

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 be
4 no charge for telephone requests for certain general
5 corporate information; amending s. 607.1406, F.S.;
6 requiring notice to known claimants of a dissolved
7 corporation; amending s. 607.1620, F.S.; requiring that
8 certain corporations furnish annual financial statements
9 to shareholders within a specified period after the close
10 of a fiscal year; providing an exception; providing a
11 means by which such requirement may be satisfied; amending
12 s. 617.01201, F.S.; requiring a document that is
13 electronically transmitted to be in a format that may be
14 retrieved in typewritten or printed form; requiring that a
15 document be executed by a director of the domestic or
16 foreign corporation; authorizing the delivery of a
17 document by electronic transmission to the extent allowed
18 by the Department of State; amending s. 617.0122, F.S.;
19 requiring the department to collect a fee for filing an
20 agent's statement of resignation from an inactive
21 corporation; amending s. 617.0124, F.S.; authorizing a
22 domestic or foreign corporation to correct a document
23 filed by the department within 30 days under certain
24 circumstances; amending s. 617.01401, F.S.; defining the
25 terms "department," "distribution," "mutual benefit
26 corporation," "successor entity," and "voting power";
27 amending s. 617.0205, F.S.; requiring the incorporators to
28 hold an organizational meeting after incorporation if the

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

57 | an expulsion, suspension, or termination be commenced
58 | within 1 year after the effective date of such expulsion,
59 | suspension, or termination; providing that a member who
60 | has been expelled or suspended may be liable to the
61 | corporation for dues, assessments, or fees; creating s.
62 | 617.0608, F.S.; prohibiting a corporation from purchasing
63 | any of its memberships; authorizing a mutual benefit
64 | corporation to purchase the membership of a member who
65 | resigns or whose membership is terminated; amending s.
66 | 617.0701, F.S.; authorizing the holders of at least 5
67 | percent of the voting power of a corporation to call a
68 | special meeting of the members under certain
69 | circumstances; authorizing a person who signs a demand for
70 | a special meeting to call a special meeting of the members
71 | under certain circumstances; revising the timeframes
72 | relating to written member consent to actions; clarifying
73 | the types of corporations that are not subject to certain
74 | requirements; amending s. 617.0721, F.S.; authorizing the
75 | corporation to reject a proxy action if it has reasonable
76 | doubt as the validity of an appointment; providing that
77 | members and proxy holders who are not physically present
78 | at a meeting may participate by means of remote
79 | communication and are deemed to be present at the meeting
80 | under certain circumstances; amending s. 617.0725, F.S.;
81 | requiring an amendment to the articles of incorporation or
82 | the bylaws which adds a greater or lesser quorum or voting
83 | requirement to meet certain requirements; creating s.
84 | 617.07401, F.S.; prohibiting a person from commencing a

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

113 corporation described in s. 501(c) of the Internal Revenue
114 Code may be removed from office pursuant to procedures
115 provided in the articles of incorporation or the bylaws;
116 amending s. 617.0809, F.S.; providing that a vacancy on
117 the board of directors for a director elected by a class,
118 chapter, unit, or group may be filled only by members of
119 that class, chapter, unit, or group; providing that the
120 term of a director elected or appointed to fill a vacancy
121 expires at the next annual meeting at which directors are
122 elected; amending s. 617.0824, F.S.; prohibiting certain
123 directors from being counted toward a quorum; amending s.
124 617.0832, F.S.; deleting a provision that authorizes
125 common or interested directors to be counted in
126 determining the presence of a quorum at a meeting that
127 ratifies a contract between a corporation and one of its
128 directors and any other corporation in which one of its
129 directors is financially interested; providing
130 circumstances under which a conflict-of-interest
131 transaction is authorized; amending s. 617.0833, F.S.;
132 providing an exception to the requirement that a loan not
133 be made by a corporation to its directors; amending s.
134 617.0834, F.S.; providing that an officer or director of a
135 certain nonprofit organization or agricultural or
136 horticultural organization is immune from civil liability;
137 amending s. 617.1007, F.S.; providing that a restatement
138 of the articles of incorporation of a corporation may
139 include one or more amendments; amending s. 617.1101,
140 F.S.; providing requirements for a plan of merger;

141 creating s. 617.1102, F.S.; providing a limitation on the
142 merger of a corporation not for profit; creating s.
143 617.1301, F.S.; prohibiting a corporation from making
144 distributions to its members under certain circumstances;
145 creating s. 617.1302, F.S.; providing that a mutual
146 benefit corporation may purchase its memberships only
147 under certain circumstances; authorizing a corporation to
148 make distributions upon dissolution; amending s. 617.1405,
149 F.S.; providing that the name of a dissolved corporation
150 may be available for immediate assumption by another
151 corporation if the dissolved corporation provides the
152 department with an affidavit authorizing such use;
153 creating s. 617.1407, F.S.; authorizing a dissolved
154 corporation or successor entity to execute certain
155 procedures to resolve payment of unknown claims against
156 it; providing that certain claims against a dissolved
157 corporation are barred; providing that a claim may be
158 entered against a dissolved corporation under certain
159 circumstances; creating s. 617.1408, F.S.; authorizing a
160 dissolved corporation or successor entity to execute
161 certain procedures to dispose of known claims against it;
162 requiring that a dissolved corporation deliver written
163 notice of the dissolution to each of its known claimants;
164 providing a procedure under which a dissolved corporation
165 may reject a claim made against it; requiring that a
166 dissolved corporation give notice of the dissolution to
167 persons having known claims that are contingent,
168 conditional, or unmatured; requiring that a dissolved

169 corporation follow certain procedures in offering
170 compensation to a claimant if the claim matures; requiring
171 that a dissolved corporation petition the circuit court to
172 determine the amount and form of security that is
173 sufficient to provide compensation to certain claimants;
174 providing that the giving of notice or making of an offer
175 does not revive a claim that has been barred; providing
176 that directors of a dissolved corporation or governing
177 persons of a successor entity that has complied with
178 certain procedures are not personally liable to the
179 claimants of a dissolved corporation; providing that
180 certain members of a dissolved corporation are not liable
181 for any claim against the corporation; providing a limit
182 on the aggregate liability of any member of a dissolved
183 corporation; repealing s. 617.1421(6), F.S., relating to
184 the assumption and use of the name of a dissolved
185 corporation; amending s. 617.1422, F.S.; deleting certain
186 requirements for an application to reinstate a corporation
187 that has been dissolved; requiring that a corporation
188 submit a reinstatement form prescribed and furnished by
189 the department; providing that the name of a dissolved
190 corporation is not available for assumption or use by
191 another corporation until 1 year after the effective date
192 of dissolution; providing an exception; amending s.
193 617.1430, F.S.; revising the requirements for members to
194 dissolve a corporation in circuit court; amending s.
195 617.1503, F.S.; requiring a foreign corporation to deliver
196 a certificate of existence authenticated by the Secretary

197 of State; amending s. 617.1504, F.S.; requiring that a
198 foreign corporation make application to the department to
199 obtain an amended certificate of authority within 90 days
200 after the occurrence of a change; amending s. 617.1506,
201 F.S.; requiring that an alternate corporate name adopted
202 for use in this state be cross-referenced to the real
203 corporate name in the records of the Division of
204 Corporations; requiring that the corporate name of a
205 foreign corporation be distinguishable from the corporate
206 name of a corporation for profit incorporated or
207 authorized to transact business in this state; amending s.
208 617.1530, F.S.; requiring that the department receive an
209 authenticated certificate from the Secretary of State
210 before commencing a proceeding to revoke the certificate
211 of authority of a foreign corporation; amending s.
212 617.1601, F.S.; requiring that a corporation keep a copy
213 of its articles of incorporation; amending s. 617.1602,
214 F.S.; providing that a member of a corporation is entitled
215 to inspect and copy certain records of the corporation at
216 a reasonable location specified by the corporation;
217 requiring that a member give the corporation written
218 notice 10 days before the date on which he or she wishes
219 to inspect and copy records; amending s. 617.1605, F.S.;
220 revising the circumstances under which a corporation is
221 required to furnish a member with its latest annual
222 financial statement; creating s. 617.1703, F.S.; providing
223 for the applicability of certain provisions to
224 corporations regulated under the act; amending s.

225 617.1803, F.S.; providing for certain changes when a
 226 foreign not-for-profit corporation becomes domesticated;
 227 amending s. 617.1806, F.S.; revising the provisions for
 228 conversion to a corporation not for profit; amending s.
 229 617.1907, F.S.; providing that the repeal or amendment of
 230 a statute does not affect certain operations and
 231 proceedings; repealing s. 617.2103, F.S., relating to
 232 exemptions for certain corporations; providing effective
 233 dates.

234

235 Be It Enacted by the Legislature of the State of Florida:

236

237 Section 1. Subsection (4) of section 607.0501, Florida
 238 Statutes, is amended to read:

239 607.0501 Registered office and registered agent.--

240 (4) The Department of State shall maintain an accurate
 241 record of the registered agents and registered offices for the
 242 service of process and shall furnish any information disclosed
 243 thereby promptly upon request and payment of the required fee.
 244 ~~There shall be no charge for telephone requests for general~~
 245 ~~corporate information, including the corporation's status, names~~
 246 ~~of officers and directors, address of principal place of~~
 247 ~~business, and name and address of registered agent.~~

248 Section 2. Subsection (4) of section 607.1406, Florida
 249 Statutes, is amended to read:

250 607.1406 Known claims against dissolved corporation.--

251 (4) A dissolved corporation or successor entity electing
 252 to follow the procedures described in subsections (2) and (3)

253 shall also give notice of the dissolution of the corporation to
 254 persons with known claims, that are contingent upon the
 255 occurrence or nonoccurrence of future events or otherwise
 256 conditional or unmatured, and request that such persons present
 257 such claims in accordance with the terms of such notice. Such
 258 notice shall be in substantially the same form, and sent in the
 259 same manner, as described in subsection (2).

