

By the Committee on Commerce and Tourism; and Senators Clemens and Richter

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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 all or
461 substantially all of the assets of a social purpose corporation
462 is not effective unless the transaction is approved by the
463 minimum status vote. However, a minimum status vote is not
464 required if the transaction is in the usual and regular course

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465 of business, is pursuant to court order, or is a sale pursuant
466 to which all or a substantial portion of the net proceeds of the
467 sale will be distributed to the shareholders within 1 year after
468 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 public benefit or specific public benefits
509 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.

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.

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.

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. The annual benefit report must include all of the
650 following:

651 (a) A narrative description of:

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

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

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

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

667 1. Applied consistently with any previous application in

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668 prior annual benefit reports; or

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

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

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

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

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

696 (3) The annual benefit report and the assessment of the

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

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

702 607.513 Availability of annual benefit report.—

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

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

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

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

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

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

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726 including reasonable attorney fees, which were incurred in
727 obtaining the order and otherwise enforce his or her rights
728 under this section.

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

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

734 607.601 Application and effect of part.-

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

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

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

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

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

750 607.602 Definitions.-As used in this part, unless the
751 context otherwise requires, the term:

752 (1) "Benefit corporation" means a corporation that is
753 formed, or has elected to become, subject to this part, the
754 status of which as a benefit corporation has not been

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755 terminated.

756 (2) "Benefit director" means:

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

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

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

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

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

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

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

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

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784 is to be determined, if any of the following apply:

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

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

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

796 1. The individual; or

797 2. An entity:

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

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

804 (7) "Minimum status vote" means:

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

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

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

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

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

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

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

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

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

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

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871 measuring the overall societal and environmental performance of
872 a business and the relative weights, if any, of those criteria.

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

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

883 607.603 Incorporation.—To incorporate as a benefit
884 corporation, an incorporator must satisfy the requirements of
885 this chapter, and the articles of incorporation must state that
886 the corporation is a benefit corporation under this part.

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

889 607.604 Election of benefit corporation status.—

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

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

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

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

907 607.605 Termination of benefit corporation status.—

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

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

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

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

931 607.606 Corporate purpose.-

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

935 (2) The articles of incorporation of a benefit corporation
936 may identify one or more specific public benefits as its purpose
937 in addition to its purposes under s. 607.0301 and subsection

938 (1). A benefit corporation may amend its articles of
939 incorporation to add, amend, or delete the identification of a
940 specific public benefit purpose; however, the amendment must be
941 adopted by the minimum status vote. The identification of a
942 specific public benefit under this subsection does not limit the
943 obligation of a benefit corporation under subsection (1).

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

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

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

953 607.607 Standard of conduct for directors.-

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

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

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958 1. The shareholders of the benefit corporation;

959 2. The employees and workforce of the benefit corporation,
960 its subsidiaries, and its suppliers;

961 3. The interests of customers and suppliers as
962 beneficiaries of the general public benefit and any specific
963 public benefit purposes of the benefit corporation;

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

967 5. The local and global environment;

968 6. The short-term and long-term interests of the benefit
969 corporation, including benefits that may accrue to the benefit
970 corporation from its long-term plans and the possibility that
971 these interests may be best served by the continued independence
972 of the benefit corporation; and

973 7. The ability of the benefit corporation to accomplish its
974 general public benefit purpose and each of its specific public
975 benefit purposes, if any.

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

978 (c) Are not required to give priority to the interests of a
979 particular person or group referred to in paragraph (a) or
980 paragraph (b) over the interests of any other person or group,
981 unless the benefit corporation has stated in its articles of
982 incorporation its intention to give priority to certain
983 interests.

984 (d) Are not required to give equal weight to the interests
985 of a particular person or group referred to in paragraph (a) or
986 paragraph (b) unless the benefit corporation has stated in its

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987 articles of incorporation its intention to give such equal
988 weight.

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

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

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

1001 607.608 Benefit director.—

1002 (1) If the articles of incorporation so provide, the board
1003 of directors of a benefit corporation may include a director who
1004 is designated as the benefit director and, in addition to the
1005 powers, duties, rights, and immunities of the other directors of
1006 the benefit corporation, has the powers, duties, rights, and
1007 immunities provided in this part.

1008 (2) The benefit director shall be elected, and may be
1009 removed, in the manner provided by this chapter. Except as
1010 provided under subsection (5), the benefit director shall be
1011 independent and may serve as a benefit officer. The articles of
1012 incorporation or bylaws may prescribe additional qualifications
1013 of the benefit director.

1014 (3) Unless the articles of incorporation or bylaws provide
1015 otherwise, the benefit director shall prepare, and the benefit

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

1019 (a) Whether the benefit corporation in all material
1020 respects acted in accordance with its general public benefit
1021 purpose and any specific public benefit purpose during the
1022 period covered by the report.

1023 (b) Whether the directors and officers complied with ss.
1024 607.607(1) and 607.609(1).

1025 (c) Whether the benefit corporation or its directors or
1026 officers failed to comply with paragraph (a) or s. 607.607(1) or
1027 s. 607.609(1), including a description of the ways in which the
1028 benefit corporation or its directors or officers failed to
1029 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, 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 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 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. The annual benefit report must include all of
1108 the following:

1109 (a) A narrative description of:

1110 1. The ways in which the benefit corporation pursued
1111 general public benefit during the year and the extent to which
1112 the general public benefit was created.

1113 2. Any circumstance that has hindered the pursuit or
1114 creation of general public benefit or a specific public benefit
1115 by the benefit corporation.

1116 3. The process and rationale for selecting or changing the
1117 third-party standard used to prepare the benefit report.

1118 (b) The name of the benefit director and the benefit
1119 officer, if those positions exist, and the respective business
1120 addresses to which correspondence may be directed.

1121 (c) If the corporation has a benefit director, the
1122 statement as provided in s. 607.608(3).

1123 (d) A statement of any connection between the organization
1124 that established the third-party standard, or its directors,
1125 officers, or any holder of 5 percent or more of the governance
1126 interests in the organization, and the benefit corporation or
1127 its directors, officers, or any holder of 5 percent or more of
1128 the outstanding shares of the benefit corporation, including any
1129 financial or governance relationship that might materially
1130 affect the credibility of the use of the third-party standard.

