

1
2 An act relating to business entities; amending
3 s. 607.0730, F.S.; removing 10-year limit on
4 voting trusts; creating holding company
5 formation by merger by certain corporations;
6 amending s. 608.407, F.S.; reducing minimum
7 number of members necessary to form a limited
8 liability company; creating ss. 607.1108,
9 607.1109, 607.11101, F.S.; providing for
10 mergers of domestic corporations and other
11 business entities under certain circumstances;
12 requiring a plan of merger; providing criteria;
13 providing for articles of merger; providing for
14 effect of merger; creating ss. 608.438,
15 608.4381, 608.4382, 608.4383, 608.4384, F.S.;
16 providing for mergers of limited liability
17 companies under certain circumstances;
18 requiring a plan of merger; providing criteria;
19 providing for action on a plan of merger;
20 providing procedures; providing for articles of
21 merger; providing for effect of merger;
22 providing for rights of dissenting members;
23 providing procedures; creating ss. 620.201,
24 620.202, 620.203, 620.204, 620.205, F.S.;
25 providing for mergers of domestic limited
26 partnerships under certain circumstances;
27 requiring a plan of merger; providing criteria;
28 providing for action on a plan of merger;
29 providing procedures; providing for articles of
30 merger; providing for effect of merger;
31 providing for rights of dissenting partners;

1 providing procedures; amending s. 220.02, F.S.;
2 revising legislative intent; providing
3 application; amending s. 220.02, F.S.;
4 providing legislative intent regarding taxation
5 of a "qualified subchapter S subsidiary";
6 amending s. 220.22, F.S.; requiring certain
7 returns by such subsidiaries; providing
8 retroactive application; amending s. 220.03,
9 F.S.; revising a definition; amending s.
10 220.13, F.S.; redefining the term "taxable
11 income" as applied to limited liability
12 companies to exclude income of certain limited
13 liability companies; amending s. 608.406, F.S.;
14 revising criteria for limited liability company
15 names; amending ss. 608.405 and 608.407, F.S.;
16 reducing minimum number of members necessary to
17 form a limited liability company; amending s.
18 608.471, F.S.; exempting certain limited
19 liability companies from the corporate income
20 tax; providing for classifying certain limited
21 liability companies or members or assignees of
22 a member of a limited liability company for
23 certain taxation purposes; repealing ss.
24 607.0122(2) and (3), 607.0402, 607.1506(2)(b),
25 608.4061, 617.0122(2) and (3), 617.0402,
26 617.1506(2)(a), 620.104, 620.182(7), and
27 620.784(2), F.S., relating to corporation and
28 partnership name reservation; conforming
29 statutory provisions to the elimination of the
30 name reservation program provided in the
31

1 1997-1998 General Appropriations Act; providing
2 an effective date.

3
4 Be It Enacted by the Legislature of the State of Florida:

5
6 Section 1. Subsections (2) and (3) of section
7 607.0730, Florida Statutes, are amended to read:

8 607.0730 Voting trusts.--

9 (2) A voting trust becomes effective on the date the
10 first shares subject to the trust are registered in the
11 trustee's name. ~~A voting trust is valid for not more than 10~~
12 ~~years after its effective date unless extended under~~
13 ~~subsection (3). The validity of any voting trust otherwise~~
14 ~~lawful shall not be affected during a period of 10 years from~~
15 ~~the date when it was created or last extended by the fact that~~
16 ~~under its terms it will or may last beyond the 10-year period.~~

17 ~~(3) All or some of the parties to a voting trust may~~
18 ~~extend it for additional terms of not more than 10 years each~~
19 ~~by signing an extension agreement and obtaining the voting~~
20 ~~trustee's written consent to the extension. An extension is~~
21 ~~valid for the period set forth therein, up to 10 years, from~~
22 ~~the date the first shareholder signs the extension agreement.~~
23 ~~The voting trustee must deliver copies of the extension~~
24 ~~agreement and list of beneficial owners to the corporation's~~
25 ~~principal office. An extension agreement binds only those~~
26 ~~parties signing it.~~

27 Section 2. Holding company formation by merger by
28 certain corporations.--

29 (1) This section applies only to a corporation that
30 has shares of any class or series which are either registered
31 on a national securities exchange or designated as a national

1 market system security on an interdealer quotation system by
2 the National Association of Securities Dealers, Inc., or held
3 of record by not fewer than 2,000 shareholders.

4 (2) As used in this section, the term:

5 (a) "Constituent corporation" means a corporation that
6 is a party to a merger governed by this section.

7 (b) "Holding company" means a corporation that, from
8 the date it first issued shares until consummation of a merger
9 governed by this section, was at all times a wholly owned
10 subsidiary of a constituent corporation, and whose shares are
11 issued in such merger.

12 (c) "Wholly owned subsidiary" means, as to a
13 corporation, any other corporation of which it owns, directly
14 or indirectly through one or more subsidiaries, all of the
15 issued and outstanding shares.

16 (3) Notwithstanding the requirements of section
17 607.1103, Florida Statutes, unless expressly required by its
18 articles of incorporation, no vote of shareholders of a
19 corporation is necessary to authorize a merger of the
20 corporation with or into a wholly owned subsidiary of such
21 corporation if:

22 (a) Such corporation and wholly owned subsidiary are
23 the only constituent corporations to the merger;

24 (b) Each share or fraction of a share of the
25 constituent corporation whose shares are being converted
26 pursuant to the merger into a share or equal fraction of share
27 of a holding company having the same designations, rights,
28 powers and preferences, and qualifications, limitations and
29 restrictions thereof as the share of the constituent
30 corporation being converted in the merger;

31

1 (c) The holding company and each of the constituent
2 corporations to the merger are domestic corporations;

3 (d) The articles of incorporation and by-laws of the
4 holding company immediately following the effective time of
5 the merger contain provisions identical to the articles of
6 incorporation and by-laws of the constituent corporation whose
7 shares are being converted pursuant to the merger immediately
8 prior to the effective time of the merger, except provisions
9 regarding the incorporators, the corporate name, the
10 registered office and agent, the initial board of directors,
11 the initial subscribers for shares and matters solely of
12 historical significance, and such provisions contained in any
13 amendment to the articles of incorporation as were necessary
14 to effect a change, exchange, reclassification, or
15 cancellation of shares, if such change, exchange,
16 reclassification, or cancellation has become effective;

17 (e) As a result of the merger, the constituent
18 corporation whose shares are being converted pursuant to the
19 merger or its successor corporation becomes or remains a
20 direct or indirect wholly-owned subsidiary of the holding
21 company;

22 (f) The directors of the constituent corporation
23 become or remain the directors of the holding company upon the
24 effective date of the merger;

25 (g) The articles of incorporation of the surviving
26 corporation immediately following the effective time of the
27 merger are identical to the articles of incorporation of the
28 constituent corporation whose shares are being converted
29 pursuant to the merger immediately prior to the effective time
30 of the merger, except provisions regarding the incorporators,
31 the corporate name, the registered office and agent, the

1 initial board of directors, the initial subscribers for shares
2 and matters solely of historical significance, and such
3 provisions contained in any amendment to the articles of
4 incorporation as were necessary to effect a change, exchange,
5 reclassification, or cancellation of shares, if such change,
6 exchange, reclassification, or cancellation has become
7 effective. The articles of incorporation of the surviving
8 corporation must be amended in the merger to contain a
9 provision requiring, by specific reference to this section,
10 that any act or transaction by or involving the surviving
11 corporation which requires for its adoption under this act or
12 its articles of incorporation the approval of the shareholders
13 of the surviving corporation also be approved by the
14 shareholders of the holding company, or any successor by
15 merger, by the same vote as is required by this act or the
16 articles of incorporation of the surviving corporation. The
17 articles of incorporation of the surviving corporation may be
18 amended in the merger to reduce the number of classes and
19 shares which the surviving corporation is authorized to issue;
20 (h) The board of directors of the constituent
21 corporation determines that the shareholders of the
22 constituent corporation will not recognize gain or loss for
23 United States federal income tax purposes; and
24 (i) The board of directors of such corporation adopts
25 a plan of merger that sets forth:
26 1. The names of the constituent corporations;
27 2. The manner and basis of converting the shares of
28 the corporation into shares of the holding company and the
29 manner and basis of converting rights to acquire shares of
30 such corporation into rights to acquire shares of the holding
31 company; and

1 3. A provision for the pro rata issuance of shares of
2 the holding company to the holders of shares of the
3 corporation upon surrender of any certificates therefor.

4 (4) From and after the effective time of a merger
5 adopted by a constituent corporation by action of its board of
6 directors and without any vote of shareholders pursuant to
7 this section:

8 (a) To the extent the restrictions of sections
9 607.0901 and 607.0902, Florida Statutes, applied to the
10 constituent corporation and its shareholders at the effective
11 time of the merger, such restrictions also apply to the
12 holding company and its shareholders immediately after the
13 effective time of the merger as though it were the constituent
14 corporation, and all shares of the holding company acquired in
15 the merger shall, for purposes of sections 607.0901 and
16 607.0902, Florida Statutes, be deemed to have been acquired at
17 the time that the shares of the constituent corporation
18 converted in the merger were acquired, and provided further
19 that any shareholder who immediately prior to the effective
20 time of the merger was not an interested shareholder within
21 the meaning of section 607.0901, Florida Statutes, shall not,
22 solely by reason of the merger, become an interested
23 shareholder of the holding company; and

24 (b) If the corporate name of the holding company
25 immediately following the effective time of the merger is the
26 same as the corporate name of the constituent corporation
27 immediately prior to the effective time of the merger, the
28 shares of the holding company into which the shares of the
29 constituent corporation are converted in the merger shall be
30 represented by the share certificates that previously
31 represented shares of the constituent corporation.

1 (5) If a plan of merger is adopted by a constituent
2 corporation by selection of its board of directors without any
3 vote of shareholders pursuant to this section, the secretary
4 or assistant secretary of the constituent corporation shall
5 certify in the articles of merger that the plan of merger has
6 been adopted pursuant to this section and that the conditions
7 specified in the first sentence of this section have been
8 satisfied. The articles of merger so certified shall then be
9 filed and become effective in accordance with section
10 607.1106, Florida Statutes.

11 Section 3. Subsection (2) of section 608.407, Florida
12 Statutes, is amended to read:

13 608.407 Articles of organization.--

14 (2) An affidavit declaring that the limited liability
15 company has at least one member ~~two members~~ and setting forth
16 the amount of the cash and a description and agreed value of
17 property other than cash contributed by the members and the
18 amount anticipated to be contributed by the members shall
19 accompany the articles of organization of a limited liability
20 company.

