the articles of incorporation requiring member approval and, if it does not, that the board of directors adopted the restatement; or

(b) If the restatement contains an amendment to the articles of incorporation requiring member approval, the information required by s. 617.1006.

Section 181. For the purpose of incorporating the amendment made by this act to section 617.0302, Florida Statutes, in a reference thereto, paragraph (a) of subsection (5) of section 295.21, Florida Statutes, is reenacted to read:

295.21 Florida Is For Veterans, Inc.—

(5) POWERS.—In addition to the powers and duties

prescribed in chapter 617 and the articles and bylaws adopted thereunder, the board of directors may:

(a) Make and enter into contracts and other instruments necessary or convenient for the exercise of its powers and functions. However, notwithstanding s. 617.0302, the corporation may not issue bonds.

The credit of the State of Florida may not be pledged on behalf of the corporation.

Section 182. For the purpose of incorporating the amendment made by this act to section 617.0830, Florida Statutes, in a reference thereto, paragraph (b) of subsection (4) of section 409.987, Florida Statutes, is reenacted to read:

409.987 Lead agency procurement; boards; conflicts of interest.—

(4) In order to serve as a lead agency, an entity must:

(b) Be governed by a board of directors or a board committee composed of board members. Board members shall provide oversight and ensure accountability and transparency for the system of care. The board of directors shall provide fiduciary oversight to prevent conflicts of interest, promote accountability and transparency, and protect state and federal funding from misuse. The board of directors shall act in accordance with s. 617.0830. The membership of the board of directors or board committee must be described in the bylaws or

articles of incorporation of each lead agency, which must provide that at least 75 percent of the membership of the board of directors or board committee must be composed of persons residing in this state, and at least 51 percent of the state residents on the board of directors must reside within the service area of the lead agency. The lead agency shall ensure that board members participate in annual training related to their responsibilities. The department shall set forth minimum training criteria in the contracts with the lead agencies. However, for procurements of lead agency contracts initiated on or after July 1, 2014:

1. At least 75 percent of the membership of the board of directors must be composed of persons residing in this state, and at least 51 percent of the membership of the board of directors must be composed of persons residing within the service area of the lead agency. If a board committee governs the lead agency, 100 percent of its membership must be composed of persons residing within the service area of the lead agency.

2. The powers of the board of directors or board committee include, but are not limited to, approving the lead agency's budget and setting the lead agency's operational policy and procedures. A board of directors must additionally have the power to hire the lead agency's executive director, unless a board committee governs the lead agency, in which case the board committee must have the power to confirm the selection of the

7751 lead agency's executive director.

7752 **Section 183. For the purpose of incorporating the**
7753 **amendment made by this act to section 617.0830, Florida**
7754 **Statutes, in a reference thereto, subsection (1) of section**
7755 **718.1265, Florida Statutes, is reenacted to read:**

7756 718.1265 Association emergency powers.—

7757 (1) To the extent allowed by law, unless specifically
7758 prohibited by the declaration of condominium, the articles, or
7759 the bylaws of an association, and consistent with s. 617.0830,
7760 the board of administration, in response to damage or injury
7761 caused by or anticipated in connection with an emergency, as
7762 defined in s. 252.34(4), for which a state of emergency is
7763 declared pursuant to s. 252.36 in the locale in which the
7764 condominium is located, may exercise the following powers:

7765 (a) Conduct board meetings, committee meetings, elections,
7766 and membership meetings, in whole or in part, by telephone,
7767 real-time videoconferencing, or similar real-time electronic or
7768 video communication with notice given as is practicable. Such
7769 notice may be given in any practicable manner, including
7770 publication, radio, United States mail, the Internet, electronic
7771 transmission, public service announcements, and conspicuous
7772 posting on the condominium property or association property or
7773 any other means the board deems reasonable under the
7774 circumstances. Notice of decisions also may be communicated as
7775 provided in this paragraph.

(b) Cancel and reschedule any association meeting.

(c) Name as assistant officers persons who are not directors, which assistant officers shall have the same authority as the executive officers to whom they are assistants during the state of emergency to accommodate the incapacity or unavailability of any officer of the association.

(d) Relocate the association's principal office or designate alternative principal offices.

(e) Enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.

