

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1
2 An act relating to business organizations; amending s.
3 607.0101, F.S.; providing applicability; amending s.
4 607.0102, F.S.; making technical changes; amending s.
5 607.0120, F.S.; making technical changes; providing
6 requirements, authorizations, and prohibitions
7 relating to when the terms of a plan or a filed
8 document may be dependent on facts objectively
9 ascertainable outside of the plan or filed document;
10 defining the terms "filed document" and "plan";
11 amending s. 607.0121, F.S.; making technical changes;
12 conforming provisions to changes made by the act;
13 amending s. 607.0122, F.S.; conforming provisions to
14 changes made by the act; amending s. 607.0123, F.S.;
15 revising provisions, requirements, and authorizations
16 relating to the effective time and date of a document;
17 amending s. 607.0124, F.S.; revising the process
18 authorizing a domestic or foreign corporation to
19 correct a document filed by the Department of State;
20 authorizing a filing to be withdrawn before it takes
21 effect if certain requirements are met; amending s.
22 607.0125, F.S.; revising the filing duties of the
23 department; amending s. 607.0126, F.S.; revising the
24 appeals process relating to the department's refusal
25 to file a document; amending s. 607.0127, F.S.;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

26 requiring certain certificates to be taken by certain
27 entities as prima facie evidence of the facts stated;
28 revising when a certificate and a copy of a document
29 are conclusive evidence that the original document is
30 on file with the department; amending s. 607.0128,
31 F.S.; revising provisions relating to department-
32 issued certificates of status; amending s. 607.0130,
33 F.S.; deleting provisions relating to the powers of
34 the department; amending s. 607.01401, F.S.; defining
35 and redefining terms; amending s. 607.0141, F.S.;
36 revising provisions relating to written and oral
37 notice under ch. 607, F.S.; providing construction;
38 creating s. 607.0143, F.S.; defining the terms
39 "qualified director," "material relationship," and
40 "material interest"; providing for circumstances under
41 which a director is not automatically prevented from
42 being a qualified director; amending s. 607.0201,
43 F.S.; conforming provisions to changes made by the
44 act; amending s. 607.0202, F.S.; revising requirements
45 and authorizations for the contents of articles of
46 incorporation; authorizing provisions of the articles
47 of incorporation to be made dependent upon facts
48 objectively ascertainable outside of the articles of
49 incorporation; prohibiting the articles of
50 incorporation from containing certain provisions;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

51 amending s. 607.0203, F.S.; conforming provisions to
52 changes made by the act; amending s. 607.0204, F.S.;
53 deleting an exemption from liability related to
54 persons who have actual knowledge that there is no
55 incorporation when purporting to act as or on behalf
56 of a corporation; making a technical change; amending
57 s. 607.0205, F.S.; making technical changes; requiring
58 directors or incorporators calling an organizational
59 meeting to give at least 2, rather than 3, days'
60 notice; amending s. 607.0206, F.S.; revising
61 provisions relating to the contents of the bylaws of a
62 corporation; amending s. 607.0207, F.S.; making
63 technical changes; creating s. 607.0208, F.S.;
64 authorizing provisions of the articles of
65 incorporation or the bylaws to create exclusive
66 jurisdiction for certain claims; providing
67 applicability for such provisions; prohibiting the
68 articles or bylaws from prohibiting certain actions;
69 defining the term "internal corporate claim"; amending
70 s. 607.0301, F.S.; revising purposes and
71 applicability; amending s. 607.0302, F.S.; making
72 technical changes; amending s. 607.0303, F.S.;
73 revising the requirements relating to the liability of
74 certain persons acting in accordance with emergency
75 bylaws; making technical changes; amending s.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

76 | 607.0304, F.S.; revising when a corporation's power to
77 | act may be challenged; amending s. 607.0401, F.S.;
78 | authorizing a corporation to register under a name
79 | that is not otherwise distinguishable on the records
80 | of the department under certain circumstances;
81 | providing applicability; creating s. 607.04021, F.S.;
82 | authorizing a person to reserve the exclusive use of a
83 | corporate name and to transfer the reservation;
84 | authorizing the department to revoke a reservation
85 | under certain circumstances; amending s. 607.0403,
86 | F.S.; making technical changes; conforming a cross-
87 | reference; amending s. 607.0501, F.S.; revising
88 | requirements for registered offices and registered
89 | agents; providing for the duties of a registered
90 | agent; authorizing a court to stay a proceeding until
91 | a corporation is compliant with requirements relating
92 | to registered agents and registered offices; making
93 | technical changes; amending s. 607.0502, F.S.;
94 | revising the procedures relating to a corporation
95 | changing its registered agent or its registered
96 | office; creating s. 607.0503, F.S.; revising
97 | procedures and requirements relating to the
98 | resignation of a registered agent; creating s.
99 | 607.05031, F.S.; revising procedures and requirements
100 | relating to the change of name or address by a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

101 registered agent; creating s. 607.05032, F.S.;

102 providing for the delivery of notice or other

103 communication; amending s. 607.0504, F.S.; revising

104 the procedures for service of process, notice, or

105 demand on a corporation; amending s. 607.0505, F.S.;

106 conforming provisions to changes made by the act;

107 amending s. 607.0601, F.S.; revising provisions

108 relating to shares authorized by articles of

109 incorporation; amending s. 607.0602, F.S.; revising

110 provisions relating to the determination of the board

111 of directors to classify or reclassify certain shares;

112 amending s. 607.0604, F.S.; deleting a provision

113 relating to the good faith judgment of the board of

114 directors as to the fair value of fractions of a

115 share; making technical changes; amending s. 607.0620,

116 F.S.; revising provisions relating to subscriptions

117 for shares; amending s. 607.0621, F.S.; expanding the

118 circumstances in which shares that are escrowed or

119 restricted and distributions that are credited may be

120 canceled; amending s. 607.0622, F.S.; making a

121 technical change; amending s. 607.0623, F.S.;

122 authorizing the board to fix a record date for

123 determining shareholders entitled to a share dividend;

124 amending s. 607.0624, F.S.; revising provisions

125 relating to rights, options, warrants, and awards for

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

126 the purchase of shares of the corporation; defining
 127 the term "shares"; amending ss. 607.0625, 607.0626,
 128 and 607.0627, F.S.; making technical changes; amending
 129 s. 607.0630, F.S.; revising provisions relating to
 130 shareholders' preemptive rights; amending s. 607.0631,
 131 F.S.; revising provisions relating to a corporation's
 132 acquisition of its own shares; amending s. 607.06401,
 133 F.S.; revising provisions relating to distributions to
 134 shareholders; providing applicability; making
 135 technical changes; amending s. 607.0701, F.S.;
 136 revising provisions relating to a corporation's annual
 137 meeting; amending s. 607.0702, F.S.; revising
 138 provisions relating to a corporation's special meeting
 139 of the shareholders; amending s. 607.0703, F.S.;
 140 revising provisions relating to court-ordered
 141 meetings; amending s. 607.0704, F.S.; revising
 142 provisions relating to actions by shareholders without
 143 a meeting; making technical changes; amending s.
 144 607.0705, F.S.; revising provisions relating to
 145 notices of meetings; amending s. 607.0706, F.S.;
 146 relocating and revising requirements for a shareholder
 147 to waive certain required notice; amending s.
 148 607.0707, F.S.; revising provisions relating to record
 149 dates; creating s. 607.0709, F.S.; relocating and
 150 revising provisions relating to remote participation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

151 in the annual and special meetings of shareholders;
152 amending s. 607.0720, F.S.; revising provisions
153 relating to shareholders' lists for meetings; amending
154 s. 607.0721, F.S.; revising provisions relating to
155 when certain shares are entitled to vote; defining the
156 term "voting power"; amending s. 607.0722, F.S.;
157 revising provisions relating to the appointment of a
158 proxy; amending s. 607.0723, F.S.; revising provisions
159 relating to shares held by intermediaries and nominees
160 being treated as the record shareholder; amending s.
161 607.0724, F.S.; revising provisions relating to the
162 acceptance of votes and other instruments; requiring
163 that ballots and shareholder demands be accepted under
164 certain circumstances; amending s. 607.0725, F.S.;
165 making technical changes; providing applicability for
166 provisions that provide for voting of classes or
167 series as separate voting groups; amending s.
168 607.0726, F.S.; making clarifying changes; amending s.
169 607.0728, F.S.; requiring that certain corporations
170 have shares registered pursuant to s. 12 of the
171 Securities Exchange Act of 1934 rather than pursuant
172 to a list on a national securities exchange, for the
173 purposes of certain voting requirements; creating s.
174 607.0729, F.S.; requiring certain corporations to
175 appoint one or more inspectors to determine voting

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

176 results; authorizing the inspectors to appoint or
177 retain certain persons for specific reasons; providing
178 requirements for inspectors; authorizing the
179 inspectors to take certain actions; providing for
180 review of determinations of law by the inspectors;
181 providing for the closing of polls for elections;
182 amending s. 607.0730, F.S.; making technical changes;
183 amending s. 607.0731, F.S.; making clarifying changes;
184 expanding the circumstances under which a transferee
185 is deemed to have notice of a voting agreement;
186 amending s. 607.0732, F.S.; revising provisions
187 relating to shareholder agreements; providing
188 construction; repealing s. 607.07401, F.S., relating
189 to Shareholders' derivative actions; creating s.
190 607.0741, F.S.; providing standing requirements for a
191 shareholder commencing a derivative proceeding;
192 defining the term "shareholder"; creating s. 607.0742,
193 F.S.; relocating and revising provisions relating to a
194 complaint brought in a proceeding in the right of a
195 corporation; creating s. 607.0743, F.S.; authorizing a
196 court to stay a derivative proceeding under certain
197 circumstances; creating s. 607.0744, F.S.; relocating
198 and revising provisions relating to the dismissal of a
199 derivative proceeding; creating s. 607.0745, F.S.;
200 relocating a provision relating to the discontinuance

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

201 or settlement of a derivative action; creating s.
 202 607.0746, F.S.; relocating and revising provisions
 203 relating to proceeds and expenses after the
 204 termination of a derivative proceeding; creating s.
 205 607.0747, F.S.; providing applicability relating to
 206 foreign corporations; creating s. 607.0748, F.S.;
 207 authorizing a circuit court to appoint one or more
 208 persons to be custodians or receivers of and for a
 209 corporation for certain proceedings; providing
 210 guidance to the court for appointing such custodians
 211 and receivers; creating s. 607.0749, F.S.; authorizing
 212 a provisional director to be appointed at the
 213 discretion of the court in a proceeding by a
 214 shareholder and under certain circumstances; providing
 215 requirements for the provisional director; requiring
 216 the court to allow reasonable compensation paid by the
 217 corporation to the provisional director for certain
 218 services; creating s. 607.0750, F.S.; providing for
 219 direct action by a shareholder; amending s. 607.0801,
 220 F.S.; making technical changes; amending s. 607.0802,
 221 F.S.; revising provisions relating to the
 222 qualifications of directors; amending s. 607.0803,
 223 F.S.; making clarifying changes; amending s. 607.0804,
 224 F.S.; providing applicability; amending s. 607.0805,
 225 F.S.; revising provisions relating to terms of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

226 | directors; amending s. 607.0806, F.S.; revising
 227 | provisions relating to staggered terms for directors;
 228 | amending s. 607.0807, F.S.; revising provisions
 229 | relating to the resignation of directors; amending s.
 230 | 607.0808, F.S.; revising provisions relating to the
 231 | removal of directors by shareholders; creating s.
 232 | 607.08081, F.S.; authorizing circuit courts to remove
 233 | a director from office and order certain relief under
 234 | certain circumstances; amending s. 607.0809, F.S.;
 235 | revising provisions relating to vacancies on a board
 236 | of directors; amending s. 607.0820, F.S.; making
 237 | technical changes; amending s. 607.0821, F.S.;
 238 | revising provisions relating to action by directors
 239 | without a meeting; amending s. 607.0823, F.S.;
 240 | revising provisions relating to the waiver of notice
 241 | of a meeting of a board of directors; amending s.
 242 | 607.0824, F.S.; revising provisions relating to what
 243 | constitutes a quorum of the board of directors;
 244 | amending s. 607.0825, F.S.; revising provisions
 245 | relating to the establishment and the powers of
 246 | executive and board committees; creating s. 607.0826,
 247 | F.S.; authorizing a corporation to agree to submit a
 248 | matter that the board of directors determines it no
 249 | longer recommends to a vote of the corporation's
 250 | shareholders; amending s. 607.0830, F.S.; revising the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

251 general standards for directors; amending s. 607.0831,
252 F.S.; revising provisions relating to the liability of
253 directors; amending s. 607.0832, F.S.; defining terms;
254 revising provisions relating to directors' conflicts
255 of interest; amending s. 607.0833, F.S.; making a
256 technical change; amending s. 607.0834, F.S.; revising
257 provisions relating to liability for unlawful
258 distributions; amending s. 607.08401, F.S.;
259 authorizing the board of directors to appoint one or
260 more individuals to act as officers of the
261 corporation; specifying which records must be
262 authenticated by an officer; creating s. 607.08411,
263 F.S.; providing general standards for officers of the
264 corporation; amending s. 607.0842, F.S.; revising
265 provisions relating to the resignation and removal of
266 officers; amending s. 607.0850, F.S.; defining terms;
267 deleting provisions relating to the indemnification of
268 officers, directors, employees, and agents; creating
269 s. 607.0851, F.S.; relocating and revising provisions
270 relating to the permissible indemnification of certain
271 persons by a corporation; creating s. 607.0852, F.S.;
272 relocating and revising provisions relating to the
273 mandatory indemnification of certain persons by a
274 corporation; creating s. 607.0853, F.S.; authorizing a
275 corporation to advance funds to pay for or reimburse

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

276 certain expenses; providing requirements for the
 277 authorization of advanced funds; creating s. 607.0854,
 278 F.S.; relocating and revising provisions related to
 279 court-ordered indemnification and advance for
 280 expenses; creating s. 607.0855, F.S.; relocating and
 281 revising provisions relating to the determination and
 282 authorization of indemnification; creating s.
 283 607.0857, F.S.; relocating and revising provisions
 284 relating to a corporation purchasing and maintaining
 285 certain insurance; creating s. 607.0858, F.S.;
 286 relocating and revising provisions relating to
 287 indemnification by a corporation which is not
 288 specifically provided for by law; providing
 289 applicability; creating s. 607.0859, F.S.; relocating
 290 and revising provisions relating to overriding
 291 restrictions on indemnification; amending s. 607.0901,
 292 F.S.; revising defined terms; revising provisions
 293 related to affiliated transactions; revising
 294 applicability; amending s. 607.0902, F.S.; conforming
 295 a cross-reference; amending s. 607.1001, F.S.; making
 296 a technical change; amending s. 607.1002, F.S.;
 297 expanding the list of types of amendments a
 298 corporation's board of directors may adopt without
 299 shareholder approval; making technical changes;
 300 amending s. 607.10025, F.S.; making technical changes;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

301 conforming a cross-reference; deleting a provision
 302 exempting corporations with less than a specified
 303 number of shareholders of record from applicability;
 304 amending s. 607.1003, F.S.; revising provisions
 305 relating to amendments to the articles of
 306 incorporation; amending s. 607.1004, F.S.; revising
 307 provisions relating to voting on amendments by voting
 308 groups; amending s. 607.1005, F.S.; requiring that a
 309 corporation have no board of directors for a majority
 310 of its incorporators to be authorized to adopt
 311 amendments to the corporation's articles of
 312 incorporation; amending s. 607.1006, F.S.; revising
 313 provisions relating to articles of amendment; amending
 314 s. 607.1007, F.S.; revising provisions relating to
 315 restated articles of incorporation; amending s.
 316 607.1008, F.S.; revising provisions relating to an
 317 amendment pursuant to reorganization; amending s.
 318 607.1009, F.S.; specifying when new interest holder
 319 liability as a result of an amendment takes effect;
 320 amending s. 607.1020, F.S.; revising provisions
 321 relating to amendments of the bylaws by boards of
 322 directors or shareholders; amending s. 607.1021, F.S.;
 323 making a technical change; amending s. 607.1022, F.S.;
 324 revising provisions relating to bylaws that increase a
 325 quorum or voting requirement for directors; creating

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

326 s. 607.1023, F.S.; authorizing a corporation to elect
 327 in its bylaws to be governed in the election of
 328 directors under certain circumstances; providing
 329 applicability; authorizing certain bylaws to be
 330 repealed by the board of directors or shareholders
 331 under certain circumstances; amending s. 607.1101,
 332 F.S.; revising provisions relating to the merger of
 333 certain corporations and eligible entities; amending
 334 s. 607.1102, F.S.; revising provisions relating to
 335 plans of share exchange; amending s. 607.1103, F.S.;
 336 revising provisions relating to actions on a plan of
 337 merger or a plan of share exchange; creating s.
 338 607.11035, F.S.; specifying when shareholder approval
 339 of a plan of merger or a plan of share exchange is not
 340 required; defining terms; amending s. 607.1104, F.S.;
 341 revising provisions relating to the mergers involving
 342 subsidiary corporations; amending s. 607.11045, F.S.;
 343 revising applicability; amending s. 607.1105, F.S.;
 344 revising provisions relating to articles of merger or
 345 share exchange; amending s. 607.1106, F.S.; revising
 346 provisions relating to the effectiveness of a merger
 347 or share exchange; amending s. 607.1107, F.S.;
 348 revising provisions relating to the abandonment of a
 349 merger or share exchange; deleting provisions relating
 350 to mergers or share exchanges with foreign

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

351 corporations; repealing s. 607.1108, F.S., relating to
 352 merger of domestic corporation and other business
 353 entity; repealing s. 607.1109, F.S., relating to
 354 articles of merger; repealing s. 607.11101, F.S.,
 355 relating to the effect of a merger of domestic
 356 corporation and other business entity; repealing s.
 357 607.1112, F.S., relating to the conversion of a
 358 domestic corporation into another business entity;
 359 repealing s. 607.1113, F.S., relating to certificates
 360 of conversion; repealing s. 607.1114, F.S., relating
 361 to the effect of the conversion of a domestic
 362 corporation into another business entity; repealing s.
 363 607.1115, F.S., relating to the conversion of another
 364 business entity into a domestic corporation; creating
 365 s. 607.11920, F.S.; authorizing a foreign corporation
 366 to become a domestic corporation under certain
 367 circumstances; authorizing a domestic corporation to
 368 become a foreign corporation under certain
 369 circumstances; requiring that a plan of domestication
 370 include certain information; authorizing a
 371 domestication to include certain provisions;
 372 authorizing a plan of domestication to be made
 373 dependent upon facts objectively ascertainable outside
 374 of the plan; providing applicability; creating s.
 375 607.11921, F.S.; requiring a plan of domestication to

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

376 | be adopted in a certain manner; creating s. 607.11922,
377 | F.S.; requiring a domesticating corporation to sign
378 | articles of domestication under certain circumstances;
379 | requiring that the articles of domestication contain
380 | certain information; providing procedures and
381 | requirements relating to the filing of the articles of
382 | domestication and the effectiveness of the
383 | domestication; providing that certain domesticating
384 | corporations' certificates of authority are
385 | automatically canceled upon the domestication becoming
386 | effective; providing that a copy of the articles of
387 | domestication may be filed in certain official
388 | records; creating s. 607.11923, F.S.; providing for
389 | the amendment of a plan of domestication; providing
390 | for the abandonment of a plan of domestication;
391 | creating s. 607.11924, F.S.; specifying the effects of
392 | a domestication; specifying that a domestication does
393 | not constitute or cause the dissolution of the
394 | domesticating corporation; prohibiting certain
395 | property from being diverted as a result of a
396 | domestication unless certain requirements are met;
397 | providing applicability; creating ss. 607.11930 and
398 | 607.11931, F.S.; relocating and revising provisions
399 | relating to the conversion of corporations; creating
400 | s. 607.11932, F.S.; relocating and revising provisions

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

401 relating to actions on plans of conversion; providing
 402 applicability; creating s. 607.11933, F.S.; relocating
 403 and revising provisions relating to articles of
 404 conversion and the effectiveness of such articles;
 405 creating s. 607.11934, F.S.; relocating and revising
 406 provisions relating to amendments to plans of
 407 conversion; creating s. 607.11935, F.S.; relocating
 408 and revising provisions relating to the effectiveness
 409 of a conversion; amending s. 607.1201, F.S.; revising
 410 provisions relating to the disposition of assets not
 411 requiring shareholder approval; amending s. 607.1202,
 412 F.S.; revising provisions relating to shareholder
 413 approval of certain dispositions; amending s.
 414 607.1301, F.S.; defining, deleting, and revising
 415 terms; amending s. 607.1302, F.S.; revising provisions
 416 relating to appraisal rights of shareholders; amending
 417 s. 607.1303, F.S.; making technical changes; amending
 418 s. 607.1320, F.S.; revising provisions relating to
 419 notice of appraisal rights; amending s. 607.1321,
 420 F.S.; revising provisions relating to notice of intent
 421 to demand payment; amending s. 607.1322, F.S.;
 422 revising provisions relating to appraisal notice and
 423 form; amending s. 607.1323, F.S.; making technical
 424 changes; amending s. 607.1324, F.S.; specifying that a
 425 shareholder ceases to have certain rights upon payment

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

426 of an agreed value; amending s. 607.1326, F.S.; making
 427 technical changes; amending s. 607.1330, F.S.;
 428 revising provisions relating to court action to
 429 determine the fair value of shares and accrued
 430 interest; amending ss. 607.1331, 607.1332, and
 431 607.1333, F.S.; making technical changes; creating s.
 432 607.1340, F.S.; relocating provisions relating to
 433 certain shareholders challenging certain actions;
 434 making technical changes; amending s. 607.1401, F.S.;
 435 revising provisions relating to incorporators or
 436 directors dissolving a corporation; amending s.
 437 607.1402, F.S.; revising provisions relating to the
 438 dissolution of a corporation by the board of directors
 439 and the shareholders; amending s. 607.1403, F.S.;
 440 revising provisions relating to articles of
 441 dissolution; defining the terms "dissolved
 442 corporation" and "successor entity"; amending s.
 443 607.1404, F.S.; revising provisions relating to
 444 revocation of dissolution; amending s. 607.1405, F.S.;
 445 revising provisions relating to the effect of
 446 dissolution; amending s. 607.1406, F.S.; revising
 447 provisions relating to known claims against a
 448 dissolved corporation; defining the term "known
 449 claims"; deleting the term "successor entity";
 450 amending s. 607.1407, F.S.; revising provisions

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

451 relating to unknown claims against a dissolved
452 corporation; creating s. 607.1408, F.S.; relocating
453 provisions relating to claims against dissolved
454 corporations; creating s. 607.1409, F.S.; authorizing
455 certain dissolved corporations to file an application
456 with the circuit court for a certain determination;
457 providing guidelines for the proceedings; creating s.
458 607.1410, F.S.; providing duties for directors of
459 dissolved corporations; amending s. 607.1420, F.S.;
460 revising provisions relating to the administrative
461 dissolution of a corporation; repealing s. 607.1421,
462 F.S., relating to the procedure for and effect of
463 administrative dissolution; amending s. 607.1422,
464 F.S.; revising provisions relating to reinstatement
465 following administrative dissolution; amending s.
466 607.1423, F.S.; revising provisions relating to
467 judicial review of denials of reinstatement; amending
468 s. 607.1430, F.S.; revising provisions relating to
469 grounds for judicial dissolution; defining the term
470 "shareholder"; amending s. 607.1431, F.S.; revising
471 provisions relating to procedures for judicial
472 dissolution; amending s. 607.1432, F.S.; revising
473 provisions relating to receivership and custodianship;
474 amending s. 607.1433, F.S.; revising provisions
475 relating to judgment of dissolution; amending s.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

476 | 607.1434, F.S.; revising provisions relating to
 477 | alternative remedies to judicial dissolution; amending
 478 | s. 607.1435, F.S.; revising provisions relating to
 479 | court-appointed provisional directors; amending s.
 480 | 607.1436, F.S.; revising provisions relating to
 481 | elections to purchase instead of dissolution; amending
 482 | s. 607.14401, F.S.; revising provisions relating to
 483 | deposits associated with a dissolved corporation;
 484 | amending s. 607.1501, F.S.; revising provisions
 485 | relating to the authority of a foreign corporation to
 486 | transact business in this state; creating s.
 487 | 607.15015, F.S.; providing for applicability of
 488 | certain laws for a foreign corporation; providing that
 489 | a foreign corporation may not be denied a certificate
 490 | of authority for certain reasons; specifying that a
 491 | certificate of authority does not authorize a foreign
 492 | corporation to take certain actions; amending s.
 493 | 607.1502, F.S.; revising provisions relating to
 494 | transacting business in this state without a
 495 | certificate of authority; providing applicability;
 496 | amending s. 607.1503, F.S.; revising provisions
 497 | relating to applications for a certificate of
 498 | authority; amending s. 607.1504, F.S.; revising
 499 | provisions relating to amendments to certificates of
 500 | authority; amending s. 607.1505, F.S.; revising

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

501 provisions relating to the effect of a certificate of
 502 authority; amending s. 607.1506, F.S.; revising
 503 provisions relating to the corporate name of a foreign
 504 corporation; amending s. 607.1507, F.S.; revising
 505 provisions relating to the registered offices and
 506 registered agents of foreign corporations; providing a
 507 civil penalty; amending s. 607.1508, F.S.; revising
 508 provisions relating to changing the names of
 509 registered offices and registered agents of foreign
 510 corporations; amending s. 607.1509, F.S.; revising
 511 provisions relating to resignations of registered
 512 agents of foreign corporations; creating s. 607.15091,
 513 F.S.; revising provisions relating to name and address
 514 changes for registered agents of foreign corporations;
 515 creating s. 607.15092, F.S.; providing requirements
 516 for delivery of notice or other communication;
 517 amending s. 607.15101, F.S.; revising provisions
 518 relating to service of process, notice, or demand on a
 519 foreign corporation; amending s. 607.1520, F.S.;
 520 revising provisions relating to the withdrawal of a
 521 certificate of authority for a foreign corporation;
 522 requiring a foreign corporation to take certain
 523 actions to cancel its certificate of authority;
 524 creating s. 607.1521, F.S.; specifying that certain
 525 foreign corporations are deemed to have withdrawn

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

526 | their certificate of authority under certain
527 | circumstances; creating s. 607.1522, F.S.; requiring a
528 | foreign corporation to deliver a notice of withdrawal
529 | of a certificate of authority under certain
530 | circumstances; providing for effective service of
531 | process on such foreign corporations; creating s.
532 | 607.1523, F.S.; authorizing the Department of Legal
533 | Affairs to maintain certain actions and to enjoin a
534 | foreign corporation under certain circumstances;
535 | amending s. 607.1530, F.S.; revising provisions
536 | relating to revocation of a foreign corporation's
537 | certificate of authority; repealing s. 607.1531, F.S.,
538 | relating to the procedure for and effect of
539 | revocation; amending s. 607.15315, F.S.; revising
540 | provisions relating to reinstatement of a foreign
541 | corporation's certificate of authority; amending s.
542 | 607.1532, F.S.; revising provisions relating to
543 | judicial review of a denial of reinstatement; amending
544 | s. 607.1601, F.S.; revising provisions relating to the
545 | maintenance of corporate records; amending s.
546 | 607.1602, F.S.; revising provisions relating to
547 | inspection of records by shareholders; revising the
548 | definition of the term "shareholder"; amending s.
549 | 607.1603, F.S.; revising provisions relating to the
550 | scope of shareholders' inspection rights; amending s.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

551 607.1604, F.S.; revising provisions relating to court-
552 ordered inspections; amending s. 607.1605, F.S.;
553 revising provisions relating to directors' inspection
554 rights; amending s. 607.1620, F.S.; revising
555 provisions relating to financial statements for
556 shareholders; repealing s. 607.1621, F.S., relating to
557 other reports to shareholders; amending s. 607.1622,
558 F.S.; revising provisions relating to annual reports
559 that are required to be filed with the Department of
560 State; amending s. 607.1701, F.S.; making a technical
561 change; revising applicability; amending s. 607.1702,
562 F.S.; revising applicability; amending s. 607.1711,
563 F.S.; making a technical change; repealing s.
564 607.1801, F.S., relating to domestication of foreign
565 corporations; amending s. 607.1907, F.S.; revising
566 provisions relating to savings provisions; creating s.
567 607.1908, F.S.; providing for severability; amending
568 s. 607.504, F.S.; revising provisions relating to an
569 election of social purpose corporation status;
570 amending s. 607.604, F.S.; revising provisions
571 relating to an election of benefit corporation status;
572 conforming a cross-reference; amending s. 605.0102,
573 F.S.; conforming a cross-reference; revising the
574 definitions of the terms "private organic rules" and
575 "public organic record"; amending s. 605.0105, F.S.;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

576 | revising provisions relating to operating agreements;
 577 | amending s. 605.0112, F.S.; revising provisions
 578 | relating to names of limited liability companies;
 579 | creating s. 605.01125, F.S.; authorizing a person to
 580 | reserve the exclusive use of the name of a limited
 581 | liability company; providing requirements for
 582 | reserving the name; authorizing the department to
 583 | revoke reservations under certain circumstances;
 584 | amending s. 605.0113, F.S.; revising provisions
 585 | relating to registered agents of limited liability
 586 | companies; defining the term "authorized entity";
 587 | amending s. 605.0114, F.S.; revising provisions
 588 | relating to changes of a registered agent or
 589 | registered office; amending s. 605.0115, F.S.;
 590 | requiring a registered agent to promptly mail a copy
 591 | of a statement of resignation to a limited liability
 592 | company's or foreign limited liability company's
 593 | current mailing address; amending s. 605.0116, F.S.;
 594 | making clarifying changes; amending s. 605.0117, F.S.;
 595 | revising provisions relating to service of process,
 596 | notice, and demand on limited liability companies and
 597 | registered foreign limited liability companies;
 598 | amending s. 605.0118, F.S.; conforming a provision to
 599 | changes made by the act; amending s. 605.0207, F.S.;
 600 | revising provisions relating to effective dates and

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

601 times for records filed with the Department of State;
 602 amending s. 605.0209, F.S.; revising what a statement
 603 of correction must contain; amending s. 605.0210,
 604 F.S.; revising provisions relating to the department's
 605 refusal to file a record; amending s. 605.0211, F.S.;
 606 revising provisions relating to certificates of status
 607 for foreign limited liability companies; amending s.
 608 605.0215, F.S.; specifying that a copy of a document
 609 filed by the department must bear the signature of the
 610 Secretary of State and the seal of this state in order
 611 to be conclusive evidence that the original document
 612 is on file with the department; amending s. 605.04092,
 613 F.S.; defining terms; revising provisions relating to
 614 conflict of interest transactions; amending s.
 615 605.0410, F.S.; conforming a cross-reference; amending
 616 s. 605.0702, F.S.; revising provisions relating to
 617 grounds for judicial dissolution of a limited
 618 liability company; amending s. 605.0706, F.S.;
 619 revising provisions relating to an election to
 620 purchase the entire interest of a petitioner instead
 621 of dissolving the limited liability company; amending
 622 s. 605.0715, F.S.; conforming a provision to changes
 623 made by the act; requiring a dissolved limited
 624 liability company to amend its articles of
 625 incorporation to change its name under certain

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

626 | circumstances; amending s. 605.0716, F.S.; revising
 627 | provisions relating to judicial review of denial of
 628 | reinstatement; amending s. 605.0801, F.S.; providing
 629 | for direct action by a member; amending ss. 605.0803
 630 | and 605.0903, F.S.; making clarifying changes;
 631 | amending s. 605.0904, F.S.; revising provisions
 632 | relating to a foreign limited liability company's
 633 | failure to have a certificate of authority; amending
 634 | s. 605.0906, F.S.; requiring, rather than authorizing,
 635 | certain foreign limited liability companies to use an
 636 | alternate name to transact business in this state;
 637 | amending s. 605.0907, F.S.; revising provisions
 638 | relating to foreign limited liability companies'
 639 | amendments to certificates of authority; amending s.
 640 | 605.0908, F.S.; making technical changes; creating s.
 641 | 605.09091, F.S.; providing requirements relating to
 642 | the judicial review of denial of reinstatement for
 643 | foreign limited liability companies; amending ss.
 644 | 605.0910 and 605.0911, F.S.; revising provisions
 645 | relating to the withdrawal or cancellation of a
 646 | foreign limited liability company's certificate of
 647 | authority; amending s. 605.0912, F.S.; revising
 648 | provisions relating to a foreign limited liability
 649 | company's withdrawal on the dissolution, merger, or
 650 | conversion to a nonfiling entity; amending ss.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

651 605.1025 and 605.1035, F.S.; conforming cross-
 652 references; amending s. 605.1061, F.S.; making a
 653 technical change; amending s. 605.1063, F.S.;
 654 providing requirements for when an appraisal event is
 655 required to be approved by written consent of members;
 656 amending s. 605.1072, F.S.; revising provisions
 657 relating to other remedies for a member to challenge
 658 certain completed appraisal events; providing
 659 construction; amending s. 617.0302, F.S.; conforming
 660 provisions to changes made by the act; conforming a
 661 cross-reference; amending s. 617.0501, F.S.; revising
 662 provisions relating to registered offices and
 663 registered agents of corporations not for profit;
 664 defining the term "authorized entity"; creating s.
 665 617.05015, F.S.; authorizing a person to reserve the
 666 exclusive use of the name of a corporation not for
 667 profit; providing requirements for such reservation;
 668 amending s. 617.0831, F.S.; conforming cross-
 669 references; amending ss. 617.1102 and 617.1108, F.S.;
 670 conforming provisions to changes made by the act;
 671 conforming cross-references; amending s. 617.1507,
 672 F.S.; revising provisions relating to registered
 673 offices and registered agents of foreign corporations
 674 not for profit; defining the term "authorized entity";
 675 amending s. 620.1108, F.S.; revising provisions

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

676 relating to the names of certain limited partnerships;
 677 creating s. 620.11085, F.S.; authorizing a person to
 678 reserve the exclusive use of the name of a limited
 679 partnership; providing requirements for such
 680 reservation; amending ss. 620.2104, 620.2108, and
 681 620.8918, F.S.; conforming cross-references; amending
 682 s. 621.12, F.S.; revising provisions relating to the
 683 names of certain corporations and limited liability
 684 companies; amending s. 865.09, F.S.; prohibiting
 685 certain fictitious names from containing "PA";
 686 amending s. 662.150, F.S.; conforming a provision to
 687 changes made by the act; conforming cross-references;
 688 amending ss. 331.355, 339.12, 628.530, 631.0515,
 689 658.44, 663.03, 663.403, and 694.16, F.S.; conforming
 690 cross-references; providing an effective date.

691
 692 Be It Enacted by the Legislature of the State of Florida:

693
 694 Section 1. Section 607.0101, Florida Statutes, is amended
 695 to read:

696 607.0101 Short title; applicability.-

697 (1) This chapter may be cited as the "Florida Business
 698 Corporation Act."

699 (2) Part I of this chapter contains provisions of general
 700 applicability to corporations.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

701 (3) Part II of this chapter applies to social purpose
 702 corporations.

703 (4) Part III of this chapter applies to benefit
 704 corporations.

705 Section 2. Section 607.0102, Florida Statutes, is amended
 706 to read:

707 607.0102 Reservation of power to amend or repeal.—The
 708 Legislature has power to amend or repeal all or part of this
 709 chapter ~~act~~ at any time, and all domestic and foreign
 710 corporations subject to this chapter ~~act~~ shall be governed by
 711 the amendment or repeal.

712 Section 3. Subsections (1), (2), (3), (6), (8), (9), and
 713 (10) of section 607.0120, Florida Statutes, are amended, and
 714 subsection (11) is added to that section, to read:

715 607.0120 Filing requirements.—

716 (1) A document must satisfy the requirements of this
 717 section and of any other section that adds to or varies these
 718 requirements to be entitled to filing by the department ~~of~~
 719 ~~State~~.

720 (2) This chapter ~~act~~ must require or permit filing the
 721 document in the office of the department ~~of State~~.

722 (3) The document must contain the information required by
 723 this chapter and ~~act~~. ~~It~~ may contain other information as well.

724 (6) The document must be signed ~~executed~~:

725 (a) By a director of a domestic or foreign corporation, or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

726 | by its president or by another of its officers;

727 | (b) If directors or officers have not been selected or the
728 | corporation has not been formed, by an incorporator; or

729 | (c) If the corporation is in the hands of a receiver,
730 | trustee, or other court-appointed fiduciary, by that fiduciary.

731 | (8) If the department ~~of State~~ has prescribed a mandatory
732 | form for the document under s. 607.0121, the document must be in
733 | or on the prescribed form.

734 | (9) The document must be delivered to the office of the
735 | department ~~of State~~ for filing. Delivery may be made by
736 | electronic transmission if and to the extent permitted by the
737 | department ~~of State~~. If it is filed in typewritten or printed
738 | form and not transmitted electronically, the department ~~of State~~
739 | may require one exact or conformed copy, to be delivered with
740 | the document, ~~(except as provided in s. 607.1509)~~.

741 | (10) When the document is delivered to the department ~~of~~
742 | ~~State~~ for filing, the correct filing fee, and any other tax,
743 | license fee, or penalty required to be paid by this act or other
744 | law shall be paid or provision for payment made in a manner
745 | permitted by the department ~~of State~~.

746 | (11) Whenever this chapter allows any of the terms of a
747 | plan or a filed document to be dependent on facts objectively
748 | ascertainable outside the plan or filed document, the following
749 | provisions apply:

750 | (a) The plan or filed document must set forth the manner

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

751 in which the facts will operate upon the terms of the plan or
752 filed document.

753 (b) The facts may include, but are not limited to:

754 1. Any of the following that are available in a nationally
755 recognized news or information medium either in print or
756 electronically:

757 a. Statistical or market indices;

758 b. Market prices of any security or group of securities;

759 c. Interest rates;

760 d. Currency exchange rates; and

761 e. Similar economic or financial data;

762 2. A determination or action by any person or body,
763 including the corporation or any other party to a plan or filed
764 document; or

765 3. The terms of, or actions taken under, an agreement to
766 which the corporation is a party, or any other agreement or
767 document.

768 (c) The following provisions of a plan or filed document
769 may not be made dependent on facts outside the plan or filed
770 document:

771 1. The name and address of any person required in a filed
772 document;

773 2. The registered office of any entity required in a filed
774 document;

775 3. The registered agent of any entity required in a filed

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

776 | document;

777 | 4. The number of authorized shares and designation of each
778 | class or series of shares;

779 | 5. The effective date of a filed document; and

780 | 6. Any required statement in a filed document of the date
781 | on which the underlying transaction was approved or the manner
782 | in which that approval was given.

783 | (d) If a provision of a filed document is made dependent
784 | on a fact ascertainable outside of the filed document, and that
785 | fact is not ascertainable by reference to a source described in
786 | subparagraph (b)1. or a document that is a matter of public
787 | record, and the affected shareholders have not received notice
788 | of the fact from the corporation, then the corporation must file
789 | with the department articles of amendment to the filed document
790 | setting forth the fact promptly after the time when the fact
791 | referred to is first ascertainable or thereafter changes.

792 | Articles of amendment under this paragraph are deemed to be
793 | authorized by the authorization of the original filed document
794 | to which they relate and may be filed by the corporation without
795 | further action by the board of directors or the shareholders.

796 | (e) As used in this subsection, the term "filed document"
797 | means a document filed with the department pursuant to this
798 | chapter, except for a document filed pursuant to ss. 607.1501-
799 | 607.1532; and the term "plan" means a plan of merger, a plan of
800 | share exchange, a plan of conversion, or a plan of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

801 domestication.

802 Section 4. Section 607.0121, Florida Statutes, is amended
803 to read:

804 607.0121 Forms.—

805 (1) The department ~~of State~~ may prescribe and furnish on
806 request forms for:

807 (a) An application for certificate of status,

808 (b) A foreign corporation's application for certificate of
809 authority to transact business in the state,

810 (c) A foreign corporation's notice of withdrawal of
811 certificate of authority ~~application for certificate of~~
812 ~~withdrawal~~, and

813 (d) The annual report, for which the department may
814 prescribe the use of the uniform business report, pursuant to s.
815 606.06.

816 (2) If the department ~~of State~~ so requires, the use of
817 these forms shall be mandatory.

818 (3)~~(2)~~ The department ~~of State~~ may prescribe and furnish
819 on request forms for other documents required or permitted to be
820 filed by this chapter ~~act~~, but their use is not ~~shall not be~~
821 mandatory.

822 Section 5. Section 607.0122, Florida Statutes, is amended
823 to read:

824 607.0122 Fees for filing documents and issuing
825 certificates.—The department ~~of State~~ shall collect the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

826 following fees when the documents described in this section are
827 delivered to the department for filing:

- 828 (1) Articles of incorporation: \$35.
- 829 (2) Application for registered name: \$87.50.
- 830 (3) Application for renewal of registered name: \$87.50.
- 831 (4) Corporation's statement of change of registered agent
832 or registered office or both if not included on the annual
833 report: \$35.
- 834 (5) Designation of and acceptance by registered agent:
835 \$35.
- 836 (6) Agent's statement of resignation from active
837 corporation: \$87.50.
- 838 (7) Agent's statement of resignation from an inactive
839 corporation: \$35.
- 840 (8) Amendment of articles of incorporation: \$35.
- 841 (9) Restatement of articles of incorporation with
842 amendment of articles: \$35.
- 843 (10) Articles of merger or share exchange for each party
844 thereto: \$35.
- 845 (11) Articles of dissolution: \$35.
- 846 (12) Articles of revocation of dissolution: \$35.
- 847 (13) Application for reinstatement following
848 administrative dissolution: \$600.
- 849 (14) Application for certificate of authority to transact
850 business in this state by a foreign corporation: \$35.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

851 (15) Application for amended certificate of authority:
852 \$35.

853 (16) Application for certificate of withdrawal by a
854 foreign corporation: \$35.

855 (17) Annual report: \$61.25.

856 (18) Articles of correction: \$35.

857 (19) Application for certificate of status: \$8.75.

858 (20) Certificate of domestication of a foreign
859 corporation: \$50.

860 (21) Certified copy of document: \$52.50.

861 (22) Serving as agent for substitute service of process:
862 \$87.50.

863 (23) Supplemental corporate fee: \$88.75.

864 (24) Any other document required or permitted to be filed
865 by this chapter ~~act~~: \$35.

866 Section 6. Section 607.0123, Florida Statutes, is amended
867 to read:

868 607.0123 Effective time and date of document.—Except as
869 otherwise provided in s. 607.0124(5), and subject to s.
870 607.0124(4), any document delivered to the department for filing
871 under this chapter may specify an effective time and a delayed
872 effective date. In the case of initial articles of
873 incorporation, a prior effective date may be specified in the
874 articles of incorporation if such date is within 5 business days
875 before the date of filing.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

876 (1) Subject to s. 607.0124, a document accepted for filing
 877 is effective:

878 (a) If the filing does not specify an effective time and
 879 does not specify a prior or a delayed effective date, on the
 880 date and at the time the filing is accepted, as evidenced by the
 881 department's endorsement of the date and time on the filing;

882 (b) If the filing specifies an effective time, but not a
 883 prior or delayed effective date, on the date the filing is filed
 884 at the time specified in the filing;

885 (c) If the filing specifies a delayed effective date, but
 886 not an effective time, at 12:01 a.m. on the earlier of:

- 887 1. The specified date; or
- 888 2. The 90th day after the date of the filing.

889 (d) If the filing specifies a delayed effective date and
 890 an effective time, at the specified time on the earlier of:

- 891 1. The specified date; or
- 892 2. The 90th day after the date of the filing.

893 (e) If the filing is of initial articles of incorporation
 894 and specifies an effective date before the date of the filing,
 895 but no effective time, at 12:01 a.m. on the later of:

- 896 1. The specified date; or
- 897 2. The 5th business day before the date of the filing.

898 (f) If the filing is of initial articles of incorporation
 899 and specifies an effective time and an effective date before the
 900 date of the filing, at the specified time on the later of:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 901 1. The specified date; or
 902 2. The 5th business day before the date of the filing.

903 (2) If a filed document does not specify the time zone or
 904 place at which the date or time, or both, is to be determined,
 905 the date or time, or both, at which it becomes effective shall
 906 be those prevailing at the place of filing in this state.

907 ~~(1) Except as provided in subsections (2) and (4) and in~~
 908 ~~s. 607.0124(3), a document accepted for filing is effective on~~
 909 ~~the date and at the time of filing, as evidenced by such means~~
 910 ~~as the Department of State may use for the purpose of recording~~
 911 ~~the date and time of filing.~~

912 ~~(2) A document may specify a delayed effective date and,~~
 913 ~~if desired, a time on that date, and if it does the document~~
 914 ~~shall become effective on the date and at the time, if any,~~
 915 ~~specified. If a delayed effective date is specified without~~
 916 ~~specifying a time on that date, the document shall become~~
 917 ~~effective at the start of business on that date. Unless~~
 918 ~~otherwise permitted by this act, a delayed effective date for a~~
 919 ~~document may not be later than the 90th day after the date on~~
 920 ~~which it is filed.~~

921 (3) If a document is determined by the department of State
 922 to be incomplete and inappropriate for filing, the department of
 923 State may return the document to the person or corporation
 924 filing it, together with a brief written explanation of the
 925 reason for the refusal to file, in accordance with s.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

926 | 607.0125(3). If the applicant returns the document with
 927 | corrections in accordance with the rules of the department
 928 | within 60 days after it was mailed to the applicant by the
 929 | department and if at the time of return the applicant so
 930 | requests in writing, the filing date of the document will be the
 931 | filing date that would have been applied had the original
 932 | document not been deficient, except as to persons who relied on
 933 | the record before correction and were adversely affected
 934 | thereby.

935 | ~~(4) Corporate existence may predate the filing date,~~
 936 | ~~pursuant to s. 607.0203(1).~~

937 | Section 7. Section 607.0124, Florida Statutes, is amended
 938 | to read:

939 | 607.0124 Correcting filed document; withdrawal of filed
 940 | record before effectiveness.-

941 | (1) A domestic or foreign corporation may correct a
 942 | document filed by the department ~~of State within 30 days after~~
 943 | ~~filing~~ if:

944 | (a) The document contains an inaccuracy;

945 | (b) The document contains false, misleading, or fraudulent
 946 | information;

947 | (c) The document was defectively signed ~~executed~~,
 948 | attested, sealed, verified, or acknowledged; or

949 | (d) The electronic transmission of the document to the
 950 | department was defective.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 951 (2) A document is corrected:
- 952 (a) By preparing articles of correction that:
- 953 1. Describe the document (including its filing date) or
- 954 attach a copy of the document to the articles of correction;
- 955 2. Specify the inaccuracy or defect to be corrected; and
- 956 3. Correct the inaccuracy or defect; and
- 957 (b) By delivering the articles of correction to the
- 958 department ~~of State~~ for filing, signed ~~executed~~ in accordance
- 959 with s. 607.0120.
- 960 (3) Articles of correction are effective on the effective
- 961 date of the document they correct except as to persons relying
- 962 on the uncorrected document and adversely affected by the
- 963 correction. As to those persons, articles of correction are
- 964 effective when filed.
- 965 (4) Articles of correction may not contain a delayed
- 966 effective date for the correction.
- 967 (5) Unless otherwise provided for in s. 607.1107(2), s.
- 968 607.11923(3), or s. 607.11934(3), a filing delivered to the
- 969 department may be withdrawn before it takes effect by delivering
- 970 a withdrawal statement to the department for filing.
- 971 (a) A withdrawal statement must:
- 972 1. Be signed by each person who signed the filing being
- 973 withdrawn, except as otherwise agreed to by such persons;
- 974 2. Identify the filing to be withdrawn; and
- 975 3. If not signed by all persons who signed the filing

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

976 | being withdrawn, state that the filing is withdrawn in
 977 | accordance with the agreement of all persons who signed the
 978 | filing.

979 | (b) On the filing by the department of a withdrawal
 980 | statement, the action or transaction evidenced by the original
 981 | filing does not take effect.

982 | (6)~~(4)~~ Articles of correction that are filed to correct
 983 | false, misleading, or fraudulent information are not subject to
 984 | a fee of the department ~~of State~~ if the articles of correction
 985 | are delivered to the department ~~of State~~ within 15 days after
 986 | the notification of filing sent pursuant to s. 607.0125(2).

987 | Section 8. Section 607.0125, Florida Statutes, is amended
 988 | to read:

989 | 607.0125 Filing duties of the department ~~of State~~.—

990 | (1) If a document delivered to the department ~~of State~~ for
 991 | filing satisfies the requirements of s. 607.0120, the department
 992 | ~~of State~~ shall file it.

993 | (2) The department ~~of State~~ files a document by stamping
 994 | or otherwise endorsing the document as filed, together with the
 995 | department's official title and ~~recording it as filed on the~~
 996 | date and time of receipt. After filing a document, the
 997 | department ~~of State~~ shall send a notice of the filing or a copy
 998 | of the filing to the electronic mail address on file for the
 999 | domestic or foreign corporation or its authorized representative
 1000 | or a copy of the filed document to the mailing address of such

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1001 corporation or its authorized representative. If the record
 1002 changes the electronic mail address of the corporation, the
 1003 department ~~of State~~ must send such notice to the new electronic
 1004 mail address and to the most recent prior electronic mail
 1005 address. If the record changes the mailing address of the
 1006 corporation, the department ~~of State~~ must send such notice to
 1007 the new mailing address and to the most recent prior mailing
 1008 address.

1009 (3) If the department ~~of State~~ refuses to file a document,
 1010 the department ~~it~~ shall return the document ~~it~~ to the domestic
 1011 or foreign corporation or its representative within 15 days
 1012 after the document was received for filing, together with a
 1013 brief, written explanation of the reason for refusal.

1014 (4) The department's ~~Department of State's~~ duty to file
 1015 documents under this section is ministerial. The filing or
 1016 refusing to file a document does not:

1017 (a) Affect the validity or invalidity of the document in
 1018 whole or part;

1019 (b) Relate to the correctness or incorrectness of
 1020 information contained in the document;

1021 (c) Create a presumption that the document does or does
 1022 not conform to the requirements of this chapter or that the ~~is~~
 1023 ~~valid or invalid or that~~ information contained in the document
 1024 is correct or incorrect.

1025 (5) If not otherwise provided by law and the provisions of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1026 | this chapter act, the department ~~of State~~ shall determine, by
 1027 | rule, the appropriate format for, number of copies of, manner of
 1028 | execution of, method of electronic transmission of, and amount
 1029 | of and method of payment of fees for, any document placed under
 1030 | its jurisdiction.

1031 | Section 9. Section 607.0126, Florida Statutes, is amended
 1032 | to read:

1033 | 607.0126 Appeal from department's ~~Department of State's~~
 1034 | refusal to file document.—If the department ~~of State~~ refuses to
 1035 | file a document delivered to its office for filing, the person
 1036 | who submitted the document for filing may petition the Circuit
 1037 | Court of Leon County to compel filing of the document. The
 1038 | document and the explanation from the department of the refusal
 1039 | to file must be attached to the petition. The court may decide
 1040 | the matter in a summary proceeding and within 30 days after
 1041 | ~~return of the document by the department by mail, as evidenced~~
 1042 | ~~by the postmark, the domestic or foreign corporation may:~~

- 1043 | ~~(1) Appeal the refusal pursuant to s. 120.68; or~~
- 1044 | ~~(2) Appeal the refusal to the circuit court of the county~~
 1045 | ~~where the corporation's principal office (or, if none in this~~
 1046 | ~~state, its registered office) is or will be located. The appeal~~
 1047 | ~~is commenced by petitioning the court to compel filing the~~
 1048 | ~~document and by attaching to the petition the document and the~~
 1049 | ~~Department of State's explanation of its refusal to file. The~~
 1050 | ~~matter shall promptly be tried de novo by the court without a~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1051 ~~jury.~~ the court may summarily order the department ~~of State~~ to
 1052 file the document or take other action the court considers
 1053 appropriate. The court's final decision may be appealed as in
 1054 other civil proceedings.

1055 Section 10. Section 607.0127, Florida Statutes, is amended
 1056 to read:

1057 607.0127 Certificates to be received in evidence;
 1058 evidentiary effect of certified copy of filed document.—All
 1059 certificates issued by the department pursuant to this chapter
 1060 must be taken and received in all courts, public offices, and
 1061 official bodies as prima facie evidence of the facts stated. A
 1062 certificate ~~the department~~ ~~from the Department of State~~
 1063 delivered with a copy of a document filed by the department,
 1064 bearing the signature of the secretary of state, which may be in
 1065 facsimile, and the seal of the state, ~~Department of State~~ is
 1066 conclusive evidence that the original document is on file with
 1067 the department.

1068 Section 11. Section 607.0128, Florida Statutes, is amended
 1069 to read:

1070 607.0128 Certificate of status.—
 1071 (1) The department, upon request and payment of the
 1072 requisite fee, shall issue a certificate of status for a
 1073 corporation if the records filed in the department show that the
 1074 department has accepted and filed the corporation's articles of
 1075 incorporation. A certificate of status must state the following:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 1076 (a) The corporation's name.
- 1077 (b) That the corporation was organized under the laws of
 1078 this state and the date of organization.
- 1079 (c) Whether all fees due to the department under this
 1080 chapter have been paid.
- 1081 (d) Whether the corporation's most recent annual report
 1082 required under s. 607.1622 has been filed by the department.
- 1083 (e) Whether the department has administratively dissolved
 1084 the corporation or received a record notifying the department
 1085 that the corporation has been dissolved by judicial action
 1086 pursuant to s. 607.1433.
- 1087 (f) Whether the department has filed articles of
 1088 dissolution for the corporation.
- 1089 (2) The department, upon request and payment of the
 1090 requisite fee, shall furnish a certificate of status for a
 1091 foreign corporation if the records filed show that the
 1092 department has filed a certificate of authority. A certificate
 1093 of status for a foreign corporation must state the following:
- 1094 (a) The foreign corporation's name and any current
 1095 alternate name adopted pursuant to s. 607.1506 for use in this
 1096 state.
- 1097 (b) That the foreign corporation is authorized to transact
 1098 business in this state.
- 1099 (c) Whether all fees and penalties due to the department
 1100 under this chapter or other law have been paid.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1101 (d) Whether the foreign corporation's most recent annual
 1102 report required under s. 607.1622 has been filed by the
 1103 department.

1104 (e) Whether the department has:

1105 1. Revoked the foreign corporation's certificate of
 1106 authority; or

1107 2. Filed a notice of withdrawal of certificate of
 1108 authority

1109 ~~(1) Anyone may apply to the Department of State to furnish~~
 1110 ~~a certificate of status for a domestic corporation or a~~
 1111 ~~certificate of authorization for a foreign corporation.~~

1112 ~~(2) A certificate of status or authorization sets forth:~~

1113 ~~(a) The domestic corporation's corporate name or the~~
 1114 ~~foreign corporation's corporate name used in this state;~~

1115 ~~(b)1. That the domestic corporation is duly incorporated~~
 1116 ~~under the law of this state and the date of its incorporation,~~
 1117 ~~or~~

1118 ~~2. That the foreign corporation is authorized to transact~~
 1119 ~~business in this state;~~

1120 ~~(c) That all fees and penalties owed to the department~~
 1121 ~~have been paid, if:~~

1122 ~~1. Payment is reflected in the records of the department,~~
 1123 ~~and~~

1124 ~~2. Nonpayment affects the existence or authorization of~~
 1125 ~~the domestic or foreign corporation;~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1126 ~~(d) That its most recent annual report required by s.~~
 1127 ~~607.1622 has been delivered to the department; and~~

1128 ~~(e) That articles of dissolution have not been filed.~~

1129 (3) Subject to any qualification stated in the
 1130 certificate, a certificate of status ~~or authorization~~ issued by
 1131 the department is ~~may be relied upon as~~ conclusive evidence that
 1132 the domestic ~~or foreign~~ corporation is in existence and is of
 1133 active status in this state or that the foreign corporation is
 1134 authorized to transact business in this state and is of active
 1135 status in this state.

1136 Section 12. Section 607.0130, Florida Statutes, is amended
 1137 to read:

1138 607.0130 Powers of department ~~of State.~~-

1139 ~~(1) The Department of State may propound to any~~
 1140 ~~corporation subject to the provisions of this act, and to any~~
 1141 ~~officer or director thereof, such interrogatories as may be~~
 1142 ~~reasonably necessary and proper to enable it to ascertain~~
 1143 ~~whether the corporation has complied with all applicable~~
 1144 ~~provisions of this act. Such interrogatories must be answered~~
 1145 ~~within 30 days after mailing or within such additional time as~~
 1146 ~~fixed by the department. Answers to interrogatories must be full~~
 1147 ~~and complete, in writing, and under oath. Interrogatories~~
 1148 ~~directed to an individual must be answered by the individual,~~
 1149 ~~and interrogatories directed to a corporation must be answered~~
 1150 ~~by the president, vice president, secretary, or assistant~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1151 ~~secretary.~~

1152 ~~(2) The Department of State is not required to file any~~

1153 ~~document.~~

1154 ~~(a) To which interrogatories, as propounded pursuant to~~

1155 ~~subsection (1), relate, until the interrogatories are answered~~

1156 ~~in full;~~

1157 ~~(b) When interrogatories or other relevant evidence~~

1158 ~~discloses that such document is not in conformity with the~~

1159 ~~provisions of this act; or~~

1160 ~~(c) When the department has determined that the parties to~~

1161 ~~such document have not paid all fees, taxes, and penalties due~~

1162 ~~and owing this state.~~

1163 ~~(3) The Department of State may, based upon its findings~~

1164 ~~hereunder or as provided in s. 213.053(15), bring an action in~~

1165 ~~circuit court to collect any penalties, fees, or taxes~~

1166 ~~determined to be due and owing the state and to compel any~~

1167 ~~filing, qualification, or registration required by law. In~~

1168 ~~connection with such proceeding the department may, without~~

1169 ~~prior approval by the court, file a lis pendens against any~~

1170 ~~property owned by the corporation and may further certify any~~

1171 ~~findings to the Department of Legal Affairs for the initiation~~

1172 ~~of any action permitted pursuant to s. 607.0505 which the~~

1173 ~~Department of Legal Affairs may deem appropriate.~~

1174 ~~(4) The department has the of State shall have the power~~

1175 ~~and authority reasonably necessary to enable it to administer~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1176 | this chapter ~~act~~ efficiently, to perform the duties ~~herein~~
 1177 | imposed upon it, and to adopt ~~promulgate~~ reasonable rules
 1178 | necessary to carry out its duties and functions under this
 1179 | chapter ~~act~~.

1180 | Section 13. Section 607.01401, Florida Statutes, is
 1181 | amended to read:

1182 | 607.01401 Definitions.—As used in this chapter ~~act~~, unless
 1183 | the context otherwise requires, the term:

1184 | (1) "Acquired eligible entity" means a domestic or foreign
 1185 | eligible entity that will have all of one or more classes or
 1186 | series of its shares or eligible interests acquired in a share
 1187 | exchange.

1188 | (2) "Acquiring eligible entity" means a domestic or
 1189 | foreign eligible entity that will acquire all of one or more
 1190 | classes or series of shares or eligible interests of the
 1191 | acquired eligible entity in a share exchange.

1192 | (3) "Applicable county" means: the county in this state in
 1193 | which a corporation's principal office is located or was located
 1194 | when an action is or was commenced; if the corporation has, and
 1195 | at the time of such action had, no principal office in this
 1196 | state, then in the county in which the corporation has, or at
 1197 | the time of such action had, an office in this state; or if the
 1198 | corporation does not have an office in this state, then in the
 1199 | county in which the corporation's registered office is or was
 1200 | last located.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1201 (4) "Articles of incorporation" includes original,
 1202 amended, and restated articles of incorporation, articles of
 1203 share exchange, and articles of merger, and all amendments
 1204 thereto. When used with respect to a foreign corporation, the
 1205 term means the document of the foreign corporation that is
 1206 equivalent to the articles of incorporation of a domestic
 1207 corporation.

1208 (5) "Authorized entity" means:

1209 (a) A corporation for profit;

1210 (b) A limited liability company;

1211 (c) A limited liability partnership; or

1212 (d) A limited partnership, including a limited liability
 1213 limited partnership.

1214 (6)~~(2)~~ "Authorized shares" means the shares of all classes
 1215 a domestic or foreign corporation is authorized to issue.

1216 (7) "Beneficial shareholder" means a person who owns the
 1217 beneficial interest in shares. Such person may be a record
 1218 shareholder or a person on whose behalf shares are registered in
 1219 the name of an intermediary or nominee.

1220 (8)~~(3)~~ "Business day" means Monday through Friday,
 1221 excluding any day a national banking association is not open for
 1222 normal business transactions.

1223 (9)~~(4)~~ "Conspicuous" means so written, displayed, or
 1224 presented that a reasonable person against whom the writing is
 1225 to operate should have noticed it. For example, text printing in

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1226 italics, boldface, ~~or~~ a contrasting color, ~~or typing in~~
 1227 capitals, or underlined text, is conspicuous.

