



1 A bill to be entitled
2 An act relating to limited liability companies;
3 amending s. 605.0103, F.S.; specifying that persons
4 who are not members of a limited liability company are
5 not deemed to have notice of a provision of the
6 company's articles of organization which limits a
7 person's authority to transfer real property held in
8 the company's name unless such limitation appears in
9 an affidavit, certificate, or other instrument that is
10 recorded in a specified manner; amending s. 605.0105,
11 F.S.; removing the prohibition that an operating
12 agreement may not vary the power of a person to
13 dissociate; clarifying that an operating agreement is
14 prohibited from providing indemnification for a member
15 or manager in certain circumstances; authorizing an
16 operating agreement to alter or eliminate any other
17 fiduciary duty; amending s. 605.0111, F.S.; providing
18 that the duties of the member, manager, or other
19 person may be restricted, expanded, or eliminated in
20 certain circumstances; amending s. 605.04073, F.S.;
21 requiring certain conditions for members of a limited
22 liability company, without a meeting, to take certain
23 actions requiring the vote or consent of the members;
24 amending s. 605.04091, F.S.; providing that the duty
25 of loyalty of members and managers includes, but is
26 not limited to, specified actions; revising the duty



27 | of care in the conduct or winding up of the company's
28 | activities and affairs; amending s. 605.0410, F.S.;
29 | requiring a limited liability company to provide a
30 | record of certain information within a specified
31 | period to a member who makes a demand; amending s.
32 | 605.0602, F.S.; revising the conditions under which a
33 | member may be expelled for a material breach of the
34 | company's operating agreement or the standards of
35 | conduct for members; amending s. 605.0715, F.S.;
36 | revising which materials and information a specified
37 | limited liability company must submit to the
38 | Department of State as part of an application for
39 | reinstatement after administrative dissolution;
40 | amending s. 605.0909, F.S.; revising which materials
41 | and information a specified limited liability company
42 | must submit to the Department of State as part of an
43 | application for reinstatement after revocation of
44 | certificate of authority; amending s. 605.1072, F.S.;
45 | deleting a provision providing an exception to the
46 | limitation of remedies for appraisal events under
47 | specified circumstances; amending s. 605.1108, F.S.;
48 | deleting a provision requiring that, for a limited
49 | liability company formed before a specified date,
50 | certain language in the company's articles of
51 | organization operates as if it were in the operating
52 | agreement; repealing chapter 608, F.S., relating to



53 | the Florida Limited Liability Company Act; amending
 54 | ss. 15.16, 48.062, 213.758, 220.02, 220.03, 220.13,
 55 | 310.181, 440.02, 605.0401, 605.04074, 605.04091,
 56 | 606.06, 607.1108, 607.1109, 607.11101, 621.12,
 57 | 636.204, 655.0201, 658.2953, 694.16, and 1002.395,
 58 | F.S.; conforming provisions to the repeal of the
 59 | Florida Limited Liability Company Act; providing
 60 | retroactive applicability; amending ss. 605.0102,
 61 | 605.0712, 605.0717, and 605.0805, F.S.; revising a
 62 | definition; conforming cross-references; providing
 63 | effective dates.

64 |
 65 | Be It Enacted by the Legislature of the State of Florida:
 66 |

67 | Section 1. Paragraph (b) of subsection (4) of section
 68 | 605.0103, Florida Statutes, is amended to read:

69 | 605.0103 Knowledge; notice.—

70 | (4) A person who is not a member is deemed to:

71 | (b) Have notice of a limited liability company's:

72 | 1. Dissolution, 90 days after the articles of dissolution
 73 | filed under s. 605.0707 become effective;

74 | 2. Termination, 90 days after a statement of termination
 75 | filed under s. 605.0709(7) becomes effective;

76 | 3. Participation in a merger, interest exchange,
 77 | conversion, or domestication, 90 days after the articles of
 78 | merger, articles of interest exchange, articles of conversion,



79 or articles of domestication under s. 605.1025, s. 605.1035, s.
80 605.1045, or s. 605.1055, respectively, become effective;

81 4. Declaration in its articles of organization that it is
82 manager-managed in accordance with s. 605.0201(3)(a); however,
83 if such a declaration has been added or changed by an amendment
84 or amendment and restatement of the articles of organization,
85 notice of the addition or change may not become effective until
86 90 days after the effective date of such amendment or amendment
87 and restatement; and

88 5. Grant of authority to or limitation imposed on the
89 authority of a person holding a position or having a specified
90 status in a company, or grant of authority to or limitation
91 imposed on the authority of a specific person, if the grant of
92 authority or limitation imposed on the authority is described in
93 the articles of organization in accordance with s.
94 605.0201(3)(d); however, if that description has been added or
95 changed by an amendment or an amendment and restatement of the
96 articles of organization, notice of the addition or change may
97 not become effective until 90 days after the effective date of
98 such amendment or amendment and restatement. A provision of the
99 articles of organization that limits the authority of a person
100 to transfer real property held in the name of the limited
101 liability company is not notice of such limitation to a person
102 who is not a member or manager of the company, unless such
103 limitation appears in an affidavit, certificate, or other
104 instrument that bears the name of the limited liability company



105 and is recorded in the office for recording transfers of such
106 real property.