(f) Implement a disaster plan or an emergency plan before, during, or following the event for which a state of emergency is declared which may include, but is not limited to, shutting down or off elevators; electricity; water, sewer, or security systems; or air conditioners.

(g) Based upon advice of emergency management officials or public health officials, or upon the advice of licensed professionals retained by or otherwise available to the board, determine any portion of the condominium property or association property unavailable for entry or occupancy by unit owners, family members, tenants, guests, agents, or invitees to protect the health, safety, or welfare of such persons.

(h) Require the evacuation of the condominium property in the event of an evacuation order in the locale in which the

condominium is located. If a unit owner or other occupant of a condominium fails or refuses to evacuate the condominium property or association property for which the board has required evacuation, the association is immune from liability or injury to persons or property arising from such failure or refusal.

(i) Based upon advice of emergency management officials or public health officials, or upon the advice of licensed professionals retained by or otherwise available to the board, determine whether the condominium property, association property, or any portion thereof can be safely inhabited, accessed, or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.

(j) Mitigate further damage, injury, or contagion, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus or contagion, including, but not limited to, mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the condominium property, even if the unit owner is obligated by the declaration or law to insure or replace those fixtures and to remove personal property from a unit.

(k) Contract, on behalf of any unit owner or owners, for items or services for which the owners are otherwise

7826 individually responsible, but which are necessary to prevent
7827 further injury, contagion, or damage to the condominium property
7828 or association property. In such event, the unit owner or owners
7829 on whose behalf the board has contracted are responsible for
7830 reimbursing the association for the actual costs of the items or
7831 services, and the association may use its lien authority
7832 provided by s. 718.116 to enforce collection of the charges.
7833 Without limitation, such items or services may include the
7834 drying of units, the boarding of broken windows or doors, the
7835 replacement of damaged air conditioners or air handlers to
7836 provide climate control in the units or other portions of the
7837 property, and the sanitizing of the condominium property or
7838 association property, as applicable.

7839 (1) Regardless of any provision to the contrary and even
7840 if such authority does not specifically appear in the
7841 declaration of condominium, articles, or bylaws of the
7842 association, levy special assessments without a vote of the
7843 owners.

7844 (m) Without unit owners' approval, borrow money and pledge
7845 association assets as collateral to fund emergency repairs and
7846 carry out the duties of the association when operating funds are
7847 insufficient. This paragraph does not limit the general
7848 authority of the association to borrow money, subject to such
7849 restrictions as are contained in the declaration of condominium,
7850 articles, or bylaws of the association.

7851 **Section 184. For the purpose of incorporating the**
7852 **amendment made by this act to section 617.0830, Florida**
7853 **Statutes, in a reference thereto, subsection (1) of section**
7854 **719.128, Florida Statutes, is reenacted to read:**

7855 719.128 Association emergency powers.—

7856 (1) To the extent allowed by law, unless specifically
7857 prohibited by the cooperative documents, and consistent with s.
7858 617.0830, the board of administration, in response to damage or
7859 injury caused by or anticipated in connection with an emergency,
7860 as defined in s. 252.34(4), for which a state of emergency is
7861 declared pursuant to s. 252.36 in the area encompassed by the
7862 cooperative, may exercise the following powers:

7863 (a) Conduct board meetings, committee meetings, elections,
7864 or membership meetings, in whole or in part, by telephone, real-
7865 time videoconferencing, or similar real-time electronic or video
7866 communication after notice of the meetings and board decisions
7867 is provided in as practicable a manner as possible, including
7868 via publication, radio, United States mail, the Internet,
7869 electronic transmission, public service announcements,
7870 conspicuous posting on the cooperative property, or any other
7871 means the board deems appropriate under the circumstances.
7872 Notice of decisions may also be communicated as provided in this
7873 paragraph.

7874 (b) Cancel and reschedule an association meeting.

7875 (c) Designate assistant officers who are not directors. If

7876 the executive officer is incapacitated or unavailable, the
7877 assistant officer has the same authority during the state of
7878 emergency as the executive officer he or she assists.

7879 (d) Relocate the association's principal office or
7880 designate an alternative principal office.

7881 (e) Enter into agreements with counties and municipalities
7882 to assist counties and municipalities with debris removal.

7883 (f) Implement a disaster or an emergency plan before,
7884 during, or following the event for which a state of emergency is
7885 declared, which may include turning on or shutting off
7886 elevators; electricity; water, sewer, or security systems; or
7887 air conditioners for association buildings.