1228 (10) "Conversion" means a transaction pursuant to ss.
 1229 607.11930-607.11935.

1230 (11) "Converted eligible entity" means the converting
 1231 eligible entity as it continues in existence after a conversion.

1232 (12) "Converting eligible entity" means the domestic
 1233 corporation that approves a plan of conversion pursuant to s.
 1234 607.11932, or a foreign eligible entity that approves a
 1235 conversion pursuant to the organic law of the foreign eligible
 1236 entity.

1237 (13)~~(5)~~ "Corporation" or "domestic corporation" means a
 1238 corporation for profit, which is not a foreign corporation,
 1239 incorporated under this chapter ~~or subject to the provisions of~~
 1240 ~~this act.~~

1241 (14)~~(6)~~ "Day" means a calendar day.

1242 (15)~~(7)~~ "Deliver" or "delivery" means any method of
 1243 delivery used in conventional commercial practice, including
 1244 delivery by hand, mail, commercial delivery, and, if authorized
 1245 under s. 607.0141, electronic transmission.

1246 (16) "Department" means the Florida Department of State.

1247 (17) "Derivative proceeding" means a civil suit in the
 1248 right of a domestic corporation or, to the extent provided in s.
 1249 607.0747, in the right of a foreign corporation.

1250 (18)~~(8)~~ "Distribution" means a direct or indirect transfer

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1251 of money or other property (except its own shares) or incurrence
1252 of indebtedness by a corporation to or for the benefit of its
1253 shareholders in respect of any of its shares. A distribution may
1254 be in the form of: a declaration or payment of a dividend; a
1255 purchase, redemption, or other acquisition of shares; a
1256 distribution of indebtedness; a distribution in liquidation; or
1257 otherwise.

1258 (19) "Document" means:

1259 (a) Any tangible medium on which information is inscribed,
1260 and includes any writing or written instrument; or

1261 (b) An electronic record.

1262 (20) "Domestic" means, with respect to an entity, an
1263 entity governed as to its internal affairs by the laws of this
1264 state.

1265 (21) "Domesticated corporation" means the domesticating
1266 corporation as it continues in existence after a domestication.

1267 (22) "Domesticating corporation" means a domestic
1268 corporation that approves a plan of domestication pursuant to s.
1269 607.11921, or a foreign corporation that approves a
1270 domestication pursuant to the organic law of the foreign
1271 corporation.

1272 (23) "Domestication" means a transaction pursuant to ss.
1273 607.11920-607.11924.

1274 (24) "Effective date" means, when referring to a document
1275 accepted for filing by the department, the date and time

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1276 determined in accordance with s. 607.0123.

1277 (25) "Electronic" means relating to technology having
 1278 electrical, digital, magnetic, wireless, optical,
 1279 electromagnetic, or similar capabilities.

1280 (26) "Electronic record" means information that is stored
 1281 in an electronic or other medium and is retrievable in paper
 1282 form through an automated process used in conventional
 1283 commercial practice, unless otherwise authorized under s.
 1284 607.0141.

1285 (27)~~(9)~~ "Electronic transmission" or "electronically
 1286 transmitted" means any form or process of communication not
 1287 directly involving the physical transfer of paper or another
 1288 tangible medium, which:

1289 (a) ~~that~~ Is suitable for the retention, retrieval, and
 1290 reproduction of information by the recipient; and

1291 (b) Is retrievable in paper form by the recipient through
 1292 an automated process used in conventional commercial practice,
 1293 unless otherwise authorized under s. 607.0141.

1294
 1295 For purposes of proxy voting in accordance with ss. 607.0721,
 1296 607.0722, and 607.0724, the term includes, but is not limited
 1297 to, telegrams, cablegrams, telephone transmissions, and
 1298 transmissions through the Internet.

1299 (28) (a) "Eligible entity" means:

1300 1. A domestic corporation;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 1301 2. A foreign corporation;
- 1302 3. A non-profit corporation;
- 1303 4. A general partnership, including a limited liability
 1304 partnership;
- 1305 5. A limited partnership, including a limited liability
 1306 limited partnership;
- 1307 6. A limited liability company;
- 1308 7. A real estate investment trust; or
- 1309 8. Any other foreign or domestic entity that is organized
 1310 under an organic law.
- 1311 (b) The term does not include:
- 1312 1. An individual;
- 1313 2. A trust with a predominantly donative purpose or a
 1314 charitable trust;
- 1315 3. An association or relationship that is not a
 1316 partnership solely by reason of s. 620.8202(2) or a similar
 1317 provision of the law of another jurisdiction;
- 1318 4. A decedent's estate; or
- 1319 5. A government or a governmental subdivision, agency or
 1320 instrumentality.
- 1321 (29) "Eligible interests" means interests or memberships.
- 1322 ~~(30)-(40)~~ "Employee" includes an officer but not a
 1323 director. A director may accept duties that make him or her also
 1324 an employee.
- 1325 ~~(31)-(41)~~ "Entity" includes corporation and foreign

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1326 corporation; unincorporated association; business trust, estate,
 1327 limited liability company, partnership, trust, and two or more
 1328 persons having a joint or common economic interest; and state,
 1329 United States, and foreign governments.

1330 (32) "Expenses" means reasonable expenses of any kind that
 1331 are incurred in connection with a matter.

1332 (33) The phrase "facts objectively ascertainable outside
 1333 the plan or filed document" shall be interpreted as set forth in
 1334 s. 607.0120(11).

1335 (34) "Filing entity" means an entity, other than a limited
 1336 liability partnership, that is of a type that is created by
 1337 filing a public organic record or is required to file a public
 1338 organic record that evidences its creation.

1339 (35) "Foreign" means, with respect to an entity, an entity
 1340 governed as to its internal affairs by the organic law of a
 1341 jurisdiction other than this state.

1342 (36)-(12) "Foreign corporation" means an entity
 1343 incorporated or organized under laws other than the laws of this
 1344 state which would be a corporation for profit if incorporated
 1345 under laws other than the laws of this state.

1346 (37) "Foreign nonprofit corporation" means an entity
 1347 incorporated or organized under laws other than the laws of this
 1348 state which would be a nonprofit corporation if incorporated
 1349 under the laws of this state.

1350 (38)-(13) "Governmental subdivision" includes authority,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1351 county, district, and municipality.

1352 (39) "Governor" means:

1353 (a) A director of a corporation for profit;

1354 (b) A director or trustee of a nonprofit corporation;

1355 (c) A general partner of a general partnership;

1356 (d) A general partner of a limited partnership;

1357 (e) A manager of a manager-managed limited liability

1358 company;

1359 (f) A member of a member-managed limited liability

1360 company;

1361 (g) A director or a trustee of a real estate investment

1362 trust; or

1363 (h) Any other person under whose authority the powers of

1364 an entity are exercised and under whose direction the activities

1365 and affairs of the entity are managed pursuant to the organic

1366 law and organic rules of the entity.

1367 (40)-(14) "Includes" "or including" denotes a partial

1368 definition or a non-exclusive list.

1369 (41)-(15) "Individual" includes the estate of an

1370 incompetent or deceased individual.

1371 (42)-(16) "Insolvent" means either:

1372 (a) The inability of a corporation to pay its debts as

1373 they become due in the usual course of its business; or

1374 (b) The value of the corporation's total assets are less

1375 than the sum of its total liabilities, at fair valuation.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 1376 (43) "Interest" means:
- 1377 (a) A share in a corporation for profit;
- 1378 (b) A membership in a nonprofit corporation;
- 1379 (c) A partnership interest in a general partnership,
- 1380 including a limited liability partnership;
- 1381 (d) A partnership interest in a limited partnership,
- 1382 including a limited liability limited partnership;
- 1383 (e) A membership interest in a limited liability company;
- 1384 (f) A share or beneficial interest in a real estate
- 1385 investment trust;
- 1386 (g) A member's interest in a limited cooperative
- 1387 association;
- 1388 (h) A beneficial interest in a statutory trust, business
- 1389 trust, or common law business trust; or
- 1390 (i) A governance interest or distributional interest in
- 1391 another entity.
- 1392 (44) "Interest holder" means:
- 1393 (a) A shareholder of a corporation for profit;
- 1394 (b) A member of a nonprofit corporation;
- 1395 (c) A general partner of a general partnership;
- 1396 (d) A general partner of a limited partnership;
- 1397 (e) A limited partner of a limited partnership;
- 1398 (f) A member of a limited liability company;
- 1399 (g) A shareholder or beneficial owner of a real estate
- 1400 investment trust;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1401 (h) A beneficiary or beneficial owner of a statutory
 1402 trust, business trust, or common law business trust; or
 1403 (i) Another direct holder of an interest.
 1404 (45) "Interest holder liability" means:
 1405 (a) Personal liability for a liability of an entity which
 1406 is imposed on a person:
 1407 1. Solely by reason of the status of the person as an
 1408 interest holder; or
 1409 2. By the organic rules of the entity which make one or
 1410 more specified interest holders or categories of interest
 1411 holders liable in their capacity as interest holders for all or
 1412 specified liabilities of the entity.
 1413 (b) An obligation of an interest holder under the organic
 1414 rules of an entity to contribute to the entity.
 1415
 1416 For purposes of this subsection, except as otherwise provided in
 1417 the articles of incorporation of a domestic corporation or the
 1418 organic law or organic rules of an entity, interest holder
 1419 liability arises under paragraph (a) when the corporation or
 1420 entity, as applicable, incurs the liability.
 1421 (46) "Jurisdiction of formation" means, with respect to an
 1422 entity:
 1423 (a) The jurisdiction under whose organic law the entity is
 1424 formed, incorporated, or created or otherwise comes into being;
 1425 however, for these purposes, if an entity exists under the law

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1426 of a jurisdiction different from the jurisdiction under which
1427 the entity originally was formed, incorporated, or created or
1428 otherwise came into being, then the jurisdiction under which the
1429 entity then exists is treated as the jurisdiction of formation;

1430 or

1431 (b) In the case of a limited liability partnership or
1432 foreign limited liability partnership, the jurisdiction in which
1433 the partnership's statement of qualification or equivalent
1434 document is filed.

1435 (47)-(17) "Mail" means the United States mail, facsimile
1436 transmissions, and private mail carriers handling nationwide
1437 mail services.

1438 (48)-(18) "Means" denotes an exhaustive definition.

1439 (49) "Membership" means the rights of a member in a
1440 domestic or foreign nonprofit corporation.

1441 (50) "Merger" means a transaction pursuant to s. 607.1101.

1442 (51) "New interest holder liability," in the context of a
1443 merger or share exchange, means interest holder liability of a
1444 person resulting from a merger or share exchange that is:

1445 (a) In respect of an eligible entity which is different
1446 from the eligible entity and not the same eligible entity in
1447 which the person held shares or eligible interests, immediately
1448 before the merger or share exchange became effective; or

1449 (b) In respect of the same eligible entity as the one in
1450 which the person held shares or eligible interests, immediately

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1451 before the merger or share exchange became effective if:

1452 1. The person did not have interest holder liability

1453 immediately before the merger or share exchange became

1454 effective; or

1455 2. The person had interest holder liability immediately

1456 before the merger or share exchange became effective, the terms

1457 and conditions of which were changed when the merger or share

1458 exchange became effective.

1459 (52) "Nonprofit corporation" or "domestic nonprofit

1460 corporation" means a corporation incorporated under the laws of

1461 this state and subject to the provisions of chapter 617.

1462 (53) "Organic law" means the laws of the jurisdiction in

1463 which the entity was formed.

1464 (54) "Organic rules" means the public organic record and

1465 private organic rules of an entity.

1466 (55) "Party to a merger" means any domestic or foreign

1467 entity that will merge under a plan of merger. The term does not

1468 include a survivor created by the merger.

1469 (56)-(19) "Person" includes an individual and an entity.

1470 (57)-(20) "Principal office" means the office (in or out of

1471 this state) where the principal executive offices of a domestic

1472 or foreign corporation are located as designated in the articles

1473 of incorporation or other initial filing until an annual report

1474 has been filed, and thereafter as designated in the annual

1475 report.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1476 (58) "Private organic rules" means the rules, whether or
 1477 not in a record, which govern the internal affairs of an entity,
 1478 are binding on all its interest holders, and are not part of its
 1479 public organic record, if any. If the private organic rules are
 1480 amended or restated, the term means the private organic rules as
 1481 last amended or restated. The term includes:

- 1482 (a) The bylaws of a corporation for profit;
- 1483 (b) The bylaws of a nonprofit corporation;
- 1484 (c) The partnership agreement of a general partnership;
- 1485 (d) The partnership agreement of a limited partnership;
- 1486 (e) The operating agreement, limited liability company
 1487 agreement, or similar agreement of a limited liability company;
- 1488 (f) The bylaws, trust instrument, or similar rules of a
 1489 real estate investment trust; and
- 1490 (g) The trust instrument of a statutory trust or similar
 1491 rules of a business trust or common law business trust.

1492 (59)-(21) "Proceeding" includes a civil suit, a criminal
 1493 action, an administrative action, and an ~~and criminal,~~
 1494 ~~administrative, and~~ investigatory action.

- 1495 (60) "Protected agreement" means:
- 1496 (a) A record evidencing indebtedness and any related
 1497 agreement in effect on January 1, 2020;
- 1498 (b) An agreement that is binding on an entity on January
 1499 1, 2020;
- 1500 (c) The organic rules of an entity in effect on January 1,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1501 2020; or
 1502 (d) An agreement that is binding on any of the governors
 1503 or interest holders of an entity on January 1, 2020.
 1504 (61) "Public organic record" means a record, the filing of
 1505 which by a governmental body is required to form an entity, or
 1506 an amendment to or restatement of such record. Where a public
 1507 organic record has been amended or restated, the term means the
 1508 public organic record as last amended or restated. The term
 1509 includes the following:
 1510 (a) The articles of incorporation of a corporation for
 1511 profit;
 1512 (b) The articles of incorporation of a nonprofit
 1513 corporation;
 1514 (c) The certificate of limited partnership of a limited
 1515 partnership;
 1516 (d) The articles of organization, certificate of
 1517 organization, or certificate of formation of a limited liability
 1518 company;
 1519 (e) The articles of incorporation of a general cooperative
 1520 association or a limited cooperative association;
 1521 (f) The certificate of trust of a statutory trust or
 1522 similar record of a business trust; or
 1523 (g) The articles of incorporation of a real estate
 1524 investment trust.
 1525 (62) "Record," if used as a noun, means information that

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1526 is inscribed on a tangible medium or that is stored in an
 1527 electronic or other medium and is retrievable in perceivable
 1528 form.

1529 (63)-(22) "Record date" means the date fixed for
 1530 determining on which a corporation determines the identity of
 1531 the corporation's ~~its~~ shareholders and their share holdings for
 1532 purposes of this chapter. Unless another time is specified when
 1533 the record date is fixed, ~~act.~~ the determination shall be made
 1534 as of the close of the business at the principal office of the
 1535 corporation on the date so ~~on the record date unless another~~
 1536 time is fixed.

1537 (64) "Record shareholder" means:

1538 (a) The person in whose name shares are registered in the
 1539 records of the corporation; or

1540 (b) The person identified as a beneficial owner of shares
 1541 in the beneficial ownership certificate under s. 607.0723 on
 1542 file with the corporation to the extent of the rights granted by
 1543 such certificate.

1544 (65)-(23) "Secretary" means the corporate officer to whom
 1545 the board of directors has delegated responsibility under s.
 1546 607.08401 to maintain ~~for custody of~~ the minutes of the meetings
 1547 of the board of directors and of the shareholders and for
 1548 authenticating records of the corporation.

1549 (66) "Secretary of state" means the Secretary of State of
 1550 the State of Florida.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1551 (67)~~(24)~~ "Shareholder" ~~or "stockholder"~~ means a record
 1552 shareholder ~~one who is a holder of record of shares in a~~
 1553 ~~corporation or the beneficial owner of shares to the extent of~~
 1554 ~~the rights granted by a nominee certificate on file with a~~
 1555 ~~corporation.~~

1556 (68)~~(25)~~ "Shares" means the units into which the
 1557 proprietary interests in a corporation are divided.

1558 (69) "Share exchange" means a transaction pursuant to s.
 1559 607.1102.

1560 (70)~~(26)~~ "Sign" or "signature" means, with present intent
 1561 to authenticate or adopt a document:

1562 (a) To execute or adopt a tangible symbol on a document,
 1563 which includes any manual facsimile or conformed signature; or

1564 (b) To attach or to logically associate with an electronic
 1565 transmission an electronic sound, symbol, or process, which
 1566 includes an electronic signature in an electronic transmission
 1567 ~~any symbol, manual, facsimile, conformed, or electronic~~
 1568 ~~signature adopted by a person with the intent to authenticate a~~
 1569 ~~document.~~

1570 (71)~~(27)~~ "State," when referring to a part of the United
 1571 States, includes a state and commonwealth (and their agencies
 1572 and governmental subdivisions) and a territory and insular
 1573 possession (and their agencies and governmental subdivisions) of
 1574 the United States.

1575 (72)~~(28)~~ "Subscriber" means a person who subscribes for

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1576 shares in a corporation, whether before or after incorporation.

1577 (73) "Survivor," in a merger, means the domestic or
1578 foreign eligible entity into which one or more other eligible
1579 entities are merged.

1580 (74)-(29) "Treasury shares" means shares of a corporation
1581 that belong to the issuing corporation, which shares are
1582 authorized and issued shares that are not outstanding, are not
1583 canceled, and have not been restored to the status of authorized
1584 but unissued shares.

1585 (75) "Type of entity" means a generic form of entity
1586 either:

1587 (a) Recognized at common law; or

1588 (b) Formed under an organic law, regardless of whether
1589 some entities formed under that organic law are subject to
1590 provisions of that law that create different categories of the
1591 form of entity.

1592 (76)-(30) "United States" includes district, authority,
1593 bureau, commission, department, and any other agency of the
1594 United States.

1595 (77) "Unrestricted voting trust beneficial owner" means,
1596 with respect to any shareholder rights, a voting trust
1597 beneficial owner whose entitlement to exercise the shareholder
1598 right in question is not inconsistent with the voting trust
1599 agreement.

1600 (78)-(31) "Voting group" means all shares of one or more

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1601 classes or series that under the articles of incorporation or
 1602 this chapter ~~act~~ are entitled to vote and be counted together
 1603 collectively on a matter at a ~~the~~ meeting of shareholders. All
 1604 shares entitled by the articles of incorporation or this chapter
 1605 ~~act~~ to vote generally on the matter are for that purpose a
 1606 single voting group.

1607 (79) "Voting trust beneficial owner" means an owner of a
 1608 beneficial interest in shares of the corporation held in a
 1609 voting trust established pursuant to s. 607.0730(1).

1610 (80) "Writing" means printing, typewriting, electronic
 1611 communication, or other communication that is reducible to a
 1612 tangible form. The term "written" has the corresponding meaning.

1613 Section 14. Section 607.0141, Florida Statutes, is amended
 1614 to read:

1615 607.0141 Notice.—

1616 (1) (a) Notice under this chapter ~~act~~ must be in writing,
 1617 unless oral notice is:

1618 1.(a) Expressly authorized by the articles of
 1619 incorporation or the bylaws; and

1620 2.(b) Reasonable under the circumstances.

1621 (b) Unless otherwise agreed upon between the sender and
 1622 the recipient, words in a notice or other communication under
 1623 this chapter must be in English.

1624 (c) Notice by electronic transmission is written notice.

1625 (2) A notice or other communication may be given by any

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1626 method of delivery, including voice mail where oral notice is
 1627 allowed, except that electronic transmissions must be in
 1628 accordance with this section ~~Notice may be communicated in~~
 1629 ~~person; by telephone, voice mail (where oral notice is~~
 1630 ~~permitted), or other electronic means; or by mail or other~~
 1631 ~~method of delivery.~~

1632 (3) (a) Written notice by a domestic or foreign corporation
 1633 authorized to transact business in this state to its
 1634 shareholder, if in a comprehensible form, is effective:

1635 1. Upon deposit into the United States mail, if mailed
 1636 postpaid and correctly addressed to the shareholder's address
 1637 shown in the corporation's current record of shareholders; or

1638 2. When electronically transmitted to the shareholder in a
 1639 manner authorized by the shareholder.

1640 (b) Unless otherwise provided in the articles of
 1641 incorporation or bylaws, and without limiting the manner by
 1642 which notice otherwise may be given effectively to shareholders,
 1643 any notice to shareholders given by the corporation under any
 1644 provision of this chapter, the articles of incorporation, or the
 1645 bylaws shall be effective if given by a single written notice to
 1646 shareholders who share an address if consented to by the
 1647 shareholders at that address to whom such notice is given. Any
 1648 such consent shall be revocable by a shareholder by written
 1649 notice to the corporation, and if a written notice of revocation
 1650 is delivered to the corporation, the corporation must begin

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1651 providing individual notices, reports, and other statements to
 1652 the revoking shareholder no later than 30 days after delivery of
 1653 the written notice of revocation.

1654 (c) Any shareholder who fails to object in writing to the
 1655 corporation, within 60 days after having been given written
 1656 notice by the corporation of its intention to send the single
 1657 notice permitted under paragraph (b), shall be deemed to have
 1658 consented to receiving such single written notice.

1659 ~~(d) This subsection shall not apply to s. 607.0620, s.~~
 1660 ~~607.1402, or s. 607.1404.~~

1661 (4) Written notice to a domestic corporation or to a
 1662 foreign corporation authorized to transact business in this
 1663 state may be addressed:

1664 (a) To its registered agent at the corporation's ~~its~~
 1665 registered office; or

1666 (b) To the corporation or the corporation's ~~its~~ secretary
 1667 at the corporation's ~~its~~ principal office or electronic mail
 1668 address as authorized and shown in its most recent annual report
 1669 or, in the case of a corporation that has not yet delivered an
 1670 annual report, in a domestic corporation's articles of
 1671 incorporation or in a foreign corporation's application for
 1672 certificate of authority.

1673 (5) (a) Except as provided in subsection (3) or elsewhere
 1674 in this chapter ~~act~~, written notice, if in a comprehensible
 1675 form, is effective at the earliest date of the following:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1676 ~~1.(a)~~ When received;

1677 ~~2.(b)~~ Five days after its deposit in the United States

1678 mail, if mailed postpaid and correctly addressed; ~~or~~

1679 ~~3.(c)~~ On the date shown on the return receipt, if sent by

1680 registered or certified mail, return receipt requested, and the

1681 receipt is signed by or on behalf of the addressee; or

1682 4. When it enters an information processing system that

1683 the recipient has designated or uses for the purposes of

1684 receiving electronic transmissions or information of the type

1685 sent, and from which the recipient is able to retrieve the

1686 electronic transmission, and it is in a form capable of being

1687 processed by that system.

1688 (b) Except as provided elsewhere in this chapter, oral

1689 notice is effective when communicated directly to the person to

1690 be notified in a comprehensible manner.

1691 (6) Except with respect to notice to directors by the

1692 corporation, notice or other communications may be delivered by

1693 electronic transmission if consented to by the recipient or if

1694 authorized by subsection (7). Notice or other communication to

1695 directors by the corporation may be delivered by electronic

1696 transmission if consented to by the recipient director; however,

1697 if the articles or bylaws require or authorize electronic

1698 transmission of notice or other communication to a director by

1699 the corporation, then no consent by the director recipient is

1700 required for the corporation to deliver notice or other

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1701 communications to the director by electronic transmission.

1702 (7) A notice or other communication may be in the form of
1703 an electronic transmission that cannot be directly reproduced in
1704 paper form by the recipient through an automated process used in
1705 conventional commercial practice only if:

1706 (a) The electronic transmission is otherwise retrievable
1707 in perceivable form; and

1708 (b) The sender and the recipient have consented in writing
1709 to the use of such form of electronic transmission.

1710 (8) Any consent under subsection (7) may be revoked by the
1711 person who consented by written or electronic notice to the
1712 person to whom the consent was delivered. Any such consent shall
1713 be deemed revoked if:

1714 (a) The corporation is unable to deliver two consecutive
1715 electronic transmissions given by the corporation in accordance
1716 with such consent; and

1717 (b) Such inability becomes known to the secretary or
1718 assistant secretary of the corporation or to the transfer agent,
1719 or other person responsible for the giving of notice or other
1720 communications; provided, however, that the inadvertent failure
1721 to treat such inability as a revocation does not invalidate any
1722 meeting or other action.

1723 (9) Receipt of an electronic acknowledgment from an
1724 information processing system described in paragraph (5) (d)
1725 establishes that an electronic transmission was received, but,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1726 by itself, does not establish that the content sent corresponds
 1727 to the content received.

1728 (10) An electronic transmission is received under this
 1729 section even if no person is aware of its receipt ~~Oral notice is~~
 1730 ~~effective when communicated if communicated directly to the~~
 1731 ~~person to be notified in a comprehensible manner.~~

1732 (11) ~~(7)~~ If this act prescribes ~~notice~~ requirements for
 1733 notices or other communications in particular circumstances,
 1734 those requirements govern. If articles of incorporation or
 1735 bylaws prescribe ~~notice~~ requirements for notices or other
 1736 communications not less stringent than the requirements of this
 1737 section or other provisions of this act, those requirements
 1738 govern. The articles of incorporation or bylaws may authorize or
 1739 require delivery of notices of meetings of directors by
 1740 electronic transmission.

1741 (12) In the event that any provisions of this chapter are
 1742 deemed to modify, limit, or supersede the federal Electronic
 1743 Signatures in Global and National Commerce Act, 15 U.S.C. s.
 1744 7001 et seq., the provisions of this chapter shall control to
 1745 the maximum extent permitted by section 102(a)(2) of that
 1746 federal act.

1747 Section 15. Section 607.0143, Florida Statutes, is created
 1748 to read:

1749 607.0143 Qualified director.—

1750 (1) A "qualified director" is a director who, at the time

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1751 action is to be taken under:

1752 (a) Section 607.0744, does not have a material interest in
1753 the outcome of the proceeding or a material relationship with a
1754 person who has such an interest;

1755 (b) Section 607.0832, is not a director as to whom the
1756 transaction is a director's conflict of interest transaction, or
1757 who has a material relationship with another director as to whom
1758 the transaction is a director's conflict of interest
1759 transaction; or

1760 (c) Section 607.0853 or s. 607.0855:

1761 1. Is not a party to the proceeding;

1762 2. Is not a director as to whom a transaction is a
1763 director's conflict of interest transaction, which transaction
1764 is challenged in the proceeding; and

1765 3. Does not have a material relationship with a director
1766 who is disqualified by virtue of not meeting the requirements of
1767 subparagraph 1. or subparagraph 2.

1768 (2) For purposes of this section:

1769 (a) "Material relationship" means a familial, financial,
1770 professional, employment, or other relationship that would
1771 reasonably be expected to impair the objectivity of the
1772 director's judgment when participating in the action to be
1773 taken.

1774 (b) "Material interest" means an actual or potential
1775 benefit or detriment, other than one which would devolve on the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1776 corporation or the shareholders generally, that would reasonably
 1777 be expected to impair the objectivity of the director's judgment
 1778 when participating in the action to be taken.

1779 (3) The presence of one or more of the following
 1780 circumstances does not automatically prevent a director from
 1781 being a qualified director:

1782 (a) Nomination or election of the director to the current
 1783 board by any director who is not a qualified director with
 1784 respect to the matter, or by any person that has a material
 1785 relationship with that director, acting alone or participating
 1786 with others;

1787 (b) Service as a director of another corporation of which
 1788 a director who is not a qualified director with respect to the
 1789 matter, or any individual who has a material relationship with
 1790 that director, is or was also a director; or

1791 (c) With respect to action pursuant to s. 607.0744, status
 1792 as a named defendant, as a director against whom action is
 1793 demand, or as a director who approved the conduct being
 1794 challenged.

1795 Section 16. Section 607.0201, Florida Statutes, is amended
 1796 to read:

1797 607.0201 Incorporators.—One or more persons may act as the
 1798 incorporator or incorporators of a corporation by delivering
 1799 articles of incorporation to the department ~~of State~~ for filing.

1800 Section 17. Section 607.0202, Florida Statutes, is amended

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1801 to read:

1802 607.0202 Articles of incorporation; content.—

1803 (1) The articles of incorporation must set forth:

1804 (a) A corporate name for the corporation that satisfies

1805 the requirements of s. 607.0401;

1806 (b) The street address of the initial principal office

1807 and, if different, the mailing address of the corporation;

1808 (c) The number of shares the corporation is authorized to

1809 issue;

1810 ~~(d) If any preemptive rights are to be granted to~~

1811 ~~shareholders, the provision therefor;~~

1812 (d) ~~(e)~~ The street address of the corporation's initial

1813 registered office and the name of its initial registered agent

1814 at that office together with a written acceptance as required in

1815 s. 607.0501(3); and

1816 (e) ~~(f)~~ The name and address of each incorporator.

1817 (2) The articles of incorporation may set forth:

1818 (a) The names and addresses of the individuals who are to

1819 serve as the initial directors;

1820 (b) Provisions not inconsistent with law regarding:

1821 1. The purpose or purposes for which the corporation is

1822 organized;

1823 2. Managing the business and regulating the affairs of the

1824 corporation;

1825 3. Defining, limiting, and regulating the powers of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1826 corporation and its board of directors and shareholders;

1827 4. A par value for authorized shares or classes of shares;

1828 5. The imposition of personal liability on shareholders

1829 for the debts of the corporation to a specified extent and upon

1830 specified conditions; and

1831 6. Exclusive forum provisions to the extent allowed by s.

1832 607.0208;

1833 (c) Provisions for granting any preemptive rights to

1834 shareholders; and

1835 (d) Any provision that under this chapter ~~aet~~ is required

1836 or permitted to be set forth in the bylaws.

1837 (3) The articles of incorporation need not set forth any

1838 of the corporate powers enumerated in this chapter ~~aet~~.

1839 (4) Provisions of the articles of incorporation may be

1840 made dependent upon facts objectively ascertainable outside the

1841 articles of incorporation in accordance with s. 607.0120(11).

1842 (5) The articles of incorporation may not contain any

1843 provision that would impose liability on a shareholder for the

1844 attorney fees or expenses of the corporation or any other party

1845 in connection with an internal corporate claim, as defined in s.

1846 607.0208.

1847 Section 18. Subsection (2) of section 607.0203, Florida

1848 Statutes, is amended to read:

1849 607.0203 Incorporation.—

1850 (2) The department's ~~Department of State's~~ filing of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1851 articles of incorporation is conclusive proof that the
 1852 incorporators satisfied all conditions precedent to
 1853 incorporation except in a proceeding by the state to cancel or
 1854 revoke the incorporation or administratively ~~involuntarily~~
 1855 dissolve the corporation.

1856 Section 19. Section 607.0204, Florida Statutes, is amended
 1857 to read:

1858 607.0204 Liability for preincorporation transactions.—All
 1859 persons purporting to act as or on behalf of a corporation,
 1860 knowing ~~having actual knowledge~~ that there was no incorporation
 1861 under this chapter, are jointly and severally liable for all
 1862 liabilities created while so acting ~~except for any liability to~~
 1863 ~~any person who also had actual knowledge that there was no~~
 1864 ~~incorporation.~~

1865 Section 20. Subsections (1), (2), and (3) of section
 1866 607.0205, Florida Statutes, are amended to read:

1867 607.0205 Organizational meeting of directors.—

1868 (1) After incorporation:

1869 (a) If initial directors are named in the articles of
 1870 incorporation, the initial directors shall hold an
 1871 organizational meeting, at the call of a majority of the
 1872 directors, to complete the organization of the corporation by
 1873 appointing officers, adopting bylaws, and carrying on any other
 1874 business brought before the meeting;

1875 (b) If initial directors are not named in the articles of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1876 | incorporation, the incorporators shall hold an organizational
 1877 | meeting at the call of a majority of the incorporators:

1878 | 1. To elect directors and complete the organization of the
 1879 | corporation; or

1880 | 2. To elect a board of directors who shall complete the
 1881 | organization of the corporation.

1882 | (2) Action required or permitted by this chapter ~~act~~ to be
 1883 | taken by incorporators or directors at an organizational meeting
 1884 | may be taken without a meeting if the action taken is evidenced
 1885 | by one or more written consents describing the action taken and
 1886 | signed by each incorporator or director.

1887 | (3) The directors or incorporators calling the
 1888 | organizational meeting shall give at least 2 ~~3~~ days' notice
 1889 | thereof to each director or incorporator so named, stating the
 1890 | time and place of the meeting.

1891 | Section 21. Subsection (2) of section 607.0206, Florida
 1892 | Statutes, is amended, and subsections (3) through (6) are added
 1893 | to that section, to read:

1894 | 607.0206 Bylaws.—

1895 | (2) The bylaws of a corporation may contain any provision
 1896 | that is not inconsistent with law or the articles of
 1897 | incorporation, including the provisions described in subsections
 1898 | (3) and (4) for managing the business and regulating the affairs
 1899 | ~~of the corporation that is not inconsistent with law or the~~
 1900 | ~~articles of incorporation.~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1901 (3) The bylaws of a corporation may contain one or both of
 1902 the following provisions:

1903 (a) A requirement that if the corporation solicits proxies
 1904 or consents with respect to an election of directors, the
 1905 corporation include in its proxy statement and any form of its
 1906 proxy or consent, to the extent and subject to such procedures
 1907 or conditions as are provided in the bylaws, one or more
 1908 individuals nominated by a shareholder in addition to
 1909 individuals nominated by the board of directors.

1910 (b) A requirement that the corporation reimburse the
 1911 expenses incurred by a shareholder in soliciting proxies or
 1912 consents in connection with an election of directors, to the
 1913 extent and subject to such procedures and conditions as are
 1914 provided in the bylaws, provided that no bylaw so adopted shall
 1915 apply to elections for which any record date precedes its
 1916 adoption.

1917 (4) The bylaws of a corporation may contain exclusive
 1918 forum provisions to the extent allowed by s. 607.0208.

1919 (5) Notwithstanding s. 607.1020(1)(b), the shareholders in
 1920 amending, repealing, or adopting a bylaw described in subsection
 1921 (3) may not limit the authority of the board of directors to
 1922 amend or repeal any condition or procedure set forth in, or to
 1923 add any procedure or condition to, such a bylaw to provide for a
 1924 reasonable, practical, and orderly process.

1925 (6) The bylaws may not contain any provision that would

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1926 | impose liability on a shareholder for the attorney fees or
 1927 | expenses of the corporation or any other party in connection
 1928 | with an internal corporate claim, as defined in s. 607.0208.

1929 | Section 22. Subsections (1), (3), (4), and (5) of section
 1930 | 607.0207, Florida Statutes, are amended to read:

1931 | 607.0207 Emergency bylaws.—

1932 | (1) Unless the articles of incorporation provide
 1933 | otherwise, the board of directors ~~of a corporation~~ may adopt
 1934 | bylaws to be effective only in an emergency defined in
 1935 | subsection (5). The emergency bylaws, which are subject to
 1936 | amendment or repeal by the shareholders, may make all provisions
 1937 | necessary for managing the corporation during an emergency,
 1938 | including:

1939 | (a) Procedures for calling a meeting of the board of
 1940 | directors;

1941 | (b) Quorum requirements for the meeting; and

1942 | (c) Designation of additional or substitute directors.

1943 | (3) All provisions of the regular bylaws not inconsistent
 1944 | ~~consistent~~ with the emergency bylaws remain effective during the
 1945 | emergency. The emergency bylaws are not effective after the
 1946 | emergency ends.

1947 | (4) Corporate action taken in good faith in accordance
 1948 | with the emergency bylaws:

1949 | (a) Binds the corporation; and

1950 | (b) May not be used to impose liability on a ~~corporate~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1951 | director, officer, employee, or agent of the corporation.

1952 | (5) An emergency exists for purposes of this section if a
1953 | quorum of the board of ~~corporation's~~ directors cannot readily be
1954 | assembled because of some catastrophic event.

1955 | Section 23. Section 607.0208, Florida Statutes, is created
1956 | to read:

1957 | 607.0208 Forum selection.—

1958 | (1) The articles of incorporation or the bylaws may
1959 | require that any or all internal corporate claims be brought
1960 | exclusively in any specified court or courts of this state and,
1961 | if so specified, in any additional courts in this state or in
1962 | any other jurisdictions with which the corporation has a
1963 | reasonable relationship.

1964 | (2) A provision of the articles of incorporation or bylaws
1965 | adopted under subsection (1) does not have the effect of
1966 | conferring jurisdiction on any court or over any person or
1967 | claim, and does not apply if none of the courts specified by
1968 | such provision has the requisite personal and subject matter
1969 | jurisdiction. If the court or courts in this state specified in
1970 | a provision adopted under subsection (1) do not have the
1971 | requisite personal and subject matter jurisdiction and another
1972 | court in this state does have such jurisdiction, then the
1973 | internal corporate claim may be brought in such other court,
1974 | notwithstanding that such other court is not specified in such
1975 | provision, or in any other court outside the state specified in

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

1976 such provision that has the requisite jurisdiction.

1977 (3) No provision of the articles of incorporation or the

1978 bylaws may prohibit bringing an internal corporate claim in all

1979 courts in this state or require such claims to be determined by

1980 arbitration.

1981 (4) For the purposes of this section, "Internal corporate

1982 claim" means:

1983 (a) Any claim that is based upon a violation of a duty

1984 under the laws of this state by a current or former director,

1985 officer, or shareholder in such capacity;

1986 (b) Any derivative action or proceeding brought on behalf

1987 of the corporation;

1988 (c) Any action asserting a claim arising pursuant to this

1989 chapter or the articles of incorporation or bylaws; or

1990 (d) Any action asserting a claim governed by the internal

1991 affairs doctrine that is not included in paragraphs (a), (b), or

1992 (c).

1993 Section 24. Section 607.0301, Florida Statutes, is amended

1994 to read:

1995 607.0301 Purposes and application.—

1996 (1) Every corporation incorporated under this chapter has

1997 the purpose of engaging in any lawful business unless a more

1998 limited purpose is set forth in the articles of incorporation.

1999 (2) A corporation engaging in a business that is subject

2000 to regulation under another statute of this state may

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2001 incorporate under this chapter only if permitted by, and subject
 2002 to all limitations of, the other statute.

2003 ~~(3) Corporations may be organized under this act for any~~
 2004 ~~lawful purpose or purposes, and~~ The provisions of this chapter
 2005 ~~act~~ extend to all corporations, whether chartered by special
 2006 acts or general laws, except that special statutes for the
 2007 regulation and control of types of business and corporations
 2008 shall control when in conflict herewith.

2009 Section 25. Section 607.0302, Florida Statutes, is amended
 2010 to read:

2011 607.0302 General powers.—Unless its articles of
 2012 incorporation provide otherwise, every corporation has perpetual
 2013 duration and succession in its corporate name and has the same
 2014 powers as an individual to do all things necessary or convenient
 2015 to carry out its business and affairs, including ~~without~~
 2016 ~~limitation~~ power:

2017 (1) To sue and be sued, complain, and defend in its
 2018 corporate name;

2019 (2) To have a corporate seal, which may be altered at will
 2020 and to use it or a facsimile of it, by impressing or affixing it
 2021 or in any other manner reproducing it;

2022 (3) To purchase, receive, lease, or otherwise acquire, and
 2023 own, hold, improve, use, and otherwise deal with real or
 2024 personal property or any legal or equitable interest in property
 2025 wherever located;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2026 (4) To sell, convey, mortgage, pledge, create a security
 2027 interest in, lease, exchange, and otherwise dispose of all or
 2028 any part of its property;

2029 (5) To lend money to, and use its credit to assist, its
 2030 officers and employees in accordance with s. 607.0833;

2031 (6) To purchase, receive, subscribe for, or otherwise
 2032 acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or
 2033 otherwise dispose of; and deal in and with shares or other
 2034 interests in, or obligations of, any other entity;

2035 (7) To make contracts and guarantees, incur liabilities,
 2036 borrow money, issue its notes, bonds, and other securities and
 2037 obligations (which may be convertible into or include the option
 2038 to purchase other securities of the corporation), and secure any
 2039 of its obligations by mortgage or pledge of any of its property,
 2040 franchises, or ~~and~~ income and make contracts of guaranty and
 2041 suretyship which are necessary or convenient to the conduct,
 2042 promotion, or attainment of the business of a corporation the
 2043 majority of the outstanding shares ~~stock~~ of which is owned,
 2044 directly or indirectly, by the contracting corporation; a
 2045 corporation which owns, directly or indirectly, a majority of
 2046 the outstanding shares ~~stock~~ of the contracting corporation; or
 2047 a corporation the majority of the outstanding shares ~~stock~~ of
 2048 which is owned, directly or indirectly, by a corporation which
 2049 owns, directly or indirectly, the majority of the outstanding
 2050 shares ~~stock~~ of the contracting corporation, which contracts of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2051 guaranty and suretyship shall be deemed to be necessary or
 2052 convenient to the conduct, promotion, or attainment of the
 2053 business of the contracting corporation, and make other
 2054 contracts of guaranty and suretyship which are necessary or
 2055 convenient to the conduct, promotion, or attainment of the
 2056 business of the contracting corporation;

2057 (8) To lend money, invest and reinvest its funds, and
 2058 receive and hold real and personal property as security for
 2059 repayment;

2060 (9) To conduct its business, locate offices, and exercise
 2061 the powers granted by this chapter ~~act~~ within or without this
 2062 state;

2063 (10) To elect directors and appoint officers, employees,
 2064 and agents of the corporation and define their duties, fix their
 2065 compensation, and lend them money and credit;

2066 (11) To make and amend bylaws, not inconsistent with its
 2067 articles of incorporation or with the laws of this state, for
 2068 managing the business and regulating the affairs of the
 2069 corporation;

2070 (12) To make donations for the public welfare or for
 2071 charitable, scientific, or educational purposes;

2072 (13) To transact any lawful business that will aid
 2073 governmental policy;

2074 (14) To make payments or donations or do any other act not
 2075 inconsistent with law that furthers the business and affairs of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2076 the corporation;

2077 (15) To pay pensions and establish pension plans, pension
 2078 trusts, profit-sharing plans, share bonus plans, share option
 2079 plans, and benefit or incentive plans for any or all of its
 2080 current or former directors, officers, employees, and agents and
 2081 for any or all of the current or former directors, officers,
 2082 employees, and agents of its subsidiaries;

2083 (16) To provide insurance for its benefit on the life of
 2084 any of its directors, officers, or employees, or on the life of
 2085 any shareholder for the purpose of acquiring at his or her death
 2086 shares of its stock owned by the shareholder or by the spouse or
 2087 children of the shareholder; and

2088 (17) To be a promoter, incorporator, partner, member,
 2089 associate, or manager of any corporation, partnership, joint
 2090 venture, trust, or other entity.

2091 Section 26. Subsections (3), (4), and (5) of section
 2092 607.0303, Florida Statutes, are amended to read:

2093 607.0303 Emergency powers.—

2094 (3) Corporate action taken in good faith during an
 2095 emergency under this section to further the ordinary business
 2096 affairs of the corporation:

2097 (a) Binds the corporation; and

2098 (b) May not be used to impose liability on a ~~corporate~~
 2099 director, officer, employee, or agent of the corporation.

2100 (4) No officer, director, or employee acting in accordance

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2101 with any emergency bylaws shall be liable except for willful or
 2102 intentional misconduct.

2103 (5) An emergency exists for purposes of this section if a
 2104 quorum of the board of ~~corporation's~~ directors cannot readily be
 2105 assembled because of some catastrophic event.

2106 Section 27. Section 607.0304, Florida Statutes, is amended
 2107 to read:

2108 607.0304 Lack of power to act ~~Ultra vires.~~-

2109 (1) Except as provided in subsection (2), the validity of
 2110 corporate action, including, but not limited to, any conveyance,
 2111 transfer, or encumbrance of real or personal property to or by a
 2112 corporation, may not be challenged on the ground that the
 2113 corporation lacks or lacked power to act.

2114 (2) A corporation's power to act may be challenged:

2115 (a) In a proceeding by a shareholder against the
 2116 corporation to enjoin the act;

2117 (b) In a proceeding by the corporation, directly,
 2118 derivatively, or through a receiver, trustee, or other legal
 2119 representative, or through shareholders in a representative
 2120 suit, against an incumbent or former director, officer,
 2121 employee, or agent of the corporation; or

2122 (c) In a proceeding by the Department of Legal Affairs
 2123 pursuant to s. 607.1403 ~~or Attorney General, as provided in this~~
 2124 ~~act, to dissolve the corporation or in a proceeding by the~~
 2125 ~~Attorney General~~ to enjoin the corporation from the transaction

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2126 | of unauthorized business.

2127 | (3) In a shareholder's proceeding under paragraph (2) (a)
 2128 | to enjoin an unauthorized corporate act, the court may enjoin or
 2129 | set aside the act, if equitable and if all affected persons are
 2130 | parties to the proceeding, and may award damages for loss (other
 2131 | than anticipated profits) suffered by the corporation or another
 2132 | party because of enjoining the unauthorized act.

2133 | Section 28. Section 607.0401, Florida Statutes, is amended
 2134 | to read:

2135 | 607.0401 Corporate name.—

2136 | (1) A corporate name:

2137 | (a)~~(1)~~ Must contain the word "corporation," "company," or
 2138 | "incorporated" or the abbreviation "Corp.," or "Inc.," or "Co.,"
 2139 | or the designation "Corp," or "Inc," or "Co," as will clearly
 2140 | indicate that it is a corporation instead of a natural person,
 2141 | partnership, or other eligible business ~~business~~ entity.

2142 | (b)~~(2)~~ May not contain language stating or implying that
 2143 | the corporation is organized for a purpose other than that
 2144 | permitted in this chapter ~~act~~ and its articles of incorporation.

2145 | (c)~~(3)~~ May not contain language stating or implying that
 2146 | the corporation is connected with a state or federal government
 2147 | agency or a corporation or other entity chartered under the laws
 2148 | of the United States.

2149 | (d)~~(4)~~ Must be distinguishable from the names of all other
 2150 | entities or filings that are on file with the department

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2151 ~~Division of Corporations~~, except fictitious name registrations
 2152 pursuant to s. 865.09, general partnership registrations
 2153 pursuant to s. 620.8105, and limited liability partnership
 2154 statements pursuant to s. 620.9001 which are organized,
 2155 registered, or reserved under the laws of this state. A name
 2156 that is different from the name of another entity or filing due
 2157 to any of the following is not considered distinguishable:

- 2158 1.(a) A suffix.
- 2159 2.(b) A definite or indefinite article.
- 2160 3.(e) The word "and" and the symbol "&."
- 2161 4.(d) The singular, plural, or possessive form of a word.
- 2162 ~~(c) A recognized abbreviation of a root word.~~
- 2163 5.(f) A punctuation mark or a symbol.

2164 (2) Notwithstanding the foregoing, a corporation may
 2165 register under a name that is not otherwise distinguishable on
 2166 the records of the department with the written consent of the
 2167 other entity if the consent is filed with the department at the
 2168 time of registration of such name and if such name is not
 2169 identical to the name of the other entity.

2170 (3)(5) A corporate name as filed with the department ~~of~~
 2171 ~~State~~, is for public notice only and does not alone create any
 2172 presumption of ownership beyond that which is created under the
 2173 common law.

2174 (4) This chapter does not control the use of fictitious
 2175 names.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2176 Section 29. Section 607.04021, Florida Statutes, is
 2177 created to read:

2178 607.04021 Reserved name.—

2179 (1) A person may reserve the exclusive use of a corporate
 2180 name, including an alternate name for a foreign corporation
 2181 whose corporate name is not available, by delivering an
 2182 application to the department for filing. The application must
 2183 set forth the name and address of the applicant and the name
 2184 proposed to be reserved. If the department finds that the
 2185 corporate name applied for is available, it shall reserve the
 2186 name for the exclusive use of the applicant for a nonrenewable
 2187 120-day period.

2188 (2) The owner of a reserved corporate name may transfer
 2189 the reservation to another person by delivering to the
 2190 department a signed notice of the transfer that states the name
 2191 and address of the transferee.

2192 (3) The department may revoke any reservation if, after a
 2193 hearing, it finds that the application therefor or any transfer
 2194 thereof was not made in good faith.

2195 Section 30. Subsections (1), (2), (5), and (6) of section
 2196 607.0403, Florida Statutes, are amended to read:

2197 607.0403 Registered name; application; renewal;
 2198 revocation.—

2199 (1) A foreign corporation may register its corporate name,
 2200 or its corporate name with ~~the~~ any addition of any word or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2201 abbreviation required by s. 607.1506, if the name is
 2202 distinguishable upon the records of the department ~~of State~~ from
 2203 the corporate names that are not available under s.
 2204 607.0401(1)(d) ~~s. 607.0401(4)~~.

2205 (2) A foreign corporation registers its corporate name, or
 2206 its corporate name with any addition allowed ~~required~~ by s.
 2207 607.1506, by delivering to the department ~~of State~~ for filing an
 2208 application:

2209 (a) Setting forth such name ~~its corporate name, or its~~
 2210 ~~corporate name with any addition required by s. 607.1506, the~~
 2211 state or country and date of its incorporation, and a brief
 2212 description of the nature of the business that is to be
 2213 conducted in this state ~~in which it is engaged; and~~

2214 (b) Accompanied by a certificate of existence, or a
 2215 certificate setting forth that such corporation is in good
 2216 standing under the laws of the state or country wherein it is
 2217 organized (or a document of similar import), from the state or
 2218 country of incorporation.

2219 (5) A foreign corporation the registration of which is
 2220 effective may thereafter qualify as a foreign corporation under
 2221 the registered name or consent in writing to the use of that
 2222 name by a corporation thereafter incorporated under this chapter
 2223 ~~act~~ or by another foreign corporation thereafter authorized to
 2224 transact business in this state. The registration terminates
 2225 when the domestic corporation is incorporated or the foreign

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2226 corporation qualifies or consents to the qualification of
 2227 another foreign corporation under the registered name.

2228 (6) The department ~~of State~~ may revoke any registration
 2229 if, after a hearing, it finds that the application therefor or
 2230 any renewal thereof was not made in good faith.

2231 Section 31. Subsections (1), (3), (4), and (5) of section
 2232 607.0501, Florida Statutes, are amended, and subsection (7) is
 2233 added to that section, to read:

2234 607.0501 Registered office and registered agent.—

2235 (1) Each corporation shall designate ~~have~~ and continuously
 2236 maintain in this state:

2237 (a) A registered office which may be the same as its place
 2238 of business in this state; and

2239 (b) A registered agent, which must be ~~who may be either~~:

2240 1. An individual who resides in this state whose business
 2241 address ~~office~~ is identical to the address of the ~~with such~~
 2242 registered office;

2243 2. Another domestic entity that is an authorized entity
 2244 and whose business address is identical to the address of the
 2245 registered office; or

2246 3. A foreign entity authorized to transact business in
 2247 this state which is an authorized entity and whose business
 2248 address is identical to the address of the registered office
 2249 ~~Another corporation or not-for-profit corporation as defined in~~
 2250 ~~chapter 617, authorized to transact business or conduct its~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2251 ~~affairs in this state, having a business office identical with~~
 2252 ~~the registered office; or~~

2253 ~~3. A foreign corporation or not-for-profit foreign~~
 2254 ~~corporation authorized pursuant to this chapter or chapter 617~~
 2255 ~~to transact business or conduct its affairs in this state,~~
 2256 ~~having a business office identical with the registered office.~~

2257 (3) Each initial A registered agent, and each appointed
 2258 pursuant to this section or a successor registered agent that is
 2259 appointed, shall pursuant to s. 607.0502 on whom process may be
 2260 served shall each file a statement in writing with the
 2261 department, in the form and manner of State, in such form and
 2262 manner as shall be prescribed by the department, accepting the
 2263 appointment as a registered agent while simultaneously with his
 2264 or her being designated as the registered agent. The. Such
 2265 statement of acceptance must provide shall state that the
 2266 registered agent is familiar with, and accepts, the obligations
 2267 of that position.

2268 (4) The duties of a registered agent are:

2269 (a) To forward to the corporation at the address most
 2270 recently supplied to the registered agent by the corporation, a
 2271 process, notice, or demand pertaining to the corporation which
 2272 is served on or received by the registered agent; and

2273 (b) If the registered agent resigns, to provide the notice
 2274 required under s. 607.0503 to the corporation at the address
 2275 most recently supplied to the registered agent by the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2276 corporation.

2277 (5) The department ~~of State~~ shall maintain an accurate
 2278 record of the registered agents and registered office for
 2279 ~~offices for the~~ service of process and shall promptly furnish
 2280 any information disclosed thereby ~~promptly~~ upon request and
 2281 payment of the required fee.

2282 (6)~~(5)~~ A corporation may not prosecute or maintain an any
 2283 action in a court in this state until the corporation complies
 2284 with this section, pays to the department any amounts required
 2285 under this chapter, and, to the extent ordered by a court of
 2286 competent jurisdiction, with the provisions of this section or
 2287 ~~s. 607.1507, as applicable, and pays to the department of State~~
 2288 a penalty of \$5 for each day it has failed to so comply or \$500,
 2289 whichever is less.

2290 (7) A court may stay a proceeding commenced by a
 2291 corporation until the corporation complies with this section.

2292 Section 32. Section 607.0502, Florida Statutes, is amended
 2293 to read:

2294 607.0502 Change of registered office or registered agent,
 2295 ~~resignation of registered agent.-~~

2296 (1) In order to change its registered agent or registered
 2297 office address, a corporation may deliver to the department for
 2298 filing change its registered office or its registered agent upon
 2299 ~~filing with the Department of State a statement of change~~
 2300 containing the following setting forth:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 2301 (a) The name of the corporation.~~;~~
- 2302 (b) The name of its current registered agent. ~~The street~~
 2303 ~~address of its current registered office;~~
- 2304 (c) If the current registered agent is to be changed, the
 2305 name of the new registered agent. ~~If the current registered~~
 2306 ~~office is to be changed, the street address of the new~~
 2307 ~~registered office;~~
- 2308 (d) The street address of its current registered office
 2309 for its current registered agent. ~~The name of its current~~
 2310 ~~registered agent;~~
- 2311 (e) If the street address of the current registered office
 2312 is to be changed, the new street address of the registered
 2313 office in this state ~~If its current registered agent is to be~~
 2314 ~~changed, the name of the new registered agent and the new~~
 2315 ~~agent's written consent (either on the statement or attached to~~
 2316 ~~it) to the appointment;~~
- 2317 ~~(f) That the street address of its registered office and~~
 2318 ~~the street address of the business office of its registered~~
 2319 ~~agent, as changed, will be identical;~~
- 2320 ~~(g) That such change was authorized by resolution duly~~
 2321 ~~adopted by its board of directors or by an officer of the~~
 2322 ~~corporation so authorized by the board of directors.~~
- 2323 (2) If the registered agent is changed, the written
 2324 acceptance of the successor registered agent described in s.
 2325 607.0501(3) must also be included in or attached to the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2326 statement of change.

2327 (3) A statement of change is effective when filed by the
 2328 department.

2329 (4) The changes described in this section may also be made
 2330 on the corporation's annual report, in an application for
 2331 reinstatement filed with the department under s. 607.1622, or in
 2332 an amendment to or restatement of a company's articles of
 2333 incorporation in accordance with s. 607.1006 or s. 607.1007. Any
 2334 ~~registered agent may resign his or her agency appointment by~~
 2335 ~~signing and delivering for filing with the Department of State a~~
 2336 ~~statement of resignation and mailing a copy of such statement to~~
 2337 ~~the corporation at its principal office address shown in its~~
 2338 ~~most recent annual report or, if none, filed in the articles of~~
 2339 ~~incorporation or other most recently filed document. The~~
 2340 ~~statement of resignation shall state that a copy of such~~
 2341 ~~statement has been mailed to the corporation at the address so~~
 2342 ~~stated. The agency is terminated as of the 31st day after the~~
 2343 ~~date on which the statement was filed and unless otherwise~~
 2344 ~~provided in the statement, termination of the agency acts as a~~
 2345 ~~termination of the registered office.~~

2346 ~~(3) If a registered agent changes his or her business name~~
 2347 ~~or business address, he or she may change such name or address~~
 2348 ~~and the address of the registered office of any corporation for~~
 2349 ~~which he or she is the registered agent by:~~

2350 ~~(a) Notifying all such corporations in writing of the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2351 ~~change,~~

2352 ~~(b) Signing (either manually or in facsimile) and~~

2353 ~~delivering to the Department of State for filing a statement~~

2354 ~~that substantially complies with the requirements of paragraphs~~

2355 ~~(1)(a)-(f), setting forth the names of all such corporations~~

2356 ~~represented by the registered agent, and~~

2357 ~~(c) Reciting that each corporation has been notified of~~

2358 ~~the change.~~

2359 ~~(4) Changes of the registered office or registered agent~~

2360 ~~may be made by a change on the corporation's annual report form~~

2361 ~~filed with the Department of State.~~

2362 ~~(5) The Department of State shall collect a fee pursuant~~

2363 ~~to s. 15.09(2) for the filings authorized under this section.~~

2364 Section 33. Section 607.0503, Florida Statutes, is created

2365 to read:

2366 607.0503 Resignation of registered agent.-

2367 (1) A registered agent may resign as agent for a

2368 corporation by delivering to the department for filing a signed

2369 statement of resignation containing the name of the corporation.

2370 (2) After delivering the statement of resignation to the

2371 department for filing, the registered agent must promptly mail a

2372 copy to the corporation at its current mailing address.

2373 (3) A registered agent is terminated upon the earlier of:

2374 (a) The 31st day after the department files the statement

2375 of resignation; or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2376 (b) When a statement of change or other record designating
 2377 a new registered agent is filed by the department.

2378 (4) When a statement of resignation takes effect, the
 2379 registered agent ceases to have responsibility for a matter
 2380 thereafter tendered to it as agent for the corporation. The
 2381 resignation does not affect contractual rights that the
 2382 corporation has against the agent or that the agent has against
 2383 the corporation.

2384 (5) A registered agent may resign from a corporation
 2385 regardless of whether the corporation has active status.

2386 Section 34. Section 607.05031, Florida Statutes, is
 2387 created to read:

2388 607.05031 Change of name or address by registered agent.-

2389 (1) If a registered agent changes its name or address, the
 2390 agent may deliver to the department for filing a statement of
 2391 change that provides the following:

2392 (a) The name of the corporation represented by the
 2393 registered agent.

2394 (b) The name of the registered agent as currently shown in
 2395 the records of the department for the corporation.

2396 (c) If the name of the registered agent has changed, its
 2397 new name.

2398 (d) If the address of the registered agent has changed,
 2399 the new address.

2400 (e) A statement that the registered agent has given the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2401 notice required under subsection (2).

2402 (2) A registered agent shall promptly furnish notice of
 2403 the statement of change and the changes made by the statement
 2404 filed with the department to the represented corporation.

2405 Section 35. Section 607.05032, Florida Statutes, is
 2406 created to read:

2407 607.05032 Delivery of notice or other communication.—

2408 (1) Except as otherwise provided in this chapter,
 2409 permissible means of delivery of a notice or other communication
 2410 includes delivery by hand, the United States Postal Service, a
 2411 commercial delivery service, and electronic transmission, all as
 2412 more particularly described in s. 607.0141.

2413 (2) Except as provided in subsection (3), delivery to the
 2414 department is effective only when a notice or other
 2415 communication is received by the department.

2416 (3) If a check is mailed to the department for payment of
 2417 an annual report fee or the annual supplemental fee required
 2418 under s. 607.193 and the check is received by the department,
 2419 the check shall be deemed to have been received by the
 2420 department as of the postmark date appearing on the envelope or
 2421 package transmitting the check.

2422 Section 36. Section 607.0504, Florida Statutes, is amended
 2423 to read:

2424 607.0504 Service of process, notice, or demand on a
 2425 corporation.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2426 (1) A corporation may be served with process required or
 2427 authorized by law by serving on its registered agent.

2428 (2) If a corporation ceases to have a registered agent or
 2429 if its registered agent cannot with reasonable diligence be
 2430 served, the process required or permitted by law may instead be
 2431 served on the chair of the board, the president, any vice
 2432 president, the secretary, or the treasurer of the corporation at
 2433 the principal office of the corporation in this state.

2434 (3) If the process cannot be served on a corporation
 2435 pursuant to subsection (1) or subsection (2), the process may be
 2436 served on the secretary of state as an agent of the corporation.

2437 (4) Service of process on the secretary of state shall be
 2438 made by delivering to and leaving with the department duplicate
 2439 copies of the process.

2440 (5) Service is effectuated under subsection (3) on the
 2441 date shown as received by the department.

2442 (6) The department shall keep a record of each process
 2443 served on the secretary of state pursuant to this subsection and
 2444 record the time of and the action taken regarding the service.

2445 (7) Any notice or demand on a corporation under this
 2446 chapter may be given or made to the chair of the board, the
 2447 president, any vice president, the secretary, or the treasurer
 2448 of the corporation; to the registered agent of the corporation
 2449 at the registered office of the corporation in this state; or to
 2450 any other address in this state that is in fact the principal

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2451 office of the corporation in this state.

