

By Senator Clemens

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1 A bill to be entitled
2 An act relating to business organizations; amending s.
3 605.0112, F.S.; providing additional exceptions
4 regarding the requirement that limited liability
5 company names be distinguishable from the names of
6 other entities or filings; specifying differences in
7 names which are not considered distinguishable;
8 designating part I of ch. 607, F.S., entitled
9 "Corporations"; amending s. 607.0101, F.S.; revising a
10 provision to conform to changes made by the act;
11 amending s. 607.0401, F.S.; providing additional
12 exceptions regarding the requirement that corporate
13 names be distinguishable; specifying differences in
14 corporate names which are not considered
15 distinguishable; amending s. 607.1302, F.S.; providing
16 that the amendment of articles of incorporation or the
17 merger, conversion, or share exchange of a social
18 purpose or benefit corporation entitles the
19 shareholders to appraisal rights; creating part II of
20 ch. 607, F.S., entitled "Social Purpose Corporations";
21 creating s. 607.501, F.S.; providing application and
22 effect; creating s. 607.502, F.S.; providing
23 definitions; creating s. 607.503, F.S.; establishing
24 requirements for the formation of a social purpose
25 corporation; creating s. 607.504, F.S.; providing
26 procedures for an existing corporation to become a
27 social purpose corporation; creating s. 607.505, F.S.;
28 providing procedures for the termination of a social
29 purpose corporation status; creating s. 607.506, F.S.;

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30 requiring that the corporate purpose must be to create
31 a public benefit; providing criteria; creating s.
32 607.507, F.S.; requiring that the directors of a
33 social purpose corporation meet a standard of conduct;
34 providing criteria for the standards; creating s.
35 607.508, F.S.; authorizing the articles of
36 incorporation of a social purpose corporation to
37 provide for a benefit director; providing powers and
38 duties of a benefit director; creating s. 607.509,
39 F.S.; requiring that the officers of a social purpose
40 corporation meet a standard of conduct; providing
41 criteria for the standards of conduct; creating s.
42 607.510, F.S.; authorizing a social purpose
43 corporation to designate an officer as a benefit
44 officer; providing for the powers and duties of a
45 benefit officer; creating s. 607.511, F.S.;
46 authorizing certain legal actions to be brought
47 against a social purpose corporation, its officers, or
48 its directors; creating s. 607.512, F.S.; requiring
49 the board of directors to prepare an annual benefit
50 report; providing criteria for the preparation of the
51 report; creating s. 607.513, F.S.; establishing
52 requirements for the availability and dissemination of
53 the annual report; authorizing a court to order
54 dissemination of the report; providing criteria;
55 creating part III of ch. 607, F.S., entitled "Benefit
56 Corporations"; creating s. 607.601, F.S.; providing
57 for application and effect; creating s. 607.602, F.S.;
58 providing definitions; creating s. 607.603, F.S.;

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59 establishing requirements for the formation of a
60 benefit corporation; creating s. 607.604, F.S.;
61 providing procedures for an existing corporation to
62 become a benefit corporation; creating s. 607.605,
63 F.S.; providing procedures for the termination of a
64 benefit corporation status; creating s. 607.606, F.S.;
65 requiring that the corporate purpose be to create a
66 public benefit; providing criteria; creating s.
67 607.607, F.S.; requiring the directors of a benefit
68 corporation to meet a standard of conduct; providing
69 criteria for the standards; creating s. 607.608, F.S.;
70 authorizing the articles of incorporation of a benefit
71 corporation to provide for a benefit director;
72 providing powers and duties of the benefit director;
73 creating s. 607.609, F.S.; requiring the officers of a
74 benefit corporation to meet a standard of conduct;
75 providing criteria for the standards of conduct;
76 creating s. 607.610, F.S.; authorizing a benefit
77 corporation to designate an officer as a benefit
78 officer; providing for the powers and duties of the
79 benefit officer; creating s. 607.611, F.S.;
80 authorizing certain legal actions to be brought
81 against a benefit corporation, its officers, or its
82 directors; creating s. 607.612, F.S.; requiring the
83 board of directors to prepare an annual benefit
84 report; providing criteria for the preparation of the
85 report; creating s. 607.613, F.S.; establishing
86 requirements for the availability and dissemination of
87 the annual report; authorizing a court to order

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88 dissemination of the report; amending ss. 617.0401 and
89 620.1108, F.S; providing additional exceptions
90 regarding the requirement that the names of entities
91 be distinguishable; specifying differences in names
92 which are not considered distinguishable; amending ss.
93 48.091, 215.555, 243.54, 310.171, 310.181, 329.10,
94 339.412, 420.101, 420.111, 420.161, 440.02, 440.386,
95 609.08, 617.1908, 618.221, 619.04, 624.430, 624.462,
96 624.489, 628.041, 631.262, 636.204, 641.2015,
97 655.0201, 658.23, 658.2953, 658.30, 658.36, 663.03,
98 663.04, 663.301, 663.306, 663.313, 718.111, 719.104,
99 720.302, 720.306, 766.101, and 865.09, F.S.;
100 conforming cross-references to changes made by the
101 act; providing an effective date.
102

103 Be It Enacted by the Legislature of the State of Florida:
104

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

107 605.0112 Name.—

108 (1) The name of a limited liability company:

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

111 (b) Must be distinguishable in the records of the Division
112 of Corporations of the department from the names of all other
113 entities or filings that are on file with the division, except
114 fictitious name registrations pursuant to s. 865.09, general
115 partnership registrations pursuant to s. 620.8105, and limited
116 liability partnership statements pursuant to s. 620.9001 which

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117 are organized, registered, or reserved under the laws of this
118 state, ~~which names are on file with the division~~; however, a
119 limited liability company may register under a name that is not
120 otherwise distinguishable on the records of the division with
121 the written consent of the owner entity if, ~~provided~~ the consent
122 is filed with the division at the time of registration of such
123 name. A name that is different from the name of another entity
124 or filing due to any of the following is not considered
125 distinguishable:

- 126 1. A suffix.
- 127 2. A definite or indefinite article.
- 128 3. The word "and" and the symbol "&."
- 129 4. The singular, plural, or possessive form of a word.
- 130 5. A recognized abbreviation of a root word.
- 131 6. A punctuation mark or a symbol.†

132 (c) May not contain language stating or implying that the
133 limited liability company is organized for a purpose other than
134 a purpose authorized in this chapter and its articles of
135 organization. ~~;~~ and

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

140 Section 2. Sections 607.0101 through 607.193, Florida
141 Statutes, are designated as part I of chapter 607, Florida
142 Statutes, and entitled "CORPORATIONS."

143 Section 3. Section 607.0101, Florida Statutes, is amended
144 to read:

145 607.0101 Short title.—This part ~~act shall be known and~~ may

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146 be cited as the "Florida Business Corporation Act."

147 Section 4. Section 607.0401, Florida Statutes, is amended
148 to read:

149 607.0401 Corporate name.—A corporate name:

150 (1) Must contain the word "corporation," "company," or
151 "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.," or
152 the designation "Corp," "Inc," or "Co," as will clearly indicate
153 that it is a corporation instead of a natural person,
154 partnership, or other business entity.~~†~~

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

158 (3) May not contain language stating or implying that the
159 corporation is connected with a state or federal government
160 agency or a corporation chartered under the laws of the United
161 States.~~†~~~~and~~

162 (4) Must be distinguishable from the names of all other
163 entities or filings that are on file with the Division of
164 Corporations, except fictitious name registrations pursuant to
165 s. 865.09, general partnership registrations pursuant to s.
166 620.8105, and limited liability partnership statements pursuant
167 to s. 620.9001 which are organized, registered, or reserved
168 under the laws of this state, ~~which names are on file with the~~
169 Division of Corporations. A name that is different from the name
170 of another entity or filing due to any of the following is not
171 considered distinguishable:

172 (a) A suffix.

173 (b) A definite or indefinite article.

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

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

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

177 (f) A punctuation mark or a symbol.

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

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

184 607.1302 Right of shareholders to appraisal.—

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

189 (a) Consummation of a conversion of such corporation
190 pursuant to s. 607.1112 if shareholder approval is required for
191 the conversion and the shareholder is entitled to vote on the
192 conversion under ss. 607.1103 and 607.1112(6), or the
193 consummation of a merger to which such corporation is a party if
194 shareholder approval is required for the merger under s.
195 607.1103 and the shareholder is entitled to vote on the merger
196 or if such corporation is a subsidiary and the merger is
197 governed by s. 607.1104;

198 (b) Consummation of a share exchange to which the
199 corporation is a party as the corporation whose shares will be
200 acquired if the shareholder is entitled to vote on the exchange,
201 except that appraisal rights are ~~shall~~ not ~~be~~ available to any
202 shareholder of the corporation with respect to any class or
203 series of shares of the corporation that is not exchanged;

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204 (c) Consummation of a disposition of assets pursuant to s.
205 607.1202 if the shareholder is entitled to vote on the
206 disposition, including a sale in dissolution but not including a
207 sale pursuant to court order or a sale for cash pursuant to a
208 plan by which all or substantially all of the net proceeds of
209 the sale will be distributed to the shareholders within 1 year
210 after the date of sale;

211 (d) An amendment of the articles of incorporation with
212 respect to the class or series of shares which reduces the
213 number of shares of a class or series owned by the shareholder
214 to a fraction of a share if the corporation has the obligation
215 or right to repurchase the fractional share so created;

216 (e) Any other amendment to the articles of incorporation,
217 merger, share exchange, or disposition of assets to the extent
218 provided by the articles of incorporation, bylaws, or a
219 resolution of the board of directors, except that no bylaw or
220 board resolution providing for appraisal rights may be amended
221 or otherwise altered except by shareholder approval; ~~or~~

222 (f) With regard to a class of shares prescribed in the
223 articles of incorporation prior to October 1, 2003, including
224 any shares within that class subsequently authorized by
225 amendment, any amendment of the articles of incorporation if the
226 shareholder is entitled to vote on the amendment and if such
227 amendment would adversely affect such shareholder by:

228 1. Altering or abolishing any preemptive rights attached to
229 any of his or her shares;

230 2. Altering or abolishing the voting rights pertaining to
231 any of his or her shares, except as such rights may be affected
232 by the voting rights of new shares then being authorized of any

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233 existing or new class or series of shares;

234 3. Effecting an exchange, cancellation, or reclassification
235 of any of his or her shares, when such exchange, cancellation,
236 or reclassification would alter or abolish the shareholder's
237 voting rights or alter his or her percentage of equity in the
238 corporation, or effecting a reduction or cancellation of accrued
239 dividends or other arrearages in respect to such shares;

240 4. Reducing the stated redemption price of any of the
241 shareholder's redeemable shares, altering or abolishing any
242 provision relating to any sinking fund for the redemption or
243 purchase of any of his or her shares, or making any of his or
244 her shares subject to redemption when they are not otherwise
245 redeemable;

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

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

251 7. Reducing any stated preferential amount payable on any
252 of the shareholder's preferred shares upon voluntary or
253 involuntary liquidation;—

254 (g) An amendment of the articles of incorporation of a
255 social purpose corporation to which s. 607.504 or s. 607.505
256 applies;

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

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

261 (j) A merger, conversion, or share exchange of a benefit

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262 corporation to which s. 607.604 applies.