7888 (g) Based upon the advice of emergency management
7889 officials or public health officials, or upon the advice of
7890 licensed professionals retained by or otherwise available to the
7891 board of administration, determine any portion of the
7892 cooperative property unavailable for entry or occupancy by unit
7893 owners or their family members, tenants, guests, agents, or
7894 invitees to protect their health, safety, or welfare.

7895 (h) Based upon the advice of emergency management
7896 officials or public health officials, or upon the advice of
7897 licensed professionals retained by or otherwise available to the
7898 board of administration, determine whether the cooperative
7899 property or any portion thereof can be safely inhabited or
7900 occupied. However, such determination is not conclusive as to

any determination of habitability pursuant to the cooperative documents.

(i) Require the evacuation of the cooperative property in the event of an evacuation order in the area in which the cooperative is located or prohibit or restrict access to the cooperative property in the event of a public health threat. If a unit owner or other occupant of a cooperative fails or refuses to evacuate the cooperative property for which the board has required evacuation, the association is immune from liability for injury to persons or property arising from such failure or refusal.

(j) Mitigate further damage, injury, or contagion, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus, including mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the cooperative property, regardless of whether the unit owner is obligated by the cooperative documents or law to insure or replace those fixtures and to remove personal property from a unit or to sanitize the cooperative property.

(k) Contract, on behalf of a unit owner, for items or services for which the owner is otherwise individually responsible, but which are necessary to prevent further injury, contagion, or damage to the cooperative property. In such event, the unit owner on whose behalf the board has contracted is

7926 responsible for reimbursing the association for the actual costs
7927 of the items or services, and the association may use its lien
7928 authority provided by s. 719.108 to enforce collection of the
7929 charges. Such items or services may include the drying of the
7930 unit, the boarding of broken windows or doors, the replacement
7931 of a damaged air conditioner or air handler to provide climate
7932 control in the unit or other portions of the property, and the
7933 sanitizing of the cooperative property.

7934 (1) Notwithstanding a provision to the contrary, and
7935 regardless of whether such authority does not specifically
7936 appear in the cooperative documents, levy special assessments
7937 without a vote of the owners.

7938 (m) Without unit owners' approval, borrow money and pledge
7939 association assets as collateral to fund emergency repairs and
7940 carry out the duties of the association if operating funds are
7941 insufficient. This paragraph does not limit the general
7942 authority of the association to borrow money, subject to such
7943 restrictions contained in the cooperative documents.

7944 **Section 185. For the purpose of incorporating the**
7945 **amendment made by this act to section 617.0830, Florida**
7946 **Statutes, in a reference thereto, subsection (1) of section**
7947 **720.316, Florida Statutes, is reenacted to read:**

7948 720.316 Association emergency powers.—

7949 (1) To the extent allowed by law, unless specifically
7950 prohibited by the declaration or other recorded governing

documents, and consistent with s. 617.0830, the board of directors, in response to damage or injury caused by or anticipated in connection with an emergency, as defined in s. 252.34(4), for which a state of emergency is declared pursuant to s. 252.36 in the area encompassed by the association, may exercise the following powers:

(a) Conduct board meetings, committee meetings, elections, or membership meetings, in whole or in part, by telephone, real-time videoconferencing, or similar real-time electronic or video communication after notice of the meetings and board decisions is provided in as practicable a manner as possible, including via publication, radio, United States mail, the Internet, electronic transmission, public service announcements, conspicuous posting on the common area, or any other means the board deems appropriate under the circumstances. Notice of decisions may also be communicated as provided in this paragraph.

(b) Cancel and reschedule an association meeting.

(c) Designate assistant officers who are not directors. If the executive officer is incapacitated or unavailable, the assistant officer has the same authority during the state of emergency as the executive officer he or she assists.

(d) Relocate the association's principal office or designate an alternative principal office.

(e) Enter into agreements with counties and municipalities

7976 to assist counties and municipalities with debris removal.

7977 (f) Implement a disaster or an emergency plan before,
7978 during, or following the event for which a state of emergency is
7979 declared, which may include, but is not limited to, turning on
7980 or shutting off elevators; electricity; water, sewer, or
7981 security systems; or air conditioners for association buildings.

