

By Senator Clemens

27-01014A-13

20131274

1                                   A bill to be entitled  
2           An act relating to corporations; providing a directive  
3           to the Division of Law Revision and Information;  
4           amending s. 607.1302, F.S.; providing that the  
5           amendment of articles of incorporation or the merger,  
6           conversion, or share exchange of a social purpose or  
7           benefit corporation entitles the shareholders to  
8           appraisal rights; providing a directive to the  
9           Division of Law Revision and Information; creating s.  
10          607.501, F.S.; providing application and effect;  
11          creating s. 607.502, F.S.; providing definitions;  
12          creating s. 607.503, F.S.; establishing requirements  
13          for the formation of a social purpose corporation;  
14          creating s. 607.504, F.S.; providing procedures for an  
15          existing corporation to become a social purpose  
16          corporation; creating s. 607.505, F.S.; providing  
17          procedures for the termination of a social purpose  
18          corporation; creating s. 607.506, F.S.; requiring that  
19          the corporate purpose must be to create a public  
20          benefit; providing criteria; creating s. 607.507,  
21          F.S.; requiring that the directors of a social purpose  
22          corporation meet a standard of conduct; providing  
23          criteria for the standards; creating s. 607.508, F.S.;  
24          authorizing the articles of incorporation of a social  
25          purpose corporation to provide for a benefit director;  
26          providing powers and duties of a benefit director;  
27          creating s. 607.509, F.S.; requiring that the officers  
28          of a social purpose corporation meet a standard of  
29          conduct; providing criteria for the standards of

27-01014A-13

20131274

30           conduct; creating s. 607.510, F.S.; authorizing a  
31           social purpose corporation to designate an officer as  
32           a benefit officer; providing for the powers and duties  
33           of a benefit officer; creating s. 607.511, F.S.;  
34           authorizing certain legal actions to be brought  
35           against a social purpose corporation, its officers, or  
36           its directors; creating s. 607.512, F.S.; requiring  
37           the board of directors to prepare an annual benefit  
38           report; providing criteria for the preparation of the  
39           report; creating s. 607.513, F.S.; establishing  
40           requirements for the availability and dissemination of  
41           the annual report; authorizing a court to order  
42           dissemination of the report; providing criteria;  
43           providing a directive to the Division of Law Revision  
44           and Information; creating s. 607.601, F.S.; providing  
45           for application and effect; creating s. 607.602, F.S.;  
46           providing definitions; creating s. 607.603, F.S.;  
47           establishing requirements for the formation of a  
48           benefit corporation; creating s. 607.604, F.S.;  
49           providing procedures for an existing corporation to  
50           become a benefit corporation; creating s. 607.605,  
51           F.S.; providing procedures for the termination of a  
52           benefit corporation; creating s. 607.606, F.S.;  
53           requiring that the corporate purpose be to create a  
54           public benefit; providing criteria; creating s.  
55           607.607, F.S.; requiring the directors of a benefit  
56           corporation to meet a standard of conduct; providing  
57           criteria for the standards; creating s. 607.608, F.S.;  
58           authorizing the articles of incorporation of a benefit

27-01014A-13

20131274

59 corporation to provide for a benefit director;  
60 providing powers and duties of the benefit director;  
61 creating s. 607.609, F.S.; requiring the officers of a  
62 benefit corporation to meet a standard of conduct;  
63 providing criteria for the standards of conduct;  
64 creating s. 607.610, F.S.; authorizing a benefit  
65 corporation to designate an officer as a benefit  
66 officer; providing for the powers and duties of the  
67 benefit officer; creating s. 607.611, F.S.;  
68 authorizing certain legal actions to be brought  
69 against a benefit corporation, its officers, or its  
70 directors; creating s. 607.612, F.S.; requiring the  
71 board of directors to prepare an annual benefit  
72 report; providing criteria for the preparation of the  
73 report; creating s. 607.613, F.S.; establishing  
74 requirements for the availability and dissemination of  
75 the annual report; authorizing a court to order  
76 dissemination of the report; providing criteria;  
77 providing an effective date.

78

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

80

81 Section 1. The Division of Law Revision and Information is  
82 requested to create part I of chapter 607, Florida Statutes,  
83 consisting of ss. 607.0101-607.193, entitled "CORPORATIONS."

84 Section 2. Subsection (1) of section 607.1302, Florida  
85 Statutes, is amended to read:

86 607.1302 Right of shareholders to appraisal.—

87 (1) A shareholder of a domestic corporation is entitled to

27-01014A-13

20131274

88 appraisal rights, and to obtain payment of the fair value of  
89 that shareholder's shares, in the event of any of the following  
90 corporate actions:

91 (a) Consummation of a conversion of such corporation  
92 pursuant to s. 607.1112 if shareholder approval is required for  
93 the conversion and the shareholder is entitled to vote on the  
94 conversion under ss. 607.1103 and 607.1112(6), or the  
95 consummation of a merger to which such corporation is a party if  
96 shareholder approval is required for the merger under s.  
97 607.1103 and the shareholder is entitled to vote on the merger  
98 or if such corporation is a subsidiary and the merger is  
99 governed by s. 607.1104;

100 (b) Consummation of a share exchange to which the  
101 corporation is a party as the corporation whose shares will be  
102 acquired if the shareholder is entitled to vote on the exchange,  
103 except that appraisal rights is ~~shall~~ not be available to any  
104 shareholder of the corporation with respect to any class or  
105 series of shares of the corporation that is not exchanged;

106 (c) Consummation of a disposition of assets pursuant to s.  
107 607.1202 if the shareholder is entitled to vote on the  
108 disposition, including a sale in dissolution but not including a  
109 sale pursuant to court order or a sale for cash pursuant to a  
110 plan by which all or substantially all of the net proceeds of  
111 the sale will be distributed to the shareholders within 1 year  
112 after the date of sale;

113 (d) An amendment of the articles of incorporation with  
114 respect to the class or series of shares which reduces the  
115 number of shares of a class or series owned by the shareholder  
116 to a fraction of a share if the corporation has the obligation

27-01014A-13

20131274

117 or right to repurchase the fractional share so created;

118 (e) Any other amendment to the articles of incorporation,  
119 merger, share exchange, or disposition of assets to the extent  
120 provided by the articles of incorporation, bylaws, or a  
121 resolution of the board of directors, except that no bylaw or  
122 board resolution providing for appraisal rights may be amended  
123 or otherwise altered except by shareholder approval; ~~or~~

124 (f) With regard to a class of shares prescribed in the  
125 articles of incorporation prior to October 1, 2003, including  
126 any shares within that class subsequently authorized by  
127 amendment, any amendment of the articles of incorporation if the  
128 shareholder is entitled to vote on the amendment and if such  
129 amendment would adversely affect such shareholder by:

