



380342

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/18/2014	.	
	.	
	.	
	.	

The Committee on Commerce and Tourism (Abruzzo) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsection (1) of section 605.0112, Florida
Statutes, is amended to read:

605.0112 Name.—

(1) The name of a limited liability company:

(a) Must contain the words "limited liability company" or
the abbreviation "L.L.C." or "LLC."



380342

11 (b) Must be distinguishable in the records of the Division
12 of Corporations of the department from the names of all other
13 entities or filings that are on file with the division, except
14 fictitious name registrations pursuant to s. 865.09, general
15 partnership registrations pursuant to s. 620.8105, and limited
16 liability partnership statements pursuant to s. 620.9001 which
17 are organized, registered, or reserved under the laws of this
18 state, which names are on file with the division; however, a
19 limited liability company may register under a name that is not
20 otherwise distinguishable on the records of the division with
21 the written consent of the owner entity if, provided the consent
22 is filed with the division at the time of registration of such
23 name. A name that is different from the name of another entity
24 or filing due to any of the following is not considered
25 distinguishable:

- 26 1. A suffix.
- 27 2. A definite or indefinite article.
- 28 3. The word "and" and the symbol "&."
- 29 4. The singular, plural, or possessive form of a word.
- 30 5. A recognized abbreviation of a root word.
- 31 6. A punctuation mark or a symbol.

32 (c) May not contain language stating or implying that the
33 limited liability company is organized for a purpose other than
34 a purpose authorized in this chapter and its articles of
35 organization. ~~and~~

36 (d) May not contain language stating or implying that the
37 limited liability company is connected with a state or federal
38 government agency or a corporation or other entity chartered
39 under the laws of the United States.



380342

40 Section 2. Sections 607.0101 through 607.193, Florida
41 Statutes, are designated as part I of chapter 607, Florida
42 Statutes, and entitled "CORPORATIONS."

43 Section 3. Section 607.0101, Florida Statutes, is amended
44 to read:

45 607.0101 Short title.—This part act shall be known and may
46 be cited as the "Florida Business Corporation Act."

47 Section 4. Section 607.0401, Florida Statutes, is amended
48 to read:

49 607.0401 Corporate name.—A corporate name:

50 (1) Must contain the word "corporation," "company," or
51 "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.," or
52 the designation "Corp," "Inc," or "Co," as will clearly indicate
53 that it is a corporation instead of a natural person,
54 partnership, or other business entity.†

55 (2) May not contain language stating or implying that the
56 corporation is organized for a purpose other than that permitted
57 in this act and its articles of incorporation.†

58 (3) May not contain language stating or implying that the
59 corporation is connected with a state or federal government
60 agency or a corporation chartered under the laws of the United
61 States.† ~~and~~

62 (4) Must be distinguishable from the names of all other
63 entities or filings that are on file with the Division of
64 Corporations, except fictitious name registrations pursuant to
65 s. 865.09, general partnership registrations pursuant to s.
66 620.8105, and limited liability partnership statements pursuant
67 to s. 620.9001 which are organized, registered, or reserved
68 under the laws of this state, which names are on file with the



380342

69 ~~Division of Corporations.~~ A name that is different from the name
70 of another entity or filing due to any of the following is not
71 considered distinguishable:

72 (a) A suffix.

73 (b) A definite or indefinite article.

74 (c) The word "and" and the symbol "&."

75 (d) The singular, plural, or possessive form of a word.

76 (e) A recognized abbreviation of a root word.

77 (f) A punctuation mark or a symbol.

78 (5) ~~The name of the corporation~~ As filed with the
79 Department of State, is shall be for public notice only and does
80 ~~shall~~ not alone create any presumption of ownership beyond that
81 which is created under the common law.

82 Section 5. Subsection (1) of section 607.1302, Florida
83 Statutes, is amended to read:

84 607.1302 Right of shareholders to appraisal.—

85 (1) A shareholder of a domestic corporation is entitled to
86 appraisal rights, and to obtain payment of the fair value of
87 that shareholder's shares, in the event of any of the following
88 corporate actions:

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



380342

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

104 (c) Consummation of a disposition of assets pursuant to s.
105 607.1202 if the shareholder is entitled to vote on the
106 disposition, including a sale in dissolution but not including a
107 sale pursuant to court order or a sale for cash pursuant to a
108 plan by which all or substantially all of the net proceeds of
109 the sale will be distributed to the shareholders within 1 year
110 after the date of sale;

111 (d) An amendment of the articles of incorporation with
112 respect to the class or series of shares which reduces the
113 number of shares of a class or series owned by the shareholder
114 to a fraction of a share if the corporation has the obligation
115 or right to repurchase the fractional share so created;

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

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



380342

127 amendment would adversely affect such shareholder by:

128 1. Altering or abolishing any preemptive rights attached to
129 any of his or her shares;

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

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

140 4. Reducing the stated redemption price of any of the
141 shareholder's redeemable shares, altering or abolishing any
142 provision relating to any sinking fund for the redemption or
143 purchase of any of his or her shares, or making any of his or
144 her shares subject to redemption when they are not otherwise
145 redeemable;

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

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

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

154 (g) An amendment of the articles of incorporation of a
155 social purpose corporation to which s. 607.504 or s. 607.505



380342

156 applies;

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

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

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

163 Section 6. Sections 607.501 through 607.513, Florida
164 Statutes, are designated as part II of chapter 607, Florida
165 Statutes, and entitled "SOCIAL PURPOSE CORPORATIONS."

166 Section 7. Section 607.501, Florida Statutes, is created to
167 read:

168 607.501 Application and effect of part.—

169 (1) This part applies to a social purpose corporation and
170 does not affect a corporation that is not a social purpose
171 corporation.

172 (2) Except as otherwise provided in this part, this chapter
173 applies generally to all social purpose corporations.

174 (3) A social purpose corporation may be simultaneously
175 subject to this part and to one or more chapters, including
176 chapter 621. In such event, this part takes precedence with
177 respect to a social purpose corporation.

178 (4) Except as authorized by this part, a provision of the
179 articles of incorporation or bylaws of a social purpose
180 corporation, or a shareholders agreement among shareholders of a
181 social purpose corporation, may not limit, be inconsistent with,
182 or supersede a provision of this part.

183 Section 8. Section 607.502, Florida Statutes, is created to
184 read:



380342

185 607.502 Definitions.—As used in this part, unless the
186 context otherwise requires, the term:

187 (1) "Benefit director" means:

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

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

193 (2) "Benefit enforcement proceeding" means a claim or
194 action for:

195 (a) The failure of a social purpose corporation to pursue
196 or create a public benefit or a specific public benefit
197 established in its articles of incorporation; or

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

200 (3) "Benefit officer" means the individual designated as
201 the benefit officer of a social purpose corporation under s.
202 607.510.

203 (4) "Independent" means not having a material relationship
204 with the social purpose corporation or a subsidiary of the
205 social purpose corporation. A person does not have a material
206 relationship solely by virtue of serving as the benefit director
207 or benefit officer of the social purpose corporation or a
208 subsidiary of the social purpose corporation. In determining
209 whether a director or officer is independent, a material
210 relationship between an individual and a social purpose
211 corporation or any of its subsidiaries will be conclusively
212 presumed to exist, at the time independence is to be determined,
213 if any of the following apply:



380342

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

217 (b) An immediate family member of the individual is or was
218 within the prior 3 years an executive officer, other than a
219 benefit officer, of the social purpose corporation or a
220 subsidiary.

221 (c) When ownership is calculated as if all outstanding
222 rights to acquire equity interests in the social purpose
223 corporation had been exercised, there is beneficial or record
224 ownership of 5 percent or more of the outstanding shares of the
225 social purpose corporation by:

226 1. The individual; or

227 2. An entity:

228 a. Of which the individual is a director, an officer, or a
229 manager; or

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

234 (5) "Minimum status vote" means:

235 (a) In the case of a corporation that is to become a social
236 purpose corporation, whether by amendment of the articles of
237 incorporation or by way of or pursuant to a merger, conversion,
238 or share exchange; a social purpose corporation whose articles
239 of incorporation are to be amended pursuant to s. 607.506(2); or
240 a social purpose corporation that is to cease being a social
241 purpose corporation, in addition to any other required approval
242 or vote, the satisfaction of the following conditions:



380342

243 1. The holders of each class or series of shares shall be
244 entitled to vote as a separate voting group on the corporate
245 action regardless of any limitation on the voting rights of any
246 class or series stated in the articles of incorporation or
247 bylaws.

248 2. The corporate action is approved by vote of each class
249 or series of shares entitled to vote by at least two-thirds of
250 the total votes of the class or series.

251 (b) In the case of a domestic entity, other than a
252 corporation, which is to be simultaneously converted to a social
253 purpose corporation or merged into a social purpose corporation,
254 in addition to any other required approval, vote, or consent,
255 the satisfaction of the following conditions:

256 1. The holders of each class or series of equity interest
257 in the entity who are entitled to receive a distribution of any
258 kind are entitled, as a separate voting group, to vote on or
259 consent to the action regardless of any applicable limitation on
260 the voting or consent rights of any class or series.

261 2. The action is approved by vote or consent of each class
262 or series of equity interest described in subparagraph 1. who
263 are entitled to vote by at least two-thirds of the votes or
264 consent of the class or series.

265 (6) "Public benefit" means a positive effect, or the
266 minimization of negative effects taken as a whole, on the
267 environment or on one or more categories of persons or entities
268 other than shareholders in their capacity as shareholders, of an
269 artistic, charitable, economic, educational, cultural, literary,
270 religious, social, ecological, or scientific nature, from the
271 business and operations of a social purpose corporation. The



380342

272 term includes, but is not limited to, the following:
273 (a) Providing low-income or underserved individuals or
274 communities with beneficial products or services.
275 (b) Promoting economic opportunity for individuals or
276 communities beyond the creation of jobs in the normal course of
277 business.
278 (c) Protecting or restoring the environment.
279 (d) Improving human health.
280 (e) Promoting the arts, sciences, or advancement of
281 knowledge.
282 (f) Increasing the flow of capital to entities that have as
283 their stated purpose the provision of a benefit to society or
284 the environment.
285 (7) "Social purpose corporation" means a corporation that
286 is formed, or has elected to become, subject to this part, the
287 status of which as a social purpose corporation has not been
288 terminated.
289 (8) "Specific public benefit" means a benefit identified as
290 a purpose of the social purpose corporation which is set forth
291 in the articles of incorporation and is consistent with a public
292 benefit.
293 (9) "Subsidiary" means, in relation to a person other than
294 an individual, an entity in which the person owns beneficially
295 or of record 50 percent or more of the outstanding equity
296 interests.
297 (10) "Third-party standard" means a recognized standard for
298 defining, reporting, and assessing the societal and
299 environmental performance of a business which is:
300 (a) Comprehensive, because it assesses the effect of the



380342

301 business and its operations upon the interests listed in s.
302 607.507(1) (a) .

303 (b) Developed by an entity that is not controlled by the
304 social purpose corporation.

305 (c) Credible, because it is developed by an entity that has
306 access to necessary expertise to assess the overall effect of
307 the business and uses a balanced, collaborative approach to
308 develop the standard, including a period for public comment.

