

Bill No. SB 304



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CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: RCS	.	
3/11/2008	.	
	.	
	.	

1 The Committee on Commerce (Justice) recommended the following  
 2 **amendment:**

3  
 4 Senate Amendment (with title amendment)  
 5 Delete everything after the enacting clause

6 and insert:

7  
 8 Section 1. Subsections (4), (6), and (9) of section  
 9 617.01201, Florida Statutes, are amended to read:

10 617.01201 Filing requirements.--

11 (4) The document must be typewritten or printed and must  
 12 be legible. If electronically transmitted, the document must be  
 13 in a format that may be retrieved or reproduced in typewritten  
 14 or printed form.

15 (6) The document must be executed:

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16 (a) By a director ~~the chair or any vice chair of the board~~  
17 ~~of directors~~ of a domestic or foreign corporation, or by its  
18 president or by another of its officers;

19 (b) If directors or officers have not been selected or the  
20 corporation has not been formed, by an incorporator; or

21 (c) If the corporation is in the hands of a receiver,  
22 trustee, or other court-appointed fiduciary, by the ~~that~~  
23 fiduciary.

24 (9) The document must be delivered to the ~~office of the~~  
25 department ~~of State~~ for filing. Delivery may be made by  
26 electronic transmission if and to the extent allowed by the  
27 department. If the document is filed in typewritten or printed  
28 form and not transmitted electronically, the department may  
29 require that ~~and may be accompanied by~~ one exact or conformed  
30 copy be delivered with the document, ~~(except as provided in s.~~  
31 617.1508. The document), ~~and~~ must be accompanied by the correct  
32 filing fee and any other tax or penalty required by ~~this act or~~  
33 ~~other~~ law.

34 Section 2. Subsection (7) of section 617.0122, Florida  
35 Statutes, is amended to read:

36 617.0122 Fees for filing documents and issuing  
37 certificates.--The Department of State shall collect the  
38 following fees on documents delivered to the department for  
39 filing:

40 (7) Agent's statement of resignation from inactive  
41 ~~administratively dissolved~~ corporation: \$35.

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43 Any citizen support organization that is required by rule of the  
44 Department of Environmental Protection to be formed as a  
45 nonprofit organization and is under contract with the department  
46 is exempt from any fees required for incorporation as a  
47 nonprofit organization, and the Secretary of State may not  
48 assess any such fees if the citizen support organization is  
49 certified by the Department of Environmental Protection to the  
50 Secretary of State as being under contract with the Department  
51 of Environmental Protection.

52 Section 3. Subsections (1) and (2) of section 617.0124,  
53 Florida Statutes, are amended to read:

54 617.0124 Correcting filed document.--

55 (1) A domestic or foreign corporation may correct a  
56 document filed by the department ~~of State~~ within 30 ~~10 business~~  
57 days after filing if ~~the document~~:

58 (a) The document contains an incorrect statement; ~~or~~

59 (b) The document was defectively executed, attested,  
60 sealed, verified, or acknowledged; ~~or-~~

61 (c) The electronic transmission of the document was  
62 defective.

63 (2) A document is corrected:

64 (a) By preparing articles of correction that:

65 1. Describe the document, ~~(including its filing date) or~~  
66 ~~attach a copy of it to the articles;~~

67 2. Specify the incorrect statement and the reason it is  
68 incorrect or the manner in which the execution was defective;  
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70           3. Correct the incorrect statement or defective execution;  
71 and

72           (b) By delivering the executed articles of correction to  
73 the department ~~of State~~ for filing.

74           Section 4. Section 617.01401, Florida Statutes, is amended  
75 to read:

76           617.01401 Definitions.--As used in this chapter act,  
77 ~~unless the context otherwise requires~~, the term:

78           (1) "Articles of incorporation" includes original,  
79 amended, and restated articles of incorporation, articles of  
80 consolidation, and articles of merger, and all amendments  
81 thereto, including documents designated by the laws of this  
82 state as charters, and, in the case of a foreign corporation,  
83 documents equivalent to articles of incorporation in the  
84 jurisdiction of incorporation.

85           (2) "Board of directors" means the group of persons vested  
86 with the management of the affairs of the corporation  
87 irrespective of the name by which such group is designated,  
88 including, but not limited to, managers or trustees.

89           (3) "Bylaws" means the code or codes of rules adopted for  
90 the regulation or management of the affairs of the corporation  
91 irrespective of the name or names by which such rules are  
92 designated.

93           (4) "Corporation" or "domestic corporation" means a  
94 corporation not for profit, subject to the provisions of this  
95 chapter act, except a foreign corporation.

96           (5) "Corporation not for profit" means a corporation no  
97 part of the income or profit of which is distributable to its

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98 members, directors, or officers, except as otherwise provided  
99 under this chapter.

100 (6) "Department" means the Department of State.

101 (7) "Distribution" means the payment of a dividend or any  
102 part of the income or profit of a corporation to its members,  
103 directors, or officers. A donation or transfer of corporate  
104 assets or income to or from another not-for-profit corporation  
105 qualified as tax-exempt under s. 501(c) of the Internal Revenue  
106 Code or a governmental organization exempt from federal and  
107 state income taxes, if such corporation or governmental  
108 organization is a member of the corporation making such donation  
109 or transfer, is not a distribution for purposes of this chapter.

110 (8)-(6) "Electronic transmission" means any form of  
111 communication, not directly involving the physical transmission  
112 or transfer of paper, which creates a record that may be  
113 retained, retrieved, and reviewed by a recipient thereof and  
114 which may be directly reproduced in a comprehensible and legible  
115 paper form by such recipient through an automated process.  
116 Examples of electronic transmission include, but are not limited  
117 to, telegrams, facsimile transmissions of images, and text that  
118 is sent via electronic mail between computers.

119 (9)-(7) "Foreign corporation" means a corporation not for  
120 profit organized under laws other than the laws of this state.

121 (10)-(8) "Insolvent" means the inability of a corporation  
122 to pay its debts as they become due in the usual course of its  
123 affairs.

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124        ~~(11)-(9)~~ "Mail" means the United States mail, facsimile  
125 transmissions, and private mail carriers handling nationwide  
126 mail services.

127        ~~(12)-(10)~~ "Member" means one having membership rights in a  
128 corporation in accordance with the provisions of its articles of  
129 incorporation or bylaws or the provisions of this chapter act.

130        (13) "Mutual benefit corporation" means a domestic  
131 corporation that is not organized primarily or exclusively for  
132 religious purposes; is not recognized as exempt under s.  
133 501(c) (3) of the Internal Revenue Code, or the corresponding  
134 section of a subsequently enacted federal revenue act; and is  
135 not organized for a public or charitable purpose that is  
136 required upon its dissolution to distribute its assets to the  
137 United States, a state, a local subdivision thereof, or a person  
138 that is recognized as exempt under s. 501(c) (3) of the Internal  
139 Revenue Code, or the corresponding section of a subsequently  
140 enacted federal revenue act. The term does not include an  
141 association organized under chapter 718, chapter 719, chapter  
142 720, or chapter 721, or any corporation where membership in the  
143 corporation is required pursuant to a document recorded in  
144 county property records.

145        ~~(14)-(11)~~ "Person" includes individual and entity.

146        (15) "Successor entity" means any trust, receivership, or  
147 other legal entity that is governed by the laws of this state to  
148 which the remaining assets and liabilities of a dissolved  
149 corporation are transferred and that exists solely for the  
150 purposes of prosecuting and defending suits by or against the  
151 dissolved corporation and enabling the dissolved corporation to

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152 settle and close the business of the dissolved corporation, to  
153 dispose of and convey the property of the dissolved corporation,  
154 to discharge the liabilities of the dissolved corporation, and  
155 to distribute to the dissolved corporation's members any  
156 remaining assets, but not for the purpose of continuing the  
157 business for which the dissolved corporation was organized.

158 (16) "Voting power" means the total number of votes  
159 entitled to be cast for the election of directors at the time  
160 the determination of voting power is made, excluding a vote that  
161 is contingent upon the happening of a condition or event that  
162 has not yet occurred. If the members of a class are entitled to  
163 vote as a class to elect directors, the determination of the  
164 voting power of the class is based on the percentage of the  
165 number of directors the class is entitled to elect relative to  
166 the total number of authorized directors. If the corporation's  
167 directors are not elected by the members, voting power shall,  
168 unless otherwise provided in the articles of incorporation or  
169 bylaws, be on a one-member, one-vote basis.

170 Section 5. Subsection (1) of section 617.0205, Florida  
171 Statutes, is amended to read:

172 617.0205 Organizational meeting of directors.--

173 (1) After incorporation:

174 (a) If initial directors are named in the articles of  
175 incorporation, the initial directors shall hold an  
176 organizational meeting, at the call of a majority of the  
177 directors, to complete the organization of the corporation by  
178 appointing officers, adopting bylaws, and carrying on any other  
179 business brought before the meeting;

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180 (b) If initial directors are not named in the articles of  
181 incorporation, the incorporators shall hold an organizational  
182 meeting at the call of a majority of the incorporators:

183 1. To elect directors and complete the organization of the  
184 corporation; or

185 2. To elect a board of directors who shall complete the  
186 organization of the corporation.

187 Section 6. Subsections (7) and (16) of section 617.0302,  
188 Florida Statutes, are amended to read:

189 617.0302 Corporate powers.--Every corporation not for  
190 profit organized under this act, unless otherwise provided in  
191 its articles of incorporation or bylaws, shall have power to:

192 (7) Make contracts and guaranties, incur liabilities,  
193 borrow money at such rates of interest as the corporation may  
194 determine, issue its notes, bonds, and other obligations, and  
195 secure ~~any~~ of its obligations by mortgage and pledge of all or  
196 any of its property, franchises, or income.

197 (16) Merge with other corporations or other business  
198 entities identified in s. 607.1108(1), both for profit and not  
199 for profit, domestic and foreign, if the surviving corporation  
200 or other surviving business entity is a corporation not for  
201 profit or other business entity that has been organized as a  
202 not-for-profit entity under a governing statute or other  
203 applicable law that permits such a merger.