130 1. Altering or abolishing any preemptive rights attached to  
131 any of his or her shares;

132 2. Altering or abolishing the voting rights pertaining to  
133 any of his or her shares, except as such rights may be affected  
134 by the voting rights of new shares then being authorized of any  
135 existing or new class or series of shares;

136 3. Effecting an exchange, cancellation, or reclassification  
137 of any of his or her shares, when such exchange, cancellation,  
138 or reclassification would alter or abolish the shareholder's  
139 voting rights or alter his or her percentage of equity in the  
140 corporation, or effecting a reduction or cancellation of accrued  
141 dividends or other arrearages in respect to such shares;

142 4. Reducing the stated redemption price of any of the  
143 shareholder's redeemable shares, altering or abolishing any  
144 provision relating to any sinking fund for the redemption or  
145 purchase of any of his or her shares, or making any of his or

27-01014A-13

20131274

146 her shares subject to redemption when they are not otherwise  
147 redeemable;

148 5. Making noncumulative, in whole or in part, dividends of  
149 any of the shareholder's preferred shares which had theretofore  
150 been cumulative;

151 6. Reducing the stated dividend preference of any of the  
152 shareholder's preferred shares; or

153 7. Reducing any stated preferential amount payable on any  
154 of the shareholder's preferred shares upon voluntary or  
155 involuntary liquidation;—

156 (g) An amendment of the articles of incorporation of a  
157 social purpose corporation to which s. 607.504 or s. 607.505  
158 applies;

159 (h) An amendment of the articles of incorporation of a  
160 benefit corporation to which s. 607.604 or s. 607.605 applies;

161 (i) A merger, conversion, or share exchange of a social  
162 purpose corporation to which s. 607.504 applies; or

163 (j) A merger, conversion, or share exchange of a benefit  
164 corporation to which s. 607.604 applies.

165 Section 3. The Division of Law Revision and Information is  
166 requested to create part II of chapter 607, Florida Statutes,  
167 consisting of ss. 607.501-607.513, entitled "SOCIAL PURPOSE  
168 CORPORATIONS."

169 Section 4. Section 607.501, Florida Statutes, is created to  
170 read:

171 607.501 Application and effect.—

172 (1) This part shall be applicable to all social purpose  
173 corporations.

174 (2) The existence of a provision of this part may not in

27-01014A-13

20131274

175 itself create an implication that a contrary or different rule  
176 of law is applicable to a corporation that is not a social  
177 purpose corporation. This part may not affect a statute or rule  
178 that is applicable to a corporation that is not a social purpose  
179 corporation.

180 (3) Except as otherwise provided in this part, all other  
181 provisions of this chapter shall be generally applicable to all  
182 social purpose corporations. The specific provisions of this  
183 part shall control over the general provisions of this chapter.

184 (4) A social purpose corporation may be simultaneously  
185 subject to this part and to one or more other chapters,  
186 including chapter 621. In such event, the provisions and  
187 sections of this part shall take precedence with respect to a  
188 social purpose corporation.

189 (5) Except as permitted by this part, a provision of the  
190 articles of incorporation or bylaws, or a shareholders agreement  
191 among shareholders of a social purpose corporation, may not  
192 limit, be inconsistent with, or supersede a provision of this  
193 part.

194 Section 5. Section 607.502, Florida Statutes, is created to  
195 read:

196 607.502 Definitions.—As used in this part, unless the  
197 context otherwise requires, the term:

198 (1) "Benefit director" means:

199 (a) The director designated as the benefit director of a  
200 social purpose corporation under s. 607.508; or

201 (b) A person with one or more of the powers, duties, or  
202 rights of a benefit director to the extent provided in the  
203 articles of incorporation or bylaws under s. 607.508.

27-01014A-13

20131274

204       (2) "Benefit enforcement proceeding" means a claim or  
205 action for:

206       (a) The failure of a social purpose corporation to pursue  
207 or create a public benefit or a specific public benefit  
208 established in its articles of incorporation; or

209       (b) A violation of any obligation, duty, or standard of  
210 conduct under this part.

211       (3) "Benefit officer" means the individual designated as  
212 the benefit officer of a social purpose corporation under s.  
213 607.510.

214       (4) "Independent" means not having a material relationship  
215 with the social purpose corporation or a subsidiary of the  
216 social purpose corporation. A person does not have a material  
217 relationship solely by virtue of serving as the benefit director  
218 or benefit officer of the social purpose corporation or a  
219 subsidiary of the social purpose corporation. In determining  
220 whether a director or officer is independent, a material  
221 relationship between an individual and a social purpose  
222 corporation or any of its subsidiaries will be conclusively  
223 presumed to exist, at the time independence is to be determined,  
224 if any of the following apply:

225       (a) The individual is or was within the prior 3 years an  
226 employee, other than a benefit officer, of the social purpose  
227 corporation or a subsidiary.

228       (b) An immediate family member of the individual is or was  
229 within the prior 3 years an executive officer, other than a  
230 benefit officer, of the social purpose corporation or a  
231 subsidiary.

232       (c) When ownership is calculated as if all outstanding

27-01014A-13

20131274

233 rights to acquire equity interests in the social purpose  
234 corporation had been exercised, there is beneficial or record  
235 ownership of 5 percent or more of the outstanding shares of the  
236 social purpose corporation by:

237 1. The individual; or  
238 2. An entity:

239 a. Of which the individual is a director, an officer, or a  
240 manager; or

241 b. In which, when ownership is calculated as if all  
242 outstanding rights to acquire equity interests in the entity had  
243 been exercised, the individual owns beneficially or of record 5  
244 percent or more of the outstanding equity interests.

245 (5) "Minimum status vote" means:

246 (a) In the case of a corporation that is to become a social  
247 purpose corporation, whether by amendment of the articles of  
248 incorporation or by way of or pursuant to a merger, conversion,  
249 or share exchange; a social purpose corporation whose articles  
250 of incorporation are to be amended pursuant to s. 607.506(4); or  
251 a social purpose corporation that is to cease being a social  
252 purpose corporation, in addition to any other required approval  
253 or vote, the satisfaction of the following conditions:

254 1. The shareholders of each class or series shall be  
255 entitled to vote as a separate voting group on the corporate  
256 action regardless of any limitation on the voting rights of any  
257 class or series stated in the articles of incorporation or  
258 bylaws.

259 2. The corporate action is approved by vote of each class  
260 or series of equity interest entitled to vote by at least two-  
261 thirds of the total votes of the class or series.

27-01014A-13

20131274

262 (b) In the case of a domestic entity, other than a  
263 corporation, which is to be simultaneously converted to a social  
264 purpose corporation or merged into a social purpose corporation,  
265 in addition to any other required approval, vote, or consent,  
266 the satisfaction of the following conditions:

267 1. The holders of each class or series of equity interest  
268 in the entity who are entitled to receive a distribution of any  
269 kind are entitled, as a separate voting group, to vote on or  
270 consent to the action regardless of any applicable limitation on  
271 the voting or consent rights of any class or series.