2452 (8) This section does not affect the right to serve
 2453 process, give notice, or make a demand in any other manner
 2454 provided by law ~~Process against any corporation may be served in~~
 2455 ~~accordance with chapter 48 or chapter 49.~~

2456 ~~(2) Any notice to or demand on a corporation under this~~
 2457 ~~act may be made to the chair of the board, the president, any~~
 2458 ~~vice president, the secretary, or the treasurer; to the~~
 2459 ~~registered agent of the corporation at the registered office of~~
 2460 ~~the corporation in this state; or to any other address in this~~
 2461 ~~state that is in fact the principal office of the corporation in~~
 2462 ~~this state.~~

2463 ~~(3) This section does not prescribe the only means, or~~
 2464 ~~necessarily the required means, of serving notice or demand on a~~
 2465 ~~corporation.~~

2466 Section 37. Paragraph (a) of subsection (1) and
 2467 subsections (5), (6), (10), and (12) of section 607.0505,
 2468 Florida Statutes, are amended to read:

2469 607.0505 Registered agent; duties.—

2470 (1)(a) Each corporation, foreign corporation, or alien
 2471 business organization that owns real property located in this
 2472 state, that owns a mortgage on real property located in this
 2473 state, or that transacts business in this state shall have and
 2474 continuously maintain in this state a registered office and a
 2475 registered agent and shall file with the department ~~of State~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2476 notice of the registered office and registered agent as provided
2477 in ss. 607.0501 and 607.0502. The appointment of a registered
2478 agent in compliance with s. 607.0501 or s. 607.1507 is
2479 sufficient for purposes of this section provided the registered
2480 agent so appointed files, in such form and manner as prescribed
2481 by the department ~~of State~~, an acceptance of the obligations
2482 provided for in this section.

2483 (5) If a corporation, foreign corporation, or alien
2484 business organization fails without lawful excuse to comply
2485 timely or fully with a subpoena issued pursuant to subsection
2486 (2), the Department of Legal Affairs may file an action in the
2487 circuit court for the judicial circuit in which the corporation,
2488 foreign corporation, or alien business organization is found or
2489 transacts business or in which real property belonging to the
2490 corporation, foreign corporation, or alien business organization
2491 is located, for an order compelling compliance with the
2492 subpoena. The failure without a lawful excuse to comply timely
2493 or fully with an order compelling compliance with the subpoena
2494 will result in a civil penalty of not more than \$1,000 for each
2495 day of noncompliance with the order. In connection with such
2496 proceeding, the Department of Legal Affairs may, without prior
2497 approval by the court, file a lis pendens against real property
2498 owned by the corporation, foreign corporation, or alien business
2499 organization, which lis pendens shall set forth the legal
2500 description of the real property and shall be filed in the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2501 public records of the county where the real property is located.
2502 If the lis pendens is filed in any county other than the county
2503 in which the action is pending, the lis pendens which is filed
2504 must be a certified copy of the original lis pendens. A judgment
2505 or an order of payment entered pursuant to this subsection will
2506 become a judgment lien against any real property owned by the
2507 corporation, foreign corporation, or alien business organization
2508 when a certified copy of the judgment or order is recorded as
2509 required by s. 55.10. The Department of Legal Affairs will be
2510 able to avail itself of, and is entitled to use, any provision
2511 of law or of the Florida Rules of Civil Procedure to further the
2512 collecting or obtaining of payment pursuant to a judgment or
2513 order of payment. The state, through the Attorney General, may
2514 bid, at any judicial sale to enforce its judgment lien, an
2515 amount up to the amount of the judgment or lien obtained
2516 pursuant to this subsection. All moneys recovered under this
2517 subsection shall be treated as forfeitures under ss. 895.01-
2518 895.09 and used or distributed in accordance with the procedure
2519 set forth in s. 895.09.

2520 (6) Information provided to, and records and
2521 transcriptions of testimony obtained by, the Department of Legal
2522 Affairs pursuant to this section are confidential and exempt
2523 from the provisions of s. 119.07(1) while the investigation is
2524 active. For purposes of this section, an investigation shall be
2525 considered "active" while such investigation is being conducted

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2526 | with a reasonable, good faith belief that it may lead to the
2527 | filing of an administrative, civil, or criminal proceeding. An
2528 | investigation does not cease to be active so long as the
2529 | Department of Legal Affairs is proceeding with reasonable
2530 | dispatch and there is a good faith belief that action may be
2531 | initiated by the Department of Legal Affairs or other
2532 | administrative or law enforcement agency. Except for active
2533 | criminal intelligence or criminal investigative information, as
2534 | defined in s. 119.011, and information which, if disclosed,
2535 | would reveal a trade secret, as defined in s. 688.002, or would
2536 | jeopardize the safety of an individual, all information,
2537 | records, and transcriptions become public record when the
2538 | investigation is completed or ceases to be active. The
2539 | Department of Legal Affairs shall not disclose confidential
2540 | information, records, or transcriptions of testimony except
2541 | pursuant to the authorization by the Attorney General in any of
2542 | the following circumstances:

2543 | (a) To a law enforcement agency participating in or
2544 | conducting a civil investigation under chapter 895, or
2545 | participating in or conducting a criminal investigation.

2546 | (b) In the course of filing, participating in, or
2547 | conducting a judicial proceeding instituted pursuant to this
2548 | section or chapter 895.

2549 | (c) In the course of filing, participating in, or
2550 | conducting a judicial proceeding to enforce an order or judgment

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2551 entered pursuant to this section or chapter 895.

2552 (d) In the course of a criminal or civil proceeding.

2553

2554 A person or law enforcement agency which receives any
 2555 information, record, or transcription of testimony that has been
 2556 made confidential by this subsection shall maintain the
 2557 confidentiality of such material and shall not disclose such
 2558 information, record, or transcription of testimony except as
 2559 provided for herein. Any person who willfully discloses any
 2560 information, record, or transcription of testimony that has been
 2561 made confidential by this subsection, except as provided for
 2562 herein, is guilty of a misdemeanor of the first degree,
 2563 punishable as provided in s. 775.082 or s. 775.083. If any
 2564 information, record, or testimony obtained pursuant to
 2565 subsection (2) is offered in evidence in any judicial
 2566 proceeding, the court may, in its discretion, seal that portion
 2567 of the record to further the policies of confidentiality set
 2568 forth herein.

2569 (10) The designation of a registered agent and a
 2570 registered office as required by subsection (1) for a
 2571 corporation, foreign corporation, or alien business organization
 2572 which owns real property in this state or a mortgage on real
 2573 property in this state is solely for the purposes of this
 2574 chapter ~~act~~; and, notwithstanding s. 48.181, s. 607.1502, s.
 2575 607.1503, or any other relevant section of the Florida Statutes,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2576 such designation shall not be used in determining whether the
 2577 corporation, foreign corporation, or alien business organization
 2578 is actually doing business in this state.

2579 (12) Any alien business organization may withdraw its
 2580 registered agent designation by delivering an application for
 2581 certificate of withdrawal to the department ~~of State~~ for filing.
 2582 Such application shall set forth:

2583 (a) The name of the alien business organization and the
 2584 jurisdiction under the law of which it is incorporated or
 2585 organized.

2586 (b) That it is no longer required to maintain a registered
 2587 agent in this state.

2588 Section 38. Section 607.0601, Florida Statutes, is amended
 2589 to read:

2590 607.0601 Authorized shares.—

2591 (1) The articles of incorporation must set forth any
 2592 ~~prescribe the~~ classes of shares and series of shares within a
 2593 class, and the number of shares of each class and series, that
 2594 the corporation is authorized to issue. If more than one class
 2595 or series of shares is authorized, the articles of incorporation
 2596 must prescribe a distinguishing designation for each class or
 2597 series, and before ~~prior to~~ the issuance of shares of a class or
 2598 series, describe the terms, including the preferences,
 2599 limitations, and relative rights of that class or series ~~must be~~
 2600 ~~described in the articles of incorporation.~~ All shares of a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2601 class or series must have terms, including preferences,
 2602 limitations, and relative rights, identical with those of other
 2603 shares of the same class or series, except to the extent
 2604 otherwise permitted by this section, s. 607.0602, or s.
 2605 607.0624.

2606 (2) The articles of incorporation must authorize:

2607 (a) One or more classes or series of shares that together
 2608 have unlimited voting rights, and

2609 (b) One or more classes or series of shares (which may be
 2610 the same class or classes or series as those with voting rights)
 2611 that together are entitled to receive the net assets of the
 2612 corporation upon dissolution.

2613 (3) The articles of incorporation may authorize one or
 2614 more classes or series of shares that:

2615 (a) Have special, conditional, or limited voting rights,
 2616 or no right to vote, except to the extent otherwise provided
 2617 ~~prohibited~~ by this chapter act;

2618 (b) Are redeemable or convertible as specified in the
 2619 articles of incorporation:

2620 1. At the option of the corporation, the shareholder, or
 2621 another person or upon the occurrence of a specified ~~designated~~
 2622 event;

2623 2. For cash, indebtedness, securities, or other property;
 2624 or

2625 3. At prices and in an amount specified, or determined, in

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2626 accordance with a formula ~~In a designated amount or in an amount~~
 2627 ~~determined in accordance with a designated formula or by~~
 2628 ~~reference to extrinsic data or events;~~

2629 (c) Entitle the holders to distributions calculated in any
 2630 manner, including dividends that may be cumulative,
 2631 noncumulative, or partially cumulative;

2632 (d) Have preference over any other class or series of
 2633 shares with respect to distributions, including ~~dividends and~~
 2634 distributions upon the dissolution of the corporation.

2635 (4) The description of the designations, preferences,
 2636 limitations, and relative rights of share classes or series in
 2637 subsection (3) is not exhaustive.

2638 (5) The terms of shares may be made dependent on facts
 2639 ascertainable outside the articles of incorporation in
 2640 accordance with s. 607.0120(11).

2641 (6) ~~(5)~~ Shares which are entitled to preference in the
 2642 distribution of dividends or assets shall not be designated as
 2643 common shares. Shares which are not entitled to preference in
 2644 the distribution of dividends or assets shall be common shares
 2645 and shall not be designated as preferred shares.

2646 Section 39. Section 607.0602, Florida Statutes, is amended
 2647 to read:

2648 607.0602 Terms of class or series determined by board of
 2649 directors.—

2650 (1) If the articles of incorporation so provide, the board

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2651 of directors is authorized, without shareholder approval, to ~~may~~
 2652 ~~determine, in whole or part, the preferences, limitations, and~~
 2653 ~~relative rights (within the limits set forth in s. 607.0601) of:~~

2654 (a) Classify any unissued class of shares into one or more
 2655 classes or into one or more series within a class; before the
 2656 ~~issuance of any shares of that class, or~~

2657 (b) Reclassify any unissued shares of any class into one
 2658 or more classes or into one or more series within one or more
 2659 classes; or

2660 (c) Reclassify any unissued shares of any series of any
 2661 class into one or more classes or into one or more series within
 2662 ~~a class before the issuance of any shares of that series.~~

2663 (2) If the board of directors acts pursuant to subsection
 2664 (1), it shall determine the terms, including the preferences,
 2665 limitations, and relative rights, to the extent allowed under s.
 2666 607.0601, of:

2667 (a) Any class of shares before the issuance of any shares
 2668 of that class; or

2669 (b) Any series within a class before the issuance of any
 2670 shares of that series.

2671 (3) Each class and each series of a class must be given a
 2672 distinguishing designation.

2673 (4) ~~(3)~~ All shares of a series must have preferences,
 2674 limitations, and relative rights identical with those of other
 2675 shares of the same series and, except to the extent otherwise

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2676 | provided in the description of the series, of those of other
 2677 | series of the same class.

2678 | (5)~~(4)~~ Before issuing any shares of a class or series
 2679 | created under this section, the corporation shall ~~must~~ deliver
 2680 | to the department ~~of State~~ for filing articles of amendment,
 2681 | which are effective without shareholder action, that set forth:

- 2682 | (a) The name of the corporation;
- 2683 | (b) The text of the amendment determining the terms of the
 2684 | class or series of shares;
- 2685 | (c) The date the amendment was adopted; and
- 2686 | (d) A statement that the amendment was duly adopted by the
 2687 | board of directors.

2688 | Section 40. Subsections (1), (2), (4), and (5) of section
 2689 | 607.0604, Florida Statutes, are amended to read:

2690 | 607.0604 Fractional shares.—

- 2691 | (1) A corporation may:
 - 2692 | (a) Issue fractions of a share or, in lieu of doing so,
 2693 | pay in money the fair value of fractions of a share;
 - 2694 | (b) Make arrangements, or provide reasonable opportunity,
 2695 | for any person entitled to or holding a fractional interest in a
 2696 | share to sell such fractional interest or to purchase such
 2697 | additional fractional interests as may be necessary to acquire a
 2698 | full share;
 - 2699 | (c) Issue scrip in registered or bearer form, over the
 2700 | manual or facsimile signature of an officer of the corporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2701 or its agent, entitling the holder to receive a full share upon
 2702 surrendering enough scrip to equal a full share.

2703 (2) The board of directors may authorize the issuance of
 2704 scrip subject to any condition ~~considered desirable~~, including
 2705 that:

2706 (a) ~~That~~ The scrip will become void if not exchanged for
 2707 full shares before a specified date; and

2708 (b) ~~That~~ The shares for which the scrip is exchangeable
 2709 may be sold and the proceeds paid to the scripholders.

2710 (4) The holder of a fractional share is entitled to
 2711 exercise the rights of a shareholder, including the rights right
 2712 to vote, to receive dividends, and to receive distributions upon
 2713 dissolution ~~participate in the assets of the corporation upon~~
 2714 ~~liquidation~~. The holder of scrip is not entitled to any of these
 2715 rights unless the scrip provides for them.

2716 ~~(5) When a corporation is to pay in money the value of~~
 2717 ~~fractions of a share, the good faith judgment of the board of~~
 2718 ~~directors as to the fair value shall be conclusive.~~

2719 Section 41. Subsections (2) and (5) of section 607.0620,
 2720 Florida Statutes, are amended, and subsection (6) is added to
 2721 that section, to read:

2722 607.0620 Subscriptions for shares.—

2723 (2) A subscription for shares, whether made before or
 2724 after incorporation, is not enforceable against the subscriber
 2725 unless in writing and signed by the subscriber.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2726 (5) If a subscriber defaults in payment of money or
2727 property under a subscription agreement entered into before
2728 incorporation, the corporation may collect the amount owed as
2729 any other debt. Alternatively, unless the subscription agreement
2730 provides otherwise, the corporation may rescind the agreement
2731 and may sell the shares if the debt remains unpaid more than 20
2732 days after the corporation delivers ~~sends~~ written demand for
2733 payment to the subscriber. If the subscription agreement is
2734 rescinded and the shares sold, then, notwithstanding the
2735 rescission, ~~If mailed, such written demand shall be deemed to be~~
2736 ~~made when deposited in the United States mail in a sealed~~
2737 ~~envelope addressed to the subscriber at his or her last post~~
2738 ~~office address known to the corporation, with first class~~
2739 ~~postage thereon prepaid.~~ the defaulting subscriber or his or her
2740 legal representative shall be entitled to be paid the excess of
2741 the sale proceeds over the sum of the amount due and unpaid on
2742 the subscription and the reasonable expenses incurred in selling
2743 the shares, but in no event shall the defaulting subscriber or
2744 his or her legal representative be entitled to be paid an amount
2745 greater than the amount paid by the subscriber on the
2746 subscription.

2747 (6) A subscription agreement entered into after
2748 incorporation is also subject to s. 607.0621.

2749 Section 42. Subsection (5) of section 607.0621, Florida
2750 Statutes, is amended to read:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2751 | 607.0621 Issuance of shares.—

2752 | (5) The corporation may place in escrow shares issued for
 2753 | a contract for future services or benefits or a promissory note,
 2754 | or make other arrangements to restrict the transfer of the
 2755 | shares, and may credit distributions in respect of the shares
 2756 | against their purchase price, until the services are performed,
 2757 | the note is paid, or the benefits received. If the services are
 2758 | not performed, the note is not paid, or the benefits are not
 2759 | received, the shares escrowed or restricted and the
 2760 | distributions credited may be canceled in whole or part.

2761 | Section 43. Subsection (5) of section 607.0622, Florida
 2762 | Statutes, is amended to read:

2763 | 607.0622 Liability for shares issued before payment.—

2764 | (5) No liability under this section may be asserted more
 2765 | than 5 years after the earlier of:

2766 | (a) The issuance of the shares ~~stock~~, or

2767 | (b) The date of the subscription upon which the assessment
 2768 | is sought.

2769 | Section 44. Subsections (1) and (3) of section 607.0623,
 2770 | Florida Statutes, are amended to read:

2771 | 607.0623 Share dividends.—

2772 | (1) Unless the articles of incorporation provide
 2773 | otherwise, shares may be issued pro rata and without
 2774 | consideration to the corporation's shareholders or to the
 2775 | shareholders of one or more classes or series or shares. An

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2776 issuance of shares under this subsection is a share dividend.

2777 (3) The board of directors may fix the record date for
 2778 determining shareholders entitled to a share dividend, but the
 2779 date may not be retroactive. If the board of directors does not
 2780 fix the record date for determining shareholders entitled to a
 2781 share dividend, the record date ~~is~~ is the date the board of
 2782 directors authorizes the share dividend.

2783 Section 45. Section 607.0624, Florida Statutes, is amended
 2784 to read:

2785 607.0624 Share rights, options, warrants, and awards.—

2786 (1) Unless the articles of incorporation provide
 2787 otherwise, a corporation may issue rights, options, or warrants
 2788 for the purchase of shares of the corporation of any class or
 2789 series, whether authorized but unissued shares of the
 2790 corporation, treasury shares, or shares of the corporation to be
 2791 purchased or acquired by the corporation. The board of directors
 2792 shall determine the terms and conditions upon which the rights,
 2793 options, or warrants are issued, including the consideration for
 2794 which the shares are to be issued. The authorization by the
 2795 board of directors for the corporation to issue such rights,
 2796 options, or warrants constitutes authorization for the issuance
 2797 of the shares for which the rights, options, or warrants are
 2798 exercisable ~~their form and content, and the consideration for~~
 2799 ~~which the shares are to be issued.~~

2800 (2) The terms and conditions of such ~~stock~~ rights, and

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2801 options, or warrants, including those outstanding on January 1,
 2802 2020, may include restrictions or conditions that:

2803 (a) Preclude or limit the exercise, transfer, or receipt
 2804 of such rights, options, or warrants by any person or persons
 2805 owning or offering to acquire a specified number or percentage
 2806 of the outstanding shares of the corporation or by any
 2807 transferee or transferees of any such person or persons; or

2808 ~~(b) which are created and issued by a corporation formed~~
 2809 ~~under this chapter, or its successor, and which entitle the~~
 2810 ~~holders thereof to purchase from the corporation shares of any~~
 2811 ~~class or classes, whether authorized but unissued shares,~~
 2812 ~~treasury shares, or shares to be purchased or acquired by the~~
 2813 ~~corporation, may include, without limitation, restrictions, or~~
 2814 ~~conditions that preclude or limit the exercise, transfer,~~
 2815 ~~receipt, or holding of such rights or options by any person or~~
 2816 ~~persons, including any person or persons owning or offering to~~
 2817 ~~acquire a specified number or percentage of the outstanding~~
 2818 ~~common shares or other securities of the corporation, or any~~
 2819 ~~transferee or transferees of any such person or persons, or that~~
 2820 ~~invalidate or void such rights, ~~or~~ options, or warrants held by~~
 2821 ~~any such person or persons or any such transferee or~~
 2822 ~~transferees.~~

2823 (3) The board of directors may authorize a board committee
 2824 or the board of directors may authorize one or more officers, or
 2825 a board committee so authorized by the board of directors may

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2826 authorize one or more officers, to:

2827 (a) Designate the recipients of rights, options, warrants,
 2828 or other equity compensation awards that involve the issuance of
 2829 shares; and

2830 (b) Determine, within an amount and subject to any other
 2831 limitations established by the board of directors, a board
 2832 committee, and, if applicable, the shareholders, the number of
 2833 such rights, options, warrants, or other equity compensation
 2834 awards and the terms and conditions of such rights, options,
 2835 warrants, or awards to be received by the recipients, provided
 2836 that an officer may not use such authority to designate himself
 2837 or herself or any other persons as the board of directors or a
 2838 committee of the board may specify as a recipient of such
 2839 rights, options, warrants, or other equity compensation awards.

2840 (4) For purposes of this section, the term "shares"
 2841 includes a security convertible into or carrying a right to
 2842 subscribe for or acquire shares.

2843 Section 46. Subsections (1), (2), and (3) of section
 2844 607.0625, Florida Statutes, are amended to read:

2845 607.0625 Form and content of certificates.—

2846 (1) Shares may but need not be represented by
 2847 certificates. Unless this chapter act or another statute
 2848 expressly provides otherwise, the rights and obligations of
 2849 shareholders are identical, regardless of whether ~~or not~~ their
 2850 shares are represented by certificates.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2851 (2) At a minimum, each share certificate must state on its
2852 face:

2853 (a) The name of the ~~issuing~~ corporation and that the
2854 corporation is organized under the laws of this state;

2855 (b) The name of the person to whom issued; and

2856 (c) The number and class of shares and the designation of
2857 the series, if any, the certificate represents.

2858 (3) If the ~~issuing~~ corporation is authorized to issue
2859 different classes of shares or different series of shares within
2860 a class, the designations, relative rights, preferences, and
2861 limitations applicable to each class and the variations in
2862 rights, preferences, and limitations determined for each series
2863 (and the authority of the board of directors to determine
2864 variations for future series) must be summarized on the front or
2865 back of each certificate. Alternatively, each certificate may
2866 state conspicuously on its front or back that the corporation
2867 will furnish the shareholder a full statement of this
2868 information on request and without charge.

2869 Section 47. Section 607.0626, Florida Statutes, is amended
2870 to read:

2871 607.0626 Shares without certificates.—

2872 (1) Unless the articles of incorporation or bylaws provide
2873 otherwise, the board of directors of a corporation may authorize
2874 the issuance ~~issue~~ of some or all of the shares of any or all of
2875 its classes or series without certificates. The authorization

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2876 | does not affect shares already represented by certificates until
 2877 | they are surrendered to the corporation.

2878 | (2) Within a reasonable time after the issuance ~~issue~~ or
 2879 | transfer of shares without certificates, the corporation shall
 2880 | deliver to ~~send~~ the shareholder a written statement of the
 2881 | information required on certificates by s. 607.0625(2) and (3),
 2882 | and, if applicable, s. 607.0627.

2883 | Section 48. Subsection (4) of section 607.0627, Florida
 2884 | Statutes, is amended to read:

2885 | 607.0627 Restriction on transfer of shares and other
 2886 | securities.—

2887 | (4) A restriction on the transfer or registration of
 2888 | transfer of shares may:

2889 | (a) Obligate the shareholder first to offer the
 2890 | corporation or other persons (separately, consecutively, or
 2891 | simultaneously) an opportunity to acquire the restricted shares;

2892 | (b) Obligate the corporation or other persons (separately,
 2893 | consecutively, or simultaneously) to acquire the restricted
 2894 | shares;

2895 | (c) Require the corporation, the holders of any class or
 2896 | series of its shares, or other persons ~~another person~~ to approve
 2897 | the transfer of the restricted shares, if the requirement is not
 2898 | manifestly unreasonable; or

2899 | (d) Prohibit the transfer of the restricted shares to
 2900 | designated persons or classes of persons, if the prohibition is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2901 not manifestly unreasonable.

2902 Section 49. Paragraphs (c), (d), and (e) of subsection (2)
 2903 of section 607.0630, Florida Statutes, are amended to read:

2904 607.0630 Shareholders' preemptive rights.—

2905 (2) A statement included in the articles of incorporation
 2906 that "the corporation elects to have preemptive rights" (or
 2907 words of similar import) means that the following principles
 2908 apply except to the extent the articles of incorporation
 2909 expressly provide otherwise:

2910 (c) There is no preemptive right with respect to:

2911 1. Shares issued as compensation to directors, officers,
 2912 agents, or employees of the corporation, or ~~or~~ its subsidiaries, or
 2913 affiliates;

2914 2. Shares issued to satisfy conversion or option rights
 2915 created to provide compensation to directors, officers, agents,
 2916 or employees of the corporation, or ~~or~~ its subsidiaries, or
 2917 affiliates;

2918 3. Shares authorized in the articles of incorporation that
 2919 are issued within 6 months from the effective date of
 2920 incorporation;

2921 4. Shares issued pursuant to a plan of reorganization
 2922 approved by a court of competent jurisdiction pursuant to a law
 2923 of this state or of the United States; or

2924 5. Shares issued for consideration other than money.

2925 (d) Holders of shares of any class or series without

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2926 | general voting rights but with preferential rights to
 2927 | distributions to receive the ~~or~~ net assets upon dissolution ~~and~~
 2928 | ~~liquidation~~ have no preemptive rights with respect to shares of
 2929 | any class or series.

2930 | (e) Holders of shares of any class or series with general
 2931 | voting rights but without preferential rights to distributions
 2932 | ~~or net assets~~ upon dissolution ~~or liquidation~~ have no preemptive
 2933 | rights with respect to shares of any class or series with
 2934 | preferential rights to receive the net assets of the corporation
 2935 | upon dissolution ~~distributions or assets~~ unless the shares with
 2936 | preferential rights are convertible into or carry a right to
 2937 | subscribe for or acquire the shares without preferential rights.

2938 | Section 50. Subsections (3) and (5) of section 607.0631,
 2939 | Florida Statutes, are amended, and subsection (6) is added to
 2940 | that section, to read:

2941 | 607.0631 Corporation's acquisition of its own shares.—

2942 | (3) Articles of amendment to effectuate a reduction in the
 2943 | authorized shares by the number of shares acquired by the
 2944 | corporation may be adopted by the board of directors without
 2945 | shareholder action, shall be delivered to the department ~~of~~
 2946 | ~~State~~ for filing, and shall set forth:

2947 | (a) The name of the corporation;

2948 | (b) The reduction in the number of authorized shares,
 2949 | itemized by class and series; and

2950 | (c) The total number of authorized shares, itemized by

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2951 class and series, remaining after reduction of the shares.

2952 (5) A corporation that has shares of any class or series
 2953 which are ~~either~~ registered on a national securities exchange ~~or~~
 2954 ~~designated as a national market system security on an~~
 2955 ~~interdealer quotation system by the National Association of~~
 2956 ~~Securities Dealers, Inc.,~~ may acquire such shares and designate,
 2957 either in the bylaws or in the resolutions of its board, that
 2958 shares so acquired by the corporation shall constitute treasury
 2959 shares.

2960 (6) Shares that a corporation acquires in a fiduciary
 2961 capacity for the benefit of any person other than the
 2962 corporation directly or indirectly through an entity controlled
 2963 by the corporation may not be deemed to have been acquired by
 2964 the corporation for purposes of this section.

2965 Section 51. Subsections (2), (3), (4), (6), (7), and (8)
 2966 of section 607.06401, Florida Statutes, are amended, and
 2967 subsection (9) is added to that section, to read:

2968 607.06401 Distributions to shareholders.—

2969 (2) The board of directors may fix the record date for
 2970 determining shareholders entitled to a distribution, but the
 2971 date may not be retroactive. If the board of directors does not
 2972 fix the record date for determining shareholders entitled to a
 2973 distribution (other than one involving a purchase, redemption,
 2974 or other acquisition of the corporation's shares), the record
 2975 date ~~it~~ is the date the board of directors authorizes the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

2976 | distribution.

2977 | (3) No distribution may be made if, after giving it
2978 | effect:

2979 | (a) The corporation would not be able to pay its debts as
2980 | they become due in the usual course of the corporation's
2981 | activities and affairs ~~business~~; or

2982 | (b) The corporation's total assets would be less than the
2983 | sum of its total liabilities plus (unless the articles of
2984 | incorporation permit otherwise) the amount that would be needed,
2985 | if the corporation were to be dissolved and wound up at the time
2986 | of the distribution, to satisfy the preferential rights upon
2987 | dissolution and winding up of shareholders whose preferential
2988 | rights are superior to those receiving the distribution.

2989 | (4) The board of directors may base a determination that a
2990 | distribution is not prohibited under subsection (3) on:

2991 | (a) either ~~on~~ Financial statements prepared on the basis
2992 | of accounting practices and principles that are reasonable under
2993 | ~~in~~ the circumstances; or

2994 | (b) ~~en~~ A fair valuation or other method that is reasonable
2995 | under ~~in~~ the circumstances. In the case of any distribution
2996 | based upon such a valuation, each such distribution shall be
2997 | identified as a distribution based upon a current valuation of
2998 | assets, and the amount per share paid on the basis of such
2999 | valuation shall be disclosed to the shareholders concurrent with
3000 | their receipt of the distribution.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3001 (6) Except as provided in subsection (8), the effect of a
 3002 distribution under subsection (3) is measured:

3003 (a) In the case of a distribution by purchase, redemption,
 3004 or other acquisition of the corporation's shares, as of the
 3005 earlier of the date on which:

3006 1. ~~The date~~ Money or other property is transferred or the
 3007 debt to a shareholder is incurred by the corporation, or

3008 2. ~~The date the~~ shareholder ceases to be a shareholder
 3009 with respect to the acquired shares;

3010 (b) In the case of a ~~any other~~ distribution of
 3011 indebtedness, as of the date on which the indebtedness is
 3012 distributed;

3013 (c) In all other cases, as of the date on which:

3014 1. ~~The date the~~ distribution is authorized if the payment
 3015 occurs within 120 days after that date; ~~the date of~~
 3016 ~~authorization~~, or

3017 2. ~~The date the~~ payment is made if the payment ~~it~~ occurs
 3018 more than 120 days after the date the distribution is authorized
 3019 ~~of authorization~~.

3020 (7) A corporation's indebtedness to a shareholder incurred
 3021 by reason of a distribution made in accordance with this section
 3022 is at parity with the corporation's indebtedness to its general,
 3023 unsecured creditors except to the extent provided otherwise
 3024 ~~subordinated~~ by agreement. The obligation to pay such
 3025 indebtedness may be secured by a lien on assets of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3026 corporation if not prohibited by a law other than this chapter.

3027 (8) Indebtedness of a corporation, including indebtedness
 3028 issued as a distribution, is not considered a liability for
 3029 purposes of determinations under subsection (3) if the terms of
 3030 the indebtedness ~~its terms~~ provide that payment of principal and
 3031 interest is ~~are~~ made only if and to the extent that ~~payment of~~ a
 3032 distribution to shareholders could then be made under this
 3033 section. If such ~~the~~ indebtedness is issued as a distribution,
 3034 and by its terms provides that the payments ~~each payment~~ of
 3035 principal or interest are made only to the extent ~~is treated as~~
 3036 a distribution could be made under this section, then each
 3037 payment of principal and interest of that indebtedness is
 3038 treated as a distribution, the effect of which is measured on
 3039 the date the payment is actually made.

3040 (9) This section does not apply to distributions in
 3041 liquidation under ss. 607.1401-607.14401.

3042 Section 52. Section 607.0701, Florida Statutes, is amended
 3043 to read:

3044 607.0701 Annual meeting.—

3045 (1) Unless directors are elected by written consent in
 3046 lieu of an annual meeting pursuant to s. 607.0704, a corporation
 3047 shall hold a meeting of shareholders annually, for the election
 3048 of directors and for the transaction of any proper business, at
 3049 a time stated in or fixed in accordance with the bylaws.

3050 (2) Annual ~~shareholders'~~ meetings of shareholders may be

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3051 held in or out of this state at a place stated in or fixed in
 3052 accordance with the bylaws or, when not inconsistent with the
 3053 bylaws, stated in the notice of the annual meeting. If no place
 3054 is stated in or fixed in accordance with the bylaws, or stated
 3055 in the notice of the annual meeting, annual meetings shall be
 3056 held at the corporation's principal office.

3057 (3) The failure to hold the annual meeting at the time
 3058 stated in or fixed in accordance with a corporation's bylaws or
 3059 pursuant to this chapter ~~aet~~ does not affect the validity of any
 3060 corporate action and shall not work a forfeiture of or
 3061 dissolution of the corporation.

3062 (4) Participation of shareholders and proxy holders at an
 3063 annual meeting of shareholders by remote communication shall be
 3064 governed by and subject to the provisions of s. 607.0709 ~~if~~
 3065 ~~authorized by the board of directors, and subject to such~~
 3066 ~~guidelines and procedures as the board of directors may adopt,~~
 3067 ~~shareholders and proxy holders not physically present at an~~
 3068 ~~annual meeting of shareholders may, by means of remote~~
 3069 ~~communication:~~

3070 ~~(a) Participate in an annual meeting of shareholders.~~

3071 ~~(b) Be deemed present in person and vote at an annual~~
 3072 ~~meeting of shareholders, whether such meeting is to be held at a~~
 3073 ~~designated place or solely by means of remote communication,~~
 3074 ~~provided that:~~

3075 ~~1. The corporation shall implement reasonable measures to~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3076 | ~~verify that each person deemed present and permitted to vote at~~
 3077 | ~~the annual meeting by means of remote communication is a~~
 3078 | ~~shareholder or proxy holder;~~

3079 | ~~2. The corporation shall implement reasonable measures to~~
 3080 | ~~provide such shareholders or proxy holders a reasonable~~
 3081 | ~~opportunity to participate in the annual meeting and to vote on~~
 3082 | ~~matters submitted to the shareholders, including, without~~
 3083 | ~~limitation, an opportunity to communicate and to read or hear~~
 3084 | ~~the proceedings of the annual meeting substantially concurrently~~
 3085 | ~~with such proceedings; and~~

3086 | ~~3. If any shareholder or proxy holder votes or takes other~~
 3087 | ~~action at the annual meeting by means of remote communication, a~~
 3088 | ~~record of such vote or other action shall be maintained by the~~
 3089 | ~~corporation.~~

3090 | Section 53. Section 607.0702, Florida Statutes, is amended
 3091 | to read:

3092 | 607.0702 Special meeting.—

3093 | (1) A corporation shall hold a special meeting of
 3094 | shareholders:

3095 | (a) On call of its board of directors or the person or
 3096 | persons authorized to do so by the articles of incorporation or
 3097 | bylaws; or

3098 | (b) If shareholders holding ~~the holders of~~ not less than
 3099 | 10 percent, unless a greater percentage not to exceed 50 percent
 3100 | is required by the articles of incorporation, of all the votes

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3101 entitled to be cast on any issue proposed to be considered at
 3102 the proposed special meeting sign, date, and deliver to the
 3103 corporation's secretary one or more written demands for the
 3104 meeting describing the purpose or purposes for which it is to be
 3105 held. Unless otherwise provided in the articles of
 3106 incorporation, a written demand for a special meeting may be
 3107 revoked by a writing to that effect received by the corporation
 3108 prior to the receipt by the corporation of demands sufficient in
 3109 number to require the holding of a special meeting.

3110 (2) Special meetings of shareholders ~~meetings~~ may be held
 3111 in or out of the state at a place stated in or fixed in
 3112 accordance with the bylaws or, when not inconsistent with the
 3113 bylaws, in the notice of the special meeting. If no place is
 3114 stated in or fixed in accordance with the bylaws or in the
 3115 notice of the special meeting, special meetings shall be held at
 3116 the corporation's principal office.

3117 (3) Only business within the purpose or purposes described
 3118 in the special meeting notice required by s. 607.0705 may be
 3119 conducted at a special meeting of shareholders ~~meeting~~.

3120 (4) Participation of shareholders and proxy holders at a
 3121 special meeting of shareholders by remote communication shall be
 3122 governed by and subject to the provisions of s. 607.0709 ~~if~~
 3123 ~~authorized by the board of directors, and subject to such~~
 3124 ~~guidelines and procedures as the board of directors may adopt,~~
 3125 ~~shareholders and proxy holders not physically present at a~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3126 ~~special meeting of shareholders may, by means of remote~~
 3127 ~~communication:~~
 3128 ~~(a) Participate in a special meeting of shareholders.~~
 3129 ~~(b) Be deemed present in person and vote at a special~~
 3130 ~~meeting of shareholders, whether such meeting is to be held at a~~
 3131 ~~designated place or solely by means of remote communication,~~
 3132 ~~provided that:~~
 3133 ~~1. The corporation shall implement reasonable measures to~~
 3134 ~~verify that each person deemed present and permitted to vote at~~
 3135 ~~the special meeting by means of remote communication is a~~
 3136 ~~shareholder or proxy holder;~~
 3137 ~~2. The corporation shall implement reasonable measures to~~
 3138 ~~provide such shareholders or proxy holders a reasonable~~
 3139 ~~opportunity to participate in the special meeting and to vote on~~
 3140 ~~matters submitted to the shareholders, including, without~~
 3141 ~~limitation, an opportunity to communicate and to read or hear~~
 3142 ~~the proceedings of the special meeting substantially~~
 3143 ~~concurrently with such proceedings; and~~
 3144 ~~3. If any shareholder or proxy holder votes or takes other~~
 3145 ~~action at the special meeting by means of remote communication,~~
 3146 ~~a record of such vote or other action shall be maintained by the~~
 3147 ~~corporation.~~
 3148 Section 54. Section 607.0703, Florida Statutes, is amended
 3149 to read:
 3150 607.0703 Court-ordered meeting.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3151 (1) The circuit court in the applicable county may
 3152 summarily ~~of the county where a corporation's principal office~~
 3153 ~~is located, if located in this state, or where a corporation's~~
 3154 ~~registered office is located if its principal office is not~~
 3155 ~~located in this state, may, after notice to the corporation,~~
 3156 order a meeting to be held:

3157 (a) On application of any shareholder ~~of the corporation~~
 3158 entitled to vote at ~~in~~ an annual meeting if neither an annual
 3159 meeting has ~~not~~ been held nor an action by written consent in
 3160 lieu thereof has become effective within any 15-month ~~13-month~~
 3161 period; or

3162 (b) On application of one or more shareholders ~~a~~
 3163 ~~shareholder~~ who signed a demand for a special meeting valid
 3164 under s. 607.0702, if:

3165 1. Notice of the special meeting was not given within 60
 3166 days after the first day on which the requisite number of
 3167 demands have been ~~date the demand was~~ delivered to the
 3168 corporation's secretary; or

3169 2. The special meeting was not held in accordance with the
 3170 notice.

3171 (2) The court may fix the time and place of the meeting,
 3172 determine the shares entitled to participate in the meeting,
 3173 specify a record date or dates for determining shareholders
 3174 entitled to notice of and to vote at the meeting, prescribe the
 3175 form and content of the meeting notice, fix the quorum by voting

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3176 group required for matters to be considered at the meeting (or
 3177 direct that the votes of a voting group represented at the
 3178 meeting constitute a quorum of such voting group for action on
 3179 those matters), and enter other orders necessary to accomplish
 3180 the purpose or purposes of the meeting as may be appropriate.

3181 Section 55. Subsections (1), (3), (4), and (5) of section
 3182 607.0704, Florida Statutes, are amended, and subsections (7) and
 3183 (8) are added to that section, to read:

3184 607.0704 Action by shareholders without a meeting.—

3185 (1) Unless otherwise provided in the articles of
 3186 incorporation or in subsection (8), action required or permitted
 3187 by this chapter act to be taken at an annual or special meeting
 3188 of shareholders may be taken without a meeting, without prior
 3189 notice, and without a vote if the action is taken by the holders
 3190 of outstanding shares ~~stock~~ of each voting group entitled to
 3191 vote thereon having not less than the minimum number of votes
 3192 with respect to each voting group that would be necessary to
 3193 authorize or take such action at a meeting at which all voting
 3194 groups and shares entitled to vote thereon were present and
 3195 voted. In order to be effective the action must be evidenced by
 3196 one or more written consents describing the action taken, dated
 3197 and signed by approving shareholders having the requisite number
 3198 of votes of each voting group entitled to vote thereon, and
 3199 delivered to the corporation by delivery to its principal office
 3200 in this state, its principal place of business, the corporate

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3201 secretary, or another officer or agent of the corporation having
3202 custody of the book in which proceedings of meetings of
3203 shareholders are recorded. No written consent shall be effective
3204 to take the corporate action referred to therein unless, within
3205 60 days of the date of the earliest dated consent delivered in
3206 the manner required by this section, written consents signed by
3207 shareholders owning a sufficient number of shares ~~the number of~~
3208 ~~holders~~ required to authorize or take the action have been ~~are~~
3209 delivered to the corporation by delivery as set forth in this
3210 section.

3211 (3) Within 10 days after either written consents
3212 sufficient to authorize or take the action have been delivered
3213 to the corporation or such later date that tabulation of
3214 consents is completed pursuant to an authorization under
3215 subsection (4) ~~obtaining such authorization by written consent~~,
3216 notice must be given to those shareholders who have not
3217 consented in writing or who are not entitled to vote on the
3218 action. The notice shall fairly summarize the material features
3219 of the authorized action and, if the action be such for which
3220 appraisal dissenters' rights are provided under this chapter
3221 ~~act~~, the notice shall contain a clear statement of the right of
3222 shareholders entitled to assert appraisal rights under this
3223 chapter with respect to the action ~~dissenting therefrom~~ to be
3224 paid the fair value of their shares upon compliance with further
3225 provisions of this chapter ~~act~~ regarding the rights of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3226 ~~dissenting~~ shareholders entitled to assert appraisal rights
 3227 under this chapter with respect to the action.

3228 (4) A consent signed under this section has the effect of
 3229 a meeting vote and may be described as such in any document.
 3230 Unless the articles of incorporation, bylaws, or a resolution of
 3231 the board of directors provides for a reasonable delay to permit
 3232 tabulation of written consents, the action taken by written
 3233 consent shall be effective when written consents signed by
 3234 shareholders owning a sufficient number of shares required to
 3235 authorize or take the action have been delivered to the
 3236 corporation.

3237 (5) In the event that the action to which the shareholders
 3238 consent is such as would have required the filing of a
 3239 certificate under any other section of this chapter ~~act~~ if such
 3240 action had been voted on by shareholders at a meeting thereof,
 3241 the certificate filed under such other section shall state that
 3242 written consent has been given in accordance with the provisions
 3243 of this section.

3244 (7) The notice requirements in subsection (3) do not delay
 3245 the effectiveness of actions taken by written consent, and a
 3246 failure to comply with such notice requirement does not
 3247 invalidate actions taken by written consent. This subsection may
 3248 not be deemed to limit judicial power to fashion any appropriate
 3249 remedy in favor of a shareholder adversely affected by a failure
 3250 to give such notice within the required time period.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3251 (8) If a corporation's articles of incorporation authorize
 3252 shareholders to cumulate their votes when electing directors
 3253 pursuant to s. 607.0728, directors may not be elected by written
 3254 consent of the shareholders unless the consent is unanimous.

3255 Section 56. Section 607.0705, Florida Statutes, is amended
 3256 to read:

3257 607.0705 Notice of meeting.—

3258 (1) A corporation shall notify shareholders of the date,
 3259 time, and place of each annual and special shareholders' meeting
 3260 no fewer than 10 or more than 60 days before the meeting date.
 3261 The notice must include the record date for determining the
 3262 shareholders entitled to vote at the meeting if the record date
 3263 for determining the shareholders entitled to vote at the meeting
 3264 is different than the record date for determining shareholders
 3265 entitled to notice of the meeting. If the board of directors has
 3266 authorized participation by means of remote communication
 3267 pursuant to s. 607.0709 for any class or series of shares, the
 3268 notice to the holders of such class or series must describe the
 3269 means of remote communication to be used. Unless this chapter
 3270 ~~act~~ or the articles of incorporation require otherwise, the
 3271 corporation is required to give notice only to shareholders
 3272 entitled to vote at the meeting as of the record date for
 3273 determining the shareholders entitled to notice of the meeting.
 3274 Notice shall be given in the manner provided in s. 607.0141, by
 3275 or at the direction of the president, the secretary, or the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3276 officer or persons calling the meeting. If the notice is mailed
 3277 at least 30 days before the date of the meeting, it may be done
 3278 by a class of United States mail other than first class.

3279 Notwithstanding s. 607.0141, if mailed, such notice shall be
 3280 deemed to be delivered when deposited in the United States mail
 3281 addressed to the shareholder at her or his address as it appears
 3282 in the record of shareholders of the corporation, maintained in
 3283 accordance with s. 607.1601(4) ~~on the stock transfer books of~~
 3284 ~~the corporation~~, with postage thereon prepaid.

3285 (2) Unless this chapter ~~act~~ or the articles of
 3286 incorporation require otherwise, notice of an annual meeting of
 3287 shareholders need not include a description of the purpose or
 3288 purposes for which the meeting is called.

3289 (3) Notice of a special meeting of shareholders must
 3290 include a description of the purpose or purposes for which the
 3291 meeting is called.

3292 (4) Unless the bylaws require otherwise, if an annual or
 3293 special ~~shareholders'~~ meeting of shareholders is adjourned to a
 3294 different date, time, or place, or to add or modify the terms of
 3295 participation by remote communication, notice need not be given
 3296 of the new date, time, ~~or~~ place, or terms of participation by
 3297 remote communication if the new date, time, ~~or~~ place, or terms
 3298 of participation by remote communication is announced at the
 3299 meeting before an adjournment is taken, and any business may be
 3300 transacted at the adjourned meeting that might have been

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3301 transacted on the original date of the meeting. If a new record
 3302 date for the adjourned meeting is or must be fixed under s.
 3303 607.0707, however, notice of the adjourned meeting must be given
 3304 under this section to persons who are shareholders as of the new
 3305 record date who are entitled to notice of the meeting.

3306 (5) Notwithstanding the foregoing, whenever notice is
 3307 required to be given to any shareholder under this chapter or
 3308 the articles of incorporation or bylaws of any corporation to
 3309 whom no notice of a shareholders' meeting need be given to a
 3310 shareholder if:

3311 (a) Notice of two consecutive annual meetings, and all
 3312 notices of meetings or the taking of action by written consent
 3313 without a meeting to such person during the period between such
 3314 two consecutive annual meetings; ~~An annual report and proxy~~
 3315 statements for two consecutive annual meetings of shareholders
 3316 or

3317 (b) All, and at least two checks in payment of dividends
 3318 or interest on securities during a 12-month period,
 3319
 3320 have been sent by first-class United States mail, addressed to
 3321 the shareholder at such person's ~~her or his~~ address as it
 3322 appears in the record of shareholders ~~on the share transfer~~
 3323 ~~books~~ of the corporation, maintained in accordance with s.
 3324 607.1601(4), and returned undeliverable, then the giving of such
 3325 notice to such person shall not be required. Any action or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3326 meeting which is taken or held without notice to such person has
 3327 the same force and effect as if such notice has been duly given.
 3328 If any such person delivers to the corporation a written notice
 3329 setting forth such person's then current address, the
 3330 requirement that a notice be given to such person with respect
 3331 to future notices shall be reinstated. ~~The obligation of the~~
 3332 ~~corporation to give notice of a shareholders' meeting to any~~
 3333 ~~such shareholder shall be reinstated once the corporation has~~
 3334 ~~received a new address for such shareholder for entry on its~~
 3335 ~~share transfer books.~~

3336 Section 57. Subsection (1) of section 607.0706, Florida
 3337 Statutes, is amended to read:

3338 607.0706 Waiver of notice.—

3339 (1) A shareholder may waive any notice required by this
 3340 chapter act, the articles of incorporation, or bylaws before or
 3341 after the date and time stated in the notice. The waiver must be
 3342 in writing, be signed by the shareholder entitled to the notice,
 3343 and be delivered to the corporation for filing by the
 3344 corporation with ~~inclusion in~~ the minutes or ~~filing with the~~
 3345 corporate records. Neither the business to be transacted at nor
 3346 the purpose of any regular or special meeting of the
 3347 shareholders need be specified in any written waiver of notice
 3348 unless so required by the articles of incorporation or the
 3349 bylaws.

3350 Section 58. Subsections (1), (3), (4), (6), and (7) of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3351 section 607.0707, Florida Statutes, are amended, and subsections
 3352 (8), (9), and (10) are added to that section, to read:

3353 607.0707 Record date.—

3354 (1) The bylaws may fix or provide the manner of fixing the
 3355 record date or dates for one or more voting groups ~~in order~~ to
 3356 determine the shareholders entitled to notice of a shareholders'
 3357 meeting, to demand a special meeting, to vote, or to take any
 3358 other action. If the bylaws do not fix or provide for fixing
 3359 such a record date, the board of directors ~~of the corporation~~
 3360 may fix the record date. In no event may a record date fixed by
 3361 the board of directors be a date preceding the date upon which
 3362 the resolution fixing the record date is adopted.

3363 (3) The bylaws may fix or provide the manner of fixing the
 3364 record date for determining shareholders entitled to take action
 3365 by the written consent of shareholders. If not otherwise
 3366 provided by or pursuant to the bylaws, the board of directors of
 3367 the corporation may set a record date for determining
 3368 shareholders entitled to take action by the written consent of
 3369 shareholders. In no event may a record date fixed by the board
 3370 of directors be a date preceding the date upon which the
 3371 resolution fixing the record date is adopted. If the bylaws do
 3372 not fix or provide for the manner of fixing such a record date
 3373 and if no such record date is fixed by the board of directors,
 3374 the record date for determining shareholders entitled to take
 3375 such action shall be the date that the first signed written

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3376 consent is delivered to the corporation pursuant to s. 607.0704
3377 ~~If not otherwise provided by or pursuant to the bylaws and no~~
3378 ~~prior action is required by the board of directors pursuant to~~
3379 ~~this act, the record date for determining shareholders entitled~~
3380 ~~to take action without a meeting is the date the first signed~~
3381 ~~written consent is delivered to the corporation under s.~~
3382 ~~607.0704. If not otherwise fixed, and prior action is required~~
3383 ~~by the board of directors pursuant to this chapter, the record~~
3384 ~~date for determining shareholders entitled to take action~~
3385 ~~without a meeting is at the close of business on the day on~~
3386 ~~which the board of directors adopts the resolution taking such~~
3387 ~~prior action.~~

3388 (4) If not otherwise provided by or pursuant to the
3389 bylaws, or by a court order pursuant to s. 607.0703, the record
3390 date for determining shareholders entitled to notice of and to
3391 vote at an annual or special shareholders' meeting is the close
3392 of business on the day before the first notice is delivered to
3393 shareholders.

3394 (6) A determination of shareholders entitled to notice of
3395 or to vote at a shareholders' meeting is effective for any
3396 adjournment of the meeting unless the board of directors fixes a
3397 new record date or dates, which it must do if the meeting is
3398 adjourned to a date more than 120 days after the date fixed for
3399 the original meeting.

3400 (7) If a court orders a meeting adjourned to a date more

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3401 than 120 days after the date fixed for the original meeting, it
3402 may provide that the original record date or dates continues in
3403 effect or it may fix a new record date or dates.

3404 (8) The record date for a shareholders' meeting fixed by
3405 or in the manner provided in the bylaws or by the board of
3406 directors shall be the record date for determining shareholders
3407 entitled both to notice of and to vote at the shareholders'
3408 meeting, unless in the case of a record date fixed by the board
3409 of directors and to the extent not prohibited by the bylaws, the
3410 board of directors, at the time it fixes the record date for
3411 shareholders entitled to notice of the meeting, fixes a later
3412 record date on or before the date of the meeting to determine
3413 the shareholders entitled to vote at the meeting.

3414 (9) Shares of a corporation's own stock acquired by the
3415 corporation between the record date for determining shareholders
3416 entitled to notice of or to vote at a meeting of shareholders
3417 and the time of the meeting may be voted on at the meeting by
3418 the holder of record as of the record date and shall be counted
3419 in determining the total number of outstanding shares entitled
3420 to be voted at the meeting.

3421 (10) If not otherwise fixed under s. 607.0703, the record
3422 date for determining shareholders entitled to demand a special
3423 meeting is the earliest date on which a signed shareholder
3424 demand is delivered to the corporation. A written demand for a
3425 special meeting is not effective unless, within 60 days of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3426 earliest date on which such a demand delivered to the
 3427 corporation as required by s. 607.0702 was signed, written
 3428 demands signed by shareholders holding at least the percentage
 3429 of votes specified in or fixed in accordance with s.
 3430 607.0702(1)(b) have been delivered to the corporation.

3431 Section 59. Section 607.0709, Florida Statutes, is created
 3432 to read:

3433 607.0709 Remote participation in annual and special
 3434 meetings of shareholders.—

3435 (1) Shareholders of any voting group, other persons
 3436 entitled to vote on behalf of shareholders pursuant to s.
 3437 607.0721, attorneys in fact for shareholders, and holders of
 3438 proxies appointed pursuant to s. 607.0722 may participate in any
 3439 annual or special meeting of shareholders by means of remote
 3440 communication to the extent the board of directors authorizes
 3441 such participation for such voting group. Participation by means
 3442 of remote communication is subject to such guidelines and
 3443 procedures as the board of directors adopts, and must be in
 3444 conformity with subsection (2).

3445 (2) Shareholders, other persons entitled to vote on behalf
 3446 of shareholders pursuant to s. 607.0721, attorneys in fact for
 3447 shareholders, and holders of proxies appointed pursuant to s.
 3448 607.0722 participating in a shareholders' meeting by means of
 3449 remote communication authorized under subsection (1) shall be
 3450 deemed present in person and may vote at such a meeting, whether

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3451 such meeting is to be held at a designated place or solely by
3452 means of remote communication, if the corporation has
3453 implemented reasonable measures:

3454 (a) To verify that each person participating remotely as a
3455 shareholder is a shareholder, is another person entitled to vote
3456 on behalf of a shareholder pursuant to s. 607.0721, is an
3457 attorney in fact for a shareholder, or is a holder of a proxy
3458 appointed pursuant to s. 607.0722; and

3459 (b) To provide such shareholders, such other persons
3460 entitled to vote on behalf of shareholders pursuant to s.
3461 607.0721, such attorneys in fact for shareholders, and such
3462 holders of proxies appointed pursuant to s. 607.0722, a
3463 reasonable opportunity to participate in the meeting and to vote
3464 on matters submitted to the shareholders, including an
3465 opportunity to communicate, and to read or hear the proceedings
3466 of the meeting, substantially concurrently with such
3467 proceedings.

3468 (3) If any shareholder, any other person entitled to vote
3469 on behalf of a shareholder pursuant to s. 607.0721, any attorney
3470 in fact for a shareholder, or any holder of a proxy appointed
3471 pursuant to s. 607.0722, votes or takes action at a
3472 shareholder's meeting by means of remote communication
3473 authorized under this section, a record of such vote or other
3474 action shall be maintained by the corporation.

3475 (4) If the board of directors is authorized to determine

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3476 the place of a shareholders' meeting, the board of directors
 3477 may, in its sole discretion, determine that the meeting shall be
 3478 held solely by means of remote communication.

3479 Section 60. Subsections (1), (2), (3), (5), and (7) of
 3480 section 607.0720, Florida Statutes, are amended to read:

3481 607.0720 Shareholders' list for meeting.—

3482 (1) After fixing a record date for a meeting, a
 3483 corporation shall prepare an alphabetical list of the names of
 3484 all its shareholders who are entitled to notice of a
 3485 shareholders' meeting. If the board of directors fixes a
 3486 different record date under s. 607.0707(8) to determine the
 3487 shareholders entitled to vote at the meeting, the corporation
 3488 must also prepare an alphabetical list of the names of all its
 3489 shareholders who are entitled to vote at the meeting. Each list
 3490 must be arranged by voting group, and within each voting group
 3491 by class or series of shares, and show the address of and number
 3492 of shares held by each shareholder. This subsection does not
 3493 require the corporation to include on such list the electronic
 3494 mail address or other electronic contact information of a
 3495 shareholder, ~~arranged by voting group with the address of, and~~
 3496 ~~the number and class and series, if any, of shares held by,~~
 3497 each.

3498 (2) The shareholders' list for notice must be available
 3499 for inspection by any shareholder for a period of 10 days prior
 3500 to the meeting or such shorter time as exists between the record

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3501 date and the meeting and continuing through the meeting at the
3502 corporation's principal office, at a place identified in the
3503 meeting notice in the city where the meeting will be held, or at
3504 the office of the corporation's transfer agent or registrar. Any
3505 separate shareholders' list for voting, if different, must be
3506 similarly available for inspection promptly after the record
3507 date for voting. A shareholder or the shareholder's agent or
3508 attorney is entitled on written demand to inspect and, the list
3509 ~~(subject to the requirements of s. 607.1602(3))~~, copy a list
3510 during regular business hours and at his or her expense, during
3511 the period it is available for inspection.

3512 (3) The corporation shall make the ~~shareholders'~~ list of
3513 shareholders entitled to vote available at the meeting, and any
3514 shareholder or the shareholder's agent or attorney is entitled
3515 to inspect the list at any time during the meeting or any
3516 adjournment.

3517 (5) If the requirements of this section have not been
3518 substantially complied with or if the corporation refuses to
3519 allow a shareholder or the shareholder's agent or attorney to
3520 inspect a the shareholders' list, or copy a list pursuant to
3521 subsection (2), before or at the meeting, the meeting shall be
3522 adjourned until such requirements are complied with on the
3523 demand of any shareholder in person or by proxy who failed to
3524 get such access, or, if not adjourned upon such demand and such
3525 requirements are not complied with, the circuit court in the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3526 | applicable county ~~of the county where a corporation's principal~~
 3527 | ~~office (or, if none in this state, its registered office) is~~
 3528 | ~~located,~~ on application of the shareholder, may summarily order
 3529 | the inspection or copying at the corporation's expense and may
 3530 | postpone the meeting for which the list was prepared until the
 3531 | inspection or copying is complete.

3532 | (7) A shareholder may not sell or otherwise distribute any
 3533 | information or records inspected under this section, except to
 3534 | the extent that such use is for a proper purpose as defined in
 3535 | s. 607.1602(3). ~~Any person who violates this provision shall be~~
 3536 | ~~subject to a civil penalty of \$5,000.~~

3537 | Section 61. Subsections (1), (2), (3), and (4) of section
 3538 | 607.0721, Florida Statutes, are amended to read:

3539 | 607.0721 Voting entitlement of shares.—

3540 | (1) Except as provided in subsections (2), (3), and (4) or
 3541 | unless the articles of incorporation or this chapter act
 3542 | provides otherwise, each outstanding share, regardless of class
 3543 | or series, is entitled to one vote on each matter submitted to a
 3544 | vote at a meeting of shareholders. Only shares are entitled to
 3545 | vote. If the articles of incorporation provide for more or less
 3546 | than one vote for any share on any matter, every reference in
 3547 | this chapter act to a majority or other proportion of shares
 3548 | shall refer to such a majority or other proportion of votes
 3549 | entitled to be cast.

3550 | (2) ~~The~~ Shares of a corporation are not entitled to vote

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3551 if they are owned by or otherwise belong to the corporation
3552 directly, or indirectly through an entity of which a majority of
3553 the voting power is held directly or indirectly by the
3554 corporation or which is otherwise controlled by the, ~~directly or~~
3555 ~~indirectly,~~ by a second corporation, domestic or foreign, and
3556 ~~the first corporation owns, directly or indirectly, a majority~~
3557 ~~of the shares entitled to vote for directors of the second~~
3558 ~~corporation.~~

3559 (3) Shares held by the corporation in a fiduciary capacity
3560 for the benefit of any person are entitled to vote unless they
3561 are held for the benefit of, or otherwise belong to, the
3562 corporation directly, or indirectly through an entity of which a
3563 majority of the voting power is held directly or indirectly by
3564 the corporation or which is otherwise controlled by the
3565 corporation. For the purposes of this subsection, "voting power"
3566 means the current power to vote in the election of directors of
3567 a corporation or to elect, select, or appoint those persons who
3568 will govern another entity ~~Subsection (2) does not limit the~~
3569 ~~power of a corporation to vote any shares, including its own~~
3570 ~~shares, held by it in a fiduciary capacity.~~

3571 (4) Redeemable shares are not entitled to vote on any
3572 matter, and shall not be deemed to be outstanding, after
3573 delivery of a written notice of redemption is effective mailed
3574 ~~to the holders thereof~~ and a sum sufficient to redeem such
3575 shares has been deposited with a bank, trust company, or other

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3576 financial institution upon an irrevocable obligation to pay the
 3577 holders the redemption price upon surrender of the shares.

3578 Section 62. Subsections (3) and (7) of section 607.0722,
 3579 Florida Statutes, are amended, and subsection (5) of that
 3580 section is republished, to read:

3581 607.0722 Proxies.—

3582 (3) An appointment of a proxy is effective when a signed
 3583 appointment form or an electronic transmission of the
 3584 appointment is received by the inspector of election or by the
 3585 secretary or other officer or agent authorized to count ~~tabulate~~
 3586 votes. An appointment is valid for the term ~~up to 11 months~~
 3587 ~~unless a longer period is expressly provided in the appointment~~
 3588 form and, if no term is provided, is valid for 11 months unless
 3589 the appointment is irrevocable under subsection (5).