309 (d) Transparent, because the following information is
310 publicly available:

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

315 2. The process used in the development and revision of the
316 third-party standard regarding the identity of the directors,
317 officers, material owners, and governing body of the entity that
318 developed and controls revisions to the standard; the process by
319 which revisions to the standard and changes to the membership of
320 the governing body are made; and an accounting of the revenue
321 and sources of financial support for the entity with sufficient
322 detail to disclose any relationships that could reasonably be
323 considered to present a potential conflict of interest.

324 Section 9. Section 607.503, Florida Statutes, is created to
325 read:

326 607.503 Incorporation.—To incorporate as a social purpose
327 corporation, an incorporator must satisfy the requirements of
328 this chapter, and the articles of incorporation must state that
329 the corporation is a social purpose corporation under this part.



380342

330 Section 10. Section 607.504, Florida Statutes, is created
331 to read:

332 607.504 Election of social purpose corporation status.—

333 (1) An existing corporation may become a social purpose
334 corporation under this part by amending its articles of
335 incorporation to include a statement that the corporation is a
336 social purpose corporation under this part. The amendment must
337 be adopted by the minimum status vote.

338 (2) A plan of merger, conversion, or share exchange must be
339 adopted by the minimum status vote if an entity that is not a
340 social purpose corporation is a party to the merger or
341 conversion or if the exchanging entity in a share exchange and
342 the surviving, new, or resulting entity is, or will be, a social
343 purpose corporation.

344 (3) If an entity elects to become a social purpose
345 corporation by amendment of the articles of incorporation or by
346 a merger, conversion, or share exchange, the shareholders of the
347 entity are entitled to appraisal rights under and pursuant to
348 ss. 607.1301-607.1333.

349 Section 11. Section 607.505, Florida Statutes, is created
350 to read:

351 607.505 Termination of social purpose corporation status.—

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

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



380342

359 social purpose corporation must be adopted by the minimum status
360 vote. A sale, lease, exchange, or other disposition of all or
361 substantially all of the assets of a social purpose corporation
362 is not effective unless the transaction is approved by the
363 minimum status vote. However, a minimum status vote is not
364 required if the transaction is in the usual and regular course
365 of business, is pursuant to court order, or is a sale pursuant
366 to which all or a substantial portion of the net proceeds of the
367 sale will be distributed to the shareholders within 1 year after
368 the date of the sale.

369 (3) If a corporation's status as a social purpose
370 corporation is terminated pursuant to subsection (1) or
371 subsection (2), shareholders of the corporation are entitled to
372 appraisal rights under and pursuant to ss. 607.1301-607.1333.

373 Section 12. Section 607.506, Florida Statutes, is created
374 to read:

375 607.506 Corporate purpose.-

376 (1) A social purpose corporation has the purpose of
377 creating a public benefit. This purpose is in addition to its
378 purpose under s. 607.0301.

379 (2) The articles of incorporation of a social purpose
380 corporation may identify one or more specific public benefits as
381 its purpose in addition to its purposes under s. 607.0301 and
382 subsection (1). A social purpose corporation may amend its
383 articles of incorporation to add, amend, or delete the
384 identification of a specific public benefit purpose; however,
385 the amendment must be adopted by the minimum status vote.

386 (3) The creation of a public benefit and a specific public
387 benefit under subsections (1) and (2) is deemed to be in the



380342

388 best interest of the social purpose corporation.

389 (4) A professional corporation that is a social purpose
390 corporation does not violate s. 621.08 by having as its purpose
391 the creation of a public benefit or a specific public benefit.

392 Section 13. Section 607.507, Florida Statutes, is created
393 to read:

394 607.507 Standard of conduct for directors.-

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

397 (a) Shall consider the effects of any action or inaction
398 upon:

399 1. The shareholders of the social purpose corporation; and

400 2. The ability of the social purpose corporation to
401 accomplish its public benefit or any specific public benefit
402 purpose.

403 (b) May consider the effects of any action or inaction upon
404 any of the following:

405 1. The employees and work force of the social purpose
406 corporation, its subsidiaries, and its suppliers.

407 2. The interests of customers and suppliers as
408 beneficiaries of the public benefit or specific public benefits
409 of the social purpose corporation.

410 3. Community and societal factors, including those of each
411 community in which offices or facilities of the social purpose
412 corporation, its subsidiaries, or its suppliers are located.

413 4. The local and global environment.

414 5. The short-term and long-term interests of the social
415 purpose corporation, including benefits that may accrue to the
416 social purpose corporation from its long-term plans and the



380342

417 possibility that these interests may be best served by the
418 continued independence of the social purpose corporation.

419 (c) May consider other pertinent factors or the interests
420 of any other group that they deem appropriate.

421 (d) Are not required to give priority to the interests of a
422 particular person or group referred to in paragraph (a),
423 paragraph (b), or paragraph (c) unless the social purpose
424 corporation states in its articles of incorporation its
425 intention to give such priority.

426 (e) Are not required to give equal weight to the interests
427 of any particular person or group referred to in paragraph (a),
428 paragraph (b), or paragraph (c) unless the social purpose
429 corporation has stated in its articles of incorporation its
430 intention to give such equal weight.

431 (2) Except as provided in the articles of incorporation, a
432 director is not personally liable for monetary damages to the
433 corporation, or to any other person, for the failure of the
434 social purpose corporation to pursue or create a public benefit
435 or a specific public benefit. A director is subject to the
436 duties specified in s. 607.0830.

437 (3) Except as provided in the articles of incorporation, a
438 director does not have a duty to a person who is a beneficiary
439 of the public benefit purpose or any one or more specific public
440 benefit purposes of a social purpose corporation.

441 Section 14. Section 607.508, Florida Statutes, is created
442 to read:

443 607.508 Benefit director.—

444 (1) If the articles of incorporation so provide, the board
445 of directors of a social purpose corporation may include a



380342

446 director who is designated as the benefit director and, in
447 addition to the powers, duties, rights, and immunities of the
448 other directors of the social purpose corporation, has the
449 powers, duties, rights, and immunities provided in this part.

450 (2) The benefit director shall be elected, and may be
451 removed, in the manner provided by this chapter. Except as
452 provided under subsection (5), the benefit director shall be
453 independent and may serve as a benefit officer. The articles of
454 incorporation or bylaws may prescribe additional qualifications
455 of the benefit director.

456 (3) Unless the articles of incorporation or bylaws provide
457 otherwise, the benefit director shall prepare, and the social
458 purpose corporation shall include in the annual benefit report
459 to shareholders required under s. 607.512, the opinion of the
460 benefit director on the following:

461 (a) Whether the social purpose corporation in all material
462 respects acted in accordance with its public benefit purpose and
463 any specific public benefit purpose during the period covered by
464 the report.

465 (b) Whether the directors and officers complied with ss.
466 607.507(1) and 607.509(1).

467 (c) Whether the social purpose corporation or its directors
468 or officers failed to comply with paragraph (a) or s. 607.507(1)
469 or s. 607.509(1), including a description of the ways in which
470 the social purpose corporation or its directors or officers
471 failed to comply.

472 (4) The action or inaction of an individual in his or her
473 capacity as a benefit director shall constitute for all purposes
474 an action or inaction of that individual in his or her capacity



380342

475 as a director of the social purpose corporation.

476 (5) The benefit director of a corporation formed under
477 chapter 621 is not required to be independent.

478 Section 15. Section 607.509, Florida Statutes, is created
479 to read:

480 607.509 Standard of conduct for officers.-

481 (1) If an officer of a social purpose corporation
482 reasonably believes that a matter may have a material effect on
483 the ability of the corporation to create a public benefit or a
484 specific public benefit identified in the articles of
485 incorporation and the officer has discretion to act on the
486 matter, the officer shall consider the interests and factors
487 provided in s. 607.507(1).

488 (2) The officer's consideration of interests and factors
489 under subsection (1) does not constitute a violation of s.
490 607.0841.

491 (3) Except as provided in the articles of incorporation, an
492 officer is not personally liable for monetary damages to the
493 corporation or any other person for the failure of the social
494 purpose corporation to pursue or create a public benefit or a
495 specific public benefit; however, he or she is subject to s.
496 607.0841.

497 (4) Except as provided in the articles of incorporation, an
498 officer does not have any duty to a person who is a beneficiary
499 of the public benefit purpose or any specific public benefit
500 purpose of a social purpose corporation arising from the status
501 of the person as a beneficiary.

502 Section 16. Section 607.510, Florida Statutes, is created
503 to read:



380342

504 607.510 Benefit officer.—

505 (1) A social purpose corporation may designate an officer
506 as the benefit officer.

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

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

512 (b) The duty to prepare the annual benefit report required
513 under s. 607.512.

514 Section 17. Section 607.511, Florida Statutes, is created
515 to read:

516 607.511 Right of action.—

517 (1) (a) Except in a benefit enforcement proceeding, a person
518 may not bring an action or assert a claim against a social
519 purpose corporation or its directors or officers with respect
520 to:

521 1. A failure to pursue or create a public benefit or a
522 specific public benefit set forth in its articles of
523 incorporation; or

524 2. A violation of an obligation, duty, or standard of
525 conduct under this part.

526 (b) A social purpose corporation is not liable for monetary
527 damages under this part for the failure of the social purpose
528 corporation to pursue or create a public benefit or a specific
529 public benefit.

530 (2) A benefit enforcement proceeding may be commenced or
531 maintained only:

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



380342

533 (b) Derivatively by:
534 1. A shareholder of record on the date of the action or
535 inaction complained of in the benefit enforcement proceeding;
536 2. A director;
537 3. A person or group of persons that owns beneficially or
538 of record 5 percent or more of the outstanding equity interests
539 in an entity of which the social purpose corporation is a
540 subsidiary on the date of the action or inaction complained of
541 in the benefit enforcement proceeding; or
542 4. Any other person who is specified in the articles of
543 incorporation or bylaws of the social purpose corporation.
544 Section 18. Section 607.512, Florida Statutes, is created
545 to read:
546 607.512 Preparation of annual benefit report.—
547 (1) Unless it is prepared by a benefit director or benefit
548 officer, the board of directors shall prepare an annual benefit
549 report. The annual benefit report must include all of the
550 following:
551 (a) A narrative description of:
552 1. The ways in which the social purpose corporation pursued
553 a public benefit during the year and the extent to which a
554 public benefit was created.
555 2. Any circumstance that has hindered the pursuit or
556 creation of a public benefit by the social purpose corporation.
557 3. The process and rationale for selecting or changing the
558 third-party standard used to prepare the benefit report, if the
559 articles of incorporation of the social purpose corporation
560 require, or the board of directors determines, that the annual
561 benefit report must be prepared in accordance with a third-party



380342

562 standard.

563 (b) If the articles of incorporation of the social purpose
564 corporation require, or the board of directors determines, that
565 the annual benefit report must be prepared in accordance with a
566 third-party standard, the third-party standard must be:

567 1. Applied consistently with any previous application in
568 prior annual benefit reports; or

569 2. Accompanied by an explanation of the reasons for
570 inconsistent application or any change in the standard from the
571 immediate prior report.

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

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

577 (e) If the articles of incorporation of the social purpose
578 corporation require, or the board of directors determines, that
579 the annual benefit report must be prepared in accordance with a
580 third-party standard, a statement of any connection between the
581 organization that established the third-party standard, or its
582 directors, officers, or any holder of 5 percent or more of the
583 governance interests in the organization, and the social purpose
584 corporation or its directors, officers, or any holder of 5
585 percent or more of the outstanding shares of the social purpose
586 corporation, including any financial or governance relationship
587 that might materially affect the credibility of the use of the
588 third-party standard.