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

266 Section 7. Section 607.501, Florida Statutes, is created to
267 read:

268 607.501 Application and effect of part.-

269 (1) This part applies to a social purpose corporation and
270 does not affect a corporation that is not a social purpose
271 corporation.

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

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

278 (4) Except as authorized by this part, a provision of the
279 articles of incorporation or bylaws of a social purpose
280 corporation, or a shareholders agreement among shareholders of a
281 social purpose corporation, may not limit, be inconsistent with,
282 or supersede a provision of this part.

283 Section 8. Section 607.502, Florida Statutes, is created to
284 read:

285 607.502 Definitions.-As used in this part, unless the
286 context otherwise requires, the term:

287 (1) "Benefit director" means:

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

290 (b) A person with one or more of the powers, duties, or

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291 rights of a benefit director to the extent provided in the
292 articles of incorporation or bylaws under s. 607.508.

293 (2) "Benefit enforcement proceeding" means a claim or
294 action for:

295 (a) The failure of a social purpose corporation to pursue
296 or create a public benefit or a specific public benefit
297 established in its articles of incorporation; or

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

300 (3) "Benefit officer" means the individual designated as
301 the benefit officer of a social purpose corporation under s.
302 607.510.

303 (4) "Independent" means not having a material relationship
304 with the social purpose corporation or a subsidiary of the
305 social purpose corporation. A person does not have a material
306 relationship solely by virtue of serving as the benefit director
307 or benefit officer of the social purpose corporation or a
308 subsidiary of the social purpose corporation. In determining
309 whether a director or officer is independent, a material
310 relationship between an individual and a social purpose
311 corporation or any of its subsidiaries will be conclusively
312 presumed to exist, at the time independence is to be determined,
313 if any of the following apply:

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

317 (b) An immediate family member of the individual is or was
318 within the prior 3 years an executive officer, other than a
319 benefit officer, of the social purpose corporation or a

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320 subsidiary.

321 (c) When ownership is calculated as if all outstanding
322 rights to acquire equity interests in the social purpose
323 corporation had been exercised, there is beneficial or record
324 ownership of 5 percent or more of the outstanding shares of the
325 social purpose corporation by:

326 1. The individual; or

327 2. An entity:

328 a. Of which the individual is a director, an officer, or a
329 manager; or

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

334 (5) "Minimum status vote" means:

335 (a) In the case of a corporation that is to become a social
336 purpose corporation, whether by amendment of the articles of
337 incorporation or by way of or pursuant to a merger, conversion,
338 or share exchange; a social purpose corporation whose articles
339 of incorporation are to be amended pursuant to s. 607.506(2); or
340 a social purpose corporation that is to cease being a social
341 purpose corporation, in addition to any other required approval
342 or vote, the satisfaction of the following conditions:

343 1. The holders of each class or series of shares shall be
344 entitled to vote as a separate voting group on the corporate
345 action regardless of any limitation on the voting rights of any
346 class or series stated in the articles of incorporation or
347 bylaws.

348 2. The corporate action is approved by vote of each class

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349 or series of shares entitled to vote by at least two-thirds of
350 the total votes of the class or series.

351 (b) In the case of a domestic entity, other than a
352 corporation, which is to be simultaneously converted to a social
353 purpose corporation or merged into a social purpose corporation,
354 in addition to any other required approval, vote, or consent,
355 the satisfaction of the following conditions:

356 1. The holders of each class or series of equity interest
357 in the entity who are entitled to receive a distribution of any
358 kind are entitled, as a separate voting group, to vote on or
359 consent to the action regardless of any applicable limitation on
360 the voting or consent rights of any class or series.

361 2. The action is approved by vote or consent of each class
362 or series of equity interest described in subparagraph 1. who
363 are entitled to vote by at least two-thirds of the votes or
364 consent of the class or series.

365 (6) "Public benefit" means a positive effect, or the
366 minimization of negative effects taken as a whole, on the
367 environment or on one or more categories of persons or entities
368 other than shareholders in their capacity as shareholders, of an
369 artistic, charitable, economic, educational, cultural, literary,
370 religious, social, ecological, or scientific nature, from the
371 business and operations of a social purpose corporation. The
372 term includes, but is not limited to, the following:

373 (a) Providing low-income or underserved individuals or
374 communities with beneficial products or services.

375 (b) Promoting economic opportunity for individuals or
376 communities beyond the creation of jobs in the normal course of
377 business.

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- 378 (c) Protecting or restoring the environment.
- 379 (d) Improving human health.
- 380 (e) Promoting the arts, sciences, or advancement of
381 knowledge.
- 382 (f) Increasing the flow of capital to entities that have as
383 their stated purpose the provision of a benefit to society or
384 the environment.
- 385 (7) "Social purpose corporation" means a corporation that
386 is formed, or has elected to become, subject to this part, the
387 status of which as a social purpose corporation has not been
388 terminated.
- 389 (8) "Specific public benefit" means a benefit identified as
390 a purpose of the social purpose corporation which is set forth
391 in the articles of incorporation and is consistent with a public
392 benefit.
- 393 (9) "Subsidiary" means, in relation to a person other than
394 an individual, an entity in which the person owns beneficially
395 or of record 50 percent or more of the outstanding equity
396 interests.
- 397 (10) "Third-party standard" means a recognized standard for
398 defining, reporting, and assessing the societal and
399 environmental performance of a business which is:
- 400 (a) Comprehensive, because it assesses the effect of the
401 business and its operations upon the interests listed in s.
402 607.507(1) (a).
- 403 (b) Developed by an entity that is not controlled by the
404 social purpose corporation.
- 405 (c) Credible, because it is developed by an entity that has
406 access to necessary expertise to assess the overall effect of

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407 the business and uses a balanced, collaborative approach to
408 develop the standard, including a period for public comment.

409 (d) Transparent, because the following information is
410 publicly available:

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

415 2. The process used in the development and revision of the
416 third-party standard regarding the identity of the directors,
417 officers, material owners, and governing body of the entity that
418 developed and controls revisions to the standard; the process by
419 which revisions to the standard and changes to the membership of
420 the governing body are made; and an accounting of the revenue
421 and sources of financial support for the entity with sufficient
422 detail to disclose any relationships that could reasonably be
423 considered to present a potential conflict of interest.

424 Section 9. Section 607.503, Florida Statutes, is created to
425 read:

426 607.503 Incorporation.—To incorporate as a social purpose
427 corporation, an incorporator must satisfy the requirements of
428 this chapter, and the articles of incorporation must state that
429 the corporation is a social purpose corporation under this part.

430 Section 10. Section 607.504, Florida Statutes, is created
431 to read:

432 607.504 Election of social purpose corporation status.—

433 (1) An existing corporation may become a social purpose
434 corporation under this part by amending its articles of
435 incorporation to include a statement that the corporation is a

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436 social purpose corporation under this part. The amendment must
437 be adopted by the minimum status vote.

438 (2) A plan of merger, conversion, or share exchange must be
439 adopted by the minimum status vote if an entity that is not a
440 social purpose corporation is a party to the merger or
441 conversion or if the exchanging entity in a share exchange and
442 the surviving, new, or resulting entity is, or will be, a social
443 purpose corporation.

444 (3) If an entity elects to become a social purpose
445 corporation by amendment of the articles of incorporation or by
446 a merger, conversion, or share exchange, the shareholders of the
447 entity are entitled to appraisal rights under and pursuant to
448 ss. 607.1301-607.1333.

449 Section 11. Section 607.505, Florida Statutes, is created
450 to read:

451 607.505 Termination of social purpose corporation status.-

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

457 (2) A plan of merger, conversion, or share exchange which
458 has the effect of terminating the status of a corporation as a
459 social purpose corporation must be adopted by the minimum status
460 vote. A sale, lease, exchange, or other disposition of the
461 assets of all or substantially all of the assets of a social
462 purpose corporation is not effective unless the transaction is
463 approved by the minimum status vote. However, a minimum status
464 vote is not required if the transaction is in the usual and

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465 regular course of business, is pursuant to court order, or is a
466 sale pursuant to which all or a substantial portion of the net
467 proceeds of the sale will be distributed to the shareholders
468 within 1 year after the date of the sale.

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

473 Section 12. Section 607.506, Florida Statutes, is created
474 to read:

475 607.506 Corporate purpose.-

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

479 (2) The articles of incorporation of a social purpose
480 corporation may identify one or more specific public benefits as
481 its purpose in addition to its purposes under s. 607.0301 and
482 subsection (1). A social purpose corporation may amend its
483 articles of incorporation to add, amend, or delete the
484 identification of a specific public benefit purpose; however,
485 the amendment must be adopted by the minimum status vote.

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

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

492 Section 13. Section 607.507, Florida Statutes, is created
493 to read:

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494 607.507 Standard of conduct for directors.-

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

497 (a) Shall consider the effects of any action or inaction
498 upon:

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

500 2. The ability of the social purpose corporation to
501 accomplish its public benefit or any specific public benefit
502 purpose;

503 (b) May consider the effects of any action or inaction upon
504 any of the following:

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

507 2. The interests of customers and suppliers as
508 beneficiaries of the general public benefit or specific public
509 benefits of the social purpose corporation;

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

513 4. The local and global environment; and

514 5. The short-term and long-term interests of the social
515 purpose corporation, including benefits that may accrue to the
516 social purpose corporation from its long-term plans and the
517 possibility that these interests may be best served by the
518 continued independence of the social purpose corporation; and

519 (c) May consider other pertinent factors or the interests
520 of any other group that they deem appropriate;

521 (d) Are not required to give priority to the interests of a
522 particular person or group referred to in paragraph (a),

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523 paragraph (b), or paragraph (c) unless the social purpose
524 corporation states in its articles of incorporation its
525 intention to give such priority; and

526 (e) Are not required to give equal weight to the interests
527 of any particular person or group referred to in paragraph (a),
528 paragraph (b), or paragraph (c) unless the social purpose
529 corporation has stated in its articles of incorporation its
530 intention to give such equal weight.

531 (2) Except as provided in the articles of incorporation, a
532 director is not personally liable for monetary damages to the
533 corporation, or to any other person, for the failure of the
534 social purpose corporation to pursue or create a public benefit
535 or a specific public benefit. A director is subject to the
536 duties specified in s. 607.0830.

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

541 Section 14. Section 607.508, Florida Statutes, is created
542 to read:

543 607.508 Benefit director.-

544 (1) If the articles of incorporation so provide, the board
545 of directors of a social purpose corporation may include a
546 director who is designated as the benefit director and, in
547 addition to the powers, duties, rights, and immunities of the
548 other directors of the social purpose corporation, has the
549 powers, duties, rights, and immunities provided in this part.

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

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552 provided under subsection (5), the benefit director shall be
553 independent and may serve as a benefit officer. The articles of
554 incorporation or bylaws may prescribe additional qualifications
555 of the benefit director.

556 (3) Unless the articles of incorporation or bylaws provide
557 otherwise, the benefit director shall prepare, and the social
558 purpose corporation shall include in the annual benefit report
559 to shareholders required under s. 607.512, the opinion of the
560 benefit director on the following:

561 (a) Whether the social purpose corporation in all material
562 respects acted in accordance with its public benefit purpose and
563 any specific public benefit purpose during the period covered by
564 the report.

