

1 A bill to be entitled
2 An act relating to business entities; amending s.
3 607.1109, F.S.; exempting a domestic corporation from the
4 requirement to file articles of merger under certain
5 circumstances; amending s. 607.1113, F.S.; exempting a
6 domestic corporation from the requirement to file a
7 certificate of conversion under certain circumstances;
8 amending s. 607.1115, F.S.; requiring that each converting
9 entity file a certificate of conversion with the
10 Department of State; amending s. 608.4382, F.S.; exempting
11 a domestic limited liability company from the requirement
12 to file a certificate of merger under certain
13 circumstances; amending s. 608.439, F.S.; including a
14 corporation within the definition of "other business
15 entity" or "another business entity"; requiring that each
16 converting entity file a certificate of conversion with
17 the department; amending s. 608.4403, F.S.; exempting a
18 limited liability company from the requirement to file a
19 certificate of conversion under certain circumstances;
20 amending s. 617.1108, F.S.; exempting a domestic
21 corporation not for profit from the requirement to file
22 articles of merger under certain circumstances; providing
23 for a copy of articles of merger or the certificate of
24 merger to be filed in each county in which real property
25 of a party to the merger is situated; amending s.
26 620.1406, F.S.; revising the requirements for general
27 partners with respect to exercising certain management
28 rights; providing that the expulsion of a limited partner

29 requires the consent of all of the other limited partners;
30 amending s. 620.2104, F.S.; requiring that a certificate
31 of conversion be signed by each general partner and by the
32 converting organization; exempting a limited partnership
33 from the requirement to file a certificate of conversion
34 if the partnership complies with certain other laws;
35 amending s. 620.2108, F.S.; providing exceptions to a
36 requirement that constituent limited partnerships file
37 articles of merger or a certificate of merger with the
38 Department of State; amending s. 620.2204, F.S.; changing
39 the date of application of provisions authorizing a
40 limited partner to dissociate from a limited partnership;
41 amending s. 620.8101, F.S.; redefining the term
42 "statement" to exclude a statement of merger; amending s.
43 620.8105, F.S.; requiring that a registration statement be
44 filed with the department before filing a certificate of
45 conversion or a certificate of merger; amending s.
46 620.81055, F.S.; providing that a filing fee applies to a
47 certificate of merger; amending s. 620.8911, F.S.;
48 clarifying that the term "organization" includes a
49 converted or surviving organization under certain
50 circumstances; amending s. 620.8914, F.S.; revising
51 requirements for conversions; exempting converting
52 domestic partnerships from filing a certificate of
53 conversion under certain circumstances; providing that the
54 certificate of conversion acts as a cancellation of the
55 registration statement for a converting partnership;
56 amending s. 620.8918, F.S.; exempting domestic constituent

57 | partnerships from filing a certificate of merger under
 58 | certain circumstances; requiring that such partnership
 59 | file a registration statement with the department under
 60 | certain circumstances; amending s. 621.06, F.S.; revising
 61 | limitations on qualifications to render professional
 62 | services; amending s. 621.10, F.S.; revising limitations
 63 | on disqualifications to render professional services;
 64 | amending s. 621.13, F.S.; deleting limitations on mergers
 65 | between domestic and foreign professional corporations and
 66 | limited liability companies; amending s. 727.114, F.S.;
 67 | providing for disposition of residue moneys after payment
 68 | of certain creditors' claims; providing effective dates.

69 |

70 | Be It Enacted by the Legislature of the State of Florida:

71 |

72 | Section 1. Subsection (3) is added to section 607.1109,
 73 | Florida Statutes, to read:

74 | 607.1109 Articles of merger.--

75 | (3) A domestic corporation is not required to file
 76 | articles of merger pursuant to subsection (1) if the domestic
 77 | corporation is named as a party or constituent organization in
 78 | articles of merger or a certificate of merger filed for the same
 79 | merger in accordance with s. 608.4382(1), s. 617.1108, s.
 80 | 620.2108(3), or s. 620.8918(1) and (2), and if the articles of
 81 | merger or certificate of merger substantially complies with the
 82 | requirements of this section. In such a case, the other articles
 83 | of merger or certificate of merger may also be used for purposes
 84 | of subsection (2).