589 (2) If, during the year covered by an annual benefit
590 report, a benefit director resigned from, or refused to stand



380342

591 for reelection to, his or her position, or was removed from his
592 or her position, and he or she furnished written correspondence
593 to the social purpose corporation concerning the circumstances
594 surrounding his or her departure, that correspondence must be
595 included as an exhibit in the annual benefit report.

596 (3) The annual benefit report and the assessment of the
597 performance of the social purpose corporation in the annual
598 benefit report required under paragraph (1)(b) are not required
599 to be audited or certified by a third-party standards provider.

600 Section 19. Section 607.513, Florida Statutes, is created
601 to read:

602 607.513 Availability of annual benefit report.-

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

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

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

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

612 (3) If a social purpose corporation does not have a
613 website, the corporation shall provide a copy of its most recent
614 annual benefit report, without charge, to any person who
615 requests a copy.

616 (4) If a social purpose corporation does not comply with
617 the annual benefit report delivery requirement, the circuit
618 court in the county in which the principal office of the social
619 purpose corporation is located or, if no office is located in



380342

620 this state, the county in which its registered office is
621 located, may, after a shareholder of the social purpose
622 corporation requests a copy, summarily order the corporation to
623 furnish the annual benefit report. If the court orders the
624 annual benefit report to be furnished, the court may also order
625 the social purpose corporation to pay the shareholder's costs,
626 including reasonable attorney fees, which were incurred in
627 obtaining the order and otherwise enforce his or her rights
628 under this section.

629 Section 20. Sections 607.601 through 607.613, Florida
630 Statutes, are designated as part III of chapter 607, Florida
631 Statutes, entitled "BENEFIT CORPORATIONS."

632 Section 21. Section 607.601, Florida Statutes, is created
633 to read:

634 607.601 Application and effect of part.—

635 (1) This part applies to a benefit corporation and does not
636 affect a corporation that is not a benefit corporation.

637 (2) Except as provided in this part, this chapter applies
638 generally to all benefit corporations.

639 (3) A benefit corporation may be simultaneously subject to
640 this part and to one or more chapters, including chapter 621. In
641 such event, this part takes precedence with respect to a benefit
642 corporation.

643 (4) Except as authorized by this part, a provision of the
644 articles of incorporation or bylaws of a benefit corporation, or
645 a shareholders agreement among shareholders of a benefit
646 corporation, may not limit, be inconsistent with, or supersede a
647 provision of this part.

648 Section 22. Section 607.602, Florida Statutes, is created



380342

649 to read:

650 607.602 Definitions.—As used in this part, unless the
651 context otherwise requires, the term:

652 (1) "Benefit corporation" means a corporation that is
653 formed, or has elected to become, subject to this part, the
654 status of which as a benefit corporation has not been
655 terminated.

656 (2) "Benefit director" means:

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

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

662 (3) "Benefit enforcement proceeding" means any claim or
663 action for:

664 (a) The failure of a benefit corporation to pursue or
665 create general public benefit or a specific public benefit
666 purpose set forth in its articles of incorporation; or

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

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

671 (5) "General public benefit" means a material, positive
672 effect on society and the environment, taken as a whole, as
673 assessed using a third-party standard which is attributable to
674 the business and operations of a benefit corporation.

675 (6) "Independent" means not having a material relationship
676 with the benefit corporation or a subsidiary of the benefit
677 corporation. A person does not have a material relationship



380342

678 solely by virtue of serving as the benefit director or benefit
679 officer of the benefit corporation or a subsidiary of the
680 benefit corporation. In determining whether a director or
681 officer is independent, a material relationship between an
682 individual and a benefit corporation or any of its subsidiaries
683 will be conclusively presumed to exist, at the time independence
684 is to be determined, if any of the following apply:

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

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

691 (c) When ownership is calculated as if all outstanding
692 rights to acquire equity interests in the benefit corporation
693 had been exercised, there is beneficial or record ownership of 5
694 percent or more of the outstanding shares of the benefit
695 corporation by:

696 1. The individual; or

697 2. An entity:

698 a. Of which the individual is a director, an officer, or a
699 manager; or

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

704 (7) "Minimum status vote" means:

705 (a) In the case of a corporation that is to become a
706 benefit corporation, whether by amendment of the articles of



380342

707 incorporation or by way of or pursuant to a merger, conversion,
708 or share exchange; a benefit corporation whose articles of
709 incorporation are to be amended pursuant to s. 607.606(2); or a
710 benefit corporation that is to cease being a benefit
711 corporation, in addition to any other required approval or vote,
712 the satisfaction of the following conditions:

713 1. The holders of each class or series of shares shall be
714 entitled to vote as a separate voting group on the corporate
715 action regardless of any limitation on the voting rights of any
716 class or series stated in the articles of incorporation or
717 bylaws.

718 2. The corporate action is approved by vote of each class
719 or series of shares entitled to vote by at least two-thirds of
720 the total votes of the class or series.

721 (b) In the case of a domestic entity, other than a
722 corporation, which is to be simultaneously converted to a
723 benefit corporation or merged into a benefit corporation, in
724 addition to any other required approval, vote, or consent, the
725 satisfaction of the following conditions:

726 1. The holders of each class or series of equity interest
727 in the entity who are entitled to receive a distribution of any
728 kind are entitled, as a separate voting group, to vote on or
729 consent to the action regardless of any applicable limitation on
730 the voting or consent rights of any class or series.

731 2. The action is approved by vote or consent of each class
732 or series of equity interest described in subparagraph 1. who
733 are entitled to vote by at least two-thirds of the votes or
734 consent of the class or series.

735 (8) "Specific public benefit" includes, but is not limited



380342

736 to:
737 (a) Providing low-income or underserved individuals or
738 communities with beneficial products or services;
739 (b) Promoting economic opportunity for individuals or
740 communities beyond the creation of jobs in the normal course of
741 business;
742 (c) Protecting or restoring the environment;
743 (d) Improving human health;
744 (e) Promoting the arts, sciences, or advancement of
745 knowledge;
746 (f) Increasing the flow of capital to entities that have as
747 their stated purpose the provision of a benefit to society or
748 the environment; and
749 (g) Any other public benefit consistent with the purposes
750 of the benefit corporation.
751 (9) "Subsidiary" means, in relation to a person other than
752 an individual, an entity in which a person owns beneficially or
753 of record 50 percent or more of the outstanding equity
754 interests.
755 (10) "Third-party standard" means a recognized standard for
756 defining, reporting, and assessing the societal and
757 environmental performance of a business which is:
758 (a) Comprehensive, because it assesses the effect of the
759 business and its operations upon the interests provided in s.
760 607.607(1)(a)2.-5.
761 (b) Developed by an entity that is not controlled by the
762 benefit corporation.
763 (c) Credible, because it is developed by an entity that has
764 access to necessary expertise to assess the overall societal and



380342

765 environmental performance of a business and uses a balanced,
766 collaborative approach to develop the standard, including a
767 period for public comment.

768 (d) Transparent, because the following information is
769 publicly available:

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

773 2. The identity of the directors, officers, material
774 owners, and the governing body of the entity that developed and
775 controlled revisions; the process by which revisions to the
776 standard and changes to the membership of the governing body are
777 made; and an accounting of the revenue and sources of financial
778 support for the entity, with sufficient detail to disclose any
779 relationships that could reasonably be considered to present a
780 potential conflict of interest.

781 Section 23. Section 607.603, Florida Statutes, is created
782 to read:

783 607.603 Incorporation.—To incorporate as a benefit
784 corporation, an incorporator must satisfy the requirements of
785 this chapter, and the articles of incorporation must state that
786 the corporation is a benefit corporation under this part.

787 Section 24. Section 607.604, Florida Statutes, is created
788 to read:

789 607.604 Election of benefit corporation status.—

790 (1) An existing corporation may become a benefit
791 corporation under this part by amending its articles of
792 incorporation to include a statement that the corporation is a
793 benefit corporation under this part. The amendment must be



380342

794 adopted by the minimum status vote.

795 (2) A plan of merger, conversion, or share exchange must be
796 adopted by the minimum status vote if an entity that is not a
797 benefit corporation is a party to a merger or conversion or if
798 the exchanging entity in a share exchange and the surviving,
799 new, or resulting entity is, or will be, a benefit corporation.

800 (3) If an entity elects to become a benefit corporation by
801 amendment of the articles of incorporation or by a merger,
802 conversion, or share exchange, the shareholders of the entity
803 are entitled to appraisal rights under and pursuant to ss.
804 607.1301-607.1333.

805 Section 25. Section 607.605, Florida Statutes, is created
806 to read:

807 607.605 Termination of benefit corporation status.-

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

813 (2) A plan of merger, conversion, or share exchange which
814 has the effect of terminating the status of a corporation as a
815 benefit corporation must be adopted by the minimum status vote.
816 A sale, lease, exchange, or other disposition of all or
817 substantially all of the assets of a benefit corporation is not
818 effective unless the transaction is approved by the minimum
819 status vote. However, a minimum status vote is not required if
820 the transaction is in the usual and regular course of business,
821 is pursuant to court order, or is a sale pursuant to which all
822 or a substantial portion of the net proceeds of the sale will be



380342

823 distributed to the shareholders within 1 year after the date of
824 the sale.

825 (3) If a corporation's status as a benefit corporation is
826 terminated pursuant to subsection (1) or subsection (2),
827 shareholders of the corporation are entitled to appraisal rights
828 under and pursuant to ss. 607.1301-607.1333.

829 Section 26. Section 607.606, Florida Statutes, is created
830 to read:

831 607.606 Corporate purpose.—

832 (1) A benefit corporation has the purpose of creating
833 general public benefit. This purpose is in addition to its
834 purpose under s. 607.0301.

835 (2) The articles of incorporation of a benefit corporation
836 may identify one or more specific public benefits as its purpose
837 in addition to its purposes under s. 607.0301 and subsection
838 (1). A benefit corporation may amend its articles of
839 incorporation to add, amend, or delete the identification of a
840 specific public benefit purpose; however, the amendment must be
841 adopted by the minimum status vote. The identification of a
842 specific public benefit under this subsection does not limit the
843 obligation of a benefit corporation under subsection (1).

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

847 (4) A professional corporation that is a benefit
848 corporation does not violate s. 621.08 by having as its purpose
849 the creation of general public benefit or a specific public
850 benefit.

851 Section 27. Section 607.607, Florida Statutes, is created



380342

852 to read:

853 607.607 Standard of conduct for directors.—

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

856 (a) Shall consider the effects of any action or inaction
857 upon:

858 1. The shareholders of the benefit corporation;

859 2. The employees and workforce of the benefit corporation,
860 its subsidiaries, and its suppliers;

861 3. The interests of customers and suppliers as
862 beneficiaries of the general public benefit and any specific
863 public benefit purposes of the benefit corporation;

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

867 5. The local and global environment;

868 6. The short-term and long-term interests of the benefit
869 corporation, including benefits that may accrue to the benefit
870 corporation from its long-term plans and the possibility that
871 these interests may be best served by the continued independence
872 of the benefit corporation; and

873 7. The ability of the benefit corporation to accomplish its
874 general public benefit purpose and each of its specific public
875 benefit purposes, if any.