3590 (5) An appointment of a proxy is revocable by the
 3591 shareholder unless the appointment form or electronic
 3592 transmission conspicuously states that it is irrevocable and the
 3593 appointment is coupled with an interest. Appointments coupled
 3594 with an interest include the appointment of:

3595 (a) A pledgee;

3596 (b) A person who purchased or agreed to purchase the
 3597 shares;

3598 (c) A creditor of the corporation who extended credit to
 3599 the corporation under terms requiring the appointment;

3600 (d) An employee of the corporation whose employment

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3601 contract requires the appointment; or

3602 (e) A party to a voting agreement created under s.
3603 607.0731.

3604 (7) Unless the appointment otherwise provides, an
3605 appointment made irrevocable under subsection (5) continues in
3606 effect after a transfer of the shares and a transferee takes
3607 subject to the appointment, except that a transferee for value
3608 of shares subject to an irrevocable appointment may revoke the
3609 appointment if the transferee did not know of its existence when
3610 the transferee ~~he or she~~ acquired the shares and the existence
3611 of the irrevocable appointment was not noted conspicuously on
3612 the certificate representing the shares or on the information
3613 statement for shares without certificates.

3614 Section 63. Section 607.0723, Florida Statutes, is amended
3615 to read:

3616 607.0723 Shares held by intermediaries and nominees.—

3617 (1) A corporation's board of directors ~~corporation~~ may
3618 establish a procedure under ~~by~~ which a person on whose behalf
3619 ~~the beneficial owner of~~ shares that are registered in the name
3620 of an intermediary or a nominee may elect to be treated ~~is~~
3621 ~~recognized~~ by the corporation as the record shareholder by
3622 filing with the corporation a beneficial ownership certificate.
3623 The terms, conditions, and limitations of such treatment shall
3624 be specified in the procedure. To the extent such person is
3625 treated under such procedure as having rights or privileges that

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3626 | the record shareholder otherwise would have, the record
 3627 | shareholder may not have those rights or privileges. ~~The extent~~
 3628 | ~~of this recognition may be determined in the procedure.~~

3629 | (2) The procedure must specify ~~may set forth~~:

3630 | (a) The types of intermediaries or nominees to which it
 3631 | applies;

3632 | (b) The rights or privileges that the corporation
 3633 | recognizes in a person with respect to whom a beneficial
 3634 | ownership certificate is filed ~~beneficial owner~~;

3635 | (c) The manner in which the procedure is selected, which
 3636 | shall include that the beneficial ownership certificate be
 3637 | signed or assented to by or on behalf of the record shareholder
 3638 | and the person or persons on whose behalf the shares are held ~~by~~
 3639 | ~~the nominee~~;

3640 | (d) The information that must be provided when the
 3641 | procedure is selected;

3642 | (e) The period for which selection of the procedure is
 3643 | effective; ~~and~~

3644 | (f) Requirements for notice to the corporation with
 3645 | respect to the arrangement; and

3646 | (g) The form and contents of the beneficial ownership
 3647 | certificate.

3648 | (3) The procedure may specify any other aspects of the
 3649 | rights and duties created by the filing of a beneficial
 3650 | ownership certificate.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3651 Section 64. Section 607.0724, Florida Statutes, is amended
3652 to read:

3653 607.0724 ~~Corporation's~~ Acceptance of votes and other
3654 instruments.—

3655 (1) If the name signed on a vote, ballot, consent, waiver,
3656 shareholder demand, or proxy appointment corresponds to the name
3657 of a shareholder, the corporation if acting in good faith is
3658 entitled to accept the vote, ballot, consent, waiver,
3659 shareholder demand, or proxy appointment and give it effect as
3660 the act of the shareholder.

3661 (2) If the name signed on a vote, ballot, consent, waiver,
3662 shareholder demand, or proxy appointment does not correspond to
3663 the name of its shareholder, the corporation if acting in good
3664 faith is nevertheless entitled to accept the vote, ballot,
3665 consent, waiver, shareholder demand, or proxy appointment and
3666 give it effect as the act of the shareholder if:

3667 (a) The shareholder is an entity and the name signed
3668 purports to be that of an officer or agent of the entity;

3669 (b) The name signed purports to be that of an
3670 administrator, executor, guardian, personal representative, or
3671 conservator representing the shareholder and, if the corporation
3672 requests, evidence of fiduciary status acceptable to the
3673 corporation has been presented with respect to the vote, ballot,
3674 consent, waiver, shareholder demand, or proxy appointment;

3675 (c) The name signed purports to be that of a receiver,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3676 trustee in bankruptcy, or assignee for the benefit of creditors
 3677 of the shareholder and, if the corporation requests, evidence of
 3678 this status acceptable to the corporation has been presented
 3679 with respect to the vote, ballot, consent, waiver, shareholder
 3680 demand, or proxy appointment;

3681 (d) The name signed purports to be that of a pledgee,
 3682 beneficial owner, or attorney in fact of the shareholder and, if
 3683 the corporation requests, evidence acceptable to the corporation
 3684 of the signatory's authority to sign for the shareholder has
 3685 been presented with respect to the vote, ballot, consent,
 3686 waiver, shareholder demand, or proxy appointment; or

3687 (e) Two or more persons are the shareholder as cotenants
 3688 or fiduciaries and the name signed purports to be the name of at
 3689 least one of the co_owners and the person signing appears to be
 3690 acting on behalf of all the co_owners.

3691 (3) The corporation is entitled to reject a vote, ballot,
 3692 consent, waiver, shareholder demand, or proxy appointment if the
 3693 person authorized to accept or reject such instrument ~~secretary~~
 3694 ~~or other officer or agent authorized to tabulate votes~~, acting
 3695 in good faith, has reasonable basis for doubt about the validity
 3696 of the signature on it or about the signatory's authority to
 3697 sign for the shareholder.

3698 (4) Neither the corporation or any person authorized by
 3699 it, nor any inspector of election under s. 607.0729, that ~~The~~
 3700 ~~corporation and its officer or agent who~~ accepts or rejects a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3701 | vote, ballot, consent, waiver, shareholder demand, or proxy
 3702 | appointment in good faith and in accordance with the standards
 3703 | of this section is ~~are not~~ liable in damages to the shareholder
 3704 | for the consequences of the acceptance or rejection.

3705 | (5) Corporate action based on the acceptance or rejection
 3706 | of a vote, ballot, consent, waiver, shareholder demand, or proxy
 3707 | appointment under this section is valid unless a court of
 3708 | competent jurisdiction determines otherwise.

3709 | (6) If an inspector of election has been appointed under
 3710 | s. 607.0729, the inspector of election may request information
 3711 | and make determinations under subsections (1), (2), and (3). Any
 3712 | determination made by the inspector of election under those
 3713 | subsections is controlling.

3714 | Section 65. Subsections (1), (2), (3), and (5) of section
 3715 | 607.0725, Florida Statutes, are amended, and subsection (8) is
 3716 | added to that section, to read:

3717 | 607.0725 Quorum and voting requirements for voting
 3718 | groups.—

3719 | (1) Shares entitled to vote as a separate voting group may
 3720 | take action on a matter at a meeting only if a quorum of those
 3721 | shares exists with respect to that matter. Unless the articles
 3722 | of incorporation or this chapter ~~act~~ provides otherwise, a
 3723 | majority of the votes entitled to be cast on the matter by the
 3724 | voting group constitutes a quorum of that voting group for
 3725 | action on that matter.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3726 (2) Once a share is represented for any purpose at a
 3727 meeting, it is deemed present for quorum purposes for the
 3728 remainder of the meeting and for any adjournment of that meeting
 3729 unless a new record date is or must be fixed ~~set~~ for that
 3730 adjourned meeting.

3731 (3) If a quorum exists, action on a matter (other than the
 3732 election of directors) by a voting group is approved if the
 3733 votes cast within the voting group favoring the action exceed
 3734 the votes cast opposing the action, unless the articles of
 3735 incorporation or this chapter ~~act~~ requires a greater number of
 3736 affirmative votes.

3737 (5) The articles of incorporation may provide for a
 3738 greater voting requirement or a greater or lesser quorum
 3739 requirement for shareholders, or voting groups of shareholders,
 3740 than is provided by this chapter ~~act~~, but in no event shall a
 3741 quorum consist of less than one-third of the shares entitled to
 3742 vote.

3743 (8) Whenever a provision of this chapter provides for
 3744 voting of classes or series as separate voting groups, the rules
 3745 provided in s. 607.1004 for amendments of articles of
 3746 incorporation apply to that provision.

3747 Section 66. Section 607.0726, Florida Statutes, is amended
 3748 to read:

3749 607.0726 Action by single and multiple voting groups.—

3750 (1) If the articles of incorporation or this chapter ~~act~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3751 provides for voting by a single voting group on a matter, action
 3752 on that matter is taken when voted upon by that voting group as
 3753 provided in s. 607.0725.

3754 (2) If the articles of incorporation or this chapter act
 3755 provides for voting by two or more voting groups on a matter,
 3756 action on that matter is taken only when voted upon by each of
 3757 those voting groups counted separately as provided in s.
 3758 607.0725. Action may be taken by different voting groups ~~one~~
 3759 ~~voting group~~ on a matter at different times ~~even though no~~
 3760 ~~action is taken by another voting group entitled to vote on the~~
 3761 ~~matter.~~

3762 Section 67. Subsection (1) of section 607.0728, Florida
 3763 Statutes, is amended to read:

3764 607.0728 Voting for directors; cumulative voting.—

3765 (1) Unless otherwise provided in the articles of
 3766 incorporation, or in a bylaw that fixes a greater voting
 3767 requirement for the election of directors and that is adopted by
 3768 the board of directors or shareholders of a corporation having
 3769 shares registered pursuant to s. 12 of the Securities Exchange
 3770 Act of 1934 ~~listed on a national securities exchange~~ at the time
 3771 of adoption, directors are elected by a plurality of the votes
 3772 cast by the shares entitled to vote in the election at a meeting
 3773 at which a quorum is present. A bylaw provision or amendment
 3774 adopted by shareholders which specifies the votes necessary for
 3775 the election of directors may not be further amended or repealed

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3776 | by the board of directors.

3777 | Section 68. Section 607.0729, Florida Statutes, is created
3778 | to read:

3779 | 607.0729 Voting procedures; inspectors of election.-

3780 | (1) A corporation that has a class of shares registered
3781 | pursuant to s. 12 of the Securities Exchange Act of 1934 shall,
3782 | and any other corporation may, appoint one or more inspectors to
3783 | act at a meeting of shareholders in connection with determining
3784 | voting results. Each inspector will faithfully execute the
3785 | duties of inspector with strict impartiality and according to
3786 | the best of the inspector's ability. An inspector may be an
3787 | officer or employee of the corporation. The inspectors may
3788 | appoint or retain other persons to assist the inspectors in the
3789 | performance of the duties of inspector under subsection (2) and
3790 | may rely on information provided by such persons and other
3791 | persons, including those appointed to count votes, unless the
3792 | inspectors believe reliance is unwarranted.

3793 | (2) The inspectors shall:

3794 | (a) Ascertain the number of shares outstanding and the
3795 | voting power of each;

3796 | (b) Determine the shares represented at a meeting;

3797 | (c) Determine the validity of proxy appointments and
3798 | ballots;

3799 | (d) Count the votes; and

3800 | (e) Make a written report of the results.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3801 (3) In performing their duties, the inspectors may
 3802 examine:
 3803 (a) The proxy appointment forms and any other information
 3804 provided in accordance with s. 607.0722(2);
 3805 (b) Any envelope or related writing submitted with those
 3806 appointment forms;
 3807 (c) Any ballots;
 3808 (d) Any evidence or other information specified in s.
 3809 607.0724; and
 3810 (e) The relevant books and records of the corporation
 3811 relating to its shareholders and their entitlement to vote,
 3812 including any securities position list provided by a depository
 3813 clearing agency.
 3814 (4) The inspectors also may consider other information
 3815 that they believe is relevant and reliable for the purpose of
 3816 performing any of the duties assigned to them pursuant to
 3817 subsection (2), including, for the purpose of evaluating
 3818 inconsistent, incomplete, or erroneous information and
 3819 reconciling information submitted on behalf of banks, brokers,
 3820 their nominees, or similar persons that indicates more votes
 3821 being cast than a proxy is authorized by the record shareholder
 3822 to cast or more votes being cast than the record shareholder is
 3823 entitled to cast. If the inspectors consider other information
 3824 allowed by this subsection, they must, in their report under
 3825 subsection (2), specify the information considered by them,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3826 | including the purpose or purposes for which the information was
 3827 | considered, the person or persons from whom they obtained the
 3828 | information, when the information was obtained, the means by
 3829 | which the information was obtained, and the basis for the
 3830 | inspectors' belief that such information is relevant and
 3831 | reliable.

3832 | (5) Determinations of law by the inspectors of election
 3833 | are subject to de novo review by a court in a judicial
 3834 | proceeding challenging the inspector's activities under this
 3835 | section.

3836 | (6) The chair of the meeting shall announce at the meeting
 3837 | when the polls close for each matter voted upon. If no
 3838 | announcement is made, the polls shall be deemed to have closed
 3839 | upon the final adjournment of the meeting. After the polls
 3840 | close, no ballots, proxies, or votes, or any revocations or
 3841 | changes thereto, may be accepted.

3842 | Section 69. Subsection (1) of section 607.0730, Florida
 3843 | Statutes, is amended to read:

3844 | 607.0730 Voting trusts.—

3845 | (1) One or more shareholders may create a voting trust,
 3846 | conferring on a trustee the right to vote or otherwise act for
 3847 | him or her or for them, by signing an agreement setting out the
 3848 | provisions of the trust (which may include anything consistent
 3849 | with its purpose) and transferring their shares to the trustee.
 3850 | When a voting trust agreement is signed, the trustee shall

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3851 | prepare a list of the names and addresses of all voting trust
 3852 | beneficial owners ~~of beneficial interests in the trust~~, together
 3853 | with the number and class of shares each transferred to the
 3854 | trust, and deliver copies of the list and agreement to the
 3855 | corporation at its ~~corporation's~~ principal office. After filing
 3856 | a copy of the list and agreement in the corporation's principal
 3857 | office, such copy shall be open to inspection by any shareholder
 3858 | of the corporation (subject to the requirements of s.
 3859 | 607.1602(3)) or by any beneficiary of the trust under the
 3860 | agreement during business hours.

3861 | Section 70. Section 607.0731, Florida Statutes, is amended
 3862 | to read:

3863 | 607.0731 Voting ~~Shareholders'~~ agreements.-

3864 | (1) Two or more shareholders may provide for the manner in
 3865 | which they will vote their shares by signing an agreement for
 3866 | that purpose. A voting ~~shareholders'~~ agreement created under
 3867 | this section is not subject to the provisions of s. 607.0730.

3868 | (2) A voting ~~shareholders'~~ agreement created under this
 3869 | section is specifically enforceable.

3870 | (3) A transferee of shares in a corporation the
 3871 | shareholders of which have entered into an agreement authorized
 3872 | by subsection (1) shall be bound by such agreement if the
 3873 | transferee takes shares subject to such agreement with notice
 3874 | thereof. A transferee shall be deemed to have notice of any such
 3875 | agreement or any ~~such~~ renewal thereof if the existence of such

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3876 | agreement ~~thereof~~ is noted on the face or back of the
 3877 | certificate or certificates representing such shares or on the
 3878 | information statement for uncertified shares required by s.
 3879 | 607.0626(2).

3880 | Section 71. Subsections (1) through (5) of section
 3881 | 607.0732, Florida Statutes, are amended, and subsection (8) is
 3882 | added to that section, to read:

3883 | 607.0732 Shareholder agreements.—

3884 | (1) An agreement among the shareholders of a corporation
 3885 | ~~with 100 or fewer shareholders at the time of the agreement,~~
 3886 | that complies with this section, ~~is~~ effective among the
 3887 | shareholders and the corporation, even though it is inconsistent
 3888 | with one or more other provisions of this chapter, if it:

3889 | (a) Eliminates the board of directors or limits or
 3890 | restricts the discretion or powers of the board of directors;

3891 | (b) Governs the authorization or making of distributions
 3892 | regardless of whether they are ~~or not~~ in proportion to ownership
 3893 | of shares, subject to the limitations in s. 607.06401;

3894 | (c) Establishes who shall be directors or officers of the
 3895 | corporation, or their terms of office or manner of selection or
 3896 | removal;

3897 | (d) Governs, in general or in regard to specific matters,
 3898 | the exercise or division of voting power by the shareholders and
 3899 | directors or among any of them, including use of weighted voting
 3900 | rights or director proxies;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3901 (e) Establishes the terms and conditions of any agreement
 3902 for the transfer or use of property or the provision of services
 3903 between the corporation and any shareholder, director, officer,
 3904 or employee of the corporation or among any of them;

3905 (f) Transfers to any shareholder or other person any
 3906 authority to exercise the corporate powers or to manage the
 3907 business and affairs of the corporation, including the
 3908 resolution of any issue about which there exists a deadlock
 3909 among directors or shareholders; ~~or~~

3910 (g) Requires dissolution of the corporation at the request
 3911 of one or more of the shareholders or upon the occurrence of a
 3912 specified event or contingency;~~or~~

3913 (h) Imposes a liability on a shareholder for the attorney
 3914 fees or expenses of the corporation or any other party in
 3915 connection with an internal corporate claim, as defined in s.
 3916 607.0208;

3917 (i) Establishes, including in lieu of a judicial
 3918 dissolution, a mechanism for breaking a deadlock among the
 3919 directors or shareholders of the corporation; or

3920 (j)~~(h)~~ Otherwise governs the exercise of the corporate
 3921 powers or the management of the business and affairs of the
 3922 corporation or the relationship between the shareholders, the
 3923 directors, and ~~or~~ the corporation, or among any of them, and is
 3924 not contrary to public policy. ~~For purposes of this paragraph,~~
 3925 ~~agreements contrary to public policy include, but are not~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3926 | ~~limited to, agreements that reduce the duties of care and~~
 3927 | ~~loyalty to the corporation as required by ss. 607.0830 and~~
 3928 | ~~607.0832, exculpate directors from liability that may be imposed~~
 3929 | ~~under s. 607.0831, adversely affect shareholders' rights to~~
 3930 | ~~bring derivative actions under s. 607.07401, or abrogate~~
 3931 | ~~dissenters' rights under ss. 607.1301-607.1320.~~

3932 | (2) An agreement authorized by this section shall be:

3933 | (a)1. Set forth or referenced in the articles of
 3934 | incorporation or bylaws and approved by all persons who are
 3935 | shareholders at the time the agreement; or

3936 | 2. Set forth in a written agreement that is signed by all
 3937 | persons who are shareholders at the time of the agreement and
 3938 | such written agreement is made known to the corporation; and-

3939 | (b) Subject to termination or amendment only by all
 3940 | persons who are shareholders at the time of the termination or
 3941 | amendment, unless the agreement provides otherwise ~~with respect~~
 3942 | ~~to termination and with respect to amendments that do not change~~
 3943 | ~~the designation, rights, preferences, or limitations of any of~~
 3944 | ~~the shares of a class or series.~~

3945 | (3) The existence of an agreement authorized by this
 3946 | section shall be noted conspicuously on the front or back of
 3947 | each certificate for outstanding shares or on the information
 3948 | statement required with respect to uncertified shares by s.
 3949 | 607.0626(2). If at the time of the agreement the corporation has
 3950 | shares outstanding which are represented by certificates, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3951 corporation shall recall such certificates and issue substitute
 3952 certificates that comply with this subsection. The failure to
 3953 note the existence of the agreement on the certificate or
 3954 information statement shall not affect the validity of the
 3955 agreement or any action taken pursuant to it. Any purchaser of
 3956 shares who, at the time of purchase, did not have knowledge of
 3957 the existence of the agreement shall be entitled to rescission
 3958 of the purchase. A purchaser shall be deemed to have knowledge
 3959 of the existence of the agreement if its existence is noted on
 3960 the certificate or information statement for the shares in
 3961 compliance with this subsection and, if the shares are not
 3962 represented by a certificate, the information statement is
 3963 delivered to the purchaser at or before ~~prior to~~ the time of the
 3964 purchase of the shares. An action to enforce the right of
 3965 rescission authorized by this subsection must be commenced
 3966 within the earlier of 90 days after discovery of the existence
 3967 of the agreement or 2 years after the time of purchase of the
 3968 shares.

3969 (4) An agreement authorized by this section shall cease to
 3970 be effective when shares of the corporation are registered
 3971 pursuant to s. 12 of the Securities Exchange Act of 1934 ~~listed~~
 3972 ~~on a national securities exchange or regularly quoted in a~~
 3973 ~~market maintained by one or more members of a national or~~
 3974 ~~affiliated securities association.~~ If the agreement ceases to be
 3975 effective for any reason, the board of directors may, if the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

3976 agreement is contained or referred to in the corporation's
 3977 articles of incorporation or bylaws, adopt an amendment to the
 3978 articles of incorporation or bylaws, without shareholder action,
 3979 to delete the agreement and any references to it.

3980 (5) An agreement authorized by this section that limits or
 3981 restricts the discretion or powers of the board of directors
 3982 shall relieve the directors of, and impose upon the person or
 3983 persons in whom such discretion or powers are vested, liability
 3984 for acts or omissions imposed by law on directors to the extent
 3985 that the discretion or powers of the directors are limited by
 3986 the agreement.

3987 (8) This section does not limit or invalidate agreements
 3988 that are otherwise valid or authorized without regard to this
 3989 section, including shareholder agreements between or among some
 3990 or all of the shareholders or agreements between or among the
 3991 corporation and one or more shareholders.

3992 Section 72. Section 607.07401, Florida Statutes, is
 3993 repealed.

3994 Section 73. Section 607.0741, Florida Statutes, is created
 3995 to read:

3996 607.0741 Standing.—

3997 (1) A shareholder may not commence a derivative proceeding
 3998 unless the shareholder is a shareholder at the time the action
 3999 is commenced and:

4000 (a) Was a shareholder when the conduct giving rise to the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4001 action occurred; or

4002 (b) Whose status as a shareholder devolved on the person
4003 through transfer or by operation of law from one who was a
4004 shareholder when the conduct giving rise to the action occurred.

4005 (2) In ss. 607.0741-607.0747, the term "shareholder" means
4006 a record shareholder, a beneficial shareholder, or an
4007 unrestricted voting trust beneficial owner.

4008 Section 74. Section 607.0742, Florida Statutes, is created
4009 to read:

4010 607.0742 Complaint; demand and excuse.—A complaint in a
4011 proceeding brought in the right of a corporation must be
4012 verified and allege with particularity:

4013 (1) The demand, if any, made to obtain the action desired
4014 by the shareholder from the board of directors; and

4015 (2) Either:

4016 (a) If such a demand was made, that the demand was
4017 refused, rejected, or ignored by the board of directors prior to
4018 the expiration of 90 days from the date the demand was made;

4019 (b) If such a demand was made, why irreparable injury to
4020 the corporation or misapplication or waste of corporate assets
4021 causing material injury to the corporation would result by
4022 waiting for the expiration of a 90-day period from the date the
4023 demand was made; or

4024 (c) The reason or reasons the shareholder did not make the
4025 effort to obtain the desired action from the board of directors

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4026 | or comparable authority.

4027 | Section 75. Section 607.0743, Florida Statutes, is created
4028 | to read:

4029 | 607.0743 Stay of proceedings.—If the corporation commences
4030 | an inquiry into the allegations made in the demand or complaint,
4031 | the court may stay any derivative proceeding for such period as
4032 | the court deems appropriate.

4033 | Section 76. Section 607.0744, Florida Statutes, is created
4034 | to read:

4035 | 607.0744 Dismissal.—

4036 | (1) A derivative proceeding may be dismissed, in whole or
4037 | in part, by the court on motion by the corporation if a group
4038 | specified in subsection (2) or subsection (3) has determined in
4039 | good faith, after conducting a reasonable inquiry upon which its
4040 | conclusions are based, that the maintenance of the derivative
4041 | proceeding is not in the best interests of the corporation. In
4042 | all such cases, the corporation has the burden of proof
4043 | regarding the qualifications, good faith, and reasonable inquiry
4044 | of the group making the determination.

4045 | (2) Unless a panel is appointed pursuant to subsection
4046 | (3), the determination required in subsection (1) shall be made
4047 | by:

4048 | (a) A majority of qualified directors present at a meeting
4049 | of the board of directors if the qualified directors constitute
4050 | a quorum; or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4051 (b) A majority vote of a committee consisting of two or
 4052 more qualified directors appointed by majority vote of qualified
 4053 directors present at a meeting of the board of directors,
 4054 regardless of whether such qualified directors constitute a
 4055 quorum.

4056 (3) Upon motion by the corporation, the court may appoint
 4057 a panel consisting of one or more disinterested and independent
 4058 individuals to make a determination required in subsection (1).

4059 (4) This section does not prevent the court from:

4060 (a) Enforcing a person's rights under the corporation's
 4061 articles of incorporation, bylaws or this chapter, including the
 4062 person's rights to information under s. 607.1602; or

4063 (b) Exercising its equitable or other powers, including
 4064 granting extraordinary relief in the form of a temporary
 4065 restraining order or preliminary injunction.

4066 Section 77. Section 607.0745, Florida Statutes, is created
 4067 to read:

4068 607.0745 Discontinuance or settlement; notice.-

4069 (1) A derivative action on behalf of a corporation may not
 4070 be discontinued or settled without the court's approval.

4071 (2) If the court determines that a proposed discontinuance
 4072 or settlement will substantially affect the interest of the
 4073 corporation's shareholders or a class, series, or voting group
 4074 of shareholders, the court shall direct that notice be given to
 4075 the shareholders affected. The court may determine which party

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4076 or parties to the derivative action shall bear the expense of
 4077 giving the notice.

4078 Section 78. Section 607.0746, Florida Statutes, is created
 4079 to read:

4080 607.0746 Proceeds and expenses.—On termination of the
 4081 derivative proceeding the court may:

4082 (1) Order the corporation to pay from the amount recovered
 4083 in the derivative proceeding by the corporation the plaintiff's
 4084 reasonable expenses, including reasonable attorney fees and
 4085 costs, incurred in the derivative proceeding if it finds that,
 4086 in the derivative proceeding, the plaintiff was successful in
 4087 whole or in part; or

4088 (2) Order the plaintiff to pay any of the defendant's
 4089 reasonable expenses, including reasonable attorney fees and
 4090 costs, incurred in defending the proceeding if it finds that the
 4091 proceeding was commenced or maintained without reasonable cause
 4092 or for an improper purpose.

4093 Section 79. Section 607.0747, Florida Statutes, is created
 4094 to read:

4095 607.0747 Applicability to foreign corporations.—In any
 4096 derivative proceeding in the right of a foreign corporation
 4097 brought in the courts of this state, the matters covered by ss.
 4098 607.0741-607.0747 shall be governed by the laws of the
 4099 jurisdiction of incorporation of the foreign corporation except
 4100 for ss. 607.0743, 607.0745, and 607.0746.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4101 Section 80. Section 607.0748, Florida Statutes, is created
4102 to read:

4103 607.0748 Shareholder action to appoint custodians or
4104 receivers.-

4105 (1) A circuit court may appoint one or more persons to be
4106 custodians or receivers of and for a corporation in a proceeding
4107 by a shareholder where it is established that:

4108 (a) The directors are deadlocked in the management of the
4109 corporate affairs, the shareholders are unable to break the
4110 deadlock, and irreparable injury to the corporation is
4111 threatened or being suffered; or

4112 (b) The directors or those in control of the corporation
4113 are acting fraudulently and irreparable injury to the
4114 corporation is threatened or being suffered.

4115 (2) The court:

4116 (a) May issue injunctions, appoint one or more temporary
4117 custodians or temporary receivers with all the powers and duties
4118 the court directs, take other action to preserve the corporate
4119 assets wherever located, and carry on the business of the
4120 corporation until a full hearing is held;

4121 (b) Shall hold a full hearing, after notifying all parties
4122 to the proceeding and any interested persons designated by the
4123 court, before appointing a custodian or receiver; and

4124 (c) Has jurisdiction over the corporation and all of its
4125 property, wherever located.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4126 (3) The court may appoint a natural person, a domestic
4127 eligible entity, or a foreign eligible entity authorized to
4128 transact business in this state as a custodian or receiver and
4129 may require the custodian or receiver to post bond, with or
4130 without sureties, in an amount the court directs.

4131 (4) The court shall describe the powers and duties of the
4132 custodian or receiver in its appointing order, which may be
4133 amended. Among other powers:

4134 (a) A custodian may exercise all of the powers of the
4135 corporation, through or in place of its board of directors, to
4136 the extent necessary to manage the business and affairs of the
4137 corporation; and

4138 (b) A receiver may dispose of all or any part of the
4139 assets of the corporation, wherever located, at a public or
4140 private sale, if authorized by the court, and may sue and defend
4141 in the receiver's own name as receiver in all courts of this
4142 state.

4143 (5) During a custodianship, the court may redesignate the
4144 custodian a receiver and, during a receivership, the court may
4145 redesignate the receiver a custodian, in each case if doing so
4146 is in the best interests of the corporation.

4147 (6) The court from time to time during the custodianship
4148 or receivership may order compensation paid and expense
4149 disbursements or reimbursements made to any custodian or
4150 receiver from the assets of the corporation or proceeds from the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4151 sale of its assets.

4152 Section 81. Section 607.0749, Florida Statutes, is created
4153 to read:

4154 607.0749 Provisional director.—

4155 (1) In a proceeding by a shareholder, a provisional
4156 director may be appointed in the discretion of the court if it
4157 appears that such action by the court will remedy a situation in
4158 which the directors are deadlocked in the management of the
4159 corporate affairs and the shareholders are unable to break the
4160 deadlock. A provisional director may be appointed
4161 notwithstanding the absence of a vacancy on the board of
4162 directors, and such director shall have all the rights and
4163 powers of a duly elected director, including the right to notice
4164 of and to vote at meetings of directors, until such time as the
4165 provisional director is removed by order of the court or, unless
4166 otherwise ordered by a court, removed by a vote of the
4167 shareholders sufficient either to elect a majority of the board
4168 of directors or, if greater than majority voting is required by
4169 the articles of incorporation or the bylaws, to elect the
4170 requisite number of directors needed to take action. A
4171 provisional director shall be an impartial person who is neither
4172 a shareholder nor a creditor of the corporation or of any
4173 subsidiary or affiliate of the corporation, and whose further
4174 qualifications, if any, may be determined by the court.

4175 (2) A provisional director shall report from time to time

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4176 to the court concerning the matter complained of, or the status
 4177 of the deadlock, if any, and of the status of the corporation's
 4178 business, as the court shall direct. No provisional director
 4179 shall be liable for any action taken or decision made, except as
 4180 directors may be liable under s. 607.0831. In addition, the
 4181 provisional director shall submit to the court, if so directed,
 4182 recommendations as to the appropriate disposition of the action.
 4183 Whenever a provisional director is appointed, any officer or
 4184 director of the corporation may, from time to time, petition the
 4185 court for instructions clarifying the duties and
 4186 responsibilities of such officer or director.

4187 (3) In any proceeding under this section, the court shall
 4188 allow reasonable compensation to the provisional director for
 4189 services rendered and reimbursement or direct payment of
 4190 reasonable costs and expenses, which amounts shall be paid by
 4191 the corporation.

4192 Section 82. Section 607.0750, Florida Statutes, is created
 4193 to read:

4194 607.0750 Direct action by shareholder.—

4195 (1) Subject to subsection (2), a shareholder may maintain
 4196 a direct action against another shareholder, officer, director,
 4197 or the company, to enforce the shareholder's rights and
 4198 otherwise protect the shareholder's interests, including rights
 4199 and interests under the articles of incorporation, the bylaws or
 4200 this chapter or arising independently of the shareholder

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4201 relationship.

4202 (2) A shareholder maintaining a direct action under this
 4203 section must plead and prove either:

4204 (a) An actual or threatened injury that is not solely the
 4205 result of an injury suffered or threatened to be suffered by the
 4206 corporation; or

4207 (b) An actual or threatened injury resulting from a
 4208 violation of a separate statutory or contractual duty owed by
 4209 the alleged wrongdoer to the shareholder, even if the injury is
 4210 in whole or in part the same as the injury suffered or
 4211 threatened to be suffered by the corporation.

4212 Section 83. Section 607.0801, Florida Statutes, is amended
 4213 to read:

4214 607.0801 Requirement for and duties of board of
 4215 directors.—

4216 (1) Except as may be provided in an agreement authorized
 4217 pursuant to s. 607.0732(1), each corporation must have a board
 4218 of directors.

4219 (2) All corporate powers shall be exercised by or under
 4220 the authority of the board of directors of the corporation, and
 4221 the business and affairs of the corporation shall be managed by
 4222 or under the direction of, and subject to the oversight of, its
 4223 board of directors, subject to any limitation set forth in the
 4224 articles of incorporation or in an agreement authorized under s.
 4225 607.0732.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4226 Section 84. Section 607.0802, Florida Statutes, is amended
 4227 to read:

4228 607.0802 Qualifications of directors.—

4229 (1) Directors must be natural persons who are 18 years of
 4230 age or older but need not be residents of this state or
 4231 shareholders of the corporation unless the articles of
 4232 incorporation or bylaws so require. The articles of
 4233 incorporation or bylaws may prescribe additional qualifications
 4234 for directors or nominees for directors.

4235 (2) A qualification for nomination for director prescribed
 4236 before a person's nomination shall apply to such person at the
 4237 time of nomination. A qualification for nomination for director
 4238 prescribed after a person's nomination does not apply to such
 4239 person with respect to such nomination.

4240 (3) A qualification for director prescribed before a
 4241 director has been elected or appointed may apply only at the
 4242 time an individual becomes a director or may apply during a
 4243 director's term. A qualification prescribed after a director has
 4244 been elected or appointed does not apply to that director before
 4245 the end of that director's term.

4246 (4)-(2) In the event that the eligibility to serve as a
 4247 member of the board of directors of a condominium association,
 4248 cooperative association, homeowners' association, or mobile home
 4249 owners' association is restricted to membership in such
 4250 association and membership is appurtenant to ownership of a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4251 unit, parcel, or mobile home, a grantor of a trust described in
4252 s. 733.707(3), or a qualified beneficiary as defined in s.
4253 736.0103 of a trust which owns a unit, parcel, or mobile home
4254 shall be deemed a member of the association and eligible to
4255 serve as a director of the condominium association, cooperative
4256 association, homeowners' association, or mobile home owners'
4257 association, provided that said beneficiary occupies the unit,
4258 parcel, or mobile home.

4259 Section 85. Subsection (3) of section 607.0803, Florida
4260 Statutes, is amended to read:

4261 607.0803 Number of directors.—

4262 (3) Directors are elected at the first annual
4263 shareholders' meeting and at each annual shareholders' meeting
4264 thereafter, unless elected by written consent in lieu of an
4265 annual shareholders' meeting pursuant to s. 607.0704 or unless
4266 their terms are staggered under s. 607.0806.

4267 Section 86. Section 607.0804, Florida Statutes, is amended
4268 to read:

4269 607.0804 Election of directors by certain voting groups;
4270 special voting rights of certain directors.—The articles of
4271 incorporation may confer upon holders of any voting group the
4272 right to elect one or more directors who shall serve for such
4273 term and have such voting powers as are stated in the articles
4274 of incorporation. The terms of office and voting powers of the
4275 directors elected in the manner provided in the articles of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4276 incorporation may be greater than or less than those of any
 4277 other director or class of directors. If the articles of
 4278 incorporation provide that directors elected by the holders of a
 4279 voting group shall have more or less than one vote per director
 4280 on any matter, every reference in this chapter ~~act~~ to a majority
 4281 or other proportion of directors shall refer to a majority or
 4282 other proportion of the votes of such directors. If a
 4283 shareholders' agreement meeting the requirements of s. 607.0732,
 4284 or articles of incorporation or bylaws meeting the requirements
 4285 of s. 607.0732, provide that directors shall have more or less
 4286 than one vote per director on any matter, every reference in
 4287 this chapter to a majority or other proportion of directors
 4288 shall refer to a majority or other proportion of the votes of
 4289 such directors.

4290 Section 87. Subsections (2) and (5) of section 607.0805,
 4291 Florida Statutes, are amended to read:

4292 607.0805 Terms of directors generally.—

4293 (2) The terms of all other directors expire at the next
 4294 annual shareholders' meeting following their election, except to
 4295 the extent:

4296 (a) Provided in s. 607.0806;

4297 (b) Provided in s. 607.1023 if a bylaw electing to be
 4298 governed by that section is in effect; or

4299 (c) That a shorter term is specified in the articles of
 4300 incorporation in the event of a director nominee failing to

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4301 receive a specified vote for election ~~unless their terms are~~
 4302 ~~staggered under s. 607.0806.~~

4303 (5) Except to the extent otherwise provided in the
 4304 articles of incorporation or under s. 607.1023, if a bylaw
 4305 electing to be governed by that section is in effect, despite
 4306 the expiration of a director's term, the director continues to
 4307 serve until his or her successor is elected and qualifies or
 4308 until there is a decrease in the number of directors.

4309 Section 88. Section 607.0806, Florida Statutes, is amended
 4310 to read:

4311 607.0806 Staggered terms for directors.—

4312 (1) ~~The directors of any corporation organized under this~~
 4313 ~~act may, by the~~ articles of incorporation, the initial bylaws or
 4314 ~~by an initial bylaw,~~ or ~~by~~ a bylaw adopted by a vote of the
 4315 shareholders, may provide for staggering the terms of directors
 4316 by dividing the total number of directors into two or three
 4317 groups, with each group containing half or one-third of the
 4318 total, as near as may be practicable. In that event, the terms
 4319 of the first group expire at the first annual shareholders'
 4320 meeting after their election, the terms of the second group
 4321 expire at the second annual shareholders' meeting after their
 4322 election, and the terms of the third group, if any, expire at
 4323 the third annual shareholders' meeting after their election. At
 4324 each annual shareholders' meeting held thereafter, directors
 4325 shall be elected for a term of two years or three years ~~be~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4326 ~~divided into one, two, or three classes with the number of~~
 4327 ~~directors in each class being as nearly equal as possible; the~~
 4328 ~~term of office of those of the first class to expire at the~~
 4329 ~~annual meeting next ensuing; of the second class 1 year~~
 4330 ~~thereafter; of the third class 2 years thereafter; and at each~~
 4331 ~~annual election held after such classification and election,~~
 4332 ~~directors shall be chosen for a full term, as the case may be,~~
 4333 ~~to succeed those whose terms expire. If the directors have~~
 4334 ~~staggered terms, then any increase or decrease in the number of~~
 4335 ~~directors shall be so apportioned among the classes as to make~~
 4336 ~~all classes as nearly equal in number as possible.~~

4337 (2) In the case of any Florida corporation in existence
 4338 prior to July 1, 1990, directors of such corporation divided
 4339 into four classes may continue to serve staggered terms as the
 4340 articles of incorporation or bylaws of such corporation provided
 4341 immediately prior to July 1, 1990 ~~the effective date of this~~
 4342 ~~act~~, unless and until the articles of incorporation or bylaws
 4343 are amended to alter or terminate such classes.

4344 Section 89. Section 607.0807, Florida Statutes, is amended
 4345 to read:

4346 607.0807 Resignation of directors.—

4347 (1) A director may resign at any time by delivering
 4348 written notice of resignation to the board of directors or its
 4349 chair or to the secretary of the corporation.

4350 (2) A resignation is effective when the notice of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4351 resignation is delivered unless the notice of resignation
4352 specifies a later effective date or an effective date determined
4353 upon the subsequent happening of an event or events. If a
4354 resignation is made effective at a later date or upon the
4355 subsequent happening of an event or events, the board of
4356 directors may fill the pending vacancy before the effective date
4357 occurs if the board of directors provides that the successor
4358 does not take office until the effective date.

4359 (3) A resignation that specifies a later effective date or
4360 that is conditioned upon the subsequent happening of an event or
4361 events or upon failing to receive a specified vote for election
4362 as a director may provide that the resignation is irrevocable.

4363 Section 90. Subsections (3) and (4) of section 607.0808,
4364 Florida Statutes, are amended to read:

4365 607.0808 Removal of directors by shareholders.—

4366 (3) A director may be removed if the number of votes cast
4367 to remove the director exceeds the number of votes cast not to
4368 remove the director, except to the extent the articles of
4369 incorporation or bylaws require a greater number; provided that
4370 if cumulative voting is authorized, a director may not be
4371 removed if, in the case of a meeting, the number of votes
4372 sufficient to elect the director under cumulative voting is
4373 voted against his or her removal and, if action is taken by less
4374 than unanimous written consent, voting shareholders entitled to
4375 the number of votes sufficient to elect the director under

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4376 cumulative voting do not consent to the removal. ~~If cumulate~~
 4377 ~~voting is not authorized, a director may be removed only if the~~
 4378 ~~number of votes cast to remove the director exceeds the number~~
 4379 ~~of votes cast not to remove him or her.~~

4380 (4) A director may be removed by the shareholders only at
 4381 a meeting of shareholders called for the purpose of removing the
 4382 director and the meeting notice must state that the, ~~provided~~
 4383 ~~the notice of the meeting states that the purpose, or one of the~~
 4384 ~~purposes, of the meeting is~~ removal of the director is the
 4385 purpose of the meeting.

4386 Section 91. Section 607.08081, Florida Statutes, is
 4387 created to read:

4388 607.08081 Removal of directors by judicial proceedings.-

4389 (1) The circuit court in the applicable county may remove
 4390 a director from office, and may order other relief, including
 4391 barring the director from reelection for a period prescribed by
 4392 the court, in a proceeding commenced by or in the right of the
 4393 corporation if the court finds that:

4394 (a) The director engaged in fraudulent conduct with
 4395 respect to the corporation or its shareholders, grossly abused
 4396 the position of director, or intentionally inflicted harm on the
 4397 corporation; and

4398 (b) Considering the director's course of conduct and the
 4399 inadequacy of other available remedies, removal or such other
 4400 relief would be in the best interest of the corporation.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4401 (2) A shareholder proceeding on behalf of the corporation
 4402 under paragraph (1)(a) shall comply with all of the requirements
 4403 of ss. 607.0741-607.0747, except s. 607.0741(1).

4404 Section 92. Section 607.0809, Florida Statutes, is amended
 4405 to read:

4406 607.0809 Vacancy on board.—

4407 (1) Unless the articles of incorporation provide
 4408 otherwise, if ~~Whenever~~ a vacancy occurs on a board of directors,
 4409 including a vacancy resulting from an increase in the number of
 4410 directors; ~~it may be filled by the affirmative vote of a~~
 4411 ~~majority of the remaining directors, though less than a quorum~~
 4412 ~~of the board of directors, or by the shareholders, unless the~~
 4413 ~~articles of incorporation provide otherwise~~

4414 (a) The shareholders may fill the vacancy;

4415 (b) The board of directors may fill the vacancy; or

4416 (c) If the directors remaining in office are less than a
 4417 quorum, the vacancy may be filled by the affirmative vote of a
 4418 majority of all the directors then remaining in office.

4419 (2) If the vacant office was held by a director elected by
 4420 a voting group of shareholders, only the holders of shares of
 4421 that voting group are entitled to vote to fill the vacancy if it
 4422 is filled by the shareholders, and only the remaining directors
 4423 elected by that voting group, even if less than a quorum, are
 4424 entitled to fill the vacancy if it is filled by the directors
 4425 ~~Whenever the holders of shares of any voting group are entitled~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4426 | ~~to elect a class of one or more directors by the provisions of~~
4427 | ~~the articles of incorporation, vacancies in such class may be~~
4428 | ~~filled by holders of shares of that voting group or by a~~
4429 | ~~majority of the directors then in office elected by such voting~~
4430 | ~~group or by a sole remaining director so elected. If no director~~
4431 | ~~elected by such voting group remains in office, unless the~~
4432 | ~~articles of incorporation provide otherwise, directors not~~
4433 | ~~elected by such voting group may fill vacancies as provided in~~
4434 | ~~subsection (1).~~

4435 | (3) A vacancy that will ~~may~~ occur at a specified later
4436 | date (~~under s. 607.0807(2)~~ by reason of a resignation effective
4437 | at a later date under s. 607.0807(2) or otherwise ~~or upon the~~
4438 | ~~subsequent happening of an event~~) may be filled before the
4439 | vacancy occurs, but the new director may not take office until
4440 | the vacancy occurs.

4441 | Section 93. Subsection (4) of section 607.0820, Florida
4442 | Statutes, is amended to read:

4443 | 607.0820 Meetings.—

4444 | (4) Unless the articles of incorporation or bylaws provide
4445 | otherwise, the board of directors may permit any or all
4446 | directors to participate in any meeting of the board of
4447 | directors ~~a regular or special meeting by, or conduct the~~
4448 | ~~meeting~~ through the use of⁷ any means of communication by which
4449 | all directors participating may simultaneously hear each other
4450 | during the meeting. A director participating in a meeting by

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4451 | this means is deemed to be present in person at the meeting.

4452 | Section 94. Subsections (1) and (2) of section 607.0821,
4453 | Florida Statutes, are amended to read:

4454 | 607.0821 Action by directors without a meeting.—

4455 | (1) Unless the articles of incorporation or bylaws provide
4456 | otherwise, action required or permitted by this chapter ~~act~~ to
4457 | be taken at a board of directors' meeting or committee meeting
4458 | may be taken without a meeting if the action is taken by all
4459 | members of the board or of the committee. The action must be
4460 | evidenced by one or more written consents describing the action
4461 | taken and signed by each director or committee member and
4462 | delivered to the corporation.

4463 | (2) Action taken under this section is effective when the
4464 | last director signs the consent and delivers the consent to the
4465 | corporation, unless the consent specifies a different effective
4466 | date. A director's consent may be withdrawn by a revocation
4467 | signed by the director and delivered to the corporation prior to
4468 | delivery to the corporation of unrevoked written consents signed
4469 | by all the directors.

4470 | Section 95. Section 607.0823, Florida Statutes, is amended
4471 | to read:

4472 | 607.0823 Waiver of notice.—Notice of a meeting of the
4473 | board of directors need not be given to any director who signs a
4474 | waiver of notice either before or after the meeting. Attendance
4475 | of a director at a meeting shall constitute a waiver of notice

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4476 of such meeting and a waiver of any and all objections to the
 4477 date, time, place, or purpose of the meeting, ~~the time of the~~
 4478 ~~meeting,~~ or the manner in which it has been called or convened,
 4479 except when a director states, at the beginning of the meeting
 4480 or promptly upon arrival at the meeting, any objection to
 4481 holding the meeting or to the transaction of business because
 4482 the meeting is not lawfully called or convened and if the
 4483 director, after objection, does not vote for or consent to
 4484 action taken at the meeting.

4485 Section 96. Subsections (1), (2), and (3) of section
 4486 607.0824, Florida Statutes, are amended, present subsection (4)
 4487 of that section is redesignated as subsection (5), and a new
 4488 subsection (4) is added to that section, to read:

4489 607.0824 Quorum and voting.—

4490 (1) Unless the articles of incorporation or bylaws provide
 4491 for a greater or lesser number, or unless otherwise expressly
 4492 provided in this chapter ~~require a different number,~~ a quorum of
 4493 a board of directors consists of a majority of the number of
 4494 directors specified in or fixed in accordance with ~~prescribed by~~
 4495 the articles of incorporation or the bylaws.

4496 (2) The quorum of the board of directors specified in or
 4497 fixed in accordance with the articles of incorporation or bylaws
 4498 may not consist of less than ~~may authorize a quorum of a board~~
 4499 ~~of directors to consist of less than a majority but no fewer~~
 4500 ~~than~~ one-third of the specified or fixed ~~prescribed~~ number of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4501 | ~~directors determined under the articles of incorporation or the~~
 4502 | ~~bylaws.~~

4503 | (3) If a quorum is present when a vote is taken, the
 4504 | affirmative vote of a majority of directors present is the act
 4505 | of the board of directors unless the articles of incorporation
 4506 | or bylaws require the vote of a greater number of directors or
 4507 | unless otherwise expressly provided for in this chapter.

4508 | (4) If any directors have special voting rights in
 4509 | compliance with the provisions of s. 607.0804, the quorum and
 4510 | voting requirements of this section shall be determined
 4511 | consistent with the provisions of s. 607.0804.

4512 | Section 97. Section 607.0825, Florida Statutes, is amended
 4513 | to read:

4514 | 607.0825 Committees.—

4515 | (1) Unless this chapter, the articles of incorporation, or
 4516 | the bylaws provide otherwise, the board of directors may
 4517 | establish ~~provide, the board of directors, by resolution adopted~~
 4518 | ~~by a majority of the full board of directors, may designate from~~
 4519 | ~~among its members~~ an executive committee and one or more other
 4520 | board committees to perform functions of the board of directors.

4521 | Such committees shall be composed exclusively of one or more
 4522 | directors ~~committees each of which, to the extent provided in~~
 4523 | ~~such resolution or in the articles of incorporation or the~~
 4524 | ~~bylaws of the corporation, shall have and may exercise all the~~
 4525 | ~~authority of the board of directors, except that no such~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4526 ~~committee shall have the authority to:~~
 4527 ~~(a) Approve or recommend to shareholders actions or~~
 4528 ~~proposals required by this act to be approved by shareholders.~~
 4529 ~~(b) Fill vacancies on the board of directors or any~~
 4530 ~~committee thereof.~~
 4531 ~~(c) Adopt, amend, or repeal the bylaws.~~
 4532 ~~(d) Authorize or approve the reacquisition of shares~~
 4533 ~~unless pursuant to a general formula or method specified by the~~
 4534 ~~board of directors.~~
 4535 ~~(e) Authorize or approve the issuance or sale or contract~~
 4536 ~~for the sale of shares, or determine the designation and~~
 4537 ~~relative rights, preferences, and limitations of a voting group~~
 4538 ~~except that the board of directors may authorize a committee (or~~
 4539 ~~a senior executive officer of the corporation) to do so within~~
 4540 ~~limits specifically prescribed by the board of directors.~~
 4541 (2) Unless this chapter, the articles of incorporation, or
 4542 the bylaws provide otherwise, the establishment of a board
 4543 committee, the appointment of members to such committee, the
 4544 dissolution of a previously created board committee, and the
 4545 removal of members from a previously created board committee
 4546 must be approved by a majority of all the directors in office
 4547 when the action is taken ~~Unless the articles of incorporation or~~
 4548 ~~bylaws provide otherwise, ss. 607.0820, 607.0822, 607.0823, and~~
 4549 ~~607.0824 which govern meetings, notice and waiver of notice, and~~
 4550 ~~quorum and voting requirements of the board of directors apply~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4551 ~~to committees and their members as well.~~

4552 (3) Sections 607.0820-607.0824, which govern meetings,
4553 notice and waiver of notice, and quorum and voting requirements
4554 of the board of directors, apply to board committees and their
4555 members as well.

4556 (4) A board committee may exercise the powers of the board
4557 of directors under s. 607.0801, except that a board committee
4558 may not:

4559 (a) Authorize or approve the reacquisition of shares
4560 unless pursuant to a formula or method, or within limits,
4561 prescribed by the board of directors.

4562 (b) Approve, recommend to shareholders, or propose to
4563 shareholders action that this chapter requires be approved by
4564 shareholders.

4565 (c) Fill vacancies on the board of directors or on any
4566 board committee.

4567 (d) Adopt, amend, or repeal bylaws.

4568 (5) The establishment of, delegation of authority to, or
4569 action by a committee does not alone constitute compliance by a
4570 director with the standards of conduct described in s. 607.0830.

4571 (6) The board of directors may appoint ~~Each committee must~~
4572 ~~have two or more members who serve at the pleasure of the board~~
4573 ~~of directors. The board, by resolution adopted in accordance~~
4574 ~~with subsection (1), may designate one or more directors as~~
4575 ~~alternate members of any~~ board such committee to fill a vacancy

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4576 on the committee or to replace ~~who may act in the place and~~
4577 ~~stead of~~ any absent or disqualified member of such committee
4578 during the member's absence or disqualification. If the articles
4579 of incorporation, the bylaws, or the resolution creating the
4580 board committee so provide, the member or members present at any
4581 board committee meeting and not disqualified from voting, by
4582 unanimous action, may appoint another director to act in place
4583 of an absent or disqualified member during that member's absence
4584 or disqualification ~~or members at any meeting of such committee.~~

4585 ~~(4) Neither the designation of any such committee, the~~
4586 ~~delegation thereto of authority, nor action by such committee~~
4587 ~~pursuant to such authority shall alone constitute compliance by~~
4588 ~~any member of the board of directors not a member of the~~
4589 ~~committee in question with his or her responsibility to act in~~
4590 ~~good faith, in a manner he or she reasonably believes to be in~~
4591 ~~the best interests of the corporation, and with such care as an~~
4592 ~~ordinarily prudent person in a like position would use under~~
4593 ~~similar circumstances.~~

4594 Section 98. Section 607.0826, Florida Statutes, is created
4595 to read:

4596 607.0826 Submission of matters for a shareholder vote.—A
4597 corporation may agree to submit a matter to a vote of its
4598 shareholders even if, after approving the matter, the board of
4599 directors determines it no longer recommends the matter.

4600 Section 99. Section 607.0830, Florida Statutes, is amended

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4601 to read:

4602 607.0830 General standards for directors.—

4603 (1) Each member of the board of directors, when
 4604 discharging the duties of a director, including in discharging
 4605 his or her duties as a member of a board committee, must act ~~A~~
 4606 ~~director shall discharge his or her duties as a director,~~
 4607 ~~including his or her duties as a member of a committee:~~

4608 (a) In good faith; and

4609 (b) ~~With the care an ordinarily prudent person in a like~~
 4610 ~~position would exercise under similar circumstances; and~~

4611 ~~(c)~~ In a manner he or she reasonably believes to be in the
 4612 best interests of the corporation.

4613 (2) The members of the board of directors or a board
 4614 committee, when becoming informed in connection with a
 4615 decisionmaking function or devoting attention to an oversight
 4616 function, shall discharge their duties with the care that an
 4617 ordinary prudent person in a like position would reasonably
 4618 believe appropriate under similar circumstances ~~In discharging~~
 4619 ~~his or her duties, a director is entitled to rely on~~
 4620 ~~information, opinions, reports, or statements, including~~
 4621 ~~financial statements and other financial data, if prepared or~~
 4622 ~~presented by:~~

4623 ~~(a) One or more officers or employees of the corporation~~
 4624 ~~whom the director reasonably believes to be reliable and~~
 4625 ~~competent in the matters presented;~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4626 ~~(b) Legal counsel, public accountants, or other persons as~~
 4627 ~~to matters the director reasonably believes are within the~~
 4628 ~~persons' professional or expert competence; or~~

4629 ~~(c) A committee of the board of directors of which he or~~
 4630 ~~she is not a member if the director reasonably believes the~~
 4631 ~~committee merits confidence.~~

4632 (3) In discharging board or board committee duties, a
 4633 director who does not have knowledge that makes reliance
 4634 unwarranted is entitled to rely on the performance by any of the
 4635 persons specified in paragraph (5) (a) or paragraph (5) (b) to
 4636 whom the board may have delegated, formally or informally by
 4637 course of conduct, the authority or duty to perform one or more
 4638 of the board's functions that are delegable under applicable
 4639 law.

4640 (4) In discharging board or board committee duties, a
 4641 director who does not have knowledge that makes reliance
 4642 unwarranted is entitled to rely on information, opinions,
 4643 reports, or statements, including financial statements and other
 4644 financial data, prepared or presented by any of the persons
 4645 specified in subsection (5).

4646 (5) A director is entitled to rely, in accordance with
 4647 subsection (3) or subsection (4), on:

4648 (a) One or more officers or employees of the corporation
 4649 whom the director reasonably believes to be reliable and
 4650 competent in the functions performed or the information,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4651 opinions, reports, or statements provided;
 4652 (b) Legal counsel, public accountants, or other persons
 4653 retained by the corporation or by a committee of the board of
 4654 the corporation as to matters involving skills or expertise the
 4655 director reasonably believes are matters:
 4656 1. Within the particular person's professional or expert
 4657 competence; or
 4658 2. As to which the particular person merits confidence; or
 4659 (c) A committee of the board of directors of which the
 4660 director is not a member if the director reasonably believes the
 4661 committee merits confidence.
 4662 (6)(3) In discharging board or board committee his or her
 4663 duties, a director may consider such factors as the director
 4664 deems relevant, including the long-term prospects and interests
 4665 of the corporation and its shareholders, and the social,
 4666 economic, legal, or other effects of any action on the
 4667 employees, suppliers, customers of the corporation or its
 4668 subsidiaries, the communities and society in which the
 4669 corporation or its subsidiaries operate, and the economy of the
 4670 state and the nation.
 4671 ~~(4) A director is not acting in good faith if he or she~~
 4672 ~~has knowledge concerning the matter in question that makes~~
 4673 ~~reliance otherwise permitted by subsection (2) unwarranted.~~
 4674 ~~(5) A director is not liable for any action taken as a~~
 4675 ~~director, or any failure to take any action, if he or she~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4676 | ~~performed the duties of his or her office in compliance with~~
 4677 | ~~this section.~~

4678 | Section 100. Subsections (1) and (3) of section 607.0831,
 4679 | Florida Statutes, are amended to read:

4680 | 607.0831 Liability of directors.—

4681 | (1) A director is not personally liable for monetary
 4682 | damages to the corporation or any other person for any
 4683 | statement, vote, decision to take or not to take action, or any
 4684 | failure to take any action, as ~~or failure to act, regarding~~
 4685 | ~~corporate management or policy, by a director, unless:~~

4686 | (a) The director breached or failed to perform his or her
 4687 | duties as a director; and

4688 | (b) The director's breach of, or failure to perform, those
 4689 | duties constitutes any of the following:

4690 | 1. A violation of the criminal law, unless the director
 4691 | had reasonable cause to believe his or her conduct was lawful or
 4692 | had no reasonable cause to believe his or her conduct was
 4693 | unlawful. A judgment or other final adjudication against a
 4694 | director in any criminal proceeding for a violation of the
 4695 | criminal law estops that director from contesting the fact that
 4696 | his or her breach, or failure to perform, constitutes a
 4697 | violation of the criminal law; but does not estop the director
 4698 | from establishing that he or she had reasonable cause to believe
 4699 | that his or her conduct was lawful or had no reasonable cause to
 4700 | believe that his or her conduct was unlawful;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4701 2. A circumstance under which the A transaction at issue
 4702 is one from which the director derived an improper personal
 4703 benefit, either directly or indirectly;

4704 3. A circumstance under which the liability provisions of
 4705 s. 607.0834 are applicable;

4706 4. In a proceeding by or in the right of the corporation
 4707 to procure a judgment in its favor or by or in the right of a
 4708 shareholder, conscious disregard for the best interest of the
 4709 corporation, or willful or intentional misconduct; or

4710 5. In a proceeding by or in the right of someone other
 4711 than the corporation or a shareholder, recklessness or an act or
 4712 omission which was committed in bad faith or with malicious
 4713 purpose or in a manner exhibiting wanton and willful disregard
 4714 of human rights, safety, or property.

4715 (3) A director is deemed not to have derived an improper
 4716 personal benefit from any transaction if the transaction and the
 4717 nature of any personal benefit derived by the director are not
 4718 prohibited by state or federal law or regulation and, without
 4719 further limitation:

4720 (a) In an action other than a derivative suit regarding a
 4721 decision by the director to approve, reject, or otherwise affect
 4722 the outcome of an offer to purchase the shares ~~stock~~ of, or to
 4723 effect a merger of, the corporation, the transaction and the
 4724 nature of any personal benefits derived by a director are
 4725 disclosed or known to all directors voting on the matter, and

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4726 | the transaction was authorized, approved, or ratified by at
 4727 | least two directors who comprise a majority of the disinterested
 4728 | directors (whether or not such disinterested directors
 4729 | constitute a quorum); or

4730 | (b) The transaction is fair to the corporation at the time
 4731 | it is authorized, approved, or ratified as determined in
 4732 | accordance with s. 607.0832 and the nature of any personal
 4733 | ~~benefits derived by a director are disclosed or known to the~~
 4734 | ~~shareholders entitled to vote, and the transaction was~~
 4735 | ~~authorized, approved, or ratified by the affirmative vote or~~
 4736 | ~~written consent of such shareholders who hold a majority of the~~
 4737 | ~~shares, the voting of which is not controlled by directors who~~
 4738 | ~~derived a personal benefit from or otherwise had a personal~~
 4739 | ~~interest in the transaction; or~~

4740 | ~~(c) The transaction was fair and reasonable to the~~
 4741 | ~~corporation at the time it was authorized by the board, a~~
 4742 | ~~committee, or the shareholders, notwithstanding that a director~~
 4743 | ~~received a personal benefit.~~

4744 | Section 101. Section 607.0832, Florida Statutes, is
 4745 | amended to read:

4746 | 607.0832 Director conflicts of interest.—

4747 | (1) As used in this section, the following terms and
 4748 | definitions apply:

4749 | (a) "Director's conflict of interest transaction" means a
 4750 | transaction between a corporation and one or more of its

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4751 directors, or another entity in which one or more of the
4752 corporation's directors is directly or indirectly a party to the
4753 transaction, other than being an indirect party as a result of
4754 being a shareholder of the corporation, and has a direct or
4755 indirect material financial interest or other material interest.

