

1                   A bill to be entitled  
2           An act relating to Uniform Voidable Transactions Act;  
3           providing a directive to the Division of Law Revision  
4           and Information; amending s. 726.101, F.S.; revising a  
5           short title; amending s. 726.102, F.S.; revising and  
6           providing definitions; amending s. 726.103, F.S.;  
7           removing conditions under which a partnership is  
8           insolvent; imposing the burden of proving insolvency  
9           upon certain debtors; amending ss. 726.105 and  
10          726.106, F.S.; imposing the burden of proving elements  
11          of a claim for relief upon certain creditors; amending  
12          s. 726.107, F.S.; conforming provisions to changes  
13          made by the act; amending s. 726.108, F.S.; providing  
14          conditions under which attachments or other  
15          provisional remedies are available to creditors;  
16          amending s. 726.109, F.S.; revising the parties  
17          subject to judgments for recovery of a creditor's  
18          claim; revising conditions under which a transfer is  
19          not voidable; providing that certain actions related  
20          to the formation or conversion of an entity are not  
21          voidable; imposing the burden of proving certain  
22          applicability, claim elements, and adjustments;  
23          providing requirements for standard of proof; amending  
24          ss. 726.110, 726.111, and 726.112, F.S.; conforming  
25          provisions to changes made by the act; creating s.

26 | 726.113, F.S.; providing that claims for relief are  
 27 | governed by specified claims law; creating s. 726.114,  
 28 | F.S.; providing definitions; providing applicability  
 29 | of specified provisions for series organizations and  
 30 | the protected series of such organizations; creating  
 31 | s. 726.115, F.S.; providing applicability for a  
 32 | specified federal act; providing an effective date.  
 33 |

34 | Be It Enacted by the Legislature of the State of Florida:  
 35 |

36 | Section 1. The Division of Law Revision and Information is  
 37 | directed to rename chapter 726, Florida Statutes, entitled  
 38 | "FRAUDULENT TRANSFERS," as "VOIDABLE TRANSACTIONS."

39 | Section 2. Section 726.101, Florida Statutes, is amended  
 40 | to read:

41 | 726.101 Short title.—This act may be cited as the "Uniform  
 42 | Voidable Transactions ~~Fraudulent Transfer~~ Act."

43 | Section 3. Section 726.102, Florida Statutes, is amended  
 44 | to read:

45 | 726.102 Definitions.—As used in this chapter ~~ss. 726.101-~~  
 46 | ~~726.112:~~

47 | (1) "Affiliate" means:

48 | (a) A person that ~~who~~ directly or indirectly owns,  
 49 | controls, or holds with power to vote, 20 percent or more of the  
 50 | outstanding voting securities of the debtor, other than a person

51 that ~~who~~ holds the securities:

52 1. As a fiduciary or agent without sole discretionary  
53 power to vote the securities; or

54 2. Solely to secure a debt, if the person has not in fact  
55 exercised the power to vote.

56 (b) A corporation 20 percent or more of whose outstanding  
57 voting securities are directly or indirectly owned, controlled,  
58 or held with power to vote, by the debtor or a person that ~~who~~  
59 directly or indirectly owns, controls, or holds, with power to  
60 vote, 20 percent or more of the outstanding voting securities of  
61 the debtor, other than a person that ~~who~~ holds the securities:

62 1. As a fiduciary or agent without sole discretionary  
63 power to vote the securities; or

64 2. Solely to secure a debt, if the person has not in fact  
65 exercised the power to vote.

66 (c) A person whose business is operated by the debtor  
67 under a lease or other agreement, or a person substantially all  
68 of whose assets are controlled by the debtor; or

69 (d) A person that ~~who~~ operates the debtor's business under  
70 a lease or other agreement or controls substantially all of the  
71 debtor's assets.