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

878 (c) Are not required to give priority to the interests of a
879 particular person or group referred to in paragraph (a) or
880 paragraph (b) over the interests of any other person or group,



380342

881 unless the benefit corporation has stated in its articles of
882 incorporation its intention to give priority to certain
883 interests.

884 (d) Are not required to give equal weight to the interests
885 of a particular person or group referred to in paragraph (a) or
886 paragraph (b) unless the benefit corporation has stated in its
887 articles of incorporation its intention to give such equal
888 weight.

889 (2) Except as provided in the articles of incorporation, a
890 director is not personally liable for monetary damages to the
891 corporation, or to any other person, for the failure of the
892 benefit corporation to pursue or create general public benefit
893 or a specific public benefit. A director is subject to the
894 duties established in s. 607.0830.

895 (3) Except as provided in the articles of incorporation, a
896 director does not have a duty to a person who is a beneficiary
897 of the general public benefit purpose or any one or more
898 specific public benefit purposes of the benefit corporation.

899 Section 28. Section 607.608, Florida Statutes, is created
900 to read:

901 607.608 Benefit director.—

902 (1) If the articles of incorporation so provide, the board
903 of directors of a benefit corporation may include a director who
904 is designated as the benefit director and, in addition to the
905 powers, duties, rights, and immunities of the other directors of
906 the benefit corporation, has the powers, duties, rights, and
907 immunities provided in this part.

908 (2) The benefit director shall be elected, and may be
909 removed, in the manner provided by this chapter. Except as



380342

910 provided under subsection (5), the benefit director shall be
911 independent and may serve as a benefit officer. The articles of
912 incorporation or bylaws may prescribe additional qualifications
913 of the benefit director.

914 (3) Unless the articles of incorporation or bylaws provide
915 otherwise, the benefit director shall prepare, and the benefit
916 corporation shall include in the annual benefit report to
917 shareholders required under s. 607.612, the opinion of the
918 benefit director on the following:

919 (a) Whether the benefit corporation in all material
920 respects acted in accordance with its general public benefit
921 purpose and any specific public benefit purpose during the
922 period covered by the report.

923 (b) Whether the directors and officers complied with ss.
924 607.607(1) and 607.609(1).

925 (c) Whether the benefit corporation or its directors or
926 officers failed to comply with paragraph (a) or s. 607.607(1) or
927 s. 607.609(1), including a description of the ways in which the
928 benefit corporation or its directors or officers failed to
929 comply.

930 (4) The action or inaction of an individual in his or her
931 capacity as a benefit director shall constitute for all purposes
932 an action or inaction of that individual in his or her capacity
933 as a director of the benefit corporation.

934 (5) The benefit director of a corporation formed under
935 chapter 621 is not required to be independent.

936 Section 29. Section 607.609, Florida Statutes, is created
937 to read:

938 607.609 Standard of conduct for officers.-



380342

939 (1) If an officer of a benefit corporation reasonably
940 believes that a matter may have a material effect on the ability
941 of the corporation to create, or the creation by the corporation
942 of, general public benefit or a specific public benefit
943 identified in the articles of incorporation and the officer has
944 discretion to act on the matter, the officer shall consider the
945 interests and factors provided in s. 607.607(1).

946 (2) The officer's consideration of interests and factors
947 under subsection (1) does not constitute a violation of s.
948 607.0841.

949 (3) Except as provided in the articles of incorporation, an
950 officer is not personally liable for monetary damages to the
951 corporation or to any other person for the failure of the
952 benefit corporation to pursue or create general public benefit
953 or a specific public benefit; however, he or she is subject to
954 s. 607.0841.

955 (4) Except as provided in the articles of incorporation, an
956 officer does not have a duty to a person who is a beneficiary of
957 the general public benefit purpose or any specific public
958 benefit purpose of the benefit corporation arising from the
959 status of the person as a beneficiary.

960 Section 30. Section 607.610, Florida Statutes, is created
961 to read:

962 607.610 Benefit officer.—

963 (1) A benefit corporation may designate an officer as the
964 benefit officer.

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



380342

968 (a) Powers and duties relating to the general public
969 benefit or a specific public benefit purpose of the corporation;
970 and

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

973 Section 31. Section 607.611, Florida Statutes, is created
974 to read:

975 607.611 Right of action.—

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

979 1. A failure to pursue or create a general public benefit
980 or a specific public benefit set forth in its articles of
981 incorporation; or

982 2. A violation of an obligation, duty, or standard of
983 conduct under this part.

984 (b) A benefit corporation is not liable for monetary
985 damages under this part for the failure of the benefit
986 corporation to pursue or create general public benefit or a
987 specific public benefit.

988 (2) A benefit enforcement proceeding may be commenced or
989 maintained only:

990 (a) Directly by the benefit corporation; or

991 (b) Derivatively by:

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

994 2. A director;

995 3. A person or group of persons that owns beneficially or
996 of record 5 percent or more of the outstanding equity interests



380342

997 in an entity of which the benefit corporation is a subsidiary on
998 the date of the action or inaction complained of in the
999 proceeding; or

1000 4. Any other person who is specified in the articles of
1001 incorporation or bylaws of the benefit corporation.

1002 Section 32. Section 607.612, Florida Statutes, is created
1003 to read:

1004 607.612 Preparation of annual benefit report.—

1005 (1) Unless it is prepared by a benefit director or a
1006 benefit officer, the board of directors shall prepare an annual
1007 benefit report. The annual benefit report must include all of
1008 the following:

1009 (a) A narrative description of:

1010 1. The ways in which the benefit corporation pursued
1011 general public benefit during the year and the extent to which
1012 the general public benefit was created.

1013 2. Any circumstance that has hindered the pursuit or
1014 creation of general public benefit or a specific public benefit
1015 by the benefit corporation.

1016 3. The process and rationale for selecting or changing the
1017 third-party standard used to prepare the benefit report.

1018 (b) The name of the benefit director and the benefit
1019 officer, if those positions exist, and the respective business
1020 addresses to which correspondence may be directed.

1021 (c) If the corporation has a benefit director, the
1022 statement as provided in s. 607.608(3).

1023 (d) A statement of any connection between the organization
1024 that established the third-party standard, or its directors,
1025 officers, or any holder of 5 percent or more of the governance



380342

1026 interests in the organization, and the benefit corporation or
1027 its directors, officers, or any holder of 5 percent or more of
1028 the outstanding shares of the benefit corporation, including any
1029 financial or governance relationship that might materially
1030 affect the credibility of the use of the third-party standard.

1031 (2) The annual benefit report must be prepared in
1032 accordance with a third-party standard that is:

1033 1. Applied consistently with any previous application in
1034 prior annual benefit reports; or

1035 2. Accompanied by an explanation of the reasons for any
1036 inconsistent application or any change in the standard from the
1037 immediate prior report.

1038 (3) If, during the year covered by an annual benefit
1039 report, a benefit director resigned from, or refused to stand
1040 for reelection to, his or her position, or was removed from his
1041 or her position, and he or she furnished written correspondence
1042 to the benefit corporation concerning the circumstances
1043 surrounding his or her departure, that correspondence must be
1044 included as an exhibit in the annual benefit report.

1045 (4) The annual benefit report and the assessment of the
1046 performance of the benefit corporation in the annual benefit
1047 report required under subsection (2) are not required to be
1048 audited or certified by a third-party standards provider.

1049 Section 33. Section 607.613, Florida Statutes, is created
1050 to read:

1051 607.613 Availability of annual benefit report.—

1052 (1) Each benefit corporation shall send its annual benefit
1053 report to each shareholder:

1054 (a) Within 120 days after the end of the fiscal year of the



380342

1055 benefit corporation; or

1056 (b) At the same time that the benefit corporation delivers
1057 any other annual report to its shareholders.

1058 (2) A benefit corporation shall post each annual benefit
1059 report on the public portion of its website, if any, and it
1060 shall remain posted for at least 3 years.

1061 (3) If a benefit corporation does not have a website, the
1062 benefit corporation shall provide a copy of its most recent
1063 annual benefit report, without charge, to any person who
1064 requests a copy.

1065 (4) If a benefit corporation does not comply with the
1066 annual benefit report delivery requirement, the circuit court in
1067 the county in which the principal office of the benefit
1068 corporation is located or, if no office is located in this
1069 state, the county in which its registered office is located,
1070 may, after a shareholder of the benefit corporation requests a
1071 copy, summarily order the corporation to furnish the report. If
1072 the court orders the report to be furnished, the court may also
1073 order the benefit corporation to pay the shareholder's costs,
1074 including reasonable attorney fees, which were incurred in
1075 obtaining the order and otherwise enforce his or her rights
1076 under this section.

1077 Section 34. Subsection (1) of section 617.0401, Florida
1078 Statutes, is amended to read:

1079 617.0401 Corporate name.—

1080 (1) A corporate name:

1081 (a) Must contain the word "corporation" or "incorporated"
1082 or the abbreviation "Corp." ~~"corp."~~ or "Inc." ~~"inc."~~ or words or
1083 abbreviations of like import in language, as will clearly



380342

1084 indicate that it is a corporation instead of a natural person,
1085 unincorporated association, or partnership. The name of the
1086 corporation may not contain the word "company" or its
1087 abbreviation "Co." ~~"co."~~

1088 (b) May contain the word "cooperative" or "co-op" only if
1089 the resulting name is distinguishable from the name of any
1090 corporation, agricultural cooperative marketing association, or
1091 nonprofit cooperative association existing or doing business in
1092 this state under part I of chapter 607, chapter 618, or chapter
1093 619.

1094 (c) May not contain language stating or implying that the
1095 corporation is organized for a purpose other than that permitted
1096 in this act and its articles of incorporation.

1097 (d) May not contain language stating or implying that the
1098 corporation is connected with a state or federal government
1099 agency or a corporation chartered under the laws of the United
1100 States.

1101 (e) Must be distinguishable from the names of all other
1102 entities or filings that are on file with the Division of
1103 Corporations, except fictitious name registrations pursuant to
1104 s. 865.09, general partnership registrations pursuant to s.
1105 620.8105, and limited liability partnership statements pursuant
1106 to s. 620.9001 which are organized, registered, or reserved
1107 under the laws of this state, that are on file with the Division
1108 of Corporations. A name that is different from a name of another
1109 entity or filing due to any of the following is not considered
1110 distinguishable:

1111 1. A suffix.

1112 2. A definite or indefinite article.



380342

1113 3. The word "and" and the symbol "&."
1114 4. The singular, plural, or possessive form of a word.
1115 5. A recognized abbreviation of a root word.
1116 6. A punctuation mark or a symbol.
1117 Section 35. Subsection (4) of section 620.1108, Florida
1118 Statutes, is amended to read:
1119 620.1108 Name.—
1120 (4) The name of a limited partnership must be
1121 distinguishable in the records of the Department of State from
1122 the names of all other entities or filings that are on file with
1123 the Department of State, except fictitious name registrations
1124 pursuant to s. 865.09, general partnership registrations
1125 pursuant to s. 620.8105, and limited liability partnership
1126 statements pursuant to s. 620.9001 which are organized,
1127 registered, or reserved under the laws of this state, ~~the names~~
1128 ~~of which are on file with the Department of State.~~ A name that
1129 is different from the name of another entity or filing due to
1130 any of the following is not considered distinguishable:
1131 (a) A suffix.
1132 (b) A definite or indefinite article.
1133 (c) The word "and" and the symbol "&."
1134 (d) The singular, plural, or possessive form of a word.
1135 (e) A recognized abbreviation of a root word.
1136 (f) A punctuation mark or a symbol.
1137 Section 36. Subsection (1) of section 48.091, Florida
1138 Statutes, is amended to read:
1139 48.091 Corporations; designation of registered agent and
1140 registered office.—
1141 (1) Every Florida corporation and every foreign corporation



380342

1142 now qualified or hereafter qualifying to transact business in
1143 this state shall designate a registered agent and registered
1144 office in accordance with part I of chapter 607.