4756 (b) "Fair to the corporation" means that the transaction,
4757 as a whole, is beneficial to the corporation and its
4758 shareholders, taking into appropriate account whether it is:

4759 1. Fair in terms of the director's dealings with the
4760 corporation in connection with that transaction; and

4761 2. Comparable to what might have been obtainable in an
4762 arm's length transaction.

4763 (c) "Family member" includes any of the following:

4764 1. The director's spouse.

4765 2. A child, stepchild, parent, stepparent, grandparent,
4766 sibling, step sibling, or half sibling of the director or the
4767 director's spouse.

4768 (d) A director is "indirectly" a party to a transaction if
4769 that director has a material financial interest in or is a
4770 director, officer, member, manager, or partner of a person,
4771 other than the corporation, who is a party to the transaction.

4772 (e) A director has an "indirect material financial
4773 interest" if a family member has a material financial interest
4774 in the transaction, other than having an indirect interest as a
4775 shareholder of the corporation, or if the transaction is with an

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4776 entity, other than the corporation, which has a material
4777 financial interest in the transaction and controls, or is
4778 controlled by, the director or another person specified in this
4779 subsection.

4780 (f) "Material financial interest" or "other material
4781 interest" means a financial or other interest in the transaction
4782 that would reasonably be expected to impair the objectivity of
4783 the director's judgment when participating in the action on the
4784 authorization of the transaction.

4785 (2) If a director's conflict of interest transaction is
4786 fair to the corporation at the time it is authorized, approved,
4787 effectuated, or ratified:

4788 (a) Such transaction is not void or voidable; and

4789 (b) The fact that the transaction is a director's conflict
4790 of interest transaction is not grounds for any equitable relief,
4791 an award of damages, or other sanctions,

4792
4793 because of that relationship or interest, because such director
4794 or directors are present at the meeting of the board of
4795 directors or a committee thereof which authorizes, approves, or
4796 ratifies such transaction, or because his or her or their votes
4797 are counted for such purpose.

4798 (3) (a) In a proceeding challenging the validity of a
4799 director's conflict of interest transaction or in a proceeding
4800 seeking equitable relief, award of damages, or other sanctions

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4801 with respect to a director's conflict of interest transaction,
4802 the person challenging the validity or seeking equitable relief,
4803 award of damages, or other sanctions has the burden of proving
4804 the lack of fairness of the transaction if:

4805 1. The material facts of the transaction and the
4806 director's interest in the transaction were disclosed or known
4807 to the board of directors or committee that authorizes,
4808 approves, or ratifies the transaction and the transaction was
4809 authorized, approved, or ratified by a vote of a majority of the
4810 qualified directors even if the qualified directors constitute
4811 less than a quorum of the board or the committee; however, the
4812 transaction cannot be authorized, approved, or ratified under
4813 this subsection solely by a single director; or

4814 2. The material facts of the transaction and the
4815 director's interest in the transaction were disclosed or known
4816 to the shareholders who voted upon such transaction and the
4817 transaction was authorized, approved, or ratified by a majority
4818 of the votes cast by disinterested shareholders or by the
4819 written consent of disinterested shareholders representing a
4820 majority of the votes that could be cast by all disinterested
4821 shareholders. Shares owned by or voted under the control of a
4822 director who has a relationship or interest in the director's
4823 conflict of interest transaction may not be considered shares
4824 owned by a disinterested shareholder and may not be counted in a
4825 vote of shareholders to determine whether to authorize, approve,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4826 or ratify a director's conflict of interest transaction under
 4827 this subparagraph. The vote of those shares, however, is counted
 4828 in determining whether the transaction is approved under other
 4829 sections of this chapter. A majority of the shares, whether or
 4830 not present, that are entitled to be counted in a vote on the
 4831 transaction under this subparagraph constitutes a quorum for the
 4832 purpose of taking action under this section.

4833 (b) If neither of the conditions provided in paragraph (a)
 4834 has been satisfied, the person defending or asserting the
 4835 validity of a director's conflict of interest transaction has
 4836 the burden of proving its fairness in a proceeding challenging
 4837 the validity of the transaction.

4838 (4) The presence of or a vote cast by a director with an
 4839 interest in the transaction does not affect the validity of an
 4840 action taken under paragraph (3) (a) if the transaction is
 4841 otherwise authorized, approved, or ratified as provided in
 4842 subsection (3), but the presence or vote of the director may be
 4843 counted for purposes of determining whether the transaction is
 4844 approved under other sections of this chapter.

4845 (5) In addition to other grounds for challenge, a party
 4846 challenging the validity of the transaction is not precluded
 4847 from asserting and proving that a particular director or
 4848 shareholder was not disinterested on grounds of financial or
 4849 other interest for purposes of the vote on, consent to, or
 4850 approval of the transaction.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4851 (6) If directors' action under this section does not
 4852 otherwise satisfy a quorum or voting requirement applicable to
 4853 the authorization of the transaction by directors as required by
 4854 the articles of incorporation, the bylaws, this chapter, or any
 4855 other law, an action to satisfy those authorization
 4856 requirements, whether as part of the same action or by way of
 4857 another action, must be taken by the board of directors or a
 4858 committee in order to authorize the transaction. In such action,
 4859 the vote or consent of directors who are not disinterested may
 4860 be counted.

4861 (7) Where shareholders' action under this section does not
 4862 satisfy a quorum or voting requirement applicable to the
 4863 authorization of the transaction by shareholders as required by
 4864 the articles of incorporation, the bylaws, this chapter, or any
 4865 other law, an action to satisfy those authorization
 4866 requirements, whether as part of the same action or by way of
 4867 another action, must be taken by the shareholders in order to
 4868 authorize the transaction. In such action, the vote or consent
 4869 of shareholders who are not disinterested shareholders may be
 4870 counted ~~No contract or other transaction between a corporation~~
 4871 ~~and one or more of its directors or any other corporation, firm,~~
 4872 ~~association, or entity in which one or more of its directors are~~
 4873 ~~directors or officers or are financially interested shall be~~
 4874 ~~either void or voidable because of such relationship or~~
 4875 ~~interest, because such director or directors are present at the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4876 ~~meeting of the board of directors or a committee thereof which~~
4877 ~~authorizes, approves, or ratifies such contract or transaction,~~
4878 ~~or because his or her or their votes are counted for such~~
4879 ~~purpose, if:~~

4880 ~~(a) The fact of such relationship or interest is disclosed~~
4881 ~~or known to the board of directors or committee which~~
4882 ~~authorizes, approves, or ratifies the contract or transaction by~~
4883 ~~a vote or consent sufficient for the purpose without counting~~
4884 ~~the votes or consents of such interested directors;~~

4885 ~~(b) The fact of such relationship or interest is disclosed~~
4886 ~~or known to the shareholders entitled to vote and they~~
4887 ~~authorize, approve, or ratify such contract or transaction by~~
4888 ~~vote or written consent; or~~

4889 ~~(c) The contract or transaction is fair and reasonable as~~
4890 ~~to the corporation at the time it is authorized by the board, a~~
4891 ~~committee, or the shareholders.~~

4892 ~~(2) For purposes of paragraph (1) (a) only, a conflict of~~
4893 ~~interest transaction is authorized, approved, or ratified if it~~
4894 ~~receives the affirmative vote of a majority of the directors on~~
4895 ~~the board of directors, or on the committee, who have no~~
4896 ~~relationship or interest in the transaction described in~~
4897 ~~subsection (1), but a transaction may not be authorized,~~
4898 ~~approved, or ratified under this section by a single director.~~
4899 ~~If a majority of the directors who have no such relationship or~~
4900 ~~interest in the transaction vote to authorize, approve, or~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4901 ~~ratify the transaction, a quorum is present for the purpose of~~
4902 ~~taking action under this section. The presence of, or a vote~~
4903 ~~cast by, a director with such relationship or interest in the~~
4904 ~~transaction does not affect the validity of any action taken~~
4905 ~~under paragraph (1) (a) if the transaction is otherwise~~
4906 ~~authorized, approved, or ratified as provided in that~~
4907 ~~subsection, but such presence or vote of those directors may be~~
4908 ~~counted for purposes of determining whether the transaction is~~
4909 ~~approved under other sections of this act.~~

4910 ~~(3) For purposes of paragraph (1) (b), a conflict of~~
4911 ~~interest transaction is authorized, approved, or ratified if it~~
4912 ~~receives the vote of a majority of the shares entitled to be~~
4913 ~~counted under this subsection. Shares owned by or voted under~~
4914 ~~the control of a director who has a relationship or interest in~~
4915 ~~the transaction described in subsection (1) may not be counted~~
4916 ~~in a vote of shareholders to determine whether to authorize,~~
4917 ~~approve, or ratify a conflict of interest transaction under~~
4918 ~~paragraph (1) (b). The vote of those shares, however, is counted~~
4919 ~~in determining whether the transaction is approved under other~~
4920 ~~sections of this act. A majority of the shares, whether or not~~
4921 ~~present, that are entitled to be counted in a vote on the~~
4922 ~~transaction under this subsection constitutes a quorum for the~~
4923 ~~purpose of taking action under this section.~~

4924 Section 102. Section 607.0833, Florida Statutes, is
4925 amended to read:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4926 607.0833 Loans to officers, directors, and employees;
 4927 guaranty of obligations.—Any corporation may lend money to,
 4928 guarantee any obligation of, or otherwise assist any officer,
 4929 director, or employee of the corporation or of a subsidiary,
 4930 whenever, in the judgment of the board of directors, such loan,
 4931 guaranty, or assistance may reasonably be expected to benefit
 4932 the corporation. The loan, guaranty, or other assistance may be
 4933 with or without interest and may be unsecured or secured in such
 4934 manner as the board of directors shall approve, including~~7~~
 4935 ~~without limitation,~~ a pledge of shares of stock of the
 4936 corporation. Nothing in this section shall be deemed to deny,
 4937 limit, or restrict the powers of guaranty or warranty of any
 4938 corporation at common law or under any statute. Loans,
 4939 guarantees, or other types of assistance are subject to s.
 4940 607.0832.

4941 Section 103. Subsections (1) and (3) of section 607.0834,
 4942 Florida Statutes, are amended to read:

4943 607.0834 Liability for unlawful distributions.—

4944 (1) A director who votes for or assents to a distribution
 4945 made in violation of s. 607.06401, s. 607.1410(1), or the
 4946 articles of incorporation is personally liable to the
 4947 corporation for the amount of the distribution that exceeds what
 4948 could have been distributed without violating s. 607.06401, s.
 4949 607.1410(1), or the articles of incorporation if it is
 4950 established that the director did not perform his or her duties

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4951 in compliance with s. 607.0830. In any proceeding commenced
 4952 under this section, a director has all of the defenses
 4953 ordinarily available to a director.

4954 (3) A proceeding under this section is barred unless it is
 4955 commenced:

4956 (a) Within 2 years after the date on which the effect of
 4957 the distribution was measured under s. 607.06401(6) or (8);~~—~~

4958 (b) Within 2 years after the date as of which the
 4959 violation of s. 607.06401 occurred as the consequence of
 4960 disregard of a restriction in the articles of incorporation;

4961 (c) Within 2 years after the date on which the
 4962 distribution of assets to shareholders under s. 607.1410(1) was
 4963 made; or

4964 (d) With regard to contribution or recoupment under
 4965 subsection (2), within 1 year after the liability of the
 4966 claimant has been finally adjudicated under subsection (1).

4967 Section 104. Subsections (2) and (3) of section 607.08401,
 4968 Florida Statutes, are amended to read:

4969 607.08401 Required officers.—

4970 (2) The board of directors may appoint one or more
 4971 individuals to act as the officers of the corporation. A duly
 4972 appointed officer may appoint one or more officers or assistant
 4973 officers if authorized by the bylaws or the board of directors.

4974 (3) The bylaws or the board of directors shall assign
 4975 ~~delegate~~ to one of the officers responsibility for preparing

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

4976 minutes of the directors' and shareholders' meetings and for
 4977 authenticating records of the corporation required to be kept
 4978 pursuant to s. 607.1601(1) and (5).

4979 Section 105. Section 607.08411, Florida Statutes, is
 4980 created to read:

4981 607.08411 General standards for officers.-

4982 (1) An officer, when performing in such capacity, shall
 4983 act:

4984 (a) In good faith; and

4985 (b) In a manner the officer reasonably believes to be in
 4986 the best interests of the corporation.

4987 (2) An officer, when becoming informed in connection with
 4988 a decisionmaking function, shall discharge his or her duties
 4989 with the care that an ordinary prudent person in a like position
 4990 would reasonably believe appropriate under similar
 4991 circumstances.

4992 (3) The duty of an officer includes the obligation to:

4993 (a) Inform the superior officer to whom, or the board of
 4994 directors or the committee to which, the officer reports of
 4995 information about the affairs of the corporation known to the
 4996 officer, within the scope of the officer's functions, and known
 4997 or as should be known to the officer to be material to such
 4998 superior officer, board, or committee; and

4999 (b) Inform his or her superior officer, or another
 5000 appropriate person within the corporation, or the board of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5001 directors, or a committee thereof, of any actual or probable
5002 material violation of law involving the corporation or material
5003 breach of duty to the corporation by an officer, employee, or
5004 agent of the corporation the officer believes has occurred or is
5005 likely to occur.

5006 (4) In discharging his or her duties, an officer who does
5007 not have knowledge that makes reliance unwarranted is entitled
5008 to rely on the performance by any of the persons specified in
5009 subsection (6) to whom the responsibilities were properly
5010 delegated, formally or informally, by course of conduct.

5011 (5) In discharging his or her duties, an officer who does
5012 not have knowledge that makes reliance unwarranted is entitled
5013 to rely on information, opinions, reports, or statements,
5014 including financial statements and other financial data,
5015 prepared or presented by any of the persons specified in
5016 subsection (6).

5017 (6) An officer is entitled to rely, in accordance with
5018 subsection (4) or subsection (5), on:

5019 (a) One or more other officers of the corporation or one
5020 or more employees of the corporation whom the officer reasonably
5021 believes to be reliable and competent in the functions performed
5022 or the information, opinions, reports, or statements provided;

5023 (b) Legal counsel, public accountants, or other persons
5024 retained by the corporation as to matters involving skills or
5025 expertise the officer reasonably believes are matters within the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5026 particular person's professional or expert competence or as to
 5027 which the particular person merits confidence.

5028 Section 106. Section 607.0842, Florida Statutes, is
 5029 amended to read:

5030 607.0842 Resignation and removal of officers.—

5031 (1) An officer may resign at any time by delivering a
 5032 written notice to the corporation. A resignation is effective as
 5033 provided in s. 607.0141(5) ~~when the notice is delivered unless~~
 5034 the notice provides for a delayed effectiveness, including
 5035 effectiveness determined upon a future event or events ~~specifies~~
 5036 a later effective date. If effectiveness of a resignation is
 5037 stated to be delayed and the board of directors or appointing
 5038 officer accepts the delay, the ~~made effective at a later date~~
 5039 and the corporation accepts the future effective date, its board
 5040 of directors or the appointing officer may fill the pending
 5041 vacancy before the delayed effectiveness ~~effective date~~ if the
 5042 board of directors or appointing officer provides that the
 5043 successor does not take office until the vacancy occurs
 5044 effective date.

5045 (2) An officer may be removed at any time with or without
 5046 cause by:

5047 (a) The board of directors;

5048 (b) The appointing officer, unless the bylaws or the board
 5049 of directors provide otherwise; or

5050 (c) Any other officer, if authorized by the bylaws or the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5051 board of directors.

5052 (3) For the purposes of this section, the term "appointing
 5053 officer" means the officer, including any successor to that
 5054 officer, who appointed the officer resigning or being removed A
 5055 board of directors may remove any officer at any time with or
 5056 without cause. Any officer or assistant officer, if appointed by
 5057 another officer, may likewise be removed by such officer.

5058 Section 107. Section 607.0850, Florida Statutes, is
 5059 amended to read:

5060 607.0850 Definitions ~~Indemnification of officers,~~
 5061 ~~directors, employees, and agents.~~ -In ss. 607.0850-607.0859, the
 5062 term:

5063 (1) "Agent" includes a volunteer.

5064 (2) "Corporation" includes, in addition to the resulting
 5065 corporation, any constituent corporation (including any
 5066 constituent of a constituent) absorbed in a merger, so that any
 5067 person who is or was a director or officer of a constituent
 5068 corporation, or is or was serving at the request of a
 5069 constituent corporation as a director or officer, member,
 5070 manager, partner, trustee, employee, or agent of another
 5071 domestic or foreign corporation, limited liability company,
 5072 partnership, joint venture, trust, employee benefit plan, or
 5073 other enterprise or entity, is in the same position under this
 5074 section with respect to the resulting or surviving corporation
 5075 as he or she would have been with respect to such constituent

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5076 | corporation if its separate existence had continued.

5077 | (3) "Director" or "officer" means an individual who is or
5078 | was a director or officer, respectively, of a corporation or
5079 | who, while a director or officer of the corporation, is or was
5080 | serving at the corporation's request as a director or officer,
5081 | manager, partner, trustee, employee, or agent of another
5082 | domestic or foreign corporation, limited liability company,
5083 | partnership, joint venture, trust, employee benefit plan, or
5084 | another enterprise or entity. A director or officer is
5085 | considered to be serving an employee benefit plan at the
5086 | corporation's request if the individual's duties to the
5087 | corporation or such plan also impose duties on, or otherwise
5088 | involve services by, the individual to the plan or to
5089 | participants in or beneficiaries of the plan. The term includes,
5090 | unless the context otherwise requires, the estate, heirs,
5091 | executors, administrators, and personal representatives of a
5092 | director or officer.

5093 | (4) "Expenses" includes reasonable attorney fees,
5094 | including those incurred in connection with any appeal.

5095 | (5) "Liability" means the obligation to pay a judgment,
5096 | settlement, penalty, fine (including an excise tax assessed with
5097 | respect to an employee benefit plan), or reasonable expenses
5098 | incurred with respect to a proceeding.

5099 | (6) "Party" means an individual who was, is, or is
5100 | threatened to be made, a defendant or respondent in a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5101 proceeding.

5102 (7) "Proceeding" means any threatened, pending, or
5103 completed action, suit, or proceeding, whether civil, criminal,
5104 administrative, arbitrative, or investigative and whether formal
5105 or informal.

5106 (8) "Serving at the corporation's request" includes any
5107 service as a director, officer, employee, or agent of the
5108 corporation that imposes duties on such persons, including
5109 duties relating to an employee benefit plan and its participants
5110 or beneficiaries.

5111 ~~(1) A corporation shall have power to indemnify any person~~
5112 ~~who was or is a party to any proceeding (other than an action~~
5113 ~~by, or in the right of, the corporation), by reason of the fact~~
5114 ~~that he or she is or was a director, officer, employee, or agent~~
5115 ~~of the corporation or is or was serving at the request of the~~
5116 ~~corporation as a director, officer, employee, or agent of~~
5117 ~~another corporation, partnership, joint venture, trust, or other~~
5118 ~~enterprise against liability incurred in connection with such~~
5119 ~~proceeding, including any appeal thereof, if he or she acted in~~
5120 ~~good faith and in a manner he or she reasonably believed to be~~
5121 ~~in, or not opposed to, the best interests of the corporation~~
5122 ~~and, with respect to any criminal action or proceeding, had no~~
5123 ~~reasonable cause to believe his or her conduct was unlawful. The~~
5124 ~~termination of any proceeding by judgment, order, settlement, or~~
5125 ~~conviction or upon a plea of nolo contendere or its equivalent~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5126 | ~~shall not, of itself, create a presumption that the person did~~
5127 | ~~not act in good faith and in a manner which he or she reasonably~~
5128 | ~~believed to be in, or not opposed to, the best interests of the~~
5129 | ~~corporation or, with respect to any criminal action or~~
5130 | ~~proceeding, had reasonable cause to believe that his or her~~
5131 | ~~conduct was unlawful.~~

5132 | ~~(2) A corporation shall have power to indemnify any~~
5133 | ~~person, who was or is a party to any proceeding by or in the~~
5134 | ~~right of the corporation to procure a judgment in its favor by~~
5135 | ~~reason of the fact that the person is or was a director,~~
5136 | ~~officer, employee, or agent of the corporation or is or was~~
5137 | ~~serving at the request of the corporation as a director,~~
5138 | ~~officer, employee, or agent of another corporation, partnership,~~
5139 | ~~joint venture, trust, or other enterprise, against expenses and~~
5140 | ~~amounts paid in settlement not exceeding, in the judgment of the~~
5141 | ~~board of directors, the estimated expense of litigating the~~
5142 | ~~proceeding to conclusion, actually and reasonably incurred in~~
5143 | ~~connection with the defense or settlement of such proceeding,~~
5144 | ~~including any appeal thereof. Such indemnification shall be~~
5145 | ~~authorized if such person acted in good faith and in a manner he~~
5146 | ~~or she reasonably believed to be in, or not opposed to, the best~~
5147 | ~~interests of the corporation, except that no indemnification~~
5148 | ~~shall be made under this subsection in respect of any claim,~~
5149 | ~~issue, or matter as to which such person shall have been~~
5150 | ~~adjudged to be liable unless, and only to the extent that, the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5151 ~~court in which such proceeding was brought, or any other court~~
5152 ~~of competent jurisdiction, shall determine upon application~~
5153 ~~that, despite the adjudication of liability but in view of all~~
5154 ~~circumstances of the case, such person is fairly and reasonably~~
5155 ~~entitled to indemnity for such expenses which such court shall~~
5156 ~~deem proper.~~

5157 ~~(3) To the extent that a director, officer, employee, or~~
5158 ~~agent of a corporation has been successful on the merits or~~
5159 ~~otherwise in defense of any proceeding referred to in subsection~~
5160 ~~(1) or subsection (2), or in defense of any claim, issue, or~~
5161 ~~matter therein, he or she shall be indemnified against expenses~~
5162 ~~actually and reasonably incurred by him or her in connection~~
5163 ~~therewith.~~

5164 ~~(4) Any indemnification under subsection (1) or subsection~~
5165 ~~(2), unless pursuant to a determination by a court, shall be~~
5166 ~~made by the corporation only as authorized in the specific case~~
5167 ~~upon a determination that indemnification of the director,~~
5168 ~~officer, employee, or agent is proper in the circumstances~~
5169 ~~because he or she has met the applicable standard of conduct set~~
5170 ~~forth in subsection (1) or subsection (2). Such determination~~
5171 ~~shall be made:~~

5172 ~~(a) By the board of directors by a majority vote of a~~
5173 ~~quorum consisting of directors who were not parties to such~~
5174 ~~proceeding;~~

5175 ~~(b) If such a quorum is not obtainable or, even if~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5176 ~~obtainable, by majority vote of a committee duly designated by~~
5177 ~~the board of directors (in which directors who are parties may~~
5178 ~~participate) consisting solely of two or more directors not at~~
5179 ~~the time parties to the proceeding;~~

5180 ~~(c) By independent legal counsel:~~

5181 ~~1. Selected by the board of directors prescribed in~~
5182 ~~paragraph (a) or the committee prescribed in paragraph (b); or~~

5183 ~~2. If a quorum of the directors cannot be obtained for~~
5184 ~~paragraph (a) and the committee cannot be designated under~~
5185 ~~paragraph (b), selected by majority vote of the full board of~~
5186 ~~directors (in which directors who are parties may participate);~~

5187 ~~or~~

5188 ~~(d) By the shareholders by a majority vote of a quorum~~
5189 ~~consisting of shareholders who were not parties to such~~
5190 ~~proceeding or, if no such quorum is obtainable, by a majority~~
5191 ~~vote of shareholders who were not parties to such proceeding.~~

5192 ~~(5) Evaluation of the reasonableness of expenses and~~
5193 ~~authorization of indemnification shall be made in the same~~
5194 ~~manner as the determination that indemnification is permissible.~~

5195 ~~However, if the determination of permissibility is made by~~
5196 ~~independent legal counsel, persons specified by paragraph (4)(c)~~
5197 ~~shall evaluate the reasonableness of expenses and may authorize~~
5198 ~~indemnification.~~

5199 ~~(6) Expenses incurred by an officer or director in~~
5200 ~~defending a civil or criminal proceeding may be paid by the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5201 ~~corporation in advance of the final disposition of such~~
5202 ~~proceeding upon receipt of an undertaking by or on behalf of~~
5203 ~~such director or officer to repay such amount if he or she is~~
5204 ~~ultimately found not to be entitled to indemnification by the~~
5205 ~~corporation pursuant to this section. Expenses incurred by other~~
5206 ~~employees and agents may be paid in advance upon such terms or~~
5207 ~~conditions that the board of directors deems appropriate.~~

5208 ~~(7) The indemnification and advancement of expenses~~
5209 ~~provided pursuant to this section are not exclusive, and a~~
5210 ~~corporation may make any other or further indemnification or~~
5211 ~~advancement of expenses of any of its directors, officers,~~
5212 ~~employees, or agents, under any bylaw, agreement, vote of~~
5213 ~~shareholders or disinterested directors, or otherwise, both as~~
5214 ~~to action in his or her official capacity and as to action in~~
5215 ~~another capacity while holding such office. However,~~
5216 ~~indemnification or advancement of expenses shall not be made to~~
5217 ~~or on behalf of any director, officer, employee, or agent if a~~
5218 ~~judgment or other final adjudication establishes that his or her~~
5219 ~~actions, or omissions to act, were material to the cause of~~
5220 ~~action so adjudicated and constitute:~~

5221 ~~(a) A violation of the criminal law, unless the director,~~
5222 ~~officer, employee, or agent had reasonable cause to believe his~~
5223 ~~or her conduct was lawful or had no reasonable cause to believe~~
5224 ~~his or her conduct was unlawful;~~

5225 ~~(b) A transaction from which the director, officer,~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5226 ~~employee, or agent derived an improper personal benefit;~~
5227 ~~(c) In the case of a director, a circumstance under which~~
5228 ~~the liability provisions of s. 607.0834 are applicable; or~~
5229 ~~(d) Willful misconduct or a conscious disregard for the~~
5230 ~~best interests of the corporation in a proceeding by or in the~~
5231 ~~right of the corporation to procure a judgment in its favor or~~
5232 ~~in a proceeding by or in the right of a shareholder.~~
5233 ~~(8) Indemnification and advancement of expenses as~~
5234 ~~provided in this section shall continue as, unless otherwise~~
5235 ~~provided when authorized or ratified, to a person who has ceased~~
5236 ~~to be a director, officer, employee, or agent and shall inure to~~
5237 ~~the benefit of the heirs, executors, and administrators of such~~
5238 ~~a person, unless otherwise provided when authorized or ratified.~~
5239 ~~(9) Unless the corporation's articles of incorporation~~
5240 ~~provide otherwise, notwithstanding the failure of a corporation~~
5241 ~~to provide indemnification, and despite any contrary~~
5242 ~~determination of the board or of the shareholders in the~~
5243 ~~specific case, a director, officer, employee, or agent of the~~
5244 ~~corporation who is or was a party to a proceeding may apply for~~
5245 ~~indemnification or advancement of expenses, or both, to the~~
5246 ~~court conducting the proceeding, to the circuit court, or to~~
5247 ~~another court of competent jurisdiction. On receipt of an~~
5248 ~~application, the court, after giving any notice that it~~
5249 ~~considers necessary, may order indemnification and advancement~~
5250 ~~of expenses, including expenses incurred in seeking court-~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5251 ~~ordered indemnification or advancement of expenses, if it~~
5252 ~~determines that:~~

5253 ~~(a) The director, officer, employee, or agent is entitled~~
5254 ~~to mandatory indemnification under subsection (3), in which case~~
5255 ~~the court shall also order the corporation to pay the director~~
5256 ~~reasonable expenses incurred in obtaining court-ordered~~
5257 ~~indemnification or advancement of expenses;~~

5258 ~~(b) The director, officer, employee, or agent is entitled~~
5259 ~~to indemnification or advancement of expenses, or both, by~~
5260 ~~virtue of the exercise by the corporation of its power pursuant~~
5261 ~~to subsection (7); or~~

5262 ~~(c) The director, officer, employee, or agent is fairly~~
5263 ~~and reasonably entitled to indemnification or advancement of~~
5264 ~~expenses, or both, in view of all the relevant circumstances,~~
5265 ~~regardless of whether such person met the standard of conduct~~
5266 ~~set forth in subsection (1), subsection (2), or subsection (7).~~

5267 ~~(10) For purposes of this section, the term "corporation"~~
5268 ~~includes, in addition to the resulting corporation, any~~
5269 ~~constituent corporation (including any constituent of a~~
5270 ~~constituent) absorbed in a consolidation or merger, so that any~~
5271 ~~person who is or was a director, officer, employee, or agent of~~
5272 ~~a constituent corporation, or is or was serving at the request~~
5273 ~~of a constituent corporation as a director, officer, employee,~~
5274 ~~or agent of another corporation, partnership, joint venture,~~
5275 ~~trust, or other enterprise, is in the same position under this~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5276 ~~section with respect to the resulting or surviving corporation~~
5277 ~~as he or she would have with respect to such constituent~~
5278 ~~corporation if its separate existence had continued.~~

5279 ~~(11) For purposes of this section:~~

5280 ~~(a) The term "other enterprises" includes employee benefit~~
5281 ~~plans;~~

5282 ~~(b) The term "expenses" includes counsel fees, including~~
5283 ~~those for appeal;~~

5284 ~~(c) The term "liability" includes obligations to pay a~~
5285 ~~judgment, settlement, penalty, fine (including an excise tax~~
5286 ~~assessed with respect to any employee benefit plan), and~~
5287 ~~expenses actually and reasonably incurred with respect to a~~
5288 ~~proceeding;~~

5289 ~~(d) The term "proceeding" includes any threatened,~~
5290 ~~pending, or completed action, suit, or other type of proceeding,~~
5291 ~~whether civil, criminal, administrative, or investigative and~~
5292 ~~whether formal or informal;~~

5293 ~~(e) The term "agent" includes a volunteer;~~

5294 ~~(f) The term "serving at the request of the corporation"~~
5295 ~~includes any service as a director, officer, employee, or agent~~
5296 ~~of the corporation that imposes duties on such persons,~~
5297 ~~including duties relating to an employee benefit plan and its~~
5298 ~~participants or beneficiaries; and~~

5299 ~~(g) The term "not opposed to the best interest of the~~
5300 ~~corporation" describes the actions of a person who acts in good~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5301 ~~faith and in a manner he or she reasonably believes to be in the~~
 5302 ~~best interests of the participants and beneficiaries of an~~
 5303 ~~employee benefit plan.~~

5304 ~~(12) A corporation shall have power to purchase and~~
 5305 ~~maintain insurance on behalf of any person who is or was a~~
 5306 ~~director, officer, employee, or agent of the corporation or is~~
 5307 ~~or was serving at the request of the corporation as a director,~~
 5308 ~~officer, employee, or agent of another corporation, partnership,~~
 5309 ~~joint venture, trust, or other enterprise against any liability~~
 5310 ~~asserted against the person and incurred by him or her in any~~
 5311 ~~such capacity or arising out of his or her status as such,~~
 5312 ~~whether or not the corporation would have the power to indemnify~~
 5313 ~~the person against such liability under the provisions of this~~
 5314 ~~section.~~

5315 Section 108. Section 607.0851, Florida Statutes, is
 5316 created to read:

5317 607.0851 Permissible indemnification.—

5318 (1) Except as otherwise provided in this section and in s.
 5319 607.0859, and not in limitation of indemnification allowed under
 5320 s. 607.0858(1), a corporation may indemnify an individual who is
 5321 a party to a proceeding because the individual is or was a
 5322 director or officer against liability incurred in the proceeding
 5323 if:

5324 (a) The director or officer acted in good faith;

5325 (b) The director or officer acted in a manner he or she

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5326 reasonably believed to be in, or not opposed to, the best
5327 interests of the corporation; and

5328 (c) In the case of any criminal proceeding, the director
5329 or officer had no reasonable cause to believe his or her conduct
5330 was unlawful.

5331 (2) The conduct of a director or officer with respect to
5332 an employee benefit plan for a purpose the director or officer
5333 reasonably believed to be in the best interests of the
5334 participants in, and the beneficiaries of, the plan is conduct
5335 that satisfies the requirement of paragraph (1)(b).

5336 (3) The termination of a proceeding by judgment, order,
5337 settlement, or conviction, or upon a plea of nolo contendere or
5338 its equivalent, does not, of itself, create a presumption that
5339 the director or officer did not meet the relevant standard of
5340 conduct described in this section.

5341 (4) Unless ordered by a court under s. 607.0854(1)(c), a
5342 corporation may not indemnify a director or an officer in
5343 connection with a proceeding by or in the right of the
5344 corporation except for expenses and amounts paid in settlement
5345 not exceeding, in the judgment of the board of directors, the
5346 estimated expense of litigating the proceeding to conclusion,
5347 actually and reasonably incurred in connection with the defense
5348 or settlement of such proceeding, including any appeal thereof,
5349 where such person acted in good faith and in a manner he or she
5350 reasonably believed to be in, or not opposed to, the best

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5351 | interests of the corporation.

5352 | Section 109. Section 607.0852, Florida Statutes, is
5353 | created to read:

5354 | 607.0852 Mandatory indemnification.—A corporation must
5355 | indemnify an individual who is or was a director or officer who
5356 | was wholly successful, on the merits or otherwise, in the
5357 | defense of any proceeding to which the individual was a party
5358 | because he or she is or was a director or officer of the
5359 | corporation against expenses incurred by the individual in
5360 | connection with the proceeding.

5361 | Section 110. Section 607.0853, Florida Statutes, is
5362 | created to read:

5363 | 607.0853 Advance for expenses.—

5364 | (1) A corporation may, before final disposition of a
5365 | proceeding, advance funds to pay for or reimburse expenses
5366 | incurred in connection with the proceeding by an individual who
5367 | is a party to the proceeding because that individual is or was a
5368 | director or an officer if the director or officer delivers to
5369 | the corporation a signed written undertaking of the director or
5370 | officer to repay any funds advanced if:

5371 | (a) The director or officer is not entitled to mandatory
5372 | indemnification under s. 607.0852; and

5373 | (b) It is ultimately determined under s. 607.0854 or s.
5374 | 607.0855 that the director or officer has not met the relevant
5375 | standard of conduct described in s. 607.0851 or the director or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5376 | officer is not entitled to indemnification under s. 607.0859.
 5377 | (2) The undertaking required by paragraph (1)(b) must be
 5378 | an unlimited general obligation of the director or officer but
 5379 | need not be secured and may be accepted without reference to the
 5380 | financial ability of the director or officer to make repayment.
 5381 | (3) Authorizations under this section must be made:
 5382 | (a) By the board of directors:
 5383 | 1. If there are two or more qualified directors, by a
 5384 | majority vote of all of the qualified directors (a majority of
 5385 | whom shall for such purpose constitute a quorum) or by a
 5386 | majority of the members of a committee appointed by such vote
 5387 | and comprised of two or more qualified directors; or
 5388 | 2. If there are fewer than two qualified directors, by the
 5389 | vote necessary for action by the board of directors under s.
 5390 | 607.0824(3), in which authorization vote directors who are not
 5391 | qualified directors may participate; or
 5392 | (b) By the shareholders, but shares owned by or voted
 5393 | under the control of a director or officer who at the time of
 5394 | the authorization is not a qualified director or is an officer
 5395 | who is a party to the proceeding may not be counted as a vote in
 5396 | favor of the authorization.
 5397 | Section 111. Section 607.0854, Florida Statutes, is
 5398 | created to read:
 5399 | 607.0854 Court-ordered indemnification and advance for
 5400 | expenses.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5401 (1) Unless the corporation's articles of incorporation
 5402 provide otherwise, notwithstanding the failure of a corporation
 5403 to provide indemnification, and despite any contrary
 5404 determination of the board of directors or of the shareholders
 5405 in the specific case, a director or officer of the corporation
 5406 who is a party to a proceeding because he or she is or was a
 5407 director or officer may apply for indemnification or an advance
 5408 for expenses, or both, to a court having jurisdiction over the
 5409 corporation which is conducting the proceeding, or to a circuit
 5410 court of competent jurisdiction. After receipt of an application
 5411 and after giving any notice it considers necessary, the court
 5412 may:

5413 (a) Order indemnification if the court determines that the
 5414 director or officer is entitled to mandatory indemnification
 5415 under s. 607.0852;

5416 (b) Order indemnification or advance for expenses if the
 5417 court determines that the director or officer is entitled to
 5418 indemnification or advance for expenses pursuant to a provision
 5419 authorized by s. 607.0858(1); or

5420 (c) Order indemnification or advance for expenses if the
 5421 court determines, in view of all the relevant circumstances,
 5422 that it is fair and reasonable to indemnify the director or
 5423 officer or to advance expenses to the director or officer, even
 5424 if he or she has not met the relevant standard of conduct set
 5425 forth in s. 607.0851(1), has failed to comply with s. 607.0853,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5426 | or was adjudged liable in a proceeding referred to in s.
 5427 | 607.0859. If the director or officer was adjudged liable,
 5428 | indemnification shall be limited to expenses incurred in
 5429 | connection with the proceeding.

5430 | (2) If the court determines that the director or officer
 5431 | is entitled to indemnification under paragraph (1) (a) or to
 5432 | indemnification or advance for expenses under paragraph (1) (b),
 5433 | it shall also order the corporation to pay the director's or
 5434 | officer's expenses incurred in connection with obtaining court-
 5435 | ordered indemnification or advance for expenses. If the court
 5436 | determines that the director or officer is entitled to
 5437 | indemnification or advance for expenses under paragraph (1) (c),
 5438 | it may also order the corporation to pay the director's or
 5439 | officer's expenses to obtain court-ordered indemnification or
 5440 | advance for expenses.

5441 | Section 112. Section 607.0855, Florida Statutes, is
 5442 | created to read:

5443 | 607.0855 Determination and authorization of
 5444 | indemnification.—

5445 | (1) Unless ordered by a court under s. 607.0854(1) (c), a
 5446 | corporation may not indemnify a director or officer under s.
 5447 | 607.0851 unless authorized for a specific proceeding after a
 5448 | determination has been made that indemnification is permissible
 5449 | because the director or officer has met the relevant standard of
 5450 | conduct set forth in s. 607.0851.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5451 (2) The determination shall be made:
 5452 (a) If there are two or more qualified directors, by the
 5453 board of directors by a majority vote of all of the qualified
 5454 directors, a majority of whom shall for such purposes constitute
 5455 a quorum, or by a majority of the members of a committee of two
 5456 or more qualified directors appointed by such a vote; or
 5457 (b) By independent special legal counsel:
 5458 1. Selected in the manner prescribed by paragraph (a); or
 5459 2. If there are fewer than two qualified directors,
 5460 selected by the board of directors, in which selection directors
 5461 who are not qualified directors may participate; or
 5462 (c) By the shareholders, but shares owned by or voted
 5463 under the control of a director or officer who, at the time of
 5464 the determination, is not a qualified director or an officer who
 5465 is a party to the proceeding may not be counted as votes in
 5466 favor of the determination.
 5467 (3) Authorization of indemnification shall be made in the
 5468 same manner as the determination that indemnification is
 5469 permissible, except that if the determination of permissibility
 5470 has been made by independent special legal counsel under
 5471 paragraph (2) (b), any authorization of indemnification
 5472 associated with such determination shall be made by either such
 5473 independent special legal counsel or by those who otherwise
 5474 would be entitled to select independent special legal counsel
 5475 under paragraph (2) (b).

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5476 Section 113. Section 607.0857, Florida Statutes, is
 5477 created to read:

5478 607.0857 Insurance.—A corporation shall have the power to
 5479 purchase and maintain insurance on behalf of and for the benefit
 5480 of an individual who is or was a director or officer of the
 5481 corporation, or who, while a director or officer of the
 5482 corporation, is or was serving at the corporation's request as a
 5483 director, officer, manager, member, partner, trustee, employee,
 5484 or agent of another domestic or foreign corporation, limited
 5485 liability company, partnership, joint venture, trust, employee
 5486 benefit plan, or other enterprise or entity, against liability
 5487 asserted against or incurred by the individual in that capacity
 5488 or arising from his or her status as a director or officer,
 5489 whether or not the corporation would have power to indemnify or
 5490 advance expenses to the individual against the same liability
 5491 under this chapter.

5492 Section 114. Section 607.0858, Florida Statutes, is
 5493 created to read:

5494 607.0858 Variation by corporate action; application of
 5495 subchapter.—

5496 (1) The indemnification provided pursuant to ss. 607.0851
 5497 and 607.0852 and the advancement of expenses provided pursuant
 5498 to s. 607.0853 are not exclusive, and a corporation may, by a
 5499 provision in its articles of incorporation, bylaws or any
 5500 agreement, or by vote of shareholders or disinterested

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5501 directors, or otherwise, obligate itself in advance of the act
5502 or omission giving rise to a proceeding to provide any other or
5503 further indemnification or advancement of expenses to any of its
5504 directors or officers. Any such obligatory provision shall be
5505 deemed to satisfy the requirements for authorization referred to
5506 in ss. 607.0853(3) and 607.0855(3). Any such provision that
5507 obligates the corporation to provide indemnification to the
5508 fullest extent permitted by law shall be deemed to obligate the
5509 corporation to advance funds to pay for or reimburse expenses in
5510 accordance with s. 607.0853 to the fullest extent permitted by
5511 law, unless the provision specifically provides otherwise.

5512 (2) A right of indemnification or to advance for expenses
5513 created by this chapter or under subsection (1) and in effect at
5514 the time of an act or omission may not be eliminated or impaired
5515 with respect to such act or omission by an amendment of the
5516 articles of incorporation or bylaws or a resolution of the
5517 directors or shareholders, adopted after the occurrence of such
5518 act or omission, unless, in the case of a right created under
5519 subsection (1), the provision creating such right and in effect
5520 at the time of such act or omission explicitly authorizes such
5521 elimination or impairment after such act or omission has
5522 occurred.

5523 (3) Any provision pursuant to subsection (1) shall not
5524 obligate the corporation to indemnify or advance for expenses to
5525 a director or officer of a predecessor of the corporation,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5526 pertaining to conduct with respect to the predecessor, unless
 5527 otherwise specifically provided. Any provision for
 5528 indemnification or advance for expenses in the articles of
 5529 incorporation, bylaws, or a resolution of the board of directors
 5530 or shareholders of a predecessor of the corporation in a merger
 5531 or in a contract to which the predecessor is a party, existing
 5532 at the time the merger takes effect, shall be governed by s.
 5533 607.1106(1)(d).

5534 (4) Subject to subsection (2), a corporation may, by a
 5535 provision in its articles of incorporation, limit any of the
 5536 rights to indemnification or advance for expenses created by or
 5537 pursuant to this chapter.

5538 (5) Sections 607.0850-607.0859 do not limit a
 5539 corporation's power to pay or reimburse expenses incurred by a
 5540 director, an officer, an employee, or an agent in connection
 5541 with appearing as a witness in a proceeding at a time when he or
 5542 she is not a party.

5543 (6) Sections 607.0850-607.0859 do not limit a
 5544 corporation's power to indemnify, advance expenses to, or
 5545 provide or maintain insurance on behalf of or for the benefit of
 5546 an individual who is or was an employee or agent.

5547 Section 115. Section 607.0859, Florida Statutes, is
 5548 created to read:

5549 607.0859 Overriding restrictions on indemnification.—

5550 (1) Unless ordered by a court under s. 607.0854(1)(c), a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5551 corporation may not indemnify a director or officer under s.
5552 607.0851 or s. 607.0858 or advance expenses to a director or
5553 officer under s. 607.0853 or s. 607.0858 if a judgment or other
5554 final adjudication establishes that his or her actions, or
5555 omissions to act, were material to the cause of action so
5556 adjudicated and constitute:

5557 (a) Willful or intentional misconduct or a conscious
5558 disregard for the best interests of the corporation in a
5559 proceeding by or in the right of the corporation to procure a
5560 judgment in its favor or in a proceeding by or in the right of a
5561 shareholder;

5562 (b) A transaction in which a director or officer derived
5563 an improper personal benefit;

5564 (c) A violation of the criminal law, unless the director
5565 or officer had reasonable cause to believe his or her conduct
5566 was lawful or had no reasonable cause to believe his or her
5567 conduct was unlawful; or

5568 (d) In the case of a director, a circumstance under which
5569 the liability provisions of s. 607.0834 are applicable.

5570 (2) A corporation may provide indemnification or advance
5571 expenses to a director or an officer only as allowed by ss.
5572 607.0850-607.0859.

5573 Section 116. Paragraphs (b), (d), (f), (h), (j), and (k)
5574 of subsection (1), subsection (2), paragraph (c) of subsection
5575 (4), and subsections (5) and (6) of section 607.0901, Florida

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5576 Statutes, are amended to read:
 5577 607.0901 Affiliated transactions.—
 5578 (1) For purposes of this section:
 5579 (b) "Affiliated transaction," when used in reference to
 5580 the corporation and any interested shareholder, means:
 5581 1. Any merger or consolidation of the corporation or any
 5582 subsidiary of the corporation with:
 5583 a. The interested shareholder; or
 5584 b. Any other corporation, partnership, limited liability
 5585 company, or other entity, in each case, ~~(whether or not itself~~
 5586 ~~an interested shareholder,~~) which is, or after such merger or
 5587 consolidation would be, an affiliate or associate of the
 5588 interested shareholder;
 5589 2. Any sale, lease, exchange, mortgage, pledge, transfer,
 5590 or other disposition (in one transaction or a series of
 5591 transactions), except proportionately as a shareholder of such
 5592 corporation, to or with the interested shareholder or any
 5593 affiliate or associate of the interested shareholder, whether as
 5594 part of a dissolution or otherwise, of assets of the corporation
 5595 or any subsidiary of the corporation:
 5596 a. Having an aggregate fair market value equal to 10 ~~5~~
 5597 percent or more of the aggregate fair market value of all the
 5598 assets, determined on a consolidated basis, of the corporation;
 5599 b. Having an aggregate fair market value equal to 10 ~~5~~
 5600 percent or more of the aggregate fair market value of all the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5601 outstanding shares of the corporation; or
 5602 c. Representing 10 ~~5~~ percent or more of the earning power
 5603 or net income, determined on a consolidated basis, of the
 5604 corporation;
 5605 3. The issuance or transfer by the corporation or any
 5606 subsidiary of the corporation (in one transaction or a series of
 5607 transactions) of any shares of the corporation or any subsidiary
 5608 of the corporation which have an aggregate fair market value
 5609 equal to 10 ~~5~~ percent or more of the aggregate fair market value
 5610 of all the outstanding shares of the corporation to the
 5611 interested shareholder or any affiliate or associate of the
 5612 interested shareholder except:
 5613 a. Pursuant to the exercise, exchange, or conversion of
 5614 securities exercisable for, exchangeable for, or convertible
 5615 into shares of the corporation or any subsidiary of the
 5616 corporation which were outstanding prior to the time that the
 5617 interested shareholder became such;
 5618 b. Pursuant to a merger under s. 607.11045; or
 5619 c. Provided that the interested shareholder's
 5620 proportionate share of the shares of any class or series of the
 5621 corporation or of the voting shares of the corporation has not
 5622 increased as a result thereof;
 5623 (I) Pursuant to a dividend or distribution paid or made,
 5624 or the exercise, exchange, or conversion of securities
 5625 exercisable for, exchangeable for, or convertible into, shares

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5626 | of the corporation which security is distributed, pro rata to
 5627 | all holders of a class or series of shares of such corporation
 5628 | subsequent to the time the interested shareholder became such;

5629 | (II) Pursuant to an exchange offer by the corporation to
 5630 | purchase shares of such corporation made on the same terms to
 5631 | all holders of such shares; or

5632 | (III) Any issuance or transfer of shares by the
 5633 | corporation; ~~of warrants or rights to purchase stock offered, or~~
 5634 | ~~a dividend or distribution paid or made, pro rata to all~~
 5635 | ~~shareholders of the corporation;~~

5636 | 4. The adoption of any plan or proposal for the
 5637 | liquidation or dissolution of the corporation proposed by, or
 5638 | pursuant to any agreement, arrangement, or understanding
 5639 | (whether or not in writing) with, the interested shareholder or
 5640 | any affiliate or associate of the interested shareholder;

5641 | 5. Any reclassification of securities (including, without
 5642 | limitation, any stock split, stock dividend, or other
 5643 | distribution of shares in respect of shares, or any reverse
 5644 | stock split) or recapitalization of the corporation, or any
 5645 | merger or consolidation of the corporation with any subsidiary
 5646 | of the corporation, or any other transaction (whether or not
 5647 | with or into or otherwise involving the interested shareholder),
 5648 | with the interested shareholder or any affiliate or associate of
 5649 | the interested shareholder, which has the effect, directly or
 5650 | indirectly (in one transaction or a series of transactions

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5651 during any 12-month period), of increasing by more than 10 ~~5~~
 5652 percent the percentage of the outstanding voting shares of the
 5653 corporation or any subsidiary of the corporation beneficially
 5654 owned by the interested shareholder; or

5655 6. Any receipt by the interested shareholder or any
 5656 affiliate or associate of the interested shareholder of the
 5657 benefit, directly or indirectly (except proportionately as a
 5658 shareholder of the corporation), of any loans, advances,
 5659 guaranties, pledges, or other financial assistance or any tax
 5660 credits or other tax advantages, other than those expressly
 5661 allowed in subparagraph 3., provided by or through the
 5662 corporation or any subsidiary of the corporation.

5663 (d) "Associate," when used to indicate a relationship with
 5664 any person, means any entity, other than the corporation or any
 5665 of its subsidiaries, of which such person is an officer,
 5666 director, or partner or is, directly or indirectly, the
 5667 beneficial owner of 20 ~~10~~ percent or more of any class of voting
 5668 shares; any trust or other estate in which such person has at
 5669 least 20 percent ~~a substantial~~ beneficial interest or as to
 5670 which such person serves as trustee or in a similar fiduciary
 5671 capacity; and any relative or spouse of such person, or any
 5672 relative of such spouse, who has the same residence ~~home~~ as such
 5673 person or who is an officer or director of the corporation or
 5674 any of its affiliates.

5675 (f) "Control," "controlling," "controlled by," and "under

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5676 common control with" means the possession, directly or
 5677 indirectly, through the ownership of voting shares, by contract,
 5678 arrangement, understanding, relationship, or otherwise, of the
 5679 power to direct or cause the direction of the management and
 5680 policies of a person. A person who is the owner of 20 percent or
 5681 more of the outstanding voting shares of any corporation,
 5682 partnership, unincorporated association, or other entity is
 5683 presumed to have control of such entity, in the absence of proof
 5684 by a preponderance of the evidence to the contrary.

5685 Notwithstanding the foregoing, a person shall not be deemed to
 5686 have control of an entity ~~a corporation~~ if such person holds
 5687 voting shares, in good faith and not for the purpose of
 5688 circumventing this section, as an agent, bank, broker, nominee,
 5689 custodian, or trustee for one or more beneficial owners who do
 5690 not individually or as a group have control of such entity
 5691 ~~corporation~~.

5692 (h) Unless otherwise specified in the articles of
 5693 incorporation initially filed with the department ~~of State~~, a
 5694 "disinterested director" means as to any particular interested
 5695 shareholder:

5696 1. Any member of the board of directors of the corporation
 5697 who was a member of the board of directors before the later of
 5698 January 1, 1987, or the determination date; and

5699 2. Any member of the board of directors of the corporation
 5700 who was recommended for election by, or was elected to fill a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5701 vacancy and received the affirmative vote of, a majority of the
 5702 disinterested directors then on the board.

5703 (j) "Fair market value" means:

5704 1. In the case of shares:7 the highest closing sale price
 5705 of a share quoted during the 30-day period immediately preceding
 5706 the date in question on the composite tape for shares listed on
 5707 the New York Stock Exchange; or, if such shares are not quoted
 5708 on the composite tape on the New York Stock Exchange, the
 5709 highest closing sale price quoted during such period on the New
 5710 York Stock Exchange; or, if such shares are not listed on such
 5711 exchange, the highest closing sale price quoted during such
 5712 period on the principal United States securities exchange
 5713 registered under the Exchange Act on which such shares are
 5714 listed; or, if such shares are not listed on any such exchange,
 5715 the highest closing bid quotation with respect to a share during
 5716 the 30-day period preceding the date in question on the National
 5717 Association of Securities Dealers, Inc., automated quotations
 5718 system or any other stock price quotation ~~similar~~ system then in
 5719 general use; or, if no such quotations are available, the fair
 5720 market value of a share on the date in question as determined
 5721 by:

5722 a. A majority of disinterested directors; or

5723 b. If at such time there are no disinterested directors,
 5724 by the board of directors of such corporation in good faith; and

5725 2. In the case of property other than cash or shares, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5726 fair market value of such property on the date in question as
 5727 determined by:

5728 a. A majority of the disinterested directors; or
 5729 b. If at such time there are no disinterested directors,
 5730 by the board of directors of such corporation in good faith.

5731 (k) "Interested shareholder" means any person who is the
 5732 beneficial owner of more than 15 ~~10~~ percent of the outstanding
 5733 voting shares of the corporation. However, the term "interested
 5734 shareholder" shall not include:

5735 1. The corporation or any of its subsidiaries;
 5736 2. Any savings, employee stock ownership, or other
 5737 employee benefit plan of the corporation or any of its
 5738 subsidiaries, ~~or~~ or any fiduciary with respect to any such plan
 5739 when acting in such capacity; or

5740 3. Any person whose ownership of shares in excess of the
 5741 15 percent limitation is the result of action taken solely by
 5742 the corporation; provided that such person shall be an
 5743 interested shareholder if thereafter such person acquires
 5744 additional shares of voting shares of the corporation, except as
 5745 a result of further corporate action not caused, directly or
 5746 indirectly, by such person. For the purpose of determining
 5747 whether a person is an interested shareholder, the number of
 5748 voting shares deemed to be outstanding shall include shares
 5749 deemed owned by the interested shareholder through application
 5750 of subparagraph (e)3. but shall not include any other voting

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5751 shares that may be issuable pursuant to any contract,
5752 arrangement, or understanding, upon the exercise of conversion
5753 rights, exchange rights, warrants, or options, or otherwise.

5754 (2) Except to the extent ~~as~~ provided in subsections
5755 subsection (4) and (5), and with respect to such exceptions, in
5756 compliance with other applicable provisions of this chapter, a
5757 corporation may not engage in any affiliated transaction with
5758 any interested shareholder for a period of 3 years following the
5759 time that such shareholder became an interested shareholder,
5760 unless:

5761 (a) Prior to the time that such shareholder became an
5762 interested shareholder, the board of directors of the
5763 corporation approved either the affiliated transaction or the
5764 transaction which resulted in the shareholder becoming an
5765 interested shareholder; or

5766 (b) Upon consummation of the transaction that resulted in
5767 the shareholder becoming an interested shareholder, the
5768 interested shareholder owned at least 85 percent of the voting
5769 shares of the corporation outstanding at the time the
5770 transaction commenced, excluding for purposes of determining the
5771 voting shares outstanding, but not the outstanding voting shares
5772 owned by the interested shareholder, those shares owned by
5773 persons who are directors and also officers and by employee
5774 stock plans in which employee participants do not have the right
5775 to determine confidentially whether shares held subject to the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5776 | plan will be tendered in a tender or exchange offer; or
 5777 | (c) At or subsequent to the time that such shareholder
 5778 | became an interested shareholder, the affiliated transaction is
 5779 | approved by the board of directors and authorized at an annual
 5780 | or special meeting of shareholders, and not by written consent,
 5781 | by the affirmative vote of at least two-thirds of the
 5782 | outstanding voting shares which are not owned by the interested
 5783 | shareholder, ~~in addition to any affirmative vote required by any~~
 5784 | ~~other section of this act or by the articles of incorporation,~~
 5785 | ~~an affiliated transaction shall be approved by the affirmative~~
 5786 | ~~vote of the holders of two-thirds of the voting shares other~~
 5787 | ~~than the shares beneficially owned by the interested~~
 5788 | ~~shareholder.~~

5789 | (4) The voting requirements set forth in subsection (2) do
 5790 | not apply to a particular affiliated transaction if all of the
 5791 | conditions specified in any one of the following paragraphs are
 5792 | met:

5793 | (c) The interested shareholder has been the beneficial
 5794 | owner of at least 80 percent of the corporation's outstanding
 5795 | voting shares for at least 3 ~~5~~ years preceding the announcement
 5796 | date;

5797 | (5) The provisions of this section do not apply:

5798 | (a) To any corporation the original articles of
 5799 | incorporation of which contain a provision expressly electing
 5800 | not to be governed by this section;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5801 (b) To any corporation which adopted an amendment to its
5802 articles of incorporation prior to July 1, 2018 ~~January 1, 1989,~~
5803 expressly electing not to be governed by this section, provided
5804 that such amendment does not apply to any affiliated transaction
5805 of the corporation with an interested shareholder whose
5806 determination date is on or prior to the effective date of such
5807 amendment;

5808 (c) To any corporation which adopts an amendment to its
5809 articles of incorporation or bylaws, approved by the affirmative
5810 vote of the holders, other than interested shareholders and
5811 their affiliates and associates, of a majority of the
5812 outstanding voting shares of the corporation, excluding the
5813 voting shares of interested shareholders and their affiliates
5814 and associates, expressly electing not to be governed by this
5815 section, provided that such amendment to the articles of
5816 incorporation or bylaws shall not be effective until 18 months
5817 after such vote of the corporation's shareholders and shall not
5818 apply to any affiliated transaction of the corporation with an
5819 interested shareholder whose determination date is on or prior
5820 to the effective date of such amendment; or

5821 (d) To any affiliated transaction of the corporation with
5822 an interested shareholder of the corporation which became an
5823 interested shareholder inadvertently, if such interested
5824 shareholder, as soon as practicable, divests itself of a
5825 sufficient amount of the voting shares of the corporation so

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5826 | that it no longer is the beneficial owner, directly or
 5827 | indirectly, of 20 ~~10~~ percent or more of the outstanding voting
 5828 | shares of the corporation, and would not at any time within the
 5829 | 3-year ~~5-year~~ period preceding the announcement date with
 5830 | respect to such affiliated transaction have been an interested
 5831 | shareholder but for such inadvertent acquisition.

5832 | (6) Any corporation that elected not to be governed by
 5833 | this section, either through a provision in its original
 5834 | articles of incorporation or through an amendment to its
 5835 | articles of incorporation or bylaws may elect to be bound by the
 5836 | provisions of this section by adopting an amendment to its
 5837 | articles of incorporation or bylaws that repeals the original
 5838 | article or the amendment. In addition to any requirements of
 5839 | this chapter act, or the articles of incorporation or bylaws of
 5840 | the corporation, any such amendment shall be approved by the
 5841 | affirmative vote of the holders of two-thirds of the voting
 5842 | shares other than shares beneficially owned by any interested
 5843 | shareholder.

5844 | Section 117. Paragraph (d) of subsection (2) of section
 5845 | 607.0902, Florida Statutes, is amended to read:

5846 | 607.0902 Control-share acquisitions.—

5847 | (2) "CONTROL-SHARE ACQUISITION."—

5848 | (d) The acquisition of any shares of an issuing public
 5849 | corporation does not constitute a control-share acquisition if
 5850 | the acquisition is consummated in any of the following

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5851 | circumstances:

5852 | 1. Before July 2, 1987.

5853 | 2. Pursuant to a contract existing before July 2, 1987.

5854 | 3. Pursuant to the laws of intestate succession or
5855 | pursuant to a gift or testamentary transfer.

5856 | 4. Pursuant to the satisfaction of a pledge or other
5857 | security interest created in good faith and not for the purpose
5858 | of circumventing this section.

5859 | 5. Pursuant to a merger or share exchange effected in
5860 | compliance with s. 607.1101, s. 607.1102, s. 607.1103, s.
5861 | 607.1104, or s. 607.1105 ~~s. 607.1107~~, if the issuing public
5862 | corporation is a party to the agreement of merger or plan of
5863 | share exchange.

5864 | 6. Pursuant to any savings, employee stock ownership, or
5865 | other employee benefit plan of the issuing public corporation or
5866 | any of its subsidiaries or any fiduciary with respect to any
5867 | such plan when acting in such fiduciary capacity.

5868 | 7. Pursuant to an acquisition of shares of an issuing
5869 | public corporation if the acquisition has been approved by the
5870 | board of directors of such issuing public corporation before
5871 | acquisition.