260 Section 3. Effective upon this act becoming a law and
 261 applicable to all fiscal years ending on or after December 31,
 262 2008, subsection (3) of section 607.1620, Florida Statutes, is
 263 amended, and subsection (5) is added to that section, to read:

264 607.1620 Financial statements for shareholders.--

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

276 (5) The requirement to furnish annual financial statements
 277 as described in this section shall be satisfied by sending the
 278 annual financial statements by mail or by electronic
 279 transmission. If a corporation has an outstanding class of
 280 securities registered under s. 12 of the Securities Exchange Act

281 of 1934, as amended, the requirement to furnish annual financial
 282 statements may be satisfied by complying with 17 C.F.R. s.
 283 240.14a-16, as amended, with respect to the obligation of a
 284 corporation to furnish an annual report to shareholders pursuant
 285 to 17 C.F.R. s. 240.14a-3(b), as amended.

286 Section 4. Subsections (4), (6), and (9) of section
 287 617.01201, Florida Statutes, are amended to read:

288 617.01201 Filing requirements.--

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

293 (6) The document must be executed:

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

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

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

302 (9) The document must be delivered to the ~~office of the~~
 303 ~~department of State~~ for filing. Delivery may be made by
 304 electronic transmission if and to the extent allowed by the
 305 department. If the document is filed in typewritten or printed
 306 form and not transmitted electronically, the department may
 307 require that ~~and may be accompanied by~~ one exact or conformed
 308 copy be delivered with the document, ~~except as provided in s.~~

CS/HB 1311

2009

309 617.1508. The document, ~~and~~ must be accompanied by the correct
 310 filing fee and any other tax or penalty required by ~~this act or~~
 311 ~~other~~ law.

312 Section 5. Subsection (7) of section 617.0122, Florida
 313 Statutes, is amended to read:

314 617.0122 Fees for filing documents and issuing
 315 certificates.--The Department of State shall collect the
 316 following fees on documents delivered to the department for
 317 filing:

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

320
 321 Any citizen support organization that is required by rule of the
 322 Department of Environmental Protection to be formed as a
 323 nonprofit organization and is under contract with the department
 324 is exempt from any fees required for incorporation as a
 325 nonprofit organization, and the Secretary of State may not
 326 assess any such fees if the citizen support organization is
 327 certified by the Department of Environmental Protection to the
 328 Secretary of State as being under contract with the Department
 329 of Environmental Protection.

330 Section 6. Subsections (1) and (2) of section 617.0124,
 331 Florida Statutes, are amended to read:

332 617.0124 Correcting filed document.--

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

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

CS/HB 1311

2009

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

339 (c) The electronic transmission of the document was
 340 defective.

341 (2) A document is corrected:

342 (a) By preparing articles of correction that:

343 1. Describe the document, including its filing date ~~or~~
 344 ~~attach a copy of it to the articles;~~

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

348 3. Correct the incorrect statement or defective execution;
 349 and

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

352 Section 7. Section 617.01401, Florida Statutes, is amended
 353 to read:

354 617.01401 Definitions.--As used in this chapter act,
 355 ~~unless the context otherwise requires~~, the term:

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

363 (2) "Board of directors" means the group of persons vested
 364 with the management of the affairs of the corporation

365 | irrespective of the name by which such group is designated,
 366 | including, but not limited to, managers or trustees.

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

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

374 | (5) "Corporation not for profit" means a corporation no
 375 | part of the income or profit of which is distributable to its
 376 | members, directors, or officers, except as otherwise provided
 377 | under this chapter.

378 | (6) "Department" means the Department of State.

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

388 | (8) ~~(6)~~ "Electronic transmission" means any form of
 389 | communication, not directly involving the physical transmission
 390 | or transfer of paper, which creates a record that may be
 391 | retained, retrieved, and reviewed by a recipient thereof and
 392 | which may be directly reproduced in a comprehensible and legible

CS/HB 1311

2009

393 paper form by such recipient through an automated process.
394 Examples of electronic transmission include, but are not limited
395 to, telegrams, facsimile transmissions of images, and text that
396 is sent via electronic mail between computers.

397 ~~(9)(7)~~ "Foreign corporation" means a corporation not for
398 profit organized under laws other than the laws of this state.

399 ~~(10)(8)~~ "Insolvent" means the inability of a corporation
400 to pay its debts as they become due in the usual course of its
401 affairs.

402 ~~(11)(9)~~ "Mail" means the United States mail, facsimile
403 transmissions, and private mail carriers handling nationwide
404 mail services.

405 ~~(12)(10)~~ "Member" means one having membership rights in a
406 corporation in accordance with the provisions of its articles of
407 incorporation or bylaws or the provisions of this chapter ~~act~~.

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

420 ~~(14)(11)~~ "Person" includes individual and entity.

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

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

445 Section 8. Subsection (1) of section 617.0205, Florida
 446 Statutes, is amended to read:

447 617.0205 Organizational meeting of directors.--

448 (1) After incorporation:

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

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

458 1. To elect directors and complete the organization of the
459 corporation; or

460 2. To elect a board of directors who shall complete the
461 organization of the corporation.

462 Section 9. Section 617.0302, Florida Statutes, is amended
463 to read:

464 617.0302 Corporate powers.--Every corporation not for
465 profit organized under this chapter ~~act~~, unless otherwise
466 provided in its articles of incorporation or bylaws, shall have
467 power to:

468 (1) Have succession by its corporate name for the period
469 set forth in its articles of incorporation.

470 (2) Sue and be sued and appear and defend in all actions
471 and proceedings in its corporate name to the same extent as a
472 natural person.

473 (3) Adopt, use, and alter a common corporate seal.
474 However, such seal must always contain the words "corporation
475 not for profit."

476 (4) Elect or appoint such officers and agents as its

477 | affairs shall require and allow them reasonable compensation.

478 | (5) Adopt, change, amend, and repeal bylaws, not
 479 | inconsistent with law or its articles of incorporation, for the
 480 | administration of the affairs of the corporation and the
 481 | exercise of its corporate powers.

482 | (6) Increase, by a vote of its members cast as the bylaws
 483 | may direct, the number of its directors so that the number shall
 484 | not be less than three but may be any number in excess thereof.

485 | (7) Make contracts and guaranties, incur liabilities,
 486 | borrow money at such rates of interest as the corporation may
 487 | determine, issue its notes, bonds, and other obligations, and
 488 | secure ~~any~~ of its obligations by mortgage and pledge of all or
 489 | any of its property, franchises, or income.

490 | (8) Conduct its affairs, carry on its operations, and have
 491 | offices and exercise the powers granted by this act in any
 492 | state, territory, district, or possession of the United States
 493 | or any foreign country.

494 | (9) Purchase, take, receive, lease, take by gift, devise,
 495 | or bequest, or otherwise acquire, own, hold, improve, use, or
 496 | otherwise deal in and with real or personal property, or any
 497 | interest therein, wherever situated.

498 | (10) Acquire, enjoy, utilize, and dispose of patents,
 499 | copyrights, and trademarks and any licenses and other rights or
 500 | interests thereunder or therein.

501 | (11) Sell, convey, mortgage, pledge, lease, exchange,
 502 | transfer, or otherwise dispose of all or any part of its
 503 | property and assets.

504 | (12) Purchase, take, receive, subscribe for, or otherwise

CS/HB 1311

2009

505 acquire, own, hold, vote, use, employ, sell, mortgage, lend,
 506 pledge, or otherwise dispose of and otherwise use and deal in
 507 and with, shares and other interests in, or obligations of,
 508 other domestic or foreign corporations, whether for profit or
 509 not for profit, associations, partnerships, or individuals, or
 510 direct or indirect obligations of the United States, or of any
 511 other government, state, territory, governmental district,
 512 municipality, or of any instrumentality thereof.

513 (13) Lend money for its corporate purposes, invest and
 514 reinvest its funds, and take and hold real and personal property
 515 as security for the payment of funds loaned or invested except
 516 as prohibited by s. 617.0833.

517 (14) Make donations for the public welfare or for
 518 religious, charitable, scientific, educational, or other similar
 519 purposes.

520 (15) Have and exercise all powers necessary or convenient
 521 to effect any or all of the purposes for which the corporation
 522 is organized.

523 (16) Merge with other corporations or other business
 524 entities identified in s. 607.1108(1), both for profit and not
 525 for profit, domestic and foreign, if the surviving corporation
 526 or other surviving business entity is a corporation not for
 527 profit or other business entity that has been organized as a
 528 not-for-profit entity under a governing statute or other
 529 applicable law that permits such a merger.

530 Section 10. Subsection (4) of section 617.0501, Florida
 531 Statutes, is amended to read:

532 617.0501 Registered office and registered agent.--

CS/HB 1311

2009

533 (4) The Department of State shall maintain an accurate
534 record of the registered agents and registered offices for the
535 service of process and shall furnish any information disclosed
536 thereby promptly upon request and payment of the required fee.
537 ~~There shall be no charge for telephone requests for general~~
538 ~~corporate information, including the corporation's status, names~~
539 ~~of officers and directors, address of principal place of~~
540 ~~business, and name and address of resident agent.~~

541 Section 11. Subsection (12) is added to section 617.0503,
542 Florida Statutes, to read:

543 617.0503 Registered agent; duties; confidentiality of
544 investigation records.--

545 (12) Any alien business organization may withdraw its
546 registered agent designation by delivering an application for
547 certificate of withdrawal to the department for filing. The
548 application shall set forth:

549 (a) The name of the alien business organization and the
550 jurisdiction under the law of which it is incorporated or
551 organized; and

552 (b) That the alien business organization is no longer
553 required to maintain a registered agent in this state.