204 Section 7. Subsection (12) is added to section 617.0503,  
205 Florida Statutes, to read:

206 617.0503 Registered agent; duties; confidentiality of  
207 investigation records.--



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208       (12) Any alien business organization may withdraw its  
209 registered agent designation by delivering an application for  
210 certificate of withdrawal to the department for filing. The  
211 application shall set forth:

212       (a) The name of the alien business organization and the  
213 jurisdiction under the law of which it is incorporated or  
214 organized; and

215       (b) That it is no longer required to maintain a registered  
216 agent in this state.

217       Section 8. Section 617.0505, Florida Statutes, is amended  
218 to read:

219       617.0505 Distributions; exceptions ~~Payment of dividends~~  
220 ~~and distribution of income to members prohibited; issuance of~~  
221 ~~certificates of membership; effect of stock issued under prior~~  
222 ~~law.--~~

223       ~~(1) Except as authorized in s. 617.1302, A dividend may~~  
224 ~~not be paid, and any part of the income or profit of a~~  
225 ~~corporation may not make distributions ~~be distributed,~~ to its~~  
226 ~~members, directors, or officers.~~

227       (1) A mutual benefit corporation, such as a private club  
228 that is established for social, pleasure, or recreational  
229 purposes and that is organized as a corporation of which the  
230 equity interests are held by the members, may, subject to s.  
231 617.1302, purchase the equity membership interest of any member,  
232 and the payment for such interest is not a distribution for  
233 purposes of this section.

234       (2) A corporation may pay compensation in a reasonable  
235 amount to its members, directors, or officers for services

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236 rendered, may confer benefits upon its members in conformity  
237 with its purposes, and, upon dissolution or final liquidation,  
238 may make distributions to its members as permitted by this  
239 chapter act.

240 (3) If expressly permitted by its articles of  
241 incorporation, a corporation may make distributions upon partial  
242 liquidation to its members, as permitted by this section. Any  
243 such payment, benefit, or distribution does not constitute a  
244 dividend or a distribution of income or profit for purposes of  
245 this section.

246 (4) A Any corporation that which is a utility exempt from  
247 regulation under s. 367.022(7), whose articles of incorporation  
248 state that it is exempt from taxation under s. 501(c)(12) of the  
249 Internal Revenue Code or the corresponding section of a  
250 subsequently enacted federal revenue act, may make ~~such~~ refunds  
251 to its members, prior to a dissolution or liquidation, as its  
252 managing board deems necessary to establish or preserve its tax-  
253 exempt status. Any such refund does not constitute a dividend or  
254 a distribution of income or profit for purposes of this section.

255 (5) A corporation that is regulated by chapter 718,  
256 chapter 719, chapter 720, chapter 721, or chapter 723, or a  
257 corporation where membership in such corporation is required  
258 pursuant to a document recorded in the county property records,  
259 may make refunds to its members, giving credits to its members,  
260 disbursing insurance proceeds to its members, or disbursing or  
261 paying settlements to its members without violating this  
262 section.

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263           ~~(2) Subject to subsection (1), a corporation may issue~~  
264 ~~certificates in any form evidencing membership in the~~  
265 ~~corporation.~~

266           ~~(3) Stock certificates issued under former s. 617.011(2),~~  
267 ~~Florida Statutes (1989), constitute membership certificates for~~  
268 ~~purposes of this act.~~

269           Section 9. Subsections (1), (2), and (5) of section  
270 617.0601, Florida Statutes, are amended to read:

271           617.0601 Members, generally.--

272           (1) (a) A corporation may have one or more classes of  
273 members or may have no members. If the corporation has one or  
274 more classes of members, the designation of such class or  
275 classes, the qualifications and rights of the members of each  
276 class, any quorum and voting requirements for meetings and  
277 activities of the members, and notice requirements sufficient to  
278 provide notice of meetings and activities of the members must be  
279 set forth in the articles of incorporation or in the bylaws.

280           (b) The articles of incorporation or bylaws of any  
281 corporation not for profit that maintains chapters or affiliates  
282 may grant representatives of such chapters or affiliates the  
283 right to vote in conjunction with the board of directors of the  
284 corporation notwithstanding applicable quorum or voting  
285 requirements of this chapter act if the corporation is  
286 registered with the department ~~of State~~ pursuant to ss. 496.401-  
287 496.424 ~~ss. 496.001-496.011~~, the Solicitation of Contributions  
288 ~~Funds~~ Act.

289           (c) This subsection does not apply to any condominium  
290 association organized under chapter 718.

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291 (2) A corporation may issue certificates of membership.  
292 Stock certificates issued under former s. 617.011(2), Florida  
293 Statutes (1989), constitute certificates of membership for  
294 purposes of this section.

295 ~~(5) Membership in the corporation may be terminated in the~~  
296 ~~manner provided by law, by the articles of incorporation, or by~~  
297 ~~the bylaws, and~~ A resignation, expulsion, or termination of  
298 membership pursuant to s. 617.0606 or s. 617.0607 shall be  
299 recorded in the membership book. Unless otherwise provided in  
300 the articles of incorporation or the bylaws, all the rights and  
301 privileges of a member cease on termination of membership.

302 Section 10. Section 617.0605, Florida Statutes, is created  
303 to read:

304 617.0605 Transfer of membership interests.--

305 (1) A member of a corporation may not transfer a  
306 membership or any right arising from membership except as  
307 otherwise allowed in this section.

308 (2) Except as set forth in the articles of incorporation  
309 or bylaws of a mutual benefit corporation, a member of a mutual  
310 benefit corporation may not transfer a membership or any right  
311 arising from membership.

312 (3) If transfer rights have been provided for one or more  
313 members of a mutual benefit corporation, a restriction on such  
314 rights is not binding with respect to a member holding a  
315 membership issued before the adoption of the restriction unless  
316 the restriction is approved by the members and the affected  
317 member.

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318 Section 11. Section 617.0606, Florida Statutes, is created  
319 to read:

320 617.0606 Resignation of members.--

321 (1) Except as may be provided in the articles of  
322 incorporation or bylaws of a corporation, a member of a mutual  
323 benefit corporation may not transfer a membership or any right  
324 arising from membership.

325 (2) The resignation of a member does not relieve the  
326 member from any obligations that the member may have to the  
327 corporation as a result of obligations incurred or commitments  
328 made before resignation.

329 Section 12. Section 617.0607, Florida Statutes, is created  
330 to read:

331 617.0607 Termination, expulsion, and suspension.--

332 (1) A member of a corporation may not be expelled or  
333 suspended, and a membership in the corporation may not be  
334 terminated or suspended, except pursuant to a procedure that is  
335 fair and reasonable and is carried out in good faith.

336 (2) Any written notice given by mail must be delivered by  
337 certified mail or first-class mail to the last address of the  
338 member shown on the records of the corporation.

339 (3) Any proceeding challenging an expulsion, suspension,  
340 or termination, including a proceeding in which the defective  
341 notice is alleged, must be commenced within 1 year after the  
342 effective date of the expulsion, suspension, or termination.

343 (4) A member who has been expelled or suspended may be  
344 liable to the corporation for dues, assessments, or fees as a

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345 result of obligations incurred or commitments made before  
346 expulsion or suspension.

347 Section 13. Section 617.0608, Florida Statutes, is created  
348 to read:

349 617.0608 Purchase of memberships.--

350 (1) A corporation may not purchase any of its memberships  
351 or any right arising from membership except as provided in s.  
352 617.0505 or subsection (2).

353 (2) Subject to s. 617.1302, a mutual benefit corporation  
354 may purchase the membership of a member who resigns, or whose  
355 membership is terminated, for the amount and pursuant to the  
356 conditions set forth in its articles of incorporation or bylaws.

357 Section 14. Subsections (3), (4), and (6) of section  
358 617.0701, Florida Statutes, are amended to read:

359 617.0701 Meetings of members, generally; failure to hold  
360 annual meeting; special meeting; consent to corporate actions  
361 without meetings; waiver of notice of meetings.--

362 (3) Except as provided in the articles of incorporation or  
363 bylaws, special meetings of the members may be called by:

364 (a) The president;

365 (b) The chair of the board of directors;

366 (c) The board of directors; ~~or such~~

367 (d) Other officers or persons as are provided for in the  
368 articles of incorporation or the bylaws;

369 (e) The holders of at least 5 percent of the voting power  
370 of a corporation when one or more written demands for the  
371 meeting, which describe the purpose for which the meeting is to



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372 be held, are signed, dated, and delivered to a corporate  
373 officer; or

374 (f) A person who signs a demand for a special meeting  
375 pursuant to paragraph (e) if notice for a special meeting is not  
376 given within 30 days after receipt of the demand. The person  
377 signing the demand may set the time and place of the meeting and  
378 give notice under this subsection.

379 (4) ~~(a)~~ Unless otherwise provided in the articles of  
380 incorporation, action required or permitted by this chapter ~~act~~  
381 to be taken at an annual or special meeting of members may be  
382 taken without a meeting, without prior notice, and without a  
383 vote if the action is taken by the members entitled to vote on  
384 such action and having not less than the minimum number of votes  
385 necessary to authorize such action at a meeting at which all  
386 members entitled to vote on such action were present and voted.

387 (a) ~~In order~~ To be effective, the action must be evidenced  
388 by one or more written consents describing the action taken,  
389 dated and signed by approving members having the requisite  
390 number of votes and entitled to vote on such action, and  
391 delivered to the corporation ~~by delivery~~ to its principal office  
392 in this state, its principal place of business, the corporate  
393 secretary, or another officer or agent of the corporation having  
394 custody of the book in which proceedings of meetings of members  
395 are recorded. Written consent ~~shall not be effective~~ to take the  
396 corporate action referred to in the consent is not effective  
397 unless the consent is signed by members having the requisite  
398 number of votes necessary to authorize the action within 90 ~~60~~

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399 days after ~~of~~ the date of the earliest dated consent and is  
400 delivered in the manner required by this section.

401 (b) Any written consent may be revoked prior to the date  
402 that the corporation receives the required number of consents to  
403 authorize the proposed action. A revocation is not effective  
404 unless in writing and until received by the corporation at its  
405 principal office in this state or its principal place of  
406 business, or received by the corporate secretary or other  
407 officer or agent of the corporation having custody of the book  
408 in which proceedings of meetings of members are recorded.