107 Section 2. Paragraphs (i) and (q) of subsection (3) and
108 paragraph (c) of subsection (4) of section 605.0105, Florida
109 Statutes, are amended to read:

110 605.0105 Operating agreement; scope, function, and
111 limitations.—

112 (3) An operating agreement may not do any of the
113 following:

114 ~~(i) Vary the power of a person to dissociate under s.~~
115 ~~605.0601, except to require that the notice under s. 605.0602(1)~~
116 ~~be in a record.~~

117 (p) ~~(q)~~ Provide for indemnification for a member or manager
118 under s. 605.0408 for any of the following:

119 1. Conduct involving bad faith, willful or intentional
120 misconduct, or a knowing violation of law.

121 2. A transaction from which the member or manager derived
122 an improper personal benefit.

123 3. A circumstance under which the liability provisions of
124 s. 605.0406 are applicable.

125 4. A breach of duties or obligations under s. 605.04091,
126 taking into account a restriction, an expansion, or an
127 elimination ~~variation~~ of such duties and obligations provided
128 for in the operating agreement to the extent allowed by
129 subsection (4).



130 (4) Subject to paragraph (3)(g), without limiting other
 131 terms that may be included in an operating agreement, the
 132 following rules apply:

133 (c) If not manifestly unreasonable, the operating
 134 agreement may:

135 1. Alter or eliminate the aspects of the duty of loyalty
 136 under s. 605.04091(2);

137 2. Identify specific types or categories of activities
 138 that do not violate the duty of loyalty; ~~and~~

139 3. Alter the duty of care, but may not authorize willful
 140 or intentional misconduct or a knowing violation of law; and

141 4. Alter or eliminate any other fiduciary duty.

142 Section 3. Section 605.0111, Florida Statutes, is amended
 143 to read:

144 605.0111 Rules of construction and supplemental principles
 145 of law.—

146 (1) It is the intent of this chapter to give the maximum
 147 effect to the principle of freedom of contract and to the
 148 enforceability of operating agreements, including the purposes
 149 of ss. 605.0105-605.0107.

150 (2) To the extent that, at law or in equity, a member,
 151 manager, or other person has duties, including fiduciary duties,
 152 to a limited liability company or to another member or manager
 153 or to another person that is a party to or is otherwise bound by
 154 an operating agreement, the duties of the member, manager, or
 155 other person may be restricted, expanded, or eliminated,



156 | including in the determination of applicable duties and
 157 | obligations under this chapter, by the operating agreement, to
 158 | the extent allowed by s. 605.0105.

159 | (3) Unless displaced by particular provisions of this
 160 | chapter, the principles of law and equity, including the common
 161 | law principles relating to the fiduciary duties of loyalty and
 162 | care, supplement this chapter.

163 | Section 4. Subsection (4) of section 605.04073, Florida
 164 | Statutes, is amended to read:

165 | 605.04073 Voting rights of members and managers.—

166 | (4) An action requiring the vote or consent of members
 167 | under this chapter may be taken without a meeting if the action
 168 | is approved in a record by members with at least the minimum
 169 | number of votes that would be necessary to authorize or take the
 170 | action at a meeting of the members.~~—and~~ A member may appoint a
 171 | proxy or other agent to vote or consent for the member by
 172 | signing an appointing record, personally or by the member's
 173 | agent. On an action taken by fewer than all of the members
 174 | without a meeting, notice of the action must be given to those
 175 | members who did not consent in writing to the action or who were
 176 | not entitled to vote on the action within 10 days after the
 177 | action was taken.

178 | Section 5. Subsections (2) and (3) of section 605.04091,
 179 | Florida Statutes, are amended to read:

180 | 605.04091 Standards of conduct for members and managers.—

181 | (2) The duty of loyalty includes ~~is limited to~~:



182 (a) Accounting to the limited liability company and
183 holding as trustee for it any property, profit, or benefit
184 derived by the manager or member, as applicable:

185 1. In the conduct or winding up of the company's
186 activities and affairs;

187 2. From the use by the member or manager of the company's
188 property; or

189 3. From the appropriation of a company opportunity;

190 (b) Refraining from dealing with the company in the
191 conduct or winding up of the company's activities and affairs
192 as, or on behalf of, a person having an interest adverse to the
193 company, except to the extent that a transaction satisfies the
194 requirements of this section; and

195 (c) Refraining from competing with the company in the
196 conduct of the company's activities and affairs before the
197 dissolution of the company.

198 (3) The duty of care in the conduct or winding up of the
199 company's activities and affairs is ~~limited~~ to refrain
200 ~~refraining~~ from engaging in grossly negligent or reckless
201 conduct, willful or intentional misconduct, or a knowing
202 violation of law.

203 Section 6. Subsection (2), paragraph (a) of subsection
204 (3), and subsection (4) of section 605.0410, Florida Statutes,
205 are amended to read:

206 605.0410 Records to be kept; rights of member, manager,
207 and person dissociated to information.—



208 (2) In a member-managed limited liability company, the
209 following rules apply:

210 (a) Upon reasonable notice, a member may inspect and copy
211 during regular business hours, at a reasonable location
212 specified by the company:

- 213 1. The records described in subsection (1); and
- 214 2. Each other record maintained by the company regarding
215 the company's activities, affairs, financial condition, and
216 other circumstances, to the extent the information is material
217 to the member's rights and duties under the operating agreement
218 or this chapter.

219 (b) The company shall furnish to each member:

- 220 1. Without demand, any information concerning the
221 company's activities, affairs, financial condition, and other
222 circumstances that the company knows and is material to the
223 proper exercise of the member's rights and duties under the
224 operating agreement or this chapter, except to the extent the
225 company can establish that it reasonably believes the member
226 already knows the information; and

- 227 2. On demand, other information concerning the company's
228 activities, affairs, financial condition, and other
229 circumstances, except to the extent the demand or information
230 demanded is unreasonable or otherwise improper under the
231 circumstances.