7982 (g) Based upon the advice of emergency management
7983 officials or public health officials, or upon the advice of
7984 licensed professionals retained by or otherwise available to the
7985 board, determine any portion of the common areas or facilities
7986 unavailable for entry or occupancy by owners or their family
7987 members, tenants, guests, agents, or invitees to protect their
7988 health, safety, or welfare.

7989 (h) Based upon the advice of emergency management
7990 officials or public health officials or upon the advice of
7991 licensed professionals retained by or otherwise available to the
7992 board, determine whether the common areas or facilities can be
7993 safely inhabited, accessed, or occupied. However, such
7994 determination is not conclusive as to any determination of
7995 habitability pursuant to the declaration.

7996 (i) Mitigate further damage, injury, or contagion,
7997 including taking action to contract for the removal of debris
7998 and to prevent or mitigate the spread of fungus, including mold
7999 or mildew, by removing and disposing of wet drywall, insulation,
8000 carpet, cabinetry, or other fixtures on or within the common

8001 areas or facilities or sanitizing the common areas or
8002 facilities.

8003 (j) Notwithstanding a provision to the contrary, and
8004 regardless of whether such authority does not specifically
8005 appear in the declaration or other recorded governing documents,
8006 levy special assessments without a vote of the owners.

8007 (k) Without owners' approval, borrow money and pledge
8008 association assets as collateral to fund emergency repairs and
8009 carry out the duties of the association if operating funds are
8010 insufficient. This paragraph does not limit the general
8011 authority of the association to borrow money, subject to such
8012 restrictions contained in the declaration or other recorded
8013 governing documents.

8014 **Section 186. For the purpose of incorporating the**
8015 **amendment made by this act to section 617.0832, Florida**
8016 **Statutes, in a reference thereto, subsections (2) and (5) of**
8017 **section 718.3027, Florida Statutes, are reenacted to read:**

8018 718.3027 Conflicts of interest.—

8019 (2) If a director or an officer, or a relative of a
8020 director or an officer, proposes to engage in an activity that
8021 is a conflict of interest, as described in subsection (1), the
8022 proposed activity must be listed on, and all contracts and
8023 transactional documents related to the proposed activity must be
8024 attached to, the meeting agenda. The association shall comply
8025 with the requirements of s. 617.0832, and the disclosures

required by s. 617.0832 shall be entered into the written minutes of the meeting. Approval of the contract or other transaction requires an affirmative vote of two-thirds of all other directors present. At the next regular or special meeting of the members, the existence of the contract or other transaction shall be disclosed to the members. Upon motion of any member, the contract or transaction shall be brought up for a vote and may be canceled by a majority vote of the members present. If the contract is canceled, the association is only liable for the reasonable value of the goods and services provided up to the time of cancellation and is not liable for any termination fee, liquidated damages, or other form of penalty for such cancellation.

(5) A contract entered into between a director or an officer, or a relative of a director or an officer, and the association, which is not a timeshare condominium association, that has not been properly disclosed as a conflict of interest or potential conflict of interest as required by this section or s. 617.0832 is voidable and terminates upon the filing of a written notice terminating the contract with the board of directors which contains the consent of at least 20 percent of the voting interests of the association.

Section 187. For the purpose of incorporating the amendment made by this act to sections 617.0832 and 617.0834, Florida Statutes, in references thereto, paragraphs (a) and (b)

8051 **of subsection (2) and subsection (3) of section 720.3033,**
8052 **Florida Statutes, are reenacted to read:**

8053 720.3033 Officers and directors.—

8054 (2) If the association enters into a contract or other
8055 transaction with any of its directors or a corporation, firm,
8056 association that is not an affiliated homeowners' association,
8057 or other entity in which an association director is also a
8058 director or officer or is financially interested, the board
8059 must:

8060 (a) Comply with the requirements of s. 617.0832.

8061 (b) Enter the disclosures required by s. 617.0832 into the
8062 written minutes of the meeting.