85 Section 2. Subsection (3) is added to section 607.1113,
 86 Florida Statutes, to read:

87 607.1113 Certificate of conversion.--

88 (3) A converting domestic corporation is not required to
 89 file a certificate of conversion pursuant to subsection (1) if
 90 the converting domestic corporation files a certificate of
 91 conversion that substantially complies with the requirements of
 92 this section pursuant to s. 608.439, s. 620.2104(1)(b), or s.
 93 620.8914(1)(b) and contains the signatures required by this
 94 chapter. In such a case, the other certificate of conversion may
 95 also be used for purposes of subsection (2).

96 Section 3. Paragraph (a) of subsection (2) of section
 97 607.1115, Florida Statutes, is amended to read:

98 607.1115 Conversion of another business entity to a
 99 domestic corporation.--

100 (2) Any other business entity may convert to a domestic
 101 corporation if the conversion is permitted by the laws of the
 102 jurisdiction that enacted the applicable laws governing the
 103 other business entity and the other business entity complies
 104 with such laws and the requirements of this section in effecting
 105 the conversion. The other business entity shall file with the
 106 Department of State in accordance with s. 607.0120:

107 (a) A certificate of conversion that has been executed in
 108 accordance with s. 607.0120 and by the other business entity as
 109 required by applicable law.

110 Section 4. Subsection (3) is added to section 608.4382,
 111 Florida Statutes, to read:

112 608.4382 Certificate of merger.--

113 (3) A domestic limited liability company is not required
 114 to file a certificate of merger pursuant to subsection (1) if
 115 the domestic limited liability company is named as a party or
 116 constituent organization in articles of merger or a certificate
 117 of merger filed for the same merger in accordance with s.
 118 607.1109(1), s. 617.1108, s. 620.2108(3), or s. 620.8918(1) and
 119 (2), and if the articles of merger or certificate of merger
 120 substantially complies with the requirements of this section. In
 121 such a case, the other articles of merger or certificate of
 122 merger may also be used for purposes of subsection (2).

123 Section 5. Subsection (1) and paragraph (a) of subsection
 124 (2) of section 608.439, Florida Statutes, are amended to read:

125 608.439 Conversion of certain entities to a limited
 126 liability company.--

127 (1) As used in this section, the term "other business
 128 entity" or "another business entity" means a corporation; a
 129 common law or business trust or association; a real estate
 130 investment trust; a general partnership, including a limited
 131 liability partnership; a limited partnership, including a
 132 limited liability limited partnership; or any other domestic or
 133 foreign entity that is organized under a governing law or other
 134 applicable law, provided such term shall not include a domestic
 135 limited liability company.

136 (2) Any other business entity may convert to a domestic
 137 limited liability company if the conversion is permitted by the
 138 laws of the jurisdiction that enacted the statute or other
 139 applicable law governing the other business entity and the other
 140 business entity complies with such laws and the requirements of

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141 this section in effecting the conversion. The other business
142 entity shall file with the Department of State in accordance
143 with s. 608.4081:

144 (a) A certificate of conversion that has been executed by
145 one or more authorized persons in accordance with s. 608.408,
146 and by the other business entity as required by applicable law.

147 Section 6. Subsection (3) is added to section 608.4403,
148 Florida Statutes, to read:

149 608.4403 Certificate of conversion.--

150 (3) A converting limited liability company is not required
151 to file a certificate of conversion pursuant to subsection (1)
152 if the converting limited liability company files a certificate
153 of conversion that substantially complies with the requirements
154 of this section pursuant to s. 607.1115, s. 620.2104(1)(b), or
155 s. 620.8914(1)(b) and contains the signatures required by this
156 chapter. In such a case, the other certificate of conversion may
157 also be used for purposes of subsection (2).

158 Section 7. Section 617.1108, Florida Statutes, is amended
159 to read:

160 617.1108 Merger of domestic corporation and other business
161 entities.--

162 (1) Subject to s. 617.0302(16) and other applicable
163 provisions of this chapter, ss. 607.1108, 607.1109, and
164 607.11101 shall apply to a merger involving a corporation not
165 for profit organized under this act and one or more other
166 business entities identified in s. 607.1108(1).

167 (2) A domestic corporation not for profit organized under
168 this chapter is not required to file articles of merger pursuant

169 to this section if the corporation not for profit is named as a
 170 party or constituent organization in articles of merger or a
 171 certificate of merger filed for the same merger in accordance
 172 with s. 607.1109, s. 608.4382(1), s. 620.2108(3), or s.
 173 620.8918(1) and (2). In such a case, the other articles of
 174 merger or certificate of merger may also be used for purposes of
 175 subsection (3).

