

By Senator Aronberg

27-00015A-09

20091288\_\_

1                   A bill to be entitled  
2           An act relating to corporations; amending s. 607.0501,  
3           F.S.; deleting a provision providing that there shall  
4           be no charge for telephone requests for certain  
5           general corporate information; amending s. 607.1620,  
6           F.S.; requiring that certain corporations furnish  
7           annual financial statements to shareholders within a  
8           specified period after the close of a fiscal year;  
9           providing an exception; providing a means by which  
10          such requirement may be satisfied; amending s.  
11          617.01201, F.S.; requiring a document that is  
12          electronically transmitted to be in a format that may  
13          be retrieved in typewritten or printed form; requiring  
14          that a document be executed by a director of the  
15          domestic or foreign corporation; authorizing the  
16          delivery of a document by electronic transmission to  
17          the extent allowed by the Department of State;  
18          amending s. 617.0122, F.S.; requiring the department  
19          to collect a fee for filing an agent's statement of  
20          resignation from an inactive corporation; amending s.  
21          617.0124, F.S.; authorizing a domestic or foreign  
22          corporation to correct a document filed by the  
23          department within 30 days under certain circumstances;  
24          amending s. 617.01401, F.S.; defining the terms  
25          "department," "distribution," "mutual benefit  
26          corporation," "successor entity," and "voting power";  
27          amending s. 617.0205, F.S.; requiring the  
28          incorporators to hold an organizational meeting after  
29          incorporation if the initial directors are not named

27-00015A-09

20091288\_\_

30 in the articles of incorporation; amending s.  
31 617.0302, F.S.; authorizing a corporation not for  
32 profit to make guaranties; amending s. 617.0501, F.S.;  
33 deleting a provision providing that there shall be no  
34 charge for telephone requests for certain general  
35 corporate information; amending s. 617.0503, F.S.;  
36 providing that an alien business organization may  
37 withdraw its registered agent designation by  
38 delivering an application for certificate of  
39 withdrawal to the department; amending s. 617.0505,  
40 F.S.; prohibiting a corporation not for profit from  
41 making distributions to its members; providing an  
42 exception; deleting provisions related to the issuance  
43 of certificates; amending s. 617.0601, F.S.;  
44 correcting a reference to the Solicitation of  
45 Contributions Act; providing that certain stock  
46 certificates constitute certificates of membership;  
47 requiring that a resignation, expulsion, or  
48 termination of membership be recorded in the  
49 membership book; creating s. 617.0605, F.S.;  
50 prohibiting a member of a corporation from  
51 transferring a membership under certain circumstances;  
52 creating s. 617.0606, F.S.; providing that the  
53 resignation of a member does not relieve the member  
54 from obligations incurred and commitments made prior  
55 to resignation; creating s. 617.0607, F.S.; requiring  
56 that a member of a corporation be terminated or  
57 suspended pursuant to a procedure that is fair and  
58 reasonable; requiring that written notice given and

27-00015A-09

20091288\_\_

59 delivered by certified mail or first-class mail;  
60 requiring that a proceeding challenging an expulsion,  
61 suspension, or termination be commenced within 1 year  
62 after the effective date of such expulsion,  
63 suspension, or termination; providing that a member  
64 who has been expelled or suspended may be liable to  
65 the corporation for dues, assessments, or fees;  
66 creating s. 617.0608, F.S.; prohibiting a corporation  
67 from purchasing any of its memberships; authorizing a  
68 mutual benefit corporation to purchase the membership  
69 of a member who resigns or whose membership is  
70 terminated; amending s. 617.0701, F.S.; authorizing  
71 the holders of at least 5 percent of the voting power  
72 of a corporation to call a special meeting of the  
73 members under certain circumstances; authorizing a  
74 person who signs a demand for a special meeting to  
75 call a special meeting of the members under certain  
76 circumstances; revising the timeframes relating to  
77 written member consent to actions; clarifying the  
78 types of corporations that are not subject to certain  
79 requirements; amending s. 617.0721, F.S.; authorizing  
80 the corporation to reject a proxy action if it has  
81 reasonable doubt as the validity of an appointment;  
82 providing that members and proxy holders who are not  
83 physically present at a meeting may participate by  
84 means of remote communication and are deemed to be  
85 present at the meeting under certain circumstances;  
86 amending s. 617.0725, F.S.; requiring an amendment to  
87 the articles of incorporation or the bylaws which adds

27-00015A-09

20091288\_\_

88 a greater or lesser quorum or voting requirement to  
89 meet certain requirements; creating s. 617.07401,  
90 F.S.; prohibiting a person from commencing a  
91 proceeding in the right of a domestic or foreign  
92 corporation unless the person was a member of the  
93 corporation or became a member through transfer by  
94 operation of law; requiring that a complaint in a  
95 proceeding brought in the right of a domestic or  
96 foreign corporation be verified and allege the demand  
97 with particularity; authorizing the court to dismiss a  
98 derivative proceeding if the court finds that a  
99 determination was made in good faith after a  
100 reasonable investigation; prohibiting certain  
101 proceedings from being discontinued or settled without  
102 the approval of the court; authorizing the court to  
103 require a plaintiff to pay a defendant's reasonable  
104 expenses upon termination of a proceeding, including  
105 attorney's fees; amending s. 617.0801, F.S.; providing  
106 the duties of the board of directors; amending s.  
107 617.0802, F.S.; providing an exception to the required  
108 minimum age of a member of the board of directors for  
109 certain corporations; amending s. 617.0806, F.S.;  
110 providing that directors may be divided into classes;  
111 amending s. 617.0808, F.S.; providing that any member  
112 of the board of directors may be removed from office  
113 with or without cause by a certain vote; providing  
114 that a director who is elected by a class, chapter, or  
115 other organizational unit may be removed only by  
116 members of that class, chapter, or organizational

27-00015A-09

20091288\_\_

117 unit; providing that a director elected or appointed  
118 by the board may be removed without cause by a vote of  
119 two-thirds of the directors then in office; providing  
120 that a director of a corporation described in s.  
121 501(c) of the Internal Revenue Code may be removed  
122 from office pursuant to procedures provided in the  
123 articles of incorporation or the bylaws; amending s.  
124 617.0809, F.S.; providing that a vacancy on the board  
125 of directors for a director elected by a class,  
126 chapter, unit, or group may be filled only by members  
127 of that class, chapter, unit, or group; providing that  
128 the term of a director elected or appointed to fill a  
129 vacancy expires at the next annual meeting at which  
130 directors are elected; amending s. 617.0824, F.S.;  
131 prohibiting certain directors from being counted  
132 toward a quorum; amending s. 617.0832, F.S.; deleting  
133 a provision that authorizes common or interested  
134 directors to be counted in determining the presence of  
135 a quorum at a meeting that ratifies a contract between  
136 a corporation and one of its directors and any other  
137 corporation in which one of its directors is  
138 financially interested; providing circumstances under  
139 which a conflict-of-interest transaction is  
140 authorized; amending s. 617.0833, F.S.; providing an  
141 exception to the requirement that a loan not be made  
142 by a corporation to its directors; amending s.  
143 617.0834, F.S.; providing that an officer or director  
144 of a certain nonprofit organization or agricultural or  
145 horticultural organization is immune from civil

27-00015A-09

20091288\_\_

146 liability; amending s. 617.1007, F.S.; providing that  
147 a restatement of the articles of incorporation of a  
148 corporation may include one or more amendments;  
149 amending s. 617.1101, F.S.; providing requirements for  
150 a plan of merger; creating s. 617.1102, F.S.;  
151 providing a limitation on the merger of a corporation  
152 not for profit; creating s. 617.1301, F.S.;  
153 prohibiting a corporation from making distributions to  
154 its members under certain circumstances; creating s.  
155 617.1302, F.S.; providing that a mutual benefit  
156 corporation may purchase its memberships only under  
157 certain circumstances; authorizing a corporation to  
158 make distributions upon dissolution; amending s.  
159 617.1405, F.S.; providing that the name of a dissolved  
160 corporation may be available for immediate assumption  
161 by another corporation if the dissolved corporation  
162 provides the department with an affidavit authorizing  
163 such use; creating s. 617.1407, F.S.; authorizing a  
164 dissolved corporation or successor entity to execute  
165 certain procedures to resolve payment of unknown  
166 claims against it; providing that certain claims  
167 against a dissolved corporation are barred; providing  
168 that a claim may be entered against a dissolved  
169 corporation under certain circumstances; creating s.  
170 617.1408, F.S.; authorizing a dissolved corporation or  
171 successor entity to execute certain procedures to  
172 dispose of known claims against it; requiring that a  
173 dissolved corporation deliver written notice of the  
174 dissolution to each of its known claimants; providing

27-00015A-09

20091288\_\_

175 a procedure under which a dissolved corporation may  
176 reject a claim made against it; requiring that a  
177 dissolved corporation give notice of the dissolution  
178 to persons having known claims that are contingent,  
179 conditional, or unmatured; requiring that a dissolved  
180 corporation follow certain procedures in offering  
181 compensation to a claimant if the claim matures;  
182 requiring that a dissolved corporation petition the  
183 circuit court to determine the amount and form of  
184 security that is sufficient to provide compensation to  
185 certain claimants; providing that the giving of notice  
186 or making of an offer does not revive a claim that has  
187 been barred; providing that directors of a dissolved  
188 corporation or governing persons of a successor entity  
189 that has complied with certain procedures are not  
190 personally liable to the claimants of a dissolved  
191 corporation; providing that certain members of a  
192 dissolved corporation are not liable for any claim  
193 against the corporation; providing a limit on the  
194 aggregate liability of any member of a dissolved  
195 corporation; repealing s. 617.1421(6), F.S., relating  
196 to the assumption and use of the name of a dissolved  
197 corporation; amending s. 617.1422, F.S.; deleting  
198 certain requirements for an application to reinstate a  
199 corporation that has been dissolved; requiring that a  
200 corporation submit a reinstatement form prescribed and  
201 furnished by the department; providing that the name  
202 of a dissolved corporation is not available for  
203 assumption or use by another corporation until 1 year