8063 (3) An officer, a director, or a manager may not solicit,
8064 offer to accept, or accept a kickback. As used in this
8065 subsection, the term "kickback" means any thing or service of
8066 value for which consideration has not been provided for an
8067 officer's, a director's, or a manager's benefit or for the
8068 benefit of a member of his or her immediate family from any
8069 person providing or proposing to provide goods or services to
8070 the association. An officer, a director, or a manager who
8071 knowingly solicits, offers to accept, or accepts a kickback
8072 commits a felony of the third degree, punishable as provided in
8073 s. 775.082, s. 775.083, or s. 775.084, and is subject to
8074 monetary damages under s. 617.0834. If the board finds that an
8075 officer or a director has violated this subsection, the board

8076 must immediately remove the officer or director from office. The
8077 vacancy shall be filled according to law until the end of the
8078 officer's or director's term of office. However, an officer, a
8079 director, or a manager may accept food to be consumed at a
8080 business meeting with a value of less than \$25 per individual or
8081 a service or good received in connection with trade fairs or
8082 education programs.

8083 **Section 188. For the purpose of incorporating the**
8084 **amendment made by this act to section 617.0834, Florida**
8085 **Statutes, in a reference thereto, paragraph (a) of subsection**
8086 **(13) of section 721.13, Florida Statutes, is reenacted to read:**

8087 721.13 Management.—

8088 (13) (a) Notwithstanding any provisions of chapter 607,
8089 chapter 617, or chapter 718, an officer, director, or agent of
8090 an owners' association, including a timeshare management firm
8091 and any individual licensed under part VIII of chapter 468
8092 employed by the timeshare management firm, shall discharge its
8093 duties in good faith, with the care an ordinarily prudent person
8094 in a like position would exercise under similar circumstances,
8095 and in a manner it reasonably believes to be in the interests of
8096 the owners' association. An officer, director, or agent of an
8097 owners' association, including a timeshare management firm and
8098 any individual licensed under part VIII of chapter 468 employed
8099 by the timeshare management firm, is exempt from liability for
8100 monetary damages in the same manner as provided in s. 617.0834

unless such officer, director, agent, or firm breached or failed to perform its duties and the breach of, or failure to perform, its duties constitutes a violation of criminal law as provided in s. 617.0834; constitutes a transaction from which the officer or director derived an improper personal benefit, either directly or indirectly; or constitutes recklessness or an act or omission that was in bad faith, with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

Section 189. For the purpose of incorporating the amendment made by this act to sections 617.0830 and 617.0834, Florida Statutes, in references thereto, paragraph (d) of subsection (1) of section 718.111, Florida Statutes, is reenacted to read:

718.111 The association.—

(1) CORPORATE ENTITY.—

(d) As required by s. 617.0830, an officer, director, or agent shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the interests of the association. An officer, director, or agent shall be liable for monetary damages as provided in s. 617.0834 if such officer, director, or agent breached or failed to perform his or her duties and the breach of, or failure to perform, his or her duties constitutes

8126 a violation of criminal law as provided in s. 617.0834;
8127 constitutes a transaction from which the officer or director
8128 derived an improper personal benefit, either directly or
8129 indirectly; or constitutes recklessness or an act or omission
8130 that was in bad faith, with malicious purpose, or in a manner
8131 exhibiting wanton and willful disregard of human rights, safety,
8132 or property. Forgery of a ballot envelope or voting certificate
8133 used in a condominium association election is punishable as
8134 provided in s. 831.01, the theft or embezzlement of funds of a
8135 condominium association is punishable as provided in s. 812.014,
8136 and the destruction of or the refusal to allow inspection or
8137 copying of an official record of a condominium association that
8138 is accessible to unit owners within the time periods required by
8139 general law in furtherance of any crime is punishable as
8140 tampering with physical evidence as provided in s. 918.13 or as
8141 obstruction of justice as provided in chapter 843. An officer or
8142 director charged by information or indictment with a crime
8143 referenced in this paragraph must be removed from office, and
8144 the vacancy shall be filled as provided in s. 718.112(2)(d)2.
8145 until the end of the officer's or director's period of
8146 suspension or the end of his or her term of office, whichever
8147 occurs first. If a criminal charge is pending against the
8148 officer or director, he or she may not be appointed or elected
8149 to a position as an officer or a director of any association and
8150 may not have access to the official records of any association,

8151 | except pursuant to a court order. However, if the charges are
8152 | resolved without a finding of guilt, the officer or director
8153 | must be reinstated for the remainder of his or her term of
8154 | office, if any.

8155 | **Section 190.** This act shall take effect July 1, 2026.