1131 (2) The annual benefit report must be prepared in

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1132 accordance with a third-party standard that is:

1133 (a) Applied consistently with any previous application in
1134 prior annual benefit reports; or

1135 (b) Accompanied by an explanation of the reasons for any
1136 inconsistent application or any change in the standard from the
1137 immediate prior report.

1138 (3) If, during the year covered by an annual benefit
1139 report, a benefit director resigned from, or refused to stand
1140 for reelection to, his or her position, or was removed from his
1141 or her position, and he or she furnished written correspondence
1142 to the benefit corporation concerning the circumstances
1143 surrounding his or her departure, that correspondence must be
1144 included as an exhibit in the annual benefit report.

1145 (4) The annual benefit report and the assessment of the
1146 performance of the benefit corporation in the annual benefit
1147 report required under subsection (2) are not required to be
1148 audited or certified by a third-party standards provider.

1149 Section 33. Section 607.613, Florida Statutes, is created
1150 to read:

1151 607.613 Availability of annual benefit report.—

1152 (1) Each benefit corporation shall send its annual benefit
1153 report to each shareholder:

1154 (a) Within 120 days after the end of the fiscal year of the
1155 benefit corporation; or

1156 (b) At the same time that the benefit corporation delivers
1157 any other annual report to its shareholders.

1158 (2) A benefit corporation shall post each annual benefit
1159 report on the public portion of its website, if any, and it
1160 shall remain posted for at least 3 years.

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1161 (3) If a benefit corporation does not have a website, the
1162 benefit corporation shall provide a copy of its most recent
1163 annual benefit report, without charge, to any person who
1164 requests a copy.

1165 (4) If a benefit corporation does not comply with the
1166 annual benefit report delivery requirement, the circuit court in
1167 the county in which the principal office of the benefit
1168 corporation is located or, if no office is located in this
1169 state, the county in which its registered office is located,
1170 may, after a shareholder of the benefit corporation requests a
1171 copy, summarily order the corporation to furnish the report. If
1172 the court orders the report to be furnished, the court may also
1173 order the benefit corporation to pay the shareholder's costs,
1174 including reasonable attorney fees, which were incurred in
1175 obtaining the order and otherwise enforce his or her rights
1176 under this section.

1177 Section 34. Subsection (1) of section 617.0401, Florida
1178 Statutes, is amended to read:

1179 617.0401 Corporate name.—

1180 (1) A corporate name:

1181 (a) Must contain the word "corporation" or "incorporated"
1182 or the abbreviation "Corp." ~~"corp."~~ or "Inc." ~~"inc."~~ or words or
1183 abbreviations of like import in language, as will clearly
1184 indicate that it is a corporation instead of a natural person,
1185 unincorporated association, or partnership. The name of the
1186 corporation may not contain the word "company" or its
1187 abbreviation "Co." ~~"co."~~;

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

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1190 corporation, agricultural cooperative marketing association, or
1191 nonprofit cooperative association existing or doing business in
1192 this state under part I of chapter 607, chapter 618, or chapter
1193 619.~~†~~

1194 (c) May not contain language stating or implying that the
1195 corporation is organized for a purpose other than that permitted
1196 in this act and its articles of incorporation.~~†~~

1197 (d) May not contain language stating or implying that the
1198 corporation is connected with a state or federal government
1199 agency or a corporation chartered under the laws of the United
1200 States.~~†~~~~and~~

1201 (e) Must be distinguishable from the names of all other
1202 entities or filings that are on file with the Division of
1203 Corporations, except fictitious name registrations pursuant to
1204 s. 865.09, general partnership registrations pursuant to s.
1205 620.8105, and limited liability partnership statements pursuant
1206 to s. 620.9001 which are organized, registered, or reserved
1207 under the laws of this state, ~~that are on file with the Division~~
1208 ~~of Corporations~~. A name that is different from a name of another
1209 entity or filing due to any of the following is not considered
1210 distinguishable:

- 1211 1. A suffix.
- 1212 2. A definite or indefinite article.
- 1213 3. The word "and" and the symbol "&."
- 1214 4. The singular, plural, or possessive form of a word.
- 1215 5. A recognized abbreviation of a root word.
- 1216 6. A punctuation mark or a symbol.

1217 Section 35. Subsection (4) of section 620.1108, Florida
1218 Statutes, is amended to read:

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1219 620.1108 Name.—

1220 (4) The name of a limited partnership must be
1221 distinguishable in the records of the Department of State from
1222 the names of all other entities or filings that are on file with
1223 the Department of State, except fictitious name registrations
1224 pursuant to s. 865.09, general partnership registrations
1225 pursuant to s. 620.8105, and limited liability partnership
1226 statements pursuant to s. 620.9001 which are organized,
1227 registered, or reserved under the laws of this state, ~~the names~~
1228 ~~of which are on file with the Department of State.~~ A name that
1229 is different from the name of another entity or filing due to
1230 any of the following is not considered distinguishable:

1231 (a) A suffix.

1232 (b) A definite or indefinite article.

1233 (c) The word "and" and the symbol "&."

1234 (d) The singular, plural, or possessive form of a word.

1235 (e) A recognized abbreviation of a root word.

1236 (f) A punctuation mark or a symbol.

1237 Section 36. Subsection (1) of section 48.091, Florida
1238 Statutes, is amended to read:

1239 48.091 Corporations; designation of registered agent and
1240 registered office.—

1241 (1) Every Florida corporation and every foreign corporation
1242 now qualified or hereafter qualifying to transact business in
1243 this state shall designate a registered agent and registered
1244 office in accordance with part I of chapter 607.

1245 Section 37. Paragraph (d) of subsection (6) of section
1246 215.555, Florida Statutes, is amended to read:

1247 215.555 Florida Hurricane Catastrophe Fund.—

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(6) REVENUE BONDS.—

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

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

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

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

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

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

b. The corporation shall operate under a five-member board of directors consisting of the Governor or a designee, the Chief Financial Officer or a designee, the Attorney General or a designee, the director of the Division of Bond Finance of the

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1277 State Board of Administration, and the Chief Operating Officer
1278 of the Florida Hurricane Catastrophe Fund.