409 (c) Within 30 ~~10~~ days after obtaining ~~such~~ authorization  
410 by written consent, notice must be given to those members who  
411 are entitled to vote on the action but who have not consented in  
412 writing. The notice must fairly summarize the material features  
413 of the authorized action.

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

416 (e) If the action to which the members consent is such as  
417 would have required the filing of articles or a certificate  
418 under any other section of this chapter ~~act~~ if such action had  
419 been voted on by members at a meeting ~~thereof~~, the articles or  
420 certificate filed under such other section must state that  
421 written consent has been given in accordance with ~~the provisions~~  
422 ~~of~~ this section.

423 (f) Whenever action is taken pursuant to this section, the  
424 written consent of the members consenting to such action or the  
425 written reports of inspectors appointed to tabulate such



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426 consents must be filed with the minutes of member proceedings ~~of~~  
427 ~~members~~.

428 (6) Subsections (1) and (3) do not apply to any  
429 corporation that is an association as defined in s. 720.301, or  
430 a corporation regulated by chapter 718, chapter 719, chapter  
431 720, chapter 721, or chapter 723, or a corporation where  
432 membership in such corporation is required pursuant to a  
433 document recorded in the county property records.

434 Section 15. Section 617.0721, Florida Statutes, is amended  
435 to read:

436 617.0721 Voting by members.--

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

439 (2) A member who is entitled to vote may vote in person  
440 or, unless the articles of incorporation or the bylaws otherwise  
441 provide, may vote by proxy executed in writing by the member or  
442 by his or her duly authorized attorney in fact. An appointment  
443 of a proxy is not valid after 11 months following the date of  
444 its execution unless otherwise provided in the proxy.

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

448 (b) A corporation may reject a vote, consent, waiver, or  
449 proxy appointment if the secretary or other officer or agent  
450 authorized to tabulate votes, acting in good faith, has a  
451 reasonable basis for doubting the validity of the signature on  
452 it or the signatory's authority to sign for the member.

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453 (3) If authorized by the board of directors, and subject  
454 to such guidelines and procedures as the board of directors may  
455 adopt, members and proxy holders who are not physically present  
456 at a meeting may, by means of remote communication:

457 (a) Participate in the meeting.

458 (b) Be deemed to be present in person and vote at the  
459 meeting if:

460 1. The corporation implements reasonable means to verify  
461 that each person deemed present and authorized to vote by means  
462 of remote communication is a member or proxy holder; and

463 2. The corporation implements reasonable measures to  
464 provide such members or proxy holders with a reasonable  
465 opportunity to participate in the meeting and to vote on matters  
466 submitted to the members, including an opportunity to  
467 communicate and to read or hear the proceedings of the meeting  
468 substantially concurrent with the proceedings.

469  
470 If any member or proxy holder votes or takes other action by  
471 means of remote communication, a record of that member's  
472 participation in the meeting must be maintained by the  
473 corporation in accordance with s. 617.1601.

474 (4)-(3) If any corporation, whether for profit or not for  
475 profit, is a member of a corporation organized under this  
476 chapter act, the chair of the board, president, any vice  
477 president, the secretary, or the treasurer of the member  
478 corporation, and any such officer or cashier or trust officer of  
479 a banking or trust corporation holding such membership, and any  
480 like officer of a foreign corporation whether for profit or not

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481 for profit, holding membership in a domestic corporation, shall  
482 be deemed by the corporation in which membership is held to have  
483 the authority to vote on behalf of the member corporation and to  
484 execute proxies and written waivers and consents in relation  
485 thereto, unless, before a vote is taken or a waiver or consent  
486 is acted upon, it appears pursuant to ~~is made to appear by~~ a  
487 certified copy of the bylaws or resolution of the board of  
488 directors or executive committee of the member corporation that  
489 such authority does not exist or is vested in some other officer  
490 or person. In the absence of such certification, a person  
491 executing any such proxies, waivers, or consents or presenting  
492 himself or herself at a meeting as one of such officers of a  
493 corporate member shall be, for the purposes of this section,  
494 conclusively deemed to be duly elected, qualified, and acting as  
495 such officer and to be fully authorized. In the case of  
496 conflicting representation, the corporate member shall be ~~deemed~~  
497 ~~to be~~ represented by its senior officer, in the order ~~first~~  
498 stated in this subsection.

499 (5)~~(4)~~ The articles of incorporation or the bylaws may  
500 provide that, in all elections for directors, every member  
501 entitled to vote has the right to cumulate his or her votes and  
502 to give one candidate a number of votes equal to the number of  
503 votes he or she could give if one director were being elected  
504 multiplied by the number of directors to be elected or to  
505 distribute such votes on the same principles among any number of  
506 such candidates. A corporation may not have cumulative voting  
507 unless such voting is expressly authorized in the articles of  
508 incorporation.

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509        (6)~~(5)~~ If a corporation has no members or its members do  
510 not have the right to vote, the directors shall have the sole  
511 voting power.

512        (7)~~(6)~~ Subsections (1), (2), (5)~~(4)~~, and (6)~~(5)~~ do not  
513 apply to a corporation that is an association as defined in s.  
514 720.301.

515        Section 16. Section 617.0725, Florida Statutes, is amended  
516 to read:

517        617.0725 Quorum.--An amendment to the articles of  
518 incorporation or the bylaws which adds, that changes, or deletes  
519 a greater or lesser quorum or voting requirement must meet the  
520 same quorum or voting requirement and be adopted by the same  
521 vote and voting groups required to take action under the quorum  
522 and voting requirements then in effect or proposed to be  
523 adopted, whichever is greater ~~prescribed in the provision being~~  
524 ~~amended.~~

525        Section 17. Section 617.07401, Florida Statutes, is  
526 created to read:

527        617.07401 Members' derivative actions.--

528        (1) A person may not commence a proceeding in the right of  
529 a domestic or foreign corporation unless the person was a member  
530 of the corporation when the transaction complained of occurred  
531 or unless the person became a member through transfer by  
532 operation of law from one who was a member at that time.

533        (2) A complaint in a proceeding brought in the right of a  
534 domestic or foreign corporation must be verified and allege with  
535 particularity the demand made to obtain action by the board of  
536 directors and that the demand was refused or ignored by the



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537 board of directors for at least 90 days after the date of the  
538 first demand unless, before the expiration of the 90 days, the  
539 person was notified in writing that the corporation rejected the  
540 demand, or unless irreparable injury to the corporation would  
541 result by waiting for the expiration of the 90-day period. If  
542 the corporation commences an investigation of the charges made  
543 in the demand or complaint, the court may stay any proceeding  
544 until the investigation is completed.

545 (3) The court may dismiss a derivative proceeding if, on  
546 motion by the corporation, the court finds that one of the  
547 groups specified in paragraphs (a)-(c) has made a good faith  
548 determination after conducting a reasonable investigation upon  
549 which its conclusions are based that the maintenance of the  
550 derivative suit is not in the best interests of the corporation.  
551 The corporation has the burden of proving the independence and  
552 good faith of the group making the determination and the  
553 reasonableness of the investigation. The determination shall be  
554 made by:

555 (a) A majority vote of independent directors present at a  
556 meeting of the board of directors, if the independent directors  
557 constitute a quorum;

558 (b) A majority vote of a committee consisting of two or  
559 more independent directors appointed by a majority vote of  
560 independent directors present at a meeting of the board of  
561 directors, whether or not such independent directors constitute  
562 a quorum; or

563 (c) A panel of one or more independent persons appointed  
564 by the court upon motion by the corporation.



565       (4) A proceeding commenced under this section may not be  
566 discontinued or settled without the approval of the court. If  
567 the court determines that a proposed discontinuance or  
568 settlement substantially affects the interest of the members of  
569 the corporation, or a class, series, or voting group of members,  
570 the court shall direct that notice be given to the members  
571 affected. The court may determine which party or parties to the  
572 proceeding shall bear the expense of giving the notice.

573       (5) Upon termination of the proceeding, the court may  
574 require the plaintiff to pay any defendant's reasonable  
575 expenses, including reasonable attorney's fees, incurred in  
576 defending the proceeding if it finds that the proceeding was  
577 commenced without reasonable cause.

578       (6) The court may award reasonable expenses for  
579 maintaining the proceeding, including reasonable attorney's  
580 fees, to a successful plaintiff or to the person commencing the  
581 proceeding who receives any relief, whether by judgment,  
582 compromise, or settlement, and may require that the person  
583 account for the remainder of any proceeds to the corporation;  
584 however, this subsection does not apply to any relief rendered  
585 for the benefit of injured members only and limited to a  
586 recovery of the loss or damage of the injured members.

587       Section 18. Section 617.0801, Florida Statutes, is amended  
588 to read:

589       617.0801 ~~Requirement for and~~ Duties of board of  
590 directors.--All corporate powers must be exercised by or under  
591 the authority of, and the affairs of the corporation managed

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592 under the direction of, its board of directors, subject to any  
593 limitation set forth in the articles of incorporation.

594 Section 19. Section 617.0806, Florida Statutes, is amended  
595 to read:

596 617.0806 Staggered terms for directors.--The articles of  
597 incorporation or bylaws may provide that directors may be  
598 divided into classes and the terms of office of the several  
599 classes need not be uniform. Each director shall hold office for  
600 the term to which he or she is elected or appointed and until  
601 his or her successor has been elected or appointed and qualified  
602 or until his or her earlier resignation, removal from office, or  
603 death.

604 Section 20. Section 617.0808, Florida Statutes, is amended  
605 to read:

606 617.0808 Removal of directors.--

607 (1) Subject to subsection (2), a director may be removed  
608 from office pursuant to procedures provided in the articles of  
609 incorporation or the bylaws, which shall provide the following,  
610 and if they do not do so, shall be deemed to include the  
611 following:

612 (a) (1) Any member of the board of directors may be removed  
613 from office with or without cause by:

614 1. A majority of all votes of the directors, if the  
615 director was elected or appointed by the directors; or

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

618 (b) If a director is elected by a class, chapter, or other  
619 organizational unit, or by region or other geographic grouping,

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620 the director may be removed only by the members of that class,  
621 chapter, unit, or grouping. However:

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

626 2. If cumulative voting is authorized, a director may not  
627 be removed if the number of votes sufficient to elect the  
628 director under cumulative voting is voted against the removal of  
629 the director.