21 Section 4. Sections 607.1108, 607.1109, and 607.11101,
22 Florida Statutes, are created to read:

23 607.1108 Merger of domestic corporation and other
24 business entity.--

25 (1) As used in this section and ss. 607.1109 and
26 607.11101, the term "other business entity" means a limited
27 liability company, a foreign corporation, a not-for-profit
28 corporation, a business trust or association, a real estate
29 investment trust, a common law trust, an unincorporated
30 business, a general partnership, a limited partnership, or any
31 other entity that is formed pursuant to the requirements of

1 applicable law. Notwithstanding the provisions of chapter 617,
2 a domestic not-for-profit corporation acting under a plan of
3 merger approved pursuant to s. 617.1103 shall be governed by
4 the provisions of ss. 607.1108, 607.1109, and 607.11101.

5 (2) Pursuant to a plan of merger complying and
6 approved in accordance with this section, one or more domestic
7 corporations may merge with or into one or more other business
8 entities formed, organized, or incorporated under the laws of
9 this state or any other state, the United States, foreign
10 country, or other foreign jurisdiction, if:

11 (a) Each domestic corporation which is a party to the
12 merger complies with the applicable provisions of this
13 chapter.

14 (b) Each domestic partnership that is a party to the
15 merger complies with the applicable provisions of chapter 620.

16 (c) Each domestic limited liability company that is a
17 party to the merger complies with the applicable provisions of
18 chapter 608.

19 (d) The merger is permitted by the laws of the state,
20 country, or jurisdiction under which each other business
21 entity that is a party to the merger is formed, organized, or
22 incorporated and each such other business entity complies with
23 such laws in effecting the merger.

24 (3) The plan of merger shall set forth:

25 (a) The name of each domestic corporation and the name
26 and jurisdiction of formation, organization, or incorporation
27 of each other business entity planning to merge, and the name
28 of the surviving or resulting domestic corporation or other
29 business entity into which each other domestic corporation or
30 other business entity plans to merge, which is hereinafter and
31

1 in ss. 607.1109 and 607.11101 designated as the surviving
2 entity.

3 (b) The terms and conditions of the merger.

4 (c) The manner and basis of converting the shares of
5 each domestic corporation that is a party to the merger and
6 the partnership interests, interests, shares, obligations or
7 other securities of each other business entity that is a party
8 to the merger into partnership interests, interests, shares,
9 obligations or other securities of the surviving entity or any
10 other domestic corporation or other business entity or, in
11 whole or in part, into cash or other property, and the manner
12 and basis of converting rights to acquire the shares of each
13 domestic corporation that is a party to the merger and rights
14 to acquire partnership interests, interests, shares,
15 obligations or other securities of each other business entity
16 that is a party to the merger into rights to acquire
17 partnership interests, interests, shares, obligations or other
18 securities of the surviving entity or any other domestic
19 corporation or other business entity or, in whole or in part,
20 into cash or other property.

21 (d) If a partnership is to be the surviving entity,
22 the names and business addresses of the general partners of
23 the surviving entity.

24 (e) If a limited liability company is to be the
25 surviving entity and management thereof is vested in one or
26 more managers, the names and business addresses of such
27 managers.

28 (f) All statements required to be set forth in the
29 plan of merger by the laws under which each other business
30 entity that is a party to the merger is formed, organized, or
31 incorporated.

- 1 (4) The plan of merger may set forth:
- 2 (a) If a domestic corporation is to be the surviving
3 entity, any amendments to, or a restatement of, the articles
4 of incorporation of the surviving entity, and such amendments
5 or restatement shall be effective at the effective date of the
6 merger.
- 7 (b) The effective date of the merger, which may be on
8 or after the date of filing the certificate of merger.
- 9 (c) Any other provisions relating to the merger.
- 10 (5) The plan of merger required by subsection (3)
11 shall be adopted and approved by each domestic corporation
12 that is a party to the merger in the same manner as is
13 provided in s. 607.1103. Notwithstanding the foregoing, if the
14 surviving entity is a partnership, no shareholder of a
15 domestic corporation that is a party to the merger shall, as a
16 result of the merger, become a general partner of the
17 surviving entity, unless such shareholder specifically
18 consents in writing to becoming a general partner of the
19 surviving entity, and unless such written consent is obtained
20 from each such shareholder who, as a result of the merger,
21 would become a general partner of the surviving entity, such
22 merger shall not become effective under s. 607.11101. Any
23 shareholder providing such consent in writing shall be deemed
24 to have voted in favor of the plan of merger for purposes of
25 s. 607.1103.
- 26 (6) Sections 607.1103 and 607.1301-607.1320 shall,
27 insofar as they are applicable, apply to mergers of one or
28 more domestic corporations with or into one or more other
29 business entities.
- 30 (7) Notwithstanding any provision of this section or
31 ss. 607.1109 and 607.11101, any merger consisting solely of

1 the merger of one or more domestic corporations with or into
2 one or more foreign corporations shall be consummated solely
3 in accordance with the requirements of s. 607.1107.

4 607.1109 Articles of merger.--

5 (1) After a plan of merger is approved by each
6 domestic corporation and other business entity that is a party
7 to the merger, the surviving entity shall deliver to the
8 Department of State for filing articles of merger, which shall
9 be executed by each domestic corporation as required by s.
10 607.0120 and by each other business entity as required by
11 applicable law, and which shall set forth:

12 (a) The plan of merger.

13 (b) A statement that the plan of merger was approved
14 by each domestic corporation that is a party to the merger in
15 accordance with the applicable provisions of this chapter,
16 and, if applicable, a statement that the written consent of
17 each shareholder of such domestic corporation who, as a result
18 of the merger, becomes a general partner of the surviving
19 entity has been obtained pursuant to s. 607.1108(5).

20 (c) A statement that the plan of merger was approved
21 by each domestic partnership that is a party to the merger in
22 accordance with the applicable provisions of chapter 620.

23 (d) A statement that the plan of merger was approved
24 by each domestic limited liability company that is a party to
25 the merger in accordance with the applicable provisions of
26 chapter 608.

27 (e) A statement that the plan of merger was approved
28 by each other business entity that is a party to the merger,
29 other than domestic corporations, limited liability companies,
30 and partnerships formed, organized, or incorporated under the
31 laws of this state, in accordance with the applicable laws of

1 the state, country, or jurisdiction under which such other
2 business entity is formed, organized, or incorporated.

3 (f) The effective date of the merger, which may be on
4 or after the date of filing the articles of merger, provided,
5 if the articles of merger do not provide for an effective date
6 of the merger, the effective date shall be the date on which
7 the articles of merger are filed.

8 (g) If the surviving entity is another business entity
9 formed, organized, or incorporated under the laws of any
10 state, country, or jurisdiction other than this state:

11 1. The address, including street and number, if any,
12 of its principal office under the laws of the state, country,
13 or jurisdiction in which it was formed, organized, or
14 incorporated.

15 2. A statement that the surviving entity is deemed to
16 have appointed the Secretary of State as its agent for service
17 of process in a proceeding to enforce any obligation or the
18 rights of dissenting shareholders of each domestic corporation
19 that is a party to the merger.

20 3. A statement that the surviving entity has agreed to
21 promptly pay to the dissenting shareholders of each domestic
22 corporation that is a party to the merger the amount, if any,
23 to which they are entitled under s. 607.1302.

24 (2) A copy of the articles of merger, certified by the
25 Department of State, may be filed in the office of the
26 official who is the recording officer of each county in this
27 state in which real property of a party to the merger other
28 than the surviving entity is situated.

29 607.11101 Effect of merger of domestic corporation and
30 other business entity.--When a merger becomes effective:
31

1 (1) Every domestic corporation and other business
2 entity that is a party to the merger merges into the surviving
3 entity and the separate existence of every domestic
4 corporation and other business entity that is a party to the
5 merger except the surviving entity ceases.

6 (2) The title to all property other than real property
7 or any interest therein, owned by each domestic corporation
8 and other business entity that is a party to the merger is
9 vested in the surviving entity without reversion or
10 impairment. Title to real property or any interest therein
11 shall be conveyed by the recordation of a deed with payment of
12 applicable taxes thereon.

13 (3) The surviving entity shall thereafter be
14 responsible and liable for all the liabilities and obligations
15 of each domestic corporation and other business entity that is
16 a party to the merger, including liabilities arising out of
17 the rights of dissenters with respect to such merger under
18 applicable law.

19 (4) Any claim existing or action or proceeding pending
20 by or against any domestic corporation or other business
21 entity that is a party to the merger may be continued as if
22 the merger did not occur or the surviving entity may be
23 substituted in the proceeding for the domestic corporation or
24 other business entity which ceased existence.

25 (5) Neither the rights of creditors nor any liens upon
26 the property of any domestic corporation or other business
27 entity shall be impaired by such merger.

28 (6) If a domestic corporation is the surviving entity,
29 the articles of incorporation of such corporation in effect
30 immediately prior to the time the merger becomes effective
31 shall be the articles of incorporation of the surviving

1 entity, except as amended or restated to the extent provided
2 in the plan of merger.

3 (7) The shares, partnership interests, interests,
4 obligations, or other securities, and the rights to acquire
5 shares, partnership interests, interests, obligations, or
6 other securities, of each domestic corporation and other
7 business entity that is a party to the merger shall be
8 converted into shares, partnership interests, interests,
9 obligations, or other securities, or rights to such
10 securities, of the surviving entity or any other domestic
11 corporation or other business entity or, in whole or in part,
12 into cash or other property as provided in the plan of merger,
13 and the former holders of shares, partnership interests,
14 interests, obligations, or other securities, or rights to such
15 securities, shall be entitled only to the rights provided in
16 the plan of merger and to their rights as dissenters, if any,
17 under ss. 607.1301-607.1320, s. 608.4384, s. 620.205, or other
18 applicable law.

19 Section 5. Sections 608.438, 608.4381, 608.4382,
20 608.4383, and 608.4384, Florida Statutes, are created to read:

21 608.438 Merger of limited liability company.--

22 (1) As used in this section and ss. 608.4381-608.4384,
23 the term "other business entity" includes a corporation, a
24 business trust or association, a real estate investment trust,
25 a common law trust, an unincorporated business, a general
26 partnership, a limited partnership, a limited liability
27 company other than a limited liability company organized under
28 the laws of this chapter, or any other entity that is formed
29 pursuant to the requirements of applicable law.

30 (2) Unless otherwise provided in the articles of
31 organization or the regulations of a limited liability

1 company, pursuant to a plan of merger, a limited liability
2 company may merge with or into one or more limited liability
3 companies or other business entities formed, organized, or
4 incorporated under the laws of this state or any other state,
5 the United States, foreign country, or other foreign
6 jurisdiction, if:

7 (a) Each limited liability company that is a party to
8 the merger complies with the applicable provisions of this
9 chapter and complies with the terms of its articles of
10 organization and regulations.

11 (b) Each domestic partnership that is a party to the
12 merger complies with the applicable provisions of chapter 620.