72 (2) "Asset" means property of a debtor, but the term does  
73 not include:

74 (a) Property to the extent it is encumbered by a valid  
75 lien;

76 (b) Property to the extent it is generally exempt under  
77 nonbankruptcy law; or

78 (c) An interest in property held in tenancy by the  
79 entireties to the extent it is not subject to process by a  
80 creditor holding a claim against only one tenant.

81 (3) "Charitable contribution" means a charitable  
82 contribution as that term is defined in s. 170(c) of the  
83 Internal Revenue Code of 1986, if that contribution consists of:

84 (a) A financial instrument as defined in s. 731(c)(2)(C)  
85 of the Internal Revenue Code of 1986; or

86 (b) Cash.

87 (4) "Claim," except as used in "claim for relief," means a  
88 right to payment, whether or not the right is reduced to  
89 judgment, liquidated, unliquidated, fixed, contingent, matured,  
90 unmatured, disputed, undisputed, legal, equitable, secured, or  
91 unsecured.

92 (5) "Claims law" means fraudulent conveyance, fraudulent  
93 transfer, or voidable transfer laws or other laws of similar  
94 effect.

95 (6)~~(5)~~ "Creditor" means a person that ~~who~~ has a claim.

96 (7)~~(6)~~ "Debt" means liability on a claim.

97 (8)~~(7)~~ "Debtor" means a person that ~~who~~ is liable on a  
98 claim.

99 (9) "Electronic" means technology having electrical,  
100 digital, magnetic, wireless, optical, electromagnetic, or

101 similar capabilities.

102 (10)~~(8)~~ "Insider" includes:

103 (a) If the debtor is an individual:

104 1. A relative of the debtor or of a general partner of the  
105 debtor;

106 2. A partnership in which the debtor is a general partner;

107 3. A general partner in a partnership described in  
108 subparagraph 2.; or

109 4. A corporation of which the debtor is a director,  
110 officer, or person in control;

111 (b) If the debtor is a corporation:

112 1. A director of the debtor;

113 2. An officer of the debtor;

114 3. A person in control of the debtor;

115 4. A partnership in which the debtor is a general partner;

116 5. A general partner in a partnership described in  
117 subparagraph 4.; or

118 6. A relative of a general partner, director, officer, or  
119 person in control of the debtor.

120 (c) If the debtor is a partnership:

121 1. A general partner in the debtor;

122 2. A relative of a general partner in, a general partner  
123 of, or a person in control of the debtor;

124 3. Another partnership in which the debtor is a general  
125 partner;

126 4. A general partner in a partnership described in this  
 127 paragraph ~~subparagraph 3.~~; or

128 5. A person in control of the debtor.

129 (d) An affiliate, or an insider of an affiliate as if the  
 130 affiliate were the debtor.

131 (e) A managing agent of the debtor.

132 ~~(11)-(9)~~ "Lien" means a charge against or an interest in  
 133 property to secure payment of a debt or performance of an  
 134 obligation, and includes a security interest created by  
 135 agreement, a judicial lien obtained by legal or equitable  
 136 process or proceedings, a common-law lien, or a statutory lien.

137 (12) "Organization" means a person other than an  
 138 individual.

139 ~~(13)-(10)~~ "Person" means an individual, partnership,  
 140 limited partnership, business corporation, nonprofit business  
 141 corporation, public corporation, limited liability company,  
 142 limited cooperative association, unincorporated nonprofit  
 143 association, ~~organization,~~ government or governmental  
 144 subdivision, instrumentality, or agency, business trust, common  
 145 law business trust, statutory trust, estate, trust, association,  
 146 joint venture, or any other legal or commercial entity.

147 ~~(14)-(11)~~ "Property" means anything that may be the subject  
 148 of ownership.

149 ~~(15)-(12)~~ "Qualified religious or charitable entity or  
 150 organization" means:

151 (a) An entity described in s. 170(c)(1) of the Internal  
 152 Revenue Code of 1986; or

153 (b) An entity or organization described in s. 170(c)(2) of  
 154 the Internal Revenue Code of 1986.