630 3. If at the beginning of the term of a director the  
631 articles of incorporation or bylaws provide that the director  
632 may be removed for missing a specified number of board meetings,  
633 the board may remove the director for failing to attend the  
634 specified number of meetings. The director may be removed only  
635 if a majority of the directors then in office vote for the  
636 removal ~~the vote or agreement in writing by a majority of all~~  
637 ~~votes of the membership.~~

638 ~~(c)(2)~~ The notice of a meeting ~~of the members~~ to recall a  
639 member or members of the board of directors shall state the  
640 specific directors sought to be removed.

641 ~~(d)(3)~~ A proposed removal of a director at a meeting shall  
642 require a separate vote for each director whose removal is ~~board~~  
643 ~~member~~ ~~sought to be removed~~. Where removal is sought by written  
644 consent agreement, a separate consent agreement is required for  
645 each director ~~board member~~ to be removed.



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646        (e) (4) If removal is effected at a meeting, any vacancies  
647 created ~~thereby~~ shall be filled by the members or directors  
648 eligible to vote for the removal at the same meeting.

649        (f) (5) Any director who is removed from the board ~~is shall~~  
650 not ~~be~~ eligible to stand for reelection until the next annual  
651 meeting at which directors are elected of the members.

652        (g) (6) Any director removed from office shall turn over to  
653 the board of directors within 72 hours any and all records of  
654 the corporation in his or her possession.

655        (h) (7) If a director who is removed ~~does shall~~ not  
656 relinquish his or her office or turn over records as required  
657 under this section, the circuit court in the county where the  
658 corporation's principal office is located may summarily order  
659 the director to relinquish his or her office and turn over  
660 corporate records upon application of any member.

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

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

671        Section 21. Section 617.0809, Florida Statutes, is amended  
672 to read:

673        617.0809 Board vacancy ~~on board~~.--

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674           (1) Except as provided in s. 617.0808(1)(f), any vacancy  
675 occurring on the board of directors may be filled by the  
676 affirmative vote of the majority of the remaining directors,  
677 even though the remaining directors constitute less than a  
678 quorum, or by the sole remaining director, ~~as the case may be,~~  
679 or, if the vacancy is not so filled or if no director remains,  
680 by the members or, on the application of any person, by the  
681 circuit court of the county where the registered office of the  
682 corporation is located.

683           (2) Whenever a vacancy occurs with respect to a director  
684 elected by a class, chapter, unit, or group, the vacancy may be  
685 filled only by members of that class, chapter, unit, or group,  
686 or by a majority of the directors then in office elected by such  
687 class, chapter, unit, or group.

688           (3) ~~(2)~~ The term of a director elected or appointed to fill  
689 a vacancy expires at the next annual meeting at which directors  
690 are elected ~~shall be elected or appointed for the unexpired term~~  
691 ~~of his or her predecessor in office.~~ Any directorship to be  
692 filled by reason of an increase in the number of directors may  
693 be filled by the board of directors, but only for a term of  
694 office continuing until the next election of directors by the  
695 members or, if the corporation has no members or no members  
696 having the right to vote thereon, for such term of office as is  
697 provided in the articles of incorporation or the bylaws.

698           (4) ~~(3)~~ A vacancy that will occur at a specific later date,  
699 by reason of a resignation effective at a later date under s.  
700 617.0807 or otherwise, may be filled before the vacancy occurs.

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701 However, the new director may not take office until the vacancy  
702 occurs.

703 Section 22. Subsection (2) of section 617.0832, Florida  
704 Statutes, is amended, and subsection (3) is added to that  
705 section, to read:

706 617.0832 Director conflicts of interest.--

707 (2) For purposes of paragraph (1)(a) only, a conflict-of-  
708 interest transaction is authorized, approved, or ratified if it  
709 receives the affirmative vote of a majority of the directors on  
710 the board of directors, or on the committee, who have no  
711 relationship or interest in the transaction described in  
712 subsection (1), but a transaction may not be authorized,  
713 approved, or ratified under this section by a single director.  
714 If a majority of the directors who have no relationship or  
715 interest in the transaction vote to authorize, approve, or  
716 ratify the transaction, a quorum is present for the purpose of  
717 taking action under this section. The presence of, or a vote  
718 cast by, a director having a relationship or interest in the  
719 transaction does not affect the validity of any action taken  
720 under paragraph (1)(a) if the transaction is otherwise  
721 authorized, approved, or ratified as provided in subsection (1),  
722 but such presence or vote of such a director may be counted for  
723 purposes of determining whether the transaction is approved  
724 under other sections of this chapter.

725 (3) For purposes of paragraph (1)(b), a conflict-of-  
726 interest transaction is authorized, approved, or ratified if it  
727 receives the vote of a majority in interest of the members  
728 entitled to vote under this subsection. A director who has a

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729 relationship or interest in the transaction described in  
730 subsection (1) may not vote to determine whether to authorize,  
731 approve, or ratify a conflict-of-interest transaction under  
732 paragraph (1)(b). However, the vote of that director is counted  
733 in determining whether the transaction is approved under other  
734 sections of this chapter. A majority in interest of the members  
735 entitled to vote on the transaction under this subsection  
736 constitutes a quorum for the purpose of taking action under this  
737 section. Common or interested directors may be counted in  
738 ~~determining the presence of a quorum at a meeting of the board~~  
739 ~~of directors or a committee thereof which authorizes, approves,~~  
740 ~~or ratifies such contract or transaction.~~

741 Section 23. Section 617.0833, Florida Statutes, is amended  
742 to read:

743 617.0833 Loans to directors or officers.--Loans, other  
744 than through the purchase of bonds, debentures, or similar  
745 obligations of the type customarily sold in public offerings, or  
746 through ordinary deposit of funds in a bank, may not be made by  
747 a corporation to its directors or officers, or to any other  
748 corporation, firm, association, or other entity in which one or  
749 more of its directors or officers is a director or officer or  
750 holds a substantial financial interest, except a loan by one  
751 corporation which is exempt from federal income taxation under  
752 s. 501(c)(3) of the Internal Revenue Code or the corresponding  
753 section of a subsequently enacted federal revenue act of 1986,  
754 ~~as amended,~~ to another corporation which is exempt from federal  
755 income taxation under s. 501(c)(3) of the Internal Revenue Code  
756 or the corresponding section of a subsequently enacted federal

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757 revenue act of 1986, as amended. A loan made in violation of  
758 this section is a violation of the duty to the corporation of  
759 the directors or officers authorizing it or participating in it,  
760 but the obligation of the borrower with respect to the loan is  
761 ~~shall not be affected thereby.~~

762 Section 24. Subsection (1) of section 617.0834, Florida  
763 Statutes, is amended to read:

764 617.0834 Officers and directors of certain corporations  
765 and associations not for profit; immunity from civil  
766 liability.--

767 (1) An officer or director of a nonprofit organization  
768 recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of  
769 the Internal Revenue Code of 1986, as amended, or of the  
770 corresponding section of a subsequently enacted federal revenue  
771 act, or of an agricultural or a horticultural organization  
772 recognized under s. 501(c)(5), of the Internal Revenue Code of  
773 1986, as amended, or of the corresponding section of a  
774 subsequently enacted federal revenue act, is not personally  
775 liable for monetary damages to any person for any statement,  
776 vote, decision, or failure to take an action, regarding  
777 organizational management or policy by an officer or director,  
778 unless:

779 (a) The officer or director breached or failed to perform  
780 his or her duties as an officer or director; and

781 (b) The officer's or director's breach of, or failure to  
782 perform, his or her duties constitutes:

783 1. A violation of the criminal law, unless the officer or  
784 director had reasonable cause to believe his or her conduct was

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785 lawful or had no reasonable cause to believe his or her conduct  
786 was unlawful. A judgment or other final adjudication against an  
787 officer or director in any criminal proceeding for violation of  
788 the criminal law estops that officer or director from contesting  
789 the fact that his or her breach, or failure to perform,  
790 constitutes a violation of the criminal law, but does not estop  
791 the officer or director from establishing that he or she had  
792 reasonable cause to believe that his or her conduct was lawful  
793 or had no reasonable cause to believe that his or her conduct  
794 was unlawful;

795 2. A transaction from which the officer or director  
796 derived an improper personal benefit, ~~either~~ directly or  
797 indirectly; or

798 3. Recklessness or an act or omission that ~~which~~ was  
799 committed in bad faith or with malicious purpose or in a manner  
800 exhibiting wanton and willful disregard of human rights, safety,  
801 or property.

802 Section 25. Subsections (2) and (3) of section 617.1007,  
803 Florida Statutes, are amended to read:

804 617.1007 Restated articles of incorporation.--

805 (2) The restatement may include one or more amendments to  
806 the articles of incorporation. If the restatement includes an  
807 amendment requiring member approval, it must be adopted as  
808 provided in s. 617.1002.

809 (3) A corporation restating its articles of incorporation  
810 shall deliver to the department ~~of State~~ for filing articles of  
811 restatement, executed in accordance with ~~the provisions of s.~~  
812 617.01201, setting forth the name of the corporation and the

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813 text of the restated articles of incorporation together with a  
814 certificate setting forth:

815 (a) Whether the restatement contains an amendment to the  
816 articles of incorporation requiring member approval and, if it  
817 does not, that the board of directors adopted the restatement;  
818 or

819 (b) If the restatement contains an amendment to the  
820 articles of incorporation requiring member approval, the  
821 information required by s. 617.1006.

