

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 "General
9 Provisions"; 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.;

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.;
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

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.

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
 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 "GENERAL PROVISIONS."

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

145 607.0101 Short title.—This chapter act ~~shall be known and~~
 146 may 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 "&."
- 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;

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
229 to 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
233 existing or new class or series of shares;

234 3. Effecting an exchange, cancellation, or

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

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

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

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

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

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

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

260 (i) A merger, conversion, or share exchange of a social

261 purpose corporation to which s. 607.504 applies; or
 262 (j) A merger, conversion, or share exchange of a benefit
 263 corporation to which s. 607.604 applies.

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

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

269 607.501 Application and effect of part.-

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

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

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

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

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

286 607.502 Definitions.-As used in this part, unless the

287 context otherwise requires, the term:

288 (1) "Benefit director" means:

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

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

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

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

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

301 (3) "Benefit officer" means the individual designated as
 302 the benefit officer of a social purpose corporation under s.
 303 607.510.

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

313 presumed to exist, at the time independence is to be determined,
314 if any of the following apply:

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

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

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

327 1. The individual; or

328 2. An entity:

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

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

335 (5) "Minimum status vote" means:

336 (a) In the case of a corporation that is to become a
337 social purpose corporation, whether by amendment of the articles
338 of incorporation or by way of or pursuant to a merger,

339 conversion, or share exchange; a social purpose corporation
340 whose articles of incorporation are to be amended pursuant to s.
341 607.506(2); or a social purpose corporation that is to cease
342 being a social purpose corporation, in addition to any other
343 required approval or vote, the satisfaction of the following
344 conditions:

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

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

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

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

363 2. The action is approved by vote or consent of each class
364 or series of equity interest described in subparagraph 1. who

365 are entitled to vote by at least two-thirds of the votes or
366 consent of the class or series.

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

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

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

380 (c) Protecting or restoring the environment.

381 (d) Improving human health.

382 (e) Promoting the arts, sciences, or advancement of
383 knowledge.

384 (f) Increasing the flow of capital to entities that have
385 as their stated purpose the provision of a benefit to society or
386 the environment.

387 (7) "Social purpose corporation" means a corporation that
388 is formed, or has elected to become, subject to this part, the
389 status of which as a social purpose corporation has not been
390 terminated.

391 (8) "Specific public benefit" means a benefit identified
392 as a purpose of the social purpose corporation which is set
393 forth in the articles of incorporation and is consistent with a
394 public benefit.

395 (9) "Subsidiary" means, in relation to a person other than
396 an individual, an entity in which the person owns beneficially
397 or of record 50 percent or more of the outstanding equity
398 interests.

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

402 (a) Comprehensive, because it assesses the effect of the
403 business and its operations upon the interests listed in s.
404 607.507(1) (a).

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

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

411 (d) Transparent, because the following information is
412 publicly available:

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

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

426 Section 9. Section 607.503, Florida Statutes, is created
427 to read:

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

432 Section 10. Section 607.504, Florida Statutes, is created
433 to read:

434 607.504 Election of social purpose corporation status.—

435 (1) An existing corporation may become a social purpose
436 corporation under this part by amending its articles of
437 incorporation to include a statement that the corporation is a
438 social purpose corporation under this part. The amendment must
439 be adopted by the minimum status vote.

440 (2) A plan of merger, conversion, or share exchange must
441 be adopted by the minimum status vote if an entity that is not a
442 social purpose corporation is a party to the merger or

443 conversion or if the exchanging entity in a share exchange and
444 the surviving, new, or resulting entity is, or will be, a social
445 purpose corporation.

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

451 Section 11. Section 607.505, Florida Statutes, is created
452 to read:

453 607.505 Termination of social purpose corporation status.-

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

459 (2) A plan of merger, conversion, or share exchange which
460 has the effect of terminating the status of a corporation as a
461 social purpose corporation must be adopted by the minimum status
462 vote. A sale, lease, exchange, or other disposition of all or
463 substantially all of the assets of a social purpose corporation
464 is not effective unless the transaction is approved by the
465 minimum status vote. However, a minimum status vote is not
466 required if the transaction is in the usual and regular course
467 of business, is pursuant to court order, or is a sale pursuant
468 to which all or a substantial portion of the net proceeds of the

469 sale will be distributed to the shareholders within 1 year after
470 the date of the sale.

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

475 Section 12. Section 607.506, Florida Statutes, is created
476 to read:

477 607.506 Corporate purpose.-

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

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

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

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

494 Section 13. Section 607.507, Florida Statutes, is created

495 to read:

496 607.507 Standard of conduct for directors.—

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

499 (a) Shall consider the effects of any action or inaction
500 upon:

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

502 2. The ability of the social purpose corporation to
503 accomplish its public benefit or any specific public benefit
504 purpose.

505 (b) May consider the effects of any action or inaction
506 upon any of the following:

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

509 2. The interests of customers and suppliers as
510 beneficiaries of the public benefit or specific public benefits
511 of the social purpose corporation.

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

515 4. The local and global environment.

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

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

523 (d) Are not required to give priority to the interests of
524 a particular person or group referred to in paragraph (a),
525 paragraph (b), or paragraph (c) unless the social purpose
526 corporation states in its articles of incorporation its
527 intention to give such priority.

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

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

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

543 Section 14. Section 607.508, Florida Statutes, is created
544 to read:

545 607.508 Benefit director.-

546 (1) If the articles of incorporation so provide, the board

547 of directors of a social purpose corporation may include a
548 director who is designated as the benefit director and, in
549 addition to the powers, duties, rights, and immunities of the
550 other directors of the social purpose corporation, has the
551 powers, duties, rights, and immunities provided in this part.

552 (2) The benefit director shall be elected, and may be
553 removed, in the manner provided by this chapter. Except as
554 provided under subsection (5), the benefit director shall be
555 independent and may serve as a benefit officer. The articles of
556 incorporation or bylaws may prescribe additional qualifications
557 of the benefit director.

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

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

567 (b) Whether the directors and officers complied with ss.
568 607.507(1) and 607.509(1).

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

573 officers failed to comply.

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

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

580 Section 15. Section 607.509, Florida Statutes, is created
 581 to read:

582 607.509 Standard of conduct for officers.-

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

590 (2) The officer's consideration of interests and factors
 591 under subsection (1) does not constitute a violation of s.
 592 607.0841.

593 (3) Except as provided in the articles of incorporation,
 594 an officer is not personally liable for monetary damages to the
 595 corporation or any other person for the failure of the social
 596 purpose corporation to pursue or create a public benefit or a
 597 specific public benefit; however, he or she is subject to s.
 598 607.0841.

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

604 Section 16. Section 607.510, Florida Statutes, is created
 605 to read:

606 607.510 Benefit officer.—

607 (1) A social purpose corporation may designate an officer
 608 as the benefit officer.

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

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

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

616 Section 17. Section 607.511, Florida Statutes, is created
 617 to read:

618 607.511 Right of action.—

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

623 1. A failure to pursue or create a public benefit or a
 624 specific public benefit set forth in its articles of

625 incorporation; or

626 2. A violation of an obligation, duty, or standard of
 627 conduct under this part.

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

632 (2) A benefit enforcement proceeding may be commenced or
 633 maintained only:

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

635 (b) Derivatively by:

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

638 2. A director;

639 3. A person or group of persons that owns beneficially or
 640 of record 5 percent or more of the outstanding equity interests
 641 in an entity of which the social purpose corporation is a
 642 subsidiary on the date of the action or inaction complained of
 643 in the benefit enforcement proceeding; or

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

646 Section 18. Section 607.512, Florida Statutes, is created
 647 to read:

648 607.512 Preparation of annual benefit report.-

649 (1) Unless it is prepared by a benefit director or benefit
 650 officer, the board of directors shall prepare an annual benefit

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

653 (a) A narrative description of:

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

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

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

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

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

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

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

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

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

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

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

702 Section 19. Section 607.513, Florida Statutes, is created

703 to read:

704 607.513 Availability of annual benefit report.-

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

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

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

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

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

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

729 obtaining the order and otherwise enforce his or her rights
 730 under this section.