232 (c) Within 10 days after receiving a demand pursuant to
233 subparagraph (b)2., the company shall provide to the member who



234 made the demand a record of:

235 1. The information that the company will provide in
236 response to the demand and when and where the company will
237 provide such information.

238 2. For any demanded information that the company is not
239 providing, the reasons that the company will not provide the
240 information.

241 (d)~~(e)~~ The duty to furnish information under this
242 subsection also applies to each member to the extent the member
243 knows any of the information described in this subsection.

244 (3) In a manager-managed limited liability company, the
245 following rules apply:

246 (a) The informational rights stated in subsection (2) and
247 the duty stated in paragraph (2) (d) ~~(2) (e)~~ apply to the managers
248 and not to the members.

249 (4) Subject to subsection (10) ~~(9)~~, on 10 days' demand
250 made in a record received by a limited liability company, a
251 person dissociated as a member may have access to information to
252 which the person was entitled while a member if:

253 (a) The information pertains to the period during which
254 the person was a member;

255 (b) The person seeks the information in good faith; and

256 (c) The person satisfies the requirements imposed on a
257 member by paragraph (3) (b).

258 Section 7. Section 605.0715, Florida Statutes, is amended
259 to read:



260 605.0715 Reinstatement.—

261 (1) A limited liability company that is administratively
262 dissolved under s. 605.0714 or former s. 608.4481 may apply to
263 the department for reinstatement at any time after the effective
264 date of dissolution. The company must submit ~~a form of~~
265 ~~application for reinstatement prescribed and furnished by the~~
266 ~~department and provide all of the information required by the~~
267 ~~department, together with~~ all fees and penalties then owed by
268 the company at the rates provided by law at the time the company
269 applies for reinstatement together with an application for
270 reinstatement prescribed and furnished by the department, which
271 is signed by both the registered agent and an authorized
272 representative of the company and states:

273 (a) The name of the limited liability company.

274 (b) The street address of the company's principal office
275 and mailing address.

276 (c) The date of the company's organization.

277 (d) The company's federal employer identification number
278 or, if none, whether one has been applied for.

279 (e) The name, title or capacity, and address of at least
280 one person who has authority to manage the company.

281 (f) Additional information that is necessary or
282 appropriate to enable the department to carry out this chapter.

283 (2) In lieu of the requirement to file an application for
284 reinstatement as described in subsection (1), an
285 administratively dissolved limited liability company may submit



286 all fees and penalties owed by the company at the rates provided
287 by law at the time the company applies for reinstatement,
288 together with a current annual report, signed by both the
289 registered agent and an authorized representative of the
290 company, which contains the information described in subsection
291 (1).

292 (3)~~(2)~~ If the department determines that an application
293 for reinstatement contains the information required under
294 subsection (1) or subsection (2) and that the information is
295 correct, upon payment of all required fees and penalties, the
296 department shall reinstate the limited liability company.

297 (4)~~(3)~~ When reinstatement under this section becomes
298 effective:

299 (a) The reinstatement relates back to and takes effect as
300 of the effective date of the administrative dissolution.

301 (b) The limited liability company may resume its
302 activities and affairs as if the administrative dissolution had
303 not occurred.

304 (c) The rights of a person arising out of an act or
305 omission in reliance on the dissolution before the person knew
306 or had notice of the reinstatement are not affected.

307 (5)~~(4)~~ The name of the dissolved limited liability company
308 is not available for assumption or use by another business
309 entity until 1 year after the effective date of dissolution
310 unless the dissolved limited liability company provides the
311 department with a record executed as required pursuant to s.



312 605.0203 permitting the immediate assumption or use of the name
313 by another limited liability company.

314 Section 8. Section 605.0909, Florida Statutes, is amended
315 to read:

316 605.0909 Reinstatement following revocation of certificate
317 of authority.—

318 (1) A foreign limited liability company whose certificate
319 of authority has been revoked may apply to the department for
320 reinstatement at any time after the effective date of the
321 revocation. The foreign limited liability company applying for
322 reinstatement must submit ~~provide information in a form~~
323 ~~prescribed and furnished by the department and pay~~ all fees and
324 penalties then owed by the foreign limited liability company at
325 rates provided by law at the time the foreign limited liability
326 company applies for reinstatement together with an application
327 for reinstatement prescribed and furnished by the department,
328 which is signed by both the registered agent and an authorized
329 representative of the company and states:

330 (a) The name under which the foreign limited liability
331 company is registered to transact business in this state.

332 (b) The street address of the company's principal office
333 and its mailing address.

334 (c) The jurisdiction of the company's formation and the
335 date on which it became qualified to transact business in this
336 state.

337 (d) The company's federal employer identification number



338 or, if none, whether one has been applied for.

339 (e) The name, title or capacity, and address of at least
340 one person who has authority to manage the company.

341 (f) Additional information that is necessary or
342 appropriate to enable the department to carry out this chapter.

343 (2) In lieu of the requirement to file an application for
344 reinstatement as described in subsection (1), a foreign limited
345 liability company whose certificate of authority has been
346 revoked may submit all fees and penalties owed by the company at
347 the rates provided by law at the time the company applies for
348 reinstatement, together with a current annual report, signed by
349 both the registered agent and an authorized representative of
350 the company, which contains the information described in
351 subsection (1).