565 (b) Whether the directors and officers complied with ss.
566 607.507(1) and 607.509(1).

567 (c) Whether the social purpose corporation or its directors
568 or officers failed to comply with paragraph (a) or s. 607.507(1)
569 or s. 607.509(1), including a description of the ways in which
570 the social purpose corporation or its directors or officers
571 failed to comply.

572 (4) The action or inaction of an individual in his or her
573 capacity as a benefit director shall constitute for all purposes
574 an action or inaction of that individual in his or her capacity
575 as a director of the social purpose corporation.

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

578 Section 15. Section 607.509, Florida Statutes, is created
579 to read:

580 607.509 Standard of conduct for officers.-

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581 (1) If an officer of a social purpose corporation
582 reasonably believes that a matter may have a material effect on
583 the ability of the corporation to create a public benefit or a
584 specific public benefit identified in the articles of
585 incorporation and the officer has discretion to act on the
586 matter, the officer shall consider the interests and factors
587 provided in s. 607.507(1).

588 (2) The officer's consideration of interests and factors
589 under subsection (1) does not constitute a violation of s.
590 607.0841.

591 (3) Except as provided in the articles of incorporation, an
592 officer is not personally liable for monetary damages to the
593 corporation or any other person for the failure of the social
594 purpose corporation to pursue or create a public benefit or a
595 specific public benefit; however, he or she is subject to s.
596 607.0841.

597 (4) Except as provided in the articles of incorporation, an
598 officer does not have any duty to a person who is a beneficiary
599 of the public benefit purpose or any specific public benefit
600 purpose of a social purpose corporation arising from the status
601 of the person as a beneficiary.

602 Section 16. Section 607.510, Florida Statutes, is created
603 to read:

604 607.510 Benefit officer.—

605 (1) A social purpose corporation may designate an officer
606 as the benefit officer.

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

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

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

614 Section 17. Section 607.511, Florida Statutes, is created
615 to read:

616 607.511 Right of action.—

617 (1) (a) Except in a benefit enforcement proceeding, a person
618 may not bring an action or assert a claim against a social
619 purpose corporation or its directors or officers with respect
620 to:

621 1. A failure to pursue or create a public benefit or a
622 specific public benefit set forth in its articles of
623 incorporation; or

624 2. A violation of an obligation, duty, or standard of
625 conduct under this part.

626 (b) A social purpose corporation is not liable for monetary
627 damages under this part for the failure of the social purpose
628 corporation to pursue or create a public benefit or a specific
629 public benefit.

630 (2) A benefit enforcement proceeding may be commenced or
631 maintained only:

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

633 (b) Derivatively by:

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

636 2. A director;

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

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639 in an entity of which the social purpose corporation is a
640 subsidiary on the date of the action or inaction complained of
641 in the benefit enforcement proceeding; or

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

644 Section 18. Section 607.512, Florida Statutes, is created
645 to read:

646 607.512 Preparation of annual benefit report.—

647 (1) Unless it is prepared by a benefit director or benefit
648 officer, the board of directors shall prepare an annual benefit
649 report that includes all of the following:

650 (a) A narrative description of:

651 1. The ways in which the social purpose corporation pursued
652 a public benefit during the year and the extent to which a
653 public benefit was created.

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

656 3. The process and rationale for selecting or changing the
657 third-party standard used to prepare the benefit report, if the
658 articles of incorporation of the social purpose corporation
659 require, or the board of directors determines, that the annual
660 benefit report must be prepared in accordance with a third-party
661 standard.

662 (b) If the articles of incorporation of the social purpose
663 corporation require, or the board of directors determines, that
664 the annual benefit report must be prepared in accordance with a
665 third-party standard, an assessment of the overall societal and
666 environmental performance of the social purpose corporation
667 using a third-party standard that is:

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668 1. Applied consistently with any previous application in
669 prior annual benefit reports; or

670 2. Accompanied by an explanation of the reasons for
671 inconsistent application or any change in the standard from the
672 immediate prior report.

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

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

678 (e) If the articles of incorporation of the social purpose
679 corporation require, or the board of directors determines, that
680 the annual benefit report must be prepared in accordance with a
681 third-party standard, a statement of any connection between the
682 organization that established the third-party standard, or its
683 directors, officers, or any holder of 5 percent or more of the
684 governance interests in the organization, and the social purpose
685 corporation or its directors, officers, or any holder of 5
686 percent or more of the outstanding shares of the social purpose
687 corporation, including any financial or governance relationship
688 that might materially affect the credibility of the use of the
689 third-party standard.

690 (2) If, during the year covered by an annual benefit
691 report, a benefit director resigned from, or refused to stand
692 for reelection to, his or her position, or was removed from his
693 or her position, and he or she furnished written correspondence
694 to the social purpose corporation concerning the circumstances
695 surrounding his or her departure, that correspondence must be
696 included as an exhibit in the annual benefit report.

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

701 Section 19. Section 607.513, Florida Statutes, is created
702 to read:

703 607.513 Availability of annual benefit report.-

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

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

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

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

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

717 (4) If a social purpose corporation does not comply with
718 the annual benefit report delivery requirement, the circuit
719 court in the county in which the principal office of the social
720 purpose corporation is located or, if no office is located in
721 this state, the county in which its registered office is
722 located, may, after a shareholder of the social purpose
723 corporation requests a copy, summarily order the corporation to
724 furnish the annual benefit report. If the court orders the
725 annual benefit report to be furnished, the court may also order

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726 the social purpose corporation to pay the shareholder's costs,
727 including reasonable attorney fees, which were incurred in
728 obtaining the order and otherwise enforce his or her rights
729 under this section.

730 Section 20. Sections 607.601 through 607.613, Florida
731 Statutes, are designated as part III of chapter 607, Florida
732 Statutes, entitled "BENEFIT CORPORATIONS."

733 Section 21. Section 607.601, Florida Statutes, is created
734 to read:

735 607.601 Application and effect of part.-

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

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

740 (3) A benefit corporation may be simultaneously subject to
741 this part and to one or more chapters, including chapter 621. In
742 such event, this part takes precedence with respect to a benefit
743 corporation.

744 (4) Except as authorized by this part, a provision of the
745 articles of incorporation or bylaws of a benefit corporation, or
746 a shareholders agreement among shareholders of a benefit
747 corporation, may not limit, be inconsistent with, or supersede a
748 provision of this part.

749 Section 22. Section 607.602, Florida Statutes, is created
750 to read:

751 607.602 Definitions.-As used in this part, unless the
752 context otherwise requires, the term:

753 (1) "Benefit corporation" means a corporation that is
754 formed, or has elected to become, subject to this part, the

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755 status of which as a benefit corporation has not been
756 terminated.

757 (2) "Benefit director" means:

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

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

763 (3) "Benefit enforcement proceeding" means any claim or
764 action for:

765 (a) The failure of a benefit corporation to pursue or
766 create a general public benefit or a specific public benefit
767 purpose set forth in its articles of incorporation; or

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

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

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

776 (6) "Independent" means not having a material relationship
777 with the benefit corporation or a subsidiary of the benefit
778 corporation. A person does not have a material relationship
779 solely by virtue of serving as the benefit director or benefit
780 officer of the benefit corporation or a subsidiary of the
781 benefit corporation. In determining whether a director or
782 officer is independent, a material relationship between an
783 individual and a benefit corporation or any of its subsidiaries

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784 will be conclusively presumed to exist, at the time independence
785 is to be determined, if any of the following apply:

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

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

792 (c) When ownership is calculated as if all outstanding
793 rights to acquire equity interests in the benefit corporation
794 had been exercised, there is beneficial or record ownership of 5
795 percent or more of the outstanding shares of the benefit
796 corporation by:

797 1. The individual; or

798 2. An entity:

799 a. Of which the individual is a director, an officer, or a
800 manager; or

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

805 (7) "Minimum status vote" means:

806 (a) In the case of a corporation that is to become a
807 benefit corporation, whether by amendment of the articles of
808 incorporation or by way of or pursuant to a merger, conversion,
809 or share exchange; a benefit corporation whose articles of
810 incorporation are to be amended pursuant to s. 607.606(2); or a
811 benefit corporation that is to cease being a benefit
812 corporation, in addition to any other required approval or vote,

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813 the satisfaction of the following conditions:

814 1. The holders of each class or series of shares shall be
815 entitled to vote as a separate voting group on the corporate
816 action regardless of any limitation on the voting rights of any
817 class or series stated in the articles of incorporation or
818 bylaws.

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

822 (b) In the case of a domestic entity, other than a
823 corporation, which is to be simultaneously converted to a
824 benefit corporation or merged into a benefit corporation, in
825 addition to any other required approval, vote, or consent, the
826 satisfaction of the following conditions:

827 1. The holders of each class or series of equity interest
828 in the entity who are entitled to receive a distribution of any
829 kind are entitled, as a separate voting group, to vote on or
830 consent to the action regardless of any applicable limitation on
831 the voting or consent rights of any class or series.

832 2. The action is approved by vote or consent of each class
833 or series of equity interest described in subparagraph 1. who
834 are entitled to vote by at least two-thirds of the votes or
835 consent of the class or series.

836 (8) "Specific public benefit" includes, but is not limited
837 to:

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

840 (b) Promoting economic opportunity for individuals or
841 communities beyond the creation of jobs in the normal course of

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- 842 business;
- 843 (c) Protecting or restoring the environment;
- 844 (d) Improving human health;
- 845 (e) Promoting the arts, sciences, or advancement of
- 846 knowledge;
- 847 (f) Increasing the flow of capital to entities that have as
- 848 their stated purpose the provision of a benefit to society or
- 849 the environment; and
- 850 (g) Any other public benefit consistent with the purposes
- 851 of the benefit corporation.
- 852 (9) "Subsidiary" means, in relation to a person other than
- 853 an individual, an entity in which a person owns beneficially or
- 854 of record 50 percent or more of the outstanding equity
- 855 interests.
- 856 (10) "Third-party standard" means a recognized standard for
- 857 defining, reporting, and assessing the societal and
- 858 environmental performance of a business which is:
- 859 (a) Comprehensive, because it assesses the effect of the
- 860 business and its operations upon the interests provided in s.
- 861 607.607(1)(a)2.-5.
- 862 (b) Developed by an entity that is not controlled by the
- 863 benefit corporation.
- 864 (c) Credible, because it is developed by an entity that has
- 865 access to necessary expertise to assess the overall societal and
- 866 environmental performance of a business and uses a balanced,
- 867 collaborative approach to develop the standard, including a
- 868 period for public comment.
- 869 (d) Transparent, because the following information is
- 870 publicly available:

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

874 2. The identity of the directors, officers, material
875 owners, and the governing body of the entity that developed and
876 controlled revisions; the process by which revisions to the
877 standard and changes to the membership of the governing body are
878 made; and an accounting of the revenue and sources of financial
879 support for the entity, with sufficient detail to disclose any
880 relationships that could reasonably be considered to present a
881 potential conflict of interest.