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

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

736 607.601 Application and effect of part.-

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

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

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

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

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

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

754 (1) "Benefit corporation" means a corporation that is

755 formed, or has elected to become, subject to this part, the
756 status of which as a benefit corporation has not been
757 terminated.

758 (2) "Benefit director" means:

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

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

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

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

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

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

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

777 (6) "Independent" means not having a material relationship
778 with the benefit corporation or a subsidiary of the benefit
779 corporation. A person does not have a material relationship
780 solely by virtue of serving as the benefit director or benefit

781 officer of the benefit corporation or a subsidiary of the
782 benefit corporation. In determining whether a director or
783 officer is independent, a material relationship between an
784 individual and a benefit corporation or any of its subsidiaries
785 will be conclusively presumed to exist, at the time independence
786 is to be determined, if any of the following apply:

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

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

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

798 1. The individual; or

799 2. An entity:

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

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

806 (7) "Minimum status vote" means:

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

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

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

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

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

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

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

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

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

844 (c) Protecting or restoring the environment;

845 (d) Improving human health;

846 (e) Promoting the arts, sciences, or advancement of
847 knowledge;

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

851 (g) Any other public benefit consistent with the purposes
852 of the benefit corporation.

853 (9) "Subsidiary" means, in relation to a person other than
854 an individual, an entity in which a person owns beneficially or
855 of record 50 percent or more of the outstanding equity
856 interests.

857 (10) "Third-party standard" means a recognized standard
858 for defining, reporting, and assessing the societal and

859 environmental performance of a business which is:

860 (a) Comprehensive, because it assesses the effect of the
861 business and its operations upon the interests provided in s.
862 607.607(1)(a)2.-5.

863 (b) Developed by an entity that is not controlled by the
864 benefit corporation.

865 (c) Credible, because it is developed by an entity that
866 has access to necessary expertise to assess the overall societal
867 and environmental performance of a business and uses a balanced,
868 collaborative approach to develop the standard, including a
869 period for public comment.

870 (d) Transparent, because the following information is
871 publicly available:

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

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

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

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

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

891 607.604 Election of benefit corporation status.—

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

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

902 (3) If an entity elects to become a benefit corporation by
 903 amendment of the articles of incorporation or by a merger,
 904 conversion, or share exchange, the shareholders of the entity
 905 are entitled to appraisal rights under and pursuant to ss.
 906 607.1301-607.1333.

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

909 607.605 Termination of benefit corporation status.—

910 (1) A benefit corporation may terminate its status as such

911 and cease to be subject to this part by amending its articles of
912 incorporation to delete the provision required under s. 607.603
913 or s. 607.604. The amendment must be adopted by the minimum
914 status vote.

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

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

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

933 607.606 Corporate purpose.—

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

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

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

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

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

955 607.607 Standard of conduct for directors.-

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

958 (a) Shall consider the effects of any action or inaction
 959 upon:

960 1. The shareholders of the benefit corporation;

961 2. The employees and workforce of the benefit corporation,
 962 its subsidiaries, and its suppliers;

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

989 articles of incorporation its intention to give such equal
 990 weight.

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

997 (3) Except as provided in the articles of incorporation, a
 998 director does not have a duty to a person who is a beneficiary
 999 of the general public benefit purpose or any one or more
 1000 specific public benefit purposes of the benefit corporation.

1001 Section 28. Section 607.608, Florida Statutes, is created
 1002 to read:

1003 607.608 Benefit director.—

1004 (1) If the articles of incorporation so provide, the board
 1005 of directors of a benefit corporation may include a director who
 1006 is designated as the benefit director and, in addition to the
 1007 powers, duties, rights, and immunities of the other directors of
 1008 the benefit corporation, has the powers, duties, rights, and
 1009 immunities provided in this part.

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

1015 of the benefit director.

1016 (3) Unless the articles of incorporation or bylaws provide
 1017 otherwise, the benefit director shall prepare, and the benefit
 1018 corporation shall include in the annual benefit report to
 1019 shareholders required under s. 607.612, the opinion of the
 1020 benefit director on the following:

1021 (a) Whether the benefit corporation in all material
 1022 respects acted in accordance with its general public benefit
 1023 purpose and any specific public benefit purpose during the
 1024 period covered by the report.

1025 (b) Whether the directors and officers complied with ss.
 1026 607.607(1) and 607.609(1).

1027 (c) Whether the benefit corporation or its directors or
 1028 officers failed to comply with paragraph (a) or s. 607.607(1) or
 1029 s. 607.609(1), including a description of the ways in which the
 1030 benefit corporation or its directors or officers failed to
 1031 comply.

1032 (4) The action or inaction of an individual in his or her
 1033 capacity as a benefit director shall constitute for all purposes
 1034 an action or inaction of that individual in his or her capacity
 1035 as a director of the benefit corporation.

1036 (5) The benefit director of a corporation formed under
 1037 chapter 621 is not required to be independent.

1038 Section 29. Section 607.609, Florida Statutes, is created
 1039 to read:

1040 607.609 Standard of conduct for officers.-

1041 (1) If an officer of a benefit corporation reasonably
 1042 believes that a matter may have a material effect on the ability
 1043 of the corporation to create, or the creation by the corporation
 1044 of, general public benefit or a specific public benefit
 1045 identified in the articles of incorporation and the officer has
 1046 discretion to act on the matter, the officer shall consider the
 1047 interests and factors provided in s. 607.607(1).

1048 (2) The officer's consideration of interests and factors
 1049 under subsection (1) does not constitute a violation of s.
 1050 607.0841.

1051 (3) Except as provided in the articles of incorporation,
 1052 an officer is not personally liable for monetary damages to the
 1053 corporation or to any other person for the failure of the
 1054 benefit corporation to pursue or create general public benefit
 1055 or a specific public benefit; however, he or she is subject to
 1056 s. 607.0841.

1057 (4) Except as provided in the articles of incorporation,
 1058 an officer does not have a duty to a person who is a beneficiary
 1059 of the general public benefit purpose or any specific public
 1060 benefit purpose of the benefit corporation arising from the
 1061 status of the person as a beneficiary.

1062 Section 30. Section 607.610, Florida Statutes, is created
 1063 to read:

1064 607.610 Benefit officer.—

1065 (1) A benefit corporation may designate an officer as the
 1066 benefit officer.

1067 (2) The benefit officer has the powers and duties set
 1068 forth in the bylaws or determined by the board of directors,
 1069 which may include, but are not limited to:

1070 (a) Powers and duties relating to the general public
 1071 benefit or a specific public benefit purpose of the corporation;
 1072 and

1073 (b) The duty to prepare the annual benefit report required
 1074 under s. 607.612.

1075 Section 31. Section 607.611, Florida Statutes, is created
 1076 to read:

1077 607.611 Right of action.—

1078 (1) (a) Except in a benefit enforcement proceeding, no
 1079 person may bring an action or assert a claim against a benefit
 1080 corporation or its directors or officers with respect to:

1081 1. A failure to pursue or create a general public benefit
 1082 or a specific public benefit set forth in its articles of
 1083 incorporation; or

1084 2. A violation of an obligation, duty, or standard of
 1085 conduct under this part.

1086 (b) A benefit corporation is not liable for monetary
 1087 damages under this part for the failure of the benefit
 1088 corporation to pursue or create general public benefit or a
 1089 specific public benefit.

1090 (2) A benefit enforcement proceeding may be commenced or
 1091 maintained only:

1092 (a) Directly by the benefit corporation; or

1093 (b) Derivatively by:

1094 1. A shareholder of record on the date of the action or
 1095 inaction complained of in the benefit enforcement proceeding;

1096 2. A director;

1097 3. A person or group of persons that owns beneficially or
 1098 of record 5 percent or more of the outstanding equity interests
 1099 in an entity of which the benefit corporation is a subsidiary on
 1100 the date of the action or inaction complained of in the
 1101 proceeding; or

1102 4. Any other person who is specified in the articles of
 1103 incorporation or bylaws of the benefit corporation.