13 (c) Each domestic corporation that is a party to the
14 merger complies with the applicable provisions of chapter 607.

15 (d) The merger is permitted by the laws of the state,
16 country, or jurisdiction under which each other business
17 entity that is a party to the merger is formed, organized, or
18 incorporated, and each such other business entity complies
19 with such laws in effecting the merger.

20 (3) The plan of merger shall set forth:

21 (a) The name of each limited liability company and the
22 name and jurisdiction of formation, organization, or
23 incorporation of each other business entity planning to merge,
24 and the name of the surviving or resulting limited liability
25 company or other business entity into which each other limited
26 liability company or other business entity plans to merge,
27 which is, in this section and in ss. 608.4381-608.4384,
28 designated as the surviving entity.

29 (b) The terms and conditions of the merger.

30 (c) The manner and basis of converting the interests
31 of the members of each limited liability company that is a

1 party to the merger and the interests, partnership interests,
2 shares, obligations, or other securities of each other
3 business entity that is a party to the merger into interests,
4 partnership interests, shares, obligations, or other
5 securities of the surviving entity or any other limited
6 liability company or other business entity or, in whole or in
7 part, into cash or other property, and the manner and basis of
8 converting rights to acquire interests of each limited
9 liability company that is a party to the merger and rights to
10 acquire interests, partnership interests, shares, obligations,
11 or other securities of each other business entity that is a
12 party to the merger into rights to acquire interests,
13 partnership interests, shares, obligations, or other
14 securities of the surviving entity or any other limited
15 liability company or other business entity or, in whole or in
16 part, into cash or other property.

17 (d) If a partnership is to be the surviving entity,
18 the names and business addresses of the general partners of
19 the surviving entity.

20 (e) If a limited liability company is to be the
21 surviving entity, and management thereof is vested in one or
22 more managers, the names and business addresses of such
23 managers.

24 (f) All statements required to be set forth in the
25 plan of merger by the laws under which each other business
26 entity that is a party to merger is formed, organized, or
27 incorporated.

28 (4) The plan of merger may set forth:

29 (a) If a limited liability company is to be the
30 surviving entity, any amendments to, or a restatement of, the
31 articles of organization or the regulations of the surviving

1 entity, and such amendments or restatement shall be effective
2 at the effective date of the merger.

3 (b) The effective date of the merger, which may be on
4 or after the date of filing the certificate of merger.

5 (c) A provision authorizing one or more of the limited
6 liability companies that are parties to the merger to abandon
7 the proposed merger pursuant to s. 608.4381(7).

8 (d) A statement of, or a statement of the method of
9 determining, the "fair value," as defined in s.

10 608.4384(1)(b), of an interest in any limited liability
11 company that is a party to the merger.

12 (e) Other provisions relating to the merger.

13 608.4381 Action on plan of merger.--

14 (1) Unless the articles of organization or the
15 regulations of a limited liability company require a
16 greater-than-majority vote, the plan of merger shall be
17 approved in writing by a majority of the managers of a limited
18 liability company that is a party to the merger in which
19 management is not reserved to its members. Unless the articles
20 of organization or the regulations of a limited liability
21 company require a greater-than-majority vote or provide for
22 another method of determining the voting rights of each of its
23 members, and whether or not management is reserved to its
24 members, the plan of merger shall be approved in writing by a
25 majority of the members of a limited liability company that is
26 a party to the merger, and, if applicable, the vote of each
27 member shall be weighted in accordance with s. 608.4231(1)(b),
28 provided, unless the articles of organization or the
29 regulations of the limited liability company require a
30 greater-than-majority vote or provide for another method of
31 determining the voting rights of each of its members, if there

1 is more than one class or group of members, the merger shall
2 be approved by a majority of the members of each such class or
3 group, and, if applicable, the vote of each member shall be
4 weighted in accordance with s. 608.4231(1)(b).

5 (2) In addition to the approval required by subsection
6 (1), if the surviving entity is a partnership, no member of a
7 limited liability company that is a party to the merger shall,
8 as a result of the merger, become a general partner of the
9 surviving entity unless such member specifically consents in
10 writing to becoming a general partner of the surviving entity
11 and unless such written consent is obtained from each such
12 member who, as a result of the merger, would become a general
13 partner of the surviving entity, such merger shall not become
14 effective under s. 608.4383. Any member providing such
15 consent in writing shall be deemed to have voted in favor of
16 the plan of merger for purposes of s. 608.4384.

17 (3) All members of each limited liability company that
18 is a party to the merger shall be given written notice of any
19 meeting or other action with respect to the approval of a plan
20 of merger as provided in subsection (4), not fewer than 30 or
21 more than 60 days before the date of the meeting at which the
22 plan of merger shall be submitted for approval by the members
23 of such limited liability company, provided, if the plan of
24 merger is submitted to the members of the limited liability
25 company for their written approval or other action without a
26 meeting, such notification shall be given to each member not
27 fewer than 30 or more than 60 days before the effective date
28 of the merger. Pursuant to s. 608.455, the notification
29 required by this subsection may be waived in writing by the
30 person or persons entitled to such notification.

31

1 (4) The notification required by subsection (3) shall
2 be in writing and shall include:

3 (a) The date, time, and place of the meeting, if any,
4 at which the plan of merger is to be submitted for approval by
5 the members of the limited liability company, or, if the plan
6 of merger is to be submitted for written approval or by other
7 action without a meeting, a statement to that effect.

8 (b) A copy or summary of the plan of merger.

9 (c) A clear and concise statement that, if the plan of
10 merger is effected, members dissenting therefrom may be
11 entitled, if they comply with the provisions of s. 608.4384
12 regarding the rights of dissenting members, to be paid the
13 fair value of their interests, which shall be accompanied by a
14 copy of s. 608.4384.

15 (d) A statement of, or a statement of the method of
16 determining, the "fair value," as defined in s.
17 608.4384(1)(b), of an interest in the limited liability
18 company, in the case of a limited liability company in which
19 management is not reserved to its members, as determined by
20 the managers of such limited liability company, which
21 statement may consist of a reference to the applicable
22 provisions of such limited liability company's articles of
23 organization or regulations that determine the fair value of
24 an interest in the limited liability company for such
25 purposes, and which shall constitute an offer by the limited
26 liability company to purchase at such fair value any interests
27 of a "dissenter," as defined in s. 608.4384(1)(a), unless and
28 until such dissenter's right to receive the fair value of his
29 interests in the limited liability company is terminated
30 pursuant to s. 608.4384(8).

31

1 (e) The date on which such notification was mailed or
2 delivered to the members.

3 (f) Any other information concerning the plan of
4 merger.

5 (5) The notification required by subsection (3) shall
6 be deemed to be given at the earliest date of:

7 (a) The date such notification is received;

8 (b) Five days after the date such notification is
9 deposited in the United States mail addressed to the member at
10 his address as it appears in the books and records of the
11 limited liability company, with postage thereon prepaid;

12 (c) The date shown on the return receipt, if sent by
13 registered or certified mail, return receipt requested, and
14 the receipt is signed by or on behalf of the addressee; or

15 (d) The date such notification is given in accordance
16 with the provisions of the articles of organization or the
17 regulations of the limited liability company.

18 (6) A plan of merger may provide for the manner, if
19 any, in which the plan of merger may be amended at any time
20 before the effective date of the merger, except after the
21 approval of the plan of merger by the members of a limited
22 liability company that is a party to the merger, the plan of
23 merger may not be amended to:

24 (a) Change the amount or kind of interests,
25 partnership interests, shares, obligations, other securities,
26 cash, rights, or any other property to be received by the
27 members of such limited liability company in exchange for or
28 on conversion of their interests;

29 (b) If the surviving entity is a limited liability
30 company, change any term of the articles of organization or
31 the regulations of the surviving entity, except for changes

1 that otherwise could be adopted without the approval of the
2 members of the surviving entity;

3 (c) If the surviving entity is not a limited liability
4 company, change any term of the articles of incorporation or
5 comparable governing document of the surviving entity, except
6 for changes that otherwise could be adopted by the board of
7 directors or comparable representatives of the surviving
8 entity; or

9 (d) Change any of the terms and conditions of the plan
10 of merger if any such change, alone or in the aggregate, would
11 materially and adversely affect the members, or any class or
12 group of members, of such limited liability company.

13
14 If an amendment to a plan of merger is made in accordance the
15 plan and articles of merger have been filed with the
16 Department of State, amended articles of merger executed by
17 each limited liability company and other business entity that
18 is a party to the merger shall be filed with the Department of
19 State prior to the effective date of the merger.

20 (7) Unless the limited liability company's articles of
21 organization or regulations or the plan of merger provide
22 otherwise, notwithstanding the prior approval of the plan of
23 merger by any limited liability company that is a party to the
24 merger in which management is not reserved to its members, and
25 at any time prior to the filing of articles of merger with the
26 Department of State, the planned merger may be abandoned,
27 subject to any contractual rights, by any such limited
28 liability company by the affirmative vote of a majority of its
29 managers without further action by its members, in accordance
30 with the procedure set forth in the plan of merger or if none

31

1 is set forth, in the manner determined by the managers of such
2 limited liability company.

3 608.4382 Articles of merger.--

4 (1) After a plan of merger is approved by each limited
5 liability company and other business entity that is a party to
6 the merger, the surviving entity shall deliver to the
7 Department of State for filing articles of merger, which shall
8 be executed by each limited liability company and by each
9 other business entity as required by applicable law, and which
10 shall set forth:

11 (a) The plan of merger.

12 (b) A statement that the plan of merger was approved
13 by each limited liability company that is a party to the
14 merger in accordance with the applicable provisions of this
15 chapter, and, if applicable, a statement that the written
16 consent of each member of such limited liability company who,
17 as a result of the merger, becomes a general partner of the
18 surviving entity has been obtained pursuant to s. 608.4381(2).

19 (c) A statement that the plan of merger was approved
20 by each domestic partnership that is a party to the merger in
21 accordance with the applicable provisions of chapter 620.

22 (d) A statement that the plan of merger was approved
23 by each domestic corporation that is a party to the merger in
24 accordance with the applicable provisions of chapter 607.

25 (e) A statement that the plan of merger was approved
26 by each other business entity that is a party to the merger,
27 other than limited liability companies, partnerships, and
28 corporations formed, organized, or incorporated under the laws
29 of this state, in accordance with the applicable laws of the
30 state, country, or jurisdiction under which such other
31 business entity is formed, organized, or incorporated.

1 (f) The effective date of the merger, which may be on
2 or after the date of filing the articles of merger, provided,
3 if the articles of merger do not provide for an effective date
4 of the merger, the effective date shall be the date on which
5 the articles of merger are filed.