1279 c. The corporation has all of the powers of corporations
1280 under part I of chapter 607 and under chapter 617, subject only
1281 to ~~the provisions of~~ this subsection.

1282 d. The corporation may issue bonds and engage in such other
1283 financial transactions as are necessary to provide sufficient
1284 funds to achieve the purposes of this section.

1285 e. The corporation may invest in any of the investments
1286 authorized under s. 215.47.

1287 f. There shall be no liability on the part of, and no cause
1288 of action shall arise against, any board members or employees of
1289 the corporation for any actions taken by them in the performance
1290 of their duties under this paragraph.

1291 3.a. In actions under chapter 75 to validate any bonds
1292 issued by the corporation, the notice required under ~~by~~ s. 75.06
1293 shall be published in two newspapers of general circulation in
1294 the state, and the complaint and order of the court shall be
1295 served only on the State Attorney of the Second Judicial
1296 Circuit.

1297 b. The state hereby covenants with holders of bonds of the
1298 corporation that the state will not repeal or abrogate the power
1299 of the board to direct the Office of Insurance Regulation to
1300 levy the assessments and to collect the proceeds of the revenues
1301 pledged to the payment of such bonds as long as any such bonds
1302 remain outstanding unless adequate provision has been made for
1303 the payment of such bonds pursuant to the documents authorizing
1304 the issuance of such bonds.

1305 4. The bonds of the corporation are not a debt of the state

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1306 or of any political subdivision, and neither the state nor any
1307 political subdivision is liable on such bonds. The corporation
1308 does not have the power to pledge the credit, the revenues, or
1309 the taxing power of the state or of any political subdivision.
1310 The credit, revenues, or taxing power of the state or of any
1311 political subdivision shall not be deemed to be pledged to the
1312 payment of any bonds of the corporation.

1313 5.a. The property, revenues, and other assets of the
1314 corporation; the transactions and operations of the corporation
1315 and the income from such transactions and operations; and all
1316 bonds issued under this paragraph and interest on such bonds are
1317 exempt from taxation by the state and any political subdivision,
1318 including the intangibles tax under chapter 199 and the income
1319 tax under chapter 220. This exemption does not apply to any tax
1320 imposed by chapter 220 on interest, income, or profits on debt
1321 obligations owned by corporations other than the State Board of
1322 Administration Finance Corporation.

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

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1335 ~~be considered~~ as additional and supplemental authority and may
1336 ~~shall~~ not be limited without specific reference to this sub-
1337 subparagraph.

1338 6. The corporation and its corporate existence continues
1339 ~~shall continue~~ until terminated by law; however, ~~no~~ such law may
1340 not shall take effect as long as the corporation has bonds
1341 outstanding unless adequate provision has been made for the
1342 payment of such bonds pursuant to the documents authorizing the
1343 issuance of such bonds. Upon termination of the existence of the
1344 corporation, all of its rights and properties in excess of its
1345 obligations shall pass to and be vested in the state.

1346 7. The State Board of Administration Finance Corporation is
1347 for all purposes the successor to the Florida Hurricane
1348 Catastrophe Fund Finance Corporation.

1349 Section 38. Subsection (1) of section 243.54, Florida
1350 Statutes, is amended to read:

1351 243.54 Powers of the authority.—The purpose of the
1352 authority is to assist institutions of higher education in
1353 constructing, financing, and refinancing projects throughout the
1354 state and, for this purpose, the authority may:

1355 (1) Exercise all powers granted to corporations under part
1356 I of the Florida Business Corporation Act, chapter 607.

1357 Section 39. Section 310.171, Florida Statutes, is amended
1358 to read:

1359 310.171 Pilots may incorporate themselves.—Any one or more
1360 licensed state pilots may incorporate in the manner provided
1361 under part I of chapter 607 or chapter 621.

1362 Section 40. Section 310.181, Florida Statutes, is amended
1363 to read:

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1364 310.181 Corporate powers.—All the rights, powers, and
1365 liabilities conferred or imposed by the laws of Florida relating
1366 to corporations for profit organized under part I of chapter 607
1367 or under chapter 608 before January 1, 1976, or to corporations
1368 organized under chapter 621 ~~shall~~ apply to corporations
1369 organized pursuant to s. 310.171.

1370 Section 41. Paragraph (c) of subsection (4) of section
1371 329.10, Florida Statutes, is amended to read:

1372 329.10 Aircraft registration.—

1373 (4) It is a violation of this section for any person or
1374 corporate entity to knowingly supply false information to any
1375 governmental entity in regard to ownership by it or another
1376 firm, business, or corporation of an aircraft in or operated in
1377 this state if it is determined that such corporate entity or
1378 other firm, business, or corporation:

1379 (c) Has lapsed into a state of no longer being a legal
1380 entity in this state as defined in part I of chapter 607 or s.
1381 865.09, and no documented attempt has been made to correct such
1382 information with the governmental entity for a period of 90 days
1383 after the date on which such lapse took effect with the
1384 Secretary of State.

1385 Section 42. Subsection (1) of section 339.412, Florida
1386 Statutes, is amended to read:

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

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1393 hereinafter stated:

1394 (1) The corporation may exercise all the powers as granted
1395 by the department to work directly with landowners, local and
1396 state governmental agencies, elected officials, and any other
1397 person to support those activities required to promote and
1398 develop the projects. These activities shall include:

1399 (a) Acquiring, holding, investing, and administering
1400 property and transferring title of such property to the
1401 department for development of projects on behalf of the
1402 department;

1403 (b) Performing preliminary and final alignment studies in a
1404 manner consistent with state and federal laws;

1405 (c) Receiving contributions of land for rights-of-way and
1406 cash donations to be applied to the purchase of rights-of-way
1407 not donated or to be applied to the design or construction of
1408 the projects;

1409 (d) Reviewing candidates for advisory directorships and
1410 adding or removing such advisory directors as may be
1411 appropriate;