1104 Section 32. Section 607.612, Florida Statutes, is created
 1105 to read:

1106 607.612 Preparation of annual benefit report.-

1107 (1) Unless it is prepared by a benefit director or a
 1108 benefit officer, the board of directors shall prepare an annual
 1109 benefit report. The annual benefit report must include all of
 1110 the following:

1111 (a) A narrative description of:

1112 1. The ways in which the benefit corporation pursued
 1113 general public benefit during the year and the extent to which
 1114 the general public benefit was created.

1115 2. Any circumstance that has hindered the pursuit or
 1116 creation of general public benefit or a specific public benefit
 1117 by the benefit corporation.

1118 3. The process and rationale for selecting or changing the

1119 third-party standard used to prepare the benefit report.

1120 (b) The name of the benefit director and the benefit
1121 officer, if those positions exist, and the respective business
1122 addresses to which correspondence may be directed.

1123 (c) If the corporation has a benefit director, the
1124 statement as provided in s. 607.608(3).

1125 (d) A statement of any connection between the organization
1126 that established the third-party standard, or its directors,
1127 officers, or any holder of 5 percent or more of the governance
1128 interests in the organization, and the benefit corporation or
1129 its directors, officers, or any holder of 5 percent or more of
1130 the outstanding shares of the benefit corporation, including any
1131 financial or governance relationship that might materially
1132 affect the credibility of the use of the third-party standard.

1133 (2) The annual benefit report must be prepared in
1134 accordance with a third-party standard that is:

1135 (a) Applied consistently with any previous application in
1136 prior annual benefit reports; or

1137 (b) Accompanied by an explanation of the reasons for any
1138 inconsistent application or any change in the standard from the
1139 immediate prior report.

1140 (3) If, during the year covered by an annual benefit
1141 report, a benefit director resigned from, or refused to stand
1142 for reelection to, his or her position, or was removed from his
1143 or her position, and he or she furnished written correspondence
1144 to the benefit corporation concerning the circumstances

1145 surrounding his or her departure, that correspondence must be
1146 included as an exhibit in the annual benefit report.

1147 (4) The annual benefit report and the assessment of the
1148 performance of the benefit corporation in the annual benefit
1149 report required under subsection (2) are not required to be
1150 audited or certified by a third-party standards provider.

1151 Section 33. Section 607.613, Florida Statutes, is created
1152 to read:

1153 607.613 Availability of annual benefit report.-

1154 (1) Each benefit corporation shall send its annual benefit
1155 report to each shareholder:

1156 (a) Within 120 days after the end of the fiscal year of
1157 the benefit corporation; or

1158 (b) At the same time that the benefit corporation delivers
1159 any other annual report to its shareholders.

1160 (2) A benefit corporation shall post each annual benefit
1161 report on the public portion of its website, if any, and it
1162 shall remain posted for at least 3 years.

1163 (3) If a benefit corporation does not have a website, the
1164 benefit corporation shall provide a copy of its most recent
1165 annual benefit report, without charge, to any person who
1166 requests a copy.

1167 (4) If a benefit corporation does not comply with the
1168 annual benefit report delivery requirement, the circuit court in
1169 the county in which the principal office of the benefit
1170 corporation is located or, if no office is located in this

1171 state, the county in which its registered office is located,
 1172 may, after a shareholder of the benefit corporation requests a
 1173 copy, summarily order the corporation to furnish the report. If
 1174 the court orders the report to be furnished, the court may also
 1175 order the benefit corporation to pay the shareholder's costs,
 1176 including reasonable attorney fees, which were incurred in
 1177 obtaining the order and otherwise enforce his or her rights
 1178 under this section.

1179 Section 34. Subsection (1) of section 617.0401, Florida
 1180 Statutes, is amended to read:

1181 617.0401 Corporate name.—

1182 (1) A corporate name:

1183 (a) Must contain the word "corporation" or "incorporated"
 1184 or the abbreviation "Corp." "~~corp.~~" or "Inc." "~~inc.~~" or words or
 1185 abbreviations of like import in language, as will clearly
 1186 indicate that it is a corporation instead of a natural person,
 1187 unincorporated association, or partnership. The name of the
 1188 corporation may not contain the word "company" or its
 1189 abbreviation "Co." "~~co.~~";

1190 (b) May contain the word "cooperative" or "co-op" only if
 1191 the resulting name is distinguishable from the name of any
 1192 corporation, agricultural cooperative marketing association, or
 1193 nonprofit cooperative association existing or doing business in
 1194 this state under part I of chapter 607, chapter 618, or chapter
 1195 619.~~†~~

1196 (c) May not contain language stating or implying that the

1197 corporation is organized for a purpose other than that permitted
 1198 in this act and its articles of incorporation.~~†~~

1199 (d) May not contain language stating or implying that the
 1200 corporation is connected with a state or federal government
 1201 agency or a corporation chartered under the laws of the United
 1202 States.~~†~~ and

1203 (e) Must be distinguishable from the names of all other
 1204 entities or filings that are on file with the Division of
 1205 Corporations, except fictitious name registrations pursuant to
 1206 s. 865.09, general partnership registrations pursuant to s.
 1207 620.8105, and limited liability partnership statements pursuant
 1208 to s. 620.9001 which are organized, registered, or reserved
 1209 under the laws of this state, that are on file with the Division
 1210 of Corporations. A name that is different from a name of another
 1211 entity or filing due to any of the following is not considered
 1212 distinguishable:

- 1213 1. A suffix.
- 1214 2. A definite or indefinite article.
- 1215 3. The word "and" and the symbol "&."
- 1216 4. The singular, plural, or possessive form of a word.
- 1217 5. A recognized abbreviation of a root word.
- 1218 6. A punctuation mark or a symbol.

1219 Section 35. Subsection (4) of section 620.1108, Florida
 1220 Statutes, is amended to read:

1221 620.1108 Name.—

1222 (4) The name of a limited partnership must be

1223 distinguishable in the records of the Department of State from
 1224 the names of all other entities or filings that are on file with
 1225 the Department of State, except fictitious name registrations
 1226 pursuant to s. 865.09, general partnership registrations
 1227 pursuant to s. 620.8105, and limited liability partnership
 1228 statements pursuant to s. 620.9001 which are organized,
 1229 registered, or reserved under the laws of this state, ~~the names~~
 1230 ~~of which are on file with the Department of State.~~ A name that
 1231 is different from the name of another entity or filing due to
 1232 any of the following is not considered distinguishable:

- 1233 (a) A suffix.
- 1234 (b) A definite or indefinite article.
- 1235 (c) The word "and" and the symbol "&."
- 1236 (d) The singular, plural, or possessive form of a word.
- 1237 (e) A recognized abbreviation of a root word.
- 1238 (f) A punctuation mark or a symbol.

1239 Section 36. Subsection (1) of section 48.091, Florida
 1240 Statutes, is amended to read:

1241 48.091 Corporations; designation of registered agent and
 1242 registered office.—

1243 (1) Every Florida corporation and every foreign
 1244 corporation now qualified or hereafter qualifying to transact
 1245 business in this state shall designate a registered agent and
 1246 registered office in accordance with part I of chapter 607.

1247 Section 37. Paragraph (d) of subsection (6) of section
 1248 215.555, Florida Statutes, is amended to read:

1249 215.555 Florida Hurricane Catastrophe Fund.—

1250 (6) REVENUE BONDS.—

1251 (d) *State Board of Administration Finance Corporation.*—

1252 1. In addition to the findings and declarations in
1253 subsection (1), the Legislature also finds and declares that:

1254 a. The public benefits corporation created under this
1255 paragraph will provide a mechanism necessary for the cost-
1256 effective and efficient issuance of bonds. This mechanism will
1257 eliminate unnecessary costs in the bond issuance process,
1258 thereby increasing the amounts available to pay reimbursement
1259 for losses to property sustained as a result of hurricane
1260 damage.