554 Section 12. Section 617.0505, Florida Statutes, is amended
555 to read:

556 617.0505 Distributions; exceptions ~~Payment of dividends~~
557 ~~and distribution of income to members prohibited; issuance of~~
558 ~~certificates of membership; effect of stock issued under prior~~
559 ~~law.--~~

560 ~~(1)~~ Except as authorized in s. 617.1302, A dividend may

CS/HB 1311

2009

561 ~~not be paid, and any part of the income or profit of a~~
562 corporation may not make distributions ~~be distributed,~~ to its
563 members, directors, or officers.

564 (1) A mutual benefit corporation, such as a private club
565 that is established for social, pleasure, or recreational
566 purposes and that is organized as a corporation of which the
567 equity interests are held by the members, may, subject to s.
568 617.1302, purchase the equity membership interest of any member,
569 and the payment for such interest is not a distribution for
570 purposes of this section.

571 (2) A corporation may pay compensation in a reasonable
572 amount to its members, directors, or officers for services
573 rendered, may confer benefits upon its members in conformity
574 with its purposes, and, upon dissolution or final liquidation,
575 may make distributions to its members as permitted by this
576 chapter act.

577 (3) If expressly permitted by its articles of
578 incorporation, a corporation may make distributions upon partial
579 liquidation to its members, as permitted by this section. Any
580 such payment, benefit, or distribution does not constitute a
581 dividend or a distribution of income or profit for purposes of
582 this section.

583 (4) A ~~Any~~ corporation ~~that which~~ is a utility exempt from
584 regulation under s. 367.022(7), whose articles of incorporation
585 state that it is exempt from taxation under s. 501(c)(12) of the
586 Internal Revenue Code, may make ~~such~~ refunds to its members,
587 prior to a dissolution or liquidation, as its managing board
588 deems necessary to establish or preserve its tax-exempt status.

CS/HB 1311

2009

589 Any such refund does not constitute a dividend or a distribution
590 of income or profit for purposes of this section.

591 (5) A corporation that is regulated by chapter 718,
592 chapter 719, chapter 720, chapter 721, or chapter 723, or a
593 corporation where membership in such corporation is required
594 pursuant to a document recorded in the county property records,
595 may make refunds to its members, giving credits to its members,
596 disbursing insurance proceeds to its members, or disbursing or
597 paying settlements to its members without violating this
598 section.

599 ~~(2) Subject to subsection (1), a corporation may issue~~
600 ~~certificates in any form evidencing membership in the~~
601 ~~corporation.~~

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

605 Section 13. Subsections (1), (2), and (5) of section
606 617.0601, Florida Statutes, are amended to read:

607 617.0601 Members, generally.--

608 (1) (a) A corporation may have one or more classes of
609 members or may have no members. If the corporation has one or
610 more classes of members, the designation of such class or
611 classes, the qualifications and rights of the members of each
612 class, any quorum and voting requirements for meetings and
613 activities of the members, and notice requirements sufficient to
614 provide notice of meetings and activities of the members must be
615 set forth in the articles of incorporation or in the bylaws.

616 (b) The articles of incorporation or bylaws of any

617 corporation not for profit that maintains chapters or affiliates
 618 may grant representatives of such chapters or affiliates the
 619 right to vote in conjunction with the board of directors of the
 620 corporation notwithstanding applicable quorum or voting
 621 requirements of this chapter ~~act~~ if the corporation is
 622 registered with the department ~~of State~~ pursuant to ss. 496.401-
 623 496.424 ~~ss. 496.001-496.011~~, the Solicitation of Contributions
 624 ~~Funds~~ Act.

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

627 (2) A corporation may issue certificates of membership.
 628 Stock certificates issued under former s. 617.011(2), Florida
 629 Statutes 1989, constitute certificates of membership for
 630 purposes of this section.

631 ~~(5) Membership in the corporation may be terminated in the~~
 632 ~~manner provided by law, by the articles of incorporation, or by~~
 633 ~~the bylaws, and~~ A resignation, expulsion, suspension, or
 634 termination of membership pursuant to s. 617.0606 or s. 617.0607
 635 shall be recorded in the membership book. Unless otherwise
 636 provided in the articles of incorporation or the bylaws, all the
 637 rights and privileges of a member cease on termination of
 638 membership.

639 Section 14. Section 617.0605, Florida Statutes, is created
 640 to read:

641 617.0605 Transfer of membership interests.--

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

CS/HB 1311

2009

645 (2) Except as set forth in the articles of incorporation
646 or bylaws of a mutual benefit corporation, a member of a mutual
647 benefit corporation may not transfer a membership or any right
648 arising from membership.

649 (3) If transfer rights have been provided for one or more
650 members of a mutual benefit corporation, a restriction on such
651 rights is not binding with respect to a member holding a
652 membership issued before the adoption of the restriction unless
653 the restriction is approved by the members and the affected
654 member.

655 Section 15. Section 617.0606, Florida Statutes, is created
656 to read:

657 617.0606 Resignation of members.--

658 (1) Except as may be provided in the articles of
659 incorporation or bylaws of a corporation, a member of a mutual
660 benefit corporation may not transfer a membership or any right
661 arising from membership.

662 (2) The resignation of a member does not relieve the
663 member from any obligations that the member may have to the
664 corporation as a result of obligations incurred or commitments
665 made before resignation.

666 Section 16. Section 617.0607, Florida Statutes, is created
667 to read:

668 617.0607 Termination, expulsion, and suspension.--

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

CS/HB 1311

2009

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

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

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

684 Section 17. Section 617.0608, Florida Statutes, is created
685 to read:

686 617.0608 Purchase of memberships.--

687 (1) A corporation may not purchase any of its memberships
688 or any right arising from membership except as provided in s.
689 617.0505 or subsection (2).

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

694 Section 18. Subsections (3), (4), and (6) of section
695 617.0701, Florida Statutes, are amended to read:

696 617.0701 Meetings of members, generally; failure to hold
697 annual meeting; special meeting; consent to corporate actions
698 without meetings; waiver of notice of meetings.--

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

701 (a) The president;~~;~~

702 (b) The chair of the board of directors;~~;~~

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

704 (d) Other officers or persons as are provided for in the

705 articles of incorporation or the bylaws;~~;~~

706 (e) The holders of at least 5 percent of the voting power

707 of a corporation when one or more written demands for the

708 meeting, which describe the purpose for which the meeting is to

709 be held, are signed, dated, and delivered to a corporate

710 officer; or

711 (f) A person who signs a demand for a special meeting

712 pursuant to paragraph (e) if notice for a special meeting is not

713 given within 30 days after receipt of the demand. The person

714 signing the demand may set the time and place of the meeting and

715 give notice under this subsection.

716 (4) ~~(a)~~ Unless otherwise provided in the articles of

717 incorporation, action required or permitted by this chapter ~~act~~

718 to be taken at an annual or special meeting of members may be

719 taken without a meeting, without prior notice, and without a

720 vote if the action is taken by the members entitled to vote on

721 such action and having not less than the minimum number of votes

722 necessary to authorize such action at a meeting at which all

723 members entitled to vote on such action were present and voted.

724 (a) ~~In order~~ To be effective, the action must be evidenced

725 by one or more written consents describing the action taken,

726 dated and signed by approving members having the requisite

727 number of votes and entitled to vote on such action, and

728 delivered to the corporation ~~by delivery~~ to its principal office

CS/HB 1311

2009

729 in this state, its principal place of business, the corporate
730 secretary, or another officer or agent of the corporation having
731 custody of the book in which proceedings of meetings of members
732 are recorded. Written consent ~~shall not be effective~~ to take the
733 corporate action referred to in the consent is not effective
734 unless the consent is signed by members having the requisite
735 number of votes necessary to authorize the action within 90 ~~60~~
736 days after ~~of~~ the date of the earliest dated consent and is
737 delivered in the manner required by this section.

738 (b) Any written consent may be revoked prior to the date
739 that the corporation receives the required number of consents to
740 authorize the proposed action. A revocation is not effective
741 unless in writing and until received by the corporation at its
742 principal office in this state or its principal place of
743 business, or received by the corporate secretary or other
744 officer or agent of the corporation having custody of the book
745 in which proceedings of meetings of members are recorded.

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

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

753 (e) If the action to which the members consent is such as
754 would have required the filing of articles or a certificate
755 under any other section of this chapter ~~act~~ if such action had
756 been voted on by members at a meeting ~~thereof~~, the articles or

CS/HB 1311

2009

757 certificate filed under such other section must state that
 758 written consent has been given in accordance with ~~the provisions~~
 759 ~~of~~ this section.

760 (f) Whenever action is taken pursuant to this section, the
 761 written consent of the members consenting to such action or the
 762 written reports of inspectors appointed to tabulate such
 763 consents must be filed with the minutes of member proceedings ~~of~~
 764 ~~members~~.

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

771 Section 19. Section 617.0721, Florida Statutes, is amended
 772 to read:

773 617.0721 Voting by members.--

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

776 (2) A member who is entitled to vote may vote in person
 777 or, unless the articles of incorporation or the bylaws otherwise
 778 provide, may vote by proxy executed in writing by the member or
 779 by his or her duly authorized attorney in fact. An appointment
 780 of a proxy is not valid after 11 months following the date of
 781 its execution unless otherwise provided in the proxy.

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

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

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

794 (a) Participate in the meeting.

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

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

800 2. The corporation implements reasonable measures to
 801 provide such members or proxy holders with a reasonable
 802 opportunity to participate in the meeting and to vote on matters
 803 submitted to the members, including an opportunity to
 804 communicate and to read or hear the proceedings of the meeting
 805 substantially concurrent with the proceedings.