27-00015A-09

20091288\_\_

204 after the effective date of dissolution; providing an  
205 exception; amending s. 617.1430, F.S.; revising the  
206 requirements for members to dissolve a corporation in  
207 circuit court; amending s. 617.1503, F.S.; requiring a  
208 foreign corporation to deliver a certificate of  
209 existence authenticated by the Secretary of State;  
210 amending s. 617.1504, F.S.; requiring that a foreign  
211 corporation make application to the department to  
212 obtain an amended certificate of authority within 90  
213 days after the occurrence of a change; amending s.  
214 617.1506, F.S.; requiring that an alternate corporate  
215 name adopted for use in this state be cross-referenced  
216 to the real corporate name in the records of the  
217 Division of Corporations; requiring that the corporate  
218 name of a foreign corporation be distinguishable from  
219 the corporate name of a corporation for profit  
220 incorporated or authorized to transact business in  
221 this state; amending s. 617.1530, F.S.; requiring that  
222 the department receive an authenticated certificate  
223 from the Secretary of State before commencing a  
224 proceeding to revoke the certificate of authority of a  
225 foreign corporation; amending s. 617.1601, F.S.;  
226 requiring that a corporation keep a copy of its  
227 articles of incorporation; amending s. 617.1602, F.S.;  
228 providing that a member of a corporation is entitled  
229 to inspect and copy certain records of the corporation  
230 at a reasonable location specified by the corporation;  
231 requiring that a member give the corporation written  
232 notice 10 days before the date on which he or she



27-00015A-09

20091288\_\_

233 wishes to inspect and copy records; amending s.  
 234 617.1605, F.S.; revising the circumstances under which  
 235 a corporation is required to furnish a member with its  
 236 latest annual financial statement; creating s.  
 237 617.1703, F.S.; providing for the applicability of  
 238 certain provisions to corporations regulated under the  
 239 act; amending s. 617.1803, F.S.; providing for certain  
 240 changes when a foreign not-for-profit corporation  
 241 becomes domesticated; amending s. 617.1806, F.S.;  
 242 revising the provisions for conversion to a  
 243 corporation not for profit; amending s. 617.1907,  
 244 F.S.; providing that the repeal or amendment of a  
 245 statute does not affect certain operations and  
 246 proceedings; repealing s. 617.2103, F.S., relating to  
 247 exemptions for certain corporations; providing an  
 248 effective date.

249  
 250 Be It Enacted by the Legislature of the State of Florida:

251  
 252 Section 1. Subsection (4) of section 607.0501, Florida  
 253 Statutes, is amended to read:

254 607.0501 Registered office and registered agent.—

255 (4) The Department of State shall maintain an accurate  
 256 record of the registered agents and registered offices for the  
 257 service of process and shall furnish any information disclosed  
 258 thereby promptly upon request and payment of the required fee.  
 259 ~~There shall be no charge for telephone requests for general~~  
 260 ~~corporate information, including the corporation's status, names~~  
 261 ~~of officers and directors, address of principal place of~~

27-00015A-09

20091288\_\_

262 ~~business, and name and address of registered agent.~~

263 Section 2. Subsection (3) of section 607.1620, Florida  
264 Statutes, is amended, and subsection (5) is added to that  
265 section, to read:

266 607.1620 Financial statements for shareholders.—

267 (3) Any A corporation required by subsection (1) to furnish  
268 annual financial statements to its shareholders shall furnish  
269 ~~mail~~ the annual financial statements to each shareholder within  
270 120 days after the close of each fiscal year or within such  
271 additional time thereafter as is reasonably necessary to enable  
272 the corporation to prepare its financial statements if, for  
273 reasons beyond the corporation's control, it is unable to  
274 prepare its financial statements within the prescribed period.  
275 Thereafter, on written request from a shareholder who was not  
276 furnished ~~mailed~~ the statements, the corporation shall furnish  
277 ~~mail~~ him or her the latest annual financial statements.

278 (5) The requirement to furnish annual financial statements  
279 as described in this section shall be satisfied by sending the  
280 annual financial statements by mail or by electronic  
281 transmission. If a corporation has an outstanding class of  
282 securities registered under s. 12 of the Securities Exchange Act  
283 of 1934, as amended, the requirement to furnish annual financial  
284 statements shall be satisfied by complying with 17 C.F.R. s.  
285 240.14a-16, as amended, with respect to the obligation of a  
286 corporation to furnish an annual report to shareholders pursuant  
287 to 17 C.F.R. s. 240.14a-3(b), as amended.

288 Section 3. Subsections (4), (6), and (9) of section  
289 617.01201, Florida Statutes, are amended to read:

290 617.01201 Filing requirements.—

27-00015A-09

20091288\_\_

291 (4) The document must be typewritten or printed and must be  
292 legible. If electronically transmitted, the document must be in  
293 a format that may be retrieved or reproduced in typewritten or  
294 printed form.

295 (6) The document must be executed:

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

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

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

304 (9) The document must be delivered to the ~~office of the~~  
305 ~~department of State~~ for filing. Delivery may be made by  
306 electronic transmission if and to the extent allowed by the  
307 department. If the document is filed in typewritten or printed  
308 form and not transmitted electronically, the department may  
309 require that ~~and may be accompanied by~~ one exact or conformed  
310 copy be delivered with the document, ~~(except as provided in s.~~  
311 ~~617.1508. The document),~~ ~~and~~ must be accompanied by the correct  
312 filing fee and any other tax or penalty required by ~~this act or~~  
313 ~~other~~ law.

314 Section 4. Subsection (7) of section 617.0122, Florida  
315 Statutes, is amended to read:

316 617.0122 Fees for filing documents and issuing  
317 certificates.—The Department of State shall collect the  
318 following fees on documents delivered to the department for  
319 filing:

27-00015A-09

20091288\_\_

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

322  
323 Any citizen support organization that is required by rule of the  
324 Department of Environmental Protection to be formed as a  
325 nonprofit organization and is under contract with the department  
326 is exempt from any fees required for incorporation as a  
327 nonprofit organization, and the Secretary of State may not  
328 assess any such fees if the citizen support organization is  
329 certified by the Department of Environmental Protection to the  
330 Secretary of State as being under contract with the Department  
331 of Environmental Protection.

332 Section 5. Subsections (1) and (2) of section 617.0124,  
333 Florida Statutes, are amended to read:

334 617.0124 Correcting filed document.—

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

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

339 (b) The document was defectively executed, attested,  
340 sealed, verified, or acknowledged; ~~or~~

341 (c) The electronic transmission of the document was  
342 defective.

343 (2) A document is corrected:

344 (a) By preparing articles of correction that:

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

347 2. Specify the incorrect statement and the reason it is  
348 incorrect or the manner in which the execution was defective;

27-00015A-09

20091288\_\_

349 and

350 3. Correct the incorrect statement or defective execution;  
351 and

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

354 Section 6. Section 617.01401, Florida Statutes, is amended  
355 to read:

356 617.01401 Definitions.—As used in this chapter act, ~~unless~~  
357 ~~the context otherwise requires~~, the term:

358 (1) "Articles of incorporation" includes original, amended,  
359 and restated articles of incorporation, articles of  
360 consolidation, and articles of merger, and all amendments  
361 thereto, including documents designated by the laws of this  
362 state as charters, and, in the case of a foreign corporation,  
363 documents equivalent to articles of incorporation in the  
364 jurisdiction of incorporation.

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

369 (3) "Bylaws" means the code or codes of rules adopted for  
370 the regulation or management of the affairs of the corporation  
371 irrespective of the name or names by which such rules are  
372 designated.

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

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

27-00015A-09

20091288\_\_

378 members, directors, or officers, except as otherwise provided  
379 under this chapter.

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

381 (7) "Distribution" means the payment of a dividend or any  
382 part of the income or profit of a corporation to its members,  
383 directors, or officers. A donation or transfer of corporate  
384 assets or income to or from another not-for-profit corporation  
385 qualified as tax-exempt under s. 501(c) of the Internal Revenue  
386 Code or a governmental organization exempt from federal and  
387 state income taxes, if such corporation or governmental  
388 organization is a member of the corporation making such donation  
389 or transfer, is not a distribution for purposes of this chapter.

390 (8)~~(6)~~ "Electronic transmission" means any form of  
391 communication, not directly involving the physical transmission  
392 or transfer of paper, which creates a record that may be  
393 retained, retrieved, and reviewed by a recipient ~~thereof~~ and  
394 which may be directly reproduced in a comprehensible and legible  
395 paper form by such recipient through an automated process.  
396 Examples of electronic transmission include, but are not limited  
397 to, telegrams, facsimile transmissions of images, and text that  
398 is sent via electronic mail between computers.

399 (9)~~(7)~~ "Foreign corporation" means a corporation not for  
400 profit organized under laws other than the laws of this state.

401 (10)~~(8)~~ "Insolvent" means the inability of a corporation to  
402 pay its debts as they become due in the usual course of its  
403 affairs.

404 (11)~~(9)~~ "Mail" means the United States mail, facsimile  
405 transmissions, and private mail carriers handling nationwide  
406 mail services.

27-00015A-09

20091288\_\_

407        (12)~~(10)~~ "Member" means one having membership rights in a  
408 corporation in accordance with the provisions of its articles of  
409 incorporation or bylaws or the provisions of this chapter ~~act~~.

410        (13) "Mutual benefit corporation" means a domestic  
411 corporation that is not organized primarily or exclusively for  
412 religious purposes; is not recognized as exempt under s.  
413 501(c)(3) of the Internal Revenue Code; and is not organized for  
414 a public or charitable purpose that is required upon its  
415 dissolution to distribute its assets to the United States, a  
416 state, a local subdivision thereof, or a person that is  
417 recognized as exempt under s. 501(c)(3) of the Internal Revenue  
418 Code. The term does not include an association organized under  
419 chapter 718, chapter 719, chapter 720, or chapter 721, or any  
420 corporation where membership in the corporation is required  
421 pursuant to a document recorded in county property records.

422        (14)~~(11)~~ "Person" includes individual and entity.

423        (15) "Successor entity" means any trust, receivership, or  
424 other legal entity that is governed by the laws of this state to  
425 which the remaining assets and liabilities of a dissolved  
426 corporation are transferred and that exists solely for the  
427 purposes of prosecuting and defending suits by or against the  
428 dissolved corporation and enabling the dissolved corporation to  
429 settle and close the business of the dissolved corporation, to  
430 dispose of and convey the property of the dissolved corporation,  
431 to discharge the liabilities of the dissolved corporation, and  
432 to distribute to the dissolved corporation's members any  
433 remaining assets, but not for the purpose of continuing the  
434 business for which the dissolved corporation was organized.