272 2. The action is approved by vote or consent of the holders  
273 of each class and each series described in subparagraph 1. who  
274 are entitled to cast at least two-thirds of the total votes or  
275 consent of the class or series which all of those holders are  
276 entitled to cast on the action.

277 (6) "Public benefit" means a positive effect, or the  
278 minimization of negative effects taken as a whole, on the  
279 environment or on one or more categories of persons or entities  
280 other than shareholders in their capacity as shareholders, of an  
281 artistic, charitable, economic, educational, cultural, literary,  
282 religious, social, ecological, or scientific nature, from the  
283 business and operations of a social purpose corporation,  
284 including, but not limited to:

285 (a) Providing low-income or underserved individuals or  
286 communities with beneficial products or services;

287 (b) Promoting economic opportunity for individuals or  
288 communities beyond the creation of jobs in the normal course of  
289 business;

290 (c) Protecting or restoring the environment;

27-01014A-13

20131274

- 291       (d) Improving human health;  
292       (e) Promoting the arts, sciences, or advancement of  
293 knowledge; and  
294       (f) Increasing the flow of capital to entities that have as  
295 their stated purpose the provision of a benefit to society or  
296 the environment.  
297       (7) "Social purpose corporation" means a corporation that  
298 has elected to become subject to this part and the status of  
299 which as a social purpose corporation has not been terminated.  
300       (8) "Specific public benefit" means a benefit identified as  
301 a purpose of the social purpose corporation which is set forth  
302 in the articles of incorporation and is consistent with a public  
303 benefit as that term is defined in this section.  
304       (9) "Subsidiary" means, in relation to a person other than  
305 an individual, an entity in which a person owns beneficially or  
306 of record 50 percent or more of the outstanding equity  
307 interests.  
308       (10) "Third-party standard" means a recognized standard for  
309 defining, reporting, and assessing the societal and  
310 environmental performance of a business which is:  
311       (a) Comprehensive because it assesses the effect of the  
312 business and its operations upon the interests listed in s.  
313 607.507(1)(a).  
314       (b) Developed by an entity that is not controlled by the  
315 social purpose corporation.  
316       (c) Credible because it is developed by an entity that has  
317 access to necessary expertise to assess the overall effect of  
318 the business and uses a balanced, collaborative approach to  
319 develop the standard, including a period for public comment.

27-01014A-13

20131274

320 (d) Transparent because the following information is  
321 publicly available:

322 1. The criteria considered under the standard when  
323 measuring the overall effect of the business and its operations  
324 upon the interests provided in s. 607.507(1)(a) and the relative  
325 weights, if any, of those criteria; and

326 2. The process used in the development and revision of the  
327 third-party standard regarding the identity of the directors,  
328 officers, material owners, and governing body of the entity that  
329 developed and controls revisions to the standard; the process by  
330 which revisions are made to the standard and changes are made to  
331 the membership of the governing body; and an accounting of the  
332 revenue and sources of financial support for the entity with  
333 sufficient detail to disclose any relationships that could  
334 reasonably be considered to present a potential conflict of  
335 interest.

336 Section 6. Section 607.503, Florida Statutes, is created to  
337 read:

338 607.503 Incorporation of social purpose corporation.—A  
339 corporation to be formed as a social purpose corporation shall  
340 be incorporated in accordance with this chapter. The articles of  
341 incorporation filed must state that the corporation is a social  
342 purpose corporation under this part.

343 Section 7. Section 607.504, Florida Statutes, is created to  
344 read:

345 607.504 Election of social purpose corporation status.—

346 (1) An existing corporation may become a social purpose  
347 corporation under this part by amending its articles of  
348 incorporation to include, in addition to the requirements of s.

27-01014A-13

20131274

349 607.0202, a statement that the corporation is a social purpose  
350 corporation under this part. The amendment must be adopted by  
351 the minimum status vote.

352 (2) A plan of merger, conversion, or share exchange must be  
353 adopted by the minimum status vote if an entity that is not a  
354 social purpose corporation is a party to the merger or  
355 conversion or if the exchanging entity in a share exchange and  
356 the surviving, new, or resulting entity is, or will be, a social  
357 purpose corporation.

358 (3) If an entity elects to become a social purpose  
359 corporation by amendment of the articles of incorporation or by  
360 a merger, conversion, or share exchange, the shareholders of the  
361 entity are entitled to appraisal rights under ss. 607.1301-  
362 607.1333 to the extent of, and in accordance with, such  
363 appraisal rights provisions.

364 Section 8. Section 607.505, Florida Statutes, is created to  
365 read:

366 607.505 Termination of social purpose corporation status.-

367 (1) A social purpose corporation may terminate its status  
368 as such and cease to be subject to this part by amending its  
369 articles of incorporation to delete the provision required under  
370 s. 607.503 or s. 607.504. The amendment must be adopted by the  
371 minimum status vote.

372 (2) A plan of merger, conversion, or share exchange which  
373 has the effect of terminating the status of a corporation as a  
374 social purpose corporation must be adopted by the minimum status  
375 vote. A sale, lease, exchange, or other disposition of the  
376 assets of a social purpose corporation is not effective unless  
377 the transaction is approved by the minimum status vote. However,

27-01014A-13

20131274

378 a minimum status vote is not required if the transaction is in  
379 the usual and regular course of business, is pursuant to court  
380 order, or is a sale pursuant to which all or a substantial  
381 portion of the net proceeds of the sale will be distributed to  
382 the shareholders within 1 year after the date of the sale.

383 (3) If a corporation's status as a social purpose  
384 corporation is terminated pursuant to subsections (1) or (2),  
385 shareholders of the corporation are entitled to appraisal rights  
386 under ss. 607.1301-607.1333 to the extent of, and in accordance  
387 with, such appraisal rights provisions.

388 Section 9. Section 607.506, Florida Statutes, is created to  
389 read:

390 607.506 Corporate purpose.—

391 (1) A social purpose corporation shall have a purpose of  
392 creating a public benefit. This purpose is in addition to its  
393 purpose under s. 607.0301.

394 (2) The articles of incorporation of a social purpose  
395 corporation may identify the creation of one or more specific  
396 public benefits as its purpose in addition to its purposes under  
397 s. 607.0301 and subsection (1).

398 (3) The creation of a public benefit and a specific public  
399 benefit under subsections (1) and (2) is deemed to be in the  
400 best interest of the social purpose corporation.

401 (4) A social purpose corporation may amend its articles of  
402 incorporation to add, amend, or delete the identification of a  
403 specific public benefit purpose, however, the amendment must be  
404 adopted by the minimum status vote.