806
 807 If any member or proxy holder votes or takes other action by
 808 means of remote communication, a record of that member's
 809 participation in the meeting must be maintained by the
 810 corporation in accordance with s. 617.1601.

811 (4) ~~(3)~~ If any corporation, whether for profit or not for
 812 profit, is a member of a corporation organized under this

813 chapter act, the chair of the board, president, any vice
 814 president, the secretary, or the treasurer of the member
 815 corporation, and any such officer or cashier or trust officer of
 816 a banking or trust corporation holding such membership, and any
 817 like officer of a foreign corporation whether for profit or not
 818 for profit, holding membership in a domestic corporation, shall
 819 be deemed by the corporation in which membership is held to have
 820 the authority to vote on behalf of the member corporation and to
 821 execute proxies and written waivers and consents in relation
 822 thereto, unless, before a vote is taken or a waiver or consent
 823 is acted upon, it appears pursuant to ~~is made to appear by a~~
 824 certified copy of the bylaws or resolution of the board of
 825 directors or executive committee of the member corporation that
 826 such authority does not exist or is vested in some other officer
 827 or person. In the absence of such certification, a person
 828 executing any such proxies, waivers, or consents or presenting
 829 himself or herself at a meeting as one of such officers of a
 830 corporate member shall be, for the purposes of this section,
 831 conclusively deemed to be duly elected, qualified, and acting as
 832 such officer and to be fully authorized. In the case of
 833 conflicting representation, the corporate member shall be ~~deemed~~
 834 ~~to be~~ represented by its senior officer, in the order ~~first~~
 835 stated in this subsection.

836 (5) ~~(4)~~ The articles of incorporation or the bylaws may
 837 provide that, in all elections for directors, every member
 838 entitled to vote has the right to cumulate his or her votes and
 839 to give one candidate a number of votes equal to the number of
 840 votes he or she could give if one director were being elected

CS/HB 1311

2009

841 multiplied by the number of directors to be elected or to
842 distribute such votes on the same principles among any number of
843 such candidates. A corporation may not have cumulative voting
844 unless such voting is expressly authorized in the articles of
845 incorporation.

846 ~~(6)~~~~(5)~~ If a corporation has no members or its members do
847 not have the right to vote, the directors shall have the sole
848 voting power.

849 ~~(7)~~~~(6)~~ Subsections (1), (2), ~~(5)~~~~(4)~~, and ~~(6)~~~~(5)~~ do not
850 apply to a corporation that is an association as defined in s.
851 720.301.

852 Section 20. Section 617.0725, Florida Statutes, is amended
853 to read:

854 617.0725 Quorum.--An amendment to the articles of
855 incorporation or the bylaws which adds, that changes, or deletes
856 a greater or lesser quorum or voting requirement must meet the
857 same quorum or voting requirement and be adopted by the same
858 vote and voting groups required to take action under the quorum
859 and voting requirements then in effect or proposed to be
860 adopted, whichever is greater ~~prescribed in the provision being~~
861 ~~amended.~~

862 Section 21. Section 617.07401, Florida Statutes, is
863 created to read:

864 617.07401 Members' derivative actions.--

865 (1) A person may not commence a proceeding in the right of
866 a domestic or foreign corporation unless the person was a member
867 of the corporation when the transaction complained of occurred
868 or unless the person became a member through transfer by

869 operation of law from one who was a member at that time.

870 (2) A complaint in a proceeding brought in the right of a
871 domestic or foreign corporation must be verified and allege with
872 particularity the demand made to obtain action by the board of
873 directors and that the demand was refused or ignored by the
874 board of directors for at least 90 days after the date of the
875 first demand unless, before the expiration of the 90 days, the
876 person was notified in writing that the corporation rejected the
877 demand, or unless irreparable injury to the corporation would
878 result by waiting for the expiration of the 90-day period. If
879 the corporation commences an investigation of the charges made
880 in the demand or complaint, the court may stay any proceeding
881 until the investigation is completed.

882 (3) The court may dismiss a derivative proceeding if, on
883 motion by the corporation, the court finds that one of the
884 groups specified in paragraphs (a)-(c) has made a good faith
885 determination after conducting a reasonable investigation upon
886 which its conclusions are based that the maintenance of the
887 derivative suit is not in the best interests of the corporation.
888 The corporation has the burden of proving the independence and
889 good faith of the group making the determination and the
890 reasonableness of the investigation. The determination shall be
891 made by:

892 (a) A majority vote of independent directors present at a
893 meeting of the board of directors, if the independent directors
894 constitute a quorum;

895 (b) A majority vote of a committee consisting of two or
896 more independent directors appointed by a majority vote of

897 independent directors present at a meeting of the board of
898 directors, whether or not such independent directors constitute
899 a quorum; or

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

902 (4) A proceeding commenced under this section may not be
903 discontinued or settled without the approval of the court. If
904 the court determines that a proposed discontinuance or
905 settlement substantially affects the interest of the members of
906 the corporation, or a class, series, or voting group of members,
907 the court shall direct that notice be given to the members
908 affected. The court may determine which party or parties to the
909 proceeding shall bear the expense of giving the notice.

910 (5) Upon termination of the proceeding, the court may
911 require the plaintiff to pay any defendant's reasonable
912 expenses, including reasonable attorney's fees, incurred in
913 defending the proceeding if it finds that the proceeding was
914 commenced without reasonable cause.

915 (6) The court may award reasonable expenses for
916 maintaining the proceeding, including reasonable attorney's
917 fees, to a successful plaintiff or to the person commencing the
918 proceeding who receives any relief, whether by judgment,
919 compromise, or settlement, and may require that the person
920 account for the remainder of any proceeds to the corporation;
921 however, this subsection does not apply to any relief rendered
922 for the benefit of injured members only and is limited to a
923 recovery of the loss or damage of the injured members.

924 Section 22. Section 617.0801, Florida Statutes, is amended

CS/HB 1311

2009

925 to read:

926 617.0801 ~~Requirement for and~~ Duties of board of
 927 directors.--All corporate powers must be exercised by or under
 928 the authority of, and the affairs of the corporation managed
 929 under the direction of, its board of directors, subject to any
 930 limitation set forth in the articles of incorporation.

931 Section 23. Subsection (1) of section 617.0802, Florida
 932 Statutes, is amended to read:

933 617.0802 Qualifications of directors.--

934 (1) Directors must be natural persons who are 18 years of
 935 age or older but need not be residents of this state or members
 936 of the corporation unless the articles of incorporation or
 937 bylaws so require. For a corporation organized according to the
 938 provisions of s. 501(c) (3) of the Internal Revenue Code of 1986,
 939 as amended, other than a corporation regulated by chapter 718,
 940 chapter 719, chapter 720, chapter 721, or chapter 723 or a
 941 corporation for which membership is required pursuant to a
 942 document recorded in the county property records, one director
 943 may be 15 years of age or older if so permitted in the articles
 944 of incorporation or bylaws or by resolution of the board of
 945 directors. The articles of incorporation or the bylaws may
 946 prescribe additional qualifications for directors.

947 Section 24. Section 617.0806, Florida Statutes, is amended
 948 to read:

949 617.0806 Staggered terms for directors.--The articles of
 950 incorporation or bylaws may provide that directors may be
 951 ~~divided into classes and the terms of office of the several~~
 952 ~~classes need not be uniform.~~ Each director shall hold office for

CS/HB 1311

2009

953 the term to which he or she is elected or appointed and until
954 his or her successor has been elected or appointed and qualified
955 or until his or her earlier resignation, removal from office, or
956 death.

957 Section 25. Section 617.0808, Florida Statutes, is amended
958 to read:

959 617.0808 Removal of directors.--

960 (1) Subject to subsection (2), a director may be removed
961 from office pursuant to procedures provided in the articles of
962 incorporation or the bylaws, which shall provide the following,
963 and if they do not do so, shall be deemed to include the
964 following:

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

967 1. Except as provided in paragraph (i), a majority of all
968 votes of the directors then in office, if the director was
969 elected or appointed by the directors; or

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

972 (b) If a director is elected by a class, chapter, or other
973 organizational unit, or by region or other geographic grouping,
974 the director may be removed only by the members of that class,
975 chapter, unit, or grouping. However:

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

980 2. If cumulative voting is authorized, a director may not

CS/HB 1311

2009

981 be removed if the number of votes sufficient to elect the
982 director under cumulative voting is voted against the removal of
983 the director.

984 3. If at the beginning of the term of a director the
985 articles of incorporation or bylaws provide that the director
986 may be removed for missing a specified number of board meetings,
987 the board may remove the director for failing to attend the
988 specified number of meetings. The director may be removed only
989 if a majority of the directors then in office vote for the
990 removal the vote or agreement in writing by a majority of all
991 votes of the membership.

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

995 (d)(3) A proposed removal of a director at a meeting shall
996 require a separate vote for each director whose removal is board
997 member sought to be removed. Where removal is sought by written
998 consent agreement, a separate consent agreement is required for
999 each director board member to be removed.

1000 (e)(4) If removal is effected at a meeting, any vacancies
1001 created ~~thereby~~ shall be filled by the members or directors
1002 eligible to vote for the removal at the same meeting.

1003 (f)(5) Any director who is removed from the board is shall
1004 not be eligible to stand for reelection until the next annual
1005 meeting at which directors are elected ~~of the members.~~

1006 (g)(6) Any director removed from office shall turn over to
1007 the board of directors within 72 hours any and all records of
1008 the corporation in his or her possession.

1009 (h) ~~(7)~~ If a director who is removed does ~~shall~~ not
 1010 relinquish his or her office or turn over records as required
 1011 under this section, the circuit court in the county where the
 1012 corporation's principal office is located may summarily order
 1013 the director to relinquish his or her office and turn over
 1014 corporate records upon application of any member.