5872 | Section 118. Subsection (1) of section 607.1001, Florida
5873 | Statutes, is amended to read:

5874 | 607.1001 Authority to amend the articles of
5875 | incorporation.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5876 (1) A corporation may amend its articles of incorporation
 5877 at any time to add or change a provision that is required or
 5878 permitted in the articles of incorporation or to delete a
 5879 provision not required to be contained in the articles of
 5880 incorporation. Whether a provision is required or permitted in
 5881 the articles of incorporation is determined as of the effective
 5882 date of the amendment.

5883 Section 119. Section 607.1002, Florida Statutes, is
 5884 amended to read:

5885 607.1002 Amendment by board of directors.—Unless the
 5886 articles of incorporation provide otherwise, a corporation's
 5887 board of directors may adopt one or more amendments to the
 5888 corporation's articles of incorporation without shareholder
 5889 approval ~~action~~:

5890 (1) To extend the duration of the corporation if it was
 5891 incorporated at a time when limited duration was required by
 5892 law;

5893 (2) To delete the names and addresses of the initial
 5894 directors;

5895 (3) To delete the name and address of the initial
 5896 registered agent or registered office, if a statement of change
 5897 is on file with the department ~~of State~~;

5898 (4) To delete any other information contained in the
 5899 articles of incorporation that is solely of historical interest;

5900 (5) To delete the authorization for a class or series of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5901 shares authorized pursuant to s. 607.0602, if no shares of such
 5902 class or series are issued;

5903 (6) To change the corporate name by substituting the word
 5904 "corporation," "incorporated," or "company," or the abbreviation
 5905 "corp.," "Inc.," or "Co.," for a similar word or abbreviation in
 5906 the name, or by adding, deleting, or changing a geographical
 5907 attribution for the name;

5908 (7) To change the par value for a class or series of
 5909 shares;

5910 (8) To provide that if the corporation acquires its own
 5911 shares, such shares belong to the corporation and constitute
 5912 treasury shares until disposed of or canceled by the
 5913 corporation; ~~or~~

5914 (9) To reflect a reduction in authorized shares, as a
 5915 result of the operation of s. 607.0631(2), when the corporation
 5916 has acquired its own shares and the articles of incorporation
 5917 prohibit the reissue of the acquired shares;

5918 (10) To delete a class of shares from the articles of
 5919 incorporation, as a result of the operation of s. 607.0631(2),
 5920 when there are no remaining shares of the class because the
 5921 corporation has acquired all shares of the class and the
 5922 articles of incorporation prohibit the reissue of the acquired
 5923 shares; or

5924 (11)~~(9)~~ To make any other change expressly permitted by
 5925 this act to be made without shareholder approval ~~action~~.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5926 Section 120. Subsections (4), (6), and (8) of section
 5927 607.10025, Florida Statutes, are amended to read:

5928 607.10025 Shares; combination or division.—

5929 (4) If a division or combination is effected by a board
 5930 action without shareholder approval and includes an amendment to
 5931 the articles of incorporation, there shall be signed ~~executed~~ in
 5932 accordance with s. 607.0120 on behalf of the corporation and
 5933 filed in the office of the department ~~of State~~ articles of
 5934 amendment which shall set forth:

5935 (a) The name of the corporation.

5936 (b) The date of adoption by the board of directors of the
 5937 resolution approving the division or combination.

5938 (c) That the amendment to the articles of incorporation
 5939 does not adversely affect the rights or preferences of the
 5940 holders of outstanding shares of any class or series and does
 5941 not result in the percentage of authorized shares that remain
 5942 unissued after the division or combination exceeding the
 5943 percentage of authorized shares that were unissued before the
 5944 division or combination.

5945 (d) The class or series and number of shares subject to
 5946 the division or combination and the number of shares into which
 5947 the shares are to be divided or combined.

5948 (e) The amendment of the articles of incorporation made in
 5949 connection with the division or combination.

5950 (f) If the division or combination is to become effective

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5951 at a time subsequent to the time of filing, the date, which may
 5952 not exceed 90 days after the date of filing, when the division
 5953 or combination becomes effective.

5954 (6) If a division or combination is effected by action of
 5955 the board and of the shareholders, there shall be signed
 5956 ~~executed~~ on behalf of the corporation and filed with the
 5957 department ~~of State~~ articles of amendment as provided in s.
 5958 607.1006 ~~s. 607.1003~~, which articles shall set forth, in
 5959 addition to the information required by s. 607.1006 ~~s. 607.1003~~,
 5960 the information required in subsection (4).

5961 ~~(8) This section applies only to corporations with more~~
 5962 ~~than 35 shareholders of record.~~

5963 Section 121. Section 607.1003, Florida Statutes, is
 5964 amended to read:

5965 607.1003 Amendment by board of directors and
 5966 shareholders.—If a corporation has issued shares, an amendment
 5967 to the articles of incorporation shall be adopted in the
 5968 following manner:

5969 (1) The proposed amendment shall first be adopted by the
 5970 board of directors. ~~A corporation's board of directors may~~
 5971 ~~propose one or more amendments to the articles of incorporation~~
 5972 ~~for submission to the shareholders.~~

5973 (2) (a) Except as provided in ss. 607.1002, 607.10025, and
 5974 607.1008, and, with respect to restatements that do not require
 5975 shareholder approval, s. 607.1007, the amendment shall then be

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

5976 | approved by the shareholders.

5977 | (b) In submitting the proposed amendment to the
5978 | shareholders for approval, the board of directors shall
5979 | recommend that the shareholders approve the amendment unless:

5980 | 1. The board of directors makes a determination that
5981 | because of a conflict of interest or other special circumstances
5982 | it should not make such a recommendation; or

5983 | 2. Section 607.0826 applies.

5984 | (c) If either subparagraph (b)1. or subparagraph (b)2.
5985 | applies, the board must inform the shareholders of the basis for
5986 | its so proceeding without such recommendation ~~For the amendment~~
5987 | ~~to be adopted:~~

5988 | ~~(a) The board of directors must recommend the amendment to~~
5989 | ~~the shareholders, unless the board of directors determines that~~
5990 | ~~because of conflict of interest or other special circumstances~~
5991 | ~~it should make no recommendation and communicates the basis for~~
5992 | ~~its determination to the shareholders with the amendment; and~~

5993 | ~~(b) The shareholders entitled to vote on the amendment~~
5994 | ~~must approve the amendment as provided in subsection (5).~~

5995 | (3) The board of directors may set conditions for the
5996 | approval of the amendment by the shareholders or the
5997 | effectiveness of the amendment ~~condition its submission of the~~
5998 | ~~proposed amendment on any basis.~~

5999 | (4) If the amendment is required to be approved by the
6000 | shareholders, and the approval is to be given at a meeting, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6001 corporation must notify each shareholder, whether or not
 6002 entitled to vote, of the meeting of shareholders at which the
 6003 amendment is to be submitted for approval. The notice must be
 6004 given in accordance with s. 607.0705, state that the purpose, or
 6005 one of the purposes, of the meeting is to consider the
 6006 amendment, and must contain or be accompanied by a copy of the
 6007 amendment ~~The corporation shall notify each shareholder, whether~~
 6008 ~~er not entitled to vote, of the proposed shareholders' meeting~~
 6009 ~~in accordance with s. 607.0705. The notice of meeting must also~~
 6010 ~~state that the purpose, or one of the purposes, of the meeting~~
 6011 ~~is to consider the proposed amendment and contain or be~~
 6012 ~~accompanied by a copy or summary of the amendment.~~

6013 (5) Unless this chapter ~~act~~, the articles of
 6014 incorporation, or the board of directors, ~~acting pursuant to~~
 6015 subsection (3), ~~requires a greater vote or a~~ greater quorum,
 6016 the approval of the amendment requires the approval of the
 6017 shareholders at a meeting at which a quorum consisting of at
 6018 least a majority of the shares entitled to be cast on the
 6019 amendment exists, and, if any class or series of shares is
 6020 entitled to vote as a separate group on the amendment, except as
 6021 provided in s. 607.1004(3), the approval of each such separate
 6022 voting group at a meeting at which a quorum of the voting group
 6023 exists consisting of at least a majority of the votes entitled
 6024 to be cast on the amendment by that voting group.

6025 (6) If the amendment by any voting group would create

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6026 appraisal rights, approval of the amendment must also require
 6027 the vote of a majority of the votes entitled to be cast by such
 6028 voting group ~~vote by voting groups, the amendment to be adopted~~
 6029 ~~must be approved by:~~

6030 ~~(a) A majority of the votes entitled to be cast on the~~
 6031 ~~amendment by any voting group with respect to which the~~
 6032 ~~amendment would create dissenters' rights; and~~

6033 ~~(b) The votes required by ss. 607.0725 and 607.0726 by~~
 6034 ~~every other voting group entitled to vote on the amendment.~~

6035 (7)(6) Unless otherwise provided in the articles of
 6036 incorporation, the shareholders of a corporation having 35 or
 6037 fewer shareholders may amend the articles of incorporation
 6038 without an act of the directors at a meeting for which notice of
 6039 the changes to be made is given. For purposes of this
 6040 subsection, the term "shareholder" means a record shareholder, a
 6041 beneficial shareholder, or an unrestricted voting trust
 6042 beneficial owner.

6043 (8) If as a result of an amendment of the articles of
 6044 incorporation one or more shareholders of a domestic corporation
 6045 would become subject to new interest holder liability, approval
 6046 of the amendment shall require the signing in connection with
 6047 the amendment, by each such shareholder, of a separate written
 6048 consent to become subject to such new interest holder liability,
 6049 unless in the case of a shareholder that already has interest
 6050 holder liability the terms and conditions of the new interest

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6051 holder liability are substantially identical to those of the
 6052 existing interest holder liability (other than changes that
 6053 eliminate or reduce such interest holder liability).

6054 (9) For purposes of subsection (8) and s. 607.1009, the
 6055 term "new interest holder liability" means interest holder
 6056 liability of a person resulting from an amendment of the
 6057 articles of incorporation if the person did not have interest
 6058 holder liability before the amendment becomes effective, or the
 6059 person had interest holder liability before the amendment
 6060 becomes effective, the terms and conditions of which are changed
 6061 when the amendment becomes effective.

6062 Section 122. Section 607.1004, Florida Statutes, is
 6063 amended to read:

6064 607.1004 Voting on amendments by voting groups.—

6065 (1) If the corporation has more than one class of shares
 6066 outstanding, the holders of the outstanding shares of a class
 6067 are entitled to vote as a separate voting group ~~class~~ (if
 6068 shareholder voting is otherwise required by this chapter ~~act~~)
 6069 upon a proposed amendment to the articles of incorporation, if
 6070 the amendment would:

6071 (a) Effect an exchange or reclassification of all or part
 6072 of the shares of the class into shares of another class.

6073 (b) Effect an exchange or reclassification, or create a
 6074 right of exchange, of all or part of the shares of another class
 6075 into the shares of the class.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6076 (c) Change the designation, rights, preferences, or
 6077 limitations of all or part of the shares of the class.
 6078 (d) Change the shares of all or part of the class into a
 6079 different number of shares of the same class.
 6080 (e) Create a new class of shares having rights or
 6081 preferences with respect to distributions or to dissolution that
 6082 are prior or superior to the shares of the class.
 6083 (f) Increase the rights, preferences, or number of
 6084 authorized shares of any class that, after giving effect to the
 6085 amendment, have rights or preferences with respect to
 6086 distributions or to dissolution that are prior or superior to
 6087 the shares of the class.
 6088 (g) Limit or deny an existing preemptive right of all or
 6089 part of the shares of the class.
 6090 (h) Cancel or otherwise affect rights to distributions or
 6091 dividends that have accumulated but not yet been declared on all
 6092 or part of the shares of the class.
 6093 (2) If a proposed amendment would affect a series of a
 6094 class of shares in one or more of the ways described in
 6095 subsection (1), the shares of that series are entitled to vote
 6096 as a separate voting group ~~class~~ on the proposed amendment.
 6097 (3) If a proposed amendment that entitles the holders of
 6098 two or more classes or series of shares to vote as separate
 6099 voting groups under this section would affect those two or more
 6100 classes or series in the same or substantially similar way, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6101 holders of ~~the~~ shares of all the classes or series so affected
 6102 must vote together as a single voting group on the proposed
 6103 amendment, unless otherwise provided in the articles of
 6104 incorporation or added as a condition by the board of directors
 6105 pursuant to s. 607.1003(3).

6106 (4) A class or series of shares is entitled to the voting
 6107 rights granted by this section even if ~~although~~ the articles of
 6108 incorporation provide that the shares are nonvoting shares.

6109 Section 123. Section 607.1005, Florida Statutes, is
 6110 amended to read:

6111 607.1005 Amendment before issuance of shares.—If a
 6112 corporation has not yet issued shares, its board of directors,
 6113 or a majority of its incorporators if it has no ~~or~~ board of
 6114 directors, may adopt one or more amendments to the corporation's
 6115 articles of incorporation.

6116 Section 124. Section 607.1006, Florida Statutes, is
 6117 amended to read:

6118 607.1006 Articles of amendment.—

6119 (1) After an amendment to the ~~A corporation amending its~~
 6120 articles of incorporation has been adopted and approved as
 6121 required by this chapter, the corporation shall deliver to the
 6122 department of State for filing articles of amendment which must
 6123 ~~shall~~ be signed ~~executed~~ in accordance with s. 607.0120 and
 6124 which must ~~shall~~ set forth:

6125 (a) ~~(1)~~ The name of the corporation;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6126 (b)-(2) The text of each amendment adopted, or the
 6127 information required by s. 607.0120(11)(e), if applicable;
 6128 (c)-(3) If an amendment provides for an exchange,
 6129 reclassification, or cancellation of issued shares, provisions
 6130 for implementing the amendment if not contained in the amendment
 6131 itself, which may be made dependent upon facts objectively
 6132 ascertainable outside of the articles of amendment in accordance
 6133 with s. 607.0120(11);
 6134 (d)-(4) The date of each amendment's adoption; and
 6135 (e)-(5) If an amendment:
 6136 1. Was adopted by the incorporators or board of directors
 6137 without shareholder approval action, a statement that the
 6138 amendment was duly adopted by the incorporators or by the board
 6139 of directors, as the case may be, to that effect and that
 6140 shareholder approval action was not required;
 6141 2.-(6) ~~If an amendment was approved~~ Required approval by
 6142 the shareholders, a statement that the number of votes cast for
 6143 the amendment by the shareholders in a manner required by this
 6144 chapter and by the articles of incorporation was sufficient for
 6145 approval and if more than one voting group was entitled to vote
 6146 on the amendment, a statement designating each voting group
 6147 entitled to vote separately on the amendment, and a statement
 6148 that the number of votes cast for the amendment by the
 6149 shareholders in each voting group was sufficient for approval by
 6150 that voting group; or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6151 3. Is being filed pursuant to s. 607.0120(11)(e), a
 6152 statement to that effect.

6153 (2) Articles of amendment shall take effect at the
 6154 effective date determined pursuant to s. 607.0123.

6155 Section 125. Section 607.1007, Florida Statutes, is
 6156 amended to read:

6157 607.1007 Restated articles of incorporation.—

6158 (1) A corporation's board of directors may restate its
 6159 articles of incorporation at any time ~~with or~~ without
 6160 shareholder approval, subject to subsection (2) ~~action~~.

6161 (2) If the restated articles ~~The restatement may~~ include
 6162 one or more new amendments that require ~~to the articles. If the~~
 6163 ~~restatement includes an amendment requiring~~ shareholder
 6164 approval, the amendments ~~it~~ must be adopted and approved as
 6165 provided in s. 607.1003.

6166 (3) Notwithstanding subsection (1), if the board of
 6167 directors submits a restatement for shareholder approval, and
 6168 the approval is to be given at a meeting ~~action~~, the corporation
 6169 must ~~shall~~ notify each shareholder, whether or not entitled to
 6170 vote, of the meeting of shareholders at which the restatement is
 6171 to be submitted for approval. The notice must be given ~~of the~~
 6172 ~~proposed shareholders' meeting~~ in accordance with s. 607.0705
 6173 and must. ~~The notice must also~~ state that the purpose, or one of
 6174 the purposes, of the meeting is to consider the ~~proposed~~
 6175 restatement and must contain or be accompanied by a copy of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6176 | ~~restatement that identifies any amendment or other change it~~
 6177 | ~~would make in the articles.~~

6178 | (4) A corporation that restates ~~restating~~ its articles of
 6179 | incorporation shall execute and deliver to the department ~~of~~
 6180 | ~~State~~ for filing articles of restatement, that comply with the
 6181 | provisions of s. 607.0120, and to the extent applicable, s.
 6182 | 607.0202, setting forth:

6183 | (a) The name of the corporation;

6184 | (b) and The text of the restated articles of
 6185 | incorporation;

6186 | (c) A statement that the restated articles consolidate all
 6187 | amendments into a single document; and

6188 | (d) If one or more new amendments are included in the
 6189 | restated articles, the statements required under s. 607.1006
 6190 | with respect to each new amendment ~~Together with a certificate~~
 6191 | ~~setting forth:~~

6192 | ~~(a) Whether the restatement contains an amendment to the~~
 6193 | ~~articles requiring shareholder approval and, if it does not,~~
 6194 | ~~that the board of directors adopted the restatement; or~~

6195 | ~~(b) If the restatement contains an amendment to the~~
 6196 | ~~articles requiring shareholder approval, the information~~
 6197 | ~~required by s. 607.1006.~~

6198 | (5) Duly adopted restated articles of incorporation
 6199 | supersede the original articles of incorporation and all
 6200 | amendments to the articles of incorporation ~~them~~.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6201 (6) The department ~~of State~~ may certify restated articles
 6202 of incorporation, as the articles of incorporation currently in
 6203 effect, without including the statements ~~certificate information~~
 6204 required by subsection (4).

6205 Section 126. Subsections (1), (2), and (3) of section
 6206 607.1008, Florida Statutes, are amended to read:

6207 607.1008 Amendment pursuant to reorganization.—

6208 (1) A corporation's articles of incorporation may be
 6209 amended without action by the board of directors or shareholders
 6210 to carry out a plan of reorganization ordered or decreed by a
 6211 court of competent jurisdiction under the authority of a law of
 6212 the United States or of this state ~~any federal or Florida~~
 6213 ~~statute if the articles of incorporation after amendment contain~~
 6214 ~~only provisions required or permitted by s. 607.0202.~~

6215 (2) The individual or individuals designated by the court
 6216 shall deliver to the department ~~of State~~ for filing articles of
 6217 amendment setting forth:

6218 (a) The name of the corporation;

6219 (b) The text of each amendment approved by the court;

6220 (c) The date of the court's order or decree approving the
 6221 articles of amendment;

6222 (d) The title of the reorganization proceeding in which
 6223 the order or decree was entered; and

6224 (e) A statement that the court had jurisdiction of the
 6225 proceeding under a federal or Florida statute.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6226 (3) Shareholders of a corporation undergoing
 6227 reorganization do not have appraisal ~~dissenters'~~ rights except
 6228 as and to the extent provided in the reorganization plan.

6229 Section 127. Section 607.1009, Florida Statutes, is
 6230 amended to read:

6231 607.1009 Effect of amendment.—

6232 (1) An amendment to articles of incorporation does not
 6233 affect a cause of action existing against or in favor of the
 6234 corporation, a proceeding to which the corporation is a party,
 6235 or the existing rights of persons other than shareholders of the
 6236 corporation. An amendment changing a corporation's name does not
 6237 affect ~~abate~~ a proceeding brought by or against the corporation
 6238 in its former name.

6239 (2) A shareholder who becomes subject to new interest
 6240 holder liability in respect of the corporation as a result of an
 6241 amendment to the articles of incorporation shall have that new
 6242 interest holder liability only in respect of interest holder
 6243 liabilities that arise after the amendment becomes effective.

6244 (3) Except as otherwise provided in the articles of
 6245 incorporation of the corporation, the interest holder liability
 6246 of a shareholder who had interest holder liability in respect of
 6247 the corporation before the amendment becomes effective and has
 6248 new interest holder liability after the amendment becomes
 6249 effective shall be as follows:

6250 (a) The amendment does not discharge that prior interest

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6251 holder liability with respect to any interest holder liabilities
 6252 that arose before the amendment becomes effective.

6253 (b) The provisions of the articles of incorporation of the
 6254 corporation relating to interest holder liability as in effect
 6255 immediately prior to the amendment shall continue to apply to
 6256 the collection or discharge of any interest holder liabilities
 6257 preserved by paragraph (a), as if the amendment had not
 6258 occurred.

6259 (c) The shareholder shall have such rights of contribution
 6260 from other persons as are provided by the articles of
 6261 incorporation relating to interest holder liability as in effect
 6262 immediately prior to the amendment with respect to any interest
 6263 holder liabilities preserved by paragraph (3) (a), as if the
 6264 amendment had not occurred.

6265 (d) The shareholder shall not, by reason of such prior
 6266 interest holder liability, have interest holder liability with
 6267 respect to any interest holder liabilities that arise after the
 6268 amendment becomes effective.

6269 Section 128. Subsection (1) of section 607.1020, Florida
 6270 Statutes, is amended, and subsection (3) is added to that
 6271 section, to read:

6272 607.1020 Amendment of bylaws by board of directors or
 6273 shareholders.—

6274 (1) A corporation's board of directors may amend or repeal
 6275 the corporation's bylaws unless:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6276 (a) The articles of incorporation or this chapter ~~act~~
 6277 reserves that power ~~the power to amend the bylaws generally or a~~
 6278 ~~particular bylaw provision~~ exclusively to the shareholders in
 6279 whole or in part; or

6280 (b) Except as provided in s. 607.0206(5), the
 6281 shareholders, in amending, ~~or~~ repealing, or adopting the bylaws
 6282 generally or a particular bylaw provision, ~~provide~~ expressly
 6283 provide that the board of directors may not amend, ~~or~~ repeal,
 6284 adopt, or reinstate the bylaws generally or that particular
 6285 bylaw provision.

6286 (3) A shareholder does not have a vested property right
 6287 resulting from any provision in the bylaws.

6288 Section 129. Subsection (1) of section 607.1021, Florida
 6289 Statutes, is amended to read:

6290 607.1021 Bylaw increasing quorum or voting requirements
 6291 for shareholders.—

6292 (1) If authorized by the articles of incorporation, the
 6293 shareholders may adopt or amend a bylaw that fixes a greater
 6294 quorum or voting requirement for shareholders (or voting groups
 6295 of shareholders) than is required by this chapter ~~act~~. The
 6296 adoption or amendment of a bylaw that adds, changes, or deletes
 6297 a greater quorum or voting requirement for shareholders must
 6298 meet the same quorum requirement and be adopted by the same vote
 6299 and voting groups required to take action under the quorum and
 6300 voting requirement then in effect or proposed to be adopted,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6301 | whichever is greater.

6302 | Section 130. Section 607.1022, Florida Statutes, is
6303 | amended to read:

6304 | 607.1022 Bylaw increasing quorum or voting requirements
6305 | for directors.—

6306 | (1) A bylaw that increases a ~~fixes a greater~~ quorum or
6307 | voting requirement for the board of directors may be amended or
6308 | repealed:

6309 | (a) If originally adopted by the shareholders, only by the
6310 | shareholders, unless the bylaw otherwise provides; or

6311 | (b) If originally adopted by the board of directors,
6312 | either by the shareholders or by the board of directors.

6313 | (2) A bylaw adopted or amended by the shareholders that
6314 | increases a ~~fixes a greater~~ quorum or voting requirement for the
6315 | board of directors may provide that it may be amended or
6316 | repealed only by a specified vote of either the shareholders or
6317 | the board of directors.

6318 | (3) Action by the board of directors under subsection (1)
6319 | to amend or repeal paragraph (1)(b) to adopt or amend a bylaw
6320 | that changes the quorum or voting requirement for the board of
6321 | directors must meet the same quorum requirement and be adopted
6322 | by the same vote required to take action under the quorum and
6323 | voting requirement then in effect or proposed to be adopted,
6324 | whichever is greater.

6325 | Section 131. Section 607.1023, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6326 created to read:

6327 607.1023 Bylaw provisions relating to the election of
6328 directors.-

6329 (1) Unless the articles of incorporation specifically
6330 prohibit the adoption of a bylaw pursuant to this section, alter
6331 the vote specified in s. 607.0728(1), or provide for cumulative
6332 voting, a corporation may elect in its bylaws to be governed in
6333 the election of directors as follows:

6334 (a) Each vote entitled to be cast may be voted for or
6335 against up to the number of candidates that is equal to the
6336 number of directors to be elected, or a shareholder may indicate
6337 an abstention, but without cumulating the votes;

6338 (b) To be elected, a nominee must have received a
6339 plurality of the votes cast by holders of shares entitled to
6340 vote in the election at a meeting at which a quorum is present,
6341 provided that a nominee who is elected but receives more votes
6342 against than for election shall serve as a director for a term
6343 that shall terminate on the date that is the earlier of 90 days
6344 from the date on which the voting results are determined
6345 pursuant to s. 607.0729(2)(e) or the date on which an individual
6346 is selected by the board of directors to fill the office held by
6347 such director, which selection shall be deemed to constitute the
6348 filling of a vacancy by the board to which s. 607.0809 applies.
6349 Subject to paragraph (c), a nominee who is elected but receives
6350 more votes against than for election shall not serve as a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6351 director beyond the 90-day period referenced above; and
6352 (c) The board of directors may select any qualified
6353 individual to fill the office held by a director who received
6354 more votes against than for election.
6355 (2) Subsection (1) does not apply to an election of
6356 directors by a voting group if:
6357 (a) At the expiration of the time fixed under a provision
6358 requiring advance notification of director candidates; or
6359 (b) Absent such a provision, at a time fixed by the board
6360 of directors which is not more than 14 days before notice is
6361 given of the meeting at which the election is to occur,
6362
6363 there are more candidates for election by the voting group than
6364 the number of directors to be elected, one or more of whom are
6365 properly proposed by shareholders. An individual shall not be
6366 considered a candidate for purposes of this subsection if the
6367 board of directors determines before the notice of meeting is
6368 given that such individual's candidacy does not create a bona
6369 fide election contest.
6370 (3) A bylaw electing to be governed by this section may be
6371 repealed:
6372 (a) If originally adopted by the shareholders, only by the
6373 shareholders, unless the bylaw otherwise provides; or
6374 (b) If adopted by the board of directors, by the board of
6375 directors or the shareholders.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6376 Section 132. Section 607.1101, Florida Statutes, is
 6377 amended to read:

6378 607.1101 Merger.—

6379 (1) By complying with this chapter, including adopting a
 6380 plan of merger in accordance with subsection (3) and complying
 6381 with s. 607.1103:

6382 (a) One or more domestic corporations may merge with one
 6383 or more domestic or foreign eligible entities pursuant to a plan
 6384 of merger, resulting in a survivor; and

6385 (b) Any two or more entities, each of which is either a
 6386 domestic eligible entity or a foreign eligible entity, may
 6387 merge, resulting in a survivor that is a domestic corporation
 6388 created in the merger ~~into another corporation if the board of~~
 6389 ~~directors of each corporation adopts and its shareholders (if~~
 6390 ~~required by s. 607.1103) approve a plan of merger.~~

6391 (2) A domestic eligible entity that is not a corporation
 6392 may be a party to a merger with a domestic corporation, or may
 6393 be created as the survivor in a merger in which a domestic
 6394 corporation is a party, but only if the parties to the merger
 6395 comply with the applicable provisions of this chapter and the
 6396 merger is permitted by the organic law of the domestic eligible
 6397 entity that is not a corporation. A foreign eligible entity may
 6398 be a party to a merger with a domestic corporation, or may be
 6399 created as the survivor in a merger in which a domestic
 6400 corporation is a party, but only if the parties to the merger

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6401 comply with the applicable provisions of this chapter and the
 6402 merger is permitted by the organic law of the foreign eligible
 6403 entity.

6404 (3) The plan of merger must ~~shall~~ set forth:

6405 (a) As to each party to the merger, its name, jurisdiction
 6406 of formation, and type of entity;

6407 (b) The survivor's name, jurisdiction of formation, and
 6408 type of entity, and, if the survivor is to be created in the
 6409 merger, a statement to that effect ~~The name of each corporation~~
 6410 ~~planning to merge and the name of the surviving corporation into~~
 6411 ~~which each other corporation plans to merge, which is~~
 6412 ~~hereinafter designated as the surviving corporation;~~

6413 (c) ~~(b)~~ The terms and conditions of the ~~proposed~~ merger;
 6414 and

6415 (d) ~~(e)~~ The manner and basis of converting:

6416 1. The shares of each domestic or foreign corporation and
 6417 the eligible interests of each merging domestic or foreign
 6418 eligible entity into:

6419 a. Shares or other securities.

6420 b. Eligible interests.

6421 c. Obligations.

6422 d. Rights to acquire shares, other securities, or eligible
 6423 interests.

6424 e. Cash.

6425 f. Other property.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6426 | g. Any combination of the foregoing; and
 6427 | 2. Rights to acquire shares of each merging domestic or
 6428 | foreign corporation and rights to acquire eligible interests of
 6429 | each merging domestic or foreign eligible entity into:
 6430 | a. Shares or other securities.
 6431 | b. Eligible interests.
 6432 | c. Obligations.
 6433 | d. Rights to acquire shares, other securities, or eligible
 6434 | interests.
 6435 | e. Cash.
 6436 | f. Other property.
 6437 | g. Any combination of the foregoing;
 6438 | (e) The articles of incorporation of any domestic or
 6439 | foreign corporation, or the public organic record of any other
 6440 | domestic or foreign eligible entity to be created by the merger,
 6441 | or if a new domestic or foreign corporation or other eligible
 6442 | entity is not to be created by the merger, any amendments to, or
 6443 | restatements of, the survivor's articles of incorporation or
 6444 | other public organic record;
 6445 | (f) The effective date and time of the merger, which may
 6446 | be on or after the filing date of the articles of merger; and
 6447 | (g) Any other provisions required by the laws under which
 6448 | any party to the merger is organized or by which it is governed,
 6449 | or by the articles of incorporation or organic rules of any such
 6450 | party corporation into shares, obligations, or other securities

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6451 ~~of the surviving corporation or any other corporation or, in~~
6452 ~~whole or in part, into cash or other property and the manner and~~
6453 ~~basis of converting rights to acquire shares of each corporation~~
6454 ~~into rights to acquire shares, obligations, or other securities~~
6455 ~~of the surviving or any other corporation or, in whole or in~~
6456 ~~part, into cash or other property.~~

6457 (4)(3) In addition to the requirements of subsection (3),
6458 a The plan of merger may contain any other provision that is not
6459 prohibited by law set forth:

6460 ~~(a) Amendments to, or a restatement of, the articles of~~
6461 ~~incorporation of the surviving corporation;~~

6462 ~~(b) The effective date of the merger, which may be on or~~
6463 ~~after the date of filing the certificate; and~~

6464 ~~(c) Other provisions relating to the merger.~~

6465 (5) Terms of a plan of merger may be made dependent on
6466 facts objectively ascertainable outside the plan in accordance
6467 with s. 607.0120(11).

6468 (6) A plan of merger may be amended only with the consent
6469 of each party to the merger, except as provided in the plan. A
6470 domestic party to a merger may approve an amendment to a plan:

6471 (a) In the same manner as the plan was approved, if the
6472 plan does not provide for the manner in which it may be amended;
6473 or

6474 (b) In the manner provided in the plan, except that
6475 shareholders, members, or interest holders that were entitled to

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6476 vote on or consent to the approval of the plan are entitled to
 6477 vote on or consent to any amendment to the plan that will
 6478 change:

6479 1. The amount or kind of shares or other securities,
 6480 eligible interests, obligations, rights to acquire shares, other
 6481 securities, or eligible interests, cash, other property, or any
 6482 combination of the foregoing, to be received under the plan by
 6483 the shareholders, holders of rights to acquire shares, other
 6484 securities, or eligible interests, members, or interest holders
 6485 of any party to the merger;

6486 2. The articles of incorporation of any domestic
 6487 corporation, or the organic rules of any other type of entity,
 6488 that will be the survivor of the merger, except for changes
 6489 permitted by s. 607.1002 or by comparable provisions of the
 6490 organic law of any other type of entity; or

6491 3. Any of the other terms or conditions of the plan if the
 6492 change would adversely affect such shareholders, members, or
 6493 interest holders in any material respect.

6494 (7) The redomestication of a foreign insurer to this state
 6495 under s. 628.520 shall be deemed a merger of a foreign
 6496 corporation and a domestic corporation, and the surviving
 6497 corporation shall be deemed to be a domestic corporation
 6498 incorporated under the laws of this state. The redomestication
 6499 of a Florida corporation to a foreign jurisdiction under s.
 6500 628.525 shall be deemed a merger of a domestic corporation and a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6501 foreign corporation, and the surviving corporation shall be
 6502 deemed to be a foreign corporation.

6503 Section 133. Section 607.1102, Florida Statutes, is
 6504 amended to read:

6505 607.1102 Share exchange.—

6506 (1) By complying with this chapter, including adopting a
 6507 plan of share exchange in accordance with subsection (3) and
 6508 complying with s. 607.1103:

6509 (a) A domestic corporation may acquire all of the shares
 6510 or rights to acquire shares of one or more classes or series of
 6511 shares or rights to acquire shares of another domestic or
 6512 foreign corporation, or all of the eligible interests of one or
 6513 more classes or series of interests of a domestic or foreign
 6514 eligible entity, or any combination of the foregoing, pursuant
 6515 to a plan of share exchange, in exchange for:

6516 1. Shares or other securities.

6517 2. Eligible interests.

6518 3. Obligations.

6519 4. Rights to acquire shares, other securities, or eligible
 6520 interests.

6521 5. Cash.

6522 6. Other property.

6523 7. Any combination of the foregoing; or

6524 (b) All of the shares of one or more classes or series of
 6525 shares or rights to acquire shares of a domestic corporation may

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6526 | be acquired by another domestic or foreign eligible entity,
 6527 | pursuant to a plan of share exchange, in exchange for:
 6528 | 1. Shares or other securities.
 6529 | 2. Eligible interests.
 6530 | 3. Obligations.
 6531 | 4. Rights to acquire shares, other securities, or eligible
 6532 | interests.
 6533 | 5. Cash.
 6534 | 6. Other property.
 6535 | 7. Any combination of the foregoing.
 6536 | (2) A foreign eligible entity may be the acquired eligible
 6537 | entity in a share exchange only if the share exchange is
 6538 | permitted by the organic law of that eligible entity ~~A~~
 6539 | ~~corporation may acquire all of the outstanding shares of one or~~
 6540 | ~~more classes or series of another corporation if the board of~~
 6541 | ~~directors of each corporation adopts and its shareholders (if~~
 6542 | ~~required by s. 607.1103) approve a plan of share exchange.~~
 6543 | (3)(2) The plan of share exchange must shall set forth:
 6544 | (a) The name of each domestic or foreign eligible entity
 6545 | ~~the corporation~~ the shares or eligible interests of which will
 6546 | be acquired and the name of the domestic or foreign corporation
 6547 | or eligible entity that will acquire those shares or eligible
 6548 | interests ~~acquiring corporation;~~
 6549 | (b) The terms and conditions of the share exchange;
 6550 | (c) The manner and basis of exchanging:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6551 1. The shares of each domestic or foreign corporation, and
 6552 the eligible interests of each domestic or foreign eligible
 6553 entity, the shares or eligible interests that are to be acquired
 6554 in the share exchange, into shares or other securities, eligible
 6555 interests, obligations, rights to acquire shares, other
 6556 securities, or eligible interests, cash, other property, or any
 6557 combination of the foregoing; and

6558 2. Rights to acquire shares of each domestic or foreign
 6559 corporation and rights to acquire eligible interests of each
 6560 domestic or foreign eligible entity, that are to be acquired in
 6561 the share exchange, into shares or other securities, eligible
 6562 interests, obligations, rights to acquire shares, other
 6563 securities, or eligible interests, cash, other property, or any
 6564 combination of the foregoing; and

6565 (d) Any other provisions required by the organic law
 6566 governing the acquired eligible entity or its articles of
 6567 incorporation or organic rules ~~the shares to be acquired for~~
 6568 ~~shares, obligations, or other securities of the acquiring or any~~
 6569 ~~other corporation or, in whole or in part, for cash or other~~
 6570 ~~property, and the manner and basis of exchanging rights to~~
 6571 ~~acquire shares of the corporation to be acquired for rights to~~
 6572 ~~acquire shares, obligations, or, in whole or in part, other~~
 6573 ~~securities of the acquiring or any other corporation or, in~~
 6574 ~~whole or in part, for cash or other property.~~

6575 (4)(3) In addition to the requirements of subsection (3),

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6576 | the plan of share exchange may contain any other provisions that
6577 | are not prohibited by law ~~set forth other provisions relating to~~
6578 | ~~the exchange.~~

6579 | (5) Terms of a plan of share exchange may be made
6580 | dependent on facts objectively ascertainable outside the plan in
6581 | accordance with s. 607.0120(11).

6582 | (6) A plan of share exchange may be amended only with the
6583 | consent of each party to the share exchange, except as provided
6584 | in the plan. A domestic eligible entity may approve an amendment
6585 | to a plan:

6586 | (a) In the same manner as the plan was approved, if the
6587 | plan does not provide for the manner in which it may be amended;
6588 | or

6589 | (b) In the manner provided in the plan, except that
6590 | shareholders, members, or interest holders that were entitled to
6591 | vote on or consent to approval of the plan are entitled to vote
6592 | on or consent to any amendment of the plan that will change:

6593 | 1. The amount or kind of shares or other securities,
6594 | eligible interests, obligations, rights to acquire shares, other
6595 | securities, or eligible interests, cash, or other property to be
6596 | received under the plan by the shareholders, members, or
6597 | interest holders of the acquired eligible entity; or

6598 | 2. Any of the other terms or conditions of the plan if the
6599 | change would adversely affect such shareholders, members, or
6600 | interest holders in any material respect.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6601 (7)-(4) This section does not limit the power of a
 6602 corporation to acquire all or part of the shares, or rights to
 6603 acquire shares, of one or more classes or series of another
 6604 corporation or eligible interests, or rights to acquire eligible
 6605 interests, of any other eligible entity through a voluntary
 6606 exchange or otherwise.

6607 Section 134. Section 607.1103, Florida Statutes, is
 6608 amended to read:

6609 607.1103 Action on a plan of merger or share exchange.—In
 6610 the case of a domestic corporation that is a party to a merger
 6611 or the acquired eligible entity in a share exchange, the plan of
 6612 merger or the plan of share exchange must be adopted in the
 6613 following manner:

6614 (1) The ~~After adopting a plan of merger or the plan of~~
 6615 ~~share exchange shall first be adopted by,~~ the board of directors
 6616 of such domestic corporation ~~each corporation party to the~~
 6617 ~~merger, and the board of directors of the corporation the shares~~
 6618 ~~of which will be acquired in the share exchange, shall submit~~
 6619 ~~the plan of merger (except as provided in subsection (7)) or the~~
 6620 ~~plan of share exchange for approval by its shareholders.~~

6621 (2) (a) Except as provided in subsections (8), (10), and
 6622 (11), and in ss. 607.11035 and 607.1104, the plan of merger or
 6623 the plan of share exchange shall then be adopted by the
 6624 shareholders.

6625 (b) In submitting the plan of merger or the plan of share

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6626 exchange to the shareholders for approval, the board of
 6627 directors shall recommend that the shareholders approve the
 6628 plan, or in the case of an offer referred to in s.
 6629 607.11035(1) (b), that the shareholders tender their shares to
 6630 the offeror in response to the offer, unless:
 6631 1. The board of directors makes a determination that
 6632 because of conflicts of interest or other special circumstances,
 6633 it should not make such a recommendation; or
 6634 2. Section 607.0826 applies.
 6635 (c) If either subparagraph (b)1. or subparagraph (b)2.
 6636 applies, the board shall inform the shareholders of the basis
 6637 for its so proceeding without such recommendation ~~For a plan of~~
 6638 ~~merger or share exchange to be approved:~~
 6639 ~~(a) The board of directors must recommend the plan of~~
 6640 ~~merger or share exchange to the shareholders, unless the board~~
 6641 ~~of directors determines that it should make no recommendation~~
 6642 ~~because of conflict of interest or other special circumstances~~
 6643 ~~and communicates the basis for its determination to the~~
 6644 ~~shareholders with the plan; and~~
 6645 ~~(b) The shareholders entitled to vote must approve the~~
 6646 ~~plan as provided in subsection (5).~~
 6647 (3) The board of directors may set conditions for the
 6648 approval condition its submission of the proposed merger or
 6649 share exchange by the shareholders or the effectiveness of the
 6650 plan of merger or the plan of share exchange on any basis.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6651 (4) If the plan of merger or the plan of share exchange is
 6652 required to be approved by the shareholders, and if the approval
 6653 is to be given at a meeting, the corporation shall notify each
 6654 shareholder, regardless of whether entitled to vote, of the
 6655 meeting of shareholders at which the plan is submitted for
 6656 approval ~~The corporation the shareholders of which are entitled~~
 6657 ~~to vote on the matter shall notify each shareholder, whether or~~
 6658 ~~not entitled to vote, of the proposed shareholders' meeting in~~
 6659 accordance with s. 607.0705. The notice shall also state that
 6660 the purpose, or one of the purposes, of the meeting is to
 6661 consider the plan of merger or the plan of share exchange,
 6662 regardless of whether or not the meeting is an annual or a
 6663 special meeting, and contain or be accompanied by a copy ~~or~~
 6664 ~~summary~~ of the plan. If the corporation is to be merged into an
 6665 existing foreign or domestic eligible entity, the notice must
 6666 also include or be accompanied by a copy of the articles of
 6667 incorporation and bylaws or the organic rules of that eligible
 6668 entity into which the corporation is to be merged. If the
 6669 corporation is to be merged with a domestic or foreign eligible
 6670 entity and a new domestic or foreign eligible entity is to be
 6671 created pursuant to the merger, the notice must include or be
 6672 accompanied by a copy of the articles of incorporation and
 6673 bylaws or the organic rules of the new eligible entity.
 6674 Furthermore, if applicable, the notice shall contain a clear and
 6675 concise statement that, if the plan of merger or share exchange

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6676 is effected, shareholders dissenting therefrom may be entitled,
6677 if they comply with the provisions of this chapter act regarding
6678 appraisal rights, to be paid the fair value of their shares, and
6679 shall be accompanied by a copy of ss. 607.1301-607.1340 ss.
6680 ~~607.1301-607.1333.~~

6681 (5) Unless this chapter act, the articles of
6682 incorporation, or the board of directors (acting pursuant to
6683 subsection (3)) requires a greater vote or a greater quorum in
6684 the respective case, approval of vote by classes, the plan of
6685 merger or the plan of share exchange shall require the approval
6686 of the shareholders at a meeting at which a quorum exists by a
6687 majority of the votes entitled to be cast on the plan, and, if
6688 any class or series of shares is entitled to vote as a separate
6689 group on the plan of merger or the plan of share exchange, the
6690 approval of each such separate voting group at a meeting at
6691 which a quorum of the voting group is present by a majority of
6692 the votes entitled to be cast on the merger or share exchange by
6693 that voting group to be authorized shall be approved by each
6694 class entitled to vote on the plan by a majority of all the
6695 votes entitled to be cast on the plan by that class.

6696 (6) (a) Subject to subsection (7), voting by a class or
6697 series as a separate voting group is required:

6698 1.(a) By each class or series of shares of the corporation
6699 that would be entitled to vote as a separate group on any
6700 provision in the plan which, if such provision had been ~~On a~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6701 ~~plan of merger if the plan contains a provision which, if~~
6702 contained in a proposed amendment to the articles of
6703 incorporation of a surviving corporation, would have entitled,
6704 ~~would entitle~~ the class or series to vote as a separate voting
6705 group on the proposed amendment under s. 607.1004; or

6706 2. If the plan contains a provision that would allow the
6707 plan to be amended to include the type of amendment to the
6708 articles of incorporation referenced in subparagraph 1., by each
6709 class or series of shares of the corporation that would have
6710 been entitled to vote as a separate group on any such amendment
6711 to the articles of incorporation; or

6712 3. By each class or series of shares of the corporation
6713 that is to be converted under the plan of merger into shares,
6714 other securities, eligible interests, obligations, rights to
6715 acquire shares, other securities, or eligible interests, cash,
6716 property, or any combination of the foregoing; or

6717 4. If the plan contains a provision that would allow the
6718 plan to be amended to convert other classes or series of shares
6719 of the corporation, by each class or series of shares of the
6720 corporation that would have been entitled to vote as a separate
6721 group if the plan were to be so amended.

6722 (b) Subject to subsection (7), voting by a class or series
6723 as a separate voting group is required on a plan of share
6724 exchange:

6725 1. By each class or series that is to be exchanged in the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6726 exchange, with each class or series constituting a separate
 6727 voting group; or

6728 2. If the plan contains a provision that would allow the
 6729 plan to be amended to include the type of amendment to the
 6730 articles of incorporation referenced in subparagraph (a)1., by
 6731 each class or series of shares of the corporation that would
 6732 have been entitled to vote as a separate group on any such
 6733 amendment to the articles of incorporation.

6734 (c) Subject to subsection (7), voting by a class or series
 6735 as a separate voting group is required on a plan of merger or a
 6736 plan of share exchange if the group is entitled under the
 6737 articles of incorporation to vote as a voting group to approve
 6738 the plan of merger or the plan of share exchange, respectively.

6739 (7) The articles of incorporation may expressly limit or
 6740 eliminate the separate voting rights provided in subparagraphs
 6741 (6) (a)3. or 4. or subparagraph (6) (b)1. as to any class or
 6742 series of shares, except when the plan of merger or the plan for
 6743 share exchange:

6744 (a) Includes what is or would be, in effect, an amendment
 6745 subject to any one or more of subparagraphs (6) (a)1. and 2. and
 6746 subparagraph (6) (b)2.; and

6747 (b) Will not affect a substantive business combination ~~if~~
 6748 ~~the shares of such class or series of shares are to be converted~~
 6749 ~~or exchanged under such plan or if the plan contains any~~
 6750 ~~provisions which, if contained in a proposed amendment to~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6751 ~~articles of incorporation, would entitle the class or series to~~
6752 ~~vote as a separate voting group on the proposed amendment under~~
6753 ~~s. 607.1004.~~

6754 (8)-(7) Unless the corporation's articles of incorporation
6755 provide otherwise, approval by the corporation's shareholders of
6756 ~~Notwithstanding the requirements of this section, unless~~
6757 ~~required by its articles of incorporation, action by the~~
6758 ~~shareholders of the surviving corporation on a plan of merger is~~
6759 ~~not required if:~~

6760 (a) The corporation will survive the merger;

6761 (b)-(a) The articles of incorporation of the surviving
6762 corporation will not differ (except for amendments enumerated in
6763 s. 607.1002) from its articles of incorporation before the
6764 merger; and

6765 (c)-(b) Each shareholder of the surviving corporation whose
6766 shares were outstanding immediately prior to the effective date
6767 of the merger will hold the same number of shares, with
6768 identical designations, preferences, rights, and limitations,
6769 ~~and relative rights,~~ immediately after the effective date of the
6770 merger.

6771 ~~(8) Any plan of merger or share exchange may authorize the~~
6772 ~~board of directors of each corporation party to the merger or~~
6773 ~~share exchange to amend the plan at any time prior to the filing~~
6774 ~~of the articles of merger or share exchange. An amendment made~~
6775 ~~subsequent to the approval of the plan by the shareholders of~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6776 ~~any corporation party to the merger or share exchange may not:~~
 6777 ~~(a) Change the amount or kind of shares, securities, cash,~~
 6778 ~~property, or rights to be received in exchange for or on~~
 6779 ~~conversion of any or all of the shares of any class or series of~~
 6780 ~~such corporation;~~
 6781 ~~(b) Change any other terms and conditions of the plan if~~
 6782 ~~such change would materially and adversely affect such~~
 6783 ~~corporation or the holders of the shares of any class or series~~
 6784 ~~of such corporation; or~~
 6785 ~~(c) Except as specified in s. 607.1002 or without the vote~~
 6786 ~~of shareholders entitled to vote on the matter, change any term~~
 6787 ~~of the articles of incorporation of any corporation the~~
 6788 ~~shareholders of which must approve the plan of merger or share~~
 6789 ~~exchange.~~
 6790
 6791 ~~If articles of merger or share exchange already have been filed~~
 6792 ~~with the Department of State, amended articles of merger or~~
 6793 ~~share exchange shall be filed with the Department of State prior~~
 6794 ~~to the effective date of the merger or share exchange.~~
 6795 (9) If as a result of a merger or share exchange one or
 6796 more shareholders of a domestic corporation would become subject
 6797 to new interest holder liability, approval of the plan of merger
 6798 or the plan of share exchange shall require, in connection with
 6799 the transaction, the signing by each such shareholder of a
 6800 separate written consent to become subject to such new interest

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6801 holder liability, unless in the case of a shareholder that
6802 already has interest holder liability with respect to such
6803 domestic corporation:

6804 (a) The new interest holder liability is with respect to a
6805 domestic or foreign corporation (which may be a different or the
6806 same domestic corporation in which the person is a shareholder);
6807 and

6808 (b) The terms and conditions of the new interest holder
6809 liability are substantially identical to those of the existing
6810 interest holder liability (other than for changes that reduce or
6811 eliminate such interest holder liability).

6812 (10) Unless the articles of incorporation otherwise
6813 provide, approval of a plan of share exchange by the
6814 shareholders of a domestic corporation is not required if the
6815 corporation is the acquiring eligible entity in the share
6816 exchange.

6817 (11) Unless the articles of incorporation otherwise
6818 provide, shares in the acquired eligible entity not to be
6819 exchanged under the plan of share exchange are not entitled to
6820 vote on the plan ~~Unless a plan of merger or share exchange~~
6821 ~~prohibits abandonment of the merger or share exchange without~~
6822 ~~shareholder approval after a merger or share exchange has been~~
6823 ~~authorized, the planned merger or share exchange may be~~
6824 ~~abandoned (subject to any contractual rights) at any time prior~~
6825 ~~to the filing of articles of merger or share exchange by any~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6826 ~~corporation party to the merger or share exchange, without~~
 6827 ~~further shareholder action, in accordance with the procedure set~~
 6828 ~~forth in the plan of merger or share exchange or, if none is set~~
 6829 ~~forth, in the manner determined by the board of directors of~~
 6830 ~~such corporation.~~

6831 Section 135. Section 607.11035, Florida Statutes, is
 6832 created to read:

6833 607.11035 Shareholder approval of a merger or share
 6834 exchange in connection with a tender offer.—

6835 (1) Unless the articles of incorporation otherwise
 6836 provide, shareholder approval of a plan of merger or a plan of
 6837 share exchange under s. 607.1103(1)(b) is not required if:

6838 (a) The plan of merger or share exchange expressly:

6839 1. Permits or requires the merger or share exchange to be
 6840 effected under this section; and

6841 2. Provides that, if the merger or share exchange is to be
 6842 effected under this section, the merger or share exchange will
 6843 be effected as soon as practicable following the satisfaction of
 6844 the requirement in paragraph (f);

6845 (b) Another party to the merger, the acquiring eligible
 6846 entity in the share exchange, or a parent of another party to
 6847 the merger or the parent of the acquiring eligible entity in the
 6848 share exchange, makes an offer to purchase, on the terms
 6849 provided in the plan of merger or the plan of share exchange,
 6850 any and all of the outstanding shares of the corporation that,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6851 absent this section, would be entitled to vote on the plan of
6852 merger or the plan of share exchange, except that the offer may
6853 exclude shares of the corporation that are owned at the
6854 commencement of the offer by the corporation, the offeror, or
6855 any parent of the offeror, or by any wholly owned subsidiary of
6856 any of the foregoing;

6857 (c) The offer discloses that the plan of merger or the
6858 plan of share exchange provides that the merger or share
6859 exchange will be effected as soon as practicable following the
6860 satisfaction of the requirement in paragraph (f) and that the
6861 shares of the corporation that are not tendered in response to
6862 the offer will be treated pursuant to paragraph (h);

6863 (d) The offer remains open for at least 10 days;

6864 (e) The offeror purchases all shares properly tendered in
6865 response to the offer and not properly withdrawn;

6866 (f) The shares listed below are collectively entitled to
6867 cast at least the minimum number of votes on the merger or share
6868 exchange that, absent this section, would be required by this
6869 chapter and by the articles of incorporation for the approval of
6870 the merger or share exchange by the shareholders and by each
6871 other voting group entitled to vote on the merger or share
6872 exchange at a meeting at which all shares entitled to vote on
6873 the approval were present and voted:

6874 1. Shares purchased by the offeror in accordance with the
6875 offer;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6876 2. Shares otherwise owned by the offeror or by any parent
6877 of the offeror or any wholly owned subsidiary of any of the
6878 foregoing; and

6879 3. Shares subject to an agreement that they are to be
6880 transferred, contributed, or delivered to the offeror, any
6881 parent of the offeror, or any wholly owned subsidiary of any of
6882 the foregoing in exchange for shares or eligible interests in
6883 such offeror, parent, or subsidiary;

6884 (g) The offeror or a wholly owned subsidiary of the
6885 offeror merges with or into, or effects a share exchange in
6886 which it acquires shares of, the corporation; and

6887 (h) Each outstanding share of each class or series of
6888 shares of the corporation that the offeror is offering to
6889 purchase in accordance with the offer, and that is not purchased
6890 in accordance with the offer, is to be converted in the merger
6891 into, or into the right to receive, or is to be exchanged in the
6892 share exchange for, or for the right to receive, the same amount
6893 and kind of securities, eligible interests, obligations, rights,
6894 cash, other property, or any combination of the foregoing, to be
6895 paid or exchanged in accordance with the offer for each share of
6896 that class or series of shares that is tendered in response to
6897 the offer, except that shares of the corporation that are owned
6898 by the corporation or that are described in subparagraphs (f)2.
6899 or 3. need not be converted into or exchanged for the
6900 consideration described in this paragraph.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6901 (2) As used in this section, the term:

6902 (a) "Offer" means the offer referred to in paragraph

6903 (1) (b) .

6904 (b) "Offeror" means the person making the offer.

6905 (c) "Parent" of an eligible entity means a person that

6906 owns, directly or indirectly through one or more wholly owned

6907 subsidiaries, all of the outstanding shares of or eligible

6908 interests in that eligible entity.

6909 (d) Shares tendered in response to the offer shall be

6910 deemed to have been "purchased" in accordance with the terms of

6911 the offer at the earliest time as of which:

6912 1. The offeror has irrevocably accepted those shares for

6913 payment; and

6914 2. In the case of shares represented by certificates, the

6915 offeror, or the offeror's designated depository or other agent,

6916 has physically received the certificates representing those

6917 shares, or, in the case of shares without certificates, those

6918 shares have been transferred into the account of the offeror or

6919 its designated depository or other agent, or an agent's message

6920 relating to those shares has been received by the offeror or its

6921 designated depository or other agent.

6922 (e) "Wholly owned subsidiary" of a person means an

6923 eligible entity of or in which a person owns, directly or

6924 indirectly, all of the outstanding shares or eligible interests.

6925 Section 136. Section 607.1104, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6926 amended to read:

6927 607.1104 Merger between parent and subsidiary or between
 6928 subsidiaries ~~of subsidiary corporation.~~

6929 (1) (a) A domestic or foreign parent eligible entity that
 6930 owns shares of a domestic corporation which carry ~~corporation~~
 6931 ~~owning~~ at least 80 percent of the voting power ~~outstanding~~
 6932 ~~shares~~ of each class and series of the outstanding shares of the
 6933 a subsidiary ~~corporation~~ may:

6934 1. Merge the subsidiary into itself, if it is a domestic
 6935 or foreign eligible entity, or into another domestic or foreign
 6936 eligible entity in which the parent eligible entity owns at
 6937 least 80 percent of the voting power of each class and series of
 6938 the outstanding shares or eligible interests that have voting
 6939 power; or

6940 2. may Merge itself, if it is a domestic or foreign
 6941 eligible entity, into such ~~the~~ subsidiary.

6942 (b) Mergers under subparagraphs (a)1. and (a)2. do not
 6943 require the approval of the board of directors or shareholders
 6944 of the subsidiary unless the articles of incorporation or
 6945 organic rules of the parent eligible entity or the articles of
 6946 incorporation of the subsidiary otherwise provide. Section
 6947 607.1103(9) applies to a merger under this section. The articles
 6948 of merger relating to a merger under this section do not need to
 6949 be signed by the subsidiary, ~~or may merge the subsidiary into~~
 6950 ~~and with another subsidiary in which the parent corporation owns~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6951 ~~at least 80 percent of the outstanding shares of each class of~~
6952 ~~the subsidiary without the approval of the shareholders of the~~
6953 ~~parent or subsidiary. In a merger of a parent corporation into~~
6954 ~~its subsidiary corporation, the approval of the shareholders of~~
6955 ~~the parent corporation shall be required if the articles of~~
6956 ~~incorporation of the surviving corporation will differ, except~~
6957 ~~for amendments enumerated in s. 607.1002, from the articles of~~
6958 ~~incorporation of the parent corporation before the merger, and~~
6959 ~~the required vote shall be the greater of the vote required to~~
6960 ~~approve the merger and the vote required to adopt each change to~~
6961 ~~the articles of incorporation as if each change had been~~
6962 ~~presented as an amendment to the articles of incorporation of~~
6963 ~~the parent corporation.~~

6964 ~~(b) The board of directors of the parent shall adopt a~~
6965 ~~plan of merger that sets forth:~~

6966 ~~1. The names of the parent and subsidiary corporations;~~

6967 ~~2. The manner and basis of converting the shares of the~~
6968 ~~subsidiary or parent into shares, obligations, or other~~
6969 ~~securities of the parent or any other corporation or, in whole~~
6970 ~~or in part, into cash or other property, and the manner and~~
6971 ~~basis of converting rights to acquire shares of each corporation~~
6972 ~~into rights to acquire shares, obligations, and other securities~~
6973 ~~of the surviving or any other corporation or, in whole or in~~
6974 ~~part, into cash or other property;~~

6975 ~~3. If the merger is between the parent and a subsidiary~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

6976 ~~corporation and the parent is not the surviving corporation, a~~
6977 ~~provision for the pro rata issuance of shares of the subsidiary~~
6978 ~~to the holders of the shares of the parent corporation upon~~
6979 ~~surrender of any certificates therefor; and~~

6980 ~~4. A clear and concise statement that shareholders of the~~
6981 ~~subsidiary who, except for the applicability of this section,~~
6982 ~~would be entitled to vote and who dissent from the merger~~
6983 ~~pursuant to s. 607.1321, may be entitled, if they comply with~~
6984 ~~the provisions of this act regarding appraisal rights, to be~~
6985 ~~paid the fair value of their shares.~~

6986 ~~(2) The parent shall, within 10 days after the effective~~
6987 ~~date of a merger approved under subsection (1), notify each of~~
6988 ~~the subsidiary's shareholders that the merger has become~~
6989 ~~effective mail a copy or summary of the plan of merger to each~~
6990 ~~shareholder of the subsidiary who does not waive the mailing~~
6991 ~~requirement in writing.~~

6992 ~~(3) Except as provided for in subsections (1) and (2), a~~
6993 ~~merger between a parent eligible entity and a domestic~~
6994 ~~subsidiary corporation shall be governed by the provisions of~~
6995 ~~ss. 607.1101-607.1107 that are applicable to mergers generally~~
6996 ~~The parent may not deliver articles of merger to the Department~~
6997 ~~of State for filing until at least 30 days after the date it~~
6998 ~~mailed a copy of the plan of merger to each shareholder of the~~
6999 ~~subsidiary who did not waive the mailing requirement, or, if~~
7000 ~~earlier, upon the waiver thereof by the holders of all of the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7001 ~~outstanding shares of the subsidiary.~~

7002 ~~(4) Articles of merger under this section may not contain~~
 7003 ~~amendments to the articles of incorporation of the parent~~
 7004 ~~corporation (except for amendments enumerated in s. 607.1002).~~

7005 ~~(5) Two or more subsidiaries may be merged into the parent~~
 7006 ~~pursuant to this section.~~

7007 Section 137. Subsections (1) and (3) of section 607.11045,
 7008 Florida Statutes, are amended to read:

7009 607.11045 Holding company formation by merger by certain
 7010 corporations.—

7011 (1) This section applies only to a corporation that has
 7012 shares registered pursuant to s. 12 of the Securities Exchange
 7013 Act of 1934 ~~of any class or series which are either registered~~
 7014 ~~on a national securities exchange or designated as a national~~
 7015 ~~market system security on an interdealer quotation system by the~~
 7016 ~~National Association of Securities Dealers, Inc.,~~ or held of
 7017 record by not fewer than 2,000 shareholders.