6 (g) If the surviving entity is another business entity
7 formed, organized, or incorporated under the laws of any
8 state, country, or jurisdiction other than this state:

9 1. The address, including street and number, if any,
10 of its principal office under the laws of the state, country,
11 or jurisdiction in which it was formed, organized, or
12 incorporated.

13 2. A statement that the surviving entity is deemed to
14 have appointed the Secretary of State as its agent for service
15 of process in a proceeding to enforce any obligation or the
16 rights of dissenting members of each limited liability company
17 that is a party to the merger.

18 3. A statement that the surviving entity has agreed to
19 promptly pay to the dissenting members of each limited
20 liability company that is a party to the merger the amount, if
21 any, to which such dissenting members are entitled under s.
22 608.4384.

23 (2) A copy of the articles of merger, certified by the
24 Department of State, may be filed in the office of the
25 official who is the recording officer of each county in this
26 state in which real property of a party to the merger other
27 than the surviving entity is situated.

28 608.4383 Effect of merger.--When a merger becomes
29 effective:

30 (1) Every limited liability company and other business
31 entity that is a party to the merger merges into the surviving

1 entity and the separate existence of every limited liability
2 company and other business entity that is a party to the
3 merger, except the surviving entity, ceases.

4 (2) The title to all property other than real property
5 or any interest therein, owned by each domestic corporation
6 and other business entity that is a party to the merger is
7 vested in the surviving entity without reversion or
8 impairment. Title to real property or any interest therein
9 shall be conveyed by the recordation of a deed with payment of
10 applicable taxes thereon.

11 (3) The surviving entity shall thereafter be
12 responsible and liable for all the liabilities and obligations
13 of each limited liability company and other business entity
14 that is a party to the merger, including liabilities arising
15 out of the rights of dissenters with respect to such merger
16 under applicable law.

17 (4) Any claim existing or action or proceeding pending
18 by or against any limited liability company or other business
19 entity that is a party to the merger may be continued as if
20 the merger did not occur or the surviving entity may be
21 substituted in the proceeding for the limited liability
22 company or other business entity which ceased existence.

23 (5) Neither the rights of creditors nor any liens upon
24 the property of any limited liability company or other
25 business entity shall be impaired by such merger.

26 (6) If a limited liability company is the surviving
27 entity, the articles of organization and the regulations of
28 such limited liability company in effect immediately prior to
29 the time the merger becomes effective shall be the articles of
30 organization and the regulations of the surviving entity,
31

1 except as amended or restated to the extent provided in the
2 plan of merger.

3 (7) The interests, partnership interests, shares,
4 obligations, or other securities, and the rights to acquire
5 interests, partnership interests, shares, obligations, or
6 other securities, of each limited liability company and other
7 business entity that is a party to the merger shall be
8 converted into interests, partnership interests, shares,
9 obligations, or other securities, or rights to such
10 securities, of the surviving entity or any other limited
11 liability company or other business entity or, in whole or in
12 part, into cash or other property as provided in the plan of
13 merger, and the former holders of interests, partnership
14 interests, shares, obligations, or other securities, or rights
15 to such securities, shall be entitled only to the rights
16 provided in the plan of merger and to their rights as
17 dissenters, if any, under s. 608.4384, ss. 607.1301-607.1320,
18 s. 620.205, or other applicable law.

19 608.4384 Rights of dissenting members.--

20 (1) For purposes of this section, the term:

21 (a) "Dissenter" means a member of a limited liability
22 company who is a recordholder of the interests to which he
23 seeks relief as of the date fixed for the determination of
24 members entitled to notice of a plan of merger, who does not
25 vote such interests in favor of the plan of merger, and who
26 exercises the right to dissent from the plan of merger when
27 and in the manner required by this section.

28 (b) "Fair value," with respect to a dissenter's
29 interests, means the value of the interests in the limited
30 liability company that is a party to a plan of merger as of
31 the close of business of the day prior to the effective date

1 of the merger to which the dissenter objects, excluding any
2 appreciation or depreciation in anticipation of the merger,
3 unless such exclusion would be inequitable.

4 (2) Each member of a limited liability company that is
5 a party to a merger shall have the right to be paid the fair
6 value of his interests as a dissenter only as provided in this
7 section.

8 (3) Not later than 20 days after the date on which the
9 notification required by s. 608.4381(3) is given to the
10 members, or if such notification is waived in writing by the
11 dissenter, not later than 20 days after the date of such
12 written waiver, the dissenter shall deliver to the limited
13 liability company a written demand for payment to him of the
14 fair value of the interests as to which he seeks relief that
15 states his address, the number and class, if any, of those
16 interests, and, at the election of the dissenter, the amount
17 claimed by him as the fair value of the interests. The
18 statement of fair market value by the dissenter, if any, shall
19 constitute an offer by the dissenter to sell the interests to
20 the limited liability company at such amount. A dissenter may
21 dissent as to less than all the interests registered in his
22 name. In such event, the dissenter's rights shall be
23 determined as if the interests as to which he has dissented
24 and his remaining interests were registered in the names of
25 different members. If the interests as to which a dissenter
26 seeks relief are represented by certificates, the dissenter
27 shall deposit such certificates with the limited liability
28 company simultaneously with the delivery of the written demand
29 for payment. Upon receiving a demand for payment from a
30 dissenter who is a recordholder of uncertificated interests,
31 the limited liability company shall make an appropriate

1 notation of the demand for payment in its records. The limited
2 liability company may restrict the transfer of uncertificated
3 interests from the date the dissenter's written demand for
4 payment is delivered. A written demand for payment served on
5 the limited liability company in which the dissenter is a
6 member shall constitute service on the surviving entity.

7 (4) The written demand for payment required by
8 subsection (3) shall be deemed to be delivered to the limited
9 liability company at the earliest of:

10 (a) The date such written demand is received;

11 (b) Five days after the date such written demand is
12 deposited in the United States mail addressed to the principal
13 business office of the limited liability company, with postage
14 thereon prepaid;

15 (c) The date shown on the return receipt, if such
16 written demand is sent by registered or certified mail, return
17 receipt requested, and the receipt is signed by or on behalf
18 of the addressee; or

19 (d) The date such written demand is given in
20 accordance with the provisions of the limited liability
21 company's articles of organization or regulations.

22 (5) Unless the articles of organization or regulations
23 of the limited liability company in which the dissenter is a
24 member provides a basis or method for determining and paying
25 the fair value of the interests as to which the dissenter
26 seeks relief, or unless the limited liability company or the
27 surviving entity and the dissenter have agreed in writing as
28 to the fair value of the interests as to which the dissenter
29 seeks relief, the dissenter, the limited liability company, or
30 the surviving entity, within 90 days after the dissenter
31 delivers the written demand for payment to the limited

1 liability company, may file an action in any court of
2 competent jurisdiction in the county in this state where the
3 registered office of the limited liability company is located
4 or was located when the plan of merger was approved by its
5 members, or in the county in this state in which the principal
6 office of the limited liability company that issued the
7 interests is located or was located when the plan of merger
8 was approved by its partners, requesting that the fair value
9 of the dissenter's interests be determined. The court shall
10 also determine whether each dissenter that is a party to such
11 proceeding, as to whom the limited liability company or the
12 surviving entity requests the court to make such
13 determination, is entitled to receive payment of the fair
14 value for his interests. Other dissenters, within the 90-day
15 period after a dissenter delivers a written demand to the
16 limited liability company, may join such proceeding as
17 plaintiffs or may be joined in any such proceeding as
18 defendants, and any two or more such proceedings may be
19 consolidated. If the limited liability company or surviving
20 entity commences such a proceeding, all dissenters, whether or
21 not residents of this state, other than dissenters who have
22 agreed in writing with the limited liability company or the
23 surviving entity as to the fair value of the interests as to
24 which such dissenters seek relief, shall be made parties to
25 such action as an action against their interests. The limited
26 liability company or the surviving entity shall serve a copy
27 of the initial pleading in such proceeding upon each dissenter
28 who is a party to such proceeding and who is a resident of
29 this state in the manner provided by law for the service of a
30 summons and complaint and upon each such dissenter who is not
31 a resident of this state either by registered or certified

1 mail and publication or in such matter as is permitted by law.
2 The jurisdiction of the court in such a proceeding shall be
3 plenary and exclusive. All dissenters who are proper parties
4 to the proceeding are entitled to judgment against the limited
5 liability company or the surviving entity for the amount of
6 the fair value of their interests as to which payment is
7 sought hereunder. The court may, if it so elects, appoint one
8 or more persons as appraisers to receive evidence and
9 recommend a decision on the question of fair value. The
10 appraisers shall have such power and authority as is specified
11 in the order of their appointment or an amendment thereof.
12 The limited liability company shall pay each dissenter the
13 amount found to be due him within 10 days after final
14 determination of the proceedings. Upon payment of the
15 judgment, the dissenter shall cease to have any interest in
16 the interests as to which payment is sought hereunder.

17 (6) The judgment may, at the discretion of the court,
18 include a fair rate of interest, to be determined by the
19 court.

20 (7) The costs and expenses of any such proceeding
21 shall be determined by the court and shall be assessed against
22 the limited liability company or the surviving entity, but all
23 or any part of such costs and expenses may be apportioned and
24 assessed as the court deems equitable against any or all of
25 the dissenters who are parties to the proceeding, to whom the
26 limited liability company or the surviving entity has made an
27 offer to pay for the interests, if the court finds that the
28 action of such dissenters in failing to accept such offer was
29 arbitrary, vexatious or not in good faith. Such expenses shall
30 include reasonable compensation for, and reasonable expenses
31 of, the appraisers, but shall exclude the fees and expenses of

1 counsel for, and experts employed by, any party. If the fair
2 value of the interests, as determined, materially exceeds the
3 amount which the limited liability company or the surviving
4 entity offered to pay therefor, the court in its discretion
5 may award to any dissenter who is a party to the proceeding
6 such amount as the court determines to be reasonable
7 compensation to any attorney or expert employed by the
8 dissenter in the proceeding.

9 (8) The right of a dissenter to receive fair value for
10 and the obligation to sell such interests as to which he seeks
11 relief, and the right of the limited liability company or the
12 surviving entity to purchase such interests and the obligation
13 to pay the fair value of such interests, shall terminate if:

14 (a) The dissenter has not complied with this section,
15 unless the limited liability company or the surviving entity
16 waives, in writing, such noncompliance;

17 (b) The limited liability company abandons the merger
18 or is finally enjoined or prevented from carrying it out, or
19 the members rescind their adoption or approval of the merger;

20 (c) The dissenter withdraws his demand, with the
21 consent of the limited liability company or the surviving
22 entity; or

23 (d)1. The articles of organization or the regulations
24 of the limited liability company in which the dissenter was a
25 member does not provide a basis or method for determining and
26 paying the dissenter the fair value of his interests.