1412 (e) Retaining such administrative staff and legal, public
1413 relations, and engineering services as may be required for the
1414 development of the projects and paying such employees and
1415 consultants from funds donated for this purpose;

1416 (f) Preparing such exhibits, right-of-way documents,
1417 environmental reports, schematics, and preliminary and final
1418 engineering plans as are necessary for the development of the
1419 projects;

1420 (g) Borrowing money to meet any expenses or needs
1421 associated with the regular operations of the corporation or a

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1422 particular project; provided, however, that no corporation shall
1423 have the power to issue bonds, the provisions of part I of
1424 chapter ~~chapters~~ 607 and chapter 617 notwithstanding;

1425 (h) Making official presentations to the state and other
1426 affected agencies or groups concerning the development of the
1427 projects;

1428 (i) Issuing press releases and other material to promote
1429 the activities of the projects; and

1430 (j) Performing any other functions requested by the
1431 department in order to promote and develop the projects.

1432

1433 Nothing in this act empowers the corporation to enter into any
1434 contracts for construction or to undertake any construction, on
1435 behalf of the department.

1436 Section 43. Subsection (4) of section 420.101, Florida
1437 Statutes, is amended to read:

1438 420.101 Housing Development Corporation of Florida;
1439 creation, membership, and purposes.—

1440 (4) Whenever the articles of incorporation have been filed
1441 in the Department of State and approved by it and all filing
1442 fees and taxes prescribed by part I of chapter 607 have been
1443 paid, the subscribers and their successors and assigns shall
1444 constitute a corporation, and the corporation shall then be
1445 authorized to commence business, and stock thereof to the extent
1446 herein or hereafter duly authorized may from time to time be
1447 issued.

1448 Section 44. Section 420.111, Florida Statutes, is amended
1449 to read:

1450 420.111 Housing Development Corporation of Florida;

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1451 additional powers.—In furtherance of its purposes and in
1452 addition to the powers now or hereafter conferred on business
1453 corporations by part I of chapter 607, the corporation shall,
1454 subject to the restrictions and limitations ~~herein~~ contained in
1455 this section, have the following powers:

1456 (1) To elect, appoint, and employ officers, agents and
1457 employees and to make contracts and incur liabilities for any of
1458 the purposes of the corporation, except that the corporation may
1459 ~~shall~~ not incur any secondary liability by way of guaranty or
1460 endorsement of the obligations of any person, firm, corporation,
1461 joint-stock company, association, or trust, or in any other
1462 manner.

1463 (2) To borrow money from its stockholders, other financial
1464 institutions, and state and federal agencies for any of the
1465 purposes of the corporation; to issue therefor its bonds,
1466 debentures, notes, or other evidences of indebtedness, whether
1467 secured or unsecured, and to secure the same by mortgage,
1468 pledge, deed of trust, or other lien on its property,
1469 franchises, rights, and privileges of every kind and nature, or
1470 any part thereof or interest therein, without securing
1471 stockholder approval.

1472 (3) To make loans to any person, firm, corporation, joint-
1473 stock company, association, or trust and to regulate the terms
1474 and conditions with respect to any such loans and the charges
1475 for interest and service connected therewith, provided subsidies
1476 may be in the form of below market interest rates or such other
1477 assistance as determined by the board with the concurrence of
1478 the applicable regulatory agencies governing the several
1479 stockholder industries.

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1480 (4) To purchase, receive, hold, lease, or otherwise
1481 acquire, and to sell, convey, transfer, lease, or otherwise
1482 dispose of, real and personal property, together with such
1483 rights and privileges as may be incidental and appurtenant
1484 thereto and the use thereof, including, but not restricted to,
1485 any real or personal property acquired by the corporation from
1486 time to time in the satisfaction of debts or enforcement of
1487 obligations.

1488 (5) For the purposes of foreclosure, to acquire the good
1489 will, business, rights, real and personal property, and other
1490 assets, or any part thereof, or interest therein, of any
1491 persons, firms, corporations, joint-stock companies,
1492 associations or trusts, and to assume, undertake, or pay the
1493 obligations, debts and liabilities of any such person, firm,
1494 corporation, joint-stock company, association or trust; to
1495 acquire improved or unimproved real estate for the purpose of
1496 constructing new housing or rehabilitation thereof; for the
1497 purposes of disposing of such real estate to others for the
1498 construction of housing or rehabilitation thereof; and to
1499 acquire, construct or reconstruct, alter, repair, maintain,
1500 operate, sell, convey, transfer, lease, or otherwise dispose of
1501 such housing, provided, however that nothing herein contained
1502 shall authorize the acquisition, construction, reconstruction,
1503 or operation of any public lodging establishment as defined in
1504 chapter 509.

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

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1509 corporation, joint-stock company, association, or trust, and,
1510 while the owner or holder thereof, to exercise all the rights,
1511 powers, and privileges of ownership, including the right to vote
1512 thereon.

1513 (7) To mortgage, pledge, or otherwise encumber any
1514 property, right, or thing of value, acquired pursuant to the
1515 powers contained in subsection (4), subsection (5), or
1516 subsection (6), as security for the payment of any part of the
1517 purchase price thereof.

1518 (8) To cooperate with, and avail itself of the facilities
1519 of, the United States Department of Housing and Urban
1520 Development, the Department of Economic Opportunity, and any
1521 other similar local, state, or Federal Government agency; and to
1522 cooperate with and assist, and otherwise encourage,
1523 organizations in the various communities of the state on the
1524 promotion, assistance, and development of the housing and
1525 economic welfare of such communities or of this state or any
1526 part thereof.

1527 (9) To do all acts and things necessary or convenient to
1528 carry out the powers expressly granted in this part.

1529 Section 45. Subsection (2) of section 420.161, Florida
1530 Statutes, is amended to read:

1531 420.161 Housing Development Corporation of Florida; period
1532 of existence; method of dissolution.—

1533 (2) The corporation may, upon the affirmative vote of two-
1534 thirds of the votes to which the stockholders are ~~shall be~~
1535 entitled, dissolve the said corporation as provided under part I
1536 of ~~by~~ chapter 607, as long as that part does insofar as chapter
1537 ~~607 is not in conflict with the provisions of~~ this act. Upon any

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1538 dissolution of the corporation, ~~none of~~ the corporation's assets
1539 may not shall be distributed to the stockholders until all sums
1540 due the members of the corporation as creditors thereof have
1541 been paid in full.

