

Committee on Judiciary

CS/CS/SB 1300 — Limited Liability Companies

by Commerce and Tourism Committee; Judiciary Committee and Senator Simmons

The bill creates the Revised Limited Liability Companies Act. Many provisions in existing law are retained, but the bill makes some substantial changes to the rules governing Limited Liability Companies. The bill is substantially based on the Revised Uniform Limited Liability Company Act of 2006 as amended in 2011 with deviations to reflect unique situations present in Florida. Among the most significant changes, the bill:

- Imposes an obligation directly on the members or managers of an LLC, as applicable, to correct information in articles of organization that become inaccurate.
- Expands the list of nonwaivable default rules that cannot be superseded by the operating agreement of an LLC.
- Authorizes an LLC to file a statement of authority, which provides constructive notice as to who can bind the LLC.
- Modifies provisions addressing the LLC's management structure. It removes the concept of a "managing member" who is elected from among the existing members. An LLC that was managed by a "managing member" is now considered to be member managed and the former managing member is not entitled to compensation unless agreed upon in an operating agreement.
- Requires the unanimous vote of the members to amend the operating agreement or the articles of organization of a member-managed LLC.
- Allows a member of an LLC to dissociate at any time, rightfully or wrongfully, by withdrawing by "express will." If a member dissociates, the member loses the right to participate in the LLC's management. Additionally, the bill provides 14 new causes for dissociation of a member other than bankruptcy or insolvency of a member, which already exist in current law.
- Provides specifics procedures for service of process on an LLC, including the method of delivery and waiver of a right any to notice given by the bill or the articles of organization or the operating agreement of the LLC.
- Allows a member of an LLC to maintain a derivative action to enforce a right of the LLC when, within a reasonable time, an action is not instituted after a member or manager makes a demand. If the demand would be futile or irreparable injury would result to the LLC by waiting for the members or managers to bring the action, the bill authorizes the member to begin a derivative action.
- Permits interest exchanges in another business entity and allows non-U.S. entities to become LLCs in this state while continuing its existence in the foreign jurisdiction.

If approved by the Governor, these provisions take effect January 1, 2014.

Vote: Senate 37-0; House 117-0