176 (3) A copy of the articles of merger or certificate of
 177 merger, certified by the Department of State, may be filed in
 178 the office of the official who is the recording officer of each
 179 county in this state in which real property of a party to the
 180 merger, other than the surviving entity, is situated.

181 Section 8. Subsections (3), (4), and (5) of section
 182 620.1406, Florida Statutes, are amended to read:

183 620.1406 Management rights of general partner; approval
 184 rights of other partners.--

185 (3) In addition to the approval of the general partners
 186 required by subsections (1) and (2), the approval of all limited
 187 partners shall also be required in order to take any of the
 188 actions under subsection (1) or subsection (2) with the
 189 exception of a transaction described in paragraph (1)(e), a
 190 transaction described in paragraph (1)(h), or a transaction
 191 described in paragraph (1)(i).

192 (4) The approval of a plan of conversion under s. 620.2103
 193 or a plan of merger under s. 620.2107 shall also require the
 194 consent of the limited partners in the manner described therein.

195 (5) The expulsion of a limited partner described in
 196 paragraph (1)(e) shall also require the consent of all of the

197 other limited partners. A transaction described in paragraph
 198 (1)(i) shall also require approval of limited partners owning a
 199 majority of the rights to receive distributions as limited
 200 partners at the time the consent is to be effective.

201 Section 9. Subsection (1) of section 620.2104, Florida
 202 Statutes, is amended to read:

203 620.2104 Filings required for conversion; effective
 204 date.--

205 (1) After a plan of conversion is approved:

206 (a) A converting limited partnership shall deliver to the
 207 Department of State for filing a certificate of conversion,
 208 signed by each general partner listed in the certificate of
 209 limited partnership, and must include:

210 1. A statement that the limited partnership has been
 211 converted into another organization.

212 2. The name and form of the organization and the
 213 jurisdiction of its governing law.

214 3. The date the conversion is effective under the
 215 governing law of the converted organization.

216 4. A statement that the conversion was approved as
 217 required by this act.

218 5. A statement that the conversion was approved as
 219 required by the governing law of the converted organization.

220 6. If the converted organization is a foreign organization
 221 not authorized to transact business in this state, the street
 222 and mailing address of an office which the Department of State
 223 may use for the purposes of s. 620.2105(3).

224 (b) If the converting organization is not a converting

225 limited partnership, the converting organization shall deliver
 226 to the Department of State for filing:

227 1. A certificate of limited partnership containing the
 228 information required by s. 620.1201, signed by each general
 229 partner as required by s. 620.1204(1)(a).

230 2. A certificate of conversion, signed by each general
 231 partner listed in the certificate of limited partnership
 232 submitted in accordance with subparagraph 1. and by the
 233 converting organization as required by applicable law, which
 234 certificate of conversion must include:

235 a. A statement that the limited partnership was converted
 236 from another organization.

237 b. The name and form of the converting organization and
 238 the jurisdiction of its governing law.

239 c. A statement that the conversion was approved as
 240 required by this act.

241 d. A statement that the conversion was approved in a
 242 manner that complied with the converting organization's
 243 governing law.

244 (c) A converting limited partnership is not required to
 245 file a certificate of conversion pursuant to paragraph (a) if
 246 the converting limited partnership files a certificate of
 247 conversion that substantially complies with the requirements of
 248 this section pursuant to s. 607.1115, s. 608.439, or s.
 249 620.8914(1)(b) and contains the signatures required by this
 250 chapter. In such a case, the other certificate of conversion may
 251 also be used for purposes of s. 620.2105(4).

252 Section 10. Subsection (3) of section 620.2108, Florida

253 Statutes, is amended to read:

254 620.2108 Filings required for merger; effective date.--

255 (3) Each constituent limited partnership shall deliver the
 256 certificate of merger for filing in the Department of State
 257 unless the constituent limited partnership is named as a party
 258 or constituent organization in articles of merger or a
 259 certificate of merger filed for the same merger in accordance
 260 with s. 607.1109(1), s. 608.4382(1), s. 617.1108, or s.
 261 620.8918(1)and (2) and such articles of merger or certificate of
 262 merger substantially complies with the requirements of this
 263 section. In such a case, the other articles of merger or
 264 certificate of merger may also be used for purposes of s.
 265 620.2109(3).