1542 Section 46. Subsection (9) of section 440.02, Florida
1543 Statutes, is amended to read:

1544 440.02 Definitions.—When used in this chapter, unless the
1545 context clearly requires otherwise, the following terms shall
1546 have the following meanings:

1547 (9) "Corporate officer" or "officer of a corporation" means
1548 any person who fills an office provided for in the corporate
1549 charter or articles of incorporation filed with the Division of
1550 Corporations of the Department of State or as authorized
1551 ~~permitted~~ or required under part I of ~~by~~ chapter 607. The term
1552 "officer of a corporation" includes a member owning at least 10
1553 percent of a limited liability company created and approved
1554 under chapter 608.

1555 Section 47. Paragraph (d) of subsection (10) of section
1556 440.386, Florida Statutes, is amended to read:

1557 440.386 Individual self-insurers' insolvency; conservation;
1558 liquidation.—

1559 (10) TRANSFERS PRIOR TO PETITION.—

1560 (d) The personal liability of the officers or directors of
1561 an insolvent individual self-insurer is shall be subject to part
1562 I of the provisions of chapter 607 and the penalties provided
1563 therein.

1564 Section 48. Subsection (3) of section 609.08, Florida
1565 Statutes, is amended to read:

1566 609.08 Merger of association into wholly owned subsidiary

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1567 corporation; dissenters' rights of appraisal.—

1568 (3) If the surviving corporation is to be governed by the
1569 laws of any jurisdiction other than this state, it shall comply
1570 with part I of ~~the provisions of~~ chapter 607 with respect to
1571 foreign corporations if it is to transact business in this
1572 state, and in every case it shall file with the Department of
1573 State of this state:

1574 (a) An agreement that it may be served with process in this
1575 state in any proceeding for the enforcement of any obligation of
1576 the association and in any proceeding for the enforcement of any
1577 rights under the declaration of trust of the association of a
1578 dissenting shareholder of the association against the surviving
1579 corporation.

1580 (b) An irrevocable appointment of the Secretary of State as
1581 its agent to accept service of process in any such proceeding.

1582 (c) An agreement that it will promptly pay to the
1583 dissenting shareholders of the association the amount, if any,
1584 to which they are ~~shall be~~ entitled under ~~the provisions of~~ its
1585 declaration of trust with respect to the rights of dissenting
1586 shareholders.

1587 Section 49. Section 617.1908, Florida Statutes, is amended
1588 to read:

1589 617.1908 Applicability of Florida Business Corporation
1590 Act.—Except as ~~otherwise~~ made applicable by specific reference
1591 in any other section of this chapter, part I ~~the provisions~~ of
1592 chapter 607, the Florida Business Corporation Act, does ~~shall~~
1593 not apply to any corporations not for profit.

1594 Section 50. Section 618.221, Florida Statutes, is amended
1595 to read:

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1596 618.221 Conversion into a corporation for profit.—Any
1597 association incorporated under or that has adopted the
1598 provisions of this chapter, may, by a majority vote of its
1599 stockholders or members be brought under part I of the
1600 ~~provisions of~~ chapter 607, as a corporation for profit by
1601 surrendering all right to carry on its business under this
1602 chapter, and the privileges and immunities incident thereto. It
1603 shall make out in duplicate a statement signed and sworn to by
1604 its directors to the effect that the association has, by a
1605 majority vote of its stockholders or members, decided to
1606 surrender all rights, powers, and privileges as a nonprofit
1607 cooperative marketing association under this chapter and to do
1608 business under and be bound by part I of the provisions of said
1609 chapter 607, as a corporation for profit and has authorized all
1610 changes accordingly. Articles of incorporation shall be
1611 delivered to the Department of State for filing as required
1612 under part I of chapter 607 ~~in and by s. 607.164~~, except that
1613 they shall be signed by the members of the then board of
1614 directors. The filing fees and taxes shall be as provided under
1615 part I of ~~in~~ chapter 607. Such articles of incorporation shall
1616 adequately protect and preserve the relative rights of the
1617 stockholders or members of the association so converting into a
1618 corporation for profit; provided that no rights or obligations
1619 due any stockholder or member of such association or any other
1620 person, firm, or corporation which has not been waived or
1621 satisfied shall be impaired by such conversion into a
1622 corporation for profit as herein authorized.

1623 Section 51. Section 619.04, Florida Statutes, is amended to
1624 read:

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1625 619.04 Articles of incorporation.—Each association formed
1626 under this chapter must prepare and file articles of
1627 incorporation in the same manner and under the same regulations
1628 as required under part I of chapter 607, and therein shall set
1629 forth:

1630 (1) The name of the association.

1631 (2) The purpose for which it is formed.

1632 (3) The place where its principal business will be
1633 transacted.

1634 (4) The term for which it is to exist, not exceeding 50
1635 years.

1636 (5) The number of directors thereof, which must not be less
1637 than three and which may be any number in excess thereof, and
1638 the names and residences of those selected for the first year
1639 and until their successors shall have been elected and shall
1640 have accepted office.

1641 (6) Whether the voting power and the property rights and
1642 interest of each member shall be equal, or unequal, and if
1643 unequal these articles shall set forth a general rule applicable
1644 to all members by which the voting power and the property rights
1645 and interests, respectively, of each member may and shall be
1646 determined and fixed, but the association shall have power to
1647 admit new members, who shall be entitled to vote and to share in
1648 the property of the association with the old members, in
1649 accordance with such general rule. This provision of the
1650 articles of incorporation may ~~shall~~ not be altered, amended, or
1651 repealed except by the unanimous written consent or the vote of
1652 all the members.