7018 (3) Notwithstanding the requirements of s. 607.1103,
 7019 unless expressly required by its articles of incorporation, no
 7020 vote of shareholders of a corporation is necessary to authorize
 7021 a merger of the corporation with or into a wholly owned
 7022 subsidiary of such corporation if:

7023 (a) Such corporation and wholly owned subsidiary are the
 7024 only constituent corporations to the merger;

7025 (b) Each share or fraction of a share of the constituent

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7026 corporation whose shares are being converted pursuant to the
7027 merger which are outstanding immediately prior to the effective
7028 date of the merger is converted in the merger into a share or
7029 equal fraction of share of a holding company having the same
7030 designations, rights, powers and preferences, and
7031 qualifications, limitations and restrictions thereof as the
7032 share of the constituent corporation being converted in the
7033 merger;

7034 (c) The holding company and each of the constituent
7035 corporations to the merger are domestic corporations;

7036 (d) The articles of incorporation and bylaws of the
7037 holding company immediately following the effective date of the
7038 merger contain provisions identical to the articles of
7039 incorporation and bylaws of the constituent corporation whose
7040 shares are being converted pursuant to the merger immediately
7041 prior to the effective date of the merger, except provisions
7042 regarding the incorporators, the corporate name, the registered
7043 office and agent, the initial board of directors, the initial
7044 subscribers for shares and matters solely of historical
7045 significance, and such provisions contained in any amendment to
7046 the articles of incorporation as were necessary to effect a
7047 change, exchange, reclassification, or cancellation of shares,
7048 if such change, exchange, reclassification, or cancellation has
7049 become effective;

7050 (e) As a result of the merger, the constituent corporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7051 | whose shares are being converted pursuant to the merger or its
 7052 | successor corporation becomes or remains a direct or indirect
 7053 | wholly owned subsidiary of the holding company;

7054 | (f) The directors of the constituent corporation become or
 7055 | remain the directors of the holding company upon the effective
 7056 | date of the merger;

7057 | (g) The articles of incorporation of the surviving
 7058 | corporation immediately following the effective date of the
 7059 | merger are identical to the articles of incorporation of the
 7060 | constituent corporation whose shares are being converted
 7061 | pursuant to the merger immediately prior to the effective date
 7062 | of the merger, except provisions regarding the incorporators,
 7063 | the corporate name, the registered office and agent, the initial
 7064 | board of directors, the initial subscribers for shares and
 7065 | matters solely of historical significance, and such provisions
 7066 | contained in any amendment to the articles of incorporation as
 7067 | were necessary to effect a change, exchange, reclassification,
 7068 | or cancellation of shares, if such change, exchange,
 7069 | reclassification, or cancellation has become effective. The
 7070 | articles of incorporation of the surviving corporation must be
 7071 | amended in the merger to contain a provision requiring, by
 7072 | specific reference to this section, that any act or transaction
 7073 | by or involving the surviving corporation, other than the
 7074 | election or removal of directors, which requires for its
 7075 | adoption under this chapter ~~act~~ or its articles of incorporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7076 | the approval of the shareholders of the surviving corporation
 7077 | also be approved by the shareholders of the holding company, or
 7078 | any successor by merger, by the same vote as is required by this
 7079 | chapter act or the articles of incorporation of the surviving
 7080 | corporation. The articles of incorporation of the surviving
 7081 | corporation may be amended in the merger to reduce the number of
 7082 | classes and shares which the surviving corporation is authorized
 7083 | to issue;

7084 | (h) The board of directors of the constituent corporation
 7085 | determines that the shareholders of the constituent corporation
 7086 | will not recognize gain or loss for United States federal income
 7087 | tax purposes; and

7088 | (i) The board of directors of such corporation adopts a
 7089 | plan of merger that sets forth:

7090 | 1. The names of the constituent corporations;

7091 | 2. The manner and basis of converting the shares of the
 7092 | corporation into shares of the holding company and the manner
 7093 | and basis of converting rights to acquire shares of such
 7094 | corporation into rights to acquire shares of the holding
 7095 | company; and

7096 | 3. A provision for the pro rata issuance of shares of the
 7097 | holding company to the holders of shares of the corporation upon
 7098 | surrender of any certificates therefor.

7099 | Section 138. Section 607.1105, Florida Statutes, is
 7100 | amended to read:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7101 607.1105 Articles of merger or share exchange.—
 7102 (1) After a plan of merger has been adopted and approved
 7103 as required by this chapter or, if the merger is being effected
 7104 under s. 607.1101(1)(b), the merger has been approved as
 7105 required by the organic law governing the parties to the merger,
 7106 the articles of merger must be signed by each party to the
 7107 merger, except as provided in s. 607.1104(1). The articles must
 7108 ~~or share exchange is approved by the shareholders, or adopted by~~
 7109 ~~the board of directors if shareholder approval is not required,~~
 7110 ~~the surviving or acquiring corporation shall deliver to the~~
 7111 ~~Department of State for filing articles of merger or share~~
 7112 ~~exchange which shall be executed by each corporation as required~~
 7113 ~~by s. 607.0120 and which shall set forth:~~
 7114 (a) The name, jurisdiction of formation, and type of
 7115 entity of each party of the merger;
 7116 (b) If not already identified as the survivor pursuant to
 7117 paragraph (a), the name, jurisdiction of formation, and type of
 7118 entity of the survivor;
 7119 (c) If the survivor of the merger is a domestic
 7120 corporation and its articles of incorporation are being amended,
 7121 or if a new domestic corporation is being created as a result of
 7122 the merger:
 7123 1. The amendments to the survivor's articles of
 7124 incorporation; or
 7125 2. The articles of incorporation of the new corporation;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7126 (d) If the survivor of the merger is a domestic eligible
 7127 entity, other than a domestic corporation, and its public
 7128 organic record is being amended in connection with the merger,
 7129 or if a new domestic eligible entity is being created as a
 7130 result of the merger:

7131 1. The amendments to the public organic record of the
 7132 survivor; or

7133 2. The public organic record of the new eligible entity;

7134 (e) If the plan of merger required approval by the
 7135 shareholders of a domestic corporation that is a party to the
 7136 merger, a statement that the plan was duly approved by the
 7137 shareholders and, if voting by any separate voting group was
 7138 required, by each such separate voting group, in the manner
 7139 required by this chapter and the articles of incorporation of
 7140 such domestic corporation;

7141 (f) If the plan of merger did not require approval by the
 7142 shareholders of a domestic corporation that is a party to the
 7143 merger, a statement to that effect;

7144 (g) As to each foreign corporation that is a party to the
 7145 merger, a statement that the participation of the foreign
 7146 corporation was duly authorized in accordance with such
 7147 corporation's organic law;

7148 (h) As to each domestic or foreign eligible entity that is
 7149 a party to the merger and that is not a domestic or foreign
 7150 corporation, a statement that the participation of the eligible

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7151 entity in the merger was duly authorized in accordance with such
7152 eligible entity's organic law; and

7153 (i) If the survivor is created by the merger and is a
7154 domestic limited liability partnership, the document required to
7155 elect that status, as an attachment.

7156 (2) After a plan of share exchange in which the acquired
7157 eligible entity is a domestic corporation or other eligible
7158 entity has been adopted and approved as required by this
7159 chapter, articles of share exchange must be signed by the
7160 acquired eligible entity and the acquiring eligible entity. The
7161 articles must set forth:

7162 (a) The name, jurisdiction of formation, and type of
7163 entity of the acquired eligible entity;

7164 (b) The name, jurisdiction of formation, and type of
7165 entity of the domestic or foreign eligible entity that is the
7166 acquiring eligible entity; and

7167 (c) A statement that the plan of share exchange was duly
7168 approved by the acquired eligible entity by:

7169 1. The required vote or consent of each class or series of
7170 shares or eligible interests included in the exchange; and

7171 2. The required vote or consent of each other class or
7172 series of shares or eligible interests entitled to vote on
7173 approval of the exchange by the articles of incorporation or the
7174 organic rules of the acquired eligible entity.

7175 (3) In addition to the requirements of subsections (1) and

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7176 (2), articles of merger or articles of share exchange may
 7177 contain any other provision not prohibited by law.

7178 (4) The articles of merger or the articles of share
 7179 exchange shall be delivered to the department for filing, and,
 7180 subject to subsection (5), the merger or share exchange shall
 7181 take effect at the effective date determined in accordance with
 7182 s. 607.0123.

7183 (5) With respect to a merger in which one or more foreign
 7184 entities is a party or a foreign eligible entity created by the
 7185 merger is the survivor, the merger itself shall become effective
 7186 at the later of:

7187 (a) When all documents required to be filed in all foreign
 7188 jurisdictions to effect the merger have become effective; or

7189 (b) When the articles of merger take effect.

7190 (6) Articles of merger required to be filed under this
 7191 section may be combined with any filing required under the
 7192 organic law governing any other domestic eligible entity
 7193 involved in the transaction if the combined filing satisfies the
 7194 requirements of both this section and the other organic law ~~plan~~
 7195 ~~of merger or share exchange;~~

7196 ~~(b) The effective date of the merger or share exchange,~~
 7197 ~~which may be on or after the date of filing the articles of~~
 7198 ~~merger or share exchange; if the articles of merger or share~~
 7199 ~~exchange do not provide for an effective date of the merger or~~
 7200 ~~share exchange, then the effective date shall be the date on~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7201 ~~which the articles of merger or share exchange are filed;~~
 7202 ~~(c) If shareholder approval was not required, a statement~~
 7203 ~~to that effect; and~~
 7204 ~~(d) As to each corporation, to the extent applicable, the~~
 7205 ~~date of adoption of the plan of merger or share exchange by the~~
 7206 ~~shareholders or by the board of directors when no vote of the~~
 7207 ~~shareholders is required.~~
 7208 (7)(2) A copy of the articles of merger or share exchange,
 7209 certified by the department ~~of State~~, may be filed in the office
 7210 of the official who is the recording officer of each county in
 7211 this state in which real property of a constituent corporation
 7212 other than the surviving corporation is situated.
 7213 Section 139. Section 607.1106, Florida Statutes, is
 7214 amended to read:
 7215 607.1106 Effect of merger or share exchange.—
 7216 (1) When a merger becomes effective:
 7217 (a) The domestic or foreign eligible entity that is
 7218 designated in the plan of merger as the survivor continues or
 7219 comes into existence, as the case may be;
 7220 (b) The separate existence of every domestic or foreign
 7221 eligible entity that is a party to the merger, other than the
 7222 survivor, ceases ~~Every other corporation party to the merger~~
 7223 ~~merges into the surviving corporation and the separate existence~~
 7224 ~~of every corporation except the surviving corporation ceases;~~
 7225 (c) ~~(b)~~ All real property and other property, including any

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7226 interest therein and all title thereto, owned by, and every
 7227 contract right possessed by, each domestic or foreign eligible
 7228 entity that is a party to the merger, other than the survivor,
 7229 become the property and contract rights of and become vested in
 7230 the survivor, ~~The title to all real estate and other property,~~
 7231 ~~or any interest therein, owned by each corporation party to the~~
 7232 ~~merger is vested in the surviving corporation without~~ transfer,
 7233 reversion, or impairment;

7234 (d)(e) All debts, obligations, and other liabilities of
 7235 each domestic or foreign eligible entity that is a ~~The surviving~~
 7236 ~~corporation shall thenceforth be responsible and liable for all~~
 7237 ~~the liabilities and obligations of each corporation party to the~~
 7238 ~~merger, other than the survivor, become debts, obligations, and~~
 7239 liabilities of the survivor;

7240 (e)(d) The name of the survivor may be, but need not be,
 7241 substituted in any pending proceeding for the name of any party
 7242 to the merger whose separate existence ceased in the merger ~~Any~~
 7243 ~~claim existing or action or proceeding pending by or against any~~
 7244 ~~corporation party to the merger may be continued as if the~~
 7245 ~~merger did not occur or the surviving corporation may be~~
 7246 ~~substituted in the proceeding for the corporation which ceased~~
 7247 existence;

7248 (f)(e) Neither the rights of creditors nor any liens upon
 7249 the property of any corporation party to the merger shall be
 7250 impaired by such merger;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7251 (g)~~(f)~~ If the survivor is a domestic eligible entity, the
 7252 articles of incorporation and bylaws or the organic rules of the
 7253 survivor ~~surviving corporation~~ are amended to the extent
 7254 provided in the plan of merger; and

7255 (h) The articles of incorporation and bylaws or the
 7256 organic rules of a survivor that is a domestic eligible entity
 7257 and is created by the merger become effective;

7258 (i)~~(g)~~ The shares (and the rights to acquire shares,
 7259 obligations, or other securities) of each domestic or foreign
 7260 corporation party to the merger, and the eligible interests in
 7261 any other eligible entity that is a party to the merger, that
 7262 are to be converted in accordance with the terms of the merger
 7263 into shares or other securities, eligible interests, ~~rights,~~
 7264 obligations, ~~rights to acquire shares, other securities, or~~
 7265 eligible interests, cash, other property, or any combination of
 7266 the foregoing, ~~or other securities of the surviving or any other~~
 7267 corporation or into cash or other property are converted, and
 7268 the former holders of such ~~the~~ shares, ~~rights to acquire shares,~~
 7269 or other eligible interests are entitled only to the rights
 7270 provided to them by those terms of the merger or to any rights
 7271 they may have in the ~~articles of merger or to their rights~~ under
 7272 s. 607.1302 or under the organic law governing the eligible
 7273 entity;

7274 (j) Except as provided by law or the plan of merger, all
 7275 the rights, privileges, franchises, and immunities of each

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7276 eligible entity that is a party to the merger, other than the
 7277 survivor, become the rights, privileges, franchises, and
 7278 immunities of the survivor; and

7279 (k) If the survivor exists before the merger:

7280 1. All the property and contract rights of the survivor
 7281 remain its property and contract rights without transfer,
 7282 reversion, or impairment;

7283 2. The survivor remains subject to all of its debts,
 7284 obligations, and other liabilities; and

7285 3. Except as provided by law or the plan of merger, the
 7286 survivor continues to hold all of its rights, privileges,
 7287 franchises, and immunities.

7288 (2) When a share exchange becomes effective, the shares,
 7289 eligible interests, and rights to acquire shares or eligible
 7290 interests in the acquired eligible entity that ~~of each acquired~~
 7291 ~~corporation~~ are to be exchanged in accordance with the terms of
 7292 the share exchange for:

7293 (a) Shares or other securities;

7294 (b) Eligible interests;

7295 (c) Obligations;

7296 (d) Rights to acquire shares, other securities, or
 7297 eligible interests;

7298 (e) Cash;

7299 (f) Other property; or

7300 (g) Any combination of the foregoing

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7301
7302 are entitled only to the rights provided to them by the terms of
7303 the share exchange, or to any as provided in the plan of
7304 exchange, and the former holders of the shares are entitled only
7305 to the exchange rights provided in the articles of share
7306 exchange or to their rights they may have under s. 607.1302 or
7307 the organic law governing the acquired eligible entity.

7308 (3) Except as otherwise provided in the articles of
7309 incorporation of a domestic corporation or the organic law
7310 governing or organic rules of a domestic or foreign eligible
7311 entity, the effect of a merger or share exchange on interest
7312 holder liability is as follows:

7313 (a) A person who becomes subject to new interest holder
7314 liability in respect of an eligible entity as a result of a
7315 merger or share exchange shall have that new interest holder
7316 liability only in respect of interest holder liabilities that
7317 arise after the merger or share exchange becomes effective.

7318 (b) If a person had interest holder liability with respect
7319 to a party to the merger or the acquired eligible entity before
7320 the merger or share exchange becomes effective with respect to
7321 shares or eligible interests of such party or acquired entity
7322 which were exchanged in the merger or share exchange, which were
7323 canceled in the merger, or the terms and conditions of which
7324 relating to interest holder liability were amended pursuant to
7325 the merger:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7326 1. The merger or share exchange does not discharge that
7327 prior interest holder liability with respect to any interest
7328 holder liabilities that arose before the merger or share
7329 exchange becomes effective.

7330 2. The provisions of the organic law governing any
7331 eligible entity for which the person had that prior interest
7332 holder liability shall continue to apply to the collection or
7333 discharge of any interest holder liabilities preserved by
7334 subparagraph 1. as if the merger or share exchange had not
7335 occurred.

7336 3. The person shall have such rights of contribution from
7337 other persons as are provided by the organic law governing the
7338 eligible entity for which the person had that prior interest
7339 holder liability with respect to any interest holder liabilities
7340 preserved by subparagraph 1. as if the merger or share exchange
7341 had not occurred.

7342 4. The person shall not, by reason of such prior interest
7343 holder liability, have interest holder liability with respect to
7344 any interest holder liabilities that arise after the merger or
7345 share exchange becomes effective.

7346 (c) If a person has interest holder liability both before
7347 and after a merger becomes effective with unchanged terms and
7348 conditions with respect to the eligible entity that is the
7349 survivor by reason of owning the same shares or eligible
7350 interests before and after the merger becomes effective, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7351 merger has no effect on such interest holder liability.
 7352 (d) A share exchange has no effect on interest holder
 7353 liability related to shares or eligible interests of the
 7354 acquired eligible entity that were not exchanged in the share
 7355 exchange.
 7356 (4) Upon a merger becoming effective, a foreign eligible
 7357 entity that is the survivor of the merger is deemed to:
 7358 (a) Appoint the secretary of state as its agent for
 7359 service of process in a proceeding to enforce the rights of
 7360 shareholders of each domestic corporation that is a party to the
 7361 merger who exercise appraisal rights; and
 7362 (b) Agree that it will promptly pay any amount that the
 7363 shareholders are entitled to under ss. 607.1301-607.1340.
 7364 (5) Except as provided in the organic law governing a
 7365 party to a merger or in its articles of incorporation or organic
 7366 rules, the merger does not give rise to any rights that an
 7367 interest holder, governor, or third party would have upon a
 7368 dissolution, liquidation, or winding up of that party. The
 7369 merger does not require a party to the merger to wind up its
 7370 affairs and does not constitute or cause its dissolution or
 7371 termination.
 7372 (6) Property held for a charitable purpose under the law
 7373 of this state by a domestic or foreign eligible entity
 7374 immediately before a merger becomes effective may not, as a
 7375 result of the transaction, be diverted from the objects for

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7376 which it was donated, granted, devised, or otherwise transferred
 7377 except and only to the extent permitted by or pursuant to the
 7378 laws of this state addressing cy pres or dealing with
 7379 nondiversion of charitable assets.

7380 (7) A bequest, devise, gift, grant, or promise contained
 7381 in a will or other instrument of donation, subscription, or
 7382 conveyance which is made to an eligible entity that is a party
 7383 to a merger that is not the survivor and which takes effect or
 7384 remains payable after the merger inures to the survivor.

7385 (8) A trust obligation that would govern property if the
 7386 property is directed to be transferred to a nonsurviving
 7387 eligible entity will apply to property that is to be transferred
 7388 instead to the survivor after a merger becomes effective.

7389 Section 140. Section 607.1107, Florida Statutes, is
 7390 amended to read:

7391 607.1107 Abandonment of a merger or share exchange ~~Merger~~
 7392 ~~or share exchange with foreign corporations.-~~

7393 (1) After a plan of merger or a plan of share exchange has
 7394 been adopted and approved as required by this chapter, and
 7395 before the articles of merger or the articles of share exchange
 7396 have become effective, the plan may be abandoned by a domestic
 7397 corporation that is a party to the plan without action by its
 7398 shareholders in accordance with any procedures set forth in the
 7399 plan of merger or the plan of share exchange or, if no such
 7400 procedures are set forth in the plan, in the manner determined

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7401 by the board of directors.

7402 (2) If a merger or share exchange is abandoned under
 7403 subsection (1) after articles of merger or articles of share
 7404 exchange have been delivered to the department for filing but
 7405 before the articles of merger or articles of share exchange have
 7406 become effective, a statement of abandonment signed by all the
 7407 parties that signed the articles of merger or articles of share
 7408 exchange must be delivered to the department for filing before
 7409 the articles of merger or articles of share exchange become
 7410 effective. The statement shall take effect on filing, whereupon
 7411 the merger or share exchange shall be deemed abandoned and shall
 7412 not become effective. The statement of abandonment must contain:

7413 (a) The name of each party to the merger or the names of
 7414 the acquiring and acquired entities in a share exchange;

7415 (b) The date on which the articles of merger or articles
 7416 of share exchange were filed by the department; and

7417 (c) A statement that the merger or share exchange has been
 7418 abandoned in accordance with this section. ~~One or more foreign~~
 7419 ~~corporations may merge or enter into a share exchange with one~~
 7420 ~~or more domestic corporations if:~~

7421 ~~(a) In a merger, the merger is permitted by the law of the~~
 7422 ~~state or country under the law of which each foreign corporation~~
 7423 ~~is incorporated and each foreign corporation complies with that~~
 7424 ~~law in effecting the merger;~~

7425 ~~(b) In a share exchange, the corporation the shares of~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7426 ~~which will be acquired is a domestic corporation, whether or not~~
7427 ~~a share exchange is permitted by law of the state or country~~
7428 ~~under the law of which the acquiring corporation is~~
7429 ~~incorporated;~~

7430 ~~(c) The foreign corporation complies with s. 607.1105 if~~
7431 ~~it is the surviving corporation of the merger or acquiring~~
7432 ~~corporation of the share exchange; and~~

7433 ~~(d) Each domestic corporation complies with the applicable~~
7434 ~~provisions of ss. 607.1101-607.1104 and, if it is the surviving~~
7435 ~~corporation of the merger or acquiring corporation of the share~~
7436 ~~exchange, with s. 607.1105.~~

7437 ~~(2) Upon the merger becoming effective, the surviving~~
7438 ~~foreign corporation of a merger, and the acquiring foreign~~
7439 ~~corporation in a share exchange, is deemed:~~

7440 ~~(a) To appoint the Secretary of State as its agent for~~
7441 ~~service of process in a proceeding to enforce any obligation or~~
7442 ~~the rights of dissenting shareholders of each domestic~~
7443 ~~corporation party to the merger or share exchange; and~~

7444 ~~(b) To agree that it will promptly pay to the dissenting~~
7445 ~~shareholders of each domestic corporation party to the merger or~~
7446 ~~share exchange the amount, if any, to which they are entitled~~
7447 ~~under s. 607.1302.~~

7448 ~~(3) This section does not limit the power of a foreign~~
7449 ~~corporation to acquire all or part of the shares of one or more~~
7450 ~~classes or series of a domestic corporation through a voluntary~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7451 ~~exchange or otherwise.~~

7452 ~~(4) The effect of such merger shall be the same as in the~~
 7453 ~~case of the merger of domestic corporations if the surviving~~
 7454 ~~corporation is to be governed by the laws of this state. If the~~
 7455 ~~surviving corporation is to be governed by the laws of any state~~
 7456 ~~other than this state, the effect of such merger shall be the~~
 7457 ~~same as in the case of the merger of domestic corporations~~
 7458 ~~except insofar as the laws of such other state provide~~
 7459 ~~otherwise.~~

7460 ~~(5) The redomestication of a foreign insurer to this state~~
 7461 ~~under s. 628.520 shall be deemed a merger of a foreign~~
 7462 ~~corporation and a domestic corporation, and the surviving~~
 7463 ~~corporation shall be deemed to be a domestic corporation~~
 7464 ~~incorporated under the laws of this state. The redomestication~~
 7465 ~~of a Florida corporation to a foreign jurisdiction under s.~~
 7466 ~~628.525 shall be deemed a merger of a domestic corporation and a~~
 7467 ~~foreign corporation, and the surviving corporation shall be~~
 7468 ~~deemed to be a foreign corporation.~~

7469 Section 141. Section 607.1108, Florida Statutes, is
 7470 repealed.

7471 Section 142. Section 607.1109, Florida Statutes, is
 7472 repealed.

7473 Section 143. Section 607.11101, Florida Statutes, is
 7474 repealed.

7475 Section 144. Section 607.1112, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7476 repealed.

7477 Section 145. Section 607.1113, Florida Statutes, is
 7478 repealed.

7479 Section 146. Section 607.1114, Florida Statutes, is
 7480 repealed.

7481 Section 147. Section 607.1115, Florida Statutes, is
 7482 repealed.

7483 Section 148. Section 607.11920, Florida Statutes, is
 7484 created to read:

7485 607.11920 Domestication.—

7486 (1) By complying with this section and ss. 607.11921-
 7487 607.11924, as applicable, a foreign corporation may become a
 7488 domestic corporation if the domestication is permitted by the
 7489 organic law of the foreign corporation.

7490 (2) By complying with this section and ss. 607.11921-
 7491 607.11924, as applicable, a domestic corporation may become a
 7492 foreign corporation pursuant to a plan of domestication if the
 7493 domestication is permitted by the organic law of the foreign
 7494 corporation.

7495 (3) In a domestication under subsection (2), the
 7496 domesticating eligible entity must enter into a plan of
 7497 domestication. The plan of domestication must include:

7498 (a) The name of the domesticating corporation;

7499 (b) The name and jurisdiction of formation of the
 7500 domesticated corporation;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7501 (c) The manner and basis of reclassifying the shares of
 7502 the domesticating corporation into shares or other securities,
 7503 obligations, rights to acquire shares or other securities, cash,
 7504 other property, or any combination of the foregoing;

7505 (d) The proposed organic rules of the domesticated
 7506 corporation which must be in writing; and

7507 (e) The other terms and conditions of the domestication.

7508 (4) In addition to the requirements of subsection (3), a
 7509 plan of domestication may contain any other provision not
 7510 prohibited by law.

7511 (5) The terms of a plan of domestication may be made
 7512 dependent upon facts objectively ascertainable outside the plan
 7513 in accordance with s. 607.0120(11).

7514 (6) If a protected agreement of a domesticating
 7515 corporation in effect immediately before the domestication
 7516 becomes effective contains a provision applying to a merger of
 7517 the corporation and the agreement does not refer to a
 7518 domestication of the corporation, the provision applies to a
 7519 domestication of the corporation as if the domestication were a
 7520 merger until such time as the provision is first amended after
 7521 January 1, 2020.

7522 Section 149. Section 607.11921, Florida Statutes, is
 7523 created to read:

7524 607.11921 Action on a plan of domestication.—In the case
 7525 of a domestication of a domestic corporation into a foreign

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7526 | jurisdiction, the plan of domestication shall be adopted in the
 7527 | following manner:

7528 | (1) The plan of domestication must first be adopted by the
 7529 | board of directors of such domestic corporation.

7530 | (2) (a) The plan of domestication must then be approved by
 7531 | the shareholders of such domestic corporation.

7532 | (b) In submitting the plan of domestication to the
 7533 | shareholders for approval, the board of directors shall
 7534 | recommend that the shareholders approve the plan, unless:

7535 | 1. The board of directors makes a determination that
 7536 | because of conflicts of interest or other special circumstances
 7537 | it should not make such a recommendation; or

7538 | 2. Section 607.0826 applies.

7539 | (c) If either subparagraph (b)1. or subparagraph (b)2.
 7540 | applies, the board shall inform the shareholders of the basis
 7541 | for its so proceeding without such recommendation.

7542 | (3) The board of directors may set conditions for approval
 7543 | of the plan of domestication by the shareholders or the
 7544 | effectiveness of the plan of domestication.

7545 | (4) If the plan of domestication is required to be
 7546 | approved by the shareholders, and if the approval of the
 7547 | shareholders is to be given at a meeting, the corporation must
 7548 | notify each shareholder, regardless of whether entitled to vote,
 7549 | of the meeting of shareholders at which the plan of
 7550 | domestication is to be submitted for approval. The notice must

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7551 state that the purpose, or one of the purposes, of the meeting
7552 is to consider the plan of domestication and must contain or be
7553 accompanied by a copy of the plan. The notice must include or be
7554 accompanied by a written copy of the organic rules of the
7555 domesticated eligible entity as they will be in effect
7556 immediately after the domestication.

7557 (5) Unless the articles of incorporation, or the board of
7558 directors acting pursuant to subsection (3), require a greater
7559 vote or a greater quorum in the respective case, approval of the
7560 plan of domestication requires:

7561 (a) The approval of the shareholders at a meeting at which
7562 a quorum exists consisting of a majority of the votes entitled
7563 to be cast on the plan; and

7564 (b) Except as provided in subsection (6), the approval of
7565 each class or series of shares voting as a separate voting group
7566 at a meeting at which a quorum of the voting group exists
7567 consisting of a majority of the votes entitled to be cast on the
7568 plan by that voting group.

7569 (6) The articles of incorporation may expressly limit or
7570 eliminate the separate voting rights provided in paragraph
7571 (5) (b) as to any class or series of shares, except when the
7572 public organic rules of the foreign corporation resulting from
7573 the domestication include what would be in effect an amendment
7574 that would entitle the class or series to vote as a separate
7575 group under s. 607.1004 if it were a proposed amendment of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7576 articles of incorporation of a domestic domesticating
 7577 corporation.

7578 (7) If as a result of a domestication one or more
 7579 shareholders of a domestic domesticating corporation would
 7580 become subject to interest holder liability, approval of the
 7581 plan of domestication shall require the signing in connection
 7582 with the domestication, by each such shareholder, of a separate
 7583 written consent to become subject to such interest holder
 7584 liability, unless in the case of a shareholder that already has
 7585 interest holder liability with respect to the domesticating
 7586 corporation, the terms and conditions of the interest holder
 7587 liability with respect to the domesticated corporation are
 7588 substantially identical to those of the existing interest holder
 7589 liability, other than for changes that eliminate or reduce such
 7590 interest holder liability.

7591 Section 150. Section 607.11922, Florida Statutes, is
 7592 created to read:

7593 607.11922 Articles of domestication; effectiveness.-

7594 (1) Articles of domestication must be signed by the
 7595 domesticating corporation after:

7596 (a) A plan of domestication of a domestic corporation has
 7597 been adopted and approved as required by this chapter; or

7598 (b) A foreign corporation that is the domesticating
 7599 corporation has approved a domestication as required by the
 7600 applicable provisions of this chapter and under the foreign

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7601 corporation's organic law.

7602 (2) Articles of domestication must set forth:

7603 (a) The name of the domesticating corporation and its

7604 jurisdiction of formation;

7605 (b) The name and jurisdiction of formation of the

7606 domesticated corporation; and

7607 (c)1. If the domesticating corporation is a domestic

7608 corporation, a statement that the plan of domestication was

7609 approved in accordance with this chapter; or

7610 2. If the domesticating corporation is a foreign

7611 corporation, a statement that the domestication was approved in

7612 accordance with its organic law.

7613 (3) If the domesticated corporation is to be a domestic

7614 corporation, articles of incorporation of the domesticated

7615 corporation that satisfy the requirements of s. 607.0202 must be

7616 attached to the articles of domestication. Provisions that would

7617 not be required to be included in restated articles of

7618 incorporation may be omitted from the articles of incorporation

7619 attached to the articles of domestication.

7620 (4) The articles of domestication shall be delivered to

7621 the department for filing and shall take effect at the effective

7622 date determined in accordance with s. 607.0123.

7623 (5) (a) If the domesticated corporation is a domestic

7624 corporation, the domestication becomes effective when the

7625 articles of domestication are effective.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7626 (b) If the domesticated corporation is a foreign
 7627 corporation, the domestication becomes effective on the later of
 7628 the date and time provided by the organic law of the
 7629 domesticated corporation or when the articles of domestication
 7630 are effective.

7631 (6) If the domesticating corporation is a foreign
 7632 corporation that is qualified to transact business in this state
 7633 under ss. 607.1501-607.1532, its certificate of authority is
 7634 automatically canceled when the domestication becomes effective.

7635 (7) A copy of the articles of domestication, certified by
 7636 the department, may be filed in the official records of any
 7637 county in this state in which the domesticating eligible entity
 7638 holds an interest in real property.

7639 Section 151. Section 607.11923, Florida Statutes, is
 7640 created to read:

7641 607.11923 Amendment of a plan of domestication;
 7642 abandonment.—

7643 (1) A plan of domestication of a domestic corporation
 7644 adopted under s. 607.11920(3) may be amended:

7645 (a) In the same manner as the plan of domestication was
 7646 approved, if the plan does not provide for the manner in which
 7647 it may be amended; or

7648 (b) In the manner provided in the plan of domestication,
 7649 except that a shareholder that was entitled to vote on or
 7650 consent to approval of the plan is entitled to vote on or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7651 consent to any amendment of the plan that will change:

7652 1. The amount or kind of shares or other securities,

7653 obligations, rights to acquire shares, other securities, or

7654 eligible interests, cash, other property, or any combination of

7655 the foregoing, to be received by any of the shareholders or

7656 holders of rights to acquire shares, other securities, or

7657 eligible interests of the domesticating corporation under the

7658 plan;

7659 2. The organic rules of the domesticated corporation that

7660 are to be in writing and that will be in effect immediately

7661 after the domestication becomes effective, except for changes

7662 that do not require approval of the shareholders of the

7663 domesticated corporation under its organic rules as set forth in

7664 the plan of domestication; or

7665 3. Any of the other terms or conditions of the plan, if

7666 the change would adversely affect the shareholder in any

7667 material respect.

7668 (2) After a plan of domestication has been adopted and

7669 approved by a domestic corporation as required by this chapter,

7670 and before the articles of domestication have become effective,

7671 the plan may be abandoned by the corporation without action by

7672 its shareholders in accordance with any procedures set forth in

7673 the plan or, if no such procedures are set forth in the plan, in

7674 the manner determined by the board of directors of the domestic

7675 corporation.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7676 (3) If a domestication is abandoned after the articles of
 7677 domestication have been delivered to the department for filing
 7678 but before the articles of domestication have become effective,
 7679 a statement of abandonment signed by the domesticating
 7680 corporation must be delivered to the department for filing
 7681 before the articles of domestication become effective. The
 7682 statement shall take effect upon filing, and the domestication
 7683 shall be deemed abandoned and shall not become effective. The
 7684 statement of abandonment must contain:

7685 (a) The name of the domesticating corporation;

7686 (b) The date on which the articles of domestication were
 7687 filed by the department; and

7688 (c) A statement that the domestication has been abandoned
 7689 in accordance with this section.

7690 Section 152. Section 607.11924, Florida Statutes, is
 7691 created to read:

7692 607.11924 Effect of domestication.—

7693 (1) When a domestication becomes effective:

7694 (a) All real property and other property owned by the
 7695 domesticating corporation, including any interests therein and
 7696 all title thereto, and every contract right possessed by the
 7697 domesticating corporation, are the property and contract rights
 7698 of the domesticated corporation without transfer, reversion, or
 7699 impairment;

7700 (b) All debts, obligations, and other liabilities of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7701 domesticating corporation are the debts, obligations, and other
 7702 liabilities of the domesticated corporation;

7703 (c) The name of the domesticated corporation may be, but
 7704 need not be, substituted for the name of the domesticating
 7705 corporation in any pending proceeding;

7706 (d) The organic rules of the domesticated corporation
 7707 become effective;

7708 (e) The shares or equity interests of the domesticating
 7709 corporation are reclassified into shares or other securities,
 7710 obligations, rights to acquire shares or other securities, cash,
 7711 or other property in accordance with the terms of the
 7712 domestication, and the shareholders or equity owners of the
 7713 domesticating corporation are entitled only to the rights
 7714 provided to them by those terms and to any appraisal rights they
 7715 may have under the organic law of the domesticating corporation;
 7716 and

7717 (f) The domesticated corporation is:

7718 1. Incorporated under and subject to the organic law of
 7719 the domesticated corporation;

7720 2. The same corporation, without interruption, as the
 7721 domesticating corporation; and

7722 3. Deemed to have been incorporated or formed on the date
 7723 the domesticating corporation was originally incorporated.

7724 (2) In addition, when a domestication of a domestic
 7725 corporation into a foreign jurisdiction becomes effective, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7726 domesticated corporation is deemed to:

7727 (a) Appoint the secretary of state as its agent for
 7728 service of process in a proceeding to enforce the rights of
 7729 shareholders who exercise appraisal rights in connection with
 7730 the domestication; and

7731 (b) Agree that it will promptly pay any amount that the
 7732 shareholders are entitled to under ss. 607.1301-607.1340.

7733 (3) Except as otherwise provided in the organic law or
 7734 organic rules of a domesticating foreign corporation, the
 7735 interest holder liability of a shareholder or equity holder in a
 7736 foreign corporation that is domesticated into this state who had
 7737 interest holder liability in respect of such domesticating
 7738 corporation before the domestication becomes effective shall be
 7739 as follows:

7740 (a) The domestication does not discharge that prior
 7741 interest holder liability with respect to any interest holder
 7742 liabilities that arose before the domestication becomes
 7743 effective.

7744 (b) The provisions of the organic law of the domesticating
 7745 corporation shall continue to apply to the collection or
 7746 discharge of any interest holder liabilities preserved by
 7747 paragraph (a), as if the domestication had not occurred.

7748 (c) The shareholder or equity holder shall have such
 7749 rights of contribution from other persons as are provided by the
 7750 organic law of the domesticating corporation with respect to any

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7751 interest holder liabilities preserved by paragraph (a), as if
7752 the domestication had not occurred.

7753 (d) The shareholder or equity holder may not, by reason of
7754 such prior interest holder liability, have interest holder
7755 liability with respect to any interest holder liabilities that
7756 are incurred after the domestication becomes effective.

7757 (4) A shareholder or equity holder who becomes subject to
7758 interest holder liability in respect of the domesticated
7759 corporation as a result of the domestication shall have such
7760 interest holder liability only in respect of interest holder
7761 liabilities that arise after the domestication becomes
7762 effective.

7763 (5) A domestication does not constitute or cause the
7764 dissolution of the domesticating corporation.

7765 (6) Property held for charitable purposes under the laws
7766 of this state by a domestic or foreign corporation immediately
7767 before a domestication becomes effective may not, as a result of
7768 the transaction, be diverted from the objects for which it was
7769 donated, granted, devised, or otherwise transferred except and
7770 to the extent permitted by or pursuant to the laws of this state
7771 addressing cy pres or dealing with nondiversion of charitable
7772 assets.

7773 (7) A bequest, devise, gift, grant, or promise contained
7774 in a will or other instrument of donation, subscription, or
7775 conveyance which is made to the domesticating corporation and

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7776 which takes effect or remains payable after the domestication
 7777 inures to the domesticated corporation.

7778 (8) A trust obligation that would govern property if
 7779 transferred to the domesticating corporation applies to property
 7780 that is transferred to the domesticated corporation after the
 7781 domestication takes effect.

7782 Section 153. Section 607.11930, Florida Statutes, is
 7783 created to read:

7784 607.11930 Conversion.—

7785 (1) By complying with this chapter, including adopting a
 7786 plan of conversion in accordance with s. 607.11931 and complying
 7787 with s. 607.11932, a domestic corporation may become:

7788 (a) A domestic eligible entity, other than a domestic
 7789 corporation;

7790 (b) If the conversion is permitted by the organic law of
 7791 the foreign eligible entity, a foreign eligible entity.

7792 (2) By complying with this section and ss. 607.11931-
 7793 607.11935, as applicable, and applicable provisions of its
 7794 organic law, a domestic eligible entity other than a domestic
 7795 corporation may become a domestic corporation.

7796 (3) By complying with this section and ss. 607.11931-
 7797 607.11935, as applicable, and by complying with the applicable
 7798 provisions of its organic law, a foreign eligible entity may
 7799 become a domestic corporation, but only if the organic law of
 7800 the foreign eligible entity permits it to become a corporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7801 | in another jurisdiction.

7802 | (4) If a protected agreement of a domestic converting
 7803 | eligible entity in effect immediately before the conversion
 7804 | becomes effective contains a provision applying to a merger of
 7805 | the corporation that is a converting eligible entity and the
 7806 | agreement does not refer to a conversion of the corporation, the
 7807 | provision applies to a conversion of the corporation as if the
 7808 | conversion were a merger, until such time as the provision is
 7809 | first amended after January 1, 2020.

7810 | Section 154. Section 607.11931, Florida Statutes, is
 7811 | created to read:

7812 | 607.11931 Plan of conversion.—

7813 | (1) A domestic corporation may convert to a domestic or
 7814 | foreign eligible entity under this chapter by approving a plan
 7815 | of conversion. The plan of conversion must include:

7816 | (a) The name of the domestic converting corporation;

7817 | (b) The name, jurisdiction of formation, and type of
 7818 | entity of the converted eligible entity;

7819 | (c) The manner and basis of converting the shares of the
 7820 | domestic corporation, or the rights to acquire shares,
 7821 | obligations or other securities, of the domestic corporation
 7822 | into:

7823 | 1. Shares.

7824 | 2. Other securities.

7825 | 3. Eligible interests.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7826 4. Obligations.

7827 5. Rights to acquire shares, other securities, or eligible
 7828 interests.

7829 6. Cash.

7830 7. Other property.

7831 8. Any combination of the foregoing;

7832 (d) The other terms and conditions of the conversion; and
 7833 (e) The full text, as it will be in effect immediately
 7834 after the conversion becomes effective, of the organic rules of
 7835 the converted eligible entity which are to be in writing.

7836 (2) In addition to the requirements of subsection (1), a
 7837 plan of conversion may contain any other provision not
 7838 prohibited by law.

7839 (3) The terms of a plan of conversion may be made
 7840 dependent upon facts objectively ascertainable outside the plan
 7841 in accordance with section 607.0120(11).

7842 Section 155. Section 607.11932, Florida Statutes, is
 7843 created to read:

7844 607.11932 Action on a plan of conversion.—In the case of a
 7845 conversion of a domestic corporation to a domestic or foreign
 7846 eligible entity other than a domestic corporation, the plan of
 7847 conversion must be adopted in the following manner:

7848 (1) The plan of conversion must first be adopted by the
 7849 board of directors of such domestic corporation.

7850 (2) (a) The plan of conversion shall then be approved by

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7851 | the shareholders of such domestic corporation.

7852 | (b) In submitting the plan of conversion to the
7853 | shareholders for their approval, the board of directors shall
7854 | recommend that the shareholders approve the plan of conversion
7855 | unless:

7856 | 1. The board of directors makes a determination that
7857 | because of conflicts of interest or other special circumstances
7858 | it should not make such a recommendation; or

7859 | 2. Section 607.0826 applies.

7860 | (c) If either subparagraph (b)1. or subparagraph (b)2.
7861 | applies, the board of directors shall inform the shareholders of
7862 | the basis for its so proceeding without such recommendation.

7863 | (3) The board of directors may set conditions for approval
7864 | of the plan of conversion by the shareholders or the
7865 | effectiveness of the plan of conversion.

7866 | (4) If a plan of conversion is required to be approved by
7867 | the shareholders, and if the approval is to be given at a
7868 | meeting, the corporation shall notify each shareholder,
7869 | regardless of whether entitled to vote, of the meeting of
7870 | shareholders at which the plan is to be submitted for approval,
7871 | in accordance with s. 607.0705. The notice must state that the
7872 | purpose, or one of the purposes, of the meeting is to consider
7873 | the plan of conversion and must contain or be accompanied by a
7874 | copy of the plan. The notice must include or be accompanied by a
7875 | written copy of the organic rules of the converted eligible

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7876 entity as they will be in effect immediately after the
7877 conversion.

7878 (5) Unless the articles of incorporation, or the board of
7879 directors acting pursuant to subsection (3), require a greater
7880 vote or a greater quorum in the respective case, approval of the
7881 plan of conversion requires:

7882 (a) The approval of the shareholders at a meeting at which
7883 a quorum exists consisting of a majority of the votes entitled
7884 to be cast on the plan; and

7885 (b) The approval of each class or series of shares voting
7886 as a separate voting group at a meeting at which a quorum of the
7887 voting group exists consisting of a majority of the votes
7888 entitled to be cast on the plan by that voting group.

7889 (6) If as a result of the conversion one or more
7890 shareholders of the converting domestic corporation would become
7891 subject to interest holder liability, approval of the plan of
7892 conversion shall require the signing in connection with the
7893 transaction, by each such shareholder, of a separate written
7894 consent to become subject to such interest holder liability.

7895 (7) If the converted eligible entity is a partnership or
7896 limited partnership, no shareholder of the converting domestic
7897 corporation shall, as a result of the conversion, become a
7898 general partner of the partnership or limited partnership,
7899 unless such shareholder specifically consents in writing to
7900 becoming a general partner of such partnership or limited

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7901 partnership and, unless such written consent is obtained from
 7902 each such shareholder, such conversion may not become effective
 7903 under s. 607.11933. Any shareholder providing such consent in
 7904 writing shall be deemed to have voted in favor of the plan of
 7905 conversion pursuant to which the shareholder became a general
 7906 partner.

7907 (8) Sections 607.1301-607.1340 shall, insofar as they are
 7908 applicable, apply to a conversion in accordance with this
 7909 chapter of a domestic corporation into a domestic or foreign
 7910 eligible entity that is not a domestic corporation.

7911 Section 156. Section 607.11933, Florida Statutes, is
 7912 created to read:

7913 607.11933 Articles of conversion; effectiveness.-

7914 (1) After a plan of conversion of a domestic corporation
 7915 has been adopted and approved as required by this chapter, or a
 7916 domestic or foreign eligible entity, other than a domestic
 7917 corporation, that is the converting eligible entity has approved
 7918 a conversion as required by its organic law, articles of
 7919 conversion must be signed by the converting eligible entity as
 7920 required by s. 607.0120 and must:

7921 (a) State the name, jurisdiction of formation, and type of
 7922 entity of the converting eligible entity;

7923 (b) State the name, jurisdiction of formation, and type of
 7924 entity of the converted eligible entity;

7925 (c) If the converting eligible entity is:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7926 1. A domestic corporation, state that the plan of
 7927 conversion was approved in accordance with this chapter; or
 7928 2. A domestic or foreign eligible entity other than a
 7929 domestic corporation, state that the conversion was approved by
 7930 the eligible entity in accordance with its organic law; and
 7931 (d) If the converted eligible entity is:
 7932 1. A domestic corporation or a domestic or foreign
 7933 eligible entity that is not a domestic corporation, attach the
 7934 public organic record of the converted eligible entity, except
 7935 that provisions that would not be required to be included in a
 7936 restated public organic record may be omitted; or
 7937 2. A domestic limited liability partnership, attach the
 7938 filing or filings required to become a domestic limited
 7939 liability partnership.
 7940 (2) If the converted eligible entity is a domestic
 7941 corporation, its articles of incorporation must satisfy the
 7942 requirements of section 607.0202, except that provisions that
 7943 would not be required to be included in restated articles of
 7944 incorporation may be omitted from the articles of incorporation.
 7945 If the converted eligible entity is a domestic eligible entity
 7946 that is not a domestic corporation, its public organic record,
 7947 if any, must satisfy the applicable requirements of the organic
 7948 law of this state, except that the public organic record does
 7949 not need to be signed.
 7950 (3) The articles of conversion shall be delivered to the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7951 department for filing, and shall take effect at the effective
7952 date determined in accordance with s. 607.0123.

7953 (4) (a) If a converted eligible entity is a domestic
7954 eligible entity, the conversion becomes effective when the
7955 articles of conversion are effective.

7956 (b) If the converted eligible entity is a foreign eligible
7957 entity, the conversion becomes effective at the later of:

7958 1. The date and time provided by the organic law of that
7959 eligible entity; or

7960 2. When the articles of conversion take effect.

7961 (5) Articles of conversion required to be filed under this
7962 section may be combined with any filing required under the
7963 organic law of a domestic eligible entity that is the converting
7964 eligible entity or the converted eligible entity if the combined
7965 filing satisfies the requirements of both this section and the
7966 other organic law.

7967 (6) If the converting eligible entity is a foreign
7968 eligible entity that is authorized to transact business in this
7969 state under a provision of law similar to ss. 607.1501-607.1532,
7970 its foreign qualification shall be canceled automatically on the
7971 effective date of its conversion.

7972 (7) A copy of the articles of conversion, certified by the
7973 department, may be filed in the official records of any county
7974 in this state in which the converting eligible entity holds an
7975 interest in real property.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

7976 Section 157. Section 607.11934, Florida Statutes, is
 7977 created to read:
 7978 607.11934 Amendment to a plan of conversion; abandonment.-
 7979 (1) A plan of conversion of a converting eligible entity
 7980 that is a domestic corporation may be amended:
 7981 (a) In the same manner as the plan of conversion was
 7982 approved, if the plan does not provide for the manner in which
 7983 it may be amended; or
 7984 (b) In the manner provided in the plan of conversion,
 7985 except that shareholders that were entitled to vote on or
 7986 consent to approval of the plan are entitled to vote on or
 7987 consent to any amendment of the plan that will change:
 7988 1. The amount or kind of shares or other securities,
 7989 eligible interests, obligations, rights to acquire shares, other
 7990 securities, or eligible interests, cash, other property, or any
 7991 combination of the foregoing, to be received by any of the
 7992 shareholders of the converting corporation under the plan;
 7993 2. The organic rules of the converted eligible entity that
 7994 will be in effect immediately after the conversion becomes
 7995 effective, except for changes that do not require approval of
 7996 the eligible interest holders of the converted eligible entity
 7997 under its organic law or organic rules; or
 7998 3. Any other terms or conditions of the plan, if the
 7999 change would adversely affect such shareholders in any material
 8000 respect.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8001 (2) After a plan of conversion has been adopted and
8002 approved by a converting eligible entity that is a domestic
8003 corporation in the manner required by this chapter and before
8004 the articles of conversion become effective, the plan may be
8005 abandoned by the domestic corporation without action by its
8006 shareholders in accordance with any procedures set forth in the
8007 plan or, if no such procedures are set forth in the plan, in the
8008 manner determined by the board of directors of the domestic
8009 corporation.

8010 (3) If a conversion is abandoned after the articles of
8011 conversion have been delivered to the department for filing but
8012 before the articles of conversion have become effective, a
8013 statement of abandonment signed by the converting eligible
8014 entity must be delivered to the department for filing before the
8015 articles of conversion become effective. The statement shall
8016 take effect on filing, and the conversion shall be deemed
8017 abandoned and shall not become effective. The statement of
8018 abandonment must contain:

8019 (a) The name of the converting eligible entity;

8020 (b) The date on which the articles of conversion were
8021 filed by the department; and

8022 (c) A statement that the conversion has been abandoned in
8023 accordance with this section.

8024 Section 158. Section 607.11935, Florida Statutes, is
8025 created to read:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8026 | 607.11935 Effect of conversion.-

8027 | (1) When a conversion becomes effective:

8028 | (a) All real property and other property owned by,

8029 | including any interest therein and all title thereto, and every

8030 | contract right possessed by, the converting eligible entity

8031 | remain the property and contract rights of the converted

8032 | eligible entity without transfer, reversion, or impairment;

8033 | (b) All debts, obligations, and other liabilities of the

8034 | converting eligible entity remain the debts, obligations, and

8035 | other liabilities of the converted eligible entity;

8036 | (c) The name of the converted eligible entity may be, but

8037 | need not be, substituted for the name of the converting eligible

8038 | entity in any pending action or proceeding;

8039 | (d) If the converted eligible entity is a filing entity, a

8040 | domestic corporation, or a domestic or foreign nonprofit

8041 | corporation, its public organic record and its private organic

8042 | rules become effective;

8043 | (e) If the converted eligible entity is a nonfiling

8044 | entity, its private organic rules become effective;

8045 | (f) If the converted eligible entity is a limited

8046 | liability partnership, the filing required to become a limited

8047 | liability partnership and its private organic rules become

8048 | effective;

8049 | (g) The shares, rights to acquire shares, eligible

8050 | interests, other securities and obligations of the converting

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8051 eligible entity are reclassified into shares, other securities,
 8052 rights to acquire shares or other securities, eligible
 8053 interests, obligations, cash, other property, or any combination
 8054 thereof, in accordance with the terms of the conversion, and the
 8055 shareholders or interest holders of the converting eligible
 8056 entity are entitled only to the rights provided to them by those
 8057 terms and to any rights they may have under s. 607.1302 or under
 8058 the organic law of the converting eligible entity; and

8059 (h) The converted eligible entity is:

8060 1. Deemed to be incorporated or organized under and
 8061 subject to the organic law of the converted eligible entity;

8062 2. Deemed to be the same entity without interruption as
 8063 the converting eligible entity; and

8064 3. Deemed to have been incorporated or otherwise organized
 8065 on the date that the converting eligible entity was originally
 8066 incorporated or organized.

8067 (2) When a conversion of a domestic corporation to a
 8068 domestic or foreign eligible entity other than a domestic
 8069 corporation becomes effective, the converted eligible entity is
 8070 deemed to:

8071 (a) Appoint the secretary of state as its agent for
 8072 service of process in a proceeding to enforce the rights of
 8073 shareholders who exercise appraisal rights in connection with
 8074 the conversion; and

8075 (b) Agree that it will promptly pay any amount that

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8076 shareholders are entitled to under ss. 607.1301-607.1340.

8077 (3) Except as otherwise provided in the articles of
8078 incorporation of a domestic corporation or the organic law or
8079 organic rules of a domestic or foreign eligible entity other
8080 than a domestic corporation, a shareholder or eligible interest
8081 holder who becomes subject to interest holder liability in
8082 respect of a domestic corporation or domestic or foreign
8083 eligible entity other than a domestic corporation as a result of
8084 the conversion shall have such interest holder liability only in
8085 respect of interest holder liabilities that arise after the
8086 conversion becomes effective.

8087 (4) Except as otherwise provided in the organic law or the
8088 organic rules of the domestic or foreign eligible entity, the
8089 interest holder liability of an interest holder in a converting
8090 eligible entity that converts to a domestic corporation who had
8091 interest holder liability in respect of such converting eligible
8092 entity before the conversion becomes effective shall be as
8093 follows:

8094 (a) The conversion does not discharge that prior interest
8095 holder liability with respect to any interest holder liabilities
8096 that arose before the conversion became effective.

8097 (b) The provisions of the organic law of the eligible
8098 entity shall continue to apply to the collection or discharge of
8099 any interest holder liabilities preserved by paragraph (a), as
8100 if the conversion had not occurred.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8101 (c) The eligible interest holder shall have such rights of
8102 contribution from other persons as are provided by the organic
8103 law of the eligible entity with respect to any interest holder
8104 liabilities preserved by paragraph (a), as if the conversion had
8105 not occurred.

8106 (d) The eligible interest holder may not, by reason of
8107 such prior interest holder liability, have interest holder
8108 liability with respect to any interest holder liabilities that
8109 arise after the conversion becomes effective.

8110 (5) A conversion does not require the converting eligible
8111 entity to wind up its affairs and does not constitute or cause
8112 the dissolution or termination of the entity.

8113 (6) Property held for charitable purposes under the laws
8114 of this state by a domestic or foreign eligible entity
8115 immediately before a conversion becomes effective may not, as a
8116 result of the transaction, be diverted from the objects for
8117 which it was donated, granted, devised, or otherwise transferred
8118 except and to the extent permitted by or pursuant to the laws of
8119 this state addressing cy pres or dealing with nondiversion of
8120 charitable assets.

8121 (7) A bequest, devise, gift, grant, or promise contained
8122 in a will or other instrument of donation, subscription, or
8123 conveyance which is made to the converting eligible entity and
8124 which takes effect or remains payable after the conversion
8125 inures to the converted eligible entity.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8126 (8) A trust obligation that would govern property if
 8127 transferred to the converting eligible entity applies to
 8128 property that is to be transferred to the converted eligible
 8129 entity after the conversion becomes effective.

8130 Section 159. Section 607.1201, Florida Statutes, is
 8131 amended to read:

8132 607.1201 Disposition of assets not requiring shareholder
 8133 approval ~~Sale of assets in regular course of business and~~
 8134 ~~mortgage of assets.~~ Unless the articles of incorporation
 8135 otherwise provide, no approval by shareholders is required to:

8136 (1) ~~A corporation may, on the terms and conditions and for~~
 8137 ~~the consideration determined by the board of directors:~~

8138 ~~(a)~~ Sell, lease, exchange, or otherwise dispose of any or
 8139 all of the corporation's assets ~~all, or substantially all, of~~
 8140 ~~its property~~ in the usual and regular course of business;

8141 (2) ~~(b)~~ Mortgage, pledge, dedicate to the repayment of
 8142 indebtedness (whether with or without recourse), create a
 8143 security interest in, or otherwise encumber any or all of the
 8144 corporation's assets, regardless of whether ~~its property whether~~
 8145 ~~or not~~ in the usual and regular course of business; ~~or~~

8146 (3) ~~(c)~~ Transfer any or all of the corporation's assets to
 8147 one or more domestic or foreign corporations or other entities
 8148 all of the shares or interests ~~its property to a corporation all~~
 8149 ~~the shares~~ of which are owned by the corporation; or

8150 (4) Distribute assets pro rata to the holders of one or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8151 more classes or series of the corporation's shares, except to
8152 the extent that the distribution is part of a dissolution of the
8153 corporation under ss. 607.1401-607.14401.

8154 ~~(2) Unless the articles of incorporation require it,~~
8155 ~~approval by the shareholders of a transaction described in~~
8156 ~~subsection (1) is not required.~~

8157 Section 160. Section 607.1202, Florida Statutes, is
8158 amended to read:

8159 607.1202 Shareholder approval of certain dispositions ~~Sale~~
8160 ~~of assets other than in regular course of business.-~~

8161 (1) A corporation may sell, lease, exchange, or otherwise
8162 dispose of all, or substantially all, of its property (with or
8163 without ~~the~~ good will), otherwise than in the usual and regular
8164 course of business, on the terms and conditions and for the
8165 consideration determined by the corporation's board of
8166 directors, but only if the board of directors proposes and its
8167 shareholders ~~of record~~ approve the proposed transaction.

8168 (2) (a) To obtain the approval of the shareholders under
8169 subsection (1), the board of directors must first adopt a
8170 resolution approving the disposition, and thereafter, the
8171 disposition must also be approved by the corporation's
8172 shareholders.

8173 (b) In submitting the disposition to the shareholders for
8174 approval, ~~For a transaction to be authorized:~~

8175 ~~(a)~~ the board of directors must recommend the proposed

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8176 transaction to the shareholders of record unless:

8177 1. The board of directors makes a determination that

8178 ~~determines that it should make no recommendation~~ because of

8179 conflict of interest or other special circumstances it should

8180 not make such a recommendation; or

8181 2. Section 607.0826 applies.

8182 (c) If either subparagraph (b)1. or subparagraph (b)2.

8183 applies, the board of directors shall inform the shareholders of

8184 the basis for its so proceeding without such recommendation and

8185 ~~communicates the basis for its determination to the shareholders~~

8186 ~~of record with the submission of the proposed transaction; and~~

8187 ~~(b) The shareholders entitled to vote must approve the~~

8188 ~~transaction as provided in subsection (5).~~

8189 (3) The board of directors may set conditions for approval

8190 of the disposition or the effectiveness of the disposition

8191 ~~condition its submission of the proposed transaction on any~~

8192 ~~basis.~~

8193 (4) If the disposition is required to be approved by the

8194 shareholders under subsection (1) and if the approval is to be

8195 given at the meeting, the corporation shall notify each

8196 shareholder ~~of record,~~ regardless of whether or not entitled to

8197 vote, of the ~~proposed shareholders'~~ meeting of shareholders at

8198 which the disposition is to be submitted for approval in

8199 ~~accordance with s. 607.0705.~~ The notice must ~~shall also~~ state

8200 that the purpose, or one of the purposes, of the meeting is to

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8201 consider the disposition and shall contain a description of the
 8202 disposition and the consideration to be received by the
 8203 corporation ~~sale, lease, exchange, or other disposition of all,~~
 8204 ~~or substantially all, the property of the corporation,~~
 8205 ~~regardless of whether or not the meeting is an annual or a~~
 8206 ~~special meeting, and shall contain or be accompanied by a~~
 8207 ~~description of the transaction.~~ Furthermore, the notice shall
 8208 contain a clear and concise statement that, if the transaction
 8209 is effected, shareholders dissenting therefrom are or may be
 8210 entitled, if they comply with the provisions of this act
 8211 regarding appraisal rights, to be paid the fair value of their
 8212 shares and such notice must ~~shall~~ be accompanied by a copy of
 8213 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

8214 (5) Unless this chapter ~~act~~, the articles of
 8215 incorporation, or the board of directors ~~(acting pursuant to~~
 8216 ~~subsection (3))~~ requires a greater vote or a greater quorum ~~vote~~
 8217 ~~by voting groups~~, the approval of the disposition shall require
 8218 the approval of the shareholders at a meeting at which a quorum
 8219 exists consisting of ~~transaction to be authorized shall be~~
 8220 ~~approved by~~ a majority of all the votes entitled to be cast on
 8221 the disposition ~~transaction~~.