405 (5) A professional corporation that is a social purpose  
406 corporation does not violate s. 621.08 by having the purpose to

27-01014A-13

20131274

407 create public benefit or a specific public benefit.

408 Section 10. Section 607.507, Florida Statutes, is created  
409 to read:

410 607.507 Standard of conduct for directors.-

411 (1) In discharging their duties and in considering the best  
412 interests of the social purpose corporation, the directors:

413 (a) Shall consider the effects of any action or inaction  
414 upon:

415 1. The shareholders of the social purpose corporation;

416 2. The ability of the social purpose corporation to  
417 accomplish its public benefit or any specific public benefit  
418 purpose; and

419 (b) May consider the effects of any action or inaction upon  
420 any of the following:

421 1. The employees and work force of the social purpose  
422 corporation, its subsidiaries, and its suppliers;

423 2. The interests of customers and suppliers as  
424 beneficiaries of the general public benefit or specific public  
425 benefits of the social purpose corporation;

426 3. Community and societal factors, including those of each  
427 community in which offices or facilities of the social purpose  
428 corporation, its subsidiaries, or its suppliers are located;

429 4. The local and global environment; and

430 5. The short-term and long-term interests of the social  
431 purpose corporation, including benefits that may accrue to the  
432 social purpose corporation from its long-term plans and the  
433 possibility that these interests may be best served by the  
434 continued independence of the social purpose corporation; and

435 (c) May consider other pertinent factors or the interests

27-01014A-13

20131274

436 of any other group that they deem appropriate.

437 (d) Are not required to give priority to the interests of a  
438 particular person or group referred to in paragraphs (a), (b),  
439 or (c) unless the social purpose corporation states in its  
440 articles of incorporation its intention to give such priority;  
441 and

442 (e) Are not required to give equal weight to the interests  
443 of any particular person or group referred to in paragraphs (a),  
444 (b), or (c) unless the social purpose corporation has stated in  
445 its articles of incorporation its intention to give such equal  
446 weight.

447 (2) Except as provided in the articles of incorporation, a  
448 director is not personally liable for monetary damages to the  
449 corporation, or to any other person, for the failure of the  
450 social purpose corporation to pursue or create a public benefit  
451 or a specific public benefit. A director is subject to the  
452 duties specified in s. 607.0830.

453 (3) Except as otherwise provided in the articles of  
454 incorporation, a director does not have a duty to a person who  
455 is a beneficiary of the public benefit purpose or any one or  
456 more specific public benefit purposes of a social purpose  
457 corporation.

458 Section 11. Section 607.508, Florida Statutes, is created  
459 to read:

460 607.508 Benefit director.—

461 (1) If the articles of incorporation so provide, the board  
462 of directors of a social purpose corporation may include a  
463 director who is designated as the benefit director and, in  
464 addition to the powers, duties, rights, and immunities of the

27-01014A-13

20131274

465 other directors of the social purpose corporation, has the  
466 powers, duties, rights, and immunities provided in this part.

467 (2) The benefit director shall be elected, and may be  
468 removed, in the manner provided by this chapter. The benefit  
469 director must be independent and may also serve as a benefit  
470 officer. The articles of incorporation or bylaws may prescribe  
471 additional qualifications of the benefit director.

472 (3) Unless the articles of incorporation or bylaws provide  
473 otherwise, the benefit director shall prepare, and the social  
474 purpose corporation shall include in the annual benefit report  
475 to shareholders required under s. 607.512, the opinion of the  
476 benefit director on the following:

477 (a) Whether the social purpose corporation in all material  
478 respects acted in accordance with its public benefit purpose and  
479 any specific public benefit purpose during the period covered by  
480 the report.

481 (b) Whether the directors and officers complied with ss.  
482 607.507(1) and 607.509(1).

483 (c) If, in the opinion of the benefit director, the social  
484 purpose corporation or its directors or officers failed to  
485 comply with paragraph (a) or s. 607.507(1) or s. 607.509(1), a  
486 description of the ways in which the social purpose corporation  
487 or its directors or officers failed to comply.

488 (4) The action or inaction of an individual in his or her  
489 capacity as a benefit director shall constitute for all purposes  
490 an action or inaction of that individual in his or her capacity  
491 as a director of the social purpose corporation.

492 (5) The benefit director of a corporation formed under  
493 chapter 621 does not need to be independent.

27-01014A-13

20131274

494 Section 12. Section 607.509, Florida Statutes, is created  
495 to read:

496 607.509 Standard of conduct for officers.-

497 (1) If an officer of a social purpose corporation  
498 reasonably believes that a matter may have a material effect on  
499 the ability of the corporation to create a public benefit or a  
500 specific public benefit identified in the articles of  
501 incorporation and the officer has discretion to act on the  
502 matter, the officer shall consider the interests and factors  
503 provided in s. 607.507(1).

504 (2) The officer's consideration of interests and factors  
505 under subsection (1) does not constitute a violation of s.  
506 607.0841.

507 (3) Except as provided in the articles of incorporation, an  
508 officer is not personally liable for monetary damages to the  
509 corporation or any other person for the failure of the social  
510 purpose corporation to pursue or create a public benefit or a  
511 specific public benefit, however, he or she is subject to s.  
512 607.0841.

513 (4) Except as provided in the articles of incorporation, an  
514 officer does not have any duty to a person who is a beneficiary  
515 of the public benefit purpose or any specific public benefit  
516 purpose of a social purpose corporation arising from the status  
517 of the person as a beneficiary.

518 Section 13. Section 607.510, Florida Statutes, is created  
519 to read:

520 607.510 Benefit officer.-

521 (1) A social purpose corporation may designate an officer  
522 as the benefit officer.

27-01014A-13

20131274

523       (2) The benefit officer has the powers and duties set forth  
524 in the bylaws or determined by the board of directors, which may  
525 include, but are not limited to:

526           (a) Powers and duties relating to the public benefit or a  
527 specific public benefit purpose of the corporation; and

528           (b) The duty to prepare the annual benefit report required  
529 by s. 607.512.

530       Section 14. Section 607.511, Florida Statutes, is created  
531 to read:

532       607.511 Right of action.—

533       (1) (a) Except in a benefit enforcement proceeding to  
534 enforce a benefit, no person may bring an action or assert a  
535 claim against a social purpose corporation or its directors or  
536 officers with respect to:

537           1. A failure to pursue or create a public benefit or a  
538 specific public benefit set forth in its articles of  
539 incorporation; or

540           2. A violation of an obligation, duty, or standard of  
541 conduct under this part.

542       (b) A social purpose corporation is not liable for monetary  
543 damages under this part for the failure of the social purpose  
544 corporation to pursue or create a public benefit or a specific  
545 public benefit.