1653 (7) Said articles must be subscribed by the original

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1654 members and acknowledged by one of them before an officer
1655 authorized by the law of this state to take and certify
1656 acknowledgments of deeds of conveyance, and shall be filed in
1657 accordance with the provisions of law, and when so filed the
1658 said articles of incorporation or certified copies thereof shall
1659 be received in all the courts of this state and other places as
1660 prima facie evidence of the facts contained therein.

1661 Section 52. Subsection (3) of section 624.430, Florida
1662 Statutes, is amended to read:

1663 624.430 Withdrawal of insurer or discontinuance of writing
1664 certain kinds or lines of insurance.—

1665 (3) Upon office approval of the surrender of the
1666 certificate of authority of a domestic property and casualty
1667 insurer that is a corporation, the insurer may initiate the
1668 dissolution of the corporation in accordance with the applicable
1669 provisions of part I of chapter 607.

1670 Section 53. Subsection (1) of section 624.462, Florida
1671 Statutes, is amended to read:

1672 624.462 Commercial self-insurance funds.—

1673 (1) Any group of persons may form a commercial self-
1674 insurance fund for the purpose of pooling and spreading
1675 liabilities of its group members in any commercial property or
1676 casualty risk or surety insurance. Any fund established pursuant
1677 to subparagraph (2) (a)1. may be organized as a corporation under
1678 part I of chapter 607.

1679 Section 54. Subsection (3) of section 624.489, Florida
1680 Statutes, is amended to read:

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

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1683 corporations.—

1684 (3) The immunities from liability provided in this section
1685 with respect to trustees also apply to members of the board of
1686 directors of a commercial self-insurance fund organized as a
1687 corporation under part I of chapter 607 if the board of
1688 directors has contracted with an administrator authorized under
1689 s. 626.88 to administer the day-to-day affairs of the fund.

1690 Section 55. Section 628.041, Florida Statutes, is amended
1691 to read:

1692 628.041 Applicability of general corporation statutes.—The
1693 applicable statutes of this state relating to the powers and
1694 procedures of domestic private corporations formed for profit
1695 shall apply to domestic stock insurers and to domestic mutual
1696 insurers, except:

1697 (1) As to any domestic mutual insurers incorporated
1698 pursuant to chapter 617, which chapter shall govern such
1699 insurers when in conflict with part I of chapter 607; and

1700 (2) When in conflict with the express provisions of this
1701 code.

1702 Section 56. Subsection (4) of section 631.262, Florida
1703 Statutes, is amended to read:

1704 631.262 Transfers prior to petition.—

1705 (4) The personal liability of the officers or directors of
1706 an insolvent insurer is ~~shall be~~ subject to part I of ~~the~~
1707 ~~provisions of~~ chapter 607 and the penalties provided therein.

1708 Section 57. Subsection (1) of section 636.204, Florida
1709 Statutes, is amended to read:

1710 636.204 License required.—

1711 (1) Before doing business in this state as a discount

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1712 medical plan organization, an entity must be a corporation, a
1713 limited liability company, or a limited partnership,
1714 incorporated, organized, formed, or registered under the laws of
1715 this state or authorized to transact business in this state in
1716 accordance with part I of chapter 607, chapter 608, chapter 617,
1717 chapter 620, or chapter 865, and must be licensed by the office
1718 as a discount medical plan organization or be licensed by the
1719 office pursuant to chapter 624, part I of this chapter, or
1720 chapter 641.

1721 Section 58. Section 641.2015, Florida Statutes, is amended
1722 to read:

1723 641.2015 Incorporation required.—On or after October 1,
1724 1985, any entity that has not yet obtained a certificate of
1725 authority to operate a health maintenance organization in this
1726 state shall be incorporated or shall be a division of a
1727 corporation formed under the provisions of either part I of
1728 chapter 607 or chapter 617 or shall be a public entity that is
1729 organized as a political subdivision. In the case of a division
1730 of a corporation, the financial requirements of this part shall
1731 apply to the entire corporation. Incorporation shall not be
1732 required of any entity which has already been issued an initial
1733 certificate of authority prior to this date and which is not a
1734 corporation on October 1, 1985, or which is incorporated in any
1735 other state on October 1, 1985; nor shall incorporation be
1736 required on renewal of any certificate of authority by such an
1737 organization or be required of a public entity that is organized
1738 as a political subdivision.

1739 Section 59. Subsection (1) of section 655.0201, Florida
1740 Statutes, is amended to read:

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1741 655.0201 Service of process, notice, or demand on financial
1742 institutions.-

1743 (1) Process against any financial institution authorized by
1744 federal or state law to transact business in this state may be
1745 served in accordance with chapter 48, chapter 49, part I of
1746 chapter 607, or chapter 608, as appropriate.

1747 Section 60. Subsection (2) of section 658.23, Florida
1748 Statutes, is amended to read:

1749 658.23 Submission of articles of incorporation; contents;
1750 form; approval; filing; commencement of corporate existence;
1751 bylaws.-

1752 (2) The articles of incorporation shall contain:

1753 (a) The name of the proposed bank or trust company.

1754 (b) The general nature of the business to be transacted or
1755 a statement that the corporation may engage in any activity or
1756 business permitted by law. Such statement shall authorize all
1757 such activities and business by the corporation.

1758 (c) The amount of capital stock authorized, showing the
1759 maximum number of shares of par value common stock and of
1760 preferred stock, and of every kind, class, or series of each,
1761 together with the distinguishing characteristics and the par
1762 value of all shares.

1763 (d) The amount of capital with which the corporation will
1764 begin business, which may ~~shall~~ not be less than the amount
1765 required by the office pursuant to s. 658.21.

1766 (e) A provision that the corporation is to have perpetual
1767 existence unless existence is terminated pursuant to the
1768 financial institutions codes.

1769 (f) The initial street address of the main office of the

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1770 corporation, which shall be in this state.

1771 (g) The number of directors, which shall be five or more,
1772 and the names and street addresses of the members of the initial
1773 board of directors.

1774 (h) A provision for preemptive rights, if applicable.

1775 (i) A provision authorizing the board of directors to
1776 appoint additional directors, pursuant to s. 658.33, if
1777 applicable.