352 (3)-(2) If the department determines that an application
353 for reinstatement contains the information required under
354 subsection (1) or subsection (2) and that the information is
355 correct, upon payment of all required fees and penalties, the
356 department shall reinstate the foreign limited liability
357 company's certificate of authority.

358 (4)-(3) When a reinstatement becomes effective, it relates
359 back to and takes effect as of the effective date of the
360 revocation of authority and the foreign limited liability
361 company may resume its activities in this state as if the
362 revocation of authority had not occurred.

363 (5)-(4) The name of the foreign limited liability company



364 whose certificate of authority has been revoked is not available
365 for assumption or use by another business entity until 1 year
366 after the effective date of revocation of authority unless the
367 limited liability company provides the department with a record
368 executed pursuant to s. 605.0203 which authorizes the immediate
369 assumption or use of its name by another limited liability
370 company.

371 (6)~~(5)~~ If the name of the foreign limited liability
372 company applying for reinstatement has been lawfully assumed in
373 this state by another business entity, the department shall
374 require the foreign limited liability company to comply with s.
375 605.0906 before accepting its application for reinstatement.

376 Section 9. Subsection (2) of section 605.1072, Florida
377 Statutes, is amended to read:

378 605.1072 Other remedies limited.—

379 (2) Subsection (1) does not apply to an appraisal event
380 that:

381 (a) Was not authorized and approved in accordance with the
382 applicable provisions of this chapter, the organic rules of the
383 limited liability company, or the resolutions of the members
384 authorizing the appraisal event; or

385 (b) Was procured as a result of fraud, a material
386 misrepresentation, or an omission of a material fact that is
387 necessary to make statements made, in light of the circumstances
388 in which they were made, not misleading; ~~or~~

389 ~~(c) Is an interested transaction, unless it has been~~



390 ~~approved in the same manner as is provided in s. 605.04092 or is~~
 391 ~~fair to the limited liability company as defined in s.~~
 392 ~~605.04092(1)(c).~~

393 Section 10. Subsection (3) of section 605.1108, Florida
 394 Statutes, is amended to read:

395 605.1108 Application to limited liability company formed
 396 under the Florida Limited Liability Company Act.—

397 (3) For the purpose of applying this chapter to a limited
 398 liability company formed before January 1, 2014, under the
 399 Florida Limited Liability Company Act, former ss. 608.401-
 400 608.705, ÷

401 ~~(a)~~ the company's articles of organization are deemed to
 402 be the company's articles of organization under this chapter ~~+~~
 403 and

404 ~~(b) For the purpose of applying s. 605.0102(39), the~~
 405 ~~language in the company's articles of organization designating~~
 406 ~~the company's management structure operates as if that language~~
 407 ~~were in the operating agreement.~~

408 Section 11. Effective upon this act becoming a law,
 409 chapter 608, Florida Statutes, consisting of sections 608.401,
 410 608.402, 608.403, 608.404, 608.405, 608.406, 608.407, 608.408,
 411 608.4081, 608.4082, 608.409, 608.4101, 608.411, 608.4115,
 412 608.415, 608.416, 608.4211, 608.422, 608.4225, 608.4226,
 413 608.4227, 608.4228, 608.4229, 608.423, 608.4231, 608.4232,
 414 608.4235, 608.4236, 608.4237, 608.4238, 608.425, 608.426,
 415 608.4261, 608.427, 608.428, 608.431, 608.432, 608.433, 608.434,



416 608.4351, 608.4352, 608.4353, 608.4354, 608.4355, 608.4356,
 417 608.4357, 608.43575, 608.4358, 608.43585, 608.4359, 608.43595,
 418 608.438, 608.4381, 608.4382, 608.4383, 608.439, 608.4401,
 419 608.4402, 608.4403, 608.4404, 608.441, 608.4411, 608.4421,
 420 608.4431, 608.444, 608.445, 608.446, 608.447, 608.448, 608.4481,
 421 608.4482, 608.4483, 608.449, 608.4491, 608.4492, 608.4493,
 422 608.4511, 608.452, 608.455, 608.461, 608.462, 608.463, 608.471,
 423 608.501, 608.502, 608.503, 608.504, 608.505, 608.506, 608.507,
 424 608.508, 608.509, 608.5101, 608.511, 608.512, 608.513, 608.5135,
 425 608.514, 608.601, 608.701, 608.702, 608.703, 608.704, and
 426 608.705, is repealed.

427 Section 12. Effective upon this act becoming a law and
 428 operating retroactively to January 1, 2015, subsection (3) of
 429 section 15.16, Florida Statutes, is amended to read:

430 15.16 Reproduction of records; admissibility in evidence;
 431 electronic receipt and transmission of records; certification;
 432 acknowledgment.—

433 (3) The Department of State may cause to be received
 434 electronically any records that are required to be filed with it
 435 pursuant to chapter 55, chapter 117, chapter 118, chapter 495,
 436 chapter 605, chapter 606, chapter 607, ~~chapter 608,~~ chapter 610,
 437 chapter 617, chapter 620, chapter 621, chapter 679, chapter 713,
 438 or chapter 865, through facsimile or other electronic transfers,
 439 for the purpose of filing such records. The originals of all
 440 such electronically transmitted records must be executed in the
 441 manner provided in paragraph (5) (b). The receipt of such



442 | electronic transfer constitutes delivery to the department as
443 | required by law. The department may use electronic transmissions
444 | for purposes of notice in the administration of chapters 55,
445 | 117, 118, 495, 605, 606, 607, ~~608~~, 610, 617, 620, 621, 679, and
446 | 713 and s. 865.09. The Department of State may collect e-mail
447 | addresses for purposes of notice and communication in the
448 | performance of its duties and may require filers and registrants
449 | to furnish such e-mail addresses when presenting documents for
450 | filing.