1015 (i) A director elected or appointed by the board may be
 1016 removed without cause by a vote of two-thirds of the directors
 1017 then in office or such greater number as is set forth in the
 1018 articles of incorporation or bylaws.

1019 (2) A director of a corporation described in s. 501(c) of
 1020 the Internal Revenue Code may be removed from office pursuant to
 1021 procedures provided in the articles of incorporation or the
 1022 bylaws, and the corporation may provide in the articles of
 1023 incorporation or the bylaws that it is subject to the provisions
 1024 of subsection (1).

1025 Section 26. Section 617.0809, Florida Statutes, is amended
 1026 to read:

1027 617.0809 Board vacancy on board.--

1028 (1) Except as provided in s. 617.0808(1)(f), any vacancy
 1029 occurring on the board of directors may be filled by the
 1030 affirmative vote of the majority of the remaining directors,
 1031 even though the remaining directors constitute less than a
 1032 quorum, or by the sole remaining director, ~~as the case may be,~~
 1033 or, if the vacancy is not so filled or if no director remains,
 1034 by the members or, on the application of any person, by the
 1035 circuit court of the county where the registered office of the
 1036 corporation is located.

1037 (2) Whenever a vacancy occurs with respect to a director
 1038 elected by a class, chapter, unit, or group, the vacancy may be
 1039 filled only by members of that class, chapter, unit, or group,
 1040 or by a majority of the directors then in office elected by such
 1041 class, chapter, unit, or group.

1042 (3)-(2) The term of a director elected or appointed to fill
 1043 a vacancy expires at the next annual meeting at which directors
 1044 are elected shall be elected or appointed for the unexpired term
 1045 of his or her predecessor in office. Any directorship to be
 1046 filled by reason of an increase in the number of directors may
 1047 be filled by the board of directors, but only for a term of
 1048 office continuing until the next election of directors by the
 1049 members or, if the corporation has no members or no members
 1050 having the right to vote thereon, for such term of office as is
 1051 provided in the articles of incorporation or the bylaws.

1052 (4)-(3) A vacancy that will occur at a specific later date,
 1053 by reason of a resignation effective at a later date under s.
 1054 617.0807 or otherwise, may be filled before the vacancy occurs.
 1055 However, the new director may not take office until the vacancy
 1056 occurs.

1057 Section 27. Subsection (1) of section 617.0824, Florida
 1058 Statutes, is amended to read:

1059 617.0824 Quorum and voting.--

1060 (1) Unless the articles of incorporation or the bylaws
 1061 require a different number, a quorum of a board of directors
 1062 consists of a majority of the number of directors prescribed by
 1063 the articles of incorporation or the bylaws. Directors younger
 1064 than 18 years of age may not be counted toward a quorum.

1065 Section 28. Present subsection (2) of section 617.0832,
 1066 Florida Statutes, is renumbered as subsection (3) and amended,
 1067 and a new subsection (2) is added to that section, to read:

1068 617.0832 Director conflicts of interest.--

1069 (2) For purposes of paragraph (1)(a) only, a conflict-of-
 1070 interest transaction is authorized, approved, or ratified if it
 1071 receives the affirmative vote of a majority of the directors on
 1072 the board of directors, or on the committee, who have no
 1073 relationship or interest in the transaction described in
 1074 subsection (1), but a transaction may not be authorized,
 1075 approved, or ratified under this section by a single director.
 1076 If a majority of the directors who have no relationship or
 1077 interest in the transaction vote to authorize, approve, or
 1078 ratify the transaction, a quorum is present for the purpose of
 1079 taking action under this section. The presence of, or a vote
 1080 cast by, a director having a relationship or interest in the
 1081 transaction does not affect the validity of any action taken
 1082 under paragraph (1)(a) if the transaction is otherwise
 1083 authorized, approved, or ratified as provided in subsection (1),
 1084 but such presence or vote of such a director may be counted for
 1085 purposes of determining whether the transaction is approved
 1086 under other sections of this chapter.

1087 (3)~~(2)~~ For purposes of paragraph (1)(b), a conflict-of-
 1088 interest transaction is authorized, approved, or ratified if it
 1089 receives the vote of a majority in interest of the members
 1090 entitled to vote under this subsection. A director who has a
 1091 relationship or interest in the transaction described in
 1092 subsection (1) may not vote to determine whether to authorize,

1093 approve, or ratify a conflict-of-interest transaction under
 1094 paragraph (1)(b). However, the vote of that director is counted
 1095 in determining whether the transaction is approved under other
 1096 sections of this chapter. A majority in interest of the members
 1097 entitled to vote on the transaction under this subsection
 1098 constitutes a quorum for the purpose of taking action under this
 1099 section. As used in this subsection, the term "majority in
 1100 interest" refers to a majority of the voting shares or other
 1101 voting units allotted to the members. ~~Common or interested~~
 1102 ~~directors may be counted in determining the presence of a quorum~~
 1103 ~~at a meeting of the board of directors or a committee thereof~~
 1104 ~~which authorizes, approves, or ratifies such contract or~~
 1105 ~~transaction.~~

1106 Section 29. Section 617.0833, Florida Statutes, is amended
 1107 to read:

1108 617.0833 Loans to directors or officers.--Loans, other
 1109 than through the purchase of bonds, debentures, or similar
 1110 obligations of the type customarily sold in public offerings, or
 1111 through ordinary deposit of funds in a bank, may not be made by
 1112 a corporation to its directors or officers, or to any other
 1113 corporation, firm, association, or other entity in which one or
 1114 more of its directors or officers is a director or officer or
 1115 holds a substantial financial interest, except a loan by one
 1116 corporation which is exempt from federal income taxation under
 1117 s. 501(c)(3) of the Internal Revenue Code of 1986, as amended,
 1118 to another corporation which is exempt from federal income
 1119 taxation under s. 501(c)(3) of the Internal Revenue Code of
 1120 1986, as amended. A loan made in violation of this section is a

CS/HB 1311

2009

1121 violation of the duty to the corporation of the directors or
 1122 officers authorizing it or participating in it, but the
 1123 obligation of the borrower with respect to the loan is ~~shall~~ not
 1124 ~~be~~ affected ~~thereby~~.

1125 Section 30. Subsection (1) of section 617.0834, Florida
 1126 Statutes, is amended to read:

1127 617.0834 Officers and directors of certain corporations
 1128 and associations not for profit; immunity from civil
 1129 liability.--

1130 (1) An officer or director of a nonprofit organization
 1131 recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of
 1132 the Internal Revenue Code of 1986, as amended, or of an
 1133 agricultural or a horticultural organization recognized under s.
 1134 501(c)(5), of the Internal Revenue Code of 1986, as amended, is
 1135 not personally liable for monetary damages to any person for any
 1136 statement, vote, decision, or failure to take an action,
 1137 regarding organizational management or policy by an officer or
 1138 director, unless:

1139 (a) The officer or director breached or failed to perform
 1140 his or her duties as an officer or director; and

1141 (b) The officer's or director's breach of, or failure to
 1142 perform, his or her duties constitutes:

1143 1. A violation of the criminal law, unless the officer or
 1144 director had reasonable cause to believe his or her conduct was
 1145 lawful or had no reasonable cause to believe his or her conduct
 1146 was unlawful. A judgment or other final adjudication against an
 1147 officer or director in any criminal proceeding for violation of
 1148 the criminal law estops that officer or director from contesting

1149 | the fact that his or her breach, or failure to perform,
 1150 | constitutes a violation of the criminal law, but does not estop
 1151 | the officer or director from establishing that he or she had
 1152 | reasonable cause to believe that his or her conduct was lawful
 1153 | or had no reasonable cause to believe that his or her conduct
 1154 | was unlawful;

1155 | 2. A transaction from which the officer or director
 1156 | derived an improper personal benefit, ~~either~~ directly or
 1157 | indirectly; or

1158 | 3. Recklessness or an act or omission that ~~which~~ was
 1159 | committed in bad faith or with malicious purpose or in a manner
 1160 | exhibiting wanton and willful disregard of human rights, safety,
 1161 | or property.

1162 | Section 31. Subsections (2) and (3) of section 617.1007,
 1163 | Florida Statutes, are amended to read:

1164 | 617.1007 Restated articles of incorporation.--

1165 | (2) The restatement may include one or more amendments to
 1166 | the articles of incorporation. If the restatement includes an
 1167 | amendment requiring member approval, it must be adopted as
 1168 | provided in s. 617.1002.

1169 | (3) A corporation restating its articles of incorporation
 1170 | shall deliver to the department ~~of State~~ for filing articles of
 1171 | restatement, executed in accordance with ~~the provisions of s.~~
 1172 | 617.01201, setting forth the name of the corporation and the
 1173 | text of the restated articles of incorporation together with a
 1174 | certificate setting forth:

1175 | (a) Whether the restatement contains an amendment to the
 1176 | articles of incorporation requiring member approval and, if it

CS/HB 1311

2009

1177 does not, that the board of directors adopted the restatement;
 1178 or

1179 (b) If the restatement contains an amendment to the
 1180 articles of incorporation requiring member approval, the
 1181 information required by s. 617.1006.

1182 Section 32. Subsection (2) of section 617.1101, Florida
 1183 Statutes, is amended, and subsection (3) is added to that
 1184 section, to read:

1185 617.1101 Plan of merger.--

1186 (2) Each corporation must adopt a plan of merger setting
 1187 forth:

1188 (a) The names of the corporations proposing to merge and
 1189 the name of the surviving corporation into which each other
 1190 corporation plans to merge, which is ~~hereinafter~~ designated as
 1191 the surviving corporation;

1192 (b) The terms and conditions of the proposed merger;

1193 (c) A statement of any changes in the articles of
 1194 incorporation of the surviving corporation to be effected by
 1195 such merger; and

1196 (d) The manner and basis, if any, of converting the
 1197 memberships of each merging corporation into memberships,
 1198 obligations, or securities of the surviving corporation or any
 1199 other corporation or, in whole or in part, into cash or other
 1200 property. ~~Such other provisions with respect to the proposed~~
 1201 ~~merger as are deemed necessary or desirable.~~

1202 (3) The plan of merger may set forth:

1203 (a) Amendments to, or a restatement of, the articles of
 1204 incorporation of the surviving corporation;

CS/HB 1311

2009

1205 (b) The effective date of the merger, which may be on or
 1206 after the date of filing the articles of incorporation or
 1207 merger; or

1208 (c) Other provisions relating to the merger.