822 Section 26. Subsection (2) of section 617.1101, Florida  
823 Statutes, is amended, and subsection (3) is added to that  
824 section, to read:

825 617.1101 Plan of merger.--

826 (2) Each corporation must adopt a plan of merger setting  
827 forth:

828 (a) The names of the corporations proposing to merge and  
829 the name of the surviving corporation into which each other  
830 corporation plans to merge, which is ~~hereinafter~~ designated as  
831 the surviving corporation;

832 (b) The terms and conditions of the proposed merger;

833 (c) A statement of any changes in the articles of  
834 incorporation of the surviving corporation to be effected by  
835 such merger; and

836 (d) The manner and basis, if any, of converting the  
837 memberships of each merging corporation into memberships,  
838 obligations, or securities of the surviving corporation or any  
839 other corporation or, in whole or in part, into cash or other

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840 property. ~~Such other provisions with respect to the proposed~~  
841 ~~merger as are deemed necessary or desirable.~~

842 (3) The plan of merger may set forth:

843 (a) Amendments to, or a restatement of, the articles of  
844 incorporation of the surviving corporation;

845 (b) The effective date of the merger, which may be on or  
846 after the date of filing the articles of incorporation or  
847 merger; or

848 (c) Other provisions relating to the merger.

849 Section 27. Section 617.1102, Florida Statutes, is created  
850 to read:

851 617.1102 Limitation on merger.--A corporation not for  
852 profit organized under this chapter may merge with one or more  
853 other business entities, as identified in s. 607.1108(1), only  
854 if the surviving entity of such merger is a corporation not for  
855 profit or other business entity that has been organized as a  
856 not-for-profit entity under a governing statute or other  
857 applicable law that allows such a merger.

858 Section 28. Section 617.1301, Florida Statutes, is created  
859 to read:

860 617.1301 Prohibited distributions.--Except as authorized  
861 in ss. 617.0505 and 617.1302, a corporation may not make any  
862 distributions to its members.

863 Section 29. Section 617.1302, Florida Statutes, is created  
864 to read:

865 617.1302 Authorized distributions.--



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866 (1) A mutual benefit corporation may purchase its  
867 memberships pursuant to s. 617.0608 only if, after the purchase  
868 is completed:

869 (a) The mutual benefit corporation is able to pay its  
870 debts as they become due in the usual course of its activities;  
871 and

872 (b) The total assets of the mutual benefit corporation at  
873 least equal the sum of its total liabilities.

874 (2) A corporation may make distributions upon dissolution  
875 in conformity with the dissolution provisions of this chapter.

876 Section 30. Subsection (4) of section 617.1405, Florida  
877 Statutes, is amended to read:

878 617.1405 Effect of dissolution.--

879 (4) The name of a dissolved corporation is shall not be  
880 available for assumption or use by another corporation until  
881 after 120 days after the effective date of dissolution unless  
882 the dissolved corporation provides the department with an  
883 affidavit, executed pursuant to s. 617.01201, authorizing the  
884 immediate assumption or use of the name by another corporation.

885 Section 31. Section 617.1407, Florida Statutes, is created  
886 to read:

887 617.1407 Unknown claims against dissolved corporation.--

888 (1) A dissolved corporation or successor entity may  
889 execute one of the following procedures to resolve payment of  
890 unknown claims:

891 (a) A dissolved corporation or successor entity may file  
892 notice of its dissolution with the department on the form  
893 prescribed by the department and request that persons having

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894 claims against the corporation which are not known to the  
895 corporation or successor entity present them in accordance with  
896 the notice. The notice must:

897 1. State the name of the corporation and the date of  
898 dissolution;

899 2. Describe the information that must be included in a  
900 claim and provide a mailing address to which the claim may be  
901 sent; and

902 3. State that a claim against the corporation under this  
903 subsection is barred unless a proceeding to enforce the claim is  
904 commenced within 4 years after the filing of the notice.

905 (b) A dissolved corporation or successor entity may,  
906 within 10 days after filing articles of dissolution with the  
907 department, publish a "Notice of Corporate Dissolution." The  
908 notice must appear once a week for 2 consecutive weeks in a  
909 newspaper of general circulation in the county in the state in  
910 which the corporation has its principal office, if any, or, if  
911 none, in a county in the state in which the corporation owns  
912 real or personal property. Such newspaper shall meet the  
913 requirements as are prescribed by law for such purposes. The  
914 notice must:

915 1. State the name of the corporation and the date of  
916 dissolution;

917 2. Describe the information that must be included in a  
918 claim and provide a mailing address to which the claim may be  
919 sent; and

920 3. State that a claim against the corporation under this  
921 subsection is barred unless a proceeding to enforce the claim is

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922 commenced within 4 years after the date of the second  
923 consecutive weekly publication of the notice.

924 (2) If the dissolved corporation or successor entity  
925 complies with paragraph (1)(a) or paragraph (1)(b), the claim of  
926 each of the following claimants is barred unless the claimant  
927 commences a proceeding to enforce the claim against the  
928 dissolved corporation within 4 years after the date of filing  
929 the notice with the department or the date of the second  
930 consecutive weekly publication, as applicable:

931 (a) A claimant who did not receive written notice under s.  
932 617.1408(9), or whose claim is not provided for under s.  
933 617.1408(10), regardless of whether such claim is based on an  
934 event occurring before or after the effective date of  
935 dissolution.

936 (b) A claimant whose claim was timely sent to the  
937 dissolved corporation but on which no action was taken.

938 (3) A claim may be entered under this section:

939 (a) Against the dissolved corporation, to the extent of  
940 its undistributed assets; or

941 (b) If the assets have been distributed in liquidation,  
942 against a member of the dissolved corporation to the extent of  
943 such member's pro rata share of the claim or the corporate  
944 assets distributed to such member in liquidation, whichever is  
945 less; however, the aggregate liability of any member of a  
946 dissolved corporation may not exceed the amount distributed to  
947 the member in dissolution.

948 Section 32. Section 617.1408, Florida Statutes, is created  
949 to read:

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950 617.1408 Known claims against dissolved corporation.--

951 (1) A dissolved corporation or successor entity may  
952 dispose of the known claims against it by following the  
953 procedures described in subsections (2), (3), and (4).

954 (2) The dissolved corporation or successor entity shall  
955 deliver to each of its known claimants written notice of the  
956 dissolution at any time after its effective date. The written  
957 notice must:

958 (a) Provide a reasonable description of the claim that the  
959 claimant may be entitled to assert;

960 (b) State whether the claim is admitted or not admitted,  
961 in whole or in part, and, if admitted:

962 1. The amount that is admitted, which may be as of a given  
963 date; and

964 2. Any interest obligation if fixed by an instrument of  
965 indebtedness;

966 (c) Provide a mailing address where a claim may be sent;

967 (d) State the deadline, which must be at least 120 days  
968 after the effective date of the written notice, by which  
969 confirmation of the claim must be delivered to the dissolved  
970 corporation or successor entity; and

971 (e) State that the corporation or successor entity may  
972 make distributions thereafter to other claimants and the members  
973 of the corporation or persons interested as having been such  
974 without further notice.

975 (3) A dissolved corporation or successor entity may  
976 reject, in whole or in part, any claim made by a claimant  
977 pursuant to this section by mailing notice of such rejection to

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978 the claimant within 90 days after receipt of such claim and, in  
979 all events, at least 150 days before expiration of 3 years  
980 following the effective date of dissolution. The notice must be  
981 accompanied by a copy of this section.

982 (4) A dissolved corporation or successor entity electing  
983 to follow the procedures described in subsections (2) and (3)  
984 must also give notice of dissolution to persons having known  
985 claims that are contingent upon the occurrence or nonoccurrence  
986 of future events, or are otherwise conditional or unmatured, and  
987 request that such persons present such claims in accordance with  
988 the terms of the notice. The notice must be in substantially the  
989 form, and sent in the same manner, as described in subsection  
990 (2).

991 (5) A dissolved corporation or successor entity shall  
992 offer any claimant whose known claim is contingent, conditional,  
993 or unmatured such security as the corporation or entity  
994 determines is sufficient to provide compensation to the claimant  
995 if the claim matures. The dissolved corporation or successor  
996 entity shall deliver such offer to the claimant within 90 days  
997 after receipt of such claim and, in all events, at least 150  
998 days before expiration of 3 years following the effective date  
999 of dissolution. If the claimant offered such security does not  
1000 deliver in writing to the dissolved corporation or successor  
1001 entity a notice rejecting the offer within 120 days after  
1002 receipt of such offer, the claimant is deemed to have accepted  
1003 such security as the sole source from which to satisfy his or  
1004 her claim against the corporation.

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1005       (6) A dissolved corporation or successor entity that has  
1006 given notice in accordance with subsections (2) and (4) shall  
1007 petition the circuit court in the county where the corporation's  
1008 principal office is located or was located on the effective date  
1009 of dissolution to determine the amount and form of security  
1010 which is sufficient to provide compensation to a claimant who  
1011 has rejected the offer for security made pursuant to subsection  
1012 (5).

1013       (7) A dissolved corporation or successor entity that has  
1014 given notice in accordance with subsection (2) shall petition  
1015 the circuit court in the county where the corporation's  
1016 principal office is located or was located on the effective date  
1017 of dissolution to determine the amount and form of security  
1018 which is sufficient to provide compensation to claimants whose  
1019 claims are known to the corporation or successor entity but  
1020 whose identities are unknown. The court shall appoint a guardian  
1021 ad litem to represent all claimants whose identities are unknown  
1022 in any proceeding brought under this subsection. The reasonable  
1023 fees and expenses of such guardian, including all reasonable  
1024 expert witness fees, shall be paid by the petitioner in such  
1025 proceeding.

1026       (8) The giving of any notice or making of any offer  
1027 pursuant to this section does not revive any claim then barred,  
1028 does not constitute acknowledgment by the dissolved corporation  
1029 or successor entity that any person to whom such notice is sent  
1030 is a proper claimant, and does not operate as a waiver of any  
1031 defense or counterclaim in respect of any claim asserted by any  
1032 person to whom such notice is sent.