435        (16) "Voting power" means the total number of votes

27-00015A-09

20091288\_\_

436 entitled to be cast for the election of directors at the time  
437 the determination of voting power is made, excluding a vote that  
438 is contingent upon the happening of a condition or event that  
439 has not yet occurred. If the members of a class are entitled to  
440 vote as a class to elect directors, the determination of the  
441 voting power of the class is based on the percentage of the  
442 number of directors the class is entitled to elect relative to  
443 the total number of authorized directors. If the corporation's  
444 directors are not elected by the members, voting power shall,  
445 unless otherwise provided in the articles of incorporation or  
446 bylaws, be on a one-member, one-vote basis.

447 Section 7. Subsection (1) of section 617.0205, Florida  
448 Statutes, is amended to read:

449 617.0205 Organizational meeting of directors.—

450 (1) After incorporation:

451 (a) If initial directors are named in the articles of  
452 incorporation, the initial directors shall hold an  
453 organizational meeting, at the call of a majority of the  
454 directors, to complete the organization of the corporation by  
455 appointing officers, adopting bylaws, and carrying on any other  
456 business brought before the meeting;

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

460 1. To elect directors and complete the organization of the  
461 corporation; or

462 2. To elect a board of directors who shall complete the  
463 organization of the corporation.

464 Section 8. Subsections (7) and (16) of section 617.0302,



27-00015A-09

20091288\_\_

465 Florida Statutes, are amended to read:

466       617.0302 Corporate powers.—Every corporation not for profit  
467 organized under this act, unless otherwise provided in its  
468 articles of incorporation or bylaws, shall have power to:

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

474       (16) Merge with other corporations or other business  
475 entities identified in s. 607.1108(1), both for profit and not  
476 for profit, domestic and foreign, if the surviving corporation  
477 or other surviving business entity is a corporation not for  
478 profit or other business entity that has been organized as a  
479 not-for-profit entity under a governing statute or other  
480 applicable law that permits such a merger.

481       Section 9. Subsection (4) of section 617.0501, Florida  
482 Statutes, is amended to read:

483       617.0501 Registered office and registered agent.—

484       (4) The Department of State shall maintain an accurate  
485 record of the registered agents and registered offices for the  
486 service of process and shall furnish any information disclosed  
487 thereby promptly upon request and payment of the required fee.  
488 ~~There shall be no charge for telephone requests for general~~  
489 ~~corporate information, including the corporation's status, names~~  
490 ~~of officers and directors, address of principal place of~~  
491 ~~business, and name and address of resident agent.~~

492       Section 10. Subsection (12) is added to section 617.0503,  
493 Florida Statutes, to read:

27-00015A-09

20091288\_\_

494 617.0503 Registered agent; duties; confidentiality of  
495 investigation records.-

496 (12) Any alien business organization may withdraw its  
497 registered agent designation by delivering an application for  
498 certificate of withdrawal to the department for filing. The  
499 application shall set forth:

500 (a) The name of the alien business organization and the  
501 jurisdiction under the law of which it is incorporated or  
502 organized; and

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

505 Section 11. Section 617.0505, Florida Statutes, is amended  
506 to read:

507 617.0505 Distributions; exceptions ~~Payment of dividends and~~  
508 ~~distribution of income to members prohibited; issuance of~~  
509 ~~certificates of membership; effect of stock issued under prior~~  
510 ~~law.-~~

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

515 (1) A mutual benefit corporation, such as a private club  
516 that is established for social, pleasure, or recreational  
517 purposes and that is organized as a corporation of which the  
518 equity interests are held by the members, may, subject to s.  
519 617.1302, purchase the equity membership interest of any member,  
520 and the payment for such interest is not a distribution for  
521 purposes of this section.

522 (2) A corporation may pay compensation in a reasonable

27-00015A-09

20091288\_\_

523 amount to its members, directors, or officers for services  
524 rendered, may confer benefits upon its members in conformity  
525 with its purposes, and, upon dissolution or final liquidation,  
526 may make distributions to its members as permitted by this  
527 chapter act.

528 (3) If expressly permitted by its articles of  
529 incorporation, a corporation may make distributions upon partial  
530 liquidation to its members, as permitted by this section. Any  
531 such payment, benefit, or distribution does not constitute a  
532 dividend or a distribution of income or profit for purposes of  
533 this section.

534 (4) A Any corporation that ~~which~~ is a utility exempt from  
535 regulation under s. 367.022(7), whose articles of incorporation  
536 state that it is exempt from taxation under s. 501(c)(12) of the  
537 Internal Revenue Code, may make ~~such~~ refunds to its members,  
538 prior to a dissolution or liquidation, as its managing board  
539 deems necessary to establish or preserve its tax-exempt status.  
540 Any such refund does not constitute a dividend or a distribution  
541 of income or profit for purposes of this section.

542 (5) A corporation that is regulated by chapter 718, chapter  
543 719, chapter 720, chapter 721, or chapter 723, or a corporation  
544 where membership in such corporation is required pursuant to a  
545 document recorded in the county property records, may make  
546 refunds to its members, giving credits to its members,  
547 disbursing insurance proceeds to its members, or disbursing or  
548 paying settlements to its members without violating this  
549 section.

550 ~~(2) Subject to subsection (1), a corporation may issue~~  
551 ~~certificates in any form evidencing membership in the~~

27-00015A-09

20091288\_\_

552 corporation.

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

556 Section 12. Subsections (1), (2), and (5) of section  
557 617.0601, Florida Statutes, are amended to read:

558 617.0601 Members, generally.-

559 (1) (a) A corporation may have one or more classes of  
560 members or may have no members. If the corporation has one or  
561 more classes of members, the designation of such class or  
562 classes, the qualifications and rights of the members of each  
563 class, any quorum and voting requirements for meetings and  
564 activities of the members, and notice requirements sufficient to  
565 provide notice of meetings and activities of the members must be  
566 set forth in the articles of incorporation or in the bylaws.

567 (b) The articles of incorporation or bylaws of any  
568 corporation not for profit that maintains chapters or affiliates  
569 may grant representatives of such chapters or affiliates the  
570 right to vote in conjunction with the board of directors of the  
571 corporation notwithstanding applicable quorum or voting  
572 requirements of this chapter act if the corporation is  
573 registered with the department ~~of State~~ pursuant to ss. 496.401-  
574 496.424 ~~ss. 496.001-496.011~~, the Solicitation of Contributions  
575 ~~Funds~~ Act.

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

578 (2) A corporation may issue certificates of membership.  
579 Stock certificates issued under former s. 617.011(2), Florida  
580 Statutes (1989), constitute certificates of membership for

27-00015A-09

20091288\_\_

581 purposes of this section.

582 ~~(5) Membership in the corporation may be terminated in the~~  
583 ~~manner provided by law, by the articles of incorporation, or by~~  
584 ~~the bylaws, and~~ A resignation, expulsion, or termination of  
585 membership pursuant to s. 617.0606 or s. 617.0607 shall be  
586 recorded in the membership book. Unless otherwise provided in  
587 the articles of incorporation or the bylaws, all the rights and  
588 privileges of a member cease on termination of membership.

589 Section 13. Section 617.0605, Florida Statutes, is created  
590 to read:

591 617.0605 Transfer of membership interests.-

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

595 (2) Except as set forth in the articles of incorporation or  
596 bylaws of a mutual benefit corporation, a member of a mutual  
597 benefit corporation may not transfer a membership or any right  
598 arising from membership.

599 (3) If transfer rights have been provided for one or more  
600 members of a mutual benefit corporation, a restriction on such  
601 rights is not binding with respect to a member holding a  
602 membership issued before the adoption of the restriction unless  
603 the restriction is approved by the members and the affected  
604 member.

605 Section 14. Section 617.0606, Florida Statutes, is created  
606 to read:

607 617.0606 Resignation of members.-

608 (1) Except as may be provided in the articles of  
609 incorporation or bylaws of a corporation, a member of a mutual

27-00015A-09

20091288\_\_

610 benefit corporation may not transfer a membership or any right  
611 arising from membership.

612 (2) The resignation of a member does not relieve the member  
613 from any obligations that the member may have to the corporation  
614 as a result of obligations incurred or commitments made before  
615 resignation.

616 Section 15. Section 617.0607, Florida Statutes, is created  
617 to read:

618 617.0607 Termination, expulsion, and suspension.-

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

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

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

630 (4) A member who has been expelled or suspended may be  
631 liable to the corporation for dues, assessments, or fees as a  
632 result of obligations incurred or commitments made before  
633 expulsion or suspension.

634 Section 16. Section 617.0608, Florida Statutes, is created  
635 to read:

636 617.0608 Purchase of memberships.-

637 (1) A corporation may not purchase any of its memberships  
638 or any right arising from membership except as provided in s.

27-00015A-09

20091288\_\_

639 617.0505 or subsection (2).

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

644 Section 17. Subsections (3), (4), and (6) of section  
 645 617.0701, Florida Statutes, are amended to read:

646 617.0701 Meetings of members, generally; failure to hold  
 647 annual meeting; special meeting; consent to corporate actions  
 648 without meetings; waiver of notice of meetings.—

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

651 (a) The president;~~τ~~

652 (b) The chair of the board of directors;~~τ~~

653 (c) The board of directors;~~τ or such~~

654 (d) Other officers or persons as are provided for in the  
 655 articles of incorporation or the bylaws;~~τ~~

656 (e) The holders of at least 5 percent of the voting power  
 657 of a corporation when one or more written demands for the  
 658 meeting, which describe the purpose for which the meeting is to  
 659 be held, are signed, dated, and delivered to a corporate  
 660 officer; or

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

666 ~~(4)(a)~~ Unless otherwise provided in the articles of  
 667 incorporation, action required or permitted by this chapter ~~act~~

27-00015A-09

20091288\_\_

668 to be taken at an annual or special meeting of members may be  
669 taken without a meeting, without prior notice, and without a  
670 vote if the action is taken by the members entitled to vote on  
671 such action and having not less than the minimum number of votes  
672 necessary to authorize such action at a meeting at which all  
673 members entitled to vote on such action were present and voted.