1209 Section 33. Section 617.1102, Florida Statutes, is created
 1210 to read:

1211 617.1102 Limitation on merger.--A corporation not for
 1212 profit organized under this chapter may merge with one or more
 1213 other business entities, as identified in s. 607.1108(1), only
 1214 if the surviving entity of such merger is a corporation not for
 1215 profit or other business entity that has been organized as a
 1216 not-for-profit entity under a governing statute or other
 1217 applicable law that allows such a merger.

1218 Section 34. Section 617.1301, Florida Statutes, is created
 1219 to read:

1220 617.1301 Prohibited distributions.--Except as authorized
 1221 in ss. 617.0505 and 617.1302, a corporation may not make any
 1222 distributions to its members.

1223 Section 35. Section 617.1302, Florida Statutes, is created
 1224 to read:

1225 617.1302 Authorized distributions.--

1226 (1) A mutual benefit corporation may purchase its
 1227 memberships pursuant to s. 617.0608 only if, after the purchase
 1228 is completed:

1229 (a) The mutual benefit corporation is able to pay its
 1230 debts as they become due in the usual course of its activities;
 1231 and

1232 (b) The total assets of the mutual benefit corporation at

1233 least equal the sum of its total liabilities.

1234 (2) A corporation may make distributions upon dissolution
 1235 in conformity with the dissolution provisions of this chapter.

1236 Section 36. Subsection (4) of section 617.1405, Florida
 1237 Statutes, is amended to read:

1238 617.1405 Effect of dissolution.--

1239 (4) The name of a dissolved corporation is ~~shall~~ ~~be~~
 1240 available for assumption or use by another corporation until
 1241 ~~after~~ 120 days after the effective date of dissolution unless
 1242 the dissolved corporation provides the department with an
 1243 affidavit, executed pursuant to s. 617.01201, authorizing the
 1244 immediate assumption or use of the name by another corporation.

1245 Section 37. Section 617.1407, Florida Statutes, is created
 1246 to read:

1247 617.1407 Unknown claims against dissolved corporation.--

1248 (1) A dissolved corporation or successor entity may
 1249 execute one of the following procedures to resolve payment of
 1250 unknown claims:

1251 (a) A dissolved corporation or successor entity may file
 1252 notice of its dissolution with the department on the form
 1253 prescribed by the department and request that persons having
 1254 claims against the corporation which are not known to the
 1255 corporation or successor entity present them in accordance with
 1256 the notice. The notice must:

1257 1. State the name of the corporation and the date of
 1258 dissolution;

1259 2. Describe the information that must be included in a
 1260 claim and provide a mailing address to which the claim may be

1261 sent; and

1262 3. State that a claim against the corporation under this

1263 subsection is barred unless a proceeding to enforce the claim is

1264 commenced within 4 years after the filing of the notice.

1265 (b) A dissolved corporation or successor entity may,

1266 within 10 days after filing articles of dissolution with the

1267 department, publish a "Notice of Corporate Dissolution." The

1268 notice must appear once a week for 2 consecutive weeks in a

1269 newspaper of general circulation in the county in the state in

1270 which the corporation has its principal office, if any, or, if

1271 none, in a county in the state in which the corporation owns

1272 real or personal property. Such newspaper shall meet the

1273 requirements as are prescribed by law for such purposes. The

1274 notice must:

1275 1. State the name of the corporation and the date of

1276 dissolution;

1277 2. Describe the information that must be included in a

1278 claim and provide a mailing address to which the claim may be

1279 sent; and

1280 3. State that a claim against the corporation under this

1281 subsection is barred unless a proceeding to enforce the claim is

1282 commenced within 4 years after the date of the second

1283 consecutive weekly publication of the notice.

1284 (2) If the dissolved corporation or successor entity

1285 complies with paragraph (1) (a) or paragraph (1) (b), the claim of

1286 each of the following claimants is barred unless the claimant

1287 commences a proceeding to enforce the claim against the

1288 dissolved corporation within 4 years after the date of filing

1289 the notice with the department or the date of the second
 1290 consecutive weekly publication, as applicable:

1291 (a) A claimant who did not receive written notice under s.
 1292 617.1408(9), or whose claim is not provided for under s.
 1293 617.1408(10), regardless of whether such claim is based on an
 1294 event occurring before or after the effective date of
 1295 dissolution.

1296 (b) A claimant whose claim was timely sent to the
 1297 dissolved corporation but on which no action was taken.

1298 (3) A claim may be entered under this section:

1299 (a) Against the dissolved corporation, to the extent of
 1300 its undistributed assets; or

1301 (b) If the assets have been distributed in liquidation,
 1302 against a member of the dissolved corporation to the extent of
 1303 such member's pro rata share of the claim or the corporate
 1304 assets distributed to such member in liquidation, whichever is
 1305 less; however, the aggregate liability of any member of a
 1306 dissolved corporation may not exceed the amount distributed to
 1307 the member in dissolution.

1308 Section 38. Section 617.1408, Florida Statutes, is created
 1309 to read:

1310 617.1408 Known claims against dissolved corporation.--

1311 (1) A dissolved corporation or successor entity may
 1312 dispose of the known claims against it by following the
 1313 procedures described in subsections (2), (3), and (4).

1314 (2) The dissolved corporation or successor entity shall
 1315 deliver to each of its known claimants written notice of the
 1316 dissolution at any time after its effective date. The written

1317 notice must:

1318 (a) Provide a reasonable description of the claim that the

1319 claimant may be entitled to assert;

1320 (b) State whether the claim is admitted or not admitted,

1321 in whole or in part, and, if admitted:

1322 1. The amount that is admitted, which may be as of a given

1323 date; and

1324 2. Any interest obligation if fixed by an instrument of

1325 indebtedness;

1326 (c) Provide a mailing address where a claim may be sent;

1327 (d) State the deadline, which must be at least 120 days

1328 after the effective date of the written notice, by which

1329 confirmation of the claim must be delivered to the dissolved

1330 corporation or successor entity; and

1331 (e) State that the corporation or successor entity may

1332 make distributions thereafter to other claimants and the members

1333 of the corporation or persons interested as having been such

1334 without further notice.

1335 (3) A dissolved corporation or successor entity may

1336 reject, in whole or in part, any claim made by a claimant

1337 pursuant to this section by mailing notice of such rejection to

1338 the claimant within 90 days after receipt of such claim and, in

1339 all events, at least 150 days before expiration of 3 years after

1340 the effective date of dissolution. The notice must be

1341 accompanied by a copy of this section.

1342 (4) A dissolved corporation or successor entity electing

1343 to follow the procedures described in subsections (2) and (3)

1344 must also give notice of dissolution to persons having known

CS/HB 1311

2009

1345 claims that are contingent upon the occurrence or nonoccurrence
1346 of future events, or are otherwise conditional or unmatured, and
1347 request that such persons present such claims in accordance with
1348 the terms of the notice. The notice must be in substantially the
1349 same form, and sent in the same manner, as described in
1350 subsection (2).

1351 (5) A dissolved corporation or successor entity shall
1352 offer any claimant whose known claim is contingent, conditional,
1353 or unmatured such security as the corporation or entity
1354 determines is sufficient to provide compensation to the claimant
1355 if the claim matures. The dissolved corporation or successor
1356 entity shall deliver such offer to the claimant within 90 days
1357 after receipt of such claim and, in all events, at least 150
1358 days before expiration of 3 years after the effective date of
1359 dissolution. If the claimant offered such security does not
1360 deliver in writing to the dissolved corporation or successor
1361 entity a notice rejecting the offer within 120 days after
1362 receipt of such offer, the claimant is deemed to have accepted
1363 such security as the sole source from which to satisfy his or
1364 her claim against the corporation.

1365 (6) A dissolved corporation or successor entity that has
1366 given notice in accordance with subsections (2) and (4) shall
1367 petition the circuit court in the county where the corporation's
1368 principal office is located or was located on the effective date
1369 of dissolution to determine the amount and form of security
1370 which is sufficient to provide compensation to a claimant who
1371 has rejected the offer for security made pursuant to subsection
1372 (5).

CS/HB 1311

2009

1373 (7) A dissolved corporation or successor entity that has
1374 given notice in accordance with subsection (2) shall petition
1375 the circuit court in the county where the corporation's
1376 principal office is located or was located on the effective date
1377 of dissolution to determine the amount and form of security
1378 which is sufficient to provide compensation to claimants whose
1379 claims are known to the corporation or successor entity but
1380 whose identities are unknown. The court shall appoint a guardian
1381 ad litem to represent all claimants whose identities are unknown
1382 in any proceeding brought under this subsection. The reasonable
1383 fees and expenses of such guardian, including all reasonable
1384 expert witness fees, shall be paid by the petitioner in such
1385 proceeding.

1386 (8) The giving of any notice or making of any offer
1387 pursuant to this section does not revive any claim then barred,
1388 does not constitute acknowledgment by the dissolved corporation
1389 or successor entity that any person to whom such notice is sent
1390 is a proper claimant, and does not operate as a waiver of any
1391 defense or counterclaim in respect of any claim asserted by any
1392 person to whom such notice is sent.