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1033       (9) A dissolved corporation or successor entity that has  
1034 followed the procedures described in subsections (2)-(7) shall:

1035       (a) Pay the claims admitted or made and not rejected in  
1036 accordance with subsection (3);

1037       (b) Post the security offered and not rejected pursuant to  
1038 subsection (5);

1039       (c) Post any security ordered by the circuit court in any  
1040 proceeding under subsections (6) and (7); and

1041       (d) Pay or make provision for all other known obligations  
1042 of the corporation or the successor entity. Such claims or  
1043 obligations shall be paid in full, and any provision for  
1044 payments shall be made in full if there are sufficient funds. If  
1045 there are insufficient funds, the claims and obligations shall  
1046 be paid or provided for according to their priority and, among  
1047 claims of equal priority, ratably to the extent of funds legally  
1048 available for payment. Any remaining funds shall be distributed  
1049 in accordance with s. 617.1406; however, such distribution may  
1050 not be made until 150 days after the date of the last notice of  
1051 rejections given pursuant to subsection (3). In the absence of  
1052 actual fraud, the judgment of the directors of the dissolved  
1053 corporation or the governing persons of the successor entity as  
1054 to the provisions made for the payment of all obligations under  
1055 this paragraph is conclusive.

1056       (10) A dissolved corporation or successor entity that has  
1057 not followed the procedures described in subsections (2) and (3)  
1058 shall pay or make reasonable provision to pay all known claims  
1059 and obligations, including all contingent, conditional, or  
1060 unmatured claims known to the corporation or the successor

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1061 entity and all claims that are known to the dissolved  
1062 corporation or the successor entity but for which the identity  
1063 of the claimant is unknown. Such claims shall be paid in full,  
1064 and any provision for payment made shall be made in full if  
1065 there are sufficient funds. If there are insufficient funds,  
1066 such claims and obligations shall be paid or provided for  
1067 according to their priority and, among claims of equal priority,  
1068 ratably to the extent of funds legally available for payment  
1069 thereof. Any remaining funds shall be distributed in accordance  
1070 with s. 617.1406.

1071 (11) Directors of a dissolved corporation or governing  
1072 persons of a successor entity that has complied with subsection  
1073 (9) or subsection (10) are not personally liable to the  
1074 claimants of the dissolved corporation.

1075 (12) A member of a dissolved corporation the assets of  
1076 which were distributed pursuant to subsection (9) or subsection  
1077 (10) is not liable for any claim against the corporation greater  
1078 than the member's pro rata share of the claim or the amount  
1079 distributed to the member, whichever is less.

1080 (13) A member of a dissolved corporation, the assets of  
1081 which were distributed pursuant to subsection (9), is not liable  
1082 for any claim against the corporation which is known to the  
1083 corporation or successor entity and on which a proceeding is  
1084 begun after the expiration of 3 years following the effective  
1085 date of dissolution.

1086 (14) The aggregate liability of any member of a dissolved  
1087 corporation for claims against the dissolved corporation may not



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1088 be greater than the amount distributed to the member in  
1089 dissolution.

1090 Section 33. Subsection (6) of section 617.1421, Florida  
1091 Statutes, is repealed.

1092 Section 34. Section 617.1422, Florida Statutes, is amended  
1093 to read:

1094 617.1422 Reinstatement following administrative  
1095 dissolution.--

1096 (1)~~(a)~~ A corporation administratively dissolved under s.  
1097 617.1421 may apply to the department ~~of State~~ for reinstatement  
1098 at any time after the effective date of dissolution. The  
1099 corporation must submit a reinstatement form prescribed and  
1100 furnished by the department or a current uniform business report  
1101 signed by a registered agent and an officer or director and  
1102 submit application must:

1103 1. ~~Recite the name of the corporation and the effective~~  
1104 ~~date of its administrative dissolution;~~

1105 2. ~~State that the ground or grounds for dissolution either~~  
1106 ~~did not exist or have been eliminated and that no further~~  
1107 ~~grounds currently exist for dissolution;~~

1108 3. ~~State that the corporation's name satisfies the~~  
1109 ~~requirements of s. 617.0401; and~~

1110 4. ~~State that all fees owed by the corporation and~~  
1111 ~~computed at the rate provided by law at the time the corporation~~  
1112 ~~applies for reinstatement, have been paid; or~~

1113 ~~(b) Submit a current annual report, signed by the~~  
1114 ~~registered agent and an officer or director, which substantially~~  
1115 ~~complies with the requirements of paragraph (a).~~

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1116 (2) If the department ~~of State~~ determines that the  
1117 application contains the information required by subsection (1)  
1118 and that the information is correct, it shall ~~file the document,~~  
1119 ~~cancel the certificate of dissolution,~~ and reinstate the  
1120 corporation ~~effective on the date which the reinstatement~~  
1121 ~~document is filed.~~

1122 (3) When the reinstatement is effective, it relates back  
1123 to and takes effect as of the effective date of the  
1124 administrative dissolution and the corporation resumes carrying  
1125 on its business affairs as if the administrative dissolution had  
1126 never occurred.

1127 (4) The name of the dissolved corporation is not available  
1128 for assumption or use by another corporation until 1 year after  
1129 the effective date of dissolution unless the dissolved  
1130 corporation provides the department with an affidavit executed  
1131 pursuant to s. 617.01201 authorizing the immediate assumption or  
1132 use of the name by another corporation.

1133 (5) ~~(4)~~ If the name of the dissolved corporation has been  
1134 lawfully assumed in this state by another corporation, the  
1135 department ~~of State~~ shall require the dissolved corporation to  
1136 amend its articles of incorporation to change its name before  
1137 accepting its application for reinstatement.

1138 Section 35. Subsection (2) of section 617.1430, Florida  
1139 Statutes, is amended to read:

1140 617.1430 Grounds for judicial dissolution.--A circuit  
1141 court may dissolve a corporation:

1142 (2) In a proceeding brought by at least 50 members or  
1143 members holding at least 10 percent of the voting power,

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1144 whichever is less, or by a member or group or percentage of  
1145 members as otherwise provided in the articles of incorporation  
1146 or bylaws, or by a director or any person authorized in the  
1147 articles of incorporation, by a member if it is established  
1148 that:

1149 (a) The directors are deadlocked in the management of the  
1150 corporate affairs, the members are unable to break the deadlock,  
1151 and irreparable injury to the corporation is threatened or being  
1152 suffered;

1153 (b) The members are deadlocked in voting power and have  
1154 failed to elect successors to directors whose terms have expired  
1155 or would have expired upon qualification of their successors; or

1156 (c) The corporate assets are being misapplied or wasted.

1157 Section 36. Subsection (2) of section 617.1503, Florida  
1158 Statutes, is amended to read:

1159 617.1503 Application for certificate of authority.--

1160 (2) The foreign corporation shall deliver with the  
1161 completed application a certificate of existence, ~~for~~ a document  
1162 of similar import, ~~+~~ duly authenticated, within ~~not more than~~ 90  
1163 days prior to delivery of the application to the department ~~of~~  
1164 ~~State~~, by the Secretary of State or other official having  
1165 custody of corporate records in the jurisdiction under the law  
1166 of which it is incorporated. A translation of the certificate,  
1167 under oath of the translator, must be attached to a certificate  
1168 that ~~which~~ is in a language other than the English language.

1169 Section 37. Subsection (2) of section 617.1504, Florida  
1170 Statutes, is amended to read:

1171 617.1504 Amended certificate of authority.--

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1172           (2) Such application shall be made within 90 ~~30~~ days after  
1173 the occurrence of any change mentioned in subsection (1), shall  
1174 be made on forms prescribed by the department ~~of State~~, shall be  
1175 executed and filed in the same manner as an original application  
1176 for authority, and shall set forth:

1177           (a) The name of the foreign corporation as it appears on  
1178 the department's records of the ~~Department of State~~;

1179           (b) The jurisdiction of its incorporation;

1180           (c) The date it was authorized to conduct its affairs in  
1181 this state;

1182           (d) If the name of the foreign corporation has ~~been~~  
1183 changed, the name relinquished, the new name, a statement that  
1184 the change of name has been effected under the laws of the  
1185 jurisdiction of its incorporation, and the date the change was  
1186 effected;

1187           (e) If the period of duration has ~~been~~ changed, a  
1188 statement of such change and the date the change was effected;

1189           (f) If the jurisdiction of incorporation has ~~been~~ changed,  
1190 a statement of such change and the date the change was effected;  
1191 and

1192           (g) If the ~~purpose or purposes~~ that ~~which~~ the corporation  
1193 intends to pursue in this state have ~~been~~ changed, a statement  
1194 of such new ~~purpose or purposes~~, and a further statement that  
1195 the corporation is authorized to pursue such ~~purpose or purposes~~  
1196 in the jurisdiction of its incorporation.

1197           Section 38. Section 617.1506, Florida Statutes, is amended  
1198 to read:

1199           617.1506 Corporate name of foreign corporation.--

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1200 (1) A foreign corporation may ~~is not entitled to~~ file an  
1201 application for a certificate of authority unless the corporate  
1202 name of such corporation satisfies the requirements of s.  
1203 617.0401. To obtain or maintain a certificate of authority to  
1204 transact business in this state, the foreign corporation:

1205 (a) May add the word "corporation" or "incorporated" or  
1206 the abbreviation "corp." or "inc." or words of like import,  
1207 which as will clearly indicate that it is a corporation instead  
1208 of a natural person or partnership or other business entity;  
1209 however, to its corporate name for use in this state, provided,  
1210 the name of a foreign corporation may not contain the word  
1211 "company" or the abbreviation "co."; or

1212 (b) May use an alternate name to transact business in this  
1213 state if its real name is unavailable. Any alternate corporate  
1214 name adopted for use in this state must be cross-referenced to  
1215 the real corporate name in the records of the Division of  
1216 Corporations. If the real corporate name of the corporation  
1217 becomes available in this state or if the corporation chooses to  
1218 change its alternate name and it delivers to the Department of  
1219 State, for filing, a copy of the resolution of its board of  
1220 directors, changing or withdrawing the alternate name and  
1221 executed as required by s. 617.01201, must be delivered for  
1222 filing adopting an alternate name.

1223 (2) The corporate name, including the alternate name, of a  
1224 foreign corporation must be distinguishable, within the records  
1225 of the Division of Corporations, from:

1226 (a) Any corporate name of a corporation for profit  
1227 incorporated or authorized to transact business in this state.

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1228           **(b)** ~~(a)~~ The alternate name of another foreign corporation  
1229 authorized to transact business in this state.