451 | Section 13. Effective upon this act becoming a law and
452 | operating retroactively to January 1, 2015, subsections (1) and
453 | (2) of section 48.062, Florida Statutes, are amended to read:

454 | 48.062 Service on a limited liability company.—

455 | (1) Process against a limited liability company, domestic
456 | or foreign, may be served on the registered agent designated by
457 | the limited liability company under chapter 605 ~~or chapter 608~~.
458 | A person attempting to serve process pursuant to this subsection
459 | may serve the process on any employee of the registered agent
460 | during the first attempt at service even if the registered agent
461 | is a natural person and is temporarily absent from his or her
462 | office.

463 | (2) If service cannot be made on a registered agent of the
464 | limited liability company because of failure to comply with
465 | chapter 605 ~~or chapter 608~~ or because the limited liability
466 | company does not have a registered agent, or if its registered
467 | agent cannot with reasonable diligence be served, process



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468 against the limited liability company, domestic or foreign, may
469 be served:

470 (a) On a member of a member-managed limited liability
471 company;

472 (b) On a manager of a manager-managed limited liability
473 company; or

474 (c) If a member or manager is not available during regular
475 business hours to accept service on behalf of the limited
476 liability company, he, she, or it may designate an employee of
477 the limited liability company to accept such service. After one
478 attempt to serve a member, manager, or designated employee has
479 been made, process may be served on the person in charge of the
480 limited liability company during regular business hours.

481 Section 14. Effective upon this act becoming a law and
482 operating retroactively to January 1, 2015, paragraph (c) of
483 subsection (1) of section 213.758, Florida Statutes, is amended
484 to read:

485 213.758 Transfer of tax liabilities.—

486 (1) As used in this section, the term:

487 (c) "Insider" means:

488 1. Any person included within the meaning of insider as
489 used in s. 726.102; or

490 2. A manager of, ~~a managing member of,~~ or a person who
491 controls a transferor that is, a limited liability company~~7~~ or a
492 relative as defined in s. 726.102 of any such persons.

493 Section 15. Effective upon this act becoming a law and



494 operating retroactively to January 1, 2015, subsection (1) of
495 section 220.02, Florida Statutes, is amended to read:

496 220.02 Legislative intent.—

497 (1) It is the intent of the Legislature in enacting this
498 code to impose a tax upon all corporations, organizations,
499 associations, and other artificial entities which derive from
500 this state or from any other jurisdiction permanent and inherent
501 attributes not inherent in or available to natural persons, such
502 as perpetual life, transferable ownership represented by shares
503 or certificates, and limited liability for all owners. It is
504 intended that any limited liability company that is classified
505 as a partnership for federal income tax purposes and is defined
506 in and organized pursuant to ~~formed under~~ chapter 605 ~~608~~ or
507 qualified to do business in this state as a foreign limited
508 liability company not be subject to the tax imposed by this
509 code. It is the intent of the Legislature to subject such
510 corporations and other entities to taxation hereunder for the
511 privilege of conducting business, deriving income, or existing
512 within this state. This code is not intended to tax, and shall
513 not be construed so as to tax, any natural person who engages in
514 a trade, business, or profession in this state under his or her
515 own or any fictitious name, whether individually as a
516 proprietorship or in partnership with others, or as a member or
517 a manager of a limited liability company classified as a
518 partnership for federal income tax purposes; any estate of a
519 decedent or incompetent; or any testamentary trust. However, a



520 corporation or other taxable entity which is or which becomes
521 partners with one or more natural persons shall not, merely by
522 reason of being a partner, exclude from its net income subject
523 to tax its respective share of partnership net income. This
524 statement of intent shall be given preeminent consideration in
525 any construction or interpretation of this code in order to
526 avoid any conflict between this code and the mandate in s. 5,
527 Art. VII of the State Constitution that no income tax be levied
528 upon natural persons who are residents and citizens of this
529 state.

530 Section 16. Effective upon this act becoming a law and
531 operating retroactively to January 1, 2015, paragraph (e) of
532 subsection (1) of section 220.03, Florida Statutes, is amended
533 to read:

534 220.03 Definitions.—

535 (1) SPECIFIC TERMS.—When used in this code, and when not
536 otherwise distinctly expressed or manifestly incompatible with
537 the intent thereof, the following terms shall have the following
538 meanings:

539 (e) "Corporation" includes all domestic corporations;
540 foreign corporations qualified to do business in this state or
541 actually doing business in this state; joint-stock companies;
542 limited liability companies, under chapter 605 ~~608~~; common-law
543 declarations of trust, under chapter 609; corporations not for
544 profit, under chapter 617; agricultural cooperative marketing
545 associations, under chapter 618; professional service



546 corporations, under chapter 621; foreign unincorporated
547 associations, under chapter 622; private school corporations,
548 under chapter 623; foreign corporations not for profit which are
549 carrying on their activities in this state; and all other
550 organizations, associations, legal entities, and artificial
551 persons which are created by or pursuant to the statutes of this
552 state, the United States, or any other state, territory,
553 possession, or jurisdiction. The term "corporation" does not
554 include proprietorships, even if using a fictitious name;
555 partnerships of any type, as such; limited liability companies
556 that are taxable as partnerships for federal income tax
557 purposes; state or public fairs or expositions, under chapter
558 616; estates of decedents or incompetents; testamentary trusts;
559 or private trusts.