882 Section 23. Section 607.603, Florida Statutes, is created
883 to read:

884 607.603 Incorporation.—To incorporate as a benefit
885 corporation, an incorporator must satisfy the requirements of
886 this chapter, and the articles of incorporation must state that
887 the corporation is a benefit corporation under this part.

888 Section 24. Section 607.604, Florida Statutes, is created
889 to read:

890 607.604 Election of benefit corporation status.—

891 (1) An existing corporation may become a benefit
892 corporation under this part by amending its articles of
893 incorporation to include a statement that the corporation is a
894 benefit corporation under this part. The amendment must be
895 adopted by the minimum status vote.

896 (2) A plan of merger, conversion, or share exchange must be
897 adopted by the minimum status vote if an entity that is not a
898 benefit corporation is a party to a merger or conversion or if
899 the exchanging entity in a share exchange and the surviving,

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900 new, or resulting entity is, or will be, a benefit corporation.

901 (3) If an entity elects to become a benefit corporation by
902 amendment of the articles of incorporation or by a merger,
903 conversion, or share exchange, the shareholders of the entity
904 are entitled to appraisal rights under and pursuant to ss.
905 607.1301-607.1333.

906 Section 25. Section 607.605, Florida Statutes, is created
907 to read:

908 607.605 Termination of benefit corporation status.-

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

914 (2) A plan of merger, conversion, or share exchange which
915 has the effect of terminating the status of a corporation as a
916 benefit corporation must be adopted by the minimum status vote.
917 A sale, lease, exchange, or other disposition of the assets of
918 all or substantially all of a benefit corporation is not
919 effective unless the transaction is approved by the minimum
920 status vote. However, a minimum status vote is not required if
921 the transaction is in the usual and regular course of business,
922 is pursuant to court order, or is a sale pursuant to which all
923 or a substantial portion of the net proceeds of the sale will be
924 distributed to the shareholders within 1 year after the date of
925 the sale.

926 (3) If a corporation's status as a benefit corporation is
927 terminated pursuant to subsection (1) or subsection (2),
928 shareholders of the corporation are entitled to appraisal rights

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929 under and pursuant to ss. 607.1301-607.1333.

930 Section 26. Section 607.606, Florida Statutes, is created
931 to read:

932 607.606 Corporate purpose.-

933 (1) A benefit corporation has the purpose of creating a
934 general public benefit. This purpose is in addition to its
935 purpose under s. 607.0301.

936 (2) The articles of incorporation of a benefit corporation
937 may identify one or more specific public benefits as its purpose
938 in addition to its purposes under s. 607.0301 and subsection
939 (1). A benefit corporation may amend its articles of
940 incorporation to add, amend, or delete the identification of a
941 specific public benefit purpose; however, the amendment must be
942 adopted by the minimum status vote. The identification of a
943 specific public benefit under this subsection does not limit the
944 obligation of a benefit corporation under subsection (1).

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

948 (4) A professional corporation that is a benefit
949 corporation does not violate s. 621.08 by having as its purpose
950 the creation of a general public benefit or a specific public
951 benefit.

952 Section 27. Section 607.607, Florida Statutes, is created
953 to read:

954 607.607 Standard of conduct for directors.-

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

957 (a) Shall consider the effects of any action or inaction

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958 upon:

959 1. The shareholders of the benefit corporation;960 2. The employees and work force of the benefit corporation,
961 its subsidiaries, and its suppliers;962 3. The interests of customers and suppliers as
963 beneficiaries of the general public benefit and any specific
964 public benefit purposes of the benefit corporation;965 4. Community and societal factors, including those of each
966 community in which offices or facilities of the benefit
967 corporation, its subsidiaries, or its suppliers are located;968 5. The local and global environment;969 6. The short-term and long-term interests of the benefit
970 corporation, including benefits that may accrue to the benefit
971 corporation from its long-term plans and the possibility that
972 these interests may be best served by the continued independence
973 of the benefit corporation; and974 7. The ability of the benefit corporation to accomplish its
975 general public benefit purpose and each of its specific public
976 benefit purposes, if any;977 (b) May consider other pertinent factors or the interests
978 of any other group that they deem appropriate;979 (c) Are not required to give priority to the interests of a
980 particular person or group referred to in paragraph (a) or
981 paragraph (b) over the interests of any other person or group,
982 unless the benefit corporation has stated in its articles of
983 incorporation its intention to give priority to certain
984 interests; and985 (d) Are not required to give equal weight to the interests
986 of a particular person or group referred to in paragraph (a) or

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987 paragraph (b) unless the benefit corporation has stated in its
988 articles of incorporation its intention to give such equal
989 weight.

990 (2) Except as provided in the articles of incorporation, a
991 director is not personally liable for monetary damages to the
992 corporation, or to any other person, for the failure of the
993 benefit corporation to pursue or create a public benefit or a
994 specific public benefit. A director is subject to the duties
995 established in s. 607.0830.

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

1000 Section 28. Section 607.608, Florida Statutes, is created
1001 to read:

1002 607.608 Benefit director.—

1003 (1) If the articles of incorporation so provide, the board
1004 of directors of a benefit corporation may include a director who
1005 is designated as the benefit director and, in addition to the
1006 powers, duties, rights, and immunities of the other directors of
1007 the benefit corporation, has the powers, duties, rights, and
1008 immunities provided in this part.

1009 (2) The benefit director shall be elected, and may be
1010 removed, in the manner provided by this chapter. Except as
1011 provided under subsection (5), the benefit director shall be
1012 independent and may serve as a benefit officer. The articles of
1013 incorporation or bylaws may prescribe additional qualifications
1014 of the benefit director.

1015 (3) Unless the articles of incorporation or bylaws provide

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1016 otherwise, the benefit director shall prepare, and the benefit
1017 corporation shall include in the annual benefit report to
1018 shareholders required under s. 607.612, the opinion of the
1019 benefit director on the following:

1020 (a) Whether the benefit corporation in all material
1021 respects acted in accordance with its general public benefit
1022 purpose and any specific public benefit purpose during the
1023 period covered by the report.

1024 (b) Whether the directors and officers complied with ss.
1025 607.607(1) and 607.609(1).

1026 (c) Whether the benefit corporation or its directors or
1027 officers failed to comply with paragraph (a) or s. 607.607(1) or
1028 s. 607.609(1), including a written description of the ways in
1029 which the benefit corporation or its directors failed to comply.

1030 (4) The action or inaction of an individual in his or her
1031 capacity as a benefit director shall constitute for all purposes
1032 an action or inaction of that individual in his or her capacity
1033 as a director of the benefit corporation.

1034 (5) The benefit director of a corporation formed under
1035 chapter 621 is not required to be independent.

1036 Section 29. Section 607.609, Florida Statutes, is created
1037 to read:

1038 607.609 Standard of conduct for officers.-

1039 (1) If an officer of a benefit corporation reasonably
1040 believes that a matter may have a material effect on the ability
1041 of the corporation to create, or the creation by the corporation
1042 of, a general public benefit or a specific public benefit
1043 identified in the articles of incorporation and the officer has
1044 discretion to act on the matter, the officer shall consider the

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1045 interests and factors provided in s. 607.607(1).

1046 (2) The officer's consideration of interests and factors
1047 under subsection (1) does not constitute a violation of s.
1048 607.0841.

1049 (3) Except as provided in the articles of incorporation, an
1050 officer is not personally liable for monetary damages to the
1051 corporation or to any other person for the failure of the
1052 benefit corporation to pursue or create a general public benefit
1053 or a specific public benefit; however, he or she is subject to
1054 s. 607.0841.

1055 (4) Except as provided in the articles of incorporation, an
1056 officer does not have a duty to a person who is a beneficiary of
1057 the general public benefit purpose or any specific public
1058 benefit purpose of the benefit corporation arising from the
1059 status of the person as a beneficiary.

1060 Section 30. Section 607.610, Florida Statutes, is created
1061 to read:

1062 607.610 Benefit officer.—

1063 (1) A benefit corporation may designate an officer as the
1064 benefit officer.

1065 (2) The benefit officer has the powers and duties set forth
1066 in the bylaws or determined by the board of directors, which may
1067 include, but are not limited to:

1068 (a) Powers and duties relating to the general public
1069 benefit or a specific public benefit purpose of the corporation;
1070 and

1071 (b) The duty to prepare the annual benefit report required
1072 under s. 607.612.

1073 Section 31. Section 607.611, Florida Statutes, is created

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1074 to read:

1075 607.611 Right of action.—

1076 (1) (a) Except in a benefit enforcement proceeding, no
1077 person may bring an action or assert a claim against a benefit
1078 corporation or its directors or officers with respect to:

1079 1. A failure to pursue or create a general public benefit
1080 or a specific public benefit set forth in its articles of
1081 incorporation; or

1082 2. A violation of an obligation, duty, or standard of
1083 conduct under this part.

1084 (b) A benefit corporation is not liable for monetary
1085 damages under this part for the failure of the benefit
1086 corporation to pursue or create a general public benefit or a
1087 specific public benefit.

1088 (2) A benefit enforcement proceeding may be commenced or
1089 maintained only:

1090 (a) Directly by the benefit corporation; or

1091 (b) Derivatively by:

1092 1. A shareholder of record on the date of the action or
1093 inaction complained of in the benefit enforcement proceeding;

1094 2. A director;

1095 3. A person or group of persons that owns beneficially or
1096 of record 5 percent or more of the outstanding equity interests
1097 in an entity of which the benefit corporation is a subsidiary on
1098 the date of the action or inaction complained of in the
1099 proceeding; or

1100 4. Any other person who is specified in the articles of
1101 incorporation or bylaws of the benefit corporation.

1102 Section 32. Section 607.612, Florida Statutes, is created

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1103 to read:

1104 607.612 Preparation of annual benefit report.-

1105 (1) Unless it is prepared by a benefit director or a
1106 benefit officer, the board of directors shall prepare an annual
1107 benefit report that includes all of the following:

1108 (a) A narrative description of:

1109 1. The ways in which the benefit corporation pursued a
1110 general public benefit during the year and the extent to which
1111 the general public benefit was created.

1112 2. Any circumstance that has hindered the pursuit or
1113 creation of a general public benefit or a specific public
1114 benefit by the benefit corporation.

1115 3. The process and rationale for selecting or changing the
1116 third-party standard used to prepare the benefit report.

1117 (b) The name of the benefit director and the benefit
1118 officer, if those positions exist, and the respective business
1119 addresses to which correspondence may be directed.

1120 (c) If the corporation has a benefit director, the
1121 statement as provided in s. 607.608(3).

1122 (d) A statement of any connection between the organization
1123 that established the third-party standard, or its directors,
1124 officers, or any holder of 5 percent or more of the governance
1125 interests in the organization, and the benefit corporation or
1126 its directors, officers, or any holder of 5 percent or more of
1127 the outstanding shares of the benefit corporation, including any
1128 financial or governance relationship that might materially
1129 affect the credibility of the use of the third-party standard.

1130 (2) The annual benefit report must be prepared in
1131 accordance with a third-party standard that is:

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1132 1. Applied consistently with any previous application in
1133 prior annual benefit reports; or

1134 2. Accompanied by an explanation of the reasons for any
1135 inconsistent application or any change in the standard from the
1136 immediate prior report.