546       (2) A benefit enforcement proceeding may be commenced or  
547 maintained only:

548           (a) Directly by the social purpose corporation; or

549           (b) Derivatively by:

550           1. A shareholder of record on the date of the action or  
551 inaction complained of in the benefit enforcement proceeding;

27-01014A-13

20131274

552 2. A director;

553 3. A person or group of persons that owns beneficially or  
554 of record 5 percent or more of the outstanding equity interests  
555 in an entity of which the social purpose corporation is a  
556 subsidiary on the date of the action complained of in the  
557 benefit enforcement proceeding; or

558 4. Any other person who is specified in the articles of  
559 incorporation or bylaws of the social purpose corporation.

560 Section 15. Section 607.512, Florida Statutes, is created  
561 to read:

562 607.512 Preparation of annual benefit report.—

563 (1) Unless it is prepared by a benefit director or benefit  
564 officer, the board of directors shall prepare an annual benefit  
565 report that must include all of the following:

566 (a) A narrative description of:

567 1. The ways in which the social purpose corporation pursued  
568 a public benefit during the year and the extent to which a  
569 public benefit was created.

570 2. Any circumstance that has hindered the pursuit or  
571 creation of a public benefit by the social purpose corporation.

572 3. The process and rationale for selecting or changing the  
573 third-party standard used to prepare the benefit report, if the  
574 articles of incorporation of the social purpose corporation  
575 require, or the board of directors determines, that the annual  
576 benefit report must be prepared in accordance with a third-party  
577 standard.

578 (b) If the articles of incorporation of the social purpose  
579 corporation require, or the board of directors determines, that  
580 the annual benefit report must be prepared in accordance with a

27-01014A-13

20131274

581 third-party standard, an assessment of the overall societal and  
582 environmental performance of the social purpose corporation  
583 using a third-party standard that is:

584 1. Applied consistently with any previous application in  
585 prior annual benefit reports; or

586 2. Accompanied by an explanation of the reasons for  
587 inconsistent application or any change in the standard from the  
588 immediate prior report.

589 (c) The name of the benefit director and the benefit  
590 officer, if those positions exist, and the respective addresses  
591 to which correspondence may be directed.

592 (d) If the corporation has a benefit director, his or her  
593 statement as provided in s. 607.508(3).

594 (e) If the articles of incorporation of the social purpose  
595 corporation require, or the board of directors determines, that  
596 the annual benefit report must be prepared in accordance with a  
597 third-party standard, a statement of any connection between the  
598 organization that established the third-party standard, or its  
599 directors, officers, or any holder of 5 percent or more of the  
600 governance interests in the organization, and the social purpose  
601 corporation or its directors, officers, or any holder of 5  
602 percent or more of the outstanding shares of the social purpose  
603 corporation, including any financial or governance relationship  
604 which might materially affect the credibility of the use of the  
605 third-party standard.

606 (2) If, during the year covered by an annual benefit  
607 report, a benefit director resigned from, or refused to stand  
608 for reelection to, his or her position, or was removed from his  
609 or her position, and he or she furnished written correspondence

27-01014A-13

20131274

610 to the social purpose corporation concerning the circumstances  
611 surrounding his or her departure, that correspondence must be  
612 included as an exhibit in the annual benefit report.

613 (3) The annual benefit report or the assessment of the  
614 performance of the social purpose corporation in the annual  
615 benefit report required under paragraph (1)(b) do not need to be  
616 audited or certified by a third-party standard provider.

617 Section 16. Section 607.513, Florida Statutes, is created  
618 to read:

619 607.513 Availability of annual benefit report.—

620 (1) Each social purpose corporation shall send its annual  
621 benefit report to each shareholder:

622 (a) Within 120 days after the end of the fiscal year of the  
623 social purpose corporation; or

624 (b) At the same time that the social purpose corporation  
625 delivers any other annual report to its shareholders.

626 (2) A social purpose corporation shall post each annual  
627 benefit report on the public portion of its Internet website, if  
628 any, and it shall remain posted for at least 3 years.

629 (3) If a social purpose corporation does not have an  
630 Internet website, the corporation shall provide a copy of its  
631 most recent annual benefit report, without charge, to any person  
632 who requests a copy.

633 (4) If a social purpose corporation does not comply with  
634 the annual benefit report delivery requirement, the circuit  
635 court in the county in which the principal office of the social  
636 purpose corporation is located or, if no office is located in  
637 this state, the county in which its registered office is  
638 located, may, after a shareholder of the social purpose

27-01014A-13

20131274

639 corporation requests a copy, summarily order the corporation to  
640 furnish the annual benefit report. If the court orders the  
641 annual benefit report to be furnished, the court may also order  
642 the social purpose corporation to pay the shareholder's costs,  
643 including reasonable attorney fees, which were incurred in  
644 obtaining the order and otherwise enforce their rights under  
645 this section.

646 Section 17. The Division of Law Revision and Information is  
647 requested to create part III of chapter 607, Florida Statutes,  
648 consisting of ss. 607.601-607.613, entitled "BENEFIT  
649 CORPORATIONS."

650 Section 18. Section 607.601, Florida Statutes, is created  
651 to read:

652 607.601 Application and effect.-

653 (1) This part shall be applicable to all benefit  
654 corporations.

655 (2) The existence of a provision of this part shall not of  
656 itself create an implication that a contrary or different rule  
657 of law is applicable to a corporation that is not a benefit  
658 corporation. This part may not affect a statute or rule that is  
659 applicable to a corporation that is not a benefit corporation.

660 (3) Except as otherwise provided in this part, all other  
661 provisions of this chapter shall be generally applicable to all  
662 benefit corporations. The specific provisions of this part shall  
663 control over the general provisions of this chapter.

664 (4) A benefit corporation may be simultaneously subject to  
665 this part and to one or more other chapters, including chapter  
666 621. In such event, the provisions and sections of this part  
667 shall take precedence with respect to a benefit corporation.

27-01014A-13

20131274

668       (5) Except as permitted by this part, a provision of the  
669 articles of incorporation or bylaws, or a shareholders agreement  
670 among shareholders of a benefit corporation, may not limit, be  
671 inconsistent with, or supersede a provision of this part.

672       Section 19. Section 607.602, Florida Statutes, is created  
673 to read:

674       607.602 Definitions.—As used in this part, unless the  
675 context otherwise requires, the term:

676       (1) "Benefit corporation" means a corporation that has  
677 elected to become subject to this part and the status as a  
678 benefit corporation has not been terminated.

679       (2) "Benefit director" means:

680       (a) The director designated as the benefit director of a  
681 benefit corporation under s. 607.608; or

682       (b) A person with one or more of the powers, duties, or  
683 rights of a benefit director to the extent provided in the  
684 articles of incorporation or bylaws under s. 607.608.

685       (3) "Benefit enforcement proceeding" means any claim or  
686 action for:

687       (a) The failure of a benefit corporation to pursue or  
688 create a general public benefit or a specific public benefit  
689 purpose set forth in its articles of incorporation; or

690       (b) A violation of any obligation, duty, or standard of  
691 conduct under this part.