155 (16) "Record" means information that is inscribed on a  
 156 tangible medium or that is stored in an electronic or other  
 157 medium and is retrievable in perceivable form.

158 (17)-(13) "Relative" means an individual related by  
 159 consanguinity within the third degree as determined by the  
 160 common law, a spouse, or an individual related to a spouse  
 161 within the third degree as so determined, and includes an  
 162 individual in an adoptive relationship within the third degree.

163 (18) "Sign" means with present intent to authenticate or  
 164 adopt a record to:

165 (a) Execute or adopt a tangible symbol; or

166 (b) Attach to or logically associate with the record an  
 167 electronic symbol, sound, or process.

168 (19)-(14) "Transfer" means every mode, direct or indirect,  
 169 absolute or conditional, voluntary or involuntary, of disposing  
 170 of or parting with an asset or an interest in an asset, and  
 171 includes payment of money, release, lease, license, and creation  
 172 of a lien or other encumbrance.

173 (20)-(15) "Valid lien" means a lien that is effective  
 174 against the holder of a judicial lien subsequently obtained by  
 175 legal or equitable process or proceedings.

176 Section 4. Section 726.103, Florida Statutes, is amended  
 177 to read:

178 726.103 Insolvency.—

179 (1) A debtor is insolvent if, at a fair valuation, the sum  
 180 of the debtor's debts is greater than the sum ~~all~~ of the  
 181 debtor's assets ~~at a fair valuation~~.

182 (2) A debtor that ~~who~~ is generally not paying their ~~his or~~  
 183 ~~her~~ debts as they become due for reasons other than as a result  
 184 of a bona fide dispute is presumed to be insolvent. The party  
 185 against which the presumption is directed, has the burden of  
 186 proving that the nonexistence of insolvency is more probable  
 187 than its existence.

188 ~~(3) A partnership is insolvent under subsection (1) if the~~  
 189 ~~sum of the partnership's debts is greater than the aggregate, at~~  
 190 ~~a fair valuation, of all of the partnership's assets and the sum~~  
 191 ~~of the excess of the value of each general partner's~~  
 192 ~~nonpartnership assets over the partner's nonpartnership debts.~~

193 (3)(4) Assets under this section do not include property  
 194 that has been transferred, concealed, or removed with intent to  
 195 hinder, delay, or defraud creditors or that has been transferred  
 196 in a manner making the transfer voidable under this chapter ~~ss.~~  
 197 ~~726.101-726.112.~~

198 (4)(5) Debts under this section do not include an  
 199 obligation to the extent it is secured by a valid lien on  
 200 property of the debtor not included as an asset.



201 Section 5. Section 726.105, Florida Statutes, is amended  
 202 to read:

203 726.105 Transfers or obligations voidable ~~fraudulent~~ as to  
 204 present and future creditors.—

205 (1) A transfer made or obligation incurred by a debtor is  
 206 voidable ~~fraudulent~~ as to a creditor, whether the creditor's  
 207 claim arose before or after the transfer was made or the  
 208 obligation was incurred, if the debtor made the transfer or  
 209 incurred the obligation:

210 (a) With actual intent to hinder, delay, or defraud any  
 211 creditor of the debtor; or

212 (b) Without receiving a reasonably equivalent value in  
 213 exchange for the transfer or obligation, and the debtor:

214 1. Was engaged or was about to engage in a business or a  
 215 transaction for which the remaining assets of the debtor were  
 216 unreasonably small in relation to the business or transaction;  
 217 or

218 2. Intended to incur, or believed or reasonably should  
 219 have believed that the debtor ~~he or she~~ would incur, debts  
 220 beyond the debtor's ~~his or her~~ ability to pay as they became  
 221 due.

222 (2) In determining actual intent under paragraph (1) (a),  
 223 consideration may be given, among other factors, to whether:

224 (a) The transfer or obligation was to an insider.

225 (b) The debtor retained possession or control of the

226 | property transferred after the transfer.

227 |       (c) The transfer or obligation was disclosed or concealed.