1137 (3) If, during the year covered by an annual benefit
1138 report, a benefit director resigned from, or refused to stand
1139 for reelection to, his or her position, or was removed from his
1140 or her position, and he or she furnished written correspondence
1141 to the benefit corporation concerning the circumstances
1142 surrounding his or her departure, that correspondence must be
1143 included as an exhibit in the annual benefit report.

1144 (4) The annual benefit report and the assessment of the
1145 performance of the benefit corporation in the annual benefit
1146 report required under subsection (2) are not required to be
1147 audited or certified by a third-party standards provider.

1148 Section 33. Section 607.613, Florida Statutes, is created
1149 to read:

1150 607.613 Availability of annual benefit report.-

1151 (1) Each benefit corporation shall send its annual benefit
1152 report to each shareholder:

1153 (a) Within 120 days after the end of the fiscal year of the
1154 benefit corporation; or

1155 (b) At the same time that the benefit corporation delivers
1156 any other annual report to its shareholders.

1157 (2) A benefit corporation shall post each annual benefit
1158 report on the public portion of its website, if any, and it
1159 shall remain posted for at least 3 years.

1160 (3) If a benefit corporation does not have a website, the

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1161 benefit corporation shall provide a copy of its most recent
1162 annual benefit report, without charge, to any person who
1163 requests a copy.

1164 (4) If a benefit corporation does not comply with the
1165 annual benefit report delivery requirement, the circuit court in
1166 the county in which the principal office of the benefit
1167 corporation is located or, if no office is located in this
1168 state, the county in which its registered office is located,
1169 may, after a shareholder of the benefit corporation requests a
1170 copy, summarily order the corporation to furnish the report. If
1171 the court orders the report to be furnished, the court may also
1172 order the benefit corporation to pay the shareholder's costs,
1173 including reasonable attorney fees, which were incurred in
1174 obtaining the order and otherwise enforce his or her rights
1175 under this section.

1176 Section 34. Subsection (1) of section 617.0401, Florida
1177 Statutes, is amended to read:

1178 617.0401 Corporate name.—

1179 (1) A corporate name:

1180 (a) Must contain the word "corporation" or "incorporated"
1181 or the abbreviation "Corp." ~~"corp."~~ or "Inc." ~~"inc."~~ or words or
1182 abbreviations of like import in language, as will clearly
1183 indicate that it is a corporation instead of a natural person,
1184 unincorporated association, or partnership. The name of the
1185 corporation may not contain the word "company" or its
1186 abbreviation "Co." ~~"co."~~;

1187 (b) May contain the word "cooperative" or "co-op" only if
1188 the resulting name is distinguishable from the name of any
1189 corporation, agricultural cooperative marketing association, or

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1190 nonprofit cooperative association existing or doing business in
 1191 this state under part I of chapter 607, chapter 618, or chapter
 1192 619.~~†~~

1193 (c) May not contain language stating or implying that the
 1194 corporation is organized for a purpose other than that permitted
 1195 in this act and its articles of incorporation.~~†~~

1196 (d) May not contain language stating or implying that the
 1197 corporation is connected with a state or federal government
 1198 agency or a corporation chartered under the laws of the United
 1199 States.~~†~~~~and~~

1200 (e) Must be distinguishable from the names of all other
 1201 entities or filings that are on file with the Division of
 1202 Corporations, except fictitious name registrations pursuant to
 1203 s. 865.09, general partnership registrations pursuant to s.
 1204 620.8105, and limited liability partnership statements pursuant
 1205 to s. 620.9001 which are organized, registered, or reserved
 1206 under the laws of this state, that are on file with the Division
 1207 of Corporations. A name that is different from a name of another
 1208 entity or filing due to any of the following is not considered
 1209 distinguishable:

- 1210 1. A suffix.
- 1211 2. A definite or indefinite article.
- 1212 3. The word "and" and the symbol "&."
- 1213 4. The singular, plural, or possessive form of a word.
- 1214 5. A recognized abbreviation of a root word.
- 1215 6. A punctuation mark or a symbol.

1216 Section 35. Subsection (4) of section 620.1108, Florida
 1217 Statutes, is amended to read:

1218 620.1108 Name.—

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1219 (4) The name of a limited partnership must be
 1220 distinguishable in the records of the Department of State from
 1221 the names of all other entities or filings that are on file with
 1222 the Department of State, except fictitious name registrations
 1223 pursuant to s. 865.09, general partnership registrations
 1224 pursuant to s. 620.8105, and limited liability partnership
 1225 statements pursuant to s. 620.9001 which are organized,
 1226 registered, or reserved under the laws of this state, ~~the names~~
 1227 ~~of which are on file with the Department of State.~~ A name that
 1228 is different from the name of another entity or filing due to
 1229 any of the following is not considered distinguishable:

- 1230 (a) A suffix.
 1231 (b) A definite or indefinite article.
 1232 (c) The word "and" and the symbol "&."
 1233 (d) The singular, plural, or possessive form of a word.
 1234 (e) A recognized abbreviation of a root word.
 1235 (f) A punctuation mark or a symbol.

1236 Section 36. Subsection (1) of section 48.091, Florida
 1237 Statutes, is amended to read:

1238 48.091 Corporations; designation of registered agent and
 1239 registered office.—

1240 (1) Every Florida corporation and every foreign corporation
 1241 now qualified or hereafter qualifying to transact business in
 1242 this state shall designate a registered agent and registered
 1243 office in accordance with part I of chapter 607.

1244 Section 37. Paragraph (d) of subsection (6) of section
 1245 215.555, Florida Statutes, is amended to read:

1246 215.555 Florida Hurricane Catastrophe Fund.—

1247 (6) REVENUE BONDS.—

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1248 (d) *State Board of Administration Finance Corporation.*—

1249 1. In addition to the findings and declarations in
1250 subsection (1), the Legislature also finds and declares that:

1251 a. The public benefits corporation created under this
1252 paragraph will provide a mechanism necessary for the cost-
1253 effective and efficient issuance of bonds. This mechanism will
1254 eliminate unnecessary costs in the bond issuance process,
1255 thereby increasing the amounts available to pay reimbursement
1256 for losses to property sustained as a result of hurricane
1257 damage.

1258 b. The purpose of such bonds is to fund reimbursements
1259 through the Florida Hurricane Catastrophe Fund to pay for the
1260 costs of construction, reconstruction, repair, restoration, and
1261 other costs associated with damage to properties of
1262 policyholders of covered policies due to the occurrence of a
1263 hurricane.

1264 c. The efficacy of the financing mechanism will be enhanced
1265 by the corporation's ownership of the assessments, by the
1266 insulation of the assessments from possible bankruptcy
1267 proceedings, and by covenants of the state with the
1268 corporation's bondholders.

1269 2.a. There is created a public benefits corporation, which
1270 is an instrumentality of the state, to be known as the State
1271 Board of Administration Finance Corporation.

1272 b. The corporation shall operate under a five-member board
1273 of directors consisting of the Governor or a designee, the Chief
1274 Financial Officer or a designee, the Attorney General or a
1275 designee, the director of the Division of Bond Finance of the
1276 State Board of Administration, and the Chief Operating Officer

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1277 of the Florida Hurricane Catastrophe Fund.

1278 c. The corporation has all of the powers of corporations
1279 under part I of chapter 607 and under chapter 617, subject only
1280 to ~~the provisions of~~ this subsection.

1281 d. The corporation may issue bonds and engage in such other
1282 financial transactions as are necessary to provide sufficient
1283 funds to achieve the purposes of this section.

1284 e. The corporation may invest in any of the investments
1285 authorized under s. 215.47.

1286 f. There shall be no liability on the part of, and no cause
1287 of action shall arise against, any board members or employees of
1288 the corporation for any actions taken by them in the performance
1289 of their duties under this paragraph.

1290 3.a. In actions under chapter 75 to validate any bonds
1291 issued by the corporation, the notice required under ~~by~~ s. 75.06
1292 shall be published in two newspapers of general circulation in
1293 the state, and the complaint and order of the court shall be
1294 served only on the State Attorney of the Second Judicial
1295 Circuit.

1296 b. The state hereby covenants with holders of bonds of the
1297 corporation that the state will not repeal or abrogate the power
1298 of the board to direct the Office of Insurance Regulation to
1299 levy the assessments and to collect the proceeds of the revenues
1300 pledged to the payment of such bonds as long as any such bonds
1301 remain outstanding unless adequate provision has been made for
1302 the payment of such bonds pursuant to the documents authorizing
1303 the issuance of such bonds.

1304 4. The bonds of the corporation are not a debt of the state
1305 or of any political subdivision, and neither the state nor any

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1306 political subdivision is liable on such bonds. The corporation
1307 does not have the power to pledge the credit, the revenues, or
1308 the taxing power of the state or of any political subdivision.
1309 The credit, revenues, or taxing power of the state or of any
1310 political subdivision shall not be deemed to be pledged to the
1311 payment of any bonds of the corporation.

1312 5.a. The property, revenues, and other assets of the
1313 corporation; the transactions and operations of the corporation
1314 and the income from such transactions and operations; and all
1315 bonds issued under this paragraph and interest on such bonds are
1316 exempt from taxation by the state and any political subdivision,
1317 including the intangibles tax under chapter 199 and the income
1318 tax under chapter 220. This exemption does not apply to any tax
1319 imposed by chapter 220 on interest, income, or profits on debt
1320 obligations owned by corporations other than the State Board of
1321 Administration Finance Corporation.

1322 b. All bonds of the corporation shall be and constitute
1323 legal investments without limitation for all public bodies of
1324 this state; for all banks, trust companies, savings banks,
1325 savings associations, savings and loan associations, and
1326 investment companies; for all administrators, executors,
1327 trustees, and other fiduciaries; for all insurance companies and
1328 associations and other persons carrying on an insurance
1329 business; and for all other persons who are now or may hereafter
1330 be authorized to invest in bonds or other obligations of the
1331 state and shall be and constitute eligible securities to be
1332 deposited as collateral for the security of any state, county,
1333 municipal, or other public funds. This sub-subparagraph is ~~shall~~
1334 ~~be considered as~~ additional and supplemental authority and may

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1335 ~~shall~~ not be limited without specific reference to this sub-
1336 subparagraph.

1337 6. The corporation and its corporate existence continues
1338 ~~shall continue~~ until terminated by law; however, ~~no~~ such law may
1339 not shall take effect as long as the corporation has bonds
1340 outstanding unless adequate provision has been made for the
1341 payment of such bonds pursuant to the documents authorizing the
1342 issuance of such bonds. Upon termination of the existence of the
1343 corporation, all of its rights and properties in excess of its
1344 obligations shall pass to and be vested in the state.

1345 7. The State Board of Administration Finance Corporation is
1346 for all purposes the successor to the Florida Hurricane
1347 Catastrophe Fund Finance Corporation.

1348 Section 38. Subsection (1) of section 243.54, Florida
1349 Statutes, is amended to read:

1350 243.54 Powers of the authority.—The purpose of the
1351 authority is to assist institutions of higher education in
1352 constructing, financing, and refinancing projects throughout the
1353 state and, for this purpose, the authority may:

1354 (1) Exercise all powers granted to corporations under part
1355 I of the Florida Business Corporation Act, chapter 607.