266 Section 11. Paragraph (c) of subsection (3) of section
 267 620.2204, Florida Statutes, is amended to read:

268 620.2204 Application to existing relationships.--

269 (3) With respect to a limited partnership formed before
 270 January 1, 2006, the following rules apply except as the
 271 partners otherwise elect in the manner provided in the
 272 partnership agreement or by law for amending the partnership
 273 agreement:

274 (c) The provisions of ss. 620.1601 and 620.1602 do not
 275 apply and a limited partner has the same right and power to
 276 dissociate from the limited partnership, with the same
 277 consequences, as existed immediately before January 1, 2006 ~~July~~
 278 ~~1, 2005~~.

279 Section 12. Subsection (15) of section 620.8101, Florida
 280 Statutes, is amended to read:

281 620.8101 Definitions.--As used in this act, the term:

282 (15) "Statement" means a statement of partnership
 283 authority under s. 620.8303, a statement of denial under s.
 284 620.8304, a statement of dissociation under s. 620.8704, a
 285 statement of dissolution under s. 620.8805, ~~a statement of~~
 286 ~~merger under s. 620.8918,~~ a statement of qualification under s.
 287 620.9001, a statement of foreign qualification under s.
 288 620.9102, or an amendment or cancellation of any of the
 289 foregoing.

290 Section 13. Subsection (4) of section 620.8105, Florida
 291 Statutes, is amended to read:

292 620.8105 Execution, filing, and recording of partnership
 293 registration and other statements.--

294 (4) Except as provided in s. 620.8304 or s. 620.8704, a
 295 statement or a certificate of conversion or certificate of
 296 merger may be filed with the Department of State only if the
 297 partnership has filed a registration statement pursuant to
 298 subsection (1). If otherwise sufficient, a certified copy of a
 299 statement that is filed in a jurisdiction other than this state
 300 may be filed with the Department of State in lieu of an original
 301 statement. Any such filing has the effect provided in this act
 302 with respect to partnership property located in, or transactions
 303 that occur in, this state.

304 Section 14. Paragraph (i) of subsection (1) of section
 305 620.81055, Florida Statutes, is amended to read:

306 620.81055 Fees for filing documents and issuing
 307 certificates; powers of the Department of State.--

308 (1) The Department of State shall collect the following

309 fees when documents authorized by this act are delivered to the
 310 Department of State for filing:

311 (i) Certificate ~~Statement~~ of merger for each party
 312 thereto: \$25.

313 Section 15. Subsection (7) of section 620.8911, Florida
 314 Statutes, is amended to read:

315 620.8911 Definitions.--As used in this section and ss.
 316 620.8912-620.8923:

317 (7) "Organization" means a corporation; general
 318 partnership, including a limited liability partnership; limited
 319 partnership, including a limited liability limited partnership;
 320 limited liability company; common law or business trust or
 321 association; real estate investment trust; or any other person
 322 organized under a governing law or other applicable law,
 323 provided such term shall not include an organization that is not
 324 organized for profit, unless the not-for-profit organization is
 325 the converted organization in a conversion or the surviving
 326 organization in a ~~conversion~~ or a merger governed by this act.
 327 The term includes both domestic and foreign organizations.

328 Section 16. Section 620.8914, Florida Statutes, is amended
 329 to read:

330 620.8914 Filings required for conversion; effective
 331 date.--

332 (1) After a plan of conversion is approved:

333 (a) A converting partnership shall deliver to the
 334 Department of State for filing a ~~statement~~ of registration
 335 statement in accordance with s. 620.8105, if such statement was
 336 not previously filed, and a certificate of conversion, in

337 accordance with s. 620.8105, which must include:

338 1. A statement that the partnership has been converted
339 into another organization.

340 2. The name and form of the organization and the
341 jurisdiction of its governing law.

342 3. The date the conversion is effective under the
343 governing law of the converted organization.

344 4. A statement that the conversion was approved as
345 required by this act.

346 5. A statement that the conversion was approved as
347 required by the governing law of the converted organization.

348 6. If the converted organization is a foreign organization
349 not authorized to transact business in this state, the street
350 and mailing address of an office which the Department of State
351 may use for the purposes of s. 620.8915(3).

352 (b) In the case of a converting organization converting
353 into a partnership to be governed by this act, the converting
354 organization shall deliver to the Department of State for
355 filing:

356 1. A ~~certificate of registration~~ statement in accordance
357 with s. 620.8105.