1778

1779 The office shall provide to the proposed directors form articles
1780 of incorporation which must ~~shall~~ include only those provisions
1781 required under ~~by~~ this section or under part I of ~~by~~ chapter
1782 607. The form articles shall be acknowledged by the proposed
1783 directors and returned to the office for filing with the
1784 Department of State.

1785 Section 61. Paragraph (c) of subsection (11) of section
1786 658.2953, Florida Statutes, is amended to read:

1787 658.2953 Interstate branching.—

1788 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

1789 (c) An out-of-state bank may establish and maintain a de
1790 novo branch or acquire a branch in this state upon compliance
1791 with part I of chapter 607 or chapter 608 relating to doing
1792 business in this state as a foreign business entity, including
1793 maintaining a registered agent for service of process and other
1794 legal notice pursuant to s. 655.0201.

1795 Section 62. Section 658.30, Florida Statutes, is amended to
1796 read:

1797 658.30 Application of the Florida Business Corporation
1798 Act.—

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1799 (1) When not in direct conflict with or superseded by
1800 specific provisions of the financial institutions codes, the
1801 provisions of the Florida Business Corporation Act, part I of
1802 chapter 607, ~~shall~~ extend to state banks and trust companies
1803 formed under the financial institutions codes. This section
1804 shall be liberally construed to accomplish the purposes stated
1805 herein.

1806 (2) Without limiting the generality of subsection (1),
1807 stockholders, directors, and committees of state banks and trust
1808 companies may hold meetings in any manner authorized ~~permitted~~
1809 by part I of chapter 607, and any action by stockholders,
1810 directors, or committees required or authorized ~~permitted~~ to be
1811 taken at a meeting may be taken without a meeting in any manner
1812 authorized ~~provided or permitted~~ by part I of chapter 607.

1813 Section 63. Subsection (3) of section 658.36, Florida
1814 Statutes, is amended to read:

1815 658.36 Changes in capital.-

1816 (3) If a bank or trust company's capital accounts have been
1817 diminished by losses to less than the minimum required pursuant
1818 to the financial institutions codes, the market value of its
1819 shares of capital stock is less than the present par value, and
1820 the bank or trust company cannot reasonably issue and sell new
1821 shares of stock to restore its capital accounts at a share price
1822 of par value or greater of the previously issued capital stock,
1823 the office, notwithstanding any other provisions of part I of
1824 chapter 607 or the financial institutions codes, may approve
1825 special stock offering plans.

1826 (a) Such plans may include, but are not limited to,
1827 mechanisms for stock splits including reverse splits;

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1828 revaluations of par value of outstanding stock; changes in
1829 voting rights, dividends, or other preferences; and creation of
1830 new classes of stock.

1831 (b) The plan must be approved by majority vote of the bank
1832 or trust company's entire board of directors and by holders of
1833 two-thirds of the outstanding shares of stock.

1834 (c) The office shall disapprove a plan that provides unfair
1835 or disproportionate benefits to existing shareholders,
1836 directors, executive officers, or their related interests. The
1837 office shall also disapprove any plan that is not likely to
1838 restore the capital accounts to sufficient levels to achieve a
1839 sustainable, safe, and sound financial institution.

1840 (d) For any bank or trust company that the office
1841 determines to be a failing financial institution pursuant to s.
1842 655.4185, the office may approve special stock offering plans
1843 without a vote of the shareholders.

1844 Section 64. Section 663.03, Florida Statutes, is amended to
1845 read:

1846 663.03 Applicability of the Florida Business Corporation
1847 Act ~~chapter 607.~~—Notwithstanding s. 607.01401(12) ~~the definition~~
1848 ~~of the term "foreign corporation" appearing in s. 607.01401,~~ all
1849 ~~of~~ the provisions of part I of chapter 607 not in conflict with
1850 the financial institutions codes which relate to foreign
1851 corporations ~~shall~~ apply to all international banking
1852 corporations and their offices doing business in this state.

1853 Section 65. Subsection (3) of section 663.04, Florida
1854 Statutes, is amended to read:

1855 663.04 Requirements for carrying on financial institution
1856 business.—An international banking corporation or trust company,

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1857 or any affiliate, subsidiary, or other person or business entity
1858 acting as an agent for, on behalf of, or for the benefit of such
1859 international banking corporation or trust company who engages
1860 in such activities from an office located in this state, may not
1861 transact a banking or trust business, or maintain in this state
1862 any office for carrying on such business, or any part thereof,
1863 unless such corporation, trust company, affiliate, subsidiary,
1864 person, or business entity:

1865 (3) Has filed with the office a certified copy of that
1866 information required to be supplied to the Department of State
1867 by those provisions of part I of chapter 607 which are
1868 applicable to foreign corporations.

1869 Section 66. Paragraph (a) of subsection (1) of section
1870 663.301, Florida Statutes, is amended to read:

1871 663.301 Definitions.—

1872 (1) As used in this part:

1873 (a) "International development bank" means a corporation
1874 established for the purpose of promoting development in foreign
1875 countries by directly or indirectly making funding available to
1876 foreign business enterprises or foreign governments or by
1877 providing financing in connection with import-export
1878 transactions. Subject to the limitations contained in s.
1879 663.313, an international development bank may be organized
1880 ~~either~~ under chapter 617 as a corporation not for profit or
1881 under part I of chapter 607 as a corporation for profit.

1882 Section 67. Subsection (2) of section 663.306, Florida
1883 Statutes, is amended to read:

1884 663.306 Decision by office.—The office may, in its
1885 discretion, approve or disapprove the application, but it shall

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1886 not approve the application unless it finds that:

1887 (2) The proposed capital structure is adequate, but in no
1888 case may the paid-in capital stock be:

1889 (a) Less than \$400,000 in the case of an international
1890 development bank organized under chapter 617 as a corporation
1891 not for profit; or

1892 (b) The amount required for a state bank in the case of an
1893 international development bank organized under part I of chapter
1894 607 as a corporation for profit.

1895

1896 The office may disallow any illegally obtained currency,
1897 monetary instruments, funds, or other financial resources from
1898 the capitalization requirements of this section.