692       (4) "Benefit officer" means the individual designated as  
693 the benefit officer of a benefit corporation under s. 607.610.

694       (5) "General public benefit" means a material, positive  
695 effect on society and the environment, taken as a whole, which  
696 is attributable to the business and operations of a benefit

27-01014A-13

20131274

697 corporation.

698 (6) "Independent" means not having a material relationship  
699 with the benefit corporation or a subsidiary of the benefit  
700 corporation. A person does not have a material relationship  
701 solely by virtue of serving as the benefit director or benefit  
702 officer of the benefit corporation or a subsidiary of the  
703 benefit corporation. In determining whether a director or  
704 officer is independent, a material relationship between an  
705 individual and a benefit corporation or any of its subsidiaries  
706 will be conclusively presumed to exist, at the time independence  
707 is to be determined, if any of the following apply:

708 (a) The individual is or has been within the prior 3 years,  
709 an employee, other than a benefit officer, of the benefit  
710 corporation or a subsidiary.

711 (b) An immediate family member of the individual is or has  
712 been within the prior 3 years, an executive officer, other than  
713 a benefit officer, of the benefit corporation or a subsidiary.

714 (c) When ownership is calculated as if all outstanding  
715 rights to acquire equity interests in the benefit corporation  
716 had been exercised, there is beneficial or record ownership of 5  
717 percent or more of the outstanding shares of the benefit  
718 corporation by:

719 1. The individual; or

720 2. An entity:

721 a. Of which the individual is a director, an officer, or a  
722 manager; or

723 b. In which, when ownership is calculated as if all  
724 outstanding rights to acquire equity interests in the entity had  
725 been exercised, the individual owns beneficially or of record 5

27-01014A-13

20131274

726 percent or more of the outstanding equity interests.

727 (7) "Minimum status vote" means:

728 (a) In the case of a corporation that is to become a  
729 benefit corporation, whether by amendment of the articles of  
730 incorporation or by way of or pursuant to a merger, conversion,  
731 or share exchange; a benefit corporation whose articles of  
732 incorporation are to be amended pursuant to s. 607.606(4); or a  
733 benefit corporation that is to cease being a benefit  
734 corporation, in addition to any other required approval or vote,  
735 the satisfaction of the following conditions:

736 1. The shareholders of each class or series shall be  
737 entitled to vote as a separate voting group on the corporate  
738 action regardless of any limitation on the voting rights of any  
739 class or series stated in the articles of incorporation or  
740 bylaws.

741 2. The corporate action is approved by vote of the  
742 shareholders of each class or series entitled to cast at least  
743 two-thirds of the votes that all shareholders of the class or  
744 series are entitled to cast on the action.

745 (b) In the case of a domestic entity, other than a  
746 corporation, which is to be simultaneously converted to a  
747 benefit corporation or merged into a benefit corporation in  
748 addition to any other required approval, vote, or consent, the  
749 satisfaction of the following conditions:

750 1. The holders of each class or series of equity interest  
751 in the entity who are entitled to receive a distribution of any  
752 kind are entitled, as a separate voting group, to vote on or  
753 consent to the action regardless of any applicable limitation on  
754 the voting or consent rights of any class or series.

27-01014A-13

20131274

755       2. The action is approved by vote or consent of each class  
756 or series of equity interest described in subparagraph 1. who  
757 are entitled to vote by at least two-thirds of the votes or  
758 consent of the class or series.

759       (8) "Specific public benefit" includes, but is not limited  
760 to:

761       (a) Providing low-income or underserved individuals or  
762 communities with beneficial products or services;

763       (b) Promoting economic opportunity for individuals or  
764 communities beyond the creation of jobs in the normal course of  
765 business;

766       (c) Protecting or restoring the environment;

767       (d) Improving human health;

768       (e) Promoting the arts, sciences, or advancement of  
769 knowledge;

770       (f) Increasing the flow of capital to entities that have as  
771 their stated purpose the provision of a benefit to society or  
772 the environment; and

773       (g) Any other public benefit consistent with the purposes  
774 of the benefit corporation.

775       (9) "Subsidiary" means, in relation to a person other than  
776 an individual, an entity in which a person owns beneficially or  
777 of record 50 percent or more of the outstanding equity  
778 interests.

779       (10) "Third-party standard" means a recognized standard for  
780 defining, reporting, and assessing the societal and  
781 environmental performance of a business which is:

782       (a) Comprehensive because it assesses the effect of the  
783 business and its operations upon the interests provided in s.

27-01014A-13

20131274

784 607.607(1)(a)2.-5.

785 (b) Developed by an entity that is not controlled by the  
786 benefit corporation.

787 (c) Credible because it is developed by an entity that has  
788 access to necessary expertise to assess the overall societal and  
789 environmental performance of a business and uses a balanced,  
790 collaborative approach to develop the standard, including a  
791 reasonable public comment period.

792 (d) Transparent because the following information is  
793 publicly available:

794 1. The criteria considered under the standard when  
795 measuring the overall societal and environmental performance of  
796 a business and the relative weights, if any, of those criteria.

797 2. The identity of the directors, officers, material  
798 owners, and the governing body of the entity that developed and  
799 control revisions; the process by which revisions to the  
800 standard and changes to the membership of the governing body are  
801 made; and an accounting of the revenue and sources of financial  
802 support for the entity, with sufficient detail to disclose any  
803 relationships that could reasonably be considered to present a  
804 potential conflict of interest.

805 Section 20. Section 607.603, Florida Statutes, is created  
806 to read:

807 607.603 Incorporation of benefit corporation.—A corporation  
808 to be formed as a benefit corporation shall be incorporated in  
809 accordance with this chapter. The articles of incorporation  
810 filed must state that the corporation is a benefit corporation  
811 under this part.

812 Section 21. Section 607.604, Florida Statutes, is created

27-01014A-13

20131274

813 to read:

814 607.604 Election of benefit corporation status.-

815 (1) An existing corporation may become a benefit  
816 corporation under this part by amending its articles of  
817 incorporation to contain, in addition to the requirements of s.  
818 607.0202, a statement that the corporation is a benefit  
819 corporation under this part. The amendment must be adopted by  
820 the minimum status vote.

821 (2) A plan of merger, conversion, or share exchange must be  
822 adopted by the minimum status vote if an entity that is not a  
823 benefit corporation is a party to a merger or conversion or if  
824 the exchanging entity in a share exchange and the surviving,  
825 new, or resulting entity is, or will be, a benefit corporation.

826 (3) If an entity elects to become a benefit corporation by  
827 amendment of the articles of incorporation or by a merger,  
828 conversion, or share exchange, the shareholders of the entity  
829 are entitled to appraisal rights under ss. 607.1301-607.1333 to  
830 the extent of, and in accordance with, such appraisal rights  
831 provisions.