27 2. The limited liability company or the surviving
28 entity and the dissenter have not agreed upon the fair value
29 of the dissenter's interests.

30 3. Neither the dissenter, the limited liability
31 company, nor the surviving entity has filed or is joined in a

1 complaint under subsection (5) within the 90-day period
2 provided in subsection (5).

3 (9) Unless otherwise provided in the articles of
4 organization or the regulations of the limited liability
5 company in which the dissenter was a member, after the date
6 the dissenter delivers the written demand for payment in
7 accordance with subsection (3) until either the termination of
8 the rights and obligations arising under subsection (3) or the
9 purchase of the dissenter's interests by the limited liability
10 company or the surviving entity, the dissenter shall be
11 entitled only to payment as provided in this section and shall
12 not be entitled to any other rights accruing from such
13 interests, including voting or distribution rights. If the
14 right to receive fair value is terminated other than by the
15 purchase of the dissenter's interests by the limited liability
16 company or the surviving entity, all rights of the dissenter
17 as a member of the limited liability company shall be
18 reinstated effective as of the date the dissenter delivered
19 the written demand for payment, including the right to receive
20 any intervening payment or other distribution with respect to
21 the dissenter's interests in the limited liability company,
22 or, if any such rights have expired or any such distribution
23 other than a cash payment has been completed, in lieu thereof
24 at the election of the surviving entity, the fair value
25 thereof in cash as determined by the surviving entity as of
26 the time of such expiration or completion, but without
27 prejudice otherwise to any action or proceeding of the limited
28 liability company that may have been taken by the limited
29 liability company on or after the date the dissenter delivered
30 the written demand for payment.

31

1 (10) A member who is entitled under this section to
2 demand payment for his interests shall not have any right at
3 law or in equity to challenge the validity of any merger that
4 creates his entitlement to demand payment hereunder, or to
5 have the merger set aside or rescinded, except with respect to
6 compliance with the provisions of the limited liability
7 company's articles of organization or regulations or if the
8 merger is unlawful or fraudulent with respect to such member.

9 (11) Unless otherwise provided in the articles of
10 organization or the regulations of the limited liability
11 company in which the dissenter was a member, this section does
12 not apply with respect to a plan of merger if, as of the date
13 fixed for the determination of members entitled to notice of a
14 plan of merger:

15 (a) The interests of the limited liability company
16 were held of record by not fewer than 500 members; or

17 (b) The interests were registered on a national
18 securities exchange or quoted on the National Association of
19 Securities Dealers Automated Quotation System.

20 Section 6. Sections 620.201, 620.202, 620.203,
21 620.204, and 620.205, Florida Statutes, are created to read:

22 620.201 Merger of domestic limited partnership.

23 (1) As used in this section and ss. 620.202-620.205,
24 the term "other business entity" includes a corporation, a
25 limited liability company, a business trust or association, a
26 real estate investment trust, a common law trust, an
27 unincorporated business, a general partnership or a limited
28 partnership but excluding a domestic limited partnership, or
29 any other entity that is formed pursuant to the requirements
30 of applicable law.

31

1 (2) Unless otherwise provided in the partnership
2 agreement of a domestic limited partnership, pursuant to a
3 plan of merger, a domestic limited partnership may merge with
4 or into one or more domestic limited partnerships or other
5 business entities formed, organized, or incorporated under the
6 laws of this state or any other state, the United States,
7 foreign country, or other foreign jurisdiction, if:

8 (a) Each domestic partnership that is a party to the
9 merger complies with the applicable provisions of this chapter
10 and complies with the terms of its partnership agreement.

11 (b) Each domestic limited liability company that is a
12 party to the merger complies with the applicable provisions of
13 chapter 608.

14 (c) Each domestic corporation that is a party to the
15 merger complies with the applicable provisions of chapter 607.

16 (d) The merger is permitted by the laws of the state,
17 country, or jurisdiction under which each other business
18 entity that is a party to the merger is formed, organized, or
19 incorporated, and each such other business entity complies
20 with such laws in effecting the merger.

21 (3) The plan of merger shall set forth:

22 (a) The name of each domestic limited partnership and
23 the name and jurisdiction of formation, organization, or
24 incorporation of each other business entity planning to merge,
25 and the name of the surviving or resulting domestic limited
26 partnership or other business entity into which each other
27 domestic limited partnership or other business entity plans to
28 merge, which is hereinafter and in ss. 620.202-620.205
29 designated as the surviving entity.

30 (b) The terms and conditions of the merger.

31

1 (c) The manner and basis of converting the partnership
2 interests of each domestic limited partnership that is a party
3 to the merger and the partnership interests, interests,
4 shares, obligations, or other securities of each other
5 business entity that is a party to the merger into partnership
6 interests, interests, shares, obligations, or other securities
7 of the surviving entity or any other domestic limited
8 partnership or other business entity or, in whole or in part,
9 into cash or other property, and the manner and basis of
10 converting rights to acquire the partnership interests of each
11 domestic limited partnership that is a party to the merger and
12 rights to acquire partnership interests, interests, shares,
13 obligations, or other securities of each other business entity
14 that is a party to the merger into rights to acquire
15 partnership interests, interests, shares, obligations, or
16 other securities of the surviving entity or any other domestic
17 limited partnership or other business entity or, in whole or
18 in part, into cash or other property.

19 (d) If a partnership is to be the surviving entity,
20 the names and business addresses of the general partners of
21 the surviving entity.

22 (e) If a limited liability company is to be the
23 surviving entity, and management thereof is vested in one or
24 more managers, the names and business addresses of such
25 managers.

26 (f) All statements required to be set forth in the
27 plan of merger by the laws under which each other business
28 entity that is a party to merger is formed, organized, or
29 incorporated.

30 (4) The plan of merger may set forth:
31

1 (a) If a domestic limited partnership is to be the
2 surviving entity, any amendments to, or a restatement of, the
3 certificate of limited partnership or partnership agreement of
4 the surviving entity, and such amendments or restatement shall
5 be effective on the effective date of the merger.

6 (b) The effective date of the merger, which may be on
7 or after the date of filing the certificate of merger.

8 (c) A provision authorizing one or more of the
9 domestic limited partnerships that are parties to the merger
10 to abandon the proposed merger pursuant to s. 620.202(7).

11 (d) A statement of, or a statement of the method of
12 determining, the "fair value," as defined in s. 620.205(1)(b),
13 of a partnership interest in any domestic limited partnership
14 that is a party to the merger.

15 (e) Any other provisions relating to the merger.

16 620.202 Action on plan of merger.--

17 (1) Unless otherwise provided in the partnership
18 agreement of a domestic limited partnership, the plan of
19 merger shall be approved in writing by all of the general
20 partners of a domestic limited partnership that is a party to
21 the merger. Unless the partnership agreement of a domestic
22 limited partnership requires a greater vote, the plan of
23 merger shall also be approved in writing by those limited
24 partners who own more than a majority of the then current
25 percentage or other interests in the profits of the domestic
26 limited partnership owned by all of the limited partners,
27 provided, unless the partnership agreement of the domestic
28 limited partnership requires a greater vote, if there is more
29 than one class or group of limited partners, the plan of
30 merger shall be approved by those limited partners who own
31 more than a majority of the then current percentage or other

1 interests in the profits of the domestic limited partnership
2 owned by the limited partners in each class or group.

3 (2) In addition to the approval required by subsection
4 (1):

5 (a) If a domestic limited partnership is to be the
6 surviving entity, no person shall, as a result of the merger,
7 continue to be or become a general partner of the surviving
8 entity, unless such person specifically consents in writing to
9 continuing to be or to becoming, as the case may be, a general
10 partner of the surviving entity, and unless such written
11 consent is obtained from each such person who, as a result of
12 the merger, would become a general partner of the surviving
13 entity, such merger shall not become effective under s.
14 620.204.

15 (b) If a partnership other than a domestic limited
16 partnership is to be the surviving entity, no partner of a
17 domestic limited partnership that is a party to the merger
18 shall, as a result of the merger, become a general partner of
19 the surviving entity unless such partner specifically consents
20 in writing to becoming a general partner of the surviving
21 entity, and unless such written consent is obtained from each
22 person who, as a result of the merger, would become a general
23 partner of the surviving entity, such merger shall not become
24 effective under s. 620.204. Any person providing such consent
25 in writing shall be deemed to have voted in favor of the plan
26 of merger for purposes of s. 620.205.

27 (3) All partners of each domestic limited partnership
28 that is a party to the merger shall be given written notice of
29 any meeting or other action with respect to the approval of a
30 plan of merger as provided in subsection (4), not fewer than
31 30 or more than 60 days before the date of the meeting at

1 which the plan of merger shall be submitted for approval by
2 the partners of such limited partnership. However, if the
3 plan of merger is submitted to the partners of the limited
4 partnership for their written approval or other action without
5 a meeting, such notification shall be given to each partner
6 not fewer than 30 or more than 60 days before the effective
7 date of the merger. Notwithstanding the foregoing, the
8 notification required by this subsection may be waived in
9 writing by the person or persons entitled to such
10 notification.

11 (4) The notification required by subsection (3) shall
12 be in writing and shall include:

13 (a) The date, time, and place of the meeting, if any,
14 at which the plan of merger shall be submitted for approval by
15 the partners of the domestic limited partnership, or, if the
16 plan of merger will be submitted for written approval or by
17 other action without a meeting, a statement to that effect.

18 (b) A copy or summary of the plan of merger.

19 (c) A clear and concise statement that, if the plan of
20 merger is effected, partners dissenting therefrom may be
21 entitled, if they comply with the provisions of s. 620.205
22 regarding the rights of dissenting partners, to be paid the
23 fair value of their partnership interests, which shall be
24 accompanied by a copy of s. 620.205.

25 (d) A statement of, or a statement of the method of
26 determining, the "fair value," as defined in s. 620.205(1)(b),
27 of an interest in the limited partnership as determined by the
28 general partners of the limited partnership, which statement
29 may consist of a reference to the applicable provisions of
30 such limited partnership's partnership agreement that
31 determine the fair value of an interest in the limited

1 partnership for these purposes, and which shall constitute an
2 offer by the limited partnership to purchase at such fair
3 value any partnership interests of a "dissenter," as defined
4 in s. 620.205(1)(a), unless and until such a dissenter's right
5 to receive the fair value of his interests in the limited
6 partnership are is terminated pursuant to s. 620.205(8).

7 (e) The date on which such notification was mailed or
8 delivered to the partners.

9 (f) Any other information concerning the plan of
10 merger.

11 (5) The notification required by subsection (3) shall
12 be deemed to be given at the earliest of:

13 (a) The date such notification is received;

14 (b) Five days after the date such notification is
15 deposited in the United States mail addressed to the partner
16 at his address as it appears in the books and records of the
17 limited partnership, with postage thereon prepaid;

18 (c) The date shown on the return receipt, if sent by
19 registered or certified mail, return receipt requested, and
20 the receipt is signed by or on behalf of the addressee; or

21 (d) The date such notification is given in accordance
22 with the provisions of the limited partnership's partnership
23 agreement.