1145 Section 37. Paragraph (d) of subsection (6) of section
1146 215.555, Florida Statutes, is amended to read:

1147 215.555 Florida Hurricane Catastrophe Fund.—

1148 (6) REVENUE BONDS.—

1149 (d) *State Board of Administration Finance Corporation.*—

1150 1. In addition to the findings and declarations in
1151 subsection (1), the Legislature also finds and declares that:

1152 a. The public benefits corporation created under this
1153 paragraph will provide a mechanism necessary for the cost-
1154 effective and efficient issuance of bonds. This mechanism will
1155 eliminate unnecessary costs in the bond issuance process,
1156 thereby increasing the amounts available to pay reimbursement
1157 for losses to property sustained as a result of hurricane
1158 damage.

1159 b. The purpose of such bonds is to fund reimbursements
1160 through the Florida Hurricane Catastrophe Fund to pay for the
1161 costs of construction, reconstruction, repair, restoration, and
1162 other costs associated with damage to properties of
1163 policyholders of covered policies due to the occurrence of a
1164 hurricane.

1165 c. The efficacy of the financing mechanism will be enhanced
1166 by the corporation's ownership of the assessments, by the
1167 insulation of the assessments from possible bankruptcy
1168 proceedings, and by covenants of the state with the
1169 corporation's bondholders.

1170 2.a. There is created a public benefits corporation, which



380342

1171 is an instrumentality of the state, to be known as the State
1172 Board of Administration Finance Corporation.

1173 b. The corporation shall operate under a five-member board
1174 of directors consisting of the Governor or a designee, the Chief
1175 Financial Officer or a designee, the Attorney General or a
1176 designee, the director of the Division of Bond Finance of the
1177 State Board of Administration, and the Chief Operating Officer
1178 of the Florida Hurricane Catastrophe Fund.

1179 c. The corporation has all of the powers of corporations
1180 under part I of chapter 607 and under chapter 617, subject only
1181 to ~~the provisions of~~ this subsection.

1182 d. The corporation may issue bonds and engage in such other
1183 financial transactions as are necessary to provide sufficient
1184 funds to achieve the purposes of this section.

1185 e. The corporation may invest in any of the investments
1186 authorized under s. 215.47.

1187 f. There shall be no liability on the part of, and no cause
1188 of action shall arise against, any board members or employees of
1189 the corporation for any actions taken by them in the performance
1190 of their duties under this paragraph.

1191 3.a. In actions under chapter 75 to validate any bonds
1192 issued by the corporation, the notice required under ~~by~~ s. 75.06
1193 shall be published in two newspapers of general circulation in
1194 the state, and the complaint and order of the court shall be
1195 served only on the State Attorney of the Second Judicial
1196 Circuit.

1197 b. The state hereby covenants with holders of bonds of the
1198 corporation that the state will not repeal or abrogate the power
1199 of the board to direct the Office of Insurance Regulation to



380342

1200 levy the assessments and to collect the proceeds of the revenues
1201 pledged to the payment of such bonds as long as any such bonds
1202 remain outstanding unless adequate provision has been made for
1203 the payment of such bonds pursuant to the documents authorizing
1204 the issuance of such bonds.

1205 4. The bonds of the corporation are not a debt of the state
1206 or of any political subdivision, and neither the state nor any
1207 political subdivision is liable on such bonds. The corporation
1208 does not have the power to pledge the credit, the revenues, or
1209 the taxing power of the state or of any political subdivision.
1210 The credit, revenues, or taxing power of the state or of any
1211 political subdivision shall not be deemed to be pledged to the
1212 payment of any bonds of the corporation.

1213 5.a. The property, revenues, and other assets of the
1214 corporation; the transactions and operations of the corporation
1215 and the income from such transactions and operations; and all
1216 bonds issued under this paragraph and interest on such bonds are
1217 exempt from taxation by the state and any political subdivision,
1218 including the intangibles tax under chapter 199 and the income
1219 tax under chapter 220. This exemption does not apply to any tax
1220 imposed by chapter 220 on interest, income, or profits on debt
1221 obligations owned by corporations other than the State Board of
1222 Administration Finance Corporation.

1223 b. All bonds of the corporation shall be and constitute
1224 legal investments without limitation for all public bodies of
1225 this state; for all banks, trust companies, savings banks,
1226 savings associations, savings and loan associations, and
1227 investment companies; for all administrators, executors,
1228 trustees, and other fiduciaries; for all insurance companies and



380342

1229 associations and other persons carrying on an insurance
1230 business; and for all other persons who are now or may hereafter
1231 be authorized to invest in bonds or other obligations of the
1232 state and shall be and constitute eligible securities to be
1233 deposited as collateral for the security of any state, county,
1234 municipal, or other public funds. This sub-subparagraph is ~~shall~~
1235 ~~be considered as~~ additional and supplemental authority and may
1236 ~~shall~~ not be limited without specific reference to this sub-
1237 subparagraph.

1238 6. The corporation and its corporate existence continues
1239 ~~shall continue~~ until terminated by law; however, ~~no~~ such law may
1240 not shall take effect as long as the corporation has bonds
1241 outstanding unless adequate provision has been made for the
1242 payment of such bonds pursuant to the documents authorizing the
1243 issuance of such bonds. Upon termination of the existence of the
1244 corporation, all of its rights and properties in excess of its
1245 obligations shall pass to and be vested in the state.

1246 7. The State Board of Administration Finance Corporation is
1247 for all purposes the successor to the Florida Hurricane
1248 Catastrophe Fund Finance Corporation.

1249 Section 38. Subsection (1) of section 243.54, Florida
1250 Statutes, is amended to read:

1251 243.54 Powers of the authority.—The purpose of the
1252 authority is to assist institutions of higher education in
1253 constructing, financing, and refinancing projects throughout the
1254 state and, for this purpose, the authority may:

1255 (1) Exercise all powers granted to corporations under part
1256 I of the Florida Business Corporation Act, chapter 607.

1257 Section 39. Section 310.171, Florida Statutes, is amended



380342

1258 to read:

1259 310.171 Pilots may incorporate themselves.—Any one or more
1260 licensed state pilots may incorporate in the manner provided
1261 under part I of chapter 607 or chapter 621.

1262 Section 40. Section 310.181, Florida Statutes, is amended
1263 to read:

1264 310.181 Corporate powers.—All the rights, powers, and
1265 liabilities conferred or imposed by the laws of Florida relating
1266 to corporations for profit organized under part I of chapter 607
1267 or under chapter 608 before January 1, 1976, or to corporations
1268 organized under chapter 621 ~~shall~~ apply to corporations
1269 organized pursuant to s. 310.171.

1270 Section 41. Paragraph (c) of subsection (4) of section
1271 329.10, Florida Statutes, is amended to read:

1272 329.10 Aircraft registration.—

1273 (4) It is a violation of this section for any person or
1274 corporate entity to knowingly supply false information to any
1275 governmental entity in regard to ownership by it or another
1276 firm, business, or corporation of an aircraft in or operated in
1277 this state if it is determined that such corporate entity or
1278 other firm, business, or corporation:

1279 (c) Has lapsed into a state of no longer being a legal
1280 entity in this state as defined in part I of chapter 607 or s.
1281 865.09, and no documented attempt has been made to correct such
1282 information with the governmental entity for a period of 90 days
1283 after the date on which such lapse took effect with the
1284 Secretary of State.

1285 Section 42. Subsection (1) of section 339.412, Florida
1286 Statutes, is amended to read:



380342

1287 339.412 Powers of corporation.—As to designated projects
1288 and in addition to other powers prescribed by law, a corporation
1289 may exercise the following powers with respect to the promotion
1290 and development of transportation facilities, pursuant to a
1291 written contract for the same, together with all powers
1292 incidental thereto or necessary for the performance of those
1293 hereinafter stated:

1294 (1) The corporation may exercise all the powers as granted
1295 by the department to work directly with landowners, local and
1296 state governmental agencies, elected officials, and any other
1297 person to support those activities required to promote and
1298 develop the projects. These activities shall include:

1299 (a) Acquiring, holding, investing, and administering
1300 property and transferring title of such property to the
1301 department for development of projects on behalf of the
1302 department;

1303 (b) Performing preliminary and final alignment studies in a
1304 manner consistent with state and federal laws;

1305 (c) Receiving contributions of land for rights-of-way and
1306 cash donations to be applied to the purchase of rights-of-way
1307 not donated or to be applied to the design or construction of
1308 the projects;

1309 (d) Reviewing candidates for advisory directorships and
1310 adding or removing such advisory directors as may be
1311 appropriate;

1312 (e) Retaining such administrative staff and legal, public
1313 relations, and engineering services as may be required for the
1314 development of the projects and paying such employees and
1315 consultants from funds donated for this purpose;



380342

1316 (f) Preparing such exhibits, right-of-way documents,
1317 environmental reports, schematics, and preliminary and final
1318 engineering plans as are necessary for the development of the
1319 projects;

1320 (g) Borrowing money to meet any expenses or needs
1321 associated with the regular operations of the corporation or a
1322 particular project; provided, however, that no corporation shall
1323 have the power to issue bonds, the provisions of part I of
1324 chapter ~~chapters~~ 607 and chapter 617 notwithstanding;

1325 (h) Making official presentations to the state and other
1326 affected agencies or groups concerning the development of the
1327 projects;

1328 (i) Issuing press releases and other material to promote
1329 the activities of the projects; and

1330 (j) Performing any other functions requested by the
1331 department in order to promote and develop the projects.

1332

1333 Nothing in this act empowers the corporation to enter into any
1334 contracts for construction or to undertake any construction, on
1335 behalf of the department.

1336 Section 43. Subsection (4) of section 420.101, Florida
1337 Statutes, is amended to read:

1338 420.101 Housing Development Corporation of Florida;
1339 creation, membership, and purposes.—

1340 (4) Whenever the articles of incorporation have been filed
1341 in the Department of State and approved by it and all filing
1342 fees and taxes prescribed by part I of chapter 607 have been
1343 paid, the subscribers and their successors and assigns shall
1344 constitute a corporation, and the corporation shall then be



380342

1345 authorized to commence business, and stock thereof to the extent
1346 herein or hereafter duly authorized may from time to time be
1347 issued.

1348 Section 44. Section 420.111, Florida Statutes, is amended
1349 to read:

1350 420.111 Housing Development Corporation of Florida;
1351 additional powers.—In furtherance of its purposes and in
1352 addition to the powers now or hereafter conferred on business
1353 corporations by part I of chapter 607, the corporation shall,
1354 subject to the restrictions and limitations ~~herein~~ contained in
1355 this section, have the following powers:

1356 (1) To elect, appoint, and employ officers, agents and
1357 employees and to make contracts and incur liabilities for any of
1358 the purposes of the corporation, except that the corporation may
1359 ~~shall~~ not incur any secondary liability by way of guaranty or
1360 endorsement of the obligations of any person, firm, corporation,
1361 joint-stock company, association, or trust, or in any other
1362 manner.