228 |       (d) Before the transfer was made or obligation was  
229 | incurred, the debtor had been sued or threatened with suit.

230 |       (e) The transfer was of substantially all the debtor's  
231 | assets.

232 |       (f) The debtor absconded.

233 |       (g) The debtor removed or concealed assets.

234 |       (h) The value of the consideration received by the debtor,  
235 | including value by way of asset substitution or otherwise, was  
236 | reasonably equivalent to the value of the asset transferred or  
237 | the amount of the obligation incurred.

238 |       (i) The debtor was insolvent or became insolvent shortly  
239 | after the transfer was made or the obligation was incurred.

240 |       (j) The transfer occurred shortly before or shortly after  
241 | a substantial debt was incurred.

242 |       (k) The debtor transferred the essential assets of the  
243 | business to a lienor that ~~who~~ transferred the assets to an  
244 | insider of the debtor.

245 |       (3) A creditor making a claim for relief under subsection  
246 | (1) has the burden of proving the elements of the claim for  
247 | relief by a preponderance of the evidence.

248 |       Section 6. Section 726.106, Florida Statutes, is amended  
249 | to read:

250 |       726.106 Transfers or obligations voidable ~~fraudulent~~ as to

251 present creditors.—

252 (1) A transfer made or obligation incurred by a debtor is  
 253 voidable ~~fraudulent~~ as to a creditor whose claim arose before  
 254 the transfer was made or the obligation was incurred if the  
 255 debtor made the transfer or incurred the obligation without  
 256 receiving a reasonably equivalent value in exchange for the  
 257 transfer or obligation and the debtor was insolvent at that time  
 258 or the debtor became insolvent as a result of the transfer or  
 259 obligation.

260 (2) A transfer made by a debtor is voidable ~~fraudulent~~ as  
 261 to a creditor whose claim arose before the transfer was made if  
 262 the transfer was made to an insider for an antecedent debt, the  
 263 debtor was insolvent at that time, and the insider had  
 264 reasonable cause to believe that the debtor was insolvent.

265 (3) Subject to s. 726.103(2), a creditor making a claim  
 266 for relief under subsection (1) or subsection (2) has the burden  
 267 of proving the elements of the claim for relief by a  
 268 preponderance of the evidence.

269 Section 7. Section 726.107, Florida Statutes, is amended  
 270 to read:

271 726.107 When transfer made or obligation incurred.—For the  
 272 purposes of this chapter ~~ss. 726.101-726.112~~:

273 (1) A transfer is made:

274 (a) With respect to an asset that is real property other  
 275 than a fixture, but including the interest of a seller or

276 purchaser under a contract for the sale of the asset, when the  
277 transfer is so far perfected that a good faith purchaser of the  
278 asset from the debtor against which ~~whom~~ applicable law permits  
279 the transfer to be perfected cannot acquire an interest in the  
280 asset that is superior to the interest of the transferee.

281 (b) With respect to an asset that is not real property or  
282 that is a fixture, when the transfer is so far perfected that a  
283 creditor on a simple contract cannot acquire a judicial lien  
284 otherwise than under this chapter ~~ss. 726.101-726.112~~ that is  
285 superior to the interest of the transferee.

286 (2) If applicable law permits the transfer to be perfected  
287 as provided in subsection (1) and the transfer is not so  
288 perfected before the commencement of an action for relief under  
289 this chapter ~~ss. 726.101-726.112~~, the transfer is deemed made  
290 immediately before the commencement of the action.

291 (3) If applicable law does not permit the transfer to be  
292 perfected as provided in subsection (1), the transfer is made  
293 when it becomes effective between the debtor and the transferee.

294 (4) A transfer is not made until the debtor has acquired  
295 rights in the asset transferred.

296 (5) An obligation is incurred:

297 (a) If oral, when it becomes effective between the  
298 parties; or

299 (b) If evidenced by a record ~~writing~~, when the record  
300 signed ~~writing~~ ~~executed~~ by the obligor is delivered to or for

301 the benefit of the obligee.