1261 b. The purpose of such bonds is to fund reimbursements
1262 through the Florida Hurricane Catastrophe Fund to pay for the
1263 costs of construction, reconstruction, repair, restoration, and
1264 other costs associated with damage to properties of
1265 policyholders of covered policies due to the occurrence of a
1266 hurricane.

1267 c. The efficacy of the financing mechanism will be
1268 enhanced by the corporation's ownership of the assessments, by
1269 the insulation of the assessments from possible bankruptcy
1270 proceedings, and by covenants of the state with the
1271 corporation's bondholders.

1272 2.a. There is created a public benefits corporation, which
1273 is an instrumentality of the state, to be known as the State
1274 Board of Administration Finance Corporation.

1275 b. The corporation shall operate under a five-member board
 1276 of directors consisting of the Governor or a designee, the Chief
 1277 Financial Officer or a designee, the Attorney General or a
 1278 designee, the director of the Division of Bond Finance of the
 1279 State Board of Administration, and the Chief Operating Officer
 1280 of the Florida Hurricane Catastrophe Fund.

1281 c. The corporation has all of the powers of corporations
 1282 under part I of chapter 607 and under chapter 617, subject only
 1283 to ~~the provisions of~~ this subsection.

1284 d. The corporation may issue bonds and engage in such
 1285 other financial transactions as are necessary to provide
 1286 sufficient funds to achieve the purposes of this section.

1287 e. The corporation may invest in any of the investments
 1288 authorized under s. 215.47.

1289 f. There shall be no liability on the part of, and no
 1290 cause of action shall arise against, any board members or
 1291 employees of the corporation for any actions taken by them in
 1292 the performance of their duties under this paragraph.

1293 3.a. In actions under chapter 75 to validate any bonds
 1294 issued by the corporation, the notice required under ~~by~~ s. 75.06
 1295 shall be published in two newspapers of general circulation in
 1296 the state, and the complaint and order of the court shall be
 1297 served only on the State Attorney of the Second Judicial
 1298 Circuit.

1299 b. The state hereby covenants with holders of bonds of the
 1300 corporation that the state will not repeal or abrogate the power

1301 of the board to direct the Office of Insurance Regulation to
 1302 levy the assessments and to collect the proceeds of the revenues
 1303 pledged to the payment of such bonds as long as any such bonds
 1304 remain outstanding unless adequate provision has been made for
 1305 the payment of such bonds pursuant to the documents authorizing
 1306 the issuance of such bonds.

1307 4. The bonds of the corporation are not a debt of the
 1308 state or of any political subdivision, and neither the state nor
 1309 any political subdivision is liable on such bonds. The
 1310 corporation does not have the power to pledge the credit, the
 1311 revenues, or the taxing power of the state or of any political
 1312 subdivision. The credit, revenues, or taxing power of the state
 1313 or of any political subdivision shall not be deemed to be
 1314 pledged to the payment of any bonds of the corporation.

1315 5.a. The property, revenues, and other assets of the
 1316 corporation; the transactions and operations of the corporation
 1317 and the income from such transactions and operations; and all
 1318 bonds issued under this paragraph and interest on such bonds are
 1319 exempt from taxation by the state and any political subdivision,
 1320 including the intangibles tax under chapter 199 and the income
 1321 tax under chapter 220. This exemption does not apply to any tax
 1322 imposed by chapter 220 on interest, income, or profits on debt
 1323 obligations owned by corporations other than the State Board of
 1324 Administration Finance Corporation.

1325 b. All bonds of the corporation shall be and constitute
 1326 legal investments without limitation for all public bodies of

1327 | this state; for all banks, trust companies, savings banks,
 1328 | savings associations, savings and loan associations, and
 1329 | investment companies; for all administrators, executors,
 1330 | trustees, and other fiduciaries; for all insurance companies and
 1331 | associations and other persons carrying on an insurance
 1332 | business; and for all other persons who are now or may hereafter
 1333 | be authorized to invest in bonds or other obligations of the
 1334 | state and shall be and constitute eligible securities to be
 1335 | deposited as collateral for the security of any state, county,
 1336 | municipal, or other public funds. This sub-subparagraph is ~~shall~~
 1337 | ~~be considered as~~ additional and supplemental authority and may
 1338 | ~~shall~~ not be limited without specific reference to this sub-
 1339 | subparagraph.

1340 | 6. The corporation and its corporate existence continues
 1341 | ~~shall continue~~ until terminated by law; however, ~~no~~ such law may
 1342 | not ~~shall~~ take effect as long as the corporation has bonds
 1343 | outstanding unless adequate provision has been made for the
 1344 | payment of such bonds pursuant to the documents authorizing the
 1345 | issuance of such bonds. Upon termination of the existence of the
 1346 | corporation, all of its rights and properties in excess of its
 1347 | obligations shall pass to and be vested in the state.

1348 | 7. The State Board of Administration Finance Corporation
 1349 | is for all purposes the successor to the Florida Hurricane
 1350 | Catastrophe Fund Finance Corporation.

1351 | Section 38. Subsection (1) of section 243.54, Florida
 1352 | Statutes, is amended to read:

1353 243.54 Powers of the authority.—The purpose of the
1354 authority is to assist institutions of higher education in
1355 constructing, financing, and refinancing projects throughout the
1356 state and, for this purpose, the authority may:

1357 (1) Exercise all powers granted to corporations under part
1358 I of the Florida Business Corporation Act, chapter 607.

1359 Section 39. Section 310.171, Florida Statutes, is amended
1360 to read:

1361 310.171 Pilots may incorporate themselves.—Any one or more
1362 licensed state pilots may incorporate in the manner provided
1363 under part I of chapter 607 or chapter 621.

1364 Section 40. Section 310.181, Florida Statutes, is amended
1365 to read:

1366 310.181 Corporate powers.—All the rights, powers, and
1367 liabilities conferred or imposed by the laws of Florida relating
1368 to corporations for profit organized under part I of chapter 607
1369 or under chapter 608 before January 1, 1976, or to corporations
1370 organized under chapter 621 ~~shall~~ apply to corporations
1371 organized pursuant to s. 310.171.

1372 Section 41. Paragraph (c) of subsection (4) of section
1373 329.10, Florida Statutes, is amended to read:

1374 329.10 Aircraft registration.—

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

1379 | this state if it is determined that such corporate entity or
 1380 | other firm, business, or corporation:

1381 | (c) Has lapsed into a state of no longer being a legal
 1382 | entity in this state as defined in part I of chapter 607 or s.
 1383 | 865.09, and no documented attempt has been made to correct such
 1384 | information with the governmental entity for a period of 90 days
 1385 | after the date on which such lapse took effect with the
 1386 | Secretary of State.

1387 | Section 42. Subsection (1) of section 339.412, Florida
 1388 | Statutes, is amended to read:

1389 | 339.412 Powers of corporation.—As to designated projects
 1390 | and in addition to other powers prescribed by law, a corporation
 1391 | may exercise the following powers with respect to the promotion
 1392 | and development of transportation facilities, pursuant to a
 1393 | written contract for the same, together with all powers
 1394 | incidental thereto or necessary for the performance of those
 1395 | hereinafter stated:

1396 | (1) The corporation may exercise all the powers as granted
 1397 | by the department to work directly with landowners, local and
 1398 | state governmental agencies, elected officials, and any other
 1399 | person to support those activities required to promote and
 1400 | develop the projects. These activities shall include:

1401 | (a) Acquiring, holding, investing, and administering
 1402 | property and transferring title of such property to the
 1403 | department for development of projects on behalf of the
 1404 | department;

1405 (b) Performing preliminary and final alignment studies in
1406 a manner consistent with state and federal laws;

1407 (c) Receiving contributions of land for rights-of-way and
1408 cash donations to be applied to the purchase of rights-of-way
1409 not donated or to be applied to the design or construction of
1410 the projects;

1411 (d) Reviewing candidates for advisory directorships and
1412 adding or removing such advisory directors as may be
1413 appropriate;

1414 (e) Retaining such administrative staff and legal, public
1415 relations, and engineering services as may be required for the
1416 development of the projects and paying such employees and
1417 consultants from funds donated for this purpose;

1418 (f) Preparing such exhibits, right-of-way documents,
1419 environmental reports, schematics, and preliminary and final
1420 engineering plans as are necessary for the development of the
1421 projects;

1422 (g) Borrowing money to meet any expenses or needs
1423 associated with the regular operations of the corporation or a
1424 particular project; provided, however, that no corporation shall
1425 have the power to issue bonds, the provisions of part I of
1426 chapter ~~chapters~~ 607 and chapter 617 notwithstanding;

1427 (h) Making official presentations to the state and other
1428 affected agencies or groups concerning the development of the
1429 projects;

1430 (i) Issuing press releases and other material to promote

1431 the activities of the projects; and

1432 (j) Performing any other functions requested by the
 1433 department in order to promote and develop the projects.