674 (a) ~~In order~~ To be effective, the action must be evidenced  
675 by one or more written consents describing the action taken,  
676 dated and signed by approving members having the requisite  
677 number of votes and entitled to vote on such action, and  
678 delivered to the corporation ~~by delivery~~ to its principal office  
679 in this state, its principal place of business, the corporate  
680 secretary, or another officer or agent of the corporation having  
681 custody of the book in which proceedings of meetings of members  
682 are recorded. Written consent ~~shall not be effective~~ to take the  
683 corporate action referred to in the consent is not effective  
684 unless the consent is signed by members having the requisite  
685 number of votes necessary to authorize the action within 90 ~~60~~  
686 days after ~~of~~ the date of the earliest dated consent and is  
687 delivered in the manner required by this section.

688 (b) Any written consent may be revoked prior to the date  
689 that the corporation receives the required number of consents to  
690 authorize the proposed action. A revocation is not effective  
691 unless in writing and until received by the corporation at its  
692 principal office in this state or its principal place of  
693 business, or received by the corporate secretary or other  
694 officer or agent of the corporation having custody of the book  
695 in which proceedings of meetings of members are recorded.

696 (c) Within 30 ~~10~~ days after obtaining ~~such~~ authorization by



27-00015A-09

20091288\_\_

697 written consent, notice must be given to those members who are  
698 entitled to vote on the action but who have not consented in  
699 writing. The notice must fairly summarize the material features  
700 of the authorized action.

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

703 (e) If the action to which the members consent is such as  
704 would have required the filing of articles or a certificate  
705 under any other section of this chapter ~~act~~ if such action had  
706 been voted on by members at a meeting ~~thereof~~, the articles or  
707 certificate filed under such other section must state that  
708 written consent has been given in accordance with ~~the provisions~~  
709 ~~of~~ this section.

710 (f) Whenever action is taken pursuant to this section, the  
711 written consent of the members consenting to such action or the  
712 written reports of inspectors appointed to tabulate such  
713 consents must be filed with the minutes of member proceedings ~~of~~  
714 ~~members~~.

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

721 Section 18. Section 617.0721, Florida Statutes, is amended  
722 to read:

723 617.0721 Voting by members.—

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

27-00015A-09

20091288\_\_

726 (2) A member who is entitled to vote may vote in person or,  
727 unless the articles of incorporation or the bylaws otherwise  
728 provide, may vote by proxy executed in writing by the member or  
729 by his or her duly authorized attorney in fact. An appointment  
730 of a proxy is not valid after 11 months following the date of  
731 its execution unless otherwise provided in the proxy.

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

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

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

744 (a) Participate in the meeting.

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

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

750 2. The corporation implements reasonable measures to  
751 provide such members or proxy holders with a reasonable  
752 opportunity to participate in the meeting and to vote on matters  
753 submitted to the members, including an opportunity to  
754 communicate and to read or hear the proceedings of the meeting

27-00015A-09

20091288\_\_

755 substantially concurrent with the proceedings.

756

757 If any member or proxy holder votes or takes other action by  
758 means of remote communication, a record of that member's  
759 participation in the meeting must be maintained by the  
760 corporation in accordance with s. 617.1601.

761 (4)~~(3)~~ If any corporation, whether for profit or not for  
762 profit, is a member of a corporation organized under this  
763 chapter ~~act~~, the chair of the board, president, any vice  
764 president, the secretary, or the treasurer of the member  
765 corporation, and any such officer or cashier or trust officer of  
766 a banking or trust corporation holding such membership, and any  
767 like officer of a foreign corporation whether for profit or not  
768 for profit, holding membership in a domestic corporation, shall  
769 be deemed by the corporation in which membership is held to have  
770 the authority to vote on behalf of the member corporation and to  
771 execute proxies and written waivers and consents in relation  
772 thereto, unless, before a vote is taken or a waiver or consent  
773 is acted upon, it appears pursuant to ~~is made to appear by~~ a  
774 certified copy of the bylaws or resolution of the board of  
775 directors or executive committee of the member corporation that  
776 such authority does not exist or is vested in some other officer  
777 or person. In the absence of such certification, a person  
778 executing any such proxies, waivers, or consents or presenting  
779 himself or herself at a meeting as one of such officers of a  
780 corporate member shall be, for the purposes of this section,  
781 conclusively deemed to be duly elected, qualified, and acting as  
782 such officer and to be fully authorized. In the case of  
783 conflicting representation, the corporate member shall be ~~deemed~~

27-00015A-09

20091288\_\_

784 ~~to be~~ represented by its senior officer, in the order ~~first~~  
785 stated in this subsection.

786 (5)~~(4)~~ The articles of incorporation or the bylaws may  
787 provide that, in all elections for directors, every member  
788 entitled to vote has the right to cumulate his or her votes and  
789 to give one candidate a number of votes equal to the number of  
790 votes he or she could give if one director were being elected  
791 multiplied by the number of directors to be elected or to  
792 distribute such votes on the same principles among any number of  
793 such candidates. A corporation may not have cumulative voting  
794 unless such voting is expressly authorized in the articles of  
795 incorporation.

796 (6)~~(5)~~ If a corporation has no members or its members do  
797 not have the right to vote, the directors shall have the sole  
798 voting power.

799 (7)~~(6)~~ Subsections (1), (2), (5) ~~(4)~~, and (6) ~~(5)~~ do not  
800 apply to a corporation that is an association as defined in s.  
801 720.301.

802 Section 19. Section 617.0725, Florida Statutes, is amended  
803 to read:

804 617.0725 Quorum.—An amendment to the articles of  
805 incorporation or the bylaws which adds, that changes, or deletes  
806 a greater or lesser quorum or voting requirement must meet the  
807 same quorum or voting requirement and be adopted by the same  
808 vote and voting groups required to take action under the quorum  
809 and voting requirements then in effect or proposed to be  
810 adopted, whichever is greater ~~prescribed in the provision being~~  
811 ~~amended.~~

812 Section 20. Section 617.07401, Florida Statutes, is created

27-00015A-09

20091288\_\_

813 to read:

814 617.07401 Members' derivative actions.-

815 (1) A person may not commence a proceeding in the right of  
816 a domestic or foreign corporation unless the person was a member  
817 of the corporation when the transaction complained of occurred  
818 or unless the person became a member through transfer by  
819 operation of law from one who was a member at that time.

820 (2) A complaint in a proceeding brought in the right of a  
821 domestic or foreign corporation must be verified and allege with  
822 particularity the demand made to obtain action by the board of  
823 directors and that the demand was refused or ignored by the  
824 board of directors for at least 90 days after the date of the  
825 first demand unless, before the expiration of the 90 days, the  
826 person was notified in writing that the corporation rejected the  
827 demand, or unless irreparable injury to the corporation would  
828 result by waiting for the expiration of the 90-day period. If  
829 the corporation commences an investigation of the charges made  
830 in the demand or complaint, the court may stay any proceeding  
831 until the investigation is completed.

832 (3) The court may dismiss a derivative proceeding if, on  
833 motion by the corporation, the court finds that one of the  
834 groups specified in paragraphs (a)-(c) has made a good faith  
835 determination after conducting a reasonable investigation upon  
836 which its conclusions are based that the maintenance of the  
837 derivative suit is not in the best interests of the corporation.  
838 The corporation has the burden of proving the independence and  
839 good faith of the group making the determination and the  
840 reasonableness of the investigation. The determination shall be  
841 made by:

27-00015A-09

20091288

842       (a) A majority vote of independent directors present at a  
843 meeting of the board of directors, if the independent directors  
844 constitute a quorum;

845       (b) A majority vote of a committee consisting of two or  
846 more independent directors appointed by a majority vote of  
847 independent directors present at a meeting of the board of  
848 directors, whether or not such independent directors constitute  
849 a quorum; or

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

852       (4) A proceeding commenced under this section may not be  
853 discontinued or settled without the approval of the court. If  
854 the court determines that a proposed discontinuance or  
855 settlement substantially affects the interest of the members of  
856 the corporation, or a class, series, or voting group of members,  
857 the court shall direct that notice be given to the members  
858 affected. The court may determine which party or parties to the  
859 proceeding shall bear the expense of giving the notice.

860       (5) Upon termination of the proceeding, the court may  
861 require the plaintiff to pay any defendant's reasonable  
862 expenses, including reasonable attorney's fees, incurred in  
863 defending the proceeding if it finds that the proceeding was  
864 commenced without reasonable cause.

865       (6) The court may award reasonable expenses for maintaining  
866 the proceeding, including reasonable attorney's fees, to a  
867 successful plaintiff or to the person commencing the proceeding  
868 who receives any relief, whether by judgment, compromise, or  
869 settlement, and may require that the person account for the  
870 remainder of any proceeds to the corporation; however, this

27-00015A-09

20091288\_\_

871 subsection does not apply to any relief rendered for the benefit  
872 of injured members only and is limited to a recovery of the loss  
873 or damage of the injured members.

874 Section 21. Section 617.0801, Florida Statutes, is amended  
875 to read:

876 617.0801 ~~Requirement for and~~ Duties of board of directors.-  
877 All corporate powers must be exercised by or under the authority  
878 of, and the affairs of the corporation managed under the  
879 direction of, its board of directors, subject to any limitation  
880 set forth in the articles of incorporation.

881 Section 22. Subsection (1) of section 617.0802, Florida  
882 Statutes, is amended to read:

883 617.0802 Qualifications of directors.-

884 (1) Directors must be natural persons who are 18 years of  
885 age or older but need not be residents of this state or members  
886 of the corporation unless the articles of incorporation or  
887 bylaws so require. For corporations organized according to the  
888 provisions of s. 501(c)(3) of the Internal Revenue Code of 1986,  
889 as amended, one director may be 15 years of age or older if so  
890 permitted in the articles of incorporation or bylaws or by  
891 resolution of the board of directors. The articles of  
892 incorporation or the bylaws may prescribe additional  
893 qualifications for directors.

894 Section 23. Section 617.0806, Florida Statutes, is amended  
895 to read:

896 617.0806 Staggered terms for directors.-The articles of  
897 incorporation or bylaws may provide that directors may be  
898 divided into classes and the terms of office of the several  
899 classes need not be uniform. Each director shall hold office for

27-00015A-09

20091288\_\_

900 the term to which he or she is elected or appointed and until  
901 his or her successor has been elected or appointed and qualified  
902 or until his or her earlier resignation, removal from office, or  
903 death.