358 2. A certificate of conversion, in accordance with s.
359 620.8105, signed by a general partner of the partnership in
360 accordance with s. 620.8105(6) and by the converting
361 organization as required by applicable law, which certificate of
362 conversion must include:

363 a. A statement that the partnership was converted from
364 another organization.

365 b. The name and form of the converting organization and
366 the jurisdiction of its governing law.

367 c. A statement that the conversion was approved as
368 required by this act.

369 d. A statement that the conversion was approved in a
370 manner that complied with the converting organization's
371 governing law.

372 e. The effective time of the conversion, if other than the
373 time of the filing of the certificate ~~statement~~ of conversion.

374

375 A converting domestic partnership is not required to file a
376 certificate of conversion pursuant to paragraph (a) if the
377 converting domestic partnership files a certificate of
378 conversion that substantially complies with the requirements of
379 this section pursuant to s. 607.1115, s. 608.439, or s.
380 620.2104(1)(b) and contains the signatures required by this
381 chapter. In such a case, the other certificate of conversion may
382 also be used for purposes of s. 620.8915(4).

383 (2) A conversion becomes effective:

384 (a) If the converted organization is a partnership, at the
385 time specified in ~~the plan of conversion or~~ the certificate of
386 conversion, which may be as of or after the time of the filing
387 of the certificate of conversion, and, if the certificate of
388 conversion does not contain such an effective time, the
389 effective time shall be upon the filing of the certificate of
390 conversion with the Department of State. However, provided, if
391 the certificate has a delayed effective date, the certificate
392 may not be effective any later than the 90th day after the date

393 it was filed and ~~provided further,~~ the effective date may shall
 394 not be any earlier than the effective date of the ~~statement of~~
 395 registration statement filed with the Department of State for
 396 the partnership in accordance with s. 620.8105.

397 (b) If the converted organization is not a partnership, as
 398 provided by the governing law of the converted organization.
 399

400 A certificate of conversion acts as a cancellation of any
 401 registration statement for a converting partnership for purposes
 402 of s. 620.8105, and the cancellation shall be deemed filed upon
 403 the effective date of the conversion.

404 Section 17. Subsections (3), (4), and (5) of section
 405 620.8918, Florida Statutes, are amended to read:

406 620.8918 Filings required for merger; effective date.--

407 (3) Each domestic constituent partnership shall deliver
 408 the certificate of merger for filing with ~~to~~ the Department of
 409 State, unless the domestic constituent partnership is named as a
 410 party or constituent organization in articles of merger or a
 411 certificate of merger filed for the same merger in accordance
 412 with s. 607.1109(1), s. 608.4382(1), s. 617.1108, or s.
 413 620.2108(3). The articles of merger or certificate of merger
 414 must substantially comply with the requirements of this section.
 415 In such a case, the other articles of merger or certificate of
 416 merger may also be used for purposes of s. 620.8919(3). Each
 417 domestic constituent partnership in the merger shall also file a
 418 registration statement in accordance with s. 620.8105(1) if it
 419 does not have a currently effective registration statement filed
 420 with the Department of State. ~~for filing a statement of~~

421 ~~registration in accordance with s. 620.8105, if such statement~~
 422 ~~was not previously filed, and a certificate of merger in~~
 423 ~~accordance with s. 620.8105.~~

424 (4) A merger becomes effective under this act:

425 (a) If the surviving organization is a partnership, at the
 426 time specified in ~~the plan of merger or~~ the certificate of
 427 merger, which may be as of or after the time of the filing of
 428 the certificate of merger, and, if the certificate of merger
 429 does not contain such an effective time, the effective time
 430 shall be upon the filing of the certificate ~~statement~~ of merger
 431 with the Department of State. However, ~~provided~~, if the
 432 certificate has a delayed effective date, the certificate may
 433 not be effective any later than the 90th day after the date it
 434 was filed, and ~~provided further~~, the effective date may ~~shall~~
 435 not be any earlier than the effective date of the ~~statement of~~
 436 registration statement filed with the Department of State for
 437 the partnership in accordance with s. 620.8105.

438 (b) If the surviving organization is not a partnership, as
 439 provided by the governing law of the surviving organization.

440 (5) A certificate of merger acts ~~shall act~~ as a
 441 cancellation of any ~~statement of~~ registration statement for
 442 purposes of s. 620.8105 for a partnership that is a party to the
 443 merger ~~that~~ is not the surviving organization, which
 444 cancellation shall be deemed filed upon the effective date of
 445 the merger.