302 Section 8. Section 726.108, Florida Statutes, is amended  
303 to read:

304 726.108 Remedies of creditors.—

305 (1) In an action for relief against a transfer or  
306 obligation under this chapter ~~ss. 726.101–726.112~~, a creditor,  
307 subject to the limitations in s. 726.109 may obtain:

308 (a) Avoidance of the transfer or obligation to the extent  
309 necessary to satisfy the creditor's claim;

310 (b) An attachment or other provisional remedy against the  
311 asset transferred or other property of the transferee if and to  
312 the extent available under ~~in accordance with~~ applicable law;

313 (c) Subject to applicable principles of equity and in  
314 accordance with applicable rules of civil procedure:

315 1. An injunction against further disposition by the debtor  
316 or a transferee, or both, of the asset transferred or of other  
317 property;

318 2. Appointment of a receiver to take charge of the asset  
319 transferred or of other property of the transferee; or

320 3. Any other relief the circumstances may require.

321 (2) If a creditor has obtained a judgment on a claim  
322 against the debtor, the creditor, if the court so orders, may  
323 levy execution on the asset transferred or its proceeds.

324 Section 9. Section 726.109, Florida Statutes, is amended  
325 to read:

326 726.109 Defenses, liability, and protection of transferee  
 327 or obligee.—

328 (1) A transfer or obligation is not voidable under s.  
 329 726.105(1)(a) against a person that ~~who~~ took in good faith and  
 330 for a reasonably equivalent value given the debtor or against  
 331 any subsequent transferee or obligee.

332 (2) (a) Except as otherwise provided in this section, to  
 333 the extent a transfer is voidable in an action by a creditor  
 334 under s. 726.108(1)(a), the creditor may recover judgment for  
 335 the value of the asset transferred, as adjusted under subsection  
 336 (3), or the amount necessary to satisfy the creditor's claim,  
 337 whichever is less. The judgment may be entered against:

338 1. ~~(a)~~ The first transferee of the asset or the person for  
 339 whose benefit the transfer was made; or

340 2. ~~(b)~~ An immediate or mediate transferee of the first ~~Any~~  
 341 ~~subsequent~~ transferee other than:

342 a. A good faith transferee that ~~who~~ took for value; or

343 b. An immediate or mediate good faith transferee of a  
 344 person described in sub-subparagraph a ~~from any subsequent~~  
 345 ~~transferee.~~

346 (b) Recovery pursuant to s. 726.108(1)(a) or (2) of or  
 347 from the asset transferred or its proceeds, by levy or  
 348 otherwise, is available only against a person described in  
 349 subparagraph (a)1. or subparagraph(a)2.

350 (3) If the judgment under subsection (2) is based upon the

351 value of the asset transferred, the judgment must be for an  
352 amount equal to the value of the asset at the time of the  
353 transfer, subject to adjustment as the equities may require.

354 (4) Notwithstanding voidability of a transfer or an  
355 obligation under this chapter ~~ss. 726.101-726.112~~, a good faith  
356 transferee or obligee is entitled, to the extent of the value  
357 given the debtor for the transfer or obligation, to:

358 (a) A lien on or a right to retain an ~~any~~ interest in the  
359 asset transferred;

360 (b) Enforcement of an ~~any~~ obligation incurred; or

361 (c) A reduction in the amount of the liability on the  
362 judgment.

363 (5) A transfer is not voidable under s. 726.105(1)(b) or  
364 s. 726.106 if the transfer results from:

365 (a) Termination of a lease upon default by the debtor when  
366 the termination is pursuant to the lease and applicable law; or

367 (b) Enforcement of a security interest in compliance with  
368 Article 9 of the Uniform Commercial Code other than acceptance  
369 of collateral in full or partial satisfaction of the obligation  
370 it secures.