904 Section 24. Section 617.0808, Florida Statutes, is amended  
905 to read:

906 617.0808 Removal of directors.—

907 (1) Subject to subsection (2), a director may be removed  
908 from office pursuant to procedures provided in the articles of  
909 incorporation or the bylaws, which shall provide the following,  
910 and if they do not do so, shall be deemed to include the  
911 following:

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

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

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

918 (b) If a director is elected by a class, chapter, or other  
919 organizational unit, or by region or other geographic grouping,  
920 the director may be removed only by the members of that class,  
921 chapter, unit, or grouping. However:

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

926 2. If cumulative voting is authorized, a director may not  
927 be removed if the number of votes sufficient to elect the  
928 director under cumulative voting is voted against the removal of



27-00015A-09

20091288\_\_

929 the director.

930 3. If at the beginning of the term of a director the  
931 articles of incorporation or bylaws provide that the director  
932 may be removed for missing a specified number of board meetings,  
933 the board may remove the director for failing to attend the  
934 specified number of meetings. The director may be removed only  
935 if a majority of the directors then in office vote for the  
936 removal ~~the vote or agreement in writing by a majority of all~~  
937 ~~votes of the membership.~~

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

941 ~~(d)(3)~~ A proposed removal of a director at a meeting shall  
942 require a separate vote for each director whose removal is ~~board~~  
943 ~~member~~ sought to be removed. Where removal is sought by written  
944 consent agreement, a separate consent agreement is required for  
945 each director ~~board member~~ to be removed.

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

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

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

955 ~~(h)(7)~~ If a director who is removed does ~~shall~~ not  
956 relinquish his or her office or turn over records as required  
957 under this section, the circuit court in the county where the

27-00015A-09

20091288\_\_

958 corporation's principal office is located may summarily order  
959 the director to relinquish his or her office and turn over  
960 corporate records upon application of any member.

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

965 (2) A director of a corporation described in s. 501(c) of  
966 the Internal Revenue Code may be removed from office pursuant to  
967 procedures provided in the articles of incorporation or the  
968 bylaws, and the corporation may provide in the articles of  
969 incorporation or the bylaws that it is subject to the provisions  
970 of subsection (1).

971 Section 25. Section 617.0809, Florida Statutes, is amended  
972 to read:

973 617.0809 Board vacancy ~~on board.~~

974 (1) Except as provided in s. 617.0808(1)(f), any vacancy  
975 occurring on the board of directors may be filled by the  
976 affirmative vote of the majority of the remaining directors,  
977 even though the remaining directors constitute less than a  
978 quorum, or by the sole remaining director, ~~as the case may be,~~  
979 or, if the vacancy is not so filled or if no director remains,  
980 by the members or, on the application of any person, by the  
981 circuit court of the county where the registered office of the  
982 corporation is located.

983 (2) Whenever a vacancy occurs with respect to a director  
984 elected by a class, chapter, unit, or group, the vacancy may be  
985 filled only by members of that class, chapter, unit, or group,  
986 or by a majority of the directors then in office elected by such

27-00015A-09

20091288\_\_

987 class, chapter, unit, or group.

988 (3)-(2) The term of a director elected or appointed to fill  
989 a vacancy expires at the next annual meeting at which directors  
990 are elected shall be elected or appointed for the unexpired term  
991 of his or her predecessor in office. Any directorship to be  
992 filled by reason of an increase in the number of directors may  
993 be filled by the board of directors, but only for a term of  
994 office continuing until the next election of directors by the  
995 members or, if the corporation has no members or no members  
996 having the right to vote thereon, for such term of office as is  
997 provided in the articles of incorporation or the bylaws.

998 (4)-(3) A vacancy that will occur at a specific later date,  
999 by reason of a resignation effective at a later date under s.  
1000 617.0807 or otherwise, may be filled before the vacancy occurs.  
1001 However, the new director may not take office until the vacancy  
1002 occurs.

1003 Section 26. Subsection (1) of section 617.0824, Florida  
1004 Statutes, is amended to read:

1005 617.0824 Quorum and voting.—

1006 (1) Unless the articles of incorporation or the bylaws  
1007 require a different number, a quorum of a board of directors  
1008 consists of a majority of the number of directors prescribed by  
1009 the articles of incorporation or the bylaws. Directors younger  
1010 than 18 years of age may not be counted toward a quorum.

1011 Section 27. Present subsection (2) of section 617.0832,  
1012 Florida Statutes, is renumbered as subsection (3) and amended,  
1013 and a new subsection (2) is added to that section, to read:

1014 617.0832 Director conflicts of interest.—

1015 (2) For purposes of paragraph (1) (a) only, a conflict-of-

27-00015A-09

20091288

1016 interest transaction is authorized, approved, or ratified if it  
1017 receives the affirmative vote of a majority of the directors on  
1018 the board of directors, or on the committee, who have no  
1019 relationship or interest in the transaction described in  
1020 subsection (1), but a transaction may not be authorized,  
1021 approved, or ratified under this section by a single director.  
1022 If a majority of the directors who have no relationship or  
1023 interest in the transaction vote to authorize, approve, or  
1024 ratify the transaction, a quorum is present for the purpose of  
1025 taking action under this section. The presence of, or a vote  
1026 cast by, a director having a relationship or interest in the  
1027 transaction does not affect the validity of any action taken  
1028 under paragraph (1)(a) if the transaction is otherwise  
1029 authorized, approved, or ratified as provided in subsection (1),  
1030 but such presence or vote of such a director may be counted for  
1031 purposes of determining whether the transaction is approved  
1032 under other sections of this chapter.

1033 (3)(2) For purposes of paragraph (1)(b), a conflict-of-  
1034 interest transaction is authorized, approved, or ratified if it  
1035 receives the vote of a majority in interest of the members  
1036 entitled to vote under this subsection. A director who has a  
1037 relationship or interest in the transaction described in  
1038 subsection (1) may not vote to determine whether to authorize,  
1039 approve, or ratify a conflict-of-interest transaction under  
1040 paragraph (1)(b). However, the vote of that director is counted  
1041 in determining whether the transaction is approved under other  
1042 sections of this chapter. A majority in interest of the members  
1043 entitled to vote on the transaction under this subsection  
1044 constitutes a quorum for the purpose of taking action under this

27-00015A-09

20091288\_\_

1045 section. ~~Common or interested directors may be counted in~~  
1046 ~~determining the presence of a quorum at a meeting of the board~~  
1047 ~~of directors or a committee thereof which authorizes, approves,~~  
1048 ~~or ratifies such contract or transaction.~~

1049 Section 28. Section 617.0833, Florida Statutes, is amended  
1050 to read:

1051 617.0833 Loans to directors or officers.—Loans, other than  
1052 through the purchase of bonds, debentures, or similar  
1053 obligations of the type customarily sold in public offerings, or  
1054 through ordinary deposit of funds in a bank, may not be made by  
1055 a corporation to its directors or officers, or to any other  
1056 corporation, firm, association, or other entity in which one or  
1057 more of its directors or officers is a director or officer or  
1058 holds a substantial financial interest, except a loan by one  
1059 corporation which is exempt from federal income taxation under  
1060 s. 501(c)(3) of the Internal Revenue Code of 1986, as amended,  
1061 to another corporation which is exempt from federal income  
1062 taxation under s. 501(c)(3) of the Internal Revenue Code of  
1063 1986, as amended. A loan made in violation of this section is a  
1064 violation of the duty to the corporation of the directors or  
1065 officers authorizing it or participating in it, but the  
1066 obligation of the borrower with respect to the loan is ~~shall~~ not  
1067 ~~be~~ affected ~~thereby~~.

1068 Section 29. Subsection (1) of section 617.0834, Florida  
1069 Statutes, is amended to read:

1070 617.0834 Officers and directors of certain corporations and  
1071 associations not for profit; immunity from civil liability.—

1072 (1) An officer or director of a nonprofit organization  
1073 recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of

27-00015A-09

20091288\_\_

1074 the Internal Revenue Code of 1986, as amended, or of an  
1075 agricultural or a horticultural organization recognized under s.  
1076 501(c)(5), of the Internal Revenue Code of 1986, as amended, is  
1077 not personally liable for monetary damages to any person for any  
1078 statement, vote, decision, or failure to take an action,  
1079 regarding organizational management or policy by an officer or  
1080 director, unless:

1081 (a) The officer or director breached or failed to perform  
1082 his or her duties as an officer or director; and

1083 (b) The officer's or director's breach of, or failure to  
1084 perform, his or her duties constitutes:

1085 1. A violation of the criminal law, unless the officer or  
1086 director had reasonable cause to believe his or her conduct was  
1087 lawful or had no reasonable cause to believe his or her conduct  
1088 was unlawful. A judgment or other final adjudication against an  
1089 officer or director in any criminal proceeding for violation of  
1090 the criminal law estops that officer or director from contesting  
1091 the fact that his or her breach, or failure to perform,  
1092 constitutes a violation of the criminal law, but does not estop  
1093 the officer or director from establishing that he or she had  
1094 reasonable cause to believe that his or her conduct was lawful  
1095 or had no reasonable cause to believe that his or her conduct  
1096 was unlawful;

1097 2. A transaction from which the officer or director derived  
1098 an improper personal benefit, ~~either~~ directly or indirectly; or

1099 3. Recklessness or an act or omission that ~~which~~ was  
1100 committed in bad faith or with malicious purpose or in a manner  
1101 exhibiting wanton and willful disregard of human rights, safety,  
1102 or property.

27-00015A-09

20091288\_\_

1103 Section 30. Subsections (2) and (3) of section 617.1007,  
1104 Florida Statutes, are amended to read:

1105 617.1007 Restated articles of incorporation.—

1106 (2) The restatement may include one or more amendments to  
1107 the articles of incorporation. If the restatement includes an  
1108 amendment requiring member approval, it must be adopted as  
1109 provided in s. 617.1002.