1230           **(c)** ~~(b)~~ The corporate name of a not-for-profit corporation  
1231 incorporated or authorized to transact business in this state.

1232           **(d)** ~~(e)~~ The names of all other entities or filings, except  
1233 fictitious name registrations pursuant to s. 865.09, organized,  
1234 or registered under the laws of this state, that are on file  
1235 with the Division of Corporations.

1236           (3) If a foreign corporation authorized to transact  
1237 business in this state changes its corporate name to one that  
1238 does not satisfy the requirements of s. 617.0401 ~~607.0401~~, such  
1239 corporation may not transact business in this state under the  
1240 changed name until the corporation adopts a name satisfying the  
1241 requirements of s. 617.0401 ~~607.0401~~.

1242           ~~(4) The corporate name must be distinguishable from the~~  
1243 ~~names of all other entities or filings, organized, registered,~~  
1244 ~~or reserved under the laws of the state that are on file with~~  
1245 ~~the Division of Corporations, except fictitious name~~  
1246 ~~registrations pursuant to s. 865.09.~~

1247           Section 39. Subsection (6) of section 617.1530, Florida  
1248 Statutes, is amended to read:

1249           617.1530 Grounds for revocation of authority to conduct  
1250 affairs.--The Department of State may commence a proceeding  
1251 under s. 617.1531 to revoke the certificate of authority of a  
1252 foreign corporation authorized to conduct its affairs in this  
1253 state if:

1254           (6) The department ~~of State~~ receives a duly authenticated  
1255 certificate from the Secretary of State or other official having

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1256 custody of corporate records in the jurisdiction under the law  
1257 of which the foreign corporation is incorporated stating that it  
1258 has been dissolved or disappeared as the result of a merger.

1259 Section 40. Paragraph (a) of subsection (5) of section  
1260 617.1601, Florida Statutes, is amended to read:

1261 617.1601 Corporate records.--

1262 (5) A corporation shall keep a copy of the following  
1263 records:

1264 (a) Its articles of incorporation or restated articles of  
1265 incorporation and all amendments to them currently in effect.

1266 Section 41. Subsections (1), (2), and (4) of section  
1267 617.1602, Florida Statutes, are amended to read:

1268 617.1602 Inspection of records by members.--

1269 (1) A member of a corporation is entitled to inspect and  
1270 copy, during regular business hours at the corporation's  
1271 principal office or at a reasonable location specified by the  
1272 corporation, any of the records of the corporation described in  
1273 s. 617.1601(5), if the member gives the corporation written  
1274 notice of his or her demand at least 10 ~~5~~ business days before  
1275 the date on which he or she wishes to inspect and copy.

1276 (2) A member of a corporation is entitled to inspect and  
1277 copy, during regular business hours at a reasonable location  
1278 specified by the corporation, any of the following records of  
1279 the corporation if the member meets the requirements of  
1280 subsection (3) and gives the corporation written notice of his  
1281 or her demand at least 10 ~~5~~ business days before the date on  
1282 which he or she wishes to inspect and copy:

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1283 (a) Excerpts from minutes of any meeting of the board of  
1284 directors, records of any action of a committee of the board of  
1285 directors while acting in place of the board of directors on  
1286 behalf of the corporation, minutes of any meeting of the  
1287 members, and records of action taken by the members or board of  
1288 directors without a meeting, to the extent not subject to  
1289 inspection under subsection (1).

1290 (b) Accounting records of the corporation.

1291 (c) The record of members.

1292 (d) Any other books and records.

1293 (4) This section does not affect:

1294 (a) The right of a member ~~to inspect and copy records~~  
1295 ~~under s. 617.0730(6), or, if the member is in litigation with~~  
1296 ~~the corporation to inspect and copy records,~~ to the same extent  
1297 as any other litigant.

1298 (b) The power of a court, independently of this chapter  
1299 ~~act~~, to compel the production of corporate records for  
1300 examination.

1301 Section 42. Section 617.1605, Florida Statutes, is amended  
1302 to read:

1303 617.1605 Financial reports for members.--A corporation,  
1304 upon a member's written demand, shall furnish that member its  
1305 latest annual financial statements, which may be consolidated or  
1306 combined statements of the corporation and one or more of its  
1307 subsidiaries or affiliates, as appropriate, and which include a  
1308 balance sheet as of the end of the fiscal year and a statement  
1309 of operations for that year. If financial statements are  
1310 prepared for the corporation on the basis of generally accepted



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1311 accounting principles, the annual financial statements must also  
1312 be prepared on such basis. Within 60 days following the end of  
1313 the fiscal or calendar year or annually on such date as is  
1314 otherwise provided in the bylaws of the corporation, the board  
1315 of directors of the corporation shall mail or furnish by  
1316 personal delivery to each member a complete financial report of  
1317 actual receipts and expenditures for the previous 12 months. The  
1318 report shall show the amounts of receipts by accounts and  
1319 receipt classifications and shall show the amounts of expenses  
1320 by accounts and expense classifications.

1321 Section 43. Section 617.1703, Florida Statutes, is created  
1322 to read:

1323 617.1703 Application of chapter.--In the event of any  
1324 conflict between the provisions of this chapter and chapter 718  
1325 regarding condominiums, chapter 719 regarding cooperatives,  
1326 chapter 720 regarding homeowners' associations, chapter 721  
1327 regarding timeshares, or chapter 723 regarding mobile home  
1328 owners' associations, the provisions of such other chapters  
1329 shall apply. The provisions of ss. 617.0605-617.0608 do not  
1330 apply to corporations regulated by any of the foregoing chapters  
1331 or to any other corporation where membership in the corporation  
1332 is required pursuant to a document recorded in the county  
1333 property records.

1334 Section 44. Subsection (8) is added to section 617.1803,  
1335 Florida Statutes, to read:

1336 617.1803 Domestication of foreign not-for-profit  
1337 corporations.--

1338 (8) When a domestication becomes effective:

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1339        (a) The title to all real and personal property, both  
1340 tangible and intangible, of the foreign corporation remains in  
1341 the domesticated corporation without reversion or impairment;

1342        (b) The liabilities of the foreign corporation remain the  
1343 liabilities of the domesticated corporation;

1344        (c) An action or proceeding against the foreign  
1345 corporation continues against the domesticated corporation as if  
1346 the domestication had not occurred;

1347        (d) The articles of incorporation attached to the  
1348 certificate of domestication constitute the articles of  
1349 incorporation of the domesticated corporation; and

1350        (e) Membership interests in the foreign corporation remain  
1351 identical in the domesticated corporation.

1352        Section 45. Section 617.1806, Florida Statutes, is amended  
1353 to read:

1354        617.1806 Conversion to corporation not for profit;  
1355 petition and contents.--A petition for conversion to a  
1356 corporation not for profit pursuant to s. 617.1805 shall be  
1357 accompanied by the written consent of all the shareholders  
1358 authorizing the change in the corporate nature and directing an  
1359 authorized officer to file such petition before the court,  
1360 together with a statement agreeing to accept all the property of  
1361 the petitioning corporation and agreeing to assume and pay all  
1362 its indebtedness and liabilities, and the proposed articles of  
1363 incorporation signed by the president and secretary of the  
1364 petitioning corporation which shall set forth the provisions  
1365 required in original articles of incorporation by s. 617.0202.

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1366 Section 46. Section 617.1907, Florida Statutes, is amended  
1367 to read:

1368 617.1907 Effect of repeal or amendment of prior acts.--

1369 (1) Except as provided in subsection (2), the repeal or  
1370 amendment of a statute by this act does not affect:

1371 (a) The operation of the statute or any action taken under  
1372 it before its repeal or amendment;

1373 (b) Any ratification, right, remedy, privilege,  
1374 obligation, or liability acquired, accrued, or incurred under  
1375 the statute before its repeal or amendment;

1376 (c) Any violation of the statute, or any penalty,  
1377 forfeiture, or punishment incurred because of the violation,  
1378 before its repeal or amendment; or

1379 (d) Any proceeding, reorganization, or dissolution  
1380 commenced ~~under the statute~~ before its repeal or amendment, and  
1381 the proceeding, reorganization, or dissolution may be completed  
1382 ~~in accordance with the statute~~ as if it had not been repealed or  
1383 amended.

1384 (2) If a penalty or punishment imposed for violation of a  
1385 statute repealed or amended by this act is reduced by this act,  
1386 the penalty or punishment if not already imposed shall be  
1387 imposed in accordance with this act.

1388 Section 47. Section 617.2103, Florida Statutes, is  
1389 repealed.

1390 Section 48. This act shall take effect October 1, 2008.

1391  
1392 ===== T I T L E A M E N D M E N T =====

1393 And the title is amended as follows:

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1394 Delete everything before the enacting clause

1395 and insert:

1396 A bill to be entitled

1397 An act relating to corporations not for profit; amending  
1398 s. 617.01201, F.S.; requiring a document that is  
1399 electronically transmitted to be in a format that may be  
1400 retrieved in typewritten or printed form; requiring that a  
1401 document be executed by a director of the domestic or  
1402 foreign corporation; authorizing the delivery of a  
1403 document by electronic transmission to the extent allowed  
1404 by the Department of State; amending s. 617.0122, F.S.;  
1405 requiring the department to collect a fee for filing an  
1406 agent's statement of resignation from an inactive  
1407 corporation; amending s. 617.0124, F.S.; authorizing a  
1408 domestic or foreign corporation to correct a document  
1409 filed by the department within 30 days under certain  
1410 circumstances; amending s. 617.01401, F.S.; defining the  
1411 terms "department," "distribution," "mutual benefit  
1412 corporation," "successor entity," and "voting power";  
1413 amending s. 617.0205, F.S.; requiring the incorporators to  
1414 hold an organizational meeting after incorporation if the  
1415 initial directors are not named in the articles of  
1416 incorporation; amending s. 617.0302, F.S.; authorizing a  
1417 corporation not for profit to make guaranties; amending s.  
1418 617.0503, F.S.; providing that an alien business  
1419 organization may withdraw its registered agent designation  
1420 by delivering an application for certificate of withdrawal  
1421 to the department; amending s. 617.0505, F.S.; prohibiting