446 Section 18. Section 621.06, Florida Statutes, is amended
 447 to read:

448 621.06 Rendition of professional services,

449 limitations.--No corporation or limited liability company
450 organized under this act may render professional services except
451 through its members, officers, employees, and agents who are
452 duly licensed or otherwise legally authorized to render such
453 professional services ~~within this state~~; provided, however, this
454 provision shall not be interpreted to include in the term
455 "employee," as used herein, clerks, secretaries, bookkeepers,
456 technicians, and other assistants who are not usually and
457 ordinarily considered by custom and practice to be rendering
458 professional services to the public for which a license or other
459 legal authorization is required; and provided further, that
460 nothing contained in this act shall be interpreted to require
461 that the right of an individual to be a shareholder of a
462 corporation or a member of a limited liability company organized
463 under this act, or to organize such a corporation or limited
464 liability company, is dependent upon the present or future
465 existence of an employment relationship between him or her and
466 such corporation or limited liability company, or his or her
467 present or future active participation in any capacity in the
468 production of the income of such corporation or limited
469 liability company or in the performance of the services rendered
470 by such corporation or limited liability company.

471 Section 19. Section 621.10, Florida Statutes, is amended
472 to read:

473 621.10 Disqualification of member, shareholder, officer,
474 agent, or employee; administrative dissolution.--If any member,
475 officer, shareholder, agent, or employee of a corporation or
476 limited liability company organized under this chapter who has

477 | been rendering professional service to the public becomes
 478 | legally disqualified to render such professional services ~~within~~
 479 | ~~this state~~ or accepts employment that, pursuant to existing law,
 480 | places restrictions or limitations upon that person's continued
 481 | rendering of such professional services, that person shall sever
 482 | all employment with, and financial interests in, such
 483 | corporation or limited liability company forthwith. A
 484 | corporation's or limited liability company's failure to require
 485 | compliance with this provision shall constitute a ground for the
 486 | judicial dissolution of the corporation or limited liability
 487 | company. When a corporation's or limited liability company's
 488 | failure to comply with this provision is brought to the
 489 | attention of the Department of State, the department forthwith
 490 | shall certify that fact to the Department of Legal Affairs for
 491 | appropriate action to dissolve the corporation or limited
 492 | liability company.

493 | Section 20. Subsections(3) and (4) of section 621.13,
 494 | Florida Statutes, are amended to read:

495 | 621.13 Applicability of chapters 607 and 608.--

496 | ~~(3) A professional corporation or limited liability~~
 497 | ~~company organized under this act shall exchange shares or merge~~
 498 | ~~only with other domestic professional corporations or limited~~
 499 | ~~liability companies organized under this act to render the same~~
 500 | ~~specific professional service, and a merger or consolidation~~
 501 | ~~with any foreign corporation or limited liability company is~~
 502 | ~~prohibited.~~

503 | (3)~~(4)~~ A professional corporation or limited liability
 504 | company heretofore or hereafter organized under this act may

505 | change its business purpose from the rendering of professional
 506 | service to provide for any other lawful purpose by amending its
 507 | certificate of incorporation in the manner required for an
 508 | original incorporation under chapter 607 or by amending its
 509 | certificate of organization in the manner required for an
 510 | original organization under chapter 608. However, such an
 511 | amendment, when filed with and accepted by the Department of
 512 | State, shall remove such corporation or limited liability
 513 | company from the provisions of this chapter including, but not
 514 | limited to, the right to practice a profession. A change of
 515 | business purpose shall not have any effect on the continued
 516 | existence of the corporation or limited liability company.

517 | Section 21. Effective upon this act becoming a law,
 518 | subsection (4) is added to section 727.114, Florida Statutes, to
 519 | read:

520 | 727.114 Priority of claims.--Allowed claims shall receive
 521 | distribution under this chapter in the following order of
 522 | priority and, with the exception of paragraph (1)(a), on a pro
 523 | rata basis:

524 | (4) If all claims subject to distribution under this
 525 | section have been paid in full, any residue shall be paid to the
 526 | assignor.

527 | Section 22. Except as otherwise expressly provided in this
 528 | act and except for this section, which shall take effect upon
 529 | this act becoming a law, this act shall take effect July 1,
 530 | 2008.