1110 (3) A corporation restating its articles of incorporation  
1111 shall deliver to the department ~~of State~~ for filing articles of  
1112 restatement, executed in accordance with ~~the provisions of~~ s.  
1113 617.01201, setting forth the name of the corporation and the  
1114 text of the restated articles of incorporation together with a  
1115 certificate setting forth:

1116 (a) Whether the restatement contains an amendment to the  
1117 articles of incorporation requiring member approval and, if it  
1118 does not, that the board of directors adopted the restatement;  
1119 or

1120 (b) If the restatement contains an amendment to the  
1121 articles of incorporation requiring member approval, the  
1122 information required by s. 617.1006.

1123 Section 31. Subsection (2) of section 617.1101, Florida  
1124 Statutes, is amended, and subsection (3) is added to that  
1125 section, to read:

1126 617.1101 Plan of merger.—

1127 (2) Each corporation must adopt a plan of merger setting  
1128 forth:

1129 (a) The names of the corporations proposing to merge and  
1130 the name of the surviving corporation into which each other  
1131 corporation plans to merge, which is ~~hereinafter~~ designated as

27-00015A-09

20091288\_\_

1132 the surviving corporation;

1133 (b) The terms and conditions of the proposed merger;

1134 (c) A statement of any changes in the articles of  
1135 incorporation of the surviving corporation to be effected by  
1136 such merger; and

1137 (d) The manner and basis, if any, of converting the  
1138 memberships of each merging corporation into memberships,  
1139 obligations, or securities of the surviving corporation or any  
1140 other corporation or, in whole or in part, into cash or other  
1141 property. ~~Such other provisions with respect to the proposed~~  
1142 merger as are deemed necessary or desirable.

1143 (3) The plan of merger may set forth:

1144 (a) Amendments to, or a restatement of, the articles of  
1145 incorporation of the surviving corporation;

1146 (b) The effective date of the merger, which may be on or  
1147 after the date of filing the articles of incorporation or  
1148 merger; or

1149 (c) Other provisions relating to the merger.

1150 Section 32. Section 617.1102, Florida Statutes, is created  
1151 to read:

1152 617.1102 Limitation on merger.—A corporation not for profit  
1153 organized under this chapter may merge with one or more other  
1154 business entities, as identified in s. 607.1108(1), only if the  
1155 surviving entity of such merger is a corporation not for profit  
1156 or other business entity that has been organized as a not-for-  
1157 profit entity under a governing statute or other applicable law  
1158 that allows such a merger.

1159 Section 33. Section 617.1301, Florida Statutes, is created  
1160 to read:



27-00015A-09

20091288

1161 617.1301 Prohibited distributions.—Except as authorized in  
1162 ss. 617.0505 and 617.1302, a corporation may not make any  
1163 distributions to its members.

1164 Section 34. Section 617.1302, Florida Statutes, is created  
1165 to read:

1166 617.1302 Authorized distributions.—

1167 (1) A mutual benefit corporation may purchase its  
1168 memberships pursuant to s. 617.0608 only if, after the purchase  
1169 is completed:

1170 (a) The mutual benefit corporation is able to pay its debts  
1171 as they become due in the usual course of its activities; and

1172 (b) The total assets of the mutual benefit corporation at  
1173 least equal the sum of its total liabilities.

1174 (2) A corporation may make distributions upon dissolution  
1175 in conformity with the dissolution provisions of this chapter.

1176 Section 35. Subsection (4) of section 617.1405, Florida  
1177 Statutes, is amended to read:

1178 617.1405 Effect of dissolution.—

1179 (4) The name of a dissolved corporation ~~is shall~~ not be  
1180 available for assumption or use by another corporation until  
1181 ~~after~~ 120 days after the effective date of dissolution unless  
1182 the dissolved corporation provides the department with an  
1183 affidavit, executed pursuant to s. 617.01201, authorizing the  
1184 immediate assumption or use of the name by another corporation.

1185 Section 36. Section 617.1407, Florida Statutes, is created  
1186 to read:

1187 617.1407 Unknown claims against dissolved corporation.—

1188 (1) A dissolved corporation or successor entity may execute  
1189 one of the following procedures to resolve payment of unknown

27-00015A-09

20091288\_\_

1190 claims:

1191 (a) A dissolved corporation or successor entity may file  
1192 notice of its dissolution with the department on the form  
1193 prescribed by the department and request that persons having  
1194 claims against the corporation which are not known to the  
1195 corporation or successor entity present them in accordance with  
1196 the notice. The notice must:

1197 1. State the name of the corporation and the date of  
1198 dissolution;

1199 2. Describe the information that must be included in a  
1200 claim and provide a mailing address to which the claim may be  
1201 sent; and

1202 3. State that a claim against the corporation under this  
1203 subsection is barred unless a proceeding to enforce the claim is  
1204 commenced within 4 years after the filing of the notice.

1205 (b) A dissolved corporation or successor entity may, within  
1206 10 days after filing articles of dissolution with the  
1207 department, publish a "Notice of Corporate Dissolution." The  
1208 notice must appear once a week for 2 consecutive weeks in a  
1209 newspaper of general circulation in the county in the state in  
1210 which the corporation has its principal office, if any, or, if  
1211 none, in a county in the state in which the corporation owns  
1212 real or personal property. Such newspaper shall meet the  
1213 requirements as are prescribed by law for such purposes. The  
1214 notice must:

1215 1. State the name of the corporation and the date of  
1216 dissolution;

1217 2. Describe the information that must be included in a  
1218 claim and provide a mailing address to which the claim may be

27-00015A-09

20091288\_\_

1219 sent; and

1220 3. State that a claim against the corporation under this  
1221 subsection is barred unless a proceeding to enforce the claim is  
1222 commenced within 4 years after the date of the second  
1223 consecutive weekly publication of the notice.

1224 (2) If the dissolved corporation or successor entity  
1225 complies with paragraph (1) (a) or paragraph (1) (b), the claim of  
1226 each of the following claimants is barred unless the claimant  
1227 commences a proceeding to enforce the claim against the  
1228 dissolved corporation within 4 years after the date of filing  
1229 the notice with the department or the date of the second  
1230 consecutive weekly publication, as applicable:

1231 (a) A claimant who did not receive written notice under s.  
1232 617.1408(9), or whose claim is not provided for under s.  
1233 617.1408(10), regardless of whether such claim is based on an  
1234 event occurring before or after the effective date of  
1235 dissolution.

1236 (b) A claimant whose claim was timely sent to the dissolved  
1237 corporation but on which no action was taken.

1238 (3) A claim may be entered under this section:

1239 (a) Against the dissolved corporation, to the extent of its  
1240 undistributed assets; or

1241 (b) If the assets have been distributed in liquidation,  
1242 against a member of the dissolved corporation to the extent of  
1243 such member's pro rata share of the claim or the corporate  
1244 assets distributed to such member in liquidation, whichever is  
1245 less; however, the aggregate liability of any member of a  
1246 dissolved corporation may not exceed the amount distributed to  
1247 the member in dissolution.

27-00015A-09

20091288\_\_

1248 Section 37. Section 617.1408, Florida Statutes, is created  
1249 to read:

1250 617.1408 Known claims against dissolved corporation.-

1251 (1) A dissolved corporation or successor entity may dispose  
1252 of the known claims against it by following the procedures  
1253 described in subsections (2), (3), and (4).

1254 (2) The dissolved corporation or successor entity shall  
1255 deliver to each of its known claimants written notice of the  
1256 dissolution at any time after its effective date. The written  
1257 notice must:

1258 (a) Provide a reasonable description of the claim that the  
1259 claimant may be entitled to assert;

1260 (b) State whether the claim is admitted or not admitted, in  
1261 whole or in part, and, if admitted:

1262 1. The amount that is admitted, which may be as of a given  
1263 date; and

1264 2. Any interest obligation if fixed by an instrument of  
1265 indebtedness;

1266 (c) Provide a mailing address where a claim may be sent;

1267 (d) State the deadline, which must be at least 120 days  
1268 after the effective date of the written notice, by which  
1269 confirmation of the claim must be delivered to the dissolved  
1270 corporation or successor entity; and

1271 (e) State that the corporation or successor entity may make  
1272 distributions thereafter to other claimants and the members of  
1273 the corporation or persons interested as having been such  
1274 without further notice.

1275 (3) A dissolved corporation or successor entity may reject,  
1276 in whole or in part, any claim made by a claimant pursuant to

27-00015A-09

20091288\_\_

1277 this section by mailing notice of such rejection to the claimant  
1278 within 90 days after receipt of such claim and, in all events,  
1279 at least 150 days before expiration of 3 years following the  
1280 effective date of dissolution. The notice must be accompanied by  
1281 a copy of this section.

1282 (4) A dissolved corporation or successor entity electing to  
1283 follow the procedures described in subsections (2) and (3) must  
1284 also give notice of dissolution to persons having known claims  
1285 that are contingent upon the occurrence or nonoccurrence of  
1286 future events, or are otherwise conditional or unmatured, and  
1287 request that such persons present such claims in accordance with  
1288 the terms of the notice. The notice must be in substantially the  
1289 form, and sent in the same manner, as described in subsection  
1290 (2).

1291 (5) A dissolved corporation or successor entity shall offer  
1292 any claimant whose known claim is contingent, conditional, or  
1293 unmatured such security as the corporation or entity determines  
1294 is sufficient to provide compensation to the claimant if the  
1295 claim matures. The dissolved corporation or successor entity  
1296 shall deliver such offer to the claimant within 90 days after  
1297 receipt of such claim and, in all events, at least 150 days  
1298 before expiration of 3 years following the effective date of  
1299 dissolution. If the claimant offered such security does not  
1300 deliver in writing to the dissolved corporation or successor  
1301 entity a notice rejecting the offer within 120 days after  
1302 receipt of such offer, the claimant is deemed to have accepted  
1303 such security as the sole source from which to satisfy his or  
1304 her claim against the corporation.

1305 (6) A dissolved corporation or successor entity that has

27-00015A-09

20091288\_\_

1306 given notice in accordance with subsections (2) and (4) shall  
1307 petition the circuit court in the county where the corporation's  
1308 principal office is located or was located on the effective date  
1309 of dissolution to determine the amount and form of security  
1310 which is sufficient to provide compensation to a claimant who  
1311 has rejected the offer for security made pursuant to subsection  
1312 (5).