371 (6) A transfer is not voidable under s. 726.106(2):

372 (a) To the extent the insider gave new value to or for the  
373 benefit of the debtor after the transfer was made, except to the  
374 extent ~~unless~~ the new value was secured by a valid lien;

375 (b) If made in the ordinary course of business or

376 financial affairs of the debtor and the insider; or

377 (c) If made pursuant to a good faith effort to  
378 rehabilitate the debtor and the transfer secured present value  
379 given for that purpose as well as an antecedent debt of the  
380 debtor.

381 (7) (a) The transfer of a charitable contribution that is  
382 received in good faith by a qualified religious or charitable  
383 entity or organization is not a fraudulent transfer under s.  
384 726.105(1)(b) or s. 726.106(1).

385 (b) However, a charitable contribution from a natural  
386 person is a fraudulent transfer if the transfer was received on,  
387 or within 2 years before, the earlier of the date of  
388 commencement of an action under this chapter, the filing of a  
389 petition under the federal Bankruptcy Code, or the commencement  
390 of insolvency proceedings by or against the debtor under any  
391 state or federal law, including the filing of an assignment for  
392 the benefit of creditors or the appointment of a receiver,  
393 unless:

394 1. The transfer was consistent with the practices of the  
395 debtor in making the charitable contribution; or

396 2. The transfer was received in good faith and the amount  
397 of the charitable contribution did not exceed 15 percent of the  
398 gross annual income of the debtor for the year in which the  
399 transfer of the charitable contribution was made.

400 (8) If, with respect to the formation of an entity or the



401 conversion of any entity into another form of entity, regardless  
402 of the local law of such entity, it is subsequently determined  
403 that, as a result of such formation or conversion, a holder of  
404 equity interests in such entity violated any other provisions of  
405 this chapter, such formation or conversion shall not  
406 presumptively be deemed to be voidable, and the creditors of  
407 such member shall have available all other remedies and actions  
408 under this chapter. For purposes of this subsection, the term  
409 "entity" has the same meaning as provided in s. 605.0102(23),  
410 notwithstanding that such entity may be organized under the laws  
411 of a foreign jurisdiction.

412 (9) (a) A party that seeks to invoke subsection (1),  
413 subsection (4), subsection (5), or subsection (6) has the burden  
414 of proving the applicability of that subsection.

415 (b) Except as otherwise provided in paragraphs (c) and  
416 (d), the creditor has the burden of proving each applicable  
417 element of subsection (2) or subsection (3).

418 (c) The transferee has the burden of proving the  
419 applicability to the transferee under subparagraph (2)(a)2.

420 (d) A party that seeks adjustment under subsection (3) has  
421 the burden of proving the adjustment.

422 (10) The standard of proof required to establish matters  
423 referred to in this section is preponderance of the evidence.

424 (11) The creditor has the burden of proving the requisite  
425 elements of any claim under this chapter, as set forth in ss.

426 | 726.105(3) and 726.106(3).

427 | Section 10. Section 726.110, Florida Statutes, is amended  
428 | to read:

429 | 726.110 Extinguishment of claim for relief ~~cause of~~  
430 | ~~action.~~—A claim for relief ~~cause of action~~ with respect to a  
431 | ~~fraudulent~~ transfer or obligation under this chapter ~~ss.~~  
432 | ~~726.101–726.112~~ is extinguished unless action is brought:

433 | (1) Under s. 726.105(1)(a), within 4 years after the  
434 | transfer was made or the obligation was incurred or, if later,  
435 | within 1 year after the transfer or obligation and its wrongful  
436 | nature was or could reasonably have been discovered by the  
437 | claimant;

438 | (2) Under s. 726.105(1)(b) or s. 726.106(1), within 4  
439 | years after the transfer was made or the obligation was  
440 | incurred; or

441 | (3) Under s. 726.106(2), within 1 year after the transfer  
442 | was made or the obligation was incurred.