1393 (9) A dissolved corporation or successor entity that has
1394 followed the procedures described in subsections (2)-(7) shall:

1395 (a) Pay the claims admitted or made and not rejected in
1396 accordance with subsection (3);

1397 (b) Post the security offered and not rejected pursuant to
1398 subsection (5);

1399 (c) Post any security ordered by the circuit court in any
1400 proceeding under subsections (6) and (7); and

1401 (d) Pay or make provision for all other known obligations
 1402 of the corporation or the successor entity. Such claims or
 1403 obligations shall be paid in full, and any provision for
 1404 payments shall be made in full if there are sufficient funds. If
 1405 there are insufficient funds, the claims and obligations shall
 1406 be paid or provided for according to their priority and, among
 1407 claims of equal priority, ratably to the extent of funds legally
 1408 available for payment. Any remaining funds shall be distributed
 1409 in accordance with s. 617.1406; however, such distribution may
 1410 not be made until 150 days after the date of the last notice of
 1411 rejections given pursuant to subsection (3). In the absence of
 1412 actual fraud, the judgment of the directors of the dissolved
 1413 corporation or the governing persons of the successor entity as
 1414 to the provisions made for the payment of all obligations under
 1415 this paragraph is conclusive.

1416 (10) A dissolved corporation or successor entity that has
 1417 not followed the procedures described in subsections (2) and (3)
 1418 shall pay or make reasonable provision to pay all known claims
 1419 and obligations, including all contingent, conditional, or
 1420 unmatured claims known to the corporation or the successor
 1421 entity and all claims that are known to the dissolved
 1422 corporation or the successor entity but for which the identity
 1423 of the claimant is unknown. Such claims shall be paid in full,
 1424 and any provision for payment made shall be made in full if
 1425 there are sufficient funds. If there are insufficient funds,
 1426 such claims and obligations shall be paid or provided for
 1427 according to their priority and, among claims of equal priority,
 1428 ratably to the extent of funds legally available for payment

1429 thereof. Any remaining funds shall be distributed in accordance
 1430 with s. 617.1406.

1431 (11) Directors of a dissolved corporation or governing
 1432 persons of a successor entity that has complied with subsection
 1433 (9) or subsection (10) are not personally liable to the
 1434 claimants of the dissolved corporation.

1435 (12) A member of a dissolved corporation the assets of
 1436 which were distributed pursuant to subsection (9) or subsection
 1437 (10) is not liable for any claim against the corporation greater
 1438 than the member's pro rata share of the claim or the amount
 1439 distributed to the member, whichever is less.

1440 (13) A member of a dissolved corporation, the assets of
 1441 which were distributed pursuant to subsection (9), is not liable
 1442 for any claim against the corporation which is known to the
 1443 corporation or successor entity and on which a proceeding is
 1444 begun after the expiration of 3 years after the effective date
 1445 of dissolution.

1446 (14) The aggregate liability of any member of a dissolved
 1447 corporation for claims against the dissolved corporation may not
 1448 be greater than the amount distributed to the member in
 1449 dissolution.

1450 Section 39. Subsection (6) of section 617.1421, Florida
 1451 Statutes, is repealed.

1452 Section 40. Section 617.1422, Florida Statutes, is amended
 1453 to read:

1454 617.1422 Reinstatement following administrative
 1455 dissolution.--

1456 (1) ~~(a)~~ A corporation administratively dissolved under s.

CS/HB 1311

2009

1457 617.1421 may apply to the department ~~of State~~ for reinstatement
1458 at any time after the effective date of dissolution. The
1459 corporation must submit a reinstatement form prescribed and
1460 furnished by the department or a current uniform business report
1461 signed by a registered agent and an officer or director and
1462 submit application must:

1463 1. ~~Recite the name of the corporation and the effective~~
1464 ~~date of its administrative dissolution;~~

1465 2. ~~State that the ground or grounds for dissolution either~~
1466 ~~did not exist or have been eliminated and that no further~~
1467 ~~grounds currently exist for dissolution;~~

1468 3. ~~State that the corporation's name satisfies the~~
1469 ~~requirements of s. 617.0401; and~~

1470 4. ~~State that all fees owed by the corporation and~~
1471 ~~computed at the rate provided by law at the time the corporation~~
1472 ~~applies for reinstatement, have been paid; or~~

1473 ~~(b) Submit a current annual report, signed by the~~
1474 ~~registered agent and an officer or director, which substantially~~
1475 ~~complies with the requirements of paragraph (a).~~

1476 (2) If the department ~~of State~~ determines that the
1477 application contains the information required by subsection (1)
1478 and that the information is correct, it shall ~~file the document,~~
1479 ~~cancel the certificate of dissolution, and~~ reinstate the
1480 corporation ~~effective on the date which the reinstatement~~
1481 ~~document is filed.~~

1482 (3) When the reinstatement is effective, it relates back
1483 to and takes effect as of the effective date of the
1484 administrative dissolution and the corporation resumes carrying

CS/HB 1311

2009

1485 on its business ~~affairs~~ as if the administrative dissolution had
 1486 never occurred.

1487 (4) The name of the dissolved corporation is not available
 1488 for assumption or use by another corporation until 1 year after
 1489 the effective date of dissolution unless the dissolved
 1490 corporation provides the department with an affidavit executed
 1491 pursuant to s. 617.01201 authorizing the immediate assumption or
 1492 use of the name by another corporation.

1493 (5)~~(4)~~ If the name of the dissolved corporation has been
 1494 lawfully assumed in this state by another corporation, the
 1495 department ~~of State~~ shall require the dissolved corporation to
 1496 amend its articles of incorporation to change its name before
 1497 accepting its application for reinstatement.

1498 Section 41. Subsection (2) of section 617.1430, Florida
 1499 Statutes, is amended to read:

1500 617.1430 Grounds for judicial dissolution.--A circuit
 1501 court may dissolve a corporation:

1502 (2) In a proceeding brought by at least 50 members or
 1503 members holding at least 10 percent of the voting power,
 1504 whichever is less, or by a member or group or percentage of
 1505 members as otherwise provided in the articles of incorporation
 1506 or bylaws, or by a director or any person authorized in the
 1507 articles of incorporation, ~~by a member~~ if it is established
 1508 that:

1509 (a) The directors are deadlocked in the management of the
 1510 corporate affairs, the members are unable to break the deadlock,
 1511 and irreparable injury to the corporation is threatened or being
 1512 suffered;

CS/HB 1311

2009

1513 (b) The members are deadlocked in voting power and have
 1514 failed to elect successors to directors whose terms have expired
 1515 or would have expired upon qualification of their successors; or

1516 (c) The corporate assets are being misapplied or wasted.

1517 Section 42. Subsection (2) of section 617.1503, Florida
 1518 Statutes, is amended to read:

1519 617.1503 Application for certificate of authority.--

1520 (2) The foreign corporation shall deliver with the
 1521 completed application a certificate of existence, ~~for a document~~
 1522 ~~of similar import,~~ duly authenticated, within ~~not more than~~ 90
 1523 days prior to delivery of the application to the department ~~of~~
 1524 ~~State~~, by the Secretary of State or other official having
 1525 custody of corporate records in the jurisdiction under the law
 1526 of which it is incorporated. A translation of the certificate,
 1527 under oath of the translator, must be attached to a certificate
 1528 that ~~which~~ is in a language other than the English language.

1529 Section 43. Subsection (2) of section 617.1504, Florida
 1530 Statutes, is amended to read:

1531 617.1504 Amended certificate of authority.--

1532 (2) Such application shall be made within 90 ~~30~~ days after
 1533 the occurrence of any change mentioned in subsection (1), shall
 1534 be made on forms prescribed by the department ~~of State~~, shall be
 1535 executed and filed in the same manner as an original application
 1536 for authority, and shall set forth:

1537 (a) The name of the foreign corporation as it appears on
 1538 the department's ~~records of the Department of State;~~

1539 (b) The jurisdiction of its incorporation;

1540 (c) The date it was authorized to conduct its affairs in

CS/HB 1311

2009

1541 this state;

1542 (d) If the name of the foreign corporation has ~~been~~
 1543 changed, the name relinquished, the new name, a statement that
 1544 the change of name has been effected under the laws of the
 1545 jurisdiction of its incorporation, and the date the change was
 1546 effected;

1547 (e) If the period of duration has ~~been~~ changed, a
 1548 statement of such change and the date the change was effected;

1549 (f) If the jurisdiction of incorporation has ~~been~~ changed,
 1550 a statement of such change and the date the change was effected;
 1551 and

1552 (g) If the ~~purpose or purposes~~ that ~~which~~ the corporation
 1553 intends to pursue in this state have ~~been~~ changed, a statement
 1554 of such new ~~purpose or purposes~~, and a further statement that
 1555 the corporation is authorized to pursue such ~~purpose or purposes~~
 1556 in the jurisdiction of its incorporation.

1557 Section 44. Section 617.1506, Florida Statutes, is amended
 1558 to read:

1559 617.1506 Corporate name of foreign corporation.--

1560 (1) A foreign corporation may ~~is~~ not ~~entitled to~~ file an
 1561 application for a certificate of authority unless the corporate
 1562 name of such corporation satisfies the requirements of s.
 1563 617.0401. To obtain or maintain a certificate of authority to
 1564 transact business in this state, the foreign corporation:

1565 (a) May add the word "corporation" or "incorporated" or
 1566 the abbreviation "corp." or "inc." or words of like import,
 1567 which ~~as will~~ clearly indicate that it is a corporation instead
 1568 of a natural person or partnership or other business entity;

1569 ~~however, to its corporate name for use in this state, provided,~~
 1570 the name of a foreign corporation may not contain the word
 1571 "company" or the abbreviation "co."; or

1572 (b) May use an alternate name to transact business in this
 1573 state if its real name is unavailable. Any alternate corporate
 1574 name adopted for use in this state must be cross-referenced to
 1575 the real corporate name in the records of the Division of
 1576 Corporations. If the real corporate name of the corporation
 1577 becomes available in this state or if the corporation chooses to
 1578 change its alternate name and it delivers to the Department of
 1579 State, for filing, a copy of the resolution of its board of
 1580 directors, changing or withdrawing the alternate name and
 1581 executed as required by s. 617.01201, must be delivered for
 1582 filing adopting an alternate name.