1356 Section 39. Section 310.171, Florida Statutes, is amended
1357 to read:

1358 310.171 Pilots may incorporate themselves.—Any one or more
1359 licensed state pilots may incorporate in the manner provided
1360 under part I of chapter 607 or chapter 621.

1361 Section 40. Section 310.181, Florida Statutes, is amended
1362 to read:

1363 310.181 Corporate powers.—All the rights, powers, and

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1364 liabilities conferred or imposed by the laws of Florida relating
1365 to corporations for profit organized under part I of chapter 607
1366 or under chapter 608 before January 1, 1976, or to corporations
1367 organized under chapter 621 ~~shall~~ apply to corporations
1368 organized pursuant to s. 310.171.

1369 Section 41. Paragraph (c) of subsection (4) of section
1370 329.10, Florida Statutes, is amended to read:

1371 329.10 Aircraft registration.—

1372 (4) It is a violation of this section for any person or
1373 corporate entity to knowingly supply false information to any
1374 governmental entity in regard to ownership by it or another
1375 firm, business, or corporation of an aircraft in or operated in
1376 this state if it is determined that such corporate entity or
1377 other firm, business, or corporation:

1378 (c) Has lapsed into a state of no longer being a legal
1379 entity in this state as defined in part I of chapter 607 or s.
1380 865.09, and no documented attempt has been made to correct such
1381 information with the governmental entity for a period of 90 days
1382 after the date on which such lapse took effect with the
1383 Secretary of State.

1384 Section 42. Subsection (1) of section 339.412, Florida
1385 Statutes, is amended to read:

1386 339.412 Powers of corporation.—As to designated projects
1387 and in addition to other powers prescribed by law, a corporation
1388 may exercise the following powers with respect to the promotion
1389 and development of transportation facilities, pursuant to a
1390 written contract for the same, together with all powers
1391 incidental thereto or necessary for the performance of those
1392 hereinafter stated:

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1393 (1) The corporation may exercise all the powers as granted
1394 by the department to work directly with landowners, local and
1395 state governmental agencies, elected officials, and any other
1396 person to support those activities required to promote and
1397 develop the projects. These activities shall include:

1398 (a) Acquiring, holding, investing, and administering
1399 property and transferring title of such property to the
1400 department for development of projects on behalf of the
1401 department;

1402 (b) Performing preliminary and final alignment studies in a
1403 manner consistent with state and federal laws;

1404 (c) Receiving contributions of land for rights-of-way and
1405 cash donations to be applied to the purchase of rights-of-way
1406 not donated or to be applied to the design or construction of
1407 the projects;

1408 (d) Reviewing candidates for advisory directorships and
1409 adding or removing such advisory directors as may be
1410 appropriate;

1411 (e) Retaining such administrative staff and legal, public
1412 relations, and engineering services as may be required for the
1413 development of the projects and paying such employees and
1414 consultants from funds donated for this purpose;

1415 (f) Preparing such exhibits, right-of-way documents,
1416 environmental reports, schematics, and preliminary and final
1417 engineering plans as are necessary for the development of the
1418 projects;

1419 (g) Borrowing money to meet any expenses or needs
1420 associated with the regular operations of the corporation or a
1421 particular project; provided, however, that no corporation shall

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1422 have the power to issue bonds, the provisions of part I of
1423 chapter ~~chapters~~ 607 and chapter 617 notwithstanding;

1424 (h) Making official presentations to the state and other
1425 affected agencies or groups concerning the development of the
1426 projects;

1427 (i) Issuing press releases and other material to promote
1428 the activities of the projects; and

1429 (j) Performing any other functions requested by the
1430 department in order to promote and develop the projects.

1431

1432 Nothing in this act empowers the corporation to enter into any
1433 contracts for construction or to undertake any construction, on
1434 behalf of the department.

1435 Section 43. Subsection (4) of section 420.101, Florida
1436 Statutes, is amended to read:

1437 420.101 Housing Development Corporation of Florida;
1438 creation, membership, and purposes.—

1439 (4) Whenever the articles of incorporation have been filed
1440 in the Department of State and approved by it and all filing
1441 fees and taxes prescribed by part I of chapter 607 have been
1442 paid, the subscribers and their successors and assigns shall
1443 constitute a corporation, and the corporation shall then be
1444 authorized to commence business, and stock thereof to the extent
1445 herein or hereafter duly authorized may from time to time be
1446 issued.

1447 Section 44. Section 420.111, Florida Statutes, is amended
1448 to read:

1449 420.111 Housing Development Corporation of Florida;
1450 additional powers.—In furtherance of its purposes and in

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1451 addition to the powers now or hereafter conferred on business
1452 corporations by part I of chapter 607, the corporation shall,
1453 subject to the restrictions and limitations ~~herein~~ contained in
1454 this section, have the following powers:

1455 (1) To elect, appoint, and employ officers, agents and
1456 employees and to make contracts and incur liabilities for any of
1457 the purposes of the corporation, except that the corporation may
1458 ~~shall~~ not incur any secondary liability by way of guaranty or
1459 endorsement of the obligations of any person, firm, corporation,
1460 joint-stock company, association, or trust, or in any other
1461 manner.

1462 (2) To borrow money from its stockholders, other financial
1463 institutions, and state and federal agencies for any of the
1464 purposes of the corporation; to issue therefor its bonds,
1465 debentures, notes, or other evidences of indebtedness, whether
1466 secured or unsecured, and to secure the same by mortgage,
1467 pledge, deed of trust, or other lien on its property,
1468 franchises, rights, and privileges of every kind and nature, or
1469 any part thereof or interest therein, without securing
1470 stockholder approval.

1471 (3) To make loans to any person, firm, corporation, joint-
1472 stock company, association, or trust and to regulate the terms
1473 and conditions with respect to any such loans and the charges
1474 for interest and service connected therewith, provided subsidies
1475 may be in the form of below market interest rates or such other
1476 assistance as determined by the board with the concurrence of
1477 the applicable regulatory agencies governing the several
1478 stockholder industries.

1479 (4) To purchase, receive, hold, lease, or otherwise

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1480 acquire, and to sell, convey, transfer, lease, or otherwise
1481 dispose of, real and personal property, together with such
1482 rights and privileges as may be incidental and appurtenant
1483 thereto and the use thereof, including, but not restricted to,
1484 any real or personal property acquired by the corporation from
1485 time to time in the satisfaction of debts or enforcement of
1486 obligations.

1487 (5) For the purposes of foreclosure, to acquire the good
1488 will, business, rights, real and personal property, and other
1489 assets, or any part thereof, or interest therein, of any
1490 persons, firms, corporations, joint-stock companies,
1491 associations or trusts, and to assume, undertake, or pay the
1492 obligations, debts and liabilities of any such person, firm,
1493 corporation, joint-stock company, association or trust; to
1494 acquire improved or unimproved real estate for the purpose of
1495 constructing new housing or rehabilitation thereof; for the
1496 purposes of disposing of such real estate to others for the
1497 construction of housing or rehabilitation thereof; and to
1498 acquire, construct or reconstruct, alter, repair, maintain,
1499 operate, sell, convey, transfer, lease, or otherwise dispose of
1500 such housing, provided, however that nothing herein contained
1501 shall authorize the acquisition, construction, reconstruction,
1502 or operation of any public lodging establishment as defined in
1503 chapter 509.

1504 (6) To acquire, subscribe for, own, hold, sell, assign,
1505 transfer, mortgage, pledge, or otherwise dispose of the stock,
1506 shares, bonds, debentures, notes, or other securities and
1507 evidences of interest in, or indebtedness of, any person, firm,
1508 corporation, joint-stock company, association, or trust, and,

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1509 while the owner or holder thereof, to exercise all the rights,
 1510 powers, and privileges of ownership, including the right to vote
 1511 thereon.

1512 (7) To mortgage, pledge, or otherwise encumber any
 1513 property, right, or thing of value, acquired pursuant to the
 1514 powers contained in subsection (4), subsection (5), or
 1515 subsection (6), as security for the payment of any part of the
 1516 purchase price thereof.

1517 (8) To cooperate with, and avail itself of the facilities
 1518 of, the United States Department of Housing and Urban
 1519 Development, the Department of Economic Opportunity, and any
 1520 other similar local, state, or Federal Government agency; and to
 1521 cooperate with and assist, and otherwise encourage,
 1522 organizations in the various communities of the state on the
 1523 promotion, assistance, and development of the housing and
 1524 economic welfare of such communities or of this state or any
 1525 part thereof.

1526 (9) To do all acts and things necessary or convenient to
 1527 carry out the powers expressly granted in this part.

1528 Section 45. Subsection (2) of section 420.161, Florida
 1529 Statutes, is amended to read:

1530 420.161 Housing Development Corporation of Florida; period
 1531 of existence; method of dissolution.—

1532 (2) The corporation may, upon the affirmative vote of two-
 1533 thirds of the votes to which the stockholders are ~~shall be~~
 1534 entitled, dissolve the said corporation as provided under part I
 1535 of by chapter 607, as long as that part does insofar as chapter
 1536 ~~607 is not in conflict with the provisions of~~ this act. Upon any
 1537 dissolution of the corporation, ~~none of~~ the corporation's assets

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1538 may not ~~shall~~ be distributed to the stockholders until all sums
1539 due the members of the corporation as creditors thereof have
1540 been paid in full.

1541 Section 46. Subsection (9) of section 440.02, Florida
1542 Statutes, is amended to read:

1543 440.02 Definitions.—When used in this chapter, unless the
1544 context clearly requires otherwise, the following terms shall
1545 have the following meanings:

1546 (9) "Corporate officer" or "officer of a corporation" means
1547 any person who fills an office provided for in the corporate
1548 charter or articles of incorporation filed with the Division of
1549 Corporations of the Department of State or as authorized
1550 ~~permitted~~ or required under part I of ~~by~~ chapter 607. The term
1551 "officer of a corporation" includes a member owning at least 10
1552 percent of a limited liability company created and approved
1553 under chapter 608.

1554 Section 47. Paragraph (d) of subsection (10) of section
1555 440.386, Florida Statutes, is amended to read:

1556 440.386 Individual self-insurers' insolvency; conservation;
1557 liquidation.—

1558 (10) TRANSFERS PRIOR TO PETITION.—

1559 (d) The personal liability of the officers or directors of
1560 an insolvent individual self-insurer is ~~shall be~~ subject to part
1561 I of the provisions of chapter 607 and the penalties provided
1562 therein.

1563 Section 48. Subsection (3) of section 609.08, Florida
1564 Statutes, is amended to read:

1565 609.08 Merger of association into wholly owned subsidiary
1566 corporation; dissenters' rights of appraisal.—

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1567 (3) If the surviving corporation is to be governed by the
1568 laws of any jurisdiction other than this state, it shall comply
1569 with part I of ~~the provisions of~~ chapter 607 with respect to
1570 foreign corporations if it is to transact business in this
1571 state, and in every case it shall file with the Department of
1572 State of this state:

1573 (a) An agreement that it may be served with process in this
1574 state in any proceeding for the enforcement of any obligation of
1575 the association and in any proceeding for the enforcement of any
1576 rights under the declaration of trust of the association of a
1577 dissenting shareholder of the association against the surviving
1578 corporation.