832 Section 22. Section 607.605, Florida Statutes, is created  
833 to read:

834 607.605 Termination of benefit corporation status.-

835 (1) A benefit corporation may terminate its status as such  
836 and cease to be subject to this part by amending its articles of  
837 incorporation to delete the provision required under s. 607.603  
838 or s. 607.604. The amendment must be adopted by the minimum  
839 status vote.

840 (2) A plan of merger, conversion, or share exchange which  
841 has the effect of terminating the status of a corporation as a

27-01014A-13

20131274

842 benefit corporation must be adopted by the minimum status vote.  
843 A sale, lease, exchange, or other disposition of the assets of a  
844 benefit corporation is not effective unless the transaction is  
845 approved by the minimum status vote. However, a minimum status  
846 vote is not required if the transaction is in the usual and  
847 regular course of business or is pursuant to court order, or is  
848 a sale pursuant to which all or a substantial portion of the net  
849 proceeds of the sale will be distributed to the shareholders  
850 within 1 year after the date of the sale.

851 (3) If a corporation's status as a benefit corporation is  
852 terminated pursuant to subsections (1) or (2), shareholders of  
853 the corporation are entitled to appraisal rights under ss.  
854 607.1301-607.1333 to the extent of, and in accordance with, such  
855 appraisal rights provisions.

856 Section 23. Section 607.606, Florida Statutes, is created  
857 to read:

858 607.606 Corporate purpose.-

859 (1) A benefit corporation shall have the purpose of  
860 creating general public benefit. This purpose is in addition to  
861 its purpose under s. 607.0301.

862 (2) The articles of incorporation of a benefit corporation  
863 may identify one or more specific public benefits as its purpose  
864 in addition to its purposes under s. 607.0301 and subsection  
865 (1). The identification of a specific public benefit under this  
866 subsection does not limit the obligation of a benefit  
867 corporation under subsection (1).

868 (3) The creation of general public benefit and a specific  
869 public benefit under subsections (1) and (2) is deemed to be in  
870 the best interest of the benefit corporation.

27-01014A-13

20131274

871 (4) A benefit corporation may amend its articles of  
872 incorporation to add, amend, or delete the identification of a  
873 specific public benefit purpose; however, the amendment must be  
874 adopted by the minimum status vote.

875 (5) A professional corporation that is a benefit  
876 corporation does not violate s. 621.08 by having the purpose to  
877 create general public benefit or a specific public benefit.

878 Section 24. Section 607.607, Florida Statutes, is created  
879 to read:

880 607.607 Standard of conduct for directors.-

881 (1) In discharging their duties and in considering the best  
882 interests of the benefit corporation, the directors:

883 (a) Shall consider the effects of any action or inaction  
884 upon:

885 1. The shareholders of the benefit corporation;

886 2. The employees and work force of the benefit corporation,  
887 its subsidiaries, and its suppliers;

888 3. The interests of customers and suppliers as  
889 beneficiaries of the general public benefit and any specific  
890 public benefit purposes of the benefit corporation;

891 4. Community and societal factors, including those of each  
892 community in which offices or facilities of the benefit  
893 corporation, its subsidiaries, or its suppliers are located;

894 5. The local and global environment;

895 6. The short-term and long-term interests of the benefit  
896 corporation, including benefits that may accrue to the benefit  
897 corporation from its long-term plans and the possibility that  
898 these interests may be best served by the continued independence  
899 of the benefit corporation; and

27-01014A-13

20131274

900       7. The ability of the benefit corporation to accomplish its  
901 general public benefit purpose and each of its specific public  
902 benefit purposes, if any; and

903           (b) May consider other pertinent factors or the interests  
904 of any other group that they deem appropriate.

905           (c) Are not required to give priority to the interests of a  
906 particular person or group referred to in paragraphs (a) or (b)  
907 over the interests of any other person or group, unless the  
908 benefit corporation has stated in its articles of incorporation  
909 its intention to give priority to certain interests; and

910           (d) Are not required to give equal weight to the interests  
911 of a particular person or group referred to in paragraphs (a) or  
912 (b), unless the benefit corporation has stated in its articles  
913 of incorporation its intention to give such equal weight.

914           (2) Except as otherwise provided in the articles of  
915 incorporation, a director is not personally liable for monetary  
916 damages for the failure of the benefit corporation to pursue or  
917 create general public benefit or a specific public benefit  
918 identified in its articles of incorporation. A director is  
919 subject to the duties established in s. 607.0830.

920           (3) Except as otherwise provided in the articles of  
921 incorporation, a director does not have a duty to a person who  
922 is a beneficiary of the general public benefit purpose or any  
923 one or more specific public benefit purposes of the benefit  
924 corporation arising from the status of the person as a  
925 beneficiary.

926       Section 25. Section 607.608, Florida Statutes, is created  
927 to read:

928       607.608 Benefit director.—

27-01014A-13

20131274

929 (1) If the articles of incorporation so provide, the board  
930 of directors of a benefit corporation may include a director who  
931 is designated as the benefit director and, in addition to the  
932 powers, duties, rights, and immunities of the other directors of  
933 the benefit corporation, has the powers, duties, rights, and  
934 immunities provided in this part.

935 (2) The benefit director shall be elected, and may be  
936 removed, in the manner provided by this chapter. The benefit  
937 director shall be an individual who is independent. The benefit  
938 director may also serve as a benefit officer. The articles of  
939 incorporation or bylaws may prescribe additional qualifications  
940 of the benefit director.

941 (3) Unless the articles of incorporation or bylaws provide  
942 otherwise, the benefit director shall prepare, and the benefit  
943 corporation shall include in the annual benefit report to  
944 shareholders required by s. 607.612, the opinion of the benefit  
945 director on the following:

946 (a) Whether the benefit corporation in all material  
947 respects acted in accordance with its general public benefit  
948 purpose and any specific public benefit purpose during the  
949 period covered by the report.

950 (b) Whether the directors and officers complied with ss.  
951 607.607(1) and 607.609(1).

952 (c) If, in the opinion of the benefit director, the benefit  
953 corporation or its directors or officers failed to comply with  
954 paragraph (a) or s. 607.607(1) or s. 607.609(1), a written  
955 description of the ways in which the benefit corporation or its  
956 directors failed to comply.

957 (4) The action or inaction of an individual in his or her

27-01014A-13

20131274\_\_

958 capacity as a benefit director shall constitute for all purposes  
959 an action or inaction of that individual in his or her capacity  
960 as a director of the benefit corporation.

961 (5) The benefit director of a corporation formed under  
962 chapter 621 does not need to be independent.