1899 Section 68. Subsection (4) of section 663.313, Florida
1900 Statutes, is amended to read:

1901 663.313 Ownership of stock.—

1902 (4) All of the shares of voting stock of an international
1903 development bank organized under part I of chapter 607 as a
1904 corporation for profit shall be owned by a regional development
1905 bank or by one or more wholly owned subsidiaries of a regional
1906 development bank.

1907 Section 69. Subsection (2) of section 718.111, Florida
1908 Statutes, is amended to read:

1909 718.111 The association.—

1910 (2) POWERS AND DUTIES.—The powers and duties of the
1911 association include those set forth in this section and, except
1912 as expressly limited or restricted in this chapter, those set
1913 forth in the declaration and bylaws and part I of chapter
1914 ~~chapters~~ 607 and chapter 617, as applicable.

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1915 Section 70. Subsection (10) of section 719.104, Florida
1916 Statutes, is amended to read:

1917 719.104 Cooperatives; access to units; records; financial
1918 reports; assessments; purchase of leases.—

1919 (10) POWERS AND DUTIES.—The powers and duties of the
1920 association include those set forth in this section and, except
1921 as expressly limited or restricted in this chapter, those set
1922 forth in the articles of incorporation and bylaws and part I of
1923 chapter ~~chapters~~ 607 and chapter 617, as applicable.

1924 Section 71. Subsection (5) of section 720.302, Florida
1925 Statutes, is amended to read:

1926 720.302 Purposes, scope, and application.—

1927 (5) Unless expressly stated to the contrary, corporations
1928 that operate residential homeowners' associations in this state
1929 shall be governed by and subject to part I of chapter 607, if
1930 the association was incorporated under that part ~~chapter~~, or to
1931 chapter 617, if the association was incorporated under that
1932 chapter, and this chapter. This subsection is intended to
1933 clarify existing law.

1934 Section 72. Paragraph (c) of subsection (1) of section
1935 720.306, Florida Statutes, is amended to read:

1936 720.306 Meetings of members; voting and election
1937 procedures; amendments.—

1938 (1) QUORUM; AMENDMENTS.—

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

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1944 in the common expenses of the association unless the record
1945 parcel owner and all record owners of liens on the parcels join
1946 in the execution of the amendment. For purposes of this section,
1947 a change in quorum requirements is not an alteration of voting
1948 interests. The merger or consolidation of one or more
1949 associations under a plan of merger or consolidation under part
1950 I of chapter 607 or chapter 617 is shall not be considered a
1951 material or adverse alteration of the proportionate voting
1952 interest appurtenant to a parcel.

1953 Section 73. Paragraph (a) of subsection (1) of section
1954 766.101, Florida Statutes, is amended to read:

1955 766.101 Medical review committee, immunity from liability.-

1956 (1) As used in this section:

1957 (a) The term "medical review committee" or "committee"
1958 means:

1959 1.a. A committee of a hospital or ambulatory surgical
1960 center licensed under chapter 395 or a health maintenance
1961 organization certificated under part I of chapter 641;τ

1962 b. A committee of a physician-hospital organization, a
1963 provider-sponsored organization, or an integrated delivery
1964 system;τ

1965 c. A committee of a state or local professional society of
1966 health care providers;τ

1967 d. A committee of a medical staff of a licensed hospital or
1968 nursing home, provided the medical staff operates pursuant to
1969 written bylaws that have been approved by the governing board of
1970 the hospital or nursing home;τ

1971 e. A committee of the Department of Corrections or the
1972 Correctional Medical Authority as created under s. 945.602, or

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1973 employees, agents, or consultants of either the department or
 1974 the authority or both;;

1975 f. A committee of a professional service corporation formed
 1976 under chapter 621 or a corporation organized under part I of
 1977 chapter 607 or chapter 617, which is formed and operated for the
 1978 practice of medicine as defined in s. 458.305(3), and which has
 1979 at least 25 health care providers who routinely provide health
 1980 care services directly to patients;;

1981 g. A committee of the Department of Children and Families
 1982 ~~Family Services~~ which includes employees, agents, or consultants
 1983 to the department as deemed necessary to provide peer review,
 1984 utilization review, and mortality review of treatment services
 1985 provided pursuant to chapters 394, 397, and 916;;

1986 h. A committee of a mental health treatment facility
 1987 licensed under chapter 394 or a community mental health center
 1988 as defined in s. 394.907, provided the quality assurance program
 1989 operates pursuant to the guidelines that ~~which~~ have been
 1990 approved by the governing board of the agency;;

1991 i. A committee of a substance abuse treatment and education
 1992 prevention program licensed under chapter 397 provided the
 1993 quality assurance program operates pursuant to the guidelines
 1994 that ~~which~~ have been approved by the governing board of the
 1995 agency;;

1996 j. A peer review or utilization review committee organized
 1997 under chapter 440;;

1998 k. A committee of the Department of Health, a county health
 1999 department, healthy start coalition, or certified rural health
 2000 network, when reviewing quality of care, or employees of these
 2001 entities when reviewing mortality records;; or

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2002 1. A continuous quality improvement committee of a pharmacy
2003 licensed pursuant to chapter 465,

2004
2005 which committee is formed to evaluate and improve the quality of
2006 health care rendered by providers of health service, to
2007 determine that health services rendered were professionally
2008 indicated or were performed in compliance with the applicable
2009 standard of care, or that the cost of health care rendered was
2010 considered reasonable by the providers of professional health
2011 services in the area; or

2012 2. A committee of an insurer, self-insurer, or joint
2013 underwriting association of medical malpractice insurance, or
2014 other persons conducting review under s. 766.106.

2015 Section 74. Subsection (14) of section 865.09, Florida
2016 Statutes, is amended to read:

2017 865.09 Fictitious name registration.—

2018 (14) PROHIBITION.—A fictitious name registered as provided
2019 in this section may not contain the words "Corporation" or
2020 "Incorporated," or the abbreviations "Corp." or "Inc.," unless
2021 the person or business for which the name is registered is
2022 incorporated or has obtained a certificate of authority to
2023 transact business in this state pursuant to part I of chapter
2024 607 or chapter 617.

2025 Section 75. This act shall take effect July 1, 2014.