1363 (2) To borrow money from its stockholders, other financial
1364 institutions, and state and federal agencies for any of the
1365 purposes of the corporation; to issue therefor its bonds,
1366 debentures, notes, or other evidences of indebtedness, whether
1367 secured or unsecured, and to secure the same by mortgage,
1368 pledge, deed of trust, or other lien on its property,
1369 franchises, rights, and privileges of every kind and nature, or
1370 any part thereof or interest therein, without securing
1371 stockholder approval.

1372 (3) To make loans to any person, firm, corporation, joint-
1373 stock company, association, or trust and to regulate the terms



380342

1374 and conditions with respect to any such loans and the charges
1375 for interest and service connected therewith, provided subsidies
1376 may be in the form of below market interest rates or such other
1377 assistance as determined by the board with the concurrence of
1378 the applicable regulatory agencies governing the several
1379 stockholder industries.

1380 (4) To purchase, receive, hold, lease, or otherwise
1381 acquire, and to sell, convey, transfer, lease, or otherwise
1382 dispose of, real and personal property, together with such
1383 rights and privileges as may be incidental and appurtenant
1384 thereto and the use thereof, including, but not restricted to,
1385 any real or personal property acquired by the corporation from
1386 time to time in the satisfaction of debts or enforcement of
1387 obligations.

1388 (5) For the purposes of foreclosure, to acquire the good
1389 will, business, rights, real and personal property, and other
1390 assets, or any part thereof, or interest therein, of any
1391 persons, firms, corporations, joint-stock companies,
1392 associations or trusts, and to assume, undertake, or pay the
1393 obligations, debts and liabilities of any such person, firm,
1394 corporation, joint-stock company, association or trust; to
1395 acquire improved or unimproved real estate for the purpose of
1396 constructing new housing or rehabilitation thereof; for the
1397 purposes of disposing of such real estate to others for the
1398 construction of housing or rehabilitation thereof; and to
1399 acquire, construct or reconstruct, alter, repair, maintain,
1400 operate, sell, convey, transfer, lease, or otherwise dispose of
1401 such housing, provided, however that nothing herein contained
1402 shall authorize the acquisition, construction, reconstruction,



380342

1403 or operation of any public lodging establishment as defined in
1404 chapter 509.

1405 (6) To acquire, subscribe for, own, hold, sell, assign,
1406 transfer, mortgage, pledge, or otherwise dispose of the stock,
1407 shares, bonds, debentures, notes, or other securities and
1408 evidences of interest in, or indebtedness of, any person, firm,
1409 corporation, joint-stock company, association, or trust, and,
1410 while the owner or holder thereof, to exercise all the rights,
1411 powers, and privileges of ownership, including the right to vote
1412 thereon.

1413 (7) To mortgage, pledge, or otherwise encumber any
1414 property, right, or thing of value, acquired pursuant to the
1415 powers contained in subsection (4), subsection (5), or
1416 subsection (6), as security for the payment of any part of the
1417 purchase price thereof.

1418 (8) To cooperate with, and avail itself of the facilities
1419 of, the United States Department of Housing and Urban
1420 Development, the Department of Economic Opportunity, and any
1421 other similar local, state, or Federal Government agency; and to
1422 cooperate with and assist, and otherwise encourage,
1423 organizations in the various communities of the state on the
1424 promotion, assistance, and development of the housing and
1425 economic welfare of such communities or of this state or any
1426 part thereof.

1427 (9) To do all acts and things necessary or convenient to
1428 carry out the powers expressly granted in this part.

1429 Section 45. Subsection (2) of section 420.161, Florida
1430 Statutes, is amended to read:

1431 420.161 Housing Development Corporation of Florida; period



380342

1432 of existence; method of dissolution.-

1433 (2) The corporation may, upon the affirmative vote of two-
1434 thirds of the votes to which the stockholders are ~~shall be~~
1435 entitled, dissolve the said corporation as provided under part I
1436 of ~~by~~ chapter 607, as long as that part does insofar as chapter
1437 ~~607 is not in~~ conflict with ~~the provisions of~~ this act. Upon any
1438 dissolution of the corporation, ~~none of~~ the corporation's assets
1439 may not shall be distributed to the stockholders until all sums
1440 due the members of the corporation as creditors thereof have
1441 been paid in full.

1442 Section 46. Subsection (9) of section 440.02, Florida
1443 Statutes, is amended to read:

1444 440.02 Definitions.—When used in this chapter, unless the
1445 context clearly requires otherwise, the following terms shall
1446 have the following meanings:

1447 (9) "Corporate officer" or "officer of a corporation" means
1448 any person who fills an office provided for in the corporate
1449 charter or articles of incorporation filed with the Division of
1450 Corporations of the Department of State or as authorized
1451 ~~permitted~~ or required under part I of ~~by~~ chapter 607. The term
1452 "officer of a corporation" includes a member owning at least 10
1453 percent of a limited liability company created and approved
1454 under chapter 608.

1455 Section 47. Paragraph (d) of subsection (10) of section
1456 440.386, Florida Statutes, is amended to read:

1457 440.386 Individual self-insurers' insolvency; conservation;
1458 liquidation.—

1459 (10) TRANSFERS PRIOR TO PETITION.—

1460 (d) The personal liability of the officers or directors of



380342

1461 an insolvent individual self-insurer is ~~shall be~~ subject to part
1462 I of the provisions of chapter 607 and the penalties provided
1463 therein.

1464 Section 48. Subsection (3) of section 609.08, Florida
1465 Statutes, is amended to read:

1466 609.08 Merger of association into wholly owned subsidiary
1467 corporation; dissenters' rights of appraisal.-

1468 (3) If the surviving corporation is to be governed by the
1469 laws of any jurisdiction other than this state, it shall comply
1470 with part I of the provisions of chapter 607 with respect to
1471 foreign corporations if it is to transact business in this
1472 state, and in every case it shall file with the Department of
1473 State of this state:

1474 (a) An agreement that it may be served with process in this
1475 state in any proceeding for the enforcement of any obligation of
1476 the association and in any proceeding for the enforcement of any
1477 rights under the declaration of trust of the association of a
1478 dissenting shareholder of the association against the surviving
1479 corporation.

1480 (b) An irrevocable appointment of the Secretary of State as
1481 its agent to accept service of process in any such proceeding.

1482 (c) An agreement that it will promptly pay to the
1483 dissenting shareholders of the association the amount, if any,
1484 to which they are ~~shall be~~ entitled under ~~the provisions of~~ its
1485 declaration of trust with respect to the rights of dissenting
1486 shareholders.

1487 Section 49. Section 617.1908, Florida Statutes, is amended
1488 to read:

1489 617.1908 Applicability of Florida Business Corporation



380342

1490 Act.—Except as ~~otherwise~~ made applicable by specific reference
1491 in any other section of this chapter, part I ~~the provisions~~ of
1492 chapter 607, the Florida Business Corporation Act, does ~~shall~~
1493 not apply to any corporations not for profit.

1494 Section 50. Section 618.221, Florida Statutes, is amended
1495 to read:

1496 618.221 Conversion into a corporation for profit.—Any
1497 association incorporated under or that has adopted the
1498 provisions of this chapter, may, by a majority vote of its
1499 stockholders or members be brought under part I of the
1500 ~~provisions of~~ chapter 607, as a corporation for profit by
1501 surrendering all right to carry on its business under this
1502 chapter, and the privileges and immunities incident thereto. It
1503 shall make out in duplicate a statement signed and sworn to by
1504 its directors to the effect that the association has, by a
1505 majority vote of its stockholders or members, decided to
1506 surrender all rights, powers, and privileges as a nonprofit
1507 cooperative marketing association under this chapter and to do
1508 business under and be bound by part I of the provisions of said
1509 chapter 607, as a corporation for profit and has authorized all
1510 changes accordingly. Articles of incorporation shall be
1511 delivered to the Department of State for filing as required
1512 under part I of chapter 607 ~~in and by s. 607.164~~, except that
1513 they shall be signed by the members of the then board of
1514 directors. The filing fees and taxes shall be as provided under
1515 part I of ~~in~~ chapter 607. Such articles of incorporation shall
1516 adequately protect and preserve the relative rights of the
1517 stockholders or members of the association so converting into a
1518 corporation for profit; provided that no rights or obligations



380342

1519 due any stockholder or member of such association or any other
1520 person, firm, or corporation which has not been waived or
1521 satisfied shall be impaired by such conversion into a
1522 corporation for profit as herein authorized.

1523 Section 51. Section 619.04, Florida Statutes, is amended to
1524 read:

1525 619.04 Articles of incorporation.—Each association formed
1526 under this chapter must prepare and file articles of
1527 incorporation in the same manner and under the same regulations
1528 as required under part I of chapter 607, and therein shall set
1529 forth:

1530 (1) The name of the association.

1531 (2) The purpose for which it is formed.

1532 (3) The place where its principal business will be
1533 transacted.

1534 (4) The term for which it is to exist, not exceeding 50
1535 years.

1536 (5) The number of directors thereof, which must not be less
1537 than three and which may be any number in excess thereof, and
1538 the names and residences of those selected for the first year
1539 and until their successors shall have been elected and shall
1540 have accepted office.

1541 (6) Whether the voting power and the property rights and
1542 interest of each member shall be equal, or unequal, and if
1543 unequal these articles shall set forth a general rule applicable
1544 to all members by which the voting power and the property rights
1545 and interests, respectively, of each member may and shall be
1546 determined and fixed, but the association shall have power to
1547 admit new members, who shall be entitled to vote and to share in



380342

1548 the property of the association with the old members, in
1549 accordance with such general rule. This provision of the
1550 articles of incorporation may ~~shall~~ not be altered, amended, or
1551 repealed except by the unanimous written consent or the vote of
1552 all the members.

1553 (7) Said articles must be subscribed by the original
1554 members and acknowledged by one of them before an officer
1555 authorized by the law of this state to take and certify
1556 acknowledgments of deeds of conveyance, and shall be filed in
1557 accordance with the provisions of law, and when so filed the
1558 said articles of incorporation or certified copies thereof shall
1559 be received in all the courts of this state and other places as
1560 prima facie evidence of the facts contained therein.

1561 Section 52. Subsection (3) of section 624.430, Florida
1562 Statutes, is amended to read:

1563 624.430 Withdrawal of insurer or discontinuance of writing
1564 certain kinds or lines of insurance.—

1565 (3) Upon office approval of the surrender of the
1566 certificate of authority of a domestic property and casualty
1567 insurer that is a corporation, the insurer may initiate the
1568 dissolution of the corporation in accordance with the applicable
1569 provisions of part I of chapter 607.

1570 Section 53. Subsection (1) of section 624.462, Florida
1571 Statutes, is amended to read:

1572 624.462 Commercial self-insurance funds.—

1573 (1) Any group of persons may form a commercial self-
1574 insurance fund for the purpose of pooling and spreading
1575 liabilities of its group members in any commercial property or
1576 casualty risk or surety insurance. Any fund established pursuant



380342

1577 to subparagraph (2)(a)1. may be organized as a corporation under
1578 part I of chapter 607.