963 Section 26. Section 607.609, Florida Statutes, is created  
964 to read:

965 607.609 Standard of conduct for officers.-

966 (1) If an officer of a benefit corporation reasonably  
967 believes that a matter may have a material effect on the ability  
968 of the corporation to create, or the creation by the corporation  
969 of, general public benefit or a specific public benefit  
970 identified in the articles of incorporation and the officer has  
971 discretion to act on the matter, the officer shall consider the  
972 interests and factors provided in s. 607.607(1).

973 (2) The officer's consideration of interests and factors  
974 under subsection (1) does not constitute a violation of s.  
975 607.0841.

976 (3) Except as provided in the articles of incorporation, an  
977 officer is not personally liable for monetary damages to the  
978 corporation or to any other person for the failure of the  
979 benefit corporation to pursue or create general public benefit  
980 or a specific public benefit, however, he or she is subject to  
981 s. 607.0841.

982 (4) Except as otherwise provided in the articles of  
983 incorporation, an officer does not have a duty to a person who  
984 is a beneficiary of the general public benefit purpose or any  
985 specific public benefit purpose of the benefit corporation  
986 arising from the status of the person as a beneficiary.

27-01014A-13

20131274

987 Section 27. Section 607.610, Florida Statutes, is created  
988 to read:

989 607.610 Benefit officer.—

990 (1) A benefit corporation may designate an officer as the  
991 benefit officer.

992 (2) The benefit officer has the powers and duties set forth  
993 in the bylaws or determined by the board of directors, which may  
994 include, but are not limited to:

995 (a) Powers and duties relating to the general public  
996 benefit or a specific public benefit purpose of the corporation;  
997 and

998 (b) The duty to prepare the annual benefit report required  
999 under s. 607.612.

1000 Section 28. Section 607.611, Florida Statutes, is created  
1001 to read:

1002 607.611 Right of action.—

1003 (1) (a) Except in a benefit enforcement proceeding, no  
1004 person may bring an action or assert a claim against a benefit  
1005 corporation or its directors or officers with respect to:

1006 1. A failure to pursue or create general public benefit or  
1007 a specific public benefit set forth in its articles of  
1008 incorporation; or

1009 2. A violation of an obligation, duty, or standard of  
1010 conduct under this part.

1011 (b) A benefit corporation is not liable for monetary  
1012 damages under this part for the failure of the benefit  
1013 corporation to pursue or create a general public benefit or a  
1014 specific public benefit.

1015 (2) A benefit enforcement proceeding may be commenced or

27-01014A-13

20131274

1016 maintained only:

1017 (a) Directly by the benefit corporation; or

1018 (b) Derivatively by:

1019 1. A shareholder of record on the date of the action or  
1020 inaction complained of in the benefit enforcement proceeding;

1021 2. A director;

1022 3. A person or group of persons that owns beneficially or  
1023 of record 5 percent or more of the outstanding equity interests  
1024 in an entity of which the benefit corporation is a subsidiary on  
1025 the date of the action or inaction complained of in the  
1026 proceeding; or

1027 4. Any other person who is specified in the articles of  
1028 incorporation or bylaws of the benefit corporation.

1029 Section 29. Section 607.612, Florida Statutes, is created  
1030 to read:

1031 607.612 Preparation of annual benefit report.—

1032 (1) Unless it is prepared by a benefit director or a  
1033 benefit officer, the board of directors shall prepare an annual  
1034 benefit report which includes all of the following:

1035 (a) A narrative description of:

1036 1. The ways in which the benefit corporation pursued  
1037 general public benefit during the year and the extent to which  
1038 general public benefit was created.

1039 2. Any circumstance that has hindered the pursuit or  
1040 creation of general public benefit or a specific public benefit  
1041 by the benefit corporation.

1042 3. The process and rationale for selecting or changing the  
1043 third-party standard used to prepare the benefit report.

1044 (b) The annual benefit report must be prepared in

27-01014A-13

20131274

1045 accordance with a third-party standard that is:

1046 1. Applied consistently with any previous application in  
1047 prior annual benefit reports; or

1048 2. Accompanied by an explanation of the reasons for any  
1049 inconsistent application or any change in the standard from the  
1050 immediate prior report.

1051 (c) The name of the benefit director and the benefit  
1052 officer, if those positions exist, and the respective business  
1053 addresses to which correspondence may be directed.

1054 (d) If the corporation has a benefit director, the  
1055 statement as provided in s. 607.608(3).

1056 (e) A statement of any connection between the organization  
1057 that established the third-party standard, or its directors,  
1058 officers, or any holder of 5 percent or more of the governance  
1059 interests in the organization, and the benefit corporation or  
1060 its directors, officers, or any holder of 5 percent or more of  
1061 the outstanding shares of the benefit corporation, including any  
1062 financial or governance relationship which might materially  
1063 affect the credibility of the use of the third-party standard.

1064 (2) If, during the year covered by an annual benefit  
1065 report, a benefit director resigned from, or refused to stand  
1066 for reelection to, his or her position, or was removed from his  
1067 or her position, and he or she furnished written correspondence  
1068 to the benefit corporation concerning the circumstances  
1069 surrounding his or her departure, that correspondence must be  
1070 included as an exhibit in the annual benefit report.

1071 (3) The annual benefit report or the assessment of the  
1072 performance of the benefit corporation in the annual benefit  
1073 report required under paragraph (1) (b) does not need to be

27-01014A-13

20131274

1074 audited or certified by a third-party standards provider.

1075 Section 30. Section 607.613, Florida Statutes, is created  
1076 to read:

1077 607.613 Availability of annual benefit report.-

1078 (1) Each benefit corporation shall send its annual benefit  
1079 report to each shareholder:

1080 (a) Within 120 days after the end of the fiscal year of the  
1081 benefit corporation; or

1082 (b) At the same time that the benefit corporation delivers  
1083 any other annual report to its shareholders.

1084 (2) A benefit corporation shall post each annual benefit  
1085 report on the public portion of its Internet website, if any,  
1086 and it shall remain posted for at least 3 years.

1087 (3) If a benefit corporation does not have an Internet  
1088 website, the benefit corporation shall provide a copy of its  
1089 most recent annual benefit report, without charge, to any person  
1090 who requests a copy.

1091 (4) If a benefit corporation does not comply with the  
1092 annual benefit report delivery requirement, the circuit court in  
1093 the county in which the principal office of the benefit  
1094 corporation or, if no office is located in this state, the  
1095 county in which its registered office is located, may, after a  
1096 shareholder of the benefit corporation requests a copy,  
1097 summarily order the corporation to furnish the report. If the  
1098 court orders the report to be furnished, the court may also  
1099 order the benefit corporation to pay the shareholder's costs,  
1100 including reasonable attorney fees, which were incurred in  
1101 obtaining the order and otherwise enforce its rights under this  
1102 section.

27-01014A-13

20131274\_\_

1103

Section 31. This act shall take effect July 1, 2013.