1434
 1435 Nothing in this act empowers the corporation to enter into any
 1436 contracts for construction or to undertake any construction, on
 1437 behalf of the department.

1438 Section 43. Subsection (4) of section 420.101, Florida
 1439 Statutes, is amended to read:

1440 420.101 Housing Development Corporation of Florida;
 1441 creation, membership, and purposes.—

1442 (4) Whenever the articles of incorporation have been filed
 1443 in the Department of State and approved by it and all filing
 1444 fees and taxes prescribed by part I of chapter 607 have been
 1445 paid, the subscribers and their successors and assigns shall
 1446 constitute a corporation, and the corporation shall then be
 1447 authorized to commence business, and stock thereof to the extent
 1448 herein or hereafter duly authorized may from time to time be
 1449 issued.

1450 Section 44. Section 420.111, Florida Statutes, is amended
 1451 to read:

1452 420.111 Housing Development Corporation of Florida;
 1453 additional powers.—In furtherance of its purposes and in
 1454 addition to the powers now or hereafter conferred on business
 1455 corporations by part I of chapter 607, the corporation shall,
 1456 subject to the restrictions and limitations ~~herein~~ contained in

1457 this section, have the following powers:

1458 (1) To elect, appoint, and employ officers, agents and
1459 employees and to make contracts and incur liabilities for any of
1460 the purposes of the corporation, except that the corporation may
1461 ~~shall~~ not incur any secondary liability by way of guaranty or
1462 endorsement of the obligations of any person, firm, corporation,
1463 joint-stock company, association, or trust, or in any other
1464 manner.

1465 (2) To borrow money from its stockholders, other financial
1466 institutions, and state and federal agencies for any of the
1467 purposes of the corporation; to issue therefor its bonds,
1468 debentures, notes, or other evidences of indebtedness, whether
1469 secured or unsecured, and to secure the same by mortgage,
1470 pledge, deed of trust, or other lien on its property,
1471 franchises, rights, and privileges of every kind and nature, or
1472 any part thereof or interest therein, without securing
1473 stockholder approval.

1474 (3) To make loans to any person, firm, corporation, joint-
1475 stock company, association, or trust and to regulate the terms
1476 and conditions with respect to any such loans and the charges
1477 for interest and service connected therewith, provided subsidies
1478 may be in the form of below market interest rates or such other
1479 assistance as determined by the board with the concurrence of
1480 the applicable regulatory agencies governing the several
1481 stockholder industries.

1482 (4) To purchase, receive, hold, lease, or otherwise

1483 acquire, and to sell, convey, transfer, lease, or otherwise
 1484 dispose of, real and personal property, together with such
 1485 rights and privileges as may be incidental and appurtenant
 1486 thereto and the use thereof, including, but not restricted to,
 1487 any real or personal property acquired by the corporation from
 1488 time to time in the satisfaction of debts or enforcement of
 1489 obligations.

1490 (5) For the purposes of foreclosure, to acquire the good
 1491 will, business, rights, real and personal property, and other
 1492 assets, or any part thereof, or interest therein, of any
 1493 persons, firms, corporations, joint-stock companies,
 1494 associations or trusts, and to assume, undertake, or pay the
 1495 obligations, debts and liabilities of any such person, firm,
 1496 corporation, joint-stock company, association or trust; to
 1497 acquire improved or unimproved real estate for the purpose of
 1498 constructing new housing or rehabilitation thereof; for the
 1499 purposes of disposing of such real estate to others for the
 1500 construction of housing or rehabilitation thereof; and to
 1501 acquire, construct or reconstruct, alter, repair, maintain,
 1502 operate, sell, convey, transfer, lease, or otherwise dispose of
 1503 such housing, provided, however that nothing herein contained
 1504 shall authorize the acquisition, construction, reconstruction,
 1505 or operation of any public lodging establishment as defined in
 1506 chapter 509.

1507 (6) To acquire, subscribe for, own, hold, sell, assign,
 1508 transfer, mortgage, pledge, or otherwise dispose of the stock,

1509 shares, bonds, debentures, notes, or other securities and
1510 evidences of interest in, or indebtedness of, any person, firm,
1511 corporation, joint-stock company, association, or trust, and,
1512 while the owner or holder thereof, to exercise all the rights,
1513 powers, and privileges of ownership, including the right to vote
1514 thereon.

1515 (7) To mortgage, pledge, or otherwise encumber any
1516 property, right, or thing of value, acquired pursuant to the
1517 powers contained in subsection (4), subsection (5), or
1518 subsection (6), as security for the payment of any part of the
1519 purchase price thereof.

1520 (8) To cooperate with, and avail itself of the facilities
1521 of, the United States Department of Housing and Urban
1522 Development, the Department of Economic Opportunity, and any
1523 other similar local, state, or Federal Government agency; and to
1524 cooperate with and assist, and otherwise encourage,
1525 organizations in the various communities of the state on the
1526 promotion, assistance, and development of the housing and
1527 economic welfare of such communities or of this state or any
1528 part thereof.

1529 (9) To do all acts and things necessary or convenient to
1530 carry out the powers expressly granted in this part.

1531 Section 45. Subsection (2) of section 420.161, Florida
1532 Statutes, is amended to read:

1533 420.161 Housing Development Corporation of Florida; period
1534 of existence; method of dissolution.—

1535 (2) The corporation may, upon the affirmative vote of two-
 1536 thirds of the votes to which the stockholders are ~~shall be~~
 1537 entitled, dissolve the said corporation as provided under part I
 1538 of ~~by~~ chapter 607, as long as that part does insofar as chapter
 1539 ~~607 is~~ not in conflict with ~~the provisions of~~ this act. Upon any
 1540 dissolution of the corporation, ~~none of~~ the corporation's assets
 1541 may not ~~shall~~ be distributed to the stockholders until all sums
 1542 due the members of the corporation as creditors thereof have
 1543 been paid in full.

1544 Section 46. Subsection (9) of section 440.02, Florida
 1545 Statutes, is amended to read:

1546 440.02 Definitions.—When used in this chapter, unless the
 1547 context clearly requires otherwise, the following terms shall
 1548 have the following meanings:

1549 (9) "Corporate officer" or "officer of a corporation"
 1550 means any person who fills an office provided for in the
 1551 corporate charter or articles of incorporation filed with the
 1552 Division of Corporations of the Department of State or as
 1553 authorized ~~permitted~~ or required under part I of ~~by~~ chapter 607.
 1554 The term "officer of a corporation" includes a member owning at
 1555 least 10 percent of a limited liability company created and
 1556 approved under chapter 608.

1557 Section 47. Paragraph (d) of subsection (10) of section
 1558 440.386, Florida Statutes, is amended to read:

1559 440.386 Individual self-insurers' insolvency;
 1560 conservation; liquidation.—

1561 (10) TRANSFERS PRIOR TO PETITION.—

1562 (d) The personal liability of the officers or directors of
 1563 an insolvent individual self-insurer is ~~shall be~~ subject to part
 1564 I of the provisions of chapter 607 and the penalties provided
 1565 therein.