1579 Section 54. Subsection (3) of section 624.489, Florida
1580 Statutes, is amended to read:

1581 624.489 Liability of trustees of self-insurance trust fund
1582 and directors of self-insurance funds operating as
1583 corporations.—

1584 (3) The immunities from liability provided in this section
1585 with respect to trustees also apply to members of the board of
1586 directors of a commercial self-insurance fund organized as a
1587 corporation under part I of chapter 607 if the board of
1588 directors has contracted with an administrator authorized under
1589 s. 626.88 to administer the day-to-day affairs of the fund.

1590 Section 55. Section 628.041, Florida Statutes, is amended
1591 to read:

1592 628.041 Applicability of general corporation statutes.—The
1593 applicable statutes of this state relating to the powers and
1594 procedures of domestic private corporations formed for profit
1595 shall apply to domestic stock insurers and to domestic mutual
1596 insurers, except:

1597 (1) As to any domestic mutual insurers incorporated
1598 pursuant to chapter 617, which chapter shall govern such
1599 insurers when in conflict with part I of chapter 607; and

1600 (2) When in conflict with the express provisions of this
1601 code.

1602 Section 56. Subsection (4) of section 631.262, Florida
1603 Statutes, is amended to read:

1604 631.262 Transfers prior to petition.—

1605 (4) The personal liability of the officers or directors of



380342

1606 an insolvent insurer is ~~shall be~~ subject to part I of the
1607 ~~provisions of~~ chapter 607 and the penalties provided therein.

1608 Section 57. Subsection (1) of section 636.204, Florida
1609 Statutes, is amended to read:

1610 636.204 License required.—

1611 (1) Before doing business in this state as a discount
1612 medical plan organization, an entity must be a corporation, a
1613 limited liability company, or a limited partnership,
1614 incorporated, organized, formed, or registered under the laws of
1615 this state or authorized to transact business in this state in
1616 accordance with part I of chapter 607, chapter 608, chapter 617,
1617 chapter 620, or chapter 865, and must be licensed by the office
1618 as a discount medical plan organization or be licensed by the
1619 office pursuant to chapter 624, part I of this chapter, or
1620 chapter 641.

1621 Section 58. Section 641.2015, Florida Statutes, is amended
1622 to read:

1623 641.2015 Incorporation required.—On or after October 1,
1624 1985, any entity that has not yet obtained a certificate of
1625 authority to operate a health maintenance organization in this
1626 state shall be incorporated or shall be a division of a
1627 corporation formed under the provisions of either part I of
1628 chapter 607 or chapter 617 or shall be a public entity that is
1629 organized as a political subdivision. In the case of a division
1630 of a corporation, the financial requirements of this part shall
1631 apply to the entire corporation. Incorporation shall not be
1632 required of any entity which has already been issued an initial
1633 certificate of authority prior to this date and which is not a
1634 corporation on October 1, 1985, or which is incorporated in any



380342

1635 other state on October 1, 1985; nor shall incorporation be
1636 required on renewal of any certificate of authority by such an
1637 organization or be required of a public entity that is organized
1638 as a political subdivision.

1639 Section 59. Subsection (1) of section 655.0201, Florida
1640 Statutes, is amended to read:

1641 655.0201 Service of process, notice, or demand on financial
1642 institutions.—

1643 (1) Process against any financial institution authorized by
1644 federal or state law to transact business in this state may be
1645 served in accordance with chapter 48, chapter 49, part I of
1646 chapter 607, or chapter 608, as appropriate.

1647 Section 60. Subsection (2) of section 658.23, Florida
1648 Statutes, is amended to read:

1649 658.23 Submission of articles of incorporation; contents;
1650 form; approval; filing; commencement of corporate existence;
1651 bylaws.—

1652 (2) The articles of incorporation shall contain:

1653 (a) The name of the proposed bank or trust company.

1654 (b) The general nature of the business to be transacted or
1655 a statement that the corporation may engage in any activity or
1656 business permitted by law. Such statement shall authorize all
1657 such activities and business by the corporation.

1658 (c) The amount of capital stock authorized, showing the
1659 maximum number of shares of par value common stock and of
1660 preferred stock, and of every kind, class, or series of each,
1661 together with the distinguishing characteristics and the par
1662 value of all shares.

1663 (d) The amount of capital with which the corporation will



380342

1664 begin business, which may ~~shall~~ not be less than the amount
1665 required by the office pursuant to s. 658.21.

1666 (e) A provision that the corporation is to have perpetual
1667 existence unless existence is terminated pursuant to the
1668 financial institutions codes.

1669 (f) The initial street address of the main office of the
1670 corporation, which shall be in this state.

1671 (g) The number of directors, which shall be five or more,
1672 and the names and street addresses of the members of the initial
1673 board of directors.

1674 (h) A provision for preemptive rights, if applicable.

1675 (i) A provision authorizing the board of directors to
1676 appoint additional directors, pursuant to s. 658.33, if
1677 applicable.

1678
1679 The office shall provide to the proposed directors form articles
1680 of incorporation which must ~~shall~~ include only those provisions
1681 required under ~~by~~ this section or under part I of ~~by~~ chapter
1682 607. The form articles shall be acknowledged by the proposed
1683 directors and returned to the office for filing with the
1684 Department of State.

1685 Section 61. Paragraph (c) of subsection (11) of section
1686 658.2953, Florida Statutes, is amended to read:

1687 658.2953 Interstate branching.—

1688 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

1689 (c) An out-of-state bank may establish and maintain a de
1690 novo branch or acquire a branch in this state upon compliance
1691 with part I of chapter 607 or chapter 608 relating to doing
1692 business in this state as a foreign business entity, including



380342

1693 maintaining a registered agent for service of process and other
1694 legal notice pursuant to s. 655.0201.

1695 Section 62. Section 658.30, Florida Statutes, is amended to
1696 read:

1697 658.30 Application of the Florida Business Corporation
1698 Act.—

1699 (1) When not in direct conflict with or superseded by
1700 specific provisions of the financial institutions codes, the
1701 provisions of the Florida Business Corporation Act, part I of
1702 chapter 607, ~~shall~~ extend to state banks and trust companies
1703 formed under the financial institutions codes. This section
1704 shall be liberally construed to accomplish the purposes stated
1705 herein.

1706 (2) Without limiting the generality of subsection (1),
1707 stockholders, directors, and committees of state banks and trust
1708 companies may hold meetings in any manner authorized ~~permitted~~
1709 by part I of chapter 607, and any action by stockholders,
1710 directors, or committees required or authorized ~~permitted~~ to be
1711 taken at a meeting may be taken without a meeting in any manner
1712 authorized ~~provided or permitted~~ by part I of chapter 607.

1713 Section 63. Subsection (3) of section 658.36, Florida
1714 Statutes, is amended to read:

1715 658.36 Changes in capital.—

1716 (3) If a bank or trust company's capital accounts have been
1717 diminished by losses to less than the minimum required pursuant
1718 to the financial institutions codes, the market value of its
1719 shares of capital stock is less than the present par value, and
1720 the bank or trust company cannot reasonably issue and sell new
1721 shares of stock to restore its capital accounts at a share price



380342

1722 of par value or greater of the previously issued capital stock,
1723 the office, notwithstanding any other provisions of part I of
1724 chapter 607 or the financial institutions codes, may approve
1725 special stock offering plans.

1726 (a) Such plans may include, but are not limited to,
1727 mechanisms for stock splits including reverse splits;
1728 revaluations of par value of outstanding stock; changes in
1729 voting rights, dividends, or other preferences; and creation of
1730 new classes of stock.

1731 (b) The plan must be approved by majority vote of the bank
1732 or trust company's entire board of directors and by holders of
1733 two-thirds of the outstanding shares of stock.

1734 (c) The office shall disapprove a plan that provides unfair
1735 or disproportionate benefits to existing shareholders,
1736 directors, executive officers, or their related interests. The
1737 office shall also disapprove any plan that is not likely to
1738 restore the capital accounts to sufficient levels to achieve a
1739 sustainable, safe, and sound financial institution.

1740 (d) For any bank or trust company that the office
1741 determines to be a failing financial institution pursuant to s.
1742 655.4185, the office may approve special stock offering plans
1743 without a vote of the shareholders.

1744 Section 64. Section 663.03, Florida Statutes, is amended to
1745 read:

1746 663.03 Applicability of the Florida Business Corporation
1747 Act chapter 607.—Notwithstanding s. 607.01401(12) ~~the definition~~
1748 ~~of the term "foreign corporation" appearing in s. 607.01401,~~ all
1749 ~~of~~ the provisions of part I of chapter 607 not in conflict with
1750 the financial institutions codes which relate to foreign



380342

1751 corporations ~~shall~~ apply to all international banking
1752 corporations and their offices doing business in this state.

1753 Section 65. Subsection (3) of section 663.04, Florida
1754 Statutes, is amended to read:

1755 663.04 Requirements for carrying on financial institution
1756 business.—An international banking corporation or trust company,
1757 or any affiliate, subsidiary, or other person or business entity
1758 acting as an agent for, on behalf of, or for the benefit of such
1759 international banking corporation or trust company who engages
1760 in such activities from an office located in this state, may not
1761 transact a banking or trust business, or maintain in this state
1762 any office for carrying on such business, or any part thereof,
1763 unless such corporation, trust company, affiliate, subsidiary,
1764 person, or business entity:

1765 (3) Has filed with the office a certified copy of that
1766 information required to be supplied to the Department of State
1767 by those provisions of part I of chapter 607 which are
1768 applicable to foreign corporations.

1769 Section 66. Paragraph (a) of subsection (1) of section
1770 663.301, Florida Statutes, is amended to read:

1771 663.301 Definitions.—

1772 (1) As used in this part:

1773 (a) "International development bank" means a corporation
1774 established for the purpose of promoting development in foreign
1775 countries by directly or indirectly making funding available to
1776 foreign business enterprises or foreign governments or by
1777 providing financing in connection with import-export
1778 transactions. Subject to the limitations contained in s.
1779 663.313, an international development bank may be organized



380342

1780 ~~either~~ under chapter 617 as a corporation not for profit or
1781 under part I of chapter 607 as a corporation for profit.

1782 Section 67. Subsection (2) of section 663.306, Florida
1783 Statutes, is amended to read:

1784 663.306 Decision by office.—The office may, in its
1785 discretion, approve or disapprove the application, but it shall
1786 not approve the application unless it finds that:

1787 (2) The proposed capital structure is adequate, but in no
1788 case may the paid-in capital stock be:

1789 (a) Less than \$400,000 in the case of an international
1790 development bank organized under chapter 617 as a corporation
1791 not for profit; or

1792 (b) The amount required for a state bank in the case of an
1793 international development bank organized under part I of chapter
1794 607 as a corporation for profit.

1795
1796 The office may disallow any illegally obtained currency,
1797 monetary instruments, funds, or other financial resources from
1798 the capitalization requirements of this section.

1799 Section 68. Subsection (4) of section 663.313, Florida
1800 Statutes, is amended to read:

1801 663.313 Ownership of stock.—

1802 (4) All of the shares of voting stock of an international
1803 development bank organized under part I of chapter 607 as a
1804 corporation for profit shall be owned by a regional development
1805 bank or by one or more wholly owned subsidiaries of a regional
1806 development bank.