560 Section 17. Effective upon this act becoming a law and
561 operating retroactively to January 1, 2015, paragraph (j) of
562 subsection (2) of section 220.13, Florida Statutes, is amended
563 to read:

564 220.13 "Adjusted federal income" defined.—

565 (2) For purposes of this section, a taxpayer's taxable
566 income for the taxable year means taxable income as defined in
567 s. 63 of the Internal Revenue Code and properly reportable for
568 federal income tax purposes for the taxable year, but subject to
569 the limitations set forth in paragraph (1)(b) with respect to
570 the deductions provided by ss. 172 (relating to net operating
571 losses), 170(d)(2) (relating to excess charitable



572 contributions), 404(a)(1)(D) (relating to excess pension trust
573 contributions), 404(a)(3)(A) and (B) (to the extent relating to
574 excess stock bonus and profit-sharing trust contributions), and
575 1212 (relating to capital losses) of the Internal Revenue Code,
576 except that, subject to the same limitations, the term:

577 (j) "Taxable income," in the case of a limited liability
578 company, other than a limited liability company classified as a
579 partnership for federal income tax purposes, as defined in and
580 organized pursuant to chapter 605 ~~608~~ or qualified to do
581 business in this state as a foreign limited liability company or
582 other than a similar limited liability company classified as a
583 partnership for federal income tax purposes and created as an
584 artificial entity pursuant to the statutes of the United States
585 or any other state, territory, possession, or jurisdiction, if
586 such limited liability company or similar entity is taxable as a
587 corporation for federal income tax purposes, means taxable
588 income determined as if such limited liability company were
589 required to file or had filed a federal corporate income tax
590 return under the Internal Revenue Code;

591 Section 18. Effective upon this act becoming a law and
592 operating retroactively to January 1, 2015, section 310.181,
593 Florida Statutes, is amended to read:

594 310.181 Corporate powers.—All the rights, powers, and
595 liabilities conferred or imposed by the laws of Florida relating
596 to corporations for profit organized under part I of chapter 607
597 or under former chapter 608 before January 1, 1976, or to



598 corporations organized under chapter 621 apply to corporations
599 organized pursuant to s. 310.171.

600 Section 19. Effective upon this act becoming a law and
601 operating retroactively to January 1, 2015, subsection (9) of
602 section 440.02, Florida Statutes, is amended to read:

603 440.02 Definitions.—When used in this chapter, unless the
604 context clearly requires otherwise, the following terms shall
605 have the following meanings:

606 (9) "Corporate officer" or "officer of a corporation"
607 means any person who fills an office provided for in the
608 corporate charter or articles of incorporation filed with the
609 Division of Corporations of the Department of State or as
610 authorized or required under part I of chapter 607. The term
611 "officer of a corporation" includes a member owning at least 10
612 percent of a limited liability company as defined in and
613 organized pursuant to ~~created and approved under~~ chapter 605
614 ~~608~~.

615 Section 20. Subsection (37) of section 605.0102, Florida
616 Statutes, is amended to read:

617 605.0102 Definitions.—As used in this chapter, the term:

618 (37) "Majority-in-interest" means those members who hold
619 more than 50 percent of the then-current percentage or other
620 interest in the profits of the limited liability company owned
621 by all of its members ~~and who have the right to vote~~; however,
622 as used in ss. 605.1001-605.1072, the term means:

623 (a) In the case of a limited liability company with only



624 one class or series of members, the holders of more than 50
625 percent of the then-current percentage or other interest in the
626 profits of the company owned by all of its members who have the
627 right to approve the a merger, interest exchange, or conversion,
628 as applicable, under the organic law or the organic rules of the
629 company; and

630 (b) In the case of a limited liability company having more
631 than one class or series of members, the holders in each class
632 or series of more than 50 percent of the then-current percentage
633 or other interest in the profits of the company owned by all of
634 the members of that class or series who have the right to
635 approve the a merger, interest exchange, or conversion, as
636 applicable, under the organic law or the organic rules of the
637 company, unless the company's organic rules provide for the
638 approval of the transaction in a different manner.

639 Section 21. Effective upon this act becoming a law and
640 operating retroactively to January 1, 2015, subsection (3) of
641 section 605.0401, Florida Statutes, is amended to read:

642 605.0401 Becoming a member.—

643 (3) After formation of a limited liability company, a
644 person becomes a member:

645 (a) As provided in the operating agreement;

646 (b) As the result of a merger, interest exchange,
647 conversion, or domestication under ss. 605.1001-605.1072, as
648 applicable;

649 (c) With the consent of all the members; or



650 (d) As provided in s. 605.0701(3).

651 Section 22. Effective upon this act becoming a law and
652 operating retroactively to January 1, 2015, paragraph (a) of
653 subsection (1) of section 605.04074, Florida Statutes, is
654 amended to read:

655 605.04074 Agency rights of members and managers.—

656 (1) In a member-managed limited liability company, the
657 following rules apply:

658 (a) Except as provided in subsection (3), each member is
659 an agent of the limited liability company for the purpose of its
660 activities and affairs, and— an act of a member, including
661 signing an agreement or instrument of transfer in the name of
662 the company for apparently carrying on in the ordinary course of
663 the company's activities and affairs or activities and affairs
664 of the kind carried on by the company, binds the company unless
665 the member had no authority to act for the company in the
666 particular matter and the person with whom the member was
667 dealing knew or had notice that the member lacked authority.