24 (6) A plan of merger may provide for the manner, if
25 any, in which the plan of merger may be amended at any time
26 before the effective date of the merger, except, after the
27 approval of the plan of merger by the limited partners of a
28 domestic limited partnership that is a party to the merger,
29 the general partners of such domestic limited partnership
30 shall not be authorized to amend the plan of merger to:

31

1 (a) Change the amount or kind of partnership
2 interests, interests, shares, obligations, other securities,
3 cash, rights, or any other property to be received by the
4 limited partners of such domestic limited partnership in
5 exchange for or on conversion of their partnership interests;

6 (b) If the surviving entity is a partnership, change
7 any term of the partnership agreement of the surviving entity,
8 except for changes that otherwise could be adopted by the
9 general partners of the surviving entity;

10 (c) If the surviving entity is not a partnership,
11 change any term of the articles of incorporation or comparable
12 governing document of the surviving entity, except for changes
13 that otherwise could be adopted by the board of directors or
14 comparable representatives of the surviving entity; or

15 (d) Change any of the terms and conditions of the plan
16 of merger if any such change, alone or in the aggregate, would
17 materially and adversely affect the limited partners, or any
18 class or group of limited partners, of such domestic limited
19 partnership.

20
21 If an amendment to a plan of merger is made in accordance with
22 such plan and articles of merger have been filed with the
23 Department of State, amended articles of merger executed by
24 the general partners of each domestic limited partnership and
25 other business entity that is a party to the merger shall be
26 filed with the Department of State prior to the effective date
27 of the merger.

28 (7) Unless the domestic limited partnership's
29 partnership agreement or the plan of merger provides
30 otherwise, notwithstanding the prior approval of the plan of
31 merger by any domestic limited partnership that is a party to

1 the merger and at any time prior to the filing of articles of
2 merger with the Department of State, the planned merger may be
3 abandoned, subject to any contractual rights, by any such
4 domestic limited partnership by the affirmative vote of all of
5 its general partners, without further action by its limited
6 partners, in accordance with the procedure set forth in the
7 plan of merger or if none is set forth, in the manner
8 determined by the general partners of such domestic limited
9 partnership.

10 620.203 Articles of merger.--

11 (1) After a plan of merger is approved by each
12 domestic limited partnership and other business entity that is
13 a party to the merger, the surviving entity shall deliver
14 articles of merger to the Department of State for filing,
15 which articles shall be executed by the general partners of
16 each domestic limited partnership and by each other business
17 entity as required by applicable law, and which shall set
18 forth:

19 (a) The plan of merger.

20 (b) A statement that the plan of merger was approved
21 by each domestic partnership that is a party to the merger in
22 accordance with the applicable provisions of this chapter,
23 and, if applicable, a statement that the written consent of
24 each person who, as a result of the merger, becomes a general
25 partner of the surviving entity has been obtained pursuant to
26 s. 620.202(2).

27 (c) A statement that the plan of merger was approved
28 by each domestic corporation that is a party to the merger in
29 accordance with the applicable provisions of chapter 607.

30 (d) A statement that the plan of merger was approved
31 by each domestic limited liability company that is a party to

1 the merger in accordance with the applicable provisions of
2 chapter 608.

3 (e) A statement that the plan of merger was approved
4 by each other business entity that is a party to the merger,
5 other than partnerships, limited liability companies, and
6 corporations formed, organized, or incorporated under the laws
7 of this state, in accordance with the applicable laws of the
8 state, country, or jurisdiction under which such other
9 business entity is formed, organized, or incorporated.

10 (f) The effective date of the merger, which may be on
11 or after the date of filing the articles of merger, provided,
12 if the articles of merger do not provide for an effective date
13 of the merger, the effective date shall be the date on which
14 the articles of merger are filed.

15 (g) If the surviving entity is another business entity
16 formed, organized, or incorporated under the laws of any
17 state, country, or jurisdiction other than this state:

18 1. The address, including street and number, if any,
19 of its principal office under the laws of the state, country,
20 or jurisdiction in which it was formed, organized or
21 incorporated.

22 2. A statement that the surviving entity is deemed to
23 have appointed the Secretary of State as its agent for service
24 of process in a proceeding to enforce any obligation or the
25 rights of dissenting partners of each domestic limited
26 partnership that is a party to the merger.

27 3. A statement that the surviving entity has agreed to
28 promptly pay to the dissenting partners of each domestic
29 limited partnership that is a party to the merger the amount,
30 if any, to which they are entitled under s. 620.205.

31

1 (2) A copy of the articles of merger, certified by the
2 Department of State, may be filed in the office of the
3 official who is the recording officer of each county in this
4 state in which real property of a party to the merger other
5 than the surviving entity is situated.

6 (3) Articles of merger shall act as a certificate of
7 cancellation for purposes of s. 620.113 for a domestic limited
8 partnership that is a party to the merger that is not the
9 surviving entity and such partnership's certificate of limited
10 partnership shall be canceled upon the effective date of the
11 merger.

12 620.204 Effect of merger.--

13 (1) When a merger becomes effective:

14 (a) Every domestic limited partnership and other
15 business entity that is a party to the merger merges into the
16 surviving entity and the separate existence of every domestic
17 limited partnership and other business entity that is a party
18 to the merger except the surviving entity ceases.

19 (b) The title to all property other than real property
20 or any interest therein, owned by each domestic corporation
21 and other business entity that is a party to the merger is
22 vested in the surviving entity without reversion or
23 impairment. Title to real property or any interest therein
24 shall be conveyed by the recordation of a deed with payment of
25 applicable taxes thereon.

26 (c) The surviving entity shall thereafter be
27 responsible and liable for all the liabilities and obligations
28 of each domestic limited partnership and other business entity
29 that is a party to the merger, including liabilities arising
30 out of the rights of dissenters with respect to such merger
31 under applicable law.

1 (d) Any claim existing or action or proceeding pending
2 by or against any domestic limited partnership or other
3 business entity that is a party to the merger may be continued
4 as if the merger did not occur or the surviving entity may be
5 substituted in the proceeding for the domestic limited
6 partnership or other business entity which ceased existence.

7 (e) Neither the rights of creditors nor any liens upon
8 the property of any domestic limited partnership or other
9 business entity shall be impaired by such merger.

10 (f) If a general partner of a partnership formed or
11 organized under the laws of this state or any other state,
12 country, or jurisdiction that is a party to the merger is not
13 a general partner of the surviving entity, the former general
14 partner shall have no liability for obligations arising out of
15 the rights of dissenters with respect to such merger under
16 applicable law or for any obligation incurred after the
17 effective date of the merger, except to the extent that a
18 former creditor of the partnership in which the former general
19 partner was a general partner extends credit to the surviving
20 entity reasonably believing that the former general partner
21 continued as a general partner of the surviving entity.

22 (g) If a domestic limited partnership is the surviving
23 entity, the certificate of limited partnership and partnership
24 agreement of such partnership in effect immediately prior to
25 the time the merger becomes effective shall be the certificate
26 of limited partnership and partnership agreement of the
27 surviving entity, except as amended or restated to the extent
28 provided in the plan of merger.

29 (h) The partnership interests, interests, shares,
30 obligations, or other securities, and the rights to acquire
31 partnership interests, membership interests, shares,

1 obligations, or other securities, of each domestic limited
2 partnership and other business entity that is a party to the
3 merger shall be converted into partnership interests,
4 interests, shares, obligations, or other securities, or rights
5 to such securities, of the surviving entity or any other
6 domestic limited partnership or other business entity or, in
7 whole or in part, into cash or other property as provided in
8 the plan of merger, and the former holders of partnership
9 interests, interests, shares, obligations, or other
10 securities, or rights to such securities, shall be entitled
11 only to the rights provided in the plan of merger and to their
12 rights as dissenters, if any, under s. 620.205, ss.
13 607.1301-607.1320, s. 608.4384, or other applicable law.

14 (2) Unless otherwise provided in the plan of merger, a
15 merger of a domestic limited partnership, including a domestic
16 limited partnership that is not the surviving entity, shall
17 not require such domestic limited partnership to wind up its
18 affairs under s. 620.159 or pay its liabilities and distribute
19 its assets under s. 620.162.

20 620.205 Rights of dissenting partners.--

21 (1) For purposes of this section, the term:

22 (a) "Dissenter" means a partner of a domestic limited
23 partnership who is a recordholder of the partnership interests
24 to which he seeks relief as of the date fixed for the
25 determination of partners entitled to notice of a plan of
26 merger, who does not vote such interests in favor of the plan
27 of merger, and who exercises the right to dissent from the
28 plan of merger when and in the manner required by this
29 section.

30 (b) "Fair value," with respect to a dissenter's
31 partnership interests, means the value of the partnership

1 interests in the domestic limited partnership that is a party
2 to a plan of merger as of the close of business of the day
3 prior to the effective date of the merger to which the
4 dissenter objects, excluding any appreciation or depreciation
5 in anticipation of the merger, unless such exclusion would be
6 inequitable.

7 (2) Each partner of a domestic limited partnership
8 that is a party to a merger shall have the right to be paid
9 the fair value of his partnership interests as a dissenter as
10 provided in this section.

11 (3) Not later than 20 days after the date on which the
12 notification required by s. 620.202(3) is given to the
13 partners, or if such notification was waived in writing by the
14 dissenter, not later than 20 days after the date of such
15 written waiver, the dissenter shall deliver to the limited
16 partnership a written demand for payment to him of the fair
17 value of the interests as to which he seeks relief that states
18 his address, the number and class, if any, of those interests,
19 and, at the election of the dissenter, the amount claimed by
20 him as the fair value of the interests. The statement of fair
21 market value by the dissenter, if any, shall constitute an
22 offer by the dissenter to sell the partnership interests to
23 the limited partnership for such amount. A dissenter may
24 dissent as to less than all the partnership interests
25 registered in his name. In such event, the dissenter's rights
26 shall be determined as if the partnership interests as to
27 which he has dissented and his remaining partnership interests
28 were registered in the names of different partners. If the
29 interests as to which a dissenter seeks relief are represented
30 by certificates, the dissenter shall deposit such certificates
31 with the limited partnership simultaneously with the delivery

1 of the written demand for payment. Upon receiving a demand
2 for payment from a dissenter who is a record holder of
3 uncertificated interests, the limited partnership shall make
4 an appropriate notation of the demand for payment in its
5 records. The limited partnership may restrict the transfer of
6 uncertificated interests from the date the dissenter's written
7 demand for payment is delivered. A written demand for payment
8 served on the domestic limited partnership in which the
9 dissenter is a partner shall constitute service on the
10 surviving entity.