443 | Section 11. Section 726.111, Florida Statutes, is amended  
444 | to read:

445 | 726.111 Supplementary provisions.—Unless displaced by the  
446 | provisions of this chapter ~~ss. 726.101–726.112~~, the principles  
447 | of law and equity, including the law merchant and the law  
448 | relating to principal and agent, estoppel, laches, fraud,  
449 | misrepresentation, duress, coercion, mistake, insolvency, or  
450 | other validating or invalidating cause, supplement those

451 provisions.

452 Section 12. Section 726.112, Florida Statutes, is amended  
453 to read:

454 726.112 Uniformity of application and construction.—  
455 Chapter 87-79, Laws of Florida, shall be applied and construed  
456 to effectuate its general purpose to make uniform the law with  
457 respect to the subject of the law among states enacting the law  
458 ~~it~~.

459 Section 13. Section 726.113, Florida Statutes, is created  
460 to read:

461 726.113 Governing law.—

462 (1) For the purposes of this section, the following  
463 provisions shall determine a debtor's physical location:

464 (a) A debtor that is an individual is located at his or  
465 her principal residence.

466 (b) A debtor that is an organization and has only one  
467 place of business is located at its place of business.

468 (c) A debtor that is an organization and has more than one  
469 place of business is located at its chief executive office.

470 (2) A claim for relief in the nature of a claim for relief  
471 under this chapter is governed by the claims law of the  
472 jurisdiction in which the debtor is located when the transfer is  
473 made or the obligation is incurred.

474 (3) This section does not affect the governing law for any  
475 other claims or issues between the parties arising outside of

476 this chapter or other claims law. If this section requires the  
477 application of the claims law of a foreign jurisdiction, such a  
478 determination does not affect which jurisdiction's exemption  
479 laws apply, the availability of exemptions under applicable law,  
480 or the debtor's entitlement to any protections afforded to the  
481 debtor's homestead under the Florida Constitution.

482 Section 14. Section 726.114, Florida Statutes, is created  
483 to read:

484 726.114 Application to series organization.-

485 (1) As used in this section, the term:

486 (a) "Protected series" means an arrangement, however  
487 denominated, created by a series organization that, pursuant to  
488 the law under which the series organization is organized, meets  
489 the criteria set forth in paragraph (b).

490 (b) "Series organization" means an organization that,  
491 pursuant to the law under which it is organized, has the  
492 following characteristics:

493 1. The organic record of the organization provides for  
494 creation by the organization of one or more protected series,  
495 however denominated, with respect to specified property of the  
496 organization, and for records to be maintained for each  
497 protected series that identify the property of, or associated  
498 with, the protected series.

499 2. Debt incurred or existing with respect to the  
500 activities of, or property of or associated with, a particular

501 protected series is enforceable against the property of or  
502 associated with the protected series only, and not against the  
503 property of or associated with the organization or other  
504 protected series of the organization.

505 3. Debt incurred or existing with respect to the  
506 activities or property of the organization is enforceable  
507 against the property of the organization only, and not against  
508 the property of or associated with a protected series of the  
509 organization.

510 (2) A series organization and each protected series of the  
511 organization is a separate person for purposes of this chapter,  
512 even if for other purposes a protected series is not a person  
513 separate from the organization or other protected series of the  
514 organization. Provisions of law other than this chapter  
515 determines whether and to what extent a series organization and  
516 each protected series of the organization is a separate person  
517 for purposes other than the purposes of this chapter.

518 Section 15. Section 726.115, Florida Statutes, is created  
519 to read:

520 726.115 Relation to Electronic Signatures in Global and  
521 National Commerce Act.—This chapter modifies, limits, and  
522 supersedes the federal Electronic Signatures in Global and  
523 National Commerce Act, 15 U.S.C. ss. 7001, et seq., but does not  
524 modify, limit, or supersede section 101(c) of that act, 15  
525 U.S.C. s. 7001(c), or authorize electronic delivery of any of

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526 | the notices described in s. 103(b) of that act, 15 U.S.C. s.  
527 | 7003(b).

528 | Section 16. This act shall take effect July 1, 2017.