1583 (2) The corporate name, including the alternate name, of a
 1584 foreign corporation must be distinguishable, within the records
 1585 of the Division of Corporations, from:

1586 (a) Any corporate name of a corporation for profit
 1587 incorporated or authorized to transact business in this state.

1588 (b) ~~(a)~~ The alternate name of another foreign corporation
 1589 authorized to transact business in this state.

1590 (c) ~~(b)~~ The corporate name of a not-for-profit corporation
 1591 incorporated or authorized to transact business in this state.

1592 (d) ~~(c)~~ The names of all other entities or filings, except
 1593 fictitious name registrations pursuant to s. 865.09, organized,
 1594 or registered under the laws of this state, that are on file
 1595 with the Division of Corporations.

1596 (3) If a foreign corporation authorized to transact

CS/HB 1311

2009

1597 business in this state changes its corporate name to one that
 1598 does not satisfy the requirements of s. 617.0401 ~~s. 607.0401~~,
 1599 such corporation may not transact business in this state under
 1600 the changed name until the corporation adopts a name satisfying
 1601 the requirements of s. 617.0401 ~~s. 607.0401~~.

1602 ~~(4) The corporate name must be distinguishable from the~~
 1603 ~~names of all other entities or filings, organized, registered,~~
 1604 ~~or reserved under the laws of the state that are on file with~~
 1605 ~~the Division of Corporations, except fictitious name~~
 1606 ~~registrations pursuant to s. 865.09.~~

1607 Section 45. Subsection (6) of section 617.1530, Florida
 1608 Statutes, is amended to read:

1609 617.1530 Grounds for revocation of authority to conduct
 1610 affairs.--The department of State may commence a proceeding
 1611 under s. 617.1531 to revoke the certificate of authority of a
 1612 foreign corporation authorized to conduct its affairs in this
 1613 state if:

1614 (6) The department ~~of State~~ receives a duly authenticated
 1615 certificate from the secretary of state or other official having
 1616 custody of corporate records in the jurisdiction under the law
 1617 of which the foreign corporation is incorporated stating that it
 1618 has been dissolved or disappeared as the result of a merger.

1619 Section 46. Paragraph (a) of subsection (5) of section
 1620 617.1601, Florida Statutes, is amended to read:

1621 617.1601 Corporate records.--

1622 (5) A corporation shall keep a copy of the following
 1623 records:

1624 (a) Its articles of incorporation or restated articles of

1625 incorporation and all amendments to them currently in effect.

1626 Section 47. Subsections (1), (2), and (4) of section
 1627 617.1602, Florida Statutes, are amended to read:

1628 617.1602 Inspection of records by members.--

1629 (1) A member of a corporation is entitled to inspect and
 1630 copy, during regular business hours at the corporation's
 1631 principal office or at a reasonable location specified by the
 1632 corporation, any of the records of the corporation described in
 1633 s. 617.1601(5), if the member gives the corporation written
 1634 notice of his or her demand at least 10 ~~5~~ business days before
 1635 the date on which he or she wishes to inspect and copy.

1636 (2) A member of a corporation is entitled to inspect and
 1637 copy, during regular business hours at a reasonable location
 1638 specified by the corporation, any of the following records of
 1639 the corporation if the member meets the requirements of
 1640 subsection (3) and gives the corporation written notice of his
 1641 or her demand at least 10 ~~5~~ business days before the date on
 1642 which he or she wishes to inspect and copy:

1643 (a) Excerpts from minutes of any meeting of the board of
 1644 directors, records of any action of a committee of the board of
 1645 directors while acting in place of the board of directors on
 1646 behalf of the corporation, minutes of any meeting of the
 1647 members, and records of action taken by the members or board of
 1648 directors without a meeting, to the extent not subject to
 1649 inspection under subsection (1).

1650 (b) Accounting records of the corporation.

1651 (c) The record of members.

1652 (d) Any other books and records.

1653 (4) This section does not affect:

1654 (a) The right of a member ~~to inspect and copy records~~
 1655 ~~under s. 617.0730(6), or, if the member is~~ in litigation with
 1656 the corporation to inspect and copy records, to the same extent
 1657 as any other litigant.

1658 (b) The power of a court, independently of this chapter
 1659 ~~act~~, to compel the production of corporate records for
 1660 examination.

1661 Section 48. Section 617.1605, Florida Statutes, is amended
 1662 to read:

1663 617.1605 Financial reports for members.--A corporation,
 1664 upon a member's written demand, shall furnish that member its
 1665 latest annual financial statements, which may be consolidated or
 1666 combined statements of the corporation and one or more of its
 1667 subsidiaries or affiliates, as appropriate, and which include a
 1668 balance sheet as of the end of the fiscal year and a statement
 1669 of operations for that year. If financial statements are
 1670 prepared for the corporation on the basis of generally accepted
 1671 accounting principles, the annual financial statements must also
 1672 be prepared on such basis. ~~Within 60 days following the end of~~
 1673 ~~the fiscal or calendar year or annually on such date as is~~
 1674 ~~otherwise provided in the bylaws of the corporation, the board~~
 1675 ~~of directors of the corporation shall mail or furnish by~~
 1676 ~~personal delivery to each member a complete financial report of~~
 1677 ~~actual receipts and expenditures for the previous 12 months. The~~
 1678 ~~report shall show the amounts of receipts by accounts and~~
 1679 ~~receipt classifications and shall show the amounts of expenses~~
 1680 ~~by accounts and expense classifications.~~

CS/HB 1311

2009

1681 Section 49. Section 617.1703, Florida Statutes, is created
1682 to read:

1683 617.1703 Application of chapter.--In the event of any
1684 conflict between the provisions of this chapter and chapter 718
1685 regarding condominiums, chapter 719 regarding cooperatives,
1686 chapter 720 regarding homeowners' associations, chapter 721
1687 regarding timeshares, or chapter 723 regarding mobile home
1688 owners' associations, the provisions of such other chapters
1689 shall apply. The provisions of ss. 617.0605-617.0608 do not
1690 apply to corporations regulated by any of the foregoing chapters
1691 or to any other corporation where membership in the corporation
1692 is required pursuant to a document recorded in the county
1693 property records.

1694 Section 50. Subsection (8) is added to section 617.1803,
1695 Florida Statutes, to read:

1696 617.1803 Domestication of foreign not-for-profit
1697 corporations.--

1698 (8) When a domestication becomes effective:

1699 (a) The title to all real and personal property, both
1700 tangible and intangible, of the foreign corporation remains in
1701 the domesticated corporation without reversion or impairment;

1702 (b) The liabilities of the foreign corporation remain the
1703 liabilities of the domesticated corporation;

1704 (c) An action or proceeding against the foreign
1705 corporation continues against the domesticated corporation as if
1706 the domestication had not occurred;

1707 (d) The articles of incorporation attached to the
1708 certificate of domestication constitute the articles of

CS/HB 1311

2009

1709 incorporation of the domesticated corporation; and

1710 (e) Membership interests in the foreign corporation remain
 1711 identical in the domesticated corporation.

1712 Section 51. Section 617.1806, Florida Statutes, is amended
 1713 to read:

1714 617.1806 Conversion to corporation not for profit;
 1715 petition and contents.--A petition for conversion to a
 1716 corporation not for profit pursuant to s. 617.1805 shall be
 1717 accompanied by the written consent of all the shareholders
 1718 authorizing the change in the corporate nature and directing an
 1719 authorized officer to file such petition before the court,
 1720 together with a statement agreeing to accept all the property of
 1721 the petitioning corporation and agreeing to assume and pay all
 1722 its indebtedness and liabilities, and the proposed articles of
 1723 incorporation signed by the president and secretary of the
 1724 petitioning corporation which shall set forth the provisions
 1725 required in original articles of incorporation by s. 617.0202.

1726 Section 52. Section 617.1907, Florida Statutes, is amended
 1727 to read:

1728 617.1907 Effect of repeal or amendment of prior acts.--

1729 (1) Except as provided in subsection (2), the repeal or
 1730 amendment of a statute by this chapter ~~act~~ does not affect:

1731 (a) The operation of the statute or any action taken under
 1732 it before its repeal or amendment;

1733 (b) Any ratification, right, remedy, privilege,
 1734 obligation, or liability acquired, accrued, or incurred under
 1735 the statute before its repeal or amendment;

1736 (c) Any violation of the statute, or any penalty,

CS/HB 1311

2009

1737 forfeiture, or punishment incurred because of the violation,
1738 before its repeal or amendment; or

1739 (d) Any proceeding, reorganization, or dissolution
1740 commenced ~~under the statute~~ before its repeal or amendment, and
1741 the proceeding, reorganization, or dissolution may be completed
1742 ~~in accordance with the statute~~ as if it had not been repealed or
1743 amended.

1744 (2) If a penalty or punishment imposed for violation of a
1745 statute repealed or amended by this chapter act is reduced by
1746 this act, the penalty or punishment if not already imposed shall
1747 be imposed in accordance with this chapter act.

1748 Section 53. Section 617.2103, Florida Statutes, is
1749 repealed.

1750 Section 54. Except as otherwise expressly provided in this
1751 act and except for this section, which shall take effect upon
1752 becoming a law, this act shall take effect October 1, 2009.