668 Section 23. Effective upon this act becoming a law and
669 operating retroactively to January 1, 2015, paragraph (b) of
670 subsection (2) of section 605.04091, Florida Statutes, is
671 amended to read:

672 605.04091 Standards of conduct for members and managers.—

673 (2) The duty of loyalty is limited to:

674 (b) Refraining from dealing with the company in the
675 conduct or winding up of the company's activities and affairs



676 as, or on behalf of, a person having an interest adverse to the
677 company, except to the extent that a transaction satisfies the
678 requirements of s. 605.04092 ~~this section~~; and

679 Section 24. Subsection (6) of section 605.0602, Florida
680 Statutes, is amended to read:

681 605.0602 Events causing dissociation.—A person is
682 dissociated as a member if any of the following occur:

683 (6) On application by the company or a member in a direct
684 action under s. 605.0801, the person is expelled as a member by
685 judicial order because the person:

686 (a) Has engaged or is engaging in wrongful conduct that
687 has affected adversely and materially, or will affect adversely
688 and materially, the company's activities and affairs;

689 (b) Has committed willfully or persistently, or is
690 committing willfully or ~~and~~ persistently, a material breach of
691 the operating agreement or a duty or obligation under s.
692 605.04091; or

693 (c) Has engaged or is engaging in conduct relating to the
694 company's activities and affairs which makes it not reasonably
695 practicable to carry on the activities and affairs with the
696 person as a member.

697 Section 25. Subsection (3) of section 605.0712, Florida
698 Statutes, is amended to read:

699 605.0712 Other claims against a dissolved limited
700 liability company.—

701 (3) A claim that is not barred by this section, ~~s.~~



702 ~~608.0711~~, or another statute limiting actions, may be enforced:

703 (a) Against a dissolved limited liability company, to the
704 extent of its undistributed assets; and

705 (b) Except as otherwise provided in s. 605.0713, if assets
706 of the limited liability company have been distributed after
707 dissolution, against a member or transferee to the extent of
708 that person's proportionate share of the claim or of the
709 company's assets distributed to the member or transferee after
710 dissolution, whichever is less, but a person's total liability
711 for all claims under this subsection may not exceed the total
712 amount of assets distributed to the person after dissolution.

713 Section 26. Subsection (2) of section 605.0717, Florida
714 Statutes, is amended to read:

715 605.0717 Effect of dissolution.—

716 (2) Except as provided in s. 605.0715(5) ~~605.0715(4)~~, the
717 name of the dissolved limited liability company is not available
718 for assumption or use by another business entity until 120 days
719 after the effective date of dissolution or filing of a statement
720 of termination, if earlier.

721 Section 27. Subsection (2) of section 605.0805, Florida
722 Statutes, is amended to read:

723 605.0805 Proceeds and expenses.—

724 (2) If a derivative action ~~under s. 608.0802~~ is successful
725 in whole or in part, the court may award the plaintiff
726 reasonable expenses, including reasonable attorney fees and
727 costs, from the recovery of the limited liability company.



728 Section 28. Effective upon this act becoming a law and
729 operating retroactively to January 1, 2015, subsection (2) of
730 section 606.06, Florida Statutes, is amended to read:

731 606.06 Uniform business report.—The department may use the
732 uniform business report:

733 (2) As a substitute for any annual report or renewal
734 filing required by chapters 495, 605, 607, ~~608~~, 609, 617, 620,
735 621, and 865.

736 Section 29. Effective upon this act becoming a law and
737 operating retroactively to January 1, 2015, paragraph (c) of
738 subsection (2) of section 607.1108, Florida Statutes, is amended
739 to read:

740 607.1108 Merger of domestic corporation and other business
741 entity.—

742 (2) Pursuant to a plan of merger complying and approved in
743 accordance with this section, one or more domestic corporations
744 may merge with or into one or more other business entities
745 formed, organized, or incorporated under the laws of this state
746 or any other state, the United States, foreign country, or other
747 foreign jurisdiction, if:

748 (c) Each domestic limited liability company that is a
749 party to the merger complies with the applicable provisions of
750 chapter 605 ~~608~~.

751 Section 30. Effective upon this act becoming a law and
752 operating retroactively to January 1, 2015, paragraph (d) of
753 subsection (1) of section 607.1109, Florida Statutes, is amended



754 to read:

755 607.1109 Articles of merger.—

756 (1) After a plan of merger is approved by each domestic
 757 corporation and other business entity that is a party to the
 758 merger, the surviving entity shall deliver to the Department of
 759 State for filing articles of merger, which shall be executed by
 760 each domestic corporation as required by s. 607.0120 and by each
 761 other business entity as required by applicable law, and which
 762 shall set forth:

763 (d) A statement that the plan of merger was approved by
 764 each domestic limited liability company that is a party to the
 765 merger in accordance with the applicable provisions of chapter
 766 605 ~~608~~.