1313 (7) A dissolved corporation or successor entity that has  
1314 given notice in accordance with subsection (2) shall petition  
1315 the circuit court in the county where the corporation's  
1316 principal office is located or was located on the effective date  
1317 of dissolution to determine the amount and form of security  
1318 which is sufficient to provide compensation to claimants whose  
1319 claims are known to the corporation or successor entity but  
1320 whose identities are unknown. The court shall appoint a guardian  
1321 ad litem to represent all claimants whose identities are unknown  
1322 in any proceeding brought under this subsection. The reasonable  
1323 fees and expenses of such guardian, including all reasonable  
1324 expert witness fees, shall be paid by the petitioner in such  
1325 proceeding.

1326 (8) The giving of any notice or making of any offer  
1327 pursuant to this section does not revive any claim then barred,  
1328 does not constitute acknowledgment by the dissolved corporation  
1329 or successor entity that any person to whom such notice is sent  
1330 is a proper claimant, and does not operate as a waiver of any  
1331 defense or counterclaim in respect of any claim asserted by any  
1332 person to whom such notice is sent.

1333 (9) A dissolved corporation or successor entity that has  
1334 followed the procedures described in subsections (2)-(7) shall:

27-00015A-09

20091288

1335 (a) Pay the claims admitted or made and not rejected in  
1336 accordance with subsection (3);

1337 (b) Post the security offered and not rejected pursuant to  
1338 subsection (5);

1339 (c) Post any security ordered by the circuit court in any  
1340 proceeding under subsections (6) and (7); and

1341 (d) Pay or make provision for all other known obligations  
1342 of the corporation or the successor entity. Such claims or  
1343 obligations shall be paid in full, and any provision for  
1344 payments shall be made in full if there are sufficient funds. If  
1345 there are insufficient funds, the claims and obligations shall  
1346 be paid or provided for according to their priority and, among  
1347 claims of equal priority, ratably to the extent of funds legally  
1348 available for payment. Any remaining funds shall be distributed  
1349 in accordance with s. 617.1406; however, such distribution may  
1350 not be made until 150 days after the date of the last notice of  
1351 rejections given pursuant to subsection (3). In the absence of  
1352 actual fraud, the judgment of the directors of the dissolved  
1353 corporation or the governing persons of the successor entity as  
1354 to the provisions made for the payment of all obligations under  
1355 this paragraph is conclusive.

1356 (10) A dissolved corporation or successor entity that has  
1357 not followed the procedures described in subsections (2) and (3)  
1358 shall pay or make reasonable provision to pay all known claims  
1359 and obligations, including all contingent, conditional, or  
1360 unmatured claims known to the corporation or the successor  
1361 entity and all claims that are known to the dissolved  
1362 corporation or the successor entity but for which the identity  
1363 of the claimant is unknown. Such claims shall be paid in full,

27-00015A-09

20091288\_\_

1364 and any provision for payment made shall be made in full if  
1365 there are sufficient funds. If there are insufficient funds,  
1366 such claims and obligations shall be paid or provided for  
1367 according to their priority and, among claims of equal priority,  
1368 ratably to the extent of funds legally available for payment  
1369 thereof. Any remaining funds shall be distributed in accordance  
1370 with s. 617.1406.

1371 (11) Directors of a dissolved corporation or governing  
1372 persons of a successor entity that has complied with subsection  
1373 (9) or subsection (10) are not personally liable to the  
1374 claimants of the dissolved corporation.

1375 (12) A member of a dissolved corporation the assets of  
1376 which were distributed pursuant to subsection (9) or subsection  
1377 (10) is not liable for any claim against the corporation greater  
1378 than the member's pro rata share of the claim or the amount  
1379 distributed to the member, whichever is less.

1380 (13) A member of a dissolved corporation, the assets of  
1381 which were distributed pursuant to subsection (9), is not liable  
1382 for any claim against the corporation which is known to the  
1383 corporation or successor entity and on which a proceeding is  
1384 begun after the expiration of 3 years following the effective  
1385 date of dissolution.

1386 (14) The aggregate liability of any member of a dissolved  
1387 corporation for claims against the dissolved corporation may not  
1388 be greater than the amount distributed to the member in  
1389 dissolution.

1390 Section 38. Subsection (6) of section 617.1421, Florida  
1391 Statutes, is repealed.

1392 Section 39. Section 617.1422, Florida Statutes, is amended



27-00015A-09

20091288\_\_

1393 to read:

1394 617.1422 Reinstatement following administrative  
1395 dissolution.-

1396 (1)~~(a)~~ A corporation administratively dissolved under s.  
1397 617.1421 may apply to the department ~~of State~~ for reinstatement  
1398 at any time after the effective date of dissolution. The  
1399 corporation must submit a reinstatement form prescribed and  
1400 furnished by the department or a current uniform business report  
1401 signed by a registered agent and an officer or director and  
1402 submit application must:

1403 1. ~~Recite the name of the corporation and the effective~~  
1404 ~~date of its administrative dissolution;~~

1405 2. ~~State that the ground or grounds for dissolution either~~  
1406 ~~did not exist or have been eliminated and that no further~~  
1407 ~~grounds currently exist for dissolution;~~

1408 3. ~~State that the corporation's name satisfies the~~  
1409 ~~requirements of s. 617.0401; and~~

1410 4. ~~State that all fees owed by the corporation and computed~~  
1411 ~~at the rate provided by law at the time the corporation applies~~  
1412 ~~for reinstatement\_ have been paid; or~~

1413 ~~(b) Submit a current annual report, signed by the~~  
1414 ~~registered agent and an officer or director, which substantially~~  
1415 ~~complies with the requirements of paragraph (a).~~

1416 (2) If the department ~~of State~~ determines that the  
1417 application contains the information required by subsection (1)  
1418 and that the information is correct, it shall ~~file the document,~~  
1419 ~~cancel the certificate of dissolution, and~~ reinstate the  
1420 corporation ~~effective on the date which the reinstatement~~  
1421 ~~document is filed.~~

27-00015A-09

20091288\_\_

1422 (3) When the reinstatement is effective, it relates back to  
1423 and takes effect as of the effective date of the administrative  
1424 dissolution and the corporation resumes carrying on its business  
1425 ~~affairs~~ as if the administrative dissolution had never occurred.

1426 (4) The name of the dissolved corporation is not available  
1427 for assumption or use by another corporation until 1 year after  
1428 the effective date of dissolution unless the dissolved  
1429 corporation provides the department with an affidavit executed  
1430 pursuant to s. 617.01201 authorizing the immediate assumption or  
1431 use of the name by another corporation.

1432 (5)~~(4)~~ If the name of the dissolved corporation has been  
1433 lawfully assumed in this state by another corporation, the  
1434 department ~~of State~~ shall require the dissolved corporation to  
1435 amend its articles of incorporation to change its name before  
1436 accepting its application for reinstatement.

1437 Section 40. Subsection (2) of section 617.1430, Florida  
1438 Statutes, is amended to read:

1439 617.1430 Grounds for judicial dissolution.—A circuit court  
1440 may dissolve a corporation:

1441 (2) In a proceeding brought by at least 50 members or  
1442 members holding at least 10 percent of the voting power,  
1443 whichever is less, or by a member or group or percentage of  
1444 members as otherwise provided in the articles of incorporation  
1445 or bylaws, or by a director or any person authorized in the  
1446 articles of incorporation, ~~by a member~~ if it is established  
1447 that:

1448 (a) The directors are deadlocked in the management of the  
1449 corporate affairs, the members are unable to break the deadlock,  
1450 and irreparable injury to the corporation is threatened or being

27-00015A-09

20091288\_\_

1451 suffered;

1452 (b) The members are deadlocked in voting power and have  
1453 failed to elect successors to directors whose terms have expired  
1454 or would have expired upon qualification of their successors; or

1455 (c) The corporate assets are being misapplied or wasted.

1456 Section 41. Subsection (2) of section 617.1503, Florida  
1457 Statutes, is amended to read:

1458 617.1503 Application for certificate of authority.—

1459 (2) The foreign corporation shall deliver with the  
1460 completed application a certificate of existence, ~~for a document~~  
1461 ~~of similar import,~~ duly authenticated, within not more than 90  
1462 ~~days prior to delivery of the application to the department of~~  
1463 ~~State,~~ by the Secretary of State or other official having  
1464 custody of corporate records in the jurisdiction under the law  
1465 of which it is incorporated. A translation of the certificate,  
1466 under oath of the translator, must be attached to a certificate  
1467 that ~~which~~ is in a language other than the English language.

1468 Section 42. Subsection (2) of section 617.1504, Florida  
1469 Statutes, is amended to read:

1470 617.1504 Amended certificate of authority.—

1471 (2) Such application shall be made within 90 ~~30~~ days after  
1472 the occurrence of any change mentioned in subsection (1), shall  
1473 be made on forms prescribed by the department ~~of State,~~ shall be  
1474 executed and filed in the same manner as an original application  
1475 for authority, and shall set forth:

1476 (a) The name of the foreign corporation as it appears on  
1477 the department's records ~~of the Department of State;~~

1478 (b) The jurisdiction of its incorporation;

1479 (c) The date it was authorized to conduct its affairs in

27-00015A-09

20091288\_\_

1480 this state;

1481 (d) If the name of the foreign corporation has ~~been~~  
1482 changed, the name relinquished, the new name, a statement that  
1483 the change of name has been effected under the laws of the  
1484 jurisdiction of its incorporation, and the date the change was  
1485 effected;

1486 (e) If the period of duration has ~~been~~ changed, a statement  
1487 of such change and the date the change was effected;

1488 (f) If the jurisdiction of incorporation has ~~been~~ changed,  
1489 a statement of such change and the date the change was effected;  
1490 and

1491 (g) If the ~~purpose or purposes~~ that ~~which~~ the corporation  
1492 intends to pursue in this state have ~~been~~ changed, a statement  
1493 of such new ~~purpose or purposes~~, and a further statement that  
1494 the corporation is authorized to pursue such ~~purpose or purposes~~  
1495 in the jurisdiction of its incorporation.