11 (4) The written demand for payment required by
12 subsection (3) shall be deemed to be delivered to the limited
13 partnership at the earliest of:

14 (a) The date such written demand is received;

15 (b) Five days after the date such written demand is
16 deposited in the United States mail addressed to the principal
17 business office of the limited partnership, with postage
18 thereon prepaid;

19 (c) The date shown on the return receipt, if such
20 written demand is sent by registered or certified mail, return
21 receipt requested, and the receipt is signed by or on behalf
22 of the addressee; or

23 (d) The date such written demand is given in
24 accordance with the provisions of the limited partnership's
25 partnership agreement.

26 (5) Unless the partnership agreement of the limited
27 partnership in which the dissenter is a partner provides a
28 basis or method for determining and paying the fair value of
29 the interests as to which the dissenter seeks relief, or
30 unless the limited partnership or the surviving entity and the
31 dissenter have agreed in writing as to the fair value of the

1 interests as to which the dissenter seeks relief, the
2 dissenter, the limited partnership, or the surviving entity,
3 within 90 days after the dissenter delivers the written demand
4 for payment to the limited partnership, may file an action in
5 any court of competent jurisdiction in the county in this
6 state where the registered office of the limited partnership
7 is located or was located when the plan of merger was approved
8 by its partners, or in the county in this state in which the
9 principal office of the limited partnership that issued the
10 partnership interests is located or was located when the plan
11 of merger was approved by its partners, requesting a
12 determination of the fair value of the dissenter's partnership
13 interests. The court shall also determine whether each
14 dissenter that is a party to such proceeding, as to whom the
15 limited partnership or the surviving entity requests the court
16 to make such determination, is entitled to receive payment of
17 the fair value for his partnership interests. Other
18 dissenters, within the 90-day period after a dissenter
19 delivers a written demand to the partnership, may join such
20 proceeding as plaintiffs or may be joined in any such
21 proceeding as defendants, and any two or more such proceedings
22 may be consolidated. If the limited partnership or surviving
23 entity commences such a proceeding, all dissenters, whether or
24 not residents of this state, other than dissenters who have
25 agreed in writing with the limited partnership or the
26 surviving entity as to the fair value of the partnership
27 interests as to which such dissenters seek relief, shall be
28 made parties to such action as an action against their
29 partnership interests. The limited partnership or the
30 surviving entity shall serve a copy of the initial pleading in
31 such proceeding upon each dissenter who is a party to such

1 proceeding and who is a resident of this state in the manner
2 provided by law for the service of a summons and complaint and
3 upon each such dissenter who is not a resident of this state
4 either by registered or certified mail and publication or in
5 such manner as is permitted by law. The jurisdiction of the
6 court in such a proceeding shall be plenary and exclusive.
7 All dissenters who are proper parties to the proceeding are
8 entitled to judgment against the limited partnership or the
9 surviving entity for the amount of the fair value of their
10 partnership interests as to which payment is sought hereunder.
11 The court may, if it so elects, appoint one or more persons as
12 appraisers to receive evidence and recommend a decision on the
13 question of fair value. The appraisers shall have such power
14 and authority as is specified in the order of their
15 appointment or an amendment thereof. The limited partnership
16 shall pay each dissenter the amount found to be due him within
17 10 days after final determination of the proceedings. Upon
18 payment of the judgment, the dissenter shall cease to have any
19 interest in the partnership interests as to which payment is
20 sought hereunder.

21 (6) The judgment may, at the discretion of the court,
22 include a fair rate of interest, to be determined by the
23 court.

24 (7) The costs and expenses of any such proceeding
25 shall be determined by the court and shall be assessed against
26 the limited partnership or the surviving entity. However, all
27 or any part of such costs and expenses may be apportioned and
28 assessed as the court deems equitable against any or all of
29 the dissenters who are parties to the proceeding, to whom the
30 limited partnership or the surviving entity has made an offer
31 to pay for the partnership interests, if the court finds that

1 the action of such dissenters in failing to accept such offer
2 was arbitrary, vexatious, or not in good faith. Such expenses
3 shall include reasonable compensation for, and reasonable
4 expenses of, the appraisers, but shall exclude the fees and
5 expenses of counsel for, and experts employed by, any party.
6 If the fair value of the partnership interests, as determined,
7 materially exceeds the amount which the limited partnership or
8 the surviving entity offered to pay therefor, the court in its
9 discretion may award to any dissenter who is a party to the
10 proceeding such amount as the court determines to be
11 reasonable compensation to any attorney or expert employed by
12 the dissenter in the proceeding.

13 (8) The right of a dissenter to receive fair value for
14 and the obligation to sell such partnership interests as to
15 which he seeks relief and the right of the domestic limited
16 partnership or the surviving entity to purchase such interests
17 and the obligation to pay the fair value of such interests
18 shall terminate if:

19 (a) The dissenter has not complied with this section,
20 unless the limited partnership or the surviving entity waives
21 in writing such noncompliance;

22 (b) The limited partnership abandons the merger or is
23 finally enjoined or prevented from carrying out the merger, or
24 the partners rescind their adoption or approval of the merger;

25 (c) The dissenter withdraws his demand, with the
26 consent of the limited partnership or the surviving entity; or

27 (d)1. The partnership agreement of the domestic
28 limited partnership in which the dissenter was a partner does
29 not provide a basis or method for determining and paying the
30 dissenter the fair value of his partnership interests.

31

1 2. The limited partnership or the surviving entity and
2 the dissenter have not agreed upon the fair value of the
3 dissenter's partnership interests.

4 3. Neither the dissenter, the limited partnership nor
5 the surviving entity has filed or is joined in a complaint
6 under subsection (5) within the 90-day period provided in that
7 subsection.

8 (9) Unless otherwise provided in the partnership
9 agreement of the domestic limited partnership in which the
10 dissenter was a partner, after the date the dissenter delivers
11 the written demand for payment in accordance with subsection
12 (3) until either the termination of the rights and obligations
13 arising from it or the purchase of the dissenter's partnership
14 interests by the limited partnership or the surviving entity,
15 the dissenter shall be entitled only to payment as provided in
16 this section and shall not be entitled to any other rights
17 accruing from such interests, including voting or distribution
18 rights. If the right to receive fair value is terminated
19 other than by the purchase of the dissenter's partnership
20 interests by the limited partnership or the surviving entity,
21 all rights of the dissenter as a partner of the limited
22 partnership shall be reinstated effective as of the date the
23 dissenter delivered the written demand for payment, including
24 the right to receive any intervening payment or other
25 distribution with respect to the dissenter's interests in the
26 limited partnership, or, if any such rights have expired or
27 any such distribution other than a cash payment has been
28 completed, in lieu thereof at the election of the surviving
29 entity, the fair value thereof in cash as determined by the
30 surviving entity as of the time of such expiration or
31 completion, but without prejudice otherwise to any action or

1 proceeding of the limited partnership that may have been taken
2 by the limited partnership on or after the date the dissenter
3 delivered the written demand for payment.

4 (10) A partner who is entitled under this section to
5 demand payment for his partnership interests shall not have
6 any right at law or in equity to challenge the validity of any
7 merger that creates his entitlement to demand payment
8 hereunder, or to have the merger set aside or rescinded,
9 except with respect to compliance with the provisions of the
10 limited partnership's partnership agreement or if the merger
11 is unlawful or fraudulent with respect to such partner.

12 (11) Unless otherwise provided in the partnership
13 agreement of the domestic limited partnership in which the
14 dissenter was a partner, this section does not apply with
15 respect to a plan of merger if, as of the date fixed for the
16 determination of partners entitled to notice of a plan of
17 merger:

18 (a) The partnership interests of the limited
19 partnership were held of record by not fewer than 500
20 partners; or

21 (b) The partnership interests were registered on a
22 national securities exchange or quoted on the National
23 Association of Securities Dealers Automated Quotation System.

24 Section 7. Subsection (1) of section 220.02, Florida
25 Statutes, is amended and subsection (11) is added to that
26 section to read:

27 220.02 Legislative intent.--

28 (1) It is the intent of the Legislature in enacting
29 this code to impose a tax upon all corporations,
30 organizations, associations, and other artificial entities
31 which derive from this state or from any other jurisdiction

1 permanent and inherent attributes not inherent in or available
2 to natural persons, such as perpetual life, transferable
3 ownership represented by shares or certificates, and limited
4 liability for all owners. It is intended that any limited
5 liability company that is classified as a partnership for
6 federal income tax purposes and formed under chapter 608 or
7 qualified to do business in this state as a foreign limited
8 liability company not ~~companies~~ be subject to the tax imposed
9 by this code. It is the intent of the Legislature to subject
10 such corporations and other entities to taxation hereunder for
11 the privilege of conducting business, deriving income, or
12 existing within this state. This code is not intended to tax,
13 and shall not be construed so as to tax, any natural person
14 who engages in a trade, business, or profession in this state
15 under his or her own or any fictitious name, whether
16 individually as a proprietorship or in partnership with
17 others, or as a member or a manager of a limited liability
18 company classified as a partnership for federal income tax
19 purposes; any estate of a decedent or incompetent; or any
20 testamentary trust. However, a corporation or other taxable
21 entity which is or which becomes partners with one or more
22 natural persons shall not, merely by reason of being a
23 partner, exclude from its net income subject to tax its
24 respective share of partnership net income. This statement of
25 intent shall be given preeminent consideration in any
26 construction or interpretation of this code in order to avoid
27 any conflict between this code and the mandate in s. 5, Art.
28 VII of the State Constitution that no income tax be levied
29 upon natural persons who are residents and citizens of this
30 state.
31

1 (11) Notwithstanding any other provision in this
2 chapter, it is the intent of the Legislature that, except as
3 otherwise provided under the Internal Revenue Code, for
4 purposes of this chapter a "qualified subchapter S
5 subsidiary," as that term is defined in s. 1361(b)(3) of the
6 Internal Revenue Code, shall not be treated as a separate
7 corporation or entity from the S corporation parent to which
8 the subsidiary's assets, liabilities, income, deductions, and
9 credits are attributed under s. 1361(b)(3) thereof.

10 (2) This section shall take effect upon this act
11 becoming a law. The provisions of this section are intended to
12 clarify the intent of the Legislature under existing law and
13 are effective with respect to tax years beginning on or after
14 January 1, 1997.

15 Section 8. (1) Subsection (4) is added to section
16 220.22, Florida Statutes, to read:

17 220.22 Returns; filing requirement.--

18 (4) For the year in which an election is made pursuant
19 to s. 1361(b)(3) of the Internal Revenue Code, the qualified
20 subchapter S subsidiary shall file an informational return
21 with the department, which return shall be restricted to
22 information identifying the subsidiary, the electing S
23 corporation parent, and the effective date of the election.