1579 (b) An irrevocable appointment of the Secretary of State as
1580 its agent to accept service of process in any such proceeding.

1581 (c) An agreement that it will promptly pay to the
1582 dissenting shareholders of the association the amount, if any,
1583 to which they are ~~shall be~~ entitled under ~~the provisions of~~ its
1584 declaration of trust with respect to the rights of dissenting
1585 shareholders.

1586 Section 49. Section 617.1908, Florida Statutes, is amended
1587 to read:

1588 617.1908 Applicability of Florida Business Corporation
1589 Act.—Except as ~~otherwise~~ made applicable by specific reference
1590 in any other section of this chapter, part I ~~the provisions~~ of
1591 chapter 607, the Florida Business Corporation Act, does ~~shall~~
1592 not apply to any corporations not for profit.

1593 Section 50. Section 618.221, Florida Statutes, is amended
1594 to read:

1595 618.221 Conversion into a corporation for profit.—Any

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1596 association incorporated under or that has adopted the
1597 provisions of this chapter, may, by a majority vote of its
1598 stockholders or members be brought under part I of the
1599 ~~provisions of~~ chapter 607, as a corporation for profit by
1600 surrendering all right to carry on its business under this
1601 chapter, and the privileges and immunities incident thereto. It
1602 shall make out in duplicate a statement signed and sworn to by
1603 its directors to the effect that the association has, by a
1604 majority vote of its stockholders or members, decided to
1605 surrender all rights, powers, and privileges as a nonprofit
1606 cooperative marketing association under this chapter and to do
1607 business under and be bound by part I of the provisions of said
1608 chapter 607, as a corporation for profit and has authorized all
1609 changes accordingly. Articles of incorporation shall be
1610 delivered to the Department of State for filing as required
1611 under part I of chapter 607 ~~in and by s. 607.164~~, except that
1612 they shall be signed by the members of the then board of
1613 directors. The filing fees and taxes shall be as provided under
1614 part I of ~~in~~ chapter 607. Such articles of incorporation shall
1615 adequately protect and preserve the relative rights of the
1616 stockholders or members of the association so converting into a
1617 corporation for profit; provided that no rights or obligations
1618 due any stockholder or member of such association or any other
1619 person, firm, or corporation which has not been waived or
1620 satisfied shall be impaired by such conversion into a
1621 corporation for profit as herein authorized.

1622 Section 51. Section 619.04, Florida Statutes, is amended to
1623 read:

1624 619.04 Articles of incorporation.—Each association formed

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1625 under this chapter must prepare and file articles of
1626 incorporation in the same manner and under the same regulations
1627 as required under part I of chapter 607, and therein shall set
1628 forth:

1629 (1) The name of the association.

1630 (2) The purpose for which it is formed.

1631 (3) The place where its principal business will be
1632 transacted.

1633 (4) The term for which it is to exist, not exceeding 50
1634 years.

1635 (5) The number of directors thereof, which must not be less
1636 than three and which may be any number in excess thereof, and
1637 the names and residences of those selected for the first year
1638 and until their successors shall have been elected and shall
1639 have accepted office.

1640 (6) Whether the voting power and the property rights and
1641 interest of each member shall be equal, or unequal, and if
1642 unequal these articles shall set forth a general rule applicable
1643 to all members by which the voting power and the property rights
1644 and interests, respectively, of each member may and shall be
1645 determined and fixed, but the association shall have power to
1646 admit new members, who shall be entitled to vote and to share in
1647 the property of the association with the old members, in
1648 accordance with such general rule. This provision of the
1649 articles of incorporation may ~~shall~~ not be altered, amended, or
1650 repealed except by the unanimous written consent or the vote of
1651 all the members.

1652 (7) Said articles must be subscribed by the original
1653 members and acknowledged by one of them before an officer

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1654 authorized by the law of this state to take and certify
1655 acknowledgments of deeds of conveyance, and shall be filed in
1656 accordance with the provisions of law, and when so filed the
1657 said articles of incorporation or certified copies thereof shall
1658 be received in all the courts of this state and other places as
1659 prima facie evidence of the facts contained therein.

1660 Section 52. Subsection (3) of section 624.430, Florida
1661 Statutes, is amended to read:

1662 624.430 Withdrawal of insurer or discontinuance of writing
1663 certain kinds or lines of insurance.—

1664 (3) Upon office approval of the surrender of the
1665 certificate of authority of a domestic property and casualty
1666 insurer that is a corporation, the insurer may initiate the
1667 dissolution of the corporation in accordance with the applicable
1668 provisions of part I of chapter 607.

1669 Section 53. Subsection (1) of section 624.462, Florida
1670 Statutes, is amended to read:

1671 624.462 Commercial self-insurance funds.—

1672 (1) Any group of persons may form a commercial self-
1673 insurance fund for the purpose of pooling and spreading
1674 liabilities of its group members in any commercial property or
1675 casualty risk or surety insurance. Any fund established pursuant
1676 to subparagraph (2)(a)1. may be organized as a corporation under
1677 part I of chapter 607.

1678 Section 54. Subsection (3) of section 624.489, Florida
1679 Statutes, is amended to read:

1680 624.489 Liability of trustees of self-insurance trust fund
1681 and directors of self-insurance funds operating as
1682 corporations.—

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1683 (3) The immunities from liability provided in this section
1684 with respect to trustees also apply to members of the board of
1685 directors of a commercial self-insurance fund organized as a
1686 corporation under part I of chapter 607 if the board of
1687 directors has contracted with an administrator authorized under
1688 s. 626.88 to administer the day-to-day affairs of the fund.

1689 Section 55. Section 628.041, Florida Statutes, is amended
1690 to read:

1691 628.041 Applicability of general corporation statutes.—The
1692 applicable statutes of this state relating to the powers and
1693 procedures of domestic private corporations formed for profit
1694 shall apply to domestic stock insurers and to domestic mutual
1695 insurers, except:

1696 (1) As to any domestic mutual insurers incorporated
1697 pursuant to chapter 617, which chapter shall govern such
1698 insurers when in conflict with part I of chapter 607; and

1699 (2) When in conflict with the express provisions of this
1700 code.

1701 Section 56. Subsection (4) of section 631.262, Florida
1702 Statutes, is amended to read:

1703 631.262 Transfers prior to petition.—

1704 (4) The personal liability of the officers or directors of
1705 an insolvent insurer is ~~shall be~~ subject to part I of the
1706 ~~provisions of~~ chapter 607 and the penalties provided therein.

1707 Section 57. Subsection (1) of section 636.204, Florida
1708 Statutes, is amended to read:

1709 636.204 License required.—

1710 (1) Before doing business in this state as a discount
1711 medical plan organization, an entity must be a corporation, a

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1712 limited liability company, or a limited partnership,
1713 incorporated, organized, formed, or registered under the laws of
1714 this state or authorized to transact business in this state in
1715 accordance with part I of chapter 607, chapter 608, chapter 617,
1716 chapter 620, or chapter 865, and must be licensed by the office
1717 as a discount medical plan organization or be licensed by the
1718 office pursuant to chapter 624, part I of this chapter, or
1719 chapter 641.

1720 Section 58. Section 641.2015, Florida Statutes, is amended
1721 to read:

1722 641.2015 Incorporation required.—On or after October 1,
1723 1985, any entity that has not yet obtained a certificate of
1724 authority to operate a health maintenance organization in this
1725 state shall be incorporated or shall be a division of a
1726 corporation formed under the provisions of either part I of
1727 chapter 607 or chapter 617 or shall be a public entity that is
1728 organized as a political subdivision. In the case of a division
1729 of a corporation, the financial requirements of this part shall
1730 apply to the entire corporation. Incorporation shall not be
1731 required of any entity which has already been issued an initial
1732 certificate of authority prior to this date and which is not a
1733 corporation on October 1, 1985, or which is incorporated in any
1734 other state on October 1, 1985; nor shall incorporation be
1735 required on renewal of any certificate of authority by such an
1736 organization or be required of a public entity that is organized
1737 as a political subdivision.

1738 Section 59. Subsection (1) of section 655.0201, Florida
1739 Statutes, is amended to read:

1740 655.0201 Service of process, notice, or demand on financial

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1741 institutions.-

1742 (1) Process against any financial institution authorized by
1743 federal or state law to transact business in this state may be
1744 served in accordance with chapter 48, chapter 49, part I of
1745 chapter 607, or chapter 608, as appropriate.

1746 Section 60. Subsection (2) of section 658.23, Florida
1747 Statutes, is amended to read:

1748 658.23 Submission of articles of incorporation; contents;
1749 form; approval; filing; commencement of corporate existence;
1750 bylaws.-

1751 (2) The articles of incorporation shall contain:

1752 (a) The name of the proposed bank or trust company.

1753 (b) The general nature of the business to be transacted or
1754 a statement that the corporation may engage in any activity or
1755 business permitted by law. Such statement shall authorize all
1756 such activities and business by the corporation.

1757 (c) The amount of capital stock authorized, showing the
1758 maximum number of shares of par value common stock and of
1759 preferred stock, and of every kind, class, or series of each,
1760 together with the distinguishing characteristics and the par
1761 value of all shares.

1762 (d) The amount of capital with which the corporation will
1763 begin business, which may ~~shall~~ not be less than the amount
1764 required by the office pursuant to s. 658.21.

1765 (e) A provision that the corporation is to have perpetual
1766 existence unless existence is terminated pursuant to the
1767 financial institutions codes.

1768 (f) The initial street address of the main office of the
1769 corporation, which shall be in this state.

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1770 (g) The number of directors, which shall be five or more,
1771 and the names and street addresses of the members of the initial
1772 board of directors.

1773 (h) A provision for preemptive rights, if applicable.

1774 (i) A provision authorizing the board of directors to
1775 appoint additional directors, pursuant to s. 658.33, if
1776 applicable.

1777

1778 The office shall provide to the proposed directors form articles
1779 of incorporation which must ~~shall~~ include only those provisions
1780 required under ~~by~~ this section or under part I of ~~by~~ chapter
1781 607. The form articles shall be acknowledged by the proposed
1782 directors and returned to the office for filing with the
1783 Department of State.

1784 Section 61. Paragraph (c) of subsection (11) of section
1785 658.2953, Florida Statutes, is amended to read:

1786 658.2953 Interstate branching.—

1787 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

1788 (c) An out-of-state bank may establish and maintain a de
1789 novo branch or acquire a branch in this state upon compliance
1790 with part I of chapter 607 or chapter 608 relating to doing
1791 business in this state as a foreign business entity, including
1792 maintaining a registered agent for service of process and other
1793 legal notice pursuant to s. 655.0201.

1794 Section 62. Section 658.30, Florida Statutes, is amended to
1795 read:

1796 658.30 Application of the Florida Business Corporation
1797 Act.—

1798 (1) When not in direct conflict with or superseded by

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1799 specific provisions of the financial institutions codes, the
1800 provisions of the Florida Business Corporation Act, part I of
1801 chapter 607, ~~shall~~ extend to state banks and trust companies
1802 formed under the financial institutions codes. This section
1803 shall be liberally construed to accomplish the purposes stated
1804 herein.