1566 Section 48. Subsection (3) of section 609.08, Florida
 1567 Statutes, is amended to read:

1568 609.08 Merger of association into wholly owned subsidiary
 1569 corporation; dissenters' rights of appraisal.—

1570 (3) If the surviving corporation is to be governed by the
 1571 laws of any jurisdiction other than this state, it shall comply
 1572 with part I of the provisions of chapter 607 with respect to
 1573 foreign corporations if it is to transact business in this
 1574 state, and in every case it shall file with the Department of
 1575 State of this state:

1576 (a) An agreement that it may be served with process in
 1577 this state in any proceeding for the enforcement of any
 1578 obligation of the association and in any proceeding for the
 1579 enforcement of any rights under the declaration of trust of the
 1580 association of a dissenting shareholder of the association
 1581 against the surviving corporation.

1582 (b) An irrevocable appointment of the Secretary of State
 1583 as its agent to accept service of process in any such
 1584 proceeding.

1585 (c) An agreement that it will promptly pay to the
 1586 dissenting shareholders of the association the amount, if any,

1587 to which they are ~~shall be~~ entitled under ~~the provisions of~~ its
1588 declaration of trust with respect to the rights of dissenting
1589 shareholders.

1590 Section 49. Section 617.1908, Florida Statutes, is amended
1591 to read:

1592 617.1908 Applicability of Florida Business Corporation
1593 Act.—Except as ~~otherwise~~ made applicable by specific reference
1594 in any other section of this chapter, part I ~~the provisions of~~
1595 chapter 607, the Florida Business Corporation Act, does ~~shall~~
1596 not apply to any corporations not for profit.

1597 Section 50. Section 618.221, Florida Statutes, is amended
1598 to read:

1599 618.221 Conversion into a corporation for profit.—Any
1600 association incorporated under or that has adopted the
1601 provisions of this chapter, may, by a majority vote of its
1602 stockholders or members be brought under part I of ~~the~~
1603 ~~provisions of~~ chapter 607, as a corporation for profit by
1604 surrendering all right to carry on its business under this
1605 chapter, and the privileges and immunities incident thereto. It
1606 shall make out in duplicate a statement signed and sworn to by
1607 its directors to the effect that the association has, by a
1608 majority vote of its stockholders or members, decided to
1609 surrender all rights, powers, and privileges as a nonprofit
1610 cooperative marketing association under this chapter and to do
1611 business under and be bound by part I of ~~the provisions of~~ said
1612 chapter 607, as a corporation for profit and has authorized all

1613 changes accordingly. Articles of incorporation shall be
1614 delivered to the Department of State for filing as required
1615 under part I of chapter 607 ~~in and by s. 607.164~~, except that
1616 they shall be signed by the members of the then board of
1617 directors. The filing fees and taxes shall be as provided under
1618 part I of ~~in~~ chapter 607. Such articles of incorporation shall
1619 adequately protect and preserve the relative rights of the
1620 stockholders or members of the association so converting into a
1621 corporation for profit; provided that no rights or obligations
1622 due any stockholder or member of such association or any other
1623 person, firm, or corporation which has not been waived or
1624 satisfied shall be impaired by such conversion into a
1625 corporation for profit as herein authorized.

1626 Section 51. Section 619.04, Florida Statutes, is amended
1627 to read:

1628 619.04 Articles of incorporation.—Each association formed
1629 under this chapter must prepare and file articles of
1630 incorporation in the same manner and under the same regulations
1631 as required under part I of chapter 607, and therein shall set
1632 forth:

1633 (1) The name of the association.

1634 (2) The purpose for which it is formed.

1635 (3) The place where its principal business will be
1636 transacted.

1637 (4) The term for which it is to exist, not exceeding 50
1638 years.

1639 (5) The number of directors thereof, which must not be
 1640 less than three and which may be any number in excess thereof,
 1641 and the names and residences of those selected for the first
 1642 year and until their successors shall have been elected and
 1643 shall have accepted office.

1644 (6) Whether the voting power and the property rights and
 1645 interest of each member shall be equal, or unequal, and if
 1646 unequal these articles shall set forth a general rule applicable
 1647 to all members by which the voting power and the property rights
 1648 and interests, respectively, of each member may and shall be
 1649 determined and fixed, but the association shall have power to
 1650 admit new members, who shall be entitled to vote and to share in
 1651 the property of the association with the old members, in
 1652 accordance with such general rule. This provision of the
 1653 articles of incorporation may ~~shall~~ not be altered, amended, or
 1654 repealed except by the unanimous written consent or the vote of
 1655 all the members.

1656 (7) Said articles must be subscribed by the original
 1657 members and acknowledged by one of them before an officer
 1658 authorized by the law of this state to take and certify
 1659 acknowledgments of deeds of conveyance, and shall be filed in
 1660 accordance with the provisions of law, and when so filed the
 1661 said articles of incorporation or certified copies thereof shall
 1662 be received in all the courts of this state and other places as
 1663 prima facie evidence of the facts contained therein.

1664 Section 52. Subsection (3) of section 624.430, Florida

1665 Statutes, is amended to read:

1666 624.430 Withdrawal of insurer or discontinuance of writing
1667 certain kinds or lines of insurance.—

1668 (3) Upon office approval of the surrender of the
1669 certificate of authority of a domestic property and casualty
1670 insurer that is a corporation, the insurer may initiate the
1671 dissolution of the corporation in accordance with the applicable
1672 provisions of part I of chapter 607.

1673 Section 53. Subsection (1) of section 624.462, Florida
1674 Statutes, is amended to read:

1675 624.462 Commercial self-insurance funds.—

1676 (1) Any group of persons may form a commercial self-
1677 insurance fund for the purpose of pooling and spreading
1678 liabilities of its group members in any commercial property or
1679 casualty risk or surety insurance. Any fund established pursuant
1680 to subparagraph (2)(a)1. may be organized as a corporation under
1681 part I of chapter 607.

1682 Section 54. Subsection (3) of section 624.489, Florida
1683 Statutes, is amended to read:

1684 624.489 Liability of trustees of self-insurance trust fund
1685 and directors of self-insurance funds operating as
1686 corporations.—

1687 (3) The immunities from liability provided in this section
1688 with respect to trustees also apply to members of the board of
1689 directors of a commercial self-insurance fund organized as a
1690 corporation under part I of chapter 607 if the board of

1691 directors has contracted with an administrator authorized under
 1692 s. 626.88 to administer the day-to-day affairs of the fund.

1693 Section 55. Section 628.041, Florida Statutes, is amended
 1694 to read:

1695 628.041 Applicability of general corporation statutes.—The
 1696 applicable statutes of this state relating to the powers and
 1697 procedures of domestic private corporations formed for profit
 1698 shall apply to domestic stock insurers and to domestic mutual
 1699 insurers, except:

1700 (1) As to any domestic mutual insurers incorporated
 1701 pursuant to chapter 617, which chapter shall govern such
 1702 insurers when in conflict with part I of chapter 607; and

1703 (2) When in conflict with the express provisions of this
 1704 code.

1705 Section 56. Subsection (4) of section 631.262, Florida
 1706 Statutes, is amended to read:

1707 631.262 Transfers prior to petition.—

1708 (4) The personal liability of the officers or directors of
 1709 an insolvent insurer is ~~shall be~~ subject to part I of the
 1710 ~~provisions of~~ chapter 607 and the penalties provided therein.

1711 Section 57. Subsection (1) of section 636.204, Florida
 1712 Statutes, is amended to read:

1713 636.204 License required.—

1714 (1) Before doing business in this state as a discount
 1715 medical plan organization, an entity must be a corporation, a
 1716 limited liability company, or a limited partnership,

1717 incorporated, organized, formed, or registered under the laws of
1718 this state or authorized to transact business in this state in
1719 accordance with part I of chapter 607, chapter 608, chapter 617,
1720 chapter 620, or chapter 865, and must be licensed by the office
1721 as a discount medical plan organization or be licensed by the
1722 office pursuant to chapter 624, part I of this chapter, or
1723 chapter 641.