24 (2) This section shall take effect upon this act
25 becoming a law. The provisions of this section are intended to
26 clarify the intent of the Legislature under existing law and
27 are effective with respect to tax years beginning on or after
28 January 1, 1997; however, no penalty shall be assessed for
29 failure to file the information return required by this
30 section if the return would have been due on or before the
31 date this act becomes a law.

1 Section 9. Paragraph (e) of subsection (1) of section
2 220.03, Florida Statutes, is amended to read:

3 220.03 Definitions.--

4 (1) SPECIFIC TERMS.--When used in this code, and when
5 not otherwise distinctly expressed or manifestly incompatible
6 with the intent thereof, the following terms shall have the
7 following meanings:

8 (e) "Corporation" includes all domestic corporations;
9 foreign corporations qualified to do business in this state or
10 actually doing business in this state; joint-stock companies;
11 limited liability companies, under chapter 608; common-law
12 declarations of trust, under chapter 609; corporations not for
13 profit, under chapter 617; agricultural cooperative marketing
14 associations, under chapter 618; professional service
15 corporations, under chapter 621; foreign unincorporated
16 associations, under chapter 622; private school corporations,
17 under chapter 623; foreign corporations not for profit which
18 are carrying on their activities in this state; and all other
19 organizations, associations, legal entities, and artificial
20 persons which are created by or pursuant to the statutes of
21 this state, the United States, or any other state, territory,
22 possession, or jurisdiction. The term "corporation" does not
23 include proprietorships, even if using a fictitious name;
24 partnerships of any type, as such; limited liability companies
25 that are taxable as partnerships for federal income tax
26 purposes; state or public fairs or expositions, under chapter
27 616; estates of decedents or incompetents; testamentary
28 trusts; or private trusts.

29 Section 10. Subsection (2) of section 220.13, Florida
30 Statutes, is amended to read:

31 220.13 "Adjusted federal income" defined.--

1 (2) For purposes of this section, a taxpayer's taxable
2 income for the taxable year means taxable income as defined in
3 s. 63 of the Internal Revenue Code and properly reportable for
4 federal income tax purposes for the taxable year, but subject
5 to the limitations set forth in paragraph (1)(b) with respect
6 to the deductions provided by ss. 172 (relating to net
7 operating losses), 170(d)(2) (relating to excess charitable
8 contributions), 404(a)(1)(D) (relating to excess pension trust
9 contributions), 404(a)(3)(A) and (B) (to the extent relating
10 to excess stock bonus and profit-sharing trust contributions),
11 and 1212 (relating to capital losses) of the Internal Revenue
12 Code, except that, subject to the same limitations, the term:

13 (a) "Taxable income," in the case of a life insurance
14 company subject to the tax imposed by s. 801 of the Internal
15 Revenue Code, means life insurance company taxable income;
16 however, for purposes of this code, the total of any amounts
17 subject to tax under s. 815(a)(2) of the Internal Revenue Code
18 pursuant to s. 801(c) of the Internal Revenue Code shall not
19 exceed, cumulatively, the total of any amounts determined
20 under s. 815(c)(2) of the Internal Revenue Code of 1954, as
21 amended, from January 1, 1972, to December 31, 1983;

22 (b) "Taxable income," in the case of an insurance
23 company subject to the tax imposed by s. 831(b) of the
24 Internal Revenue Code, means taxable investment income;

25 (c) "Taxable income," in the case of an insurance
26 company subject to the tax imposed by s. 831(a) of the
27 Internal Revenue Code, means insurance company taxable income;

28 (d) "Taxable income," in the case of a regulated
29 investment company subject to the tax imposed by s. 852 of the
30 Internal Revenue Code, means investment company taxable
31 income;

1 (e) "Taxable income," in the case of a real estate
2 investment trust subject to the tax imposed by s. 857 of the
3 Internal Revenue Code, means the income subject to tax,
4 computed as provided in s. 857 of the Internal Revenue Code;

5 (f) "Taxable income," in the case of a corporation
6 which is a member of an affiliated group of corporations
7 filing a consolidated income tax return for the taxable year
8 for federal income tax purposes, means taxable income of such
9 corporation for federal income tax purposes as if such
10 corporation had filed a separate federal income tax return for
11 the taxable year and each preceding taxable year for which it
12 was a member of an affiliated group, unless a consolidated
13 return for the taxpayer and others is required or elected
14 under s. 220.131;

15 (g) "Taxable income," in the case of a cooperative
16 corporation or association, means the taxable income of such
17 organization determined in accordance with the provisions of
18 ss. 1381 through 1388 of the Internal Revenue Code;

19 (h) "Taxable income," in the case of an organization
20 which is exempt from the federal income tax by reason of s.
21 501(a) of the Internal Revenue Code, means its unrelated
22 business taxable income as determined under s. 512 of the
23 Internal Revenue Code;

24 (i) "Taxable income," in the case of a corporation for
25 which there is in effect for the taxable year an election
26 under s. 1362(a) of the Internal Revenue Code, means the
27 amounts subject to tax under s. 1374 or s. 1375 of the
28 Internal Revenue Code for each taxable year;

29 (j) "Taxable income," in the case of a limited
30 liability company, other than a limited liability company
31 classified as a partnership for federal income tax purposes,

1 as defined in and organized pursuant to chapter 608 or
2 qualified to do business in this state as a foreign limited
3 liability company or other than a similar limited liability
4 company classified as a partnership for federal income tax
5 purposes and created as an artificial entity pursuant to the
6 statutes of the United States or any other state, territory,
7 possession, or jurisdiction, if such limited liability company
8 or similar entity is taxable as a corporation for federal
9 income tax purposes ~~absent a federal report and determination~~
10 ~~of taxable income as a corporation under the Internal Revenue~~
11 ~~Code~~, means taxable income determined as if such limited
12 liability company were required to file or had filed a federal
13 corporate income tax return under the Internal Revenue Code;

14 (k) "Taxable income," in the case of a taxpayer liable
15 for the alternative minimum tax as defined in s. 55 of the
16 Internal Revenue Code, means the alternative minimum taxable
17 income as defined in s. 55(b)(2) of the Internal Revenue Code,
18 less the exemption amount computed under s. 55(d) of the
19 Internal Revenue Code. A taxpayer is not liable for the
20 alternative minimum tax unless the taxpayer's federal tax
21 return, or related federal consolidated tax return, if
22 included in a consolidated return for federal tax purposes,
23 reflect a liability on the return filed for the alternative
24 minimum tax as defined in s. 55(b)(2) of the Internal Revenue
25 Code;

26 (l) "Taxable income," in the case of a taxpayer whose
27 taxable income is not otherwise defined in this subsection,
28 means the sum of amounts to which a tax rate specified in s.
29 11 of the Internal Revenue Code plus the amount to which a tax
30 rate specified in s. 1201(a)(2) of the Internal Revenue Code
31 are applied for federal income tax purposes.

1 Section 11. Section 608.406, Florida Statutes, is
2 amended to read:

3 608.406 Limited liability company name.--

4 (1) The words "limited liability company" or "limited
5 company," or their abbreviation "L.L.C." or "L.C.," shall be
6 the last words of the name of every limited liability company
7 formed under the provisions of this chapter.

8 (2) The limited liability name may not contain
9 language stating or implying that the limited liability
10 company is organized for a purpose other than that permitted
11 in this act and its articles of organization.

12 (3) The limited liability name may not contain
13 language stating or implying that the limited liability
14 company is connected with a state or federal government agency
15 or a corporation chartered under the laws of the United
16 States.

17 (4) The limited liability name must be distinguishable
18 upon the records of the Division of Corporations of the
19 Department of State from all other entities or filings, except
20 fictitious name registrations pursuant to s. 865.09, organized
21 or registered under the laws of this state that are on file
22 with the division.

23 (5) Omission of the words "limited liability company"
24 or "limited company," or their abbreviation "L.L.C. or "L.C.,"
25 in the use of the name of the limited liability company shall
26 render any person who participates in the omission, or
27 knowingly acquiesces in it, liable for any indebtedness,
28 damage, or liability occasioned by the omission.

29 Section 12. Section 608.405, Florida Statutes, is
30 amended to read:

31

1 608.405 Formation.--One ~~Two~~ or more persons may form a
2 limited liability company.

3 Section 13. Section (2) of section 608.407, Florida
4 Statutes, is amended to read:

5 608.407 Articles of organization.--

6 (2) An affidavit declaring that the limited liability
7 company has at least one member ~~two members~~ and setting forth
8 the amount of the cash and a description and agreed value of
9 property other than cash contributed by the members and the
10 amount anticipated to be contributed by the members shall
11 accompany the articles of organization of a limited liability
12 company.

13 Section 14. Section 608.471, Florida Statutes, is
14 amended to read:

15 608.471 Tax exemption on income of certain limited
16 liability companies ~~company~~.--

17 (1) A limited liability company classified as a
18 partnership for federal income tax purposes and organized
19 pursuant to this chapter or qualified to do business in this
20 state as a foreign limited liability company is not an
21 "artificial entity" within the purview of s. 220.02 and is not
22 subject to the tax imposed under chapter 220.

23 (2) The income of a limited liability company that is
24 classified as a partnership for federal income tax purposes
25 and that is organized pursuant to this chapter or is qualified
26 to do business in this state as a foreign limited liability
27 company shall not be subject to the Florida Income Tax Code
28 and the tax levied pursuant to chapter 220.

29 (3) For purposes of taxation under chapter 220, a
30 limited liability company formed in this state or authorized
31 to transact business in this state as a foreign limited

1 liability company shall be classified as a partnership unless
2 classified otherwise for federal income tax purposes, in which
3 case the limited liability company shall be classified
4 identically to its classification for federal income tax
5 purposes. For purposes of taxation under chapter 220, a
6 member or an assignee of a member of a limited liability
7 company formed in this state or qualified to do business in
8 this state as a foreign limited liability company shall be
9 treated as a resident or nonresident partner unless classified
10 otherwise for federal income tax purposes, in which case the
11 member or assignee of a member shall have the same status as
12 such member or assignee of a member has for federal income tax
13 purposes.~~A distribution shall be deemed a "dividend" under s.~~
14 ~~316 of the Internal Revenue Code as such code is defined in s.~~
15 ~~220.03.~~

16 Section 15. Subsections (2) and (3) of section
17 607.0122, section 607.0402, paragraph (b) of subsection (2) of
18 section 607.1506, section 608.4061, subsections (2) and (3) of
19 section 617.0122, section 617.0402, paragraph (a) of
20 subsection (2) of section 617.1506, section 620.104,
21 subsection (7) of section 620.182, and subsection (2) of
22 section 620.784, Florida Statutes, are repealed.

23 Section 16. This act shall take effect July 1, 1998.
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