1807 Section 69. Subsection (2) of section 718.111, Florida
1808 Statutes, is amended to read:



380342

1809 718.111 The association.—

1810 (2) POWERS AND DUTIES.—The powers and duties of the
1811 association include those set forth in this section and, except
1812 as expressly limited or restricted in this chapter, those set
1813 forth in the declaration and bylaws and part I of chapter
1814 ~~chapters~~ 607 and chapter 617, as applicable.

1815 Section 70. Subsection (10) of section 719.104, Florida
1816 Statutes, is amended to read:

1817 719.104 Cooperatives; access to units; records; financial
1818 reports; assessments; purchase of leases.—

1819 (10) POWERS AND DUTIES.—The powers and duties of the
1820 association include those set forth in this section and, except
1821 as expressly limited or restricted in this chapter, those set
1822 forth in the articles of incorporation and bylaws and part I of
1823 chapter ~~chapters~~ 607 and chapter 617, as applicable.

1824 Section 71. Subsection (5) of section 720.302, Florida
1825 Statutes, is amended to read:

1826 720.302 Purposes, scope, and application.—

1827 (5) Unless expressly stated to the contrary, corporations
1828 that operate residential homeowners' associations in this state
1829 shall be governed by and subject to part I of chapter 607, if
1830 the association was incorporated under that part ~~chapter~~, or to
1831 chapter 617, if the association was incorporated under that
1832 chapter, and this chapter. This subsection is intended to
1833 clarify existing law.

1834 Section 72. Paragraph (c) of subsection (1) of section
1835 720.306, Florida Statutes, is amended to read:

1836 720.306 Meetings of members; voting and election
1837 procedures; amendments.—



380342

1838 (1) QUORUM; AMENDMENTS.—

1839 (c) Unless otherwise provided in the governing documents as
1840 originally recorded or permitted by this chapter or chapter 617,
1841 an amendment may not materially and adversely alter the
1842 proportionate voting interest appurtenant to a parcel or
1843 increase the proportion or percentage by which a parcel shares
1844 in the common expenses of the association unless the record
1845 parcel owner and all record owners of liens on the parcels join
1846 in the execution of the amendment. For purposes of this section,
1847 a change in quorum requirements is not an alteration of voting
1848 interests. The merger or consolidation of one or more
1849 associations under a plan of merger or consolidation under part
1850 I of chapter 607 or chapter 617 is shall not be considered a
1851 material or adverse alteration of the proportionate voting
1852 interest appurtenant to a parcel.

1853 Section 73. Paragraph (a) of subsection (1) of section
1854 766.101, Florida Statutes, is amended to read:

1855 766.101 Medical review committee, immunity from liability.—

1856 (1) As used in this section:

1857 (a) The term “medical review committee” or “committee”
1858 means:

1859 1.a. A committee of a hospital or ambulatory surgical
1860 center licensed under chapter 395 or a health maintenance
1861 organization certificated under part I of chapter 641;IT

1862 b. A committee of a physician-hospital organization, a
1863 provider-sponsored organization, or an integrated delivery
1864 system;IT

1865 c. A committee of a state or local professional society of
1866 health care providers;IT



380342

1867 d. A committee of a medical staff of a licensed hospital or
1868 nursing home, provided the medical staff operates pursuant to
1869 written bylaws that have been approved by the governing board of
1870 the hospital or nursing home;IT

1871 e. A committee of the Department of Corrections or the
1872 Correctional Medical Authority as created under s. 945.602, or
1873 employees, agents, or consultants of either the department or
1874 the authority or both;IT

1875 f. A committee of a professional service corporation formed
1876 under chapter 621 or a corporation organized under part I of
1877 chapter 607 or chapter 617, which is formed and operated for the
1878 practice of medicine as defined in s. 458.305(3), and which has
1879 at least 25 health care providers who routinely provide health
1880 care services directly to patients;IT

1881 g. A committee of the Department of Children and Families
1882 ~~Family Services~~ which includes employees, agents, or consultants
1883 to the department as deemed necessary to provide peer review,
1884 utilization review, and mortality review of treatment services
1885 provided pursuant to chapters 394, 397, and 916;IT

1886 h. A committee of a mental health treatment facility
1887 licensed under chapter 394 or a community mental health center
1888 as defined in s. 394.907, provided the quality assurance program
1889 operates pursuant to the guidelines that ~~which~~ have been
1890 approved by the governing board of the agency;IT

1891 i. A committee of a substance abuse treatment and education
1892 prevention program licensed under chapter 397 provided the
1893 quality assurance program operates pursuant to the guidelines
1894 that ~~which~~ have been approved by the governing board of the
1895 agency;IT



380342

1896 j. A peer review or utilization review committee organized
1897 under chapter 440;~~τ~~

1898 k. A committee of the Department of Health, a county health
1899 department, healthy start coalition, or certified rural health
1900 network, when reviewing quality of care, or employees of these
1901 entities when reviewing mortality records;~~τ~~ or

1902 1. A continuous quality improvement committee of a pharmacy
1903 licensed pursuant to chapter 465,

1904
1905 which committee is formed to evaluate and improve the quality of
1906 health care rendered by providers of health service, to
1907 determine that health services rendered were professionally
1908 indicated or were performed in compliance with the applicable
1909 standard of care, or that the cost of health care rendered was
1910 considered reasonable by the providers of professional health
1911 services in the area; or

1912 2. A committee of an insurer, self-insurer, or joint
1913 underwriting association of medical malpractice insurance, or
1914 other persons conducting review under s. 766.106.

1915 Section 74. Subsection (14) of section 865.09, Florida
1916 Statutes, is amended to read:

1917 865.09 Fictitious name registration.—

1918 (14) PROHIBITION.—A fictitious name registered as provided
1919 in this section may not contain the words "Corporation" or
1920 "Incorporated," or the abbreviations "Corp." or "Inc.," unless
1921 the person or business for which the name is registered is
1922 incorporated or has obtained a certificate of authority to
1923 transact business in this state pursuant to part I of chapter
1924 607 or chapter 617.



380342

1925 Section 75. This act shall take effect July 1, 2014.

1926

1927 ===== T I T L E A M E N D M E N T =====

1928 And the title is amended as follows:

1929 Delete everything before the enacting clause
1930 and insert:

1931 A bill to be entitled
1932 An act relating to business organizations; amending s.
1933 605.0112, F.S.; providing additional exceptions
1934 regarding the requirement that limited liability
1935 company names be distinguishable from the names of
1936 other entities or filings; specifying differences in
1937 names which are not considered distinguishable;
1938 designating part I of ch. 607, F.S., entitled
1939 "Corporations"; amending s. 607.0101, F.S.; revising a
1940 provision to conform to changes made by the act;
1941 amending s. 607.0401, F.S.; providing additional
1942 exceptions regarding the requirement that corporate
1943 names be distinguishable; specifying differences in
1944 corporate names which are not considered
1945 distinguishable; amending s. 607.1302, F.S.; providing
1946 that the amendment of articles of incorporation or the
1947 merger, conversion, or share exchange of a social
1948 purpose or benefit corporation entitles the
1949 shareholders to appraisal rights; creating part II of
1950 ch. 607, F.S., entitled "Social Purpose Corporations";
1951 creating s. 607.501, F.S.; providing application and
1952 effect; creating s. 607.502, F.S.; providing
1953 definitions; creating s. 607.503, F.S.; establishing



380342

1954 requirements for the formation of a social purpose
1955 corporation; creating s. 607.504, F.S.; providing
1956 procedures for an existing corporation to become a
1957 social purpose corporation; creating s. 607.505, F.S.;
1958 providing procedures for the termination of a social
1959 purpose corporation status; creating s. 607.506, F.S.;
1960 requiring that the corporate purpose must be to create
1961 a public benefit; providing criteria; creating s.
1962 607.507, F.S.; requiring that the directors of a
1963 social purpose corporation meet a standard of conduct;
1964 providing criteria for the standards; creating s.
1965 607.508, F.S.; authorizing the articles of
1966 incorporation of a social purpose corporation to
1967 provide for a benefit director; providing powers and
1968 duties of a benefit director; creating s. 607.509,
1969 F.S.; requiring that the officers of a social purpose
1970 corporation meet a standard of conduct; providing
1971 criteria for the standards of conduct; creating s.
1972 607.510, F.S.; authorizing a social purpose
1973 corporation to designate an officer as a benefit
1974 officer; providing for the powers and duties of a
1975 benefit officer; creating s. 607.511, F.S.;
1976 authorizing certain legal actions to be brought
1977 against a social purpose corporation, its officers, or
1978 its directors; creating s. 607.512, F.S.; requiring
1979 the board of directors to prepare an annual benefit
1980 report; providing criteria for the preparation of the
1981 report; creating s. 607.513, F.S.; establishing
1982 requirements for the availability and dissemination of



380342

1983 the annual report; authorizing a court to order
1984 dissemination of the report; providing criteria;
1985 creating part III of ch. 607, F.S., entitled "Benefit
1986 Corporations"; creating s. 607.601, F.S.; providing
1987 for application and effect; creating s. 607.602, F.S.;
1988 providing definitions; creating s. 607.603, F.S.;
1989 establishing requirements for the formation of a
1990 benefit corporation; creating s. 607.604, F.S.;
1991 providing procedures for an existing corporation to
1992 become a benefit corporation; creating s. 607.605,
1993 F.S.; providing procedures for the termination of a
1994 benefit corporation status; creating s. 607.606, F.S.;
1995 requiring that the corporate purpose be to create a
1996 public benefit; providing criteria; creating s.
1997 607.607, F.S.; requiring the directors of a benefit
1998 corporation to meet a standard of conduct; providing
1999 criteria for the standards; creating s. 607.608, F.S.;
2000 authorizing the articles of incorporation of a benefit
2001 corporation to provide for a benefit director;
2002 providing powers and duties of the benefit director;
2003 creating s. 607.609, F.S.; requiring the officers of a
2004 benefit corporation to meet a standard of conduct;
2005 providing criteria for the standards of conduct;
2006 creating s. 607.610, F.S.; authorizing a benefit
2007 corporation to designate an officer as a benefit
2008 officer; providing for the powers and duties of the
2009 benefit officer; creating s. 607.611, F.S.;
2010 authorizing certain legal actions to be brought
2011 against a benefit corporation, its officers, or its



380342

2012 directors; creating s. 607.612, F.S.; requiring the
2013 board of directors to prepare an annual benefit
2014 report; providing criteria for the preparation of the
2015 report; creating s. 607.613, F.S.; establishing
2016 requirements for the availability and dissemination of
2017 the annual report; authorizing a court to order
2018 dissemination of the report; amending ss. 617.0401 and
2019 620.1108, F.S; providing additional exceptions
2020 regarding the requirement that the names of entities
2021 be distinguishable; specifying differences in names
2022 which are not considered distinguishable; amending ss.
2023 48.091, 215.555, 243.54, 310.171, 310.181, 329.10,
2024 339.412, 420.101, 420.111, 420.161, 440.02, 440.386,
2025 609.08, 617.1908, 618.221, 619.04, 624.430, 624.462,
2026 624.489, 628.041, 631.262, 636.204, 641.2015,
2027 655.0201, 658.23, 658.2953, 658.30, 658.36, 663.03,
2028 663.04, 663.301, 663.306, 663.313, 718.111, 719.104,
2029 720.302, 720.306, 766.101, and 865.09, F.S.;
2030 conforming cross-references to changes made by the
2031 act; providing an effective date.