1805 (2) Without limiting the generality of subsection (1),
1806 stockholders, directors, and committees of state banks and trust
1807 companies may hold meetings in any manner authorized ~~permitted~~
1808 by part I of chapter 607, and any action by stockholders,
1809 directors, or committees required or authorized ~~permitted~~ to be
1810 taken at a meeting may be taken without a meeting in any manner
1811 authorized ~~provided or permitted~~ by part I of chapter 607.

1812 Section 63. Subsection (3) of section 658.36, Florida
1813 Statutes, is amended to read:

1814 658.36 Changes in capital.—

1815 (3) If a bank or trust company's capital accounts have been
1816 diminished by losses to less than the minimum required pursuant
1817 to the financial institutions codes, the market value of its
1818 shares of capital stock is less than the present par value, and
1819 the bank or trust company cannot reasonably issue and sell new
1820 shares of stock to restore its capital accounts at a share price
1821 of par value or greater of the previously issued capital stock,
1822 the office, notwithstanding any other provisions of part I of
1823 chapter 607 or the financial institutions codes, may approve
1824 special stock offering plans.

1825 (a) Such plans may include, but are not limited to,
1826 mechanisms for stock splits including reverse splits;
1827 revaluations of par value of outstanding stock; changes in

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1828 voting rights, dividends, or other preferences; and creation of
1829 new classes of stock.

1830 (b) The plan must be approved by majority vote of the bank
1831 or trust company's entire board of directors and by holders of
1832 two-thirds of the outstanding shares of stock.

1833 (c) The office shall disapprove a plan that provides unfair
1834 or disproportionate benefits to existing shareholders,
1835 directors, executive officers, or their related interests. The
1836 office shall also disapprove any plan that is not likely to
1837 restore the capital accounts to sufficient levels to achieve a
1838 sustainable, safe, and sound financial institution.

1839 (d) For any bank or trust company that the office
1840 determines to be a failing financial institution pursuant to s.
1841 655.4185, the office may approve special stock offering plans
1842 without a vote of the shareholders.

1843 Section 64. Section 663.03, Florida Statutes, is amended to
1844 read:

1845 663.03 Applicability of the Florida Business Corporation
1846 Act ~~chapter 607.~~—Notwithstanding s. 607.01401(12) ~~the definition~~
1847 ~~of the term "foreign corporation" appearing in s. 607.01401,~~ all
1848 ~~of~~ the provisions of part I of chapter 607 not in conflict with
1849 the financial institutions codes which relate to foreign
1850 corporations ~~shall~~ apply to all international banking
1851 corporations and their offices doing business in this state.

1852 Section 65. Subsection (3) of section 663.04, Florida
1853 Statutes, is amended to read:

1854 663.04 Requirements for carrying on financial institution
1855 business.—An international banking corporation or trust company,
1856 or any affiliate, subsidiary, or other person or business entity

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1857 acting as an agent for, on behalf of, or for the benefit of such
1858 international banking corporation or trust company who engages
1859 in such activities from an office located in this state, may not
1860 transact a banking or trust business, or maintain in this state
1861 any office for carrying on such business, or any part thereof,
1862 unless such corporation, trust company, affiliate, subsidiary,
1863 person, or business entity:

1864 (3) Has filed with the office a certified copy of that
1865 information required to be supplied to the Department of State
1866 by those provisions of part I of chapter 607 which are
1867 applicable to foreign corporations.

1868 Section 66. Paragraph (a) of subsection (1) of section
1869 663.301, Florida Statutes, is amended to read:

1870 663.301 Definitions.—

1871 (1) As used in this part:

1872 (a) "International development bank" means a corporation
1873 established for the purpose of promoting development in foreign
1874 countries by directly or indirectly making funding available to
1875 foreign business enterprises or foreign governments or by
1876 providing financing in connection with import-export
1877 transactions. Subject to the limitations contained in s.
1878 663.313, an international development bank may be organized
1879 ~~either~~ under chapter 617 as a corporation not for profit or
1880 under part I of chapter 607 as a corporation for profit.

1881 Section 67. Subsection (2) of section 663.306, Florida
1882 Statutes, is amended to read:

1883 663.306 Decision by office.—The office may, in its
1884 discretion, approve or disapprove the application, but it shall
1885 not approve the application unless it finds that:

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1886 (2) The proposed capital structure is adequate, but in no
1887 case may the paid-in capital stock be:

1888 (a) Less than \$400,000 in the case of an international
1889 development bank organized under chapter 617 as a corporation
1890 not for profit; or

1891 (b) The amount required for a state bank in the case of an
1892 international development bank organized under part I of chapter
1893 607 as a corporation for profit.

1894

1895 The office may disallow any illegally obtained currency,
1896 monetary instruments, funds, or other financial resources from
1897 the capitalization requirements of this section.

1898 Section 68. Subsection (4) of section 663.313, Florida
1899 Statutes, is amended to read:

1900 663.313 Ownership of stock.—

1901 (4) All of the shares of voting stock of an international
1902 development bank organized under part I of chapter 607 as a
1903 corporation for profit shall be owned by a regional development
1904 bank or by one or more wholly owned subsidiaries of a regional
1905 development bank.

1906 Section 69. Subsection (2) of section 718.111, Florida
1907 Statutes, is amended to read:

1908 718.111 The association.—

1909 (2) POWERS AND DUTIES.—The powers and duties of the
1910 association include those set forth in this section and, except
1911 as expressly limited or restricted in this chapter, those set
1912 forth in the declaration and bylaws and part I of chapter
1913 ~~chapter~~ 607 and chapter 617, as applicable.

1914 Section 70. Subsection (10) of section 719.104, Florida

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1915 Statutes, is amended to read:

1916 719.104 Cooperatives; access to units; records; financial
1917 reports; assessments; purchase of leases.—

1918 (10) POWERS AND DUTIES.—The powers and duties of the
1919 association include those set forth in this section and, except
1920 as expressly limited or restricted in this chapter, those set
1921 forth in the articles of incorporation and bylaws and part I of
1922 chapter ~~chapters~~ 607 and chapter 617, as applicable.

1923 Section 71. Subsection (5) of section 720.302, Florida
1924 Statutes, is amended to read:

1925 720.302 Purposes, scope, and application.—

1926 (5) Unless expressly stated to the contrary, corporations
1927 that operate residential homeowners' associations in this state
1928 shall be governed by and subject to part I of chapter 607, if
1929 the association was incorporated under that part ~~chapter~~, or to
1930 chapter 617, if the association was incorporated under that
1931 chapter, and this chapter. This subsection is intended to
1932 clarify existing law.

1933 Section 72. Paragraph (c) of subsection (1) of section
1934 720.306, Florida Statutes, is amended to read:

1935 720.306 Meetings of members; voting and election
1936 procedures; amendments.—

1937 (1) QUORUM; AMENDMENTS.—

1938 (c) Unless otherwise provided in the governing documents as
1939 originally recorded or permitted by this chapter or chapter 617,
1940 an amendment may not materially and adversely alter the
1941 proportionate voting interest appurtenant to a parcel or
1942 increase the proportion or percentage by which a parcel shares
1943 in the common expenses of the association unless the record

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1944 parcel owner and all record owners of liens on the parcels join
 1945 in the execution of the amendment. For purposes of this section,
 1946 a change in quorum requirements is not an alteration of voting
 1947 interests. The merger or consolidation of one or more
 1948 associations under a plan of merger or consolidation under part
 1949 I of chapter 607 or chapter 617 is ~~shall not be considered~~ a
 1950 material or adverse alteration of the proportionate voting
 1951 interest appurtenant to a parcel.

1952 Section 73. Paragraph (a) of subsection (1) of section
 1953 766.101, Florida Statutes, is amended to read:

1954 766.101 Medical review committee, immunity from liability.-

1955 (1) As used in this section:

1956 (a) The term "medical review committee" or "committee"
 1957 means:

1958 1.a. A committee of a hospital or ambulatory surgical
 1959 center licensed under chapter 395 or a health maintenance
 1960 organization certificated under part I of chapter 641;τ

1961 b. A committee of a physician-hospital organization, a
 1962 provider-sponsored organization, or an integrated delivery
 1963 system;τ

1964 c. A committee of a state or local professional society of
 1965 health care providers;τ

1966 d. A committee of a medical staff of a licensed hospital or
 1967 nursing home, provided the medical staff operates pursuant to
 1968 written bylaws that have been approved by the governing board of
 1969 the hospital or nursing home;τ

1970 e. A committee of the Department of Corrections or the
 1971 Correctional Medical Authority as created under s. 945.602, or
 1972 employees, agents, or consultants of either the department or

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1973 the authority or both;τ

1974 f. A committee of a professional service corporation formed
 1975 under chapter 621 or a corporation organized under part I of
 1976 chapter 607 or chapter 617, which is formed and operated for the
 1977 practice of medicine as defined in s. 458.305(3), and which has
 1978 at least 25 health care providers who routinely provide health
 1979 care services directly to patients;τ

1980 g. A committee of the Department of Children and Families
 1981 ~~Family Services~~ which includes employees, agents, or consultants
 1982 to the department as deemed necessary to provide peer review,
 1983 utilization review, and mortality review of treatment services
 1984 provided pursuant to chapters 394, 397, and 916;τ

1985 h. A committee of a mental health treatment facility
 1986 licensed under chapter 394 or a community mental health center
 1987 as defined in s. 394.907, provided the quality assurance program
 1988 operates pursuant to the guidelines that ~~which~~ have been
 1989 approved by the governing board of the agency;τ

1990 i. A committee of a substance abuse treatment and education
 1991 prevention program licensed under chapter 397 provided the
 1992 quality assurance program operates pursuant to the guidelines
 1993 that ~~which~~ have been approved by the governing board of the
 1994 agency;τ

1995 j. A peer review or utilization review committee organized
 1996 under chapter 440;τ

1997 k. A committee of the Department of Health, a county health
 1998 department, healthy start coalition, or certified rural health
 1999 network, when reviewing quality of care, or employees of these
 2000 entities when reviewing mortality records;τ or

2001 l. A continuous quality improvement committee of a pharmacy

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2002 licensed pursuant to chapter 465,

2003
2004 which committee is formed to evaluate and improve the quality of
2005 health care rendered by providers of health service, to
2006 determine that health services rendered were professionally
2007 indicated or were performed in compliance with the applicable
2008 standard of care, or that the cost of health care rendered was
2009 considered reasonable by the providers of professional health
2010 services in the area; or

2011 2. A committee of an insurer, self-insurer, or joint
2012 underwriting association of medical malpractice insurance, or
2013 other persons conducting review under s. 766.106.

2014 Section 74. Subsection (14) of section 865.09, Florida
2015 Statutes, is amended to read:

2016 865.09 Fictitious name registration.—

2017 (14) PROHIBITION.—A fictitious name registered as provided
2018 in this section may not contain the words "Corporation" or
2019 "Incorporated," or the abbreviations "Corp." or "Inc.," unless
2020 the person or business for which the name is registered is
2021 incorporated or has obtained a certificate of authority to
2022 transact business in this state pursuant to part I of chapter
2023 607 or chapter 617.

2024 Section 75. This act shall take effect July 1, 2014.