1724 Section 58. Section 641.2015, Florida Statutes, is amended
1725 to read:

1726 641.2015 Incorporation required.—On or after October 1,
1727 1985, any entity that has not yet obtained a certificate of
1728 authority to operate a health maintenance organization in this
1729 state shall be incorporated or shall be a division of a
1730 corporation formed under the provisions of either part I of
1731 chapter 607 or chapter 617 or shall be a public entity that is
1732 organized as a political subdivision. In the case of a division
1733 of a corporation, the financial requirements of this part shall
1734 apply to the entire corporation. Incorporation shall not be
1735 required of any entity which has already been issued an initial
1736 certificate of authority prior to this date and which is not a
1737 corporation on October 1, 1985, or which is incorporated in any
1738 other state on October 1, 1985; nor shall incorporation be
1739 required on renewal of any certificate of authority by such an
1740 organization or be required of a public entity that is organized
1741 as a political subdivision.

1742 Section 59. Subsection (1) of section 655.0201, Florida

1743 Statutes, is amended to read:

1744 655.0201 Service of process, notice, or demand on
1745 financial institutions.—

1746 (1) Process against any financial institution authorized
1747 by federal or state law to transact business in this state may
1748 be served in accordance with chapter 48, chapter 49, part I of
1749 chapter 607, or chapter 608, as appropriate.

1750 Section 60. Subsection (2) of section 658.23, Florida
1751 Statutes, is amended to read:

1752 658.23 Submission of articles of incorporation; contents;
1753 form; approval; filing; commencement of corporate existence;
1754 bylaws.—

1755 (2) The articles of incorporation shall contain:

1756 (a) The name of the proposed bank or trust company.

1757 (b) The general nature of the business to be transacted or
1758 a statement that the corporation may engage in any activity or
1759 business permitted by law. Such statement shall authorize all
1760 such activities and business by the corporation.

1761 (c) The amount of capital stock authorized, showing the
1762 maximum number of shares of par value common stock and of
1763 preferred stock, and of every kind, class, or series of each,
1764 together with the distinguishing characteristics and the par
1765 value of all shares.

1766 (d) The amount of capital with which the corporation will
1767 begin business, which may ~~shall~~ not be less than the amount
1768 required by the office pursuant to s. 658.21.

1769 (e) A provision that the corporation is to have perpetual
 1770 existence unless existence is terminated pursuant to the
 1771 financial institutions codes.

1772 (f) The initial street address of the main office of the
 1773 corporation, which shall be in this state.

1774 (g) The number of directors, which shall be five or more,
 1775 and the names and street addresses of the members of the initial
 1776 board of directors.

1777 (h) A provision for preemptive rights, if applicable.

1778 (i) A provision authorizing the board of directors to
 1779 appoint additional directors, pursuant to s. 658.33, if
 1780 applicable.

1781
 1782 The office shall provide to the proposed directors form articles
 1783 of incorporation which must ~~shall~~ include only those provisions
 1784 required under ~~by~~ this section or under part I of ~~by~~ chapter
 1785 607. The form articles shall be acknowledged by the proposed
 1786 directors and returned to the office for filing with the
 1787 Department of State.

1788 Section 61. Paragraph (c) of subsection (11) of section
 1789 658.2953, Florida Statutes, is amended to read:

1790 658.2953 Interstate branching.—

1791 (11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

1792 (c) An out-of-state bank may establish and maintain a de
 1793 novo branch or acquire a branch in this state upon compliance
 1794 with part I of chapter 607 or chapter 608 relating to doing

1795 business in this state as a foreign business entity, including
 1796 maintaining a registered agent for service of process and other
 1797 legal notice pursuant to s. 655.0201.

1798 Section 62. Section 658.30, Florida Statutes, is amended
 1799 to read:

1800 658.30 Application of the Florida Business Corporation
 1801 Act.—

1802 (1) When not in direct conflict with or superseded by
 1803 specific provisions of the financial institutions codes, the
 1804 provisions of the Florida Business Corporation Act, part I of
 1805 chapter 607, ~~shall~~ extend to state banks and trust companies
 1806 formed under the financial institutions codes. This section
 1807 shall be liberally construed to accomplish the purposes stated
 1808 herein.

1809 (2) Without limiting the generality of subsection (1),
 1810 stockholders, directors, and committees of state banks and trust
 1811 companies may hold meetings in any manner authorized ~~permitted~~
 1812 by part I of chapter 607, and any action by stockholders,
 1813 directors, or committees required or authorized ~~permitted~~ to be
 1814 taken at a meeting may be taken without a meeting in any manner
 1815 authorized ~~provided or permitted~~ by part I of chapter 607.

1816 Section 63. Subsection (3) of section 658.36, Florida
 1817 Statutes, is amended to read:

1818 658.36 Changes in capital.—

1819 (3) If a bank or trust company's capital accounts have
 1820 been diminished by losses to less than the minimum required

1821 pursuant to the financial institutions codes, the market value
1822 of its shares of capital stock is less than the present par
1823 value, and the bank or trust company cannot reasonably issue and
1824 sell new shares of stock to restore its capital accounts at a
1825 share price of par value or greater of the previously issued
1826 capital stock, the office, notwithstanding any other provisions
1827 of part I of chapter 607 or the financial institutions codes,
1828 may approve special stock offering plans.

1829 (a) Such plans may include, but are not limited to,
1830 mechanisms for stock splits including reverse splits;
1831 revaluations of par value of outstanding stock; changes in
1832 voting rights, dividends, or other preferences; and creation of
1833 new classes of stock.

1834 (b) The plan must be approved by majority vote of the bank
1835 or trust company's entire board of directors and by holders of
1836 two-thirds of the outstanding shares of stock.

1837 (c) The office shall disapprove a plan that provides
1838 unfair or disproportionate benefits to existing shareholders,
1839 directors, executive officers, or their related interests. The
1840 office shall also disapprove any plan that is not likely to
1841 restore the capital accounts to sufficient levels to achieve a
1842 sustainable, safe, and sound financial institution.

1843 (d) For any bank or trust company that the office
1844 determines to be a failing financial institution pursuant to s.
1845 655.4185, the office may approve special stock offering plans
1846 without a vote of the shareholders.

1847 Section 64. Section 663.03, Florida Statutes, is amended
1848 to read:

1849 663.03 Applicability of the Florida Business Corporation
1850 Act chapter 607.—Notwithstanding s. 607.01401(12) ~~the definition~~
1851 ~~of the term "foreign corporation" appearing in s. 607.01401,~~ all
1852 ~~of~~ the provisions of part I of chapter 607 not in conflict with
1853 the financial institutions codes which relate to foreign
1854 corporations ~~shall~~ apply to all international banking
1855 corporations and their offices doing business in this state.

1856 Section 65. Subsection (3) of section 663.04, Florida
1857 Statutes, is amended to read:

1858 663.04 Requirements for carrying on financial institution
1859 business.—An international banking corporation or trust company,
1860 or any affiliate, subsidiary, or other person or business entity
1861 acting as an agent for, on behalf of, or for the benefit of such
1862 international banking corporation or trust company who engages
1863 in such activities from an office located in this state, may not
1864 transact a banking or trust business, or maintain in this state
1865 any office for carrying on such business, or any part thereof,
1866 unless such corporation, trust company, affiliate, subsidiary,
1867 person, or business entity:

1868 (3) Has filed with the office a certified copy of that
1869 information required to be supplied to the Department of State
1870 by those provisions of part I of chapter 607 which are
1871 applicable to foreign corporations.