767 Section 31. Effective upon this act becoming a law and
 768 operating retroactively to January 1, 2015, subsection (7) of
 769 section 607.11101, Florida Statutes, is amended to read:

770 607.11101 Effect of merger of domestic corporation and
 771 other business entity.—When a merger becomes effective:

772 (7) The shares, partnership interests, interests,
 773 obligations, or other securities, and the rights to acquire
 774 shares, partnership interests, interests, obligations, or other
 775 securities, of each domestic corporation and other business
 776 entity that is a party to the merger shall be converted into
 777 shares, partnership interests, interests, obligations, or other
 778 securities, or rights to such securities, of the surviving
 779 entity or any other domestic corporation or other business



780 entity or, in whole or in part, into cash or other property as
781 provided in the plan of merger, and the former holders of
782 shares, partnership interests, interests, obligations, or other
783 securities, or rights to such securities, shall be entitled only
784 to the rights provided in the plan of merger and to their
785 appraisal rights, if any, under s. 605.1006, ss. 605.1061-
786 605.1072, ss. 607.1301-607.1333, ~~ss. 608.4351-608.43595,~~ ss.
787 620.2114-620.2124, or other applicable law.

788 Section 32. Effective upon this act becoming a law and
789 operating retroactively to January 1, 2015, paragraph (b) of
790 subsection (2) of section 621.12, Florida Statutes, is amended
791 to read:

792 621.12 Identification with individual shareholders or
793 individual members.—

794 (2) The name shall also contain:

795 (b)1. In the case of a professional corporation, the words
796 "professional association" or the abbreviation "P.A."; or

797 2. In the case of a professional limited liability company
798 formed before January 1, 2014, the words "professional limited
799 company" or "professional limited liability company," the
800 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or
801 "PLLC," in lieu of the words "limited company" or "limited
802 liability company," or the abbreviation "L.C." or "L.L.C." or
803 the designation "LC" or "LLC" as otherwise required under s.
804 605.0112 or former s. 608.406.

805 3. In the case of a professional limited liability company



806 formed on or after January 1, 2014, the words "professional
807 limited liability company," the abbreviation "P.L.L.C." or the
808 designation "PLLC," in lieu of the words "limited liability
809 company," or the abbreviation "L.L.C." or the designation "LLC"
810 as otherwise required under s. 605.0112.

811 Section 33. Effective upon this act becoming a law and
812 operating retroactively to January 1, 2015, subsection (1) of
813 section 636.204, Florida Statutes, is amended to read:

814 636.204 License required.—

815 (1) Before doing business in this state as a discount
816 medical plan organization, an entity must be a corporation, a
817 limited liability company, or a limited partnership,
818 incorporated, organized, formed, or registered under the laws of
819 this state or authorized to transact business in this state in
820 accordance with chapter 605, part I of chapter 607, ~~chapter 608~~,
821 chapter 617, chapter 620, or chapter 865, and must be licensed
822 by the office as a discount medical plan organization or be
823 licensed by the office pursuant to chapter 624, part I of this
824 chapter, or chapter 641.

825 Section 34. Effective upon this act becoming a law and
826 operating retroactively to January 1, 2015, subsection (1) of
827 section 655.0201, Florida Statutes, is amended to read:

828 655.0201 Service of process, notice, or demand on
829 financial institutions.—

830 (1) Process against any financial institution authorized
831 by federal or state law to transact business in this state may



832 be served in accordance with chapter 48, chapter 49, chapter
833 605, or part I of chapter 607, ~~or chapter 608~~, as appropriate.

834 Section 35. Effective upon this act becoming a law and
835 operating retroactively to January 1, 2015, paragraph (c) of
836 subsection (11) of section 658.2953, Florida Statutes, is
837 amended to read:

838 658.2953 Interstate branching.—

839 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

840 (c) An out-of-state bank may establish and maintain a de
841 novo branch or acquire a branch in this state upon compliance
842 with chapter 605 or part I of chapter 607 ~~or chapter 608~~
843 relating to doing business in this state as a foreign business
844 entity, including maintaining a registered agent for service of
845 process and other legal notice pursuant to s. 655.0201.

846 Section 36. Effective upon this act becoming a law and
847 operating retroactively to January 1, 2015, section 694.16,
848 Florida Statutes, is amended to read:

849 694.16 Conveyances by merger or conversion of business
850 entities.—As to any merger or conversion of business entities
851 prior to June 15, 2000, the title to all real estate, or any
852 interest therein, owned by a business entity that was a party to
853 a merger or a conversion is vested in the surviving entity
854 without reversion or impairment, notwithstanding the requirement
855 of a deed which was previously required by s. 607.11101, former
856 s. 608.4383, former s. 620.204, former s. 620.8904, or former s.
857 620.8906.



858 Section 37. Effective upon this act becoming a law and
859 operating retroactively to January 1, 2015, paragraph (f) of
860 subsection (2) of section 1002.395, Florida Statutes, is amended
861 to read:

862 1002.395 Florida Tax Credit Scholarship Program.—

863 (2) DEFINITIONS.—As used in this section, the term:

864 (f) "Eligible nonprofit scholarship-funding organization"

865 means a state university; or an independent college or
866 university that is eligible to participate in the William L.
867 Boyd, IV, Florida Resident Access Grant Program, located and
868 chartered in this state, is not for profit, and is accredited by
869 the Commission on Colleges of the Southern Association of
870 Colleges and Schools; or is a charitable organization that:

871 1. Is exempt from federal income tax pursuant to s.
872 501(c)(3) of the Internal Revenue Code;

873 2. Is a Florida entity formed under chapter 605, chapter
874 607, ~~chapter 608~~, or chapter 617 and whose principal office is
875 located in the state; and

876 3. Complies with subsections (6) and (16).

877 Section 38. Except as otherwise expressly provided in this
878 act and except for this section, which shall take effect upon
879 this act becoming a law, this act shall take effect July 1,
880 2015.