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1422 a corporation not for profit from making distributions to  
1423 its members; providing an exception; deleting provisions  
1424 related to the issuance of certificates; amending s.  
1425 617.0601, F.S.; correcting a reference to the Solicitation  
1426 of Contributions Act; providing that certain stock  
1427 certificates constitute certificates of membership;  
1428 requiring that a resignation, expulsion, or termination of  
1429 membership be recorded in the membership book; creating s.  
1430 617.0605, F.S.; prohibiting a member of a corporation from  
1431 transferring a membership under certain circumstances;  
1432 creating s. 617.0606, F.S.; providing that the resignation  
1433 of a member does not relieve the member from obligations  
1434 incurred and commitments made prior to resignation;  
1435 creating s. 617.0607, F.S.; requiring that a member of a  
1436 corporation be terminated or suspended pursuant to a  
1437 procedure that is fair and reasonable; requiring that  
1438 written notice given and delivered by certified mail or  
1439 first-class mail; requiring that a proceeding challenging  
1440 an expulsion, suspension, or termination be commenced  
1441 within 1 year after the effective date of such expulsion,  
1442 suspension, or termination; providing that a member who  
1443 has been expelled or suspended may be liable to the  
1444 corporation for dues, assessments, or fees; creating s.  
1445 617.0608, F.S.; prohibiting a corporation from purchasing  
1446 any of its memberships; authorizing a mutual benefit  
1447 corporation to purchase the membership of a member who  
1448 resigns or whose membership is terminated; amending s.  
1449 617.0701, F.S.; authorizing the holders of at least 5

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1450 percent of the voting power of a corporation to call a  
1451 special meeting of the members under certain  
1452 circumstances; authorizing a person who signs a demand for  
1453 a special meeting to call a special meeting of the members  
1454 under certain circumstances; revising the timeframes  
1455 relating to written member consent to actions; clarifying  
1456 the types of corporations that are not subject to certain  
1457 requirements; amending s. 617.0721, F.S.; authorizing the  
1458 corporation to reject a proxy action if it has reasonable  
1459 doubt as the validity of an appointment; providing that  
1460 members and proxy holders who are not physically present  
1461 at a meeting may participate by means of remote  
1462 communication and are deemed to be present at the meeting  
1463 under certain circumstances; amending s. 617.0725, F.S.;  
1464 requiring an amendment to the articles of incorporation or  
1465 the bylaws which adds a greater or lesser quorum or voting  
1466 requirement to meet certain requirements; creating s.  
1467 617.07401, F.S.; prohibiting a person from commencing a  
1468 proceeding in the right of a domestic or foreign  
1469 corporation unless the person was a member of the  
1470 corporation or became a member through transfer by  
1471 operation of law; requiring that a complaint in a  
1472 proceeding brought in the right of a domestic or foreign  
1473 corporation be verified and allege the demand with  
1474 particularity; authorizing the court to dismiss a  
1475 derivative proceeding if the court finds that a  
1476 determination was made in good faith after a reasonable  
1477 investigation; prohibiting certain proceedings from being

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1478 discontinued or settled without the approval of the court;  
1479 authorizing the court to require a plaintiff to pay a  
1480 defendant's reasonable expenses upon termination of a  
1481 proceeding, including attorney's fees; amending s.  
1482 617.0801, F.S.; providing the duties of the board of  
1483 directors; amending s. 617.0806, F.S.; providing that  
1484 directors may be divided into classes; amending s.  
1485 617.0808, F.S.; providing that any member of the board of  
1486 directors may be removed from office with or without cause  
1487 by a certain vote; providing that a director who is  
1488 elected by a class, chapter, or other organizational unit  
1489 may be removed only by members of that class, chapter, or  
1490 organizational unit; providing that a director elected or  
1491 appointed by the board may be removed without cause by a  
1492 vote of two-thirds of the directors then in office;  
1493 providing that a director of a corporation described in s.  
1494 501(c) of the Internal Revenue Code may be removed from  
1495 office pursuant to procedures provided in the articles of  
1496 incorporation or the bylaws; amending s. 617.0809, F.S.;  
1497 providing that a vacancy on the board of directors for a  
1498 director elected by a class, chapter, unit, or group may  
1499 be filled only by members of that class, chapter, unit, or  
1500 group; providing that the term of a director elected or  
1501 appointed to fill a vacancy expires at the next annual  
1502 meeting at which directors are elected; amending s.  
1503 617.0832, F.S.; deleting a provision that authorizes  
1504 common or interested directors to be counted in  
1505 determining the presence of a quorum at a meeting that

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1506 ratifies a contract between a corporation and one of its  
1507 directors and any other corporation in which one of its  
1508 directors is financially interested; providing  
1509 circumstances under which a conflict-of-interest  
1510 transaction is authorized; amending s. 617.0833, F.S.;  
1511 providing an exception to the requirement that a loan may  
1512 not be made by a corporation to its directors; amending s.  
1513 617.0834, F.S.; providing that an officer or director of a  
1514 certain nonprofit organization or agricultural or  
1515 horticultural organization is immune from civil liability;  
1516 amending s. 617.1007, F.S.; providing that a restatement  
1517 of the articles of incorporation of a corporation may  
1518 include one or more amendments; amending s. 617.1101,  
1519 F.S.; providing requirements for a plan of merger;  
1520 creating s. 617.1102, F.S.; providing a limitation on the  
1521 merger of a corporation not for profit; creating s.  
1522 617.1301, F.S.; prohibiting a corporation from making  
1523 distributions to its members under certain circumstances;  
1524 creating s. 617.1302, F.S.; providing that a mutual  
1525 benefit corporation may purchase its memberships only  
1526 under certain circumstances; authorizing a corporation to  
1527 make distributions upon dissolution; amending s. 617.1405,  
1528 F.S.; providing that the name of a dissolved corporation  
1529 may be available for immediate assumption by another  
1530 corporation if the dissolved corporation provides the  
1531 department with an affidavit authorizing such use;  
1532 creating s. 617.1407, F.S.; authorizing a dissolved  
1533 corporation or successor entity to execute certain



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1534 procedures to resolve payment of unknown claims against  
1535 it; providing that certain claims against a dissolved  
1536 corporation are barred; providing that a claim may be  
1537 entered against a dissolved corporation under certain  
1538 circumstances; creating s. 617.1408, F.S.; authorizing a  
1539 dissolved corporation or successor entity to execute  
1540 certain procedures to dispose of known claims against it;  
1541 requiring that a dissolved corporation deliver written  
1542 notice of the dissolution to each of its known claimants;  
1543 providing a procedure under which a dissolved corporation  
1544 may reject a claim made against it; requiring that a  
1545 dissolved corporation give notice of the dissolution to  
1546 persons having known claims that are contingent,  
1547 conditional, or unmatured; requiring that a dissolved  
1548 corporation follow certain procedures in offering  
1549 compensation to a claimant if the claim matures; requiring  
1550 that a dissolved corporation petition the circuit court to  
1551 determine the amount and form of security that is  
1552 sufficient to provide compensation to certain claimants;  
1553 providing that the giving of notice or making of an offer  
1554 does not revive a claim that has been barred; providing  
1555 that directors of a dissolved corporation or governing  
1556 persons of a successor entity that has complied with  
1557 certain procedures are not personally liable to the  
1558 claimants of a dissolved corporation; providing that  
1559 certain members of a dissolved corporation are not liable  
1560 for any claim against the corporation; providing a limit  
1561 on the aggregate liability of any member of a dissolved

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1562 corporation; repealing s. 617.1421(6), F.S., relating to  
1563 the assumption and use of the name of a dissolved  
1564 corporation; amending s. 617.1422, F.S.; deleting certain  
1565 requirements for an application to reinstate a corporation  
1566 that has been dissolved; requiring that a corporation  
1567 submit a reinstatement form prescribed and furnished by  
1568 the department; providing that the name of a dissolved  
1569 corporation is not available for assumption or use by  
1570 another corporation until 1 year after the effective date  
1571 of dissolution; providing an exception; amending s.  
1572 617.1430, F.S.; revising the requirements for members to  
1573 dissolve a corporation in circuit court; amending s.  
1574 617.1503, F.S.; requiring a foreign corporation to deliver  
1575 a certificate of existence authenticated by the Secretary  
1576 of State; amending s. 617.1504, F.S.; requiring that a  
1577 foreign corporation make application to the department to  
1578 obtain an amended certificate of authority within 90 days  
1579 after the occurrence of a change; amending s. 617.1506,  
1580 F.S.; requiring that an alternate corporate name adopted  
1581 for use in this state be cross-referenced to the real  
1582 corporate name in the records of the Division of  
1583 Corporations; requiring that the corporate name of a  
1584 foreign corporation be distinguishable from the corporate  
1585 name of a corporation for profit incorporated or  
1586 authorized to transact business in this state; amending s.  
1587 617.1530, F.S.; requiring that the department receive an  
1588 authenticated certificate from the Secretary of State  
1589 before commencing a proceeding to revoke the certificate

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1590 of authority of a foreign corporation; amending s.  
1591 617.1601, F.S.; requiring that a corporation keep a copy  
1592 of its articles of incorporation; amending s. 617.1602,  
1593 F.S.; providing that a member of a corporation is entitled  
1594 to inspect and copy certain records of the corporation at  
1595 a reasonable location specified by the corporation;  
1596 requiring that a member give the corporation written  
1597 notice 10 days before the date on which he or she wishes  
1598 to inspect and copy records; amending s. 617.1605, F.S.;  
1599 revising the circumstances under which a corporation is  
1600 required to furnish a member with its latest annual  
1601 financial statement; creating s. 617.1703, F.S.; providing  
1602 for the applicability of certain provisions to  
1603 corporations regulated under the act; amending s.  
1604 617.1803, F.S.; providing for certain changes when a  
1605 foreign not-for-profit corporation becomes domesticated;  
1606 amending s. 617.1806, F.S.; revising the provisions for  
1607 conversion to a corporation not for profit; amending s.  
1608 617.1907, F.S.; providing that the repeal or amendment of  
1609 a statute does not affect certain operations and  
1610 proceedings; repealing s. 617.2103, F.S., relating to  
1611 exemptions for certain corporations; providing an  
1612 effective date.