

Bill No. SB 1056

Barcode 034368

CHAMBER ACTION

Senate

House

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11 The Committee on Judiciary (Campbell) recommended the  
12 following amendment:

**Senate Amendment (with title amendment)**

15 On page 60, between lines 11 and 12,

17 insert:

18 Section 14. Subsection (1) of section 617.0505,  
19 Florida Statutes, is amended to read:

20 617.0505 Payment of dividends and distribution of  
21 income to members prohibited; issuance of certificates of  
22 membership; effect of stock issued under prior law.--

23 (1) A dividend may not be paid, and any part of the  
24 income or profit of a corporation may not be distributed, to  
25 its members, directors, or officers. A private club that is  
26 established for social, pleasure, or recreational purposes and  
27 organized as a corporation of which the equity interests are  
28 held by the members may purchase the equity membership  
29 interest of any member and the payment for such interest is  
30 not a distribution for purposes of this section. A corporation  
31 may pay compensation in a reasonable amount to its members,

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1 | directors, or officers for services rendered, may confer  
2 | benefits upon its members in conformity with its purposes,  
3 | and, upon dissolution or final liquidation, may make  
4 | distributions to its members as permitted by this act. If  
5 | expressly permitted by its articles of incorporation, a  
6 | corporation may make distributions upon partial liquidation to  
7 | its members, as permitted by this section. Any such payment,  
8 | benefit, or distribution does not constitute a dividend or a  
9 | distribution of income or profit for purposes of this section.  
10 | Any corporation which is a utility exempt from regulation  
11 | under s. 367.022(7), whose articles of incorporation state  
12 | that it is exempt from taxation under s. 501(c)(12) of the  
13 | Internal Revenue Code, may make such refunds to its members,  
14 | prior to a dissolution or liquidation, as its managing board  
15 | deems necessary to establish or preserve its tax-exempt  
16 | status. Any such refund does not constitute a dividend or a  
17 | distribution of income or profit for purposes of this section.

18 |  
19 | (Redesignate subsequent sections.)  
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21 |

22 | ===== T I T L E    A M E N D M E N T =====

23 | And the title is amended as follows:

24 |         On page 2, line 14, after the semicolon,  
25 |  
26 | insert:  
27 |         amending s. 617.0505, F.S.; exempting certain  
28 |         private clubs organized as corporations from a  
29 |         prohibition against distributions made to  
30 |         members in certain circumstances;

31 |