1872 Section 66. Paragraph (a) of subsection (1) of section

1873 663.301, Florida Statutes, is amended to read:

1874 663.301 Definitions.—

1875 (1) As used in this part:

1876 (a) "International development bank" means a corporation
 1877 established for the purpose of promoting development in foreign
 1878 countries by directly or indirectly making funding available to
 1879 foreign business enterprises or foreign governments or by
 1880 providing financing in connection with import-export
 1881 transactions. Subject to the limitations contained in s.
 1882 663.313, an international development bank may be organized
 1883 ~~either~~ under chapter 617 as a corporation not for profit or
 1884 under part I of chapter 607 as a corporation for profit.

1885 Section 67. Subsection (2) of section 663.306, Florida
 1886 Statutes, is amended to read:

1887 663.306 Decision by office.—The office may, in its
 1888 discretion, approve or disapprove the application, but it shall
 1889 not approve the application unless it finds that:

1890 (2) The proposed capital structure is adequate, but in no
 1891 case may the paid-in capital stock be:

1892 (a) Less than \$400,000 in the case of an international
 1893 development bank organized under chapter 617 as a corporation
 1894 not for profit; or

1895 (b) The amount required for a state bank in the case of an
 1896 international development bank organized under part I of chapter
 1897 607 as a corporation for profit.

1898

1899 The office may disallow any illegally obtained currency,
 1900 monetary instruments, funds, or other financial resources from
 1901 the capitalization requirements of this section.

1902 Section 68. Subsection (4) of section 663.313, Florida
 1903 Statutes, is amended to read:

1904 663.313 Ownership of stock.—

1905 (4) All of the shares of voting stock of an international
 1906 development bank organized under part I of chapter 607 as a
 1907 corporation for profit shall be owned by a regional development
 1908 bank or by one or more wholly owned subsidiaries of a regional
 1909 development bank.

1910 Section 69. Subsection (2) of section 718.111, Florida
 1911 Statutes, is amended to read:

1912 718.111 The association.—

1913 (2) POWERS AND DUTIES.—The powers and duties of the
 1914 association include those set forth in this section and, except
 1915 as expressly limited or restricted in this chapter, those set
 1916 forth in the declaration and bylaws and part I of chapter
 1917 ~~chapters~~ 607 and chapter 617, as applicable.

1918 Section 70. Subsection (10) of section 719.104, Florida
 1919 Statutes, is amended to read:

1920 719.104 Cooperatives; access to units; records; financial
 1921 reports; assessments; purchase of leases.—

1922 (10) POWERS AND DUTIES.—The powers and duties of the
 1923 association include those set forth in this section and, except
 1924 as expressly limited or restricted in this chapter, those set

1925 | forth in the articles of incorporation and bylaws and part I of
 1926 | chapter ~~chapters~~ 607 and chapter 617, as applicable.

1927 | Section 71. Subsection (5) of section 720.302, Florida
 1928 | Statutes, is amended to read:

1929 | 720.302 Purposes, scope, and application.—

1930 | (5) Unless expressly stated to the contrary, corporations
 1931 | that operate residential homeowners' associations in this state
 1932 | shall be governed by and subject to part I of chapter 607, if
 1933 | the association was incorporated under that part ~~chapter~~, or to
 1934 | chapter 617, if the association was incorporated under that
 1935 | chapter, and this chapter. This subsection is intended to
 1936 | clarify existing law.

1937 | Section 72. Paragraph (c) of subsection (1) of section
 1938 | 720.306, Florida Statutes, is amended to read:

1939 | 720.306 Meetings of members; voting and election
 1940 | procedures; amendments.—

1941 | (1) QUORUM; AMENDMENTS.—

1942 | (c) Unless otherwise provided in the governing documents
 1943 | as originally recorded or permitted by this chapter or chapter
 1944 | 617, an amendment may not materially and adversely alter the
 1945 | proportionate voting interest appurtenant to a parcel or
 1946 | increase the proportion or percentage by which a parcel shares
 1947 | in the common expenses of the association unless the record
 1948 | parcel owner and all record owners of liens on the parcels join
 1949 | in the execution of the amendment. For purposes of this section,
 1950 | a change in quorum requirements is not an alteration of voting

1951 interests. The merger or consolidation of one or more
 1952 associations under a plan of merger or consolidation under part
 1953 I of chapter 607 or chapter 617 is ~~shall not be considered~~ a
 1954 material or adverse alteration of the proportionate voting
 1955 interest appurtenant to a parcel.

1956 Section 73. Paragraph (a) of subsection (1) of section
 1957 766.101, Florida Statutes, is amended to read:

1958 766.101 Medical review committee, immunity from
 1959 liability.—

1960 (1) As used in this section:

1961 (a) The term "medical review committee" or "committee"
 1962 means:

1963 1.a. A committee of a hospital or ambulatory surgical
 1964 center licensed under chapter 395 or a health maintenance
 1965 organization certificated under part I of chapter 641;τ

1966 b. A committee of a physician-hospital organization, a
 1967 provider-sponsored organization, or an integrated delivery
 1968 system;τ

1969 c. A committee of a state or local professional society of
 1970 health care providers;τ

1971 d. A committee of a medical staff of a licensed hospital
 1972 or nursing home, provided the medical staff operates pursuant to
 1973 written bylaws that have been approved by the governing board of
 1974 the hospital or nursing home;τ

1975 e. A committee of the Department of Corrections or the
 1976 Correctional Medical Authority as created under s. 945.602, or

1977 employees, agents, or consultants of either the department or
 1978 the authority or both;~~;~~

1979 f. A committee of a professional service corporation
 1980 formed under chapter 621 or a corporation organized under part I
 1981 of chapter 607 or chapter 617, which is formed and operated for
 1982 the practice of medicine as defined in s. 458.305(3), and which
 1983 has at least 25 health care providers who routinely provide
 1984 health care services directly to patients;~~;~~

1985 g. A committee of the Department of Children and Families
 1986 ~~Family Services~~ which includes employees, agents, or consultants
 1987 to the department as deemed necessary to provide peer review,
 1988 utilization review, and mortality review of treatment services
 1989 provided pursuant to chapters 394, 397, and 916;~~;~~

1990 h. A committee of a mental health treatment facility
 1991 licensed under chapter 394 or a community mental health center
 1992 as defined in s. 394.907, provided the quality assurance program
 1993 operates pursuant to the guidelines that ~~which~~ have been
 1994 approved by the governing board of the agency;~~;~~

1995 i. A committee of a substance abuse treatment and
 1996 education prevention program licensed under chapter 397 provided
 1997 the quality assurance program operates pursuant to the
 1998 guidelines that ~~which~~ have been approved by the governing board
 1999 of the agency;~~;~~

2000 j. A peer review or utilization review committee organized
 2001 under chapter 440;~~;~~

2002 k. A committee of the Department of Health, a county

2003 health department, healthy start coalition, or certified rural
 2004 health network, when reviewing quality of care, or employees of
 2005 these entities when reviewing mortality records;~~7~~ or

2006 1. A continuous quality improvement committee of a
 2007 pharmacy licensed pursuant to chapter 465,

2008
 2009 which committee is formed to evaluate and improve the quality of
 2010 health care rendered by providers of health service, to
 2011 determine that health services rendered were professionally
 2012 indicated or were performed in compliance with the applicable
 2013 standard of care, or that the cost of health care rendered was
 2014 considered reasonable by the providers of professional health
 2015 services in the area; or

2016 2. A committee of an insurer, self-insurer, or joint
 2017 underwriting association of medical malpractice insurance, or
 2018 other persons conducting review under s. 766.106.

2019 Section 74. Subsection (14) of section 865.09, Florida
 2020 Statutes, is amended to read:

2021 865.09 Fictitious name registration.—

2022 (14) PROHIBITION.—A fictitious name registered as provided
 2023 in this section may not contain the words "Corporation" or
 2024 "Incorporated," or the abbreviations "Corp." or "Inc.," unless
 2025 the person or business for which the name is registered is
 2026 incorporated or has obtained a certificate of authority to
 2027 transact business in this state pursuant to part I of chapter
 2028 607 or chapter 617.

CS/CS/HB 685

2014

2029

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