1496 Section 43. Section 617.1506, Florida Statutes, is amended  
1497 to read:

1498 617.1506 Corporate name of foreign corporation.—

1499 (1) A foreign corporation may ~~is~~ not ~~entitled to~~ file an  
1500 application for a certificate of authority unless the corporate  
1501 name of such corporation satisfies the requirements of s.  
1502 617.0401. To obtain or maintain a certificate of authority to  
1503 transact business in this state, the foreign corporation:

1504 (a) May add the word "corporation" or "incorporated" or the  
1505 abbreviation "corp." or "inc." or words of like import, which ~~as~~  
1506 ~~will~~ clearly indicate that it is a corporation instead of a  
1507 natural person or partnership or other business entity; however,  
1508 ~~to its corporate name for use in this state, provided,~~ the name

27-00015A-09

20091288

1509 of a foreign corporation may not contain the word "company" or  
1510 the abbreviation "co."; or

1511 (b) May use an alternate name to transact business in this  
1512 state if its real name is unavailable. Any alternate corporate  
1513 name adopted for use in this state must be cross-referenced to  
1514 the real corporate name in the records of the Division of  
1515 Corporations. If the real corporate name of the corporation  
1516 becomes available in this state or if the corporation chooses to  
1517 change its alternate name and it delivers to the Department of  
1518 State, for filing, a copy of the resolution of its board of  
1519 directors, changing or withdrawing the alternate name and  
1520 executed as required by s. 617.01201, must be delivered for  
1521 filing adopting an alternate name.

1522 (2) The corporate name, including the alternate name, of a  
1523 foreign corporation must be distinguishable, within the records  
1524 of the Division of Corporations, from:

1525 (a) Any corporate name of a corporation for profit  
1526 incorporated or authorized to transact business in this state.

1527 (b) ~~(a)~~ The alternate name of another foreign corporation  
1528 authorized to transact business in this state.

1529 (c) ~~(b)~~ The corporate name of a not-for-profit corporation  
1530 incorporated or authorized to transact business in this state.

1531 (d) ~~(c)~~ The names of all other entities or filings, except  
1532 fictitious name registrations pursuant to s. 865.09, organized,  
1533 or registered under the laws of this state, that are on file  
1534 with the Division of Corporations.

1535 (3) If a foreign corporation authorized to transact  
1536 business in this state changes its corporate name to one that  
1537 does not satisfy the requirements of s. 617.0401 ~~s. 607.0401~~,

27-00015A-09

20091288\_\_

1538 such corporation may not transact business in this state under  
1539 the changed name until the corporation adopts a name satisfying  
1540 the requirements of s. 617.0401 ~~s. 607.0401~~.

1541 ~~(4) The corporate name must be distinguishable from the~~  
1542 ~~names of all other entities or filings, organized, registered,~~  
1543 ~~or reserved under the laws of the state that are on file with~~  
1544 ~~the Division of Corporations, except fictitious name~~  
1545 ~~registrations pursuant to s. 865.09.~~

1546 Section 44. Subsection (6) of section 617.1530, Florida  
1547 Statutes, is amended to read:

1548 617.1530 Grounds for revocation of authority to conduct  
1549 affairs.—The department of State may commence a proceeding under  
1550 s. 617.1531 to revoke the certificate of authority of a foreign  
1551 corporation authorized to conduct its affairs in this state if:

1552 (6) The department ~~of State~~ receives a duly authenticated  
1553 certificate from the secretary of state or other official having  
1554 custody of corporate records in the jurisdiction under the law  
1555 of which the foreign corporation is incorporated stating that it  
1556 has been dissolved or disappeared as the result of a merger.

1557 Section 45. Paragraph (a) of subsection (5) of section  
1558 617.1601, Florida Statutes, is amended to read:

1559 617.1601 Corporate records.—

1560 (5) A corporation shall keep a copy of the following  
1561 records:

1562 (a) Its articles of incorporation or restated articles of  
1563 incorporation and all amendments to them currently in effect.

1564 Section 46. Subsections (1), (2), and (4) of section  
1565 617.1602, Florida Statutes, are amended to read:

1566 617.1602 Inspection of records by members.—

27-00015A-09

20091288\_\_

1567 (1) A member of a corporation is entitled to inspect and  
1568 copy, during regular business hours at the corporation's  
1569 principal office or at a reasonable location specified by the  
1570 corporation, any of the records of the corporation described in  
1571 s. 617.1601(5), if the member gives the corporation written  
1572 notice of his or her demand at least 10 ~~5~~ business days before  
1573 the date on which he or she wishes to inspect and copy.

1574 (2) A member of a corporation is entitled to inspect and  
1575 copy, during regular business hours at a reasonable location  
1576 specified by the corporation, any of the following records of  
1577 the corporation if the member meets the requirements of  
1578 subsection (3) and gives the corporation written notice of his  
1579 or her demand at least 10 ~~5~~ business days before the date on  
1580 which he or she wishes to inspect and copy:

1581 (a) Excerpts from minutes of any meeting of the board of  
1582 directors, records of any action of a committee of the board of  
1583 directors while acting in place of the board of directors on  
1584 behalf of the corporation, minutes of any meeting of the  
1585 members, and records of action taken by the members or board of  
1586 directors without a meeting, to the extent not subject to  
1587 inspection under subsection (1).

1588 (b) Accounting records of the corporation.

1589 (c) The record of members.

1590 (d) Any other books and records.

1591 (4) This section does not affect:

1592 (a) The right of a member ~~to inspect and copy records under~~  
1593 ~~s. 617.0730(6), or, if the member is in litigation with the~~  
1594 corporation to inspect and copy records, to the same extent as  
1595 any other litigant.

27-00015A-09

20091288\_\_

1596 (b) The power of a court, independently of this chapter  
1597 ~~act~~, to compel the production of corporate records for  
1598 examination.

1599 Section 47. Section 617.1605, Florida Statutes, is amended  
1600 to read:

1601 617.1605 Financial reports for members.—A corporation, upon  
1602 a member's written demand, shall furnish that member its latest  
1603 annual financial statements, which may be consolidated or  
1604 combined statements of the corporation and one or more of its  
1605 subsidiaries or affiliates, as appropriate, and which include a  
1606 balance sheet as of the end of the fiscal year and a statement  
1607 of operations for that year. If financial statements are  
1608 prepared for the corporation on the basis of generally accepted  
1609 accounting principles, the annual financial statements must also  
1610 be prepared on such basis. Within 60 days following the end of  
1611 the fiscal or calendar year or annually on such date as is  
1612 otherwise provided in the bylaws of the corporation, the board  
1613 of directors of the corporation shall mail or furnish by  
1614 personal delivery to each member a complete financial report of  
1615 actual receipts and expenditures for the previous 12 months. The  
1616 report shall show the amounts of receipts by accounts and  
1617 receipt classifications and shall show the amounts of expenses  
1618 by accounts and expense classifications.

1619 Section 48. Section 617.1703, Florida Statutes, is created  
1620 to read:

1621 617.1703 Application of chapter.—In the event of any  
1622 conflict between the provisions of this chapter and chapter 718  
1623 regarding condominiums, chapter 719 regarding cooperatives,  
1624 chapter 720 regarding homeowners' associations, chapter 721



27-00015A-09

20091288\_\_

1625 regarding timeshares, or chapter 723 regarding mobile home  
1626 owners' associations, the provisions of such other chapters  
1627 shall apply. The provisions of ss. 617.0605-617.0608 do not  
1628 apply to corporations regulated by any of the foregoing chapters  
1629 or to any other corporation where membership in the corporation  
1630 is required pursuant to a document recorded in the county  
1631 property records.

1632 Section 49. Subsection (8) is added to section 617.1803,  
1633 Florida Statutes, to read:

1634 617.1803 Domestication of foreign not-for-profit  
1635 corporations.—

1636 (8) When a domestication becomes effective:

1637 (a) The title to all real and personal property, both  
1638 tangible and intangible, of the foreign corporation remains in  
1639 the domesticated corporation without reversion or impairment;

1640 (b) The liabilities of the foreign corporation remain the  
1641 liabilities of the domesticated corporation;

1642 (c) An action or proceeding against the foreign corporation  
1643 continues against the domesticated corporation as if the  
1644 domestication had not occurred;

1645 (d) The articles of incorporation attached to the  
1646 certificate of domestication constitute the articles of  
1647 incorporation of the domesticated corporation; and

1648 (e) Membership interests in the foreign corporation remain  
1649 identical in the domesticated corporation.

1650 Section 50. Section 617.1806, Florida Statutes, is amended  
1651 to read:

1652 617.1806 Conversion to corporation not for profit; petition  
1653 and contents.—A petition for conversion to a corporation not for

27-00015A-09

20091288\_\_

1654 profit pursuant to s. 617.1805 shall be accompanied by the  
1655 written consent of all the shareholders authorizing the change  
1656 in the corporate nature and directing an authorized officer to  
1657 file such petition before the court, together with a statement  
1658 agreeing to accept all the property of the petitioning  
1659 corporation and agreeing to assume and pay all its indebtedness  
1660 and liabilities, and the proposed articles of incorporation  
1661 signed by the president and secretary of the petitioning  
1662 corporation which shall set forth the provisions required in  
1663 original articles of incorporation by s. 617.0202.

1664 Section 51. Section 617.1907, Florida Statutes, is amended  
1665 to read:

1666 617.1907 Effect of repeal or amendment of prior acts.-

1667 (1) Except as provided in subsection (2), the repeal or  
1668 amendment of a statute by this act does not affect:

1669 (a) The operation of the statute or any action taken under  
1670 it before its repeal or amendment;

1671 (b) Any ratification, right, remedy, privilege, obligation,  
1672 or liability acquired, accrued, or incurred under the statute  
1673 before its repeal or amendment;

1674 (c) Any violation of the statute, or any penalty,  
1675 forfeiture, or punishment incurred because of the violation,  
1676 before its repeal or amendment; or

1677 (d) Any proceeding, reorganization, or dissolution  
1678 commenced ~~under the statute~~ before its repeal or amendment, and  
1679 the proceeding, reorganization, or dissolution may be completed  
1680 ~~in accordance with the statute~~ as if it had not been repealed or  
1681 amended.

1682 (2) If a penalty or punishment imposed for violation of a

27-00015A-09

20091288\_\_

1683 statute repealed or amended by this act is reduced by this act,  
1684 the penalty or punishment if not already imposed shall be  
1685 imposed in accordance with this act.

1686 Section 52. Section 617.2103, Florida Statutes, is  
1687 repealed.

1688 Section 53. This act shall take effect October 1, 2009.