8222 (6) After a disposition has been approved by the
 8223 shareholders under this chapter, and at any time before the
 8224 disposition has been consummated, it may be abandoned by the
 8225 corporation without action by the shareholders, subject to any

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8226 contractual rights of other parties to the disposition ~~Any plan~~
 8227 ~~or agreement providing for a sale, lease, exchange, or other~~
 8228 ~~disposition of property, or any resolution of the board of~~
 8229 ~~directors or shareholders approving such transaction, may~~
 8230 ~~authorize the board of directors of the corporation to amend the~~
 8231 ~~terms thereof at any time prior to the consummation of such~~
 8232 ~~transaction. An amendment made subsequent to the approval of the~~
 8233 ~~transaction by the shareholders of the corporation may not:~~
 8234 ~~(a) Change the amount or kind of shares, securities, cash,~~
 8235 ~~property, or rights to be received in exchange for the~~
 8236 ~~corporation's property; or~~
 8237 ~~(b) Change any other terms and conditions of the~~
 8238 ~~transaction if such change would materially and adversely affect~~
 8239 ~~the shareholders or the corporation.~~
 8240 ~~(7) Unless a plan or agreement providing for a sale,~~
 8241 ~~lease, exchange, or other disposition of property, or any~~
 8242 ~~resolution of the board of directors or shareholders approving~~
 8243 ~~such transaction, prohibits abandonment of the transaction~~
 8244 ~~without shareholder approval after a transaction has been~~
 8245 ~~authorized, the planned transaction may be abandoned (subject to~~
 8246 ~~any contractual rights) at any time prior to consummation~~
 8247 ~~thereof, without further shareholder action, in accordance with~~
 8248 ~~the procedure set forth in the plan, agreement, or resolutions~~
 8249 ~~providing for or approving such transaction or, if none is set~~
 8250 ~~forth, in the manner determined by the board of directors.~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8251 (7)-(8) A disposition of assets in the course of
8252 dissolution is governed by ss. 607.1401-607.14401 ~~transaction~~
8253 ~~that constitutes a distribution is governed by s. 607.06401~~ and
8254 not by this section.

8255 (8) For purposes of this section, the assets of a direct
8256 or indirect consolidated subsidiary shall be deemed to be the
8257 assets of the parent corporation.

8258 (9) For purposes of this section, the term "shareholder"
8259 includes a beneficial shareholder and a voting trust beneficial
8260 owner.

8261 Section 161. Section 607.1301, Florida Statutes, is
8262 amended to read:

8263 607.1301 Appraisal rights; definitions.—The following
8264 definitions apply to ss. 607.1301-607.1340 ~~ss. 607.1302-~~
8265 ~~607.1333~~:

8266 (1) "Accrued interest" means interest from the date the
8267 corporate action becomes effective until the date of payment, at
8268 the rate of interest determined for judgments pursuant to s.
8269 55.03, determined as of the effective date of the corporate
8270 action.

8271 (2) "Affiliate" means a person that directly or indirectly
8272 through one or more intermediaries controls, is controlled by,
8273 or is under common control with another person or is a senior
8274 executive of such person ~~thereof~~. For purposes of paragraph
8275 (6) (a) s. 607.1302(2) (d), a person is deemed to be an affiliate

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8276 | of its senior executives.

8277 | (3) "Corporate action" means an event described in s.
 8278 | 607.1302(1)

8279 | ~~(2) "Beneficial shareholder" means a person who is the~~
 8280 | ~~beneficial owner of shares held in a voting trust or by a~~
 8281 | ~~nominee on the beneficial owner's behalf.~~

8282 | (4)~~(3)~~ "Corporation" means the domestic corporation that
 8283 | is the issuer of the shares held by a shareholder demanding
 8284 | appraisal and, for matters covered in ss. 607.1322-607.1340 ss.
 8285 | ~~607.1322-607.1333~~, includes the domesticated eligible entity in
 8286 | a domestication, the covered eligible entity in a conversion,
 8287 | and the survivor of surviving entity in a merger.

8288 | (5)~~(4)~~ "Fair value" means the value of the corporation's
 8289 | shares determined:

8290 | (a) Immediately before the effectiveness ~~effectuation~~ of
 8291 | the corporate action to which the shareholder objects.

8292 | (b) Using customary and current valuation concepts and
 8293 | techniques generally employed for similar businesses in the
 8294 | context of the transaction requiring appraisal, excluding any
 8295 | appreciation or depreciation in anticipation of the corporate
 8296 | action unless exclusion would be inequitable to the corporation
 8297 | and its remaining shareholders.

8298 | ~~(c) For a corporation with 10 or fewer shareholders,~~
 8299 | Without discounting for lack of marketability or minority
 8300 | status.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8301 ~~(5) "Interest" means interest from the effective date of~~
 8302 ~~the corporate action until the date of payment, at the rate of~~
 8303 ~~interest on judgments in this state on the effective date of the~~
 8304 ~~corporate action.~~

8305 (6) "Interested transaction" means a corporate action
 8306 described in s. 607.1302(1), other than a merger pursuant to s.
 8307 607.1104, involving an interested person in which any of the
 8308 shares or assets of the corporation are being acquired or
 8309 converted. As used in this definition:

8310 (a) "Interested person" means a person, or an affiliate of
 8311 a person, who at any time during the 1-year period immediately
 8312 preceding approval by the board of directors of the corporate
 8313 action:

8314 1. Was the beneficial owner of 20 percent or more of the
 8315 voting power of the corporation, other than as owner of excluded
 8316 shares;

8317 2. Had the power, contractually or otherwise, other than
 8318 as owner of excluded shares, to cause the appointment or
 8319 election of 25 percent or more of the directors to the board of
 8320 directors of the corporation; or

8321 3. Was a senior executive or director of the corporation
 8322 or a senior executive of any affiliate of the corporation, and
 8323 will receive, as a result of the corporate action, a financial
 8324 benefit not generally available to other shareholders as such,
 8325 other than:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8326 a. Employment, consulting, retirement, or similar benefits
 8327 established separately and not as part of or in contemplation of
 8328 the corporate action;

8329 b. Employment, consulting, retirement, or similar benefits
 8330 established in contemplation of, or as part of, the corporate
 8331 action that are not more favorable than those existing before
 8332 the corporate action or, if more favorable, that have been
 8333 approved on behalf of the corporation in the same manner as is
 8334 provided in s. 607.0832; or

8335 c. In the case of a director of the corporation who, in
 8336 the corporate action, will become a director or governor of the
 8337 acquirer or any of its affiliates in the corporate action,
 8338 rights and benefits as a director or governor that are provided
 8339 on the same basis as those afforded by the acquirer generally to
 8340 other directors or governors of such entity or such affiliate.

8341 (b) "Beneficial owner" means any person who, directly or
 8342 indirectly, through any contract, arrangement, or understanding,
 8343 other than a revocable proxy, has or shares the power to vote,
 8344 or to direct the voting of, shares; except that a member of a
 8345 national securities exchange is not deemed to be a beneficial
 8346 owner of securities held directly or indirectly by it on behalf
 8347 of another person if the member is precluded by the rules of the
 8348 exchange from voting without instruction on contested matters or
 8349 matters that may affect substantially the rights or privileges
 8350 of the holders of the securities to be voted. When two or more

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8351 persons agree to act together for the purpose of voting their
 8352 shares of the corporation, each member of the group formed
 8353 thereby is deemed to have acquired beneficial ownership, as of
 8354 the date of the agreement, of all shares having voting power of
 8355 the corporation beneficially owned by any member of the group.

8356 (c) "Excluded shares" means shares acquired pursuant to an
 8357 offer for all shares having voting power if the offer was made
 8358 within 1 year before the corporate action for consideration of
 8359 the same kind and of a value equal to or less than that paid in
 8360 connection with the corporate action.

8361 (7)-(6) "Preferred shares" means a class or series of
 8362 shares the holders of which have preference over any other class
 8363 or series of shares with respect to distributions.

8364 ~~(7) "Record shareholder" means the person in whose name~~
 8365 ~~shares are registered in the records of the corporation or the~~
 8366 ~~beneficial owner of shares to the extent of the rights granted~~
 8367 ~~by a nominee certificate on file with the corporation.~~

8368 (8) "Senior executive" means the chief executive officer,
 8369 chief operating officer, chief financial officer, or any
 8370 individual ~~anyone~~ in charge of a principal business unit or
 8371 function.

8372 (9) Notwithstanding s. 607.01401(67), "shareholder" means
 8373 ~~both~~ a record shareholder, and a beneficial shareholder, and a
 8374 voting trust beneficial owner.

8375 Section 162. Section 607.1302, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8376 amended to read:

8377 607.1302 Right of shareholders to appraisal.—

8378 (1) A shareholder of a domestic corporation is entitled to
 8379 appraisal rights, and to obtain payment of the fair value of
 8380 that shareholder's shares, in the event of any of the following
 8381 corporate actions:

8382 (a) Consummation of a domestication or a conversion of
 8383 such corporation pursuant to s. 607.11921 or s. 607.11932, as
 8384 applicable, s. 607.1112 if shareholder approval is required for
 8385 the domestication or the conversion; ~~and the shareholder is~~
 8386 ~~entitled to vote on the conversion under ss. 607.1103 and~~
 8387 ~~607.1112(6), or the~~

8388 (b) Consummation of a merger to which such corporation is
 8389 a party:

8390 1. If shareholder approval is required for the merger
 8391 under s. 607.1103 or would be required but for s. 607.11035,
 8392 except that appraisal rights shall not be available to any
 8393 shareholder of the corporation with respect to shares of any
 8394 class or series that remains outstanding after consummation of
 8395 the merger where the terms of such class or series have not been
 8396 materially altered; ~~and the shareholder is entitled to vote on~~
 8397 ~~the merger~~ or

8398 2. If such corporation is a subsidiary and the merger is
 8399 governed by s. 607.1104;

8400 (c) ~~(b)~~ Consummation of a share exchange to which the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8401 corporation is a party as the corporation whose shares will be
 8402 ~~acquired if the shareholder is entitled to vote on the exchange,~~
 8403 except that appraisal rights are not available to any
 8404 shareholder of the corporation with respect to any class or
 8405 series of shares of the corporation that is not acquired in the
 8406 share exchange ~~exchanged;~~

8407 (d) ~~(e)~~ Consummation of a disposition of assets pursuant to
 8408 s. 607.1202 if the shareholder is entitled to vote on the
 8409 disposition, including a sale in dissolution, except that
 8410 appraisal rights shall not be available to any shareholder of
 8411 the corporation with respect to shares or any class or series
 8412 if:

8413 1. Under the terms of the corporate action approved by the
 8414 shareholders there is to be distributed to shareholders in cash
 8415 the corporation's net assets, in excess of a reasonable amount
 8416 reserved to meet claims of the type described in ss. 607.1406
 8417 and 607.1407, within 1 year after the shareholders' approval of
 8418 the action and in accordance with their respective interests
 8419 determined at the time of distribution; and

8420 2. The disposition of assets is not an interested
 8421 transaction ~~but not including a sale pursuant to court order or~~
 8422 ~~a sale for cash pursuant to a plan by which all or substantially~~
 8423 ~~all of the net proceeds of the sale will be distributed to the~~
 8424 ~~shareholders within 1 year after the date of sale;~~

8425 (e) ~~(d)~~ An amendment of the articles of incorporation with

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8426 | respect to a ~~the~~ class or series of shares which reduces the
8427 | number of shares of a class or series owned by the shareholder
8428 | to a fraction of a share if the corporation has the obligation
8429 | or the right to repurchase the fractional share so created;
8430 | (f)~~(e)~~ Any other ~~amendment to the articles of~~
8431 | ~~incorporation,~~ merger, share exchange, ~~or~~ disposition of assets,
8432 | or amendment to the articles of incorporation, in each case to
8433 | the extent provided by the articles of incorporation, bylaws, or
8434 | a resolution of the board of directors, except that no bylaw or
8435 | board resolution providing for appraisal rights may be amended
8436 | or otherwise altered except by shareholder approval;
8437 | (g) An amendment to the articles of incorporation or
8438 | bylaws of the corporation, the effect of which is to alter or
8439 | abolish voting or other rights with respect to such interest in
8440 | a manner that is adverse to the interest of such shareholder,
8441 | except as the right may be affected by the voting or other
8442 | rights of new shares then being authorized of a new class or
8443 | series of shares;
8444 | (h) An amendment to the articles of incorporation or
8445 | bylaws of a corporation the effect of which is to adversely
8446 | affect the interest of the shareholder by altering or abolishing
8447 | appraisal rights under this section;
8448 | (i)~~(f)~~ With regard to a class of shares prescribed in the
8449 | articles of incorporation prior to October 1, 2003, including
8450 | any shares within that class subsequently authorized by

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8451 amendment, any amendment of the articles of incorporation if the
8452 shareholder is entitled to vote on the amendment and if such
8453 amendment would adversely affect such shareholder by:

8454 1. Altering or abolishing any preemptive rights attached
8455 to any of his or her shares;

8456 2. Altering or abolishing the voting rights pertaining to
8457 any of his or her shares, except as such rights may be affected
8458 by the voting rights of new shares then being authorized of any
8459 existing or new class or series of shares;

8460 3. Effecting an exchange, cancellation, or
8461 reclassification of any of his or her shares, when such
8462 exchange, cancellation, or reclassification would alter or
8463 abolish the shareholder's voting rights or alter his or her
8464 percentage of equity in the corporation, or effecting a
8465 reduction or cancellation of accrued dividends or other
8466 arrearages in respect to such shares;

8467 4. Reducing the stated redemption price of any of the
8468 shareholder's redeemable shares, altering or abolishing any
8469 provision relating to any sinking fund for the redemption or
8470 purchase of any of his or her shares, or making any of his or
8471 her shares subject to redemption when they are not otherwise
8472 redeemable;

8473 5. Making noncumulative, in whole or in part, dividends of
8474 any of the shareholder's preferred shares which had theretofore
8475 been cumulative;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8476 6. Reducing the stated dividend preference of any of the
8477 shareholder's preferred shares; or

8478 7. Reducing any stated preferential amount payable on any
8479 of the shareholder's preferred shares upon voluntary or
8480 involuntary liquidation;

8481 (j)~~(g)~~ An amendment of the articles of incorporation of a
8482 social purpose corporation to which s. 607.504 or s. 607.505
8483 applies;

8484 (k)~~(h)~~ An amendment of the articles of incorporation of a
8485 benefit corporation to which s. 607.604 or s. 607.605 applies;

8486 (l)~~(i)~~ A merger, domestication, conversion, or share
8487 exchange of a social purpose corporation to which s. 607.504
8488 applies; or

8489 (m)~~(j)~~ A merger, domestication, conversion, or share
8490 exchange of a benefit corporation to which s. 607.604 applies.

8491 (2) Notwithstanding subsection (1), the availability of
8492 appraisal rights under paragraphs (1) (a), (b), (c), ~~and~~ (d), and
8493 (e) shall be limited in accordance with the following
8494 provisions:

8495 (a) Appraisal rights shall not be available for the
8496 holders of shares of any class or series of shares which is:

8497 1. A covered security under s. 18(b)(1)(A) or (B) of the
8498 Securities Act of 1933 ~~Listed on the New York Stock Exchange or~~
8499 ~~the American Stock Exchange or designated as a national market~~
8500 ~~system security on an interdealer quotation system by the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8501 ~~National Association of Securities Dealers, Inc.; or~~
 8502 2. Not a covered security, but traded in an organized
 8503 market and ~~Not so listed or designated,~~ but has at least 2,000
 8504 shareholders and the outstanding shares of such class or series
 8505 have a market value of at least \$20 ~~\$10~~ million, exclusive of
 8506 the value of outstanding ~~such~~ shares held by the corporation's
 8507 ~~its~~ subsidiaries, by the corporation's senior executives, by the
 8508 corporation's directors, and by the corporation's beneficial
 8509 shareholders and voting trust beneficial owners ~~shareholders~~
 8510 owning more than 10 percent of the outstanding ~~such~~ shares; or
 8511 3. Issued by an open end management investment company
 8512 registered with the Securities and Exchange Commission under the
 8513 Investment Company Act of 1940 and which may be redeemed at the
 8514 option of the holder at net asset value.
 8515 (b) The applicability of paragraph (a) shall be determined
 8516 as of:
 8517 1. The record date fixed to determine the shareholders
 8518 entitled to receive notice of, ~~and to vote at,~~ the meeting of
 8519 shareholders to act upon the corporate action requiring
 8520 appraisal rights, or, in the case of an offer made pursuant to
 8521 s. 607.11035, the date of such offer; or
 8522 2. If there will be no meeting of shareholders and no
 8523 offer is made pursuant to s. 607.11035, the close of business on
 8524 the day before the consummation of the corporate action or the
 8525 effective date of the amendment of the articles, as applicable

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8526 ~~on which the board of directors adopts the resolution~~
 8527 ~~recommending such corporate action.~~

8528 (c) Paragraph (a) is not ~~shall not~~ be applicable and
 8529 appraisal rights shall be available pursuant to subsection (1)
 8530 for the holders of any class or series of shares where the
 8531 corporate action is an interested transaction ~~who are required~~
 8532 ~~by the terms of the corporate action requiring appraisal rights~~
 8533 ~~to accept for such shares anything other than cash or shares of~~
 8534 ~~any class or any series of shares of any corporation, or any~~
 8535 ~~other proprietary interest of any other entity, that satisfies~~
 8536 ~~the standards set forth in paragraph (a) at the time the~~
 8537 ~~corporate action becomes effective.~~

8538 ~~(d) Paragraph (a) shall not be applicable and appraisal~~
 8539 ~~rights shall be available pursuant to subsection (1) for the~~
 8540 ~~holders of any class or series of shares if:~~

8541 ~~1. Any of the shares or assets of the corporation are~~
 8542 ~~being acquired or converted, whether by merger, share exchange,~~
 8543 ~~or otherwise, pursuant to the corporate action by a person, or~~
 8544 ~~by an affiliate of a person, who:~~

8545 ~~a. Is, or at any time in the 1-year period immediately~~
 8546 ~~preceding approval by the board of directors of the corporate~~
 8547 ~~action requiring appraisal rights was, the beneficial owner of~~
 8548 ~~20 percent or more of the voting power of the corporation,~~
 8549 ~~excluding any shares acquired pursuant to an offer for all~~
 8550 ~~shares having voting power if such offer was made within 1 year~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8551 ~~prior to the corporate action requiring appraisal rights for~~
 8552 ~~consideration of the same kind and of a value equal to or less~~
 8553 ~~than that paid in connection with the corporate action; or~~
 8554 ~~b. Directly or indirectly has, or at any time in the 1-~~
 8555 ~~year period immediately preceding approval by the board of~~
 8556 ~~directors of the corporation of the corporate action requiring~~
 8557 ~~appraisal rights had, the power, contractually or otherwise, to~~
 8558 ~~cause the appointment or election of 25 percent or more of the~~
 8559 ~~directors to the board of directors of the corporation; or~~
 8560 ~~2. Any of the shares or assets of the corporation are~~
 8561 ~~being acquired or converted, whether by merger, share exchange,~~
 8562 ~~or otherwise, pursuant to such corporate action by a person, or~~
 8563 ~~by an affiliate of a person, who is, or at any time in the 1-~~
 8564 ~~year period immediately preceding approval by the board of~~
 8565 ~~directors of the corporate action requiring appraisal rights~~
 8566 ~~was, a senior executive or director of the corporation or a~~
 8567 ~~senior executive of any affiliate thereof, and that senior~~
 8568 ~~executive or director will receive, as a result of the corporate~~
 8569 ~~action, a financial benefit not generally available to other~~
 8570 ~~shareholders as such, other than:~~
 8571 ~~a. Employment, consulting, retirement, or similar benefits~~
 8572 ~~established separately and not as part of or in contemplation of~~
 8573 ~~the corporate action;~~
 8574 ~~b. Employment, consulting, retirement, or similar benefits~~
 8575 ~~established in contemplation of, or as part of, the corporate~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8576 ~~action that are not more favorable than those existing before~~
8577 ~~the corporate action or, if more favorable, that have been~~
8578 ~~approved on behalf of the corporation in the same manner as is~~
8579 ~~provided in s. 607.0832; or~~

8580 ~~e. In the case of a director of the corporation who will,~~
8581 ~~in the corporate action, become a director of the acquiring~~
8582 ~~entity in the corporate action or one of its affiliates, rights~~
8583 ~~and benefits as a director that are provided on the same basis~~
8584 ~~as those afforded by the acquiring entity generally to other~~
8585 ~~directors of such entity or such affiliate.~~

8586 ~~(e) For the purposes of paragraph (d) only, the term~~
8587 ~~"beneficial owner" means any person who, directly or indirectly,~~
8588 ~~through any contract, arrangement, or understanding, other than~~
8589 ~~a revocable proxy, has or shares the power to vote, or to direct~~
8590 ~~the voting of, shares, provided that a member of a national~~
8591 ~~securities exchange shall not be deemed to be a beneficial owner~~
8592 ~~of securities held directly or indirectly by it on behalf of~~
8593 ~~another person solely because such member is the recordholder of~~
8594 ~~such securities if the member is precluded by the rules of such~~
8595 ~~exchange from voting without instruction on contested matters or~~
8596 ~~matters that may affect substantially the rights or privileges~~
8597 ~~of the holders of the securities to be voted. When two or more~~
8598 ~~persons agree to act together for the purpose of voting their~~
8599 ~~shares of the corporation, each member of the group formed~~
8600 ~~thereby shall be deemed to have acquired beneficial ownership,~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8601 ~~as of the date of such agreement, of all voting shares of the~~
 8602 ~~corporation beneficially owned by any member of the group.~~

8603 (3) Notwithstanding any other provision of this section,
 8604 the articles of incorporation as originally filed or any
 8605 amendment to the articles of incorporation ~~thereto~~ may limit or
 8606 eliminate appraisal rights for any class or series of preferred
 8607 shares, except that:

8608 (a) No such limitation or elimination shall be effective
 8609 if the class or series does not have the right to vote
 8610 separately as a voting group, alone or as part of a group, on
 8611 the action or if the action is a domestication under s.
 8612 607.11920 or a conversion under s. 607.11930, or a merger having
 8613 a similar effect as a domestication or conversion in which the
 8614 domesticated eligible entity or the converted eligible entity is
 8615 an eligible entity; and

8616 (b) ~~but~~ Any such limitation or elimination contained in an
 8617 amendment to the articles of incorporation that limits or
 8618 eliminates appraisal rights for any of such shares that are
 8619 outstanding immediately before ~~prior to~~ the effective date of
 8620 such amendment or that the corporation is or may be required to
 8621 issue or sell thereafter pursuant to any conversion, exchange,
 8622 or other right existing immediately before the effective date of
 8623 such amendment shall not apply to any corporate action that
 8624 becomes effective within 1 year after the effective date of such
 8625 amendment ~~of that date~~ if such action would otherwise afford

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8626 appraisal rights.

8627 ~~(4) A shareholder entitled to appraisal rights under this~~
 8628 ~~chapter may not challenge a completed corporate action for which~~
 8629 ~~appraisal rights are available unless such corporate action:~~

8630 ~~(a) Was not effectuated in accordance with the applicable~~
 8631 ~~provisions of this section or the corporation's articles of~~
 8632 ~~incorporation, bylaws, or board of directors' resolution~~
 8633 ~~authorizing the corporate action; or~~

8634 ~~(b) Was procured as a result of fraud or material~~
 8635 ~~misrepresentation.~~

8636 Section 163. Section 607.1303, Florida Statutes, is
 8637 amended to read:

8638 607.1303 Assertion of rights by nominees and beneficial
 8639 owners.—

8640 (1) A record shareholder may assert appraisal rights as to
 8641 fewer than all the shares registered in the record shareholder's
 8642 name but owned by a beneficial shareholder or a voting trust
 8643 beneficial owner only if the record shareholder objects with
 8644 respect to all shares of the class or series owned by the
 8645 beneficial shareholder or a voting trust beneficial owner and
 8646 notifies the corporation in writing of the name and address of
 8647 each beneficial shareholder or voting trust beneficial owner on
 8648 whose behalf appraisal rights are being asserted. The rights of
 8649 a record shareholder who asserts appraisal rights for only part
 8650 of the shares held of record in the record shareholder's name

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8651 | under this subsection shall be determined as if the shares as to
 8652 | which the record shareholder objects and the record
 8653 | shareholder's other shares were registered in the names of
 8654 | different record shareholders.

8655 | (2) A beneficial shareholder and a voting trust beneficial
 8656 | owner may assert appraisal rights as to shares of any class or
 8657 | series held on behalf of the shareholder only if such
 8658 | shareholder:

8659 | (a) Submits to the corporation the record shareholder's
 8660 | written consent to the assertion of such rights no later than
 8661 | the date referred to in s. 607.1322(2)(b)2.

8662 | (b) Does so with respect to all shares of the class or
 8663 | series that are beneficially owned by the beneficial shareholder
 8664 | or the voting trust beneficial owner.

8665 | Section 164. Subsections (1) and (3) of section 607.1320,
 8666 | Florida Statutes, are amended, and subsections (4) and (5) are
 8667 | added to that section, to read:

8668 | 607.1320 Notice of appraisal rights.—

8669 | (1) If a proposed corporate action described in s.
 8670 | 607.1302(1) is to be submitted to a vote at a shareholders'
 8671 | meeting, the meeting notice (or, where no approval of such
 8672 | action is required pursuant to s. 607.11035, the offer made
 8673 | pursuant to s. 607.11035), must state that the corporation has
 8674 | concluded that shareholders are, are not, or may be entitled to
 8675 | assert appraisal rights under this chapter. If the corporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8676 concludes that appraisal rights are or may be available, a copy
 8677 of ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~ must accompany
 8678 the meeting notice or offer sent to those record shareholders
 8679 entitled to exercise appraisal rights.

8680 (3) If a ~~the~~ proposed corporate action described in s.
 8681 607.1302(1) is to be approved by written consent of the
 8682 shareholders pursuant to s. 607.0704:

8683 (a) Written notice that appraisal rights are, are not, or
 8684 may be available must be sent to each shareholder from whom a
 8685 consent is solicited at the time consent of such shareholder is
 8686 first solicited, and, if the corporation has concluded that
 8687 appraisal rights are or may be available, a copy of ss.
 8688 607.1301-607.1340 must accompany such written notice; and

8689 (b) Written notice that appraisal rights are, are not, or
 8690 may be available must be delivered, at least 10 days before the
 8691 corporate action becomes effective, to all nonconsenting and
 8692 nonvoting shareholders, and, if the corporation has concluded
 8693 that appraisal rights are or may be available, a copy of ss.
 8694 607.1301-607.1340 must accompany such written notice.

8695 (4) Where a corporate action described in s. 607.1302(1)
 8696 is proposed or a merger pursuant to s. 607.1104 is effected, and
 8697 the corporation concludes that appraisal rights are or may be
 8698 available, the notice referred to in subsection (1), paragraph
 8699 (3) (a), or paragraph (3) (b) must be accompanied by:

8700 (a) Financial statements of the corporation that issued

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8701 the shares that may be or are subject to appraisal rights,
 8702 consisting of a balance sheet as of the end of the fiscal year
 8703 ending not more than 16 months before the date of the notice, an
 8704 income statement for that fiscal year, and a cash flow statement
 8705 for that fiscal year; however, if such financial statements are
 8706 not reasonably available, the corporation must provide
 8707 reasonably equivalent financial information; and

8708 (b) The latest available interim financial statements,
 8709 including year-to-date through the end of the interim period, of
 8710 such corporation, if any.

8711 (5) The right to receive the information described in
 8712 subsection (4) may be waived in writing by a shareholder before
 8713 or after the corporate action is effected ~~other than by a~~
 8714 ~~shareholders' meeting, the notice referred to in subsection (1)~~
 8715 ~~must be sent to all shareholders at the time that consents are~~
 8716 ~~first solicited pursuant to s. 607.0704, whether or not consents~~
 8717 ~~are solicited from all shareholders, and include the materials~~
 8718 ~~described in s. 607.1322.~~

8719 Section 165. Section 607.1321, Florida Statutes, is
 8720 amended to read:

8721 607.1321 Notice of intent to demand payment.—

8722 (1) If a proposed corporate action requiring appraisal
 8723 rights under s. 607.1302 is submitted to a vote at a
 8724 shareholders' meeting, ~~or is submitted to a shareholder pursuant~~
 8725 ~~to a consent vote under s. 607.0704,~~ a shareholder who wishes to

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8726 assert appraisal rights with respect to any class or series of
8727 shares:

8728 (a) Must deliver to the corporation before the vote is
8729 taken, ~~or within 20 days after receiving the notice pursuant to~~
8730 ~~s. 607.1320(3) if action is to be taken without a shareholder~~
8731 ~~meeting,~~ written notice of the shareholder's intent to demand
8732 payment if the proposed corporate action is effectuated; ~~and.~~

8733 (b) Must not vote, or cause or permit to be voted, any
8734 shares of such class or series in favor of the proposed
8735 corporate action.

8736 (2) If a proposed corporate action requiring appraisal
8737 rights under s. 607.1302 is to be approved by written consent, a
8738 shareholder who wishes to assert appraisal rights with respect
8739 to any class or series of shares must not sign a consent in
8740 favor of the proposed corporate action with respect to that
8741 class or series of shares.

8742 (3) If a proposed corporate action specified in s.
8743 607.1302(1) does not require shareholder approval pursuant to s.
8744 607.11035, a shareholder who wishes to assert appraisal rights
8745 with respect to any class or series of shares:

8746 (a) Must deliver to the corporation before the shares are
8747 purchased pursuant to the offer a written notice of the
8748 shareholder's intent to demand payment if the proposed action is
8749 effected; and

8750 (b) Must not tender, or cause or permit to be tendered,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8751 any shares of such class or series in response to such offer.

8752 (4)~~(2)~~ A shareholder who may otherwise be entitled to
 8753 appraisal rights but does not satisfy the requirements of
 8754 subsections (1), (2), or (3) ~~subsection (1)~~ is not entitled to
 8755 payment under this chapter.

8756 Section 166. Section 607.1322, Florida Statutes, is
 8757 amended to read:

8758 607.1322 Appraisal notice and form.—

8759 (1) If a proposed corporate action requiring appraisal
 8760 rights under s. 607.1302(1) becomes effective, the corporation
 8761 must deliver a written appraisal notice and form required by
 8762 paragraph (2)(a) to all shareholders who satisfied the
 8763 requirements of s. 607.1321(1), (2), or (3) ~~s. 607.1321~~. In the
 8764 case of a merger under s. 607.1104, the parent must deliver a
 8765 written appraisal notice and form to all record shareholders who
 8766 may be entitled to assert appraisal rights.

8767 (2) The appraisal notice must be delivered ~~sent~~ no earlier
 8768 than the date the corporate action became effective, and no
 8769 later than 10 days after such date, and must:

8770 (a) Supply a form that specifies the date that the
 8771 corporate action became effective and that provides for the
 8772 shareholder to state:

- 8773 1. The shareholder's name and address.
- 8774 2. The number, classes, and series of shares as to which
- 8775 the shareholder asserts appraisal rights.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8776 3. That the shareholder did not vote for or consent to the
8777 transaction.

8778 4. Whether the shareholder accepts the corporation's offer
8779 as stated in subparagraph (b)4.

8780 5. If the offer is not accepted, the shareholder's
8781 estimated fair value of the shares and a demand for payment of
8782 the shareholder's estimated value plus accrued interest.

8783 (b) State:

8784 1. Where the form must be sent and where certificates for
8785 certificated shares must be deposited and the date by which
8786 those certificates must be deposited, which date may not be
8787 earlier than the date by which the corporation must receive ~~for~~
8788 ~~receiving~~ the required form under subparagraph 2.

8789 2. A date by which the corporation must receive the form,
8790 which date may not be fewer than 40 nor more than 60 days after
8791 the date the subsection (1) appraisal notice and form are sent,
8792 and state that the shareholder shall have waived the right to
8793 demand appraisal with respect to the shares unless the form is
8794 received by the corporation by such specified date.

8795 3. The corporation's estimate of the fair value of the
8796 shares.

8797 4. An offer to each shareholder who is entitled to
8798 appraisal rights to pay the corporation's estimate of fair value
8799 set forth in subparagraph 3.

8800 5. That, if requested in writing, the corporation will

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8801 provide to the shareholder so requesting, within 10 days after
 8802 the date specified in subparagraph 2., the number of
 8803 shareholders who return the forms by the specified date and the
 8804 total number of shares owned by them.

8805 6. The date by which the notice to withdraw under s.
 8806 607.1323 must be received, which date must be within 20 days
 8807 after the date specified in subparagraph 2.

8808 (c) If not previously provided, be accompanied by a copy
 8809 of ss. 607.1301-607.1340

8810 ~~(c) Be accompanied by:~~

8811 ~~1. Financial statements of the corporation that issued the~~
 8812 ~~shares to be appraised, consisting of a balance sheet as of the~~
 8813 ~~end of the fiscal year ending not more than 15 months prior to~~
 8814 ~~the date of the corporation's appraisal notice, an income~~
 8815 ~~statement for that year, a cash flow statement for that year,~~
 8816 ~~and the latest available interim financial statements, if any.~~

8817 ~~2. A copy of ss. 607.1301-607.1333.~~

8818 Section 167. Subsections (1) and (3) of section 607.1323,
 8819 Florida Statutes, are amended to read:

8820 607.1323 Perfection of rights; right to withdraw.—

8821 (1) A shareholder who receives notice pursuant to s.
 8822 607.1322 and who wishes to exercise appraisal rights must sign
 8823 ~~execute~~ and return the form received pursuant to s. 607.1322(1)
 8824 and, in the case of certificated shares, deposit the
 8825 shareholder's certificates in accordance with the terms of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8826 | notice by the date referred to in the notice pursuant to s.
 8827 | 607.1322(2)(b)2. Once a shareholder deposits that shareholder's
 8828 | certificates or, in the case of uncertificated shares, returns
 8829 | the signed ~~executed~~ forms, that shareholder loses all rights as
 8830 | a shareholder, unless the shareholder withdraws pursuant to
 8831 | subsection (2).

8832 | (3) A shareholder who does not sign ~~execute~~ and return the
 8833 | form and, in the case of certificated shares, deposit that
 8834 | shareholder's share certificates if required, each by the date
 8835 | set forth in the notice described in s. 607.1322(2) ~~subsection~~
 8836 | ~~(2)~~, shall not be entitled to payment under ss. 607.1301-
 8837 | 607.1340 ~~this chapter~~.

8838 | Section 168. Subsection (2) of section 607.1324, Florida
 8839 | Statutes, is amended to read:

8840 | 607.1324 Shareholder's acceptance of corporation's offer.-

8841 | (2) Upon payment of the agreed value, the shareholder
 8842 | shall cease to have any right to receive any further
 8843 | consideration with respect to such interest ~~in the~~ shares.

8844 | Section 169. Section 607.1326, Florida Statutes, is
 8845 | amended to read:

8846 | 607.1326 Procedure if shareholder is dissatisfied with
 8847 | offer.-

8848 | (1) A shareholder who is dissatisfied with the
 8849 | corporation's offer as set forth pursuant to s. 607.1322(2)(b)4.
 8850 | must notify the corporation on the form provided pursuant to s.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8851 607.1322(1) of that shareholder's estimate of the fair value of
 8852 the shares and demand payment of that estimate plus accrued
 8853 interest.

8854 (2) A shareholder who fails to notify the corporation in
 8855 writing of that shareholder's demand to be paid the
 8856 shareholder's stated estimate of the fair value plus accrued
 8857 interest under subsection (1) within the timeframe set forth in
 8858 s. 607.1322(2)(b)2. waives the right to demand payment under
 8859 this section and shall be entitled only to the payment offered
 8860 by the corporation pursuant to s. 607.1322(2)(b)4.

8861 Section 170. Subsections (1), (2), (5), and (6) of section
 8862 607.1330, Florida Statutes, are amended to read:

8863 607.1330 Court action.—

8864 (1) If a shareholder makes demand for payment under s.
 8865 607.1326 which remains unsettled, the corporation shall commence
 8866 a proceeding within 60 days after receiving the payment demand
 8867 and petition the court to determine the fair value of the shares
 8868 and accrued interest from the date of the corporate action. If
 8869 the corporation does not commence the proceeding within the 60-
 8870 day period, any shareholder who has made a demand pursuant to s.
 8871 607.1326 may commence the proceeding in the name of the
 8872 corporation.

8873 (2) The proceeding shall be commenced in the circuit court
 8874 in the applicable county. If by virtue of the corporate action
 8875 becoming effective the entity has become a foreign eligible

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8876 | ~~entity appropriate court of the county in which the~~
 8877 | ~~corporation's principal office, or, if none, its registered~~
 8878 | ~~office, in this state is located. If the corporation is a~~
 8879 | ~~foreign corporation~~ without a registered office in this state,
 8880 | the proceeding shall be commenced in the county in this state in
 8881 | which the principal office or registered office of the domestic
 8882 | corporation merged with the foreign eligible entity ~~corporation~~
 8883 | was located immediately before the time the corporate action
 8884 | became effective. If such entity has, and immediately before the
 8885 | corporate action became effective had, no principal or
 8886 | registered office in this state, then the proceeding shall be
 8887 | commenced in the county in this state in which the corporation
 8888 | has, or immediately before the time the corporate action became
 8889 | effective had, an office in this state. If such entity has, or
 8890 | immediately before the time the corporate action became
 8891 | effective had, no office in this state, the proceeding shall be
 8892 | commenced in the county in which the corporation's registered
 8893 | office is or was last located at the time of the transaction.

8894 | (5) Each shareholder made a party to the proceeding is
 8895 | entitled to judgment for the amount of the fair value of such
 8896 | shareholder's shares, plus accrued interest, as found by the
 8897 | court.

8898 | (6) The corporation shall pay each such shareholder the
 8899 | amount found to be due within 10 days after final determination
 8900 | of the proceedings. Upon payment of the judgment, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8901 | shareholder shall cease to have any rights to receive any
 8902 | further consideration with respect to such shares other than any
 8903 | amounts ordered to be paid for court costs and attorney fees
 8904 | under s. 607.1331 ~~interest in the shares.~~

8905 | Section 171. Subsection (4) of section 607.1331, Florida
 8906 | Statutes, is amended to read:

8907 | 607.1331 Court costs and counsel fees.—

8908 | (4) To the extent the corporation fails to make a required
 8909 | payment pursuant to s. 607.1324, the shareholder may sue
 8910 | directly for the amount owed and, to the extent successful,
 8911 | shall be entitled to recover from the corporation all costs and
 8912 | expenses of the suit, including attorney ~~counsel~~ fees.

8913 | Section 172. Section 607.1332, Florida Statutes, is
 8914 | amended to read:

8915 | 607.1332 Disposition of acquired shares.—Shares acquired
 8916 | by a corporation pursuant to payment of the agreed value thereof
 8917 | or pursuant to payment of the judgment entered therefor, as
 8918 | provided in this chapter, may be held and disposed of by such
 8919 | corporation as authorized but unissued shares of the
 8920 | corporation, except that, in the case of a merger or share
 8921 | exchange, they may be held and disposed of as the plan of merger
 8922 | or share exchange otherwise provides. The shares of the survivor
 8923 | ~~surviving corporation~~ into which the shares of such shareholders
 8924 | demanding appraisal rights would have been converted had they
 8925 | assented to the merger shall have the status of authorized but

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8926 unissued shares of the survivor ~~surviving corporation~~.

8927 Section 173. Subsection (1) of section 607.1333, Florida
8928 Statutes, is amended to read:

8929 607.1333 Limitation on corporate payment.—

8930 (1) No payment shall be made to a shareholder seeking
8931 appraisal rights if, at the time of payment, the corporation is
8932 unable to meet the distribution standards of s. 607.06401. In
8933 such event, the shareholder shall, at the shareholder's option:

8934 (a) Withdraw his or her notice of intent to assert
8935 appraisal rights, which shall in such event be deemed withdrawn
8936 with the consent of the corporation; or

8937 (b) Retain his or her status as a claimant against the
8938 corporation and, if it is liquidated, be subordinated to the
8939 rights of creditors of the corporation, but have rights superior
8940 to the shareholders not asserting appraisal rights, and if the
8941 corporation ~~it~~ is not liquidated, retain his or her right to be
8942 paid for the shares, which right the corporation shall be
8943 obliged to satisfy when the restrictions of this section do not
8944 apply.

8945 Section 174. Section 607.1340, Florida Statutes, is
8946 created to read:

8947 607.1340 Other remedies limited.—

8948 (1) A shareholder entitled to appraisal rights under this
8949 chapter may not challenge a completed corporate action for which
8950 appraisal rights are available unless such corporate action was

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8951 either:

8952 (a) Not authorized and approved in accordance with the

8953 applicable provisions of this chapter;

8954 (b) Procured as a result of fraud, a material

8955 misrepresentation, or an omission of a material fact necessary

8956 to make statements made, in light of the circumstances in which

8957 they were made, not misleading.

8958 (2) Nothing in this section operates to override or

8959 supersede the provisions of s. 607.0832.

8960 Section 175. Section 607.1401, Florida Statutes, is

8961 amended to read:

8962 607.1401 Dissolution by incorporators or directors.—If a

8963 corporation has not yet issued shares, its board of directors,

8964 or a majority of incorporators if it has no board of directors,

8965 ~~A majority of the incorporators or directors of a corporation~~

8966 ~~that has not issued shares or has not commenced business~~ may

8967 dissolve the corporation by delivering to the department ~~of~~

8968 ~~State~~ for filing articles of dissolution that must set forth:

8969 (1) The name of the corporation;

8970 (2) The date of its incorporation ~~filing of its articles~~

8971 ~~of incorporation;~~

8972 (3) ~~Either:~~

8973 ~~(a) That none of the corporation's shares have been~~

8974 ~~issued, or~~

8975 ~~(b) That the corporation has not commenced business;~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

8976 (4) That no debt of the corporation remains unpaid;
 8977 (5) That the net assets of the corporation remaining after
 8978 winding up, if any, have been distributed ~~to the shareholders,~~
 8979 ~~if shares were issued;~~ and

8980 (6) That a majority of the incorporators or directors
 8981 authorized the dissolution.

8982 Section 176. Subsections (1) through (5) of section
 8983 607.1402, Florida Statutes, are amended to read:

8984 607.1402 Dissolution by board of directors and
 8985 shareholders; dissolution by written consent of shareholders.-

8986 (1) A corporation's board of directors may propose
 8987 dissolution for submission to the shareholders by first adopting
 8988 a resolution authorizing the dissolution.

8989 (2) (a) For a proposal to dissolve to be adopted, it must
 8990 be approved by the shareholders pursuant to subsection (5).

8991 (b) In submitting the proposal to dissolve to the
 8992 shareholders for approval, ÷

8993 ~~(a)~~ the board of directors must recommend that dissolution
 8994 ~~to~~ the shareholders approve the dissolution, unless:

8995 1. The board of directors determines that because of
 8996 conflict of interest or other special circumstances it should
 8997 make no recommendation; or

8998 2. Section 607.0826 applies.

8999 (c) If either subparagraph (b)1. or subparagraph (b)2.
 9000 applies, the board must inform the shareholders of the basis for

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9001 its so proceeding without such recommendation and communicates
 9002 the basis for its determination to the shareholders; and

9003 ~~(b) The shareholders entitled to vote must approve the~~
 9004 ~~proposal to dissolve as provided in subsection (5).~~

9005 (3) The board of directors may set conditions for the
 9006 approval condition its submission of the proposal for
 9007 dissolution by shareholders or for the effectiveness of the
 9008 dissolution on any basis.

9009 (4) If the approval of the shareholders is to be given at
 9010 a meeting, the corporation shall notify, in accordance with s.
 9011 607.0705, each shareholder ~~of record,~~ regardless of whether or
 9012 ~~not~~ entitled to vote, of the meeting of shareholders at which
 9013 the dissolution is to be submitted for approval proposed
 9014 ~~shareholders' meeting in accordance with s. 607.0705.~~ The notice
 9015 must also state that the purpose, or one of the purposes, of the
 9016 meeting is to consider dissolving the corporation.

9017 (5) Unless the articles of incorporation or the board of
 9018 directors (acting pursuant to subsection (3)) require a greater
 9019 vote or a vote by voting groups, the proposal to dissolve to be
 9020 adopted must be approved by a majority of all the votes entitled
 9021 to be cast on the proposal to dissolve that proposal.

9022 Section 177. Section 607.1403, Florida Statutes, is
 9023 amended to read:

9024 607.1403 Articles of dissolution.—

9025 (1) At any time after dissolution is authorized, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9026 corporation may dissolve by delivering to the department of
 9027 ~~State~~ for filing articles of dissolution which must ~~shall~~ be
 9028 signed ~~executed~~ in accordance with s. 607.0120 and which must
 9029 ~~shall~~ set forth:

9030 (a) The name of the corporation;

9031 (b) The date dissolution was authorized;

9032 (c) If dissolution was approved by the shareholders, a
 9033 statement that the proposal to dissolve was duly approved by the
 9034 shareholders in the manner required by this chapter and by the
 9035 articles of incorporation ~~number cast for dissolution by the~~
 9036 ~~shareholders was sufficient for approval.~~

9037 ~~(d) If dissolution was approved by the shareholders and if~~
 9038 ~~voting by voting groups was required, a statement that the~~
 9039 ~~number cast for dissolution by the shareholders was sufficient~~
 9040 ~~for approval must be separately provided for each voting group~~
 9041 ~~entitled to vote separately on the plan to dissolve.~~

9042 (2) The articles of dissolution shall take effect at the
 9043 effective date determined pursuant to s. 607.0123. A corporation
 9044 is dissolved upon the effective date of its articles of
 9045 dissolution.

9046 (3) For purposes of ss. 607.1401-607.1410, "dissolved
 9047 corporation" means a corporation whose articles of dissolution
 9048 have become effective and includes a successor entity. Further,
 9049 for the purposes of this subsection, the term "successor entity"
 9050 includes a trust, receivership, or other legal entity governed

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9051 by the laws of this state to which the remaining assets and
 9052 liabilities of a dissolved corporation are transferred and which
 9053 exists solely for the purposes of prosecuting and defending
 9054 suits by or against the dissolved corporation, thereby enabling
 9055 the dissolved corporation to settle and close the business of
 9056 the dissolved corporation, to dispose of and convey the property
 9057 of the dissolved corporation, to discharge the liabilities of
 9058 the dissolved corporation, and to distribute to the dissolved
 9059 corporation's shareholders any remaining assets, but not for the
 9060 purpose of continuing the activities and affairs for which the
 9061 dissolved corporation was organized.

9062 Section 178. Subsection (3) of section 607.1404, Florida
 9063 Statutes, is amended to read:

9064 607.1404 Revocation of dissolution.—

9065 (3) After the revocation of dissolution is authorized, the
 9066 corporation may revoke the dissolution by delivering to the
 9067 department, within the 120-day period following the effective
 9068 date of the articles of dissolution, ~~of State~~ for filing
 9069 articles of revocation of dissolution, together with a copy of
 9070 its articles of dissolution, that set forth:

9071 (a) The name of the corporation;

9072 (b) The effective date of the dissolution that was
 9073 revoked;

9074 (c) The date that the revocation of dissolution was
 9075 authorized;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9076 (d) If the corporation's board of directors or
 9077 incorporators revoked the dissolution, a statement to that
 9078 effect;

9079 (e) If the corporation's board of directors revoked a
 9080 dissolution authorized by the shareholders, a statement that
 9081 revocation was permitted by action by the board of directors
 9082 alone pursuant to that authorization; and

9083 (f) If shareholder action was required to revoke the
 9084 dissolution, a statement that the revocation was authorized by
 9085 the shareholders in the manner required by this chapter and by
 9086 the articles of incorporation ~~the information required by s.~~
 9087 ~~607.1403(1)(c) or (d).~~

9088 Section 179. Section 607.1405, Florida Statutes, is
 9089 amended to read:

9090 607.1405 Effect of dissolution.—

9091 (1) A ~~dissolved~~ corporation that has dissolved continues
 9092 its corporate existence but the dissolved corporation may not
 9093 carry on any business except that appropriate to wind up and
 9094 liquidate its business and affairs, including:

9095 (a) Collecting its assets;

9096 (b) Disposing of its properties that will not be
 9097 distributed in kind to its shareholders;

9098 (c) Discharging or making provision for discharging its
 9099 liabilities;

9100 (d) Making distributions of its remaining assets

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9101 ~~Distributing its remaining property~~ among its shareholders
 9102 according to their interests; and
 9103 (e) Doing every other act necessary to wind up and
 9104 liquidate its business and affairs.
 9105 (2) Dissolution of a corporation does not:
 9106 (a) Transfer title to the corporation's property;
 9107 (b) Prevent transfer of its shares or securities, ~~although~~
 9108 ~~the authorization to dissolve may provide for closing the~~
 9109 ~~corporation's share transfer records;~~
 9110 (c) Subject its directors or officers to standards of
 9111 conduct different from those prescribed in ss. 607.0801-607.0859
 9112 ~~ss. 607.0801-607.0850~~ except as provided in ~~s. 607.1421(4);~~
 9113 (d) Change quorum or voting requirements for its board of
 9114 directors or shareholders; change provisions for selection,
 9115 resignation, or removal of its directors or officers or both; or
 9116 change provisions for amending its bylaws;
 9117 (e) Prevent commencement of a proceeding by or against the
 9118 corporation in its corporate name;
 9119 (f) Abate or suspend a proceeding pending by or against
 9120 the corporation on the effective date of dissolution; or
 9121 (g) Terminate the authority of the registered agent of the
 9122 corporation.
 9123 (3) A distribution in liquidation under this section may
 9124 only be made by a dissolved corporation. For purposes of
 9125 determining the shareholders entitled to receive a distribution

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9126 | in liquidation, the board of directors may fix a record date for
 9127 | determining shareholders entitled to a distribution in
 9128 | liquidation, which date may not be retroactive. If the board of
 9129 | directors does not fix a record date for determining
 9130 | shareholders entitled to a distribution in liquidation, the
 9131 | record date is the date the board of directors authorizes the
 9132 | distribution in liquidation.

9133 | (4) The directors, officers, and agents of a corporation
 9134 | dissolved pursuant to s. 607.1403 shall not incur any personal
 9135 | liability thereby by reason of their status as directors,
 9136 | officers, and agents of a dissolved corporation, as
 9137 | distinguished from a corporation which is not dissolved.

9138 | (5)~~(4)~~ The name of a dissolved corporation is not ~~shall~~
 9139 | ~~not be~~ available for assumption or use by another eligible
 9140 | entity until 1 year ~~corporation until 120 days~~ after the
 9141 | effective date of dissolution unless the dissolved corporation
 9142 | provides the department of State with a record ~~an affidavit~~,
 9143 | signed as required by ~~executed pursuant to~~ s. 607.0120,
 9144 | permitting the immediate assumption or use of the name by
 9145 | another eligible entity ~~corporation~~.

9146 | (6)~~(5)~~ For purposes of this section, the circuit court may
 9147 | appoint a trustee, custodian, or receiver for any property owned
 9148 | or acquired by the corporation who may engage in any act
 9149 | permitted under subsection (1) if any director or officer of the
 9150 | dissolved corporation is unwilling or unable to serve or cannot

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9151 | be located.

9152 | Section 180. Section 607.1406, Florida Statutes, is
9153 | amended to read:

9154 | 607.1406 Known claims against dissolved corporation.—

9155 | (1) A dissolved corporation may dispose of the known
9156 | claims against it by giving written notice that satisfies the
9157 | requirements of subsection (2) to its known claimants at any
9158 | time after the effective date of the dissolution, but no later
9159 | than the date that is 270 days before the date which is 3 years
9160 | after the effective date of the dissolution.

9161 | (2) The written notice must:

9162 | (a) State the name of the corporation that is the subject
9163 | of the dissolution;

9164 | (b) State that the corporation is the subject of a
9165 | dissolution and the effective date of the dissolution;

9166 | (c) Specify the information that must be included in a
9167 | claim;

9168 | (d) State that a claim must be in writing and provide a
9169 | mailing address where a claim may be sent;

9170 | (e) State the deadline, which may not be fewer than 120
9171 | days after the date the written notice is received by the
9172 | claimant, by which the dissolved corporation must receive the
9173 | claim;

9174 | (f) State that the claim will be barred if not received by
9175 | the deadline;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9176 (g) State that the dissolved corporation may make
 9177 distributions thereafter to other claimants and to the dissolved
 9178 corporation's shareholders or persons interested without further
 9179 notice; and

9180 (h) Be accompanied by a copy of ss. 607.1405-607.1410.

9181 (3) A dissolved corporation may reject, in whole or in
 9182 part, a claim submitted by a claimant and received prior to the
 9183 deadline specified in the written notice given pursuant to
 9184 subsections (1) and (2) by mailing notice of the rejection to
 9185 the claimant on or before the date that is the earlier of 90
 9186 days after the dissolved corporation receives the claim or the
 9187 date that is 150 days before the date which is 3 years after the
 9188 effective date of the dissolution. A rejection notice sent by
 9189 the dissolved corporation pursuant to this subsection must state
 9190 that the claim will be barred unless the claimant, not later
 9191 than 120 days after the claimant receives the rejection notice,
 9192 commences an action in the circuit court in the applicable
 9193 county against the dissolved corporation to enforce the claim.

9194 (4) A claim against the dissolved corporation is barred:

9195 (a) If a claimant who was given written notice pursuant to
 9196 subsections (1) and (2) does not deliver the claim to the
 9197 dissolved corporation by the specified deadline; or

9198 (b) If the claim was timely received by the dissolved
 9199 corporation but was timely rejected by the dissolved corporation
 9200 under subsection (3) and the claimant does not commence the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9201 required action in the applicable county within 120 days after
 9202 the claimant receives the rejection notice.

9203 (5) (a) For purposes of this section, "known claims" means
 9204 any claim or liability that, as of the date of the giving of the
 9205 written notice contemplated by subsections (1) and (2):

9206 1. Has matured sufficiently on or prior to the effective
 9207 date of the dissolution to be legally capable of assertion
 9208 against the dissolved corporation; or

9209 2. Is unmatured as of the effective date of the
 9210 dissolution but will mature in the future solely based on the
 9211 passage of time.

9212 (b) The term "known claims" does not include a claim based
 9213 on an event occurring after the effective date of the
 9214 dissolution or a claim that is a contingent claim.

9215 (6) The giving of any notice pursuant to this section does
 9216 not revive any claim then barred or constitute acknowledgment by
 9217 the dissolved corporation that any person to whom such notice is
 9218 sent is a proper claimant and does not operate as a waiver of
 9219 any defense or counterclaim in respect of any claim asserted by
 9220 any person to whom such notice is sent.

9221 ~~(1) A dissolved corporation or successor entity, as~~
 9222 ~~defined in subsection (15), may dispose of the known claims~~
 9223 ~~against it by following the procedures described in subsections~~
 9224 ~~(2), (3), and (4).~~

9225 ~~(2) The dissolved corporation or successor entity shall~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9226 ~~deliver to each of its known claimants written notice of the~~
 9227 ~~dissolution at any time after its effective date. The written~~
 9228 ~~notice shall:~~

9229 ~~(a) Provide a reasonable description of the claim that the~~
 9230 ~~claimant may be entitled to assert;~~

9231 ~~(b) State whether the claim is admitted or not admitted,~~
 9232 ~~in whole or in part, and, if admitted:~~

9233 ~~1. The amount that is admitted, which may be as of a given~~
 9234 ~~date; and~~

9235 ~~2. Any interest obligation if fixed by an instrument of~~
 9236 ~~indebtedness;~~

9237 ~~(c) Provide a mailing address where a claim may be sent;~~
 9238 ~~(d) State the deadline, which may not be fewer than 120~~
 9239 ~~days after the effective date of the written notice, by which~~
 9240 ~~confirmation of the claim must be delivered to the dissolved~~
 9241 ~~corporation or successor entity; and~~

9242 ~~(e) State that the corporation or successor entity may~~
 9243 ~~make distributions thereafter to other claimants and the~~
 9244 ~~corporation's shareholders or persons interested as having been~~
 9245 ~~such without further notice.~~

9246 ~~(3) A dissolved corporation or successor entity may~~
 9247 ~~reject, in whole or in part, any claim made by a claimant~~
 9248 ~~pursuant to this subsection by mailing notice of such rejection~~
 9249 ~~to the claimant within 90 days after receipt of such claim and,~~
 9250 ~~in all events, at least 150 days before expiration of 3 years~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9251 ~~following the effective date of dissolution. A notice sent by~~
9252 ~~the dissolved corporation or successor entity pursuant to this~~
9253 ~~subsection shall be accompanied by a copy of this section.~~

9254 ~~(4) A dissolved corporation or successor entity electing~~
9255 ~~to follow the procedures described in subsections (2) and (3)~~
9256 ~~shall also give notice of the dissolution of the corporation to~~
9257 ~~persons with known claims, that are contingent upon the~~
9258 ~~occurrence or nonoccurrence of future events or otherwise~~
9259 ~~conditional or unmatured, and request that such persons present~~
9260 ~~such claims in accordance with the terms of such notice. Such~~
9261 ~~notice shall be in substantially the same form, and sent in the~~
9262 ~~same manner, as described in subsection (2).~~

9263 ~~(5) A dissolved corporation or successor entity shall~~
9264 ~~offer any claimant whose known claim is contingent, conditional,~~
9265 ~~or unmatured such security as the corporation or such entity~~
9266 ~~determines is sufficient to provide compensation to the claimant~~
9267 ~~if the claim matures. The dissolved corporation or successor~~
9268 ~~entity shall deliver such offer to the claimant within 90 days~~
9269 ~~after receipt of such claim and, in all events, at least 150~~
9270 ~~days before expiration of 3 years following the effective date~~
9271 ~~of dissolution. If the claimant offered such security does not~~
9272 ~~deliver in writing to the dissolved corporation or successor~~
9273 ~~entity a notice rejecting the offer within 120 days after~~
9274 ~~receipt of such offer for security, the claimant is deemed to~~
9275 ~~have accepted such security as the sole source from which to~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9276 | ~~satisfy his or her claim against the corporation.~~

9277 | ~~(6) A dissolved corporation or successor entity which has~~
 9278 | ~~given notice in accordance with subsections (2) and (4) shall~~
 9279 | ~~petition the circuit court in the county where the corporation's~~
 9280 | ~~principal office is located or was located at the effective date~~
 9281 | ~~of dissolution to determine the amount and form of security that~~
 9282 | ~~will be sufficient to provide compensation to any claimant who~~
 9283 | ~~has rejected the offer for security made pursuant to subsection~~
 9284 | ~~(5).~~

9285 | ~~(7) A dissolved corporation or successor entity which has~~
 9286 | ~~given notice in accordance with subsection (2) shall petition~~
 9287 | ~~the circuit court in the county where the corporation's~~
 9288 | ~~principal office is located or was located at the effective date~~
 9289 | ~~of dissolution to determine the amount and form of security~~
 9290 | ~~which will be sufficient to provide compensation to claimants~~
 9291 | ~~whose claims are known to the corporation or successor entity~~
 9292 | ~~but whose identities are unknown. The court shall appoint a~~
 9293 | ~~guardian ad litem to represent all claimants whose identities~~
 9294 | ~~are unknown in any proceeding brought under this subsection. The~~
 9295 | ~~reasonable fees and expenses of such guardian, including all~~
 9296 | ~~reasonable expert witness fees, shall be paid by the petitioner~~
 9297 | ~~in such proceeding.~~

9298 | ~~(8) The giving of any notice or making of any offer~~
 9299 | ~~pursuant to the provisions of this section shall not revive any~~
 9300 | ~~claim then barred or constitute acknowledgment by the dissolved~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9301 ~~corporation or successor entity that any person to whom such~~
9302 ~~notice is sent is a proper claimant and shall not operate as a~~
9303 ~~waiver of any defense or counterclaim in respect of any claim~~
9304 ~~asserted by any person to whom such notice is sent.~~

9305 ~~(9) A dissolved corporation or successor entity which has~~
9306 ~~followed the procedures described in subsections (2)-(7):~~

9307 ~~(a) Shall pay the claims admitted or made and not rejected~~
9308 ~~in accordance with subsection (3);~~

9309 ~~(b) Shall post the security offered and not rejected~~
9310 ~~pursuant to subsection (5);~~

9311 ~~(c) Shall post any security ordered by the circuit court~~
9312 ~~in any proceeding under subsections (6) and (7); and~~

9313 ~~(d) Shall pay or make provision for all other known~~
9314 ~~obligations of the corporation or such successor entity.~~

9315
9316 ~~Such claims or obligations shall be paid in full, and any such~~
9317 ~~provision for payments shall be made in full if there are~~
9318 ~~sufficient funds. If there are insufficient funds, such claims~~
9319 ~~and obligations shall be paid or provided for according to their~~
9320 ~~priority and, among claims of equal priority, ratably to the~~
9321 ~~extent of funds legally available therefor. Any remaining funds~~
9322 ~~shall be distributed to the shareholders of the dissolved~~
9323 ~~corporation; however, such distribution may not be made before~~
9324 ~~the expiration of 150 days from the date of the last notice of~~
9325 ~~rejections given pursuant to subsection (3). In the absence of~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9326 ~~actual fraud, the judgment of the directors of the dissolved~~
9327 ~~corporation or the governing persons of such successor entity as~~
9328 ~~to the provisions made for the payment of all obligations under~~
9329 ~~paragraph (d) is conclusive.~~

9330 ~~(10) A dissolved corporation or successor entity which has~~
9331 ~~not followed the procedures described in subsections (2) and (3)~~
9332 ~~shall pay or make reasonable provision to pay all known claims~~
9333 ~~and obligations, including all contingent, conditional, or~~
9334 ~~unmatured claims known to the corporation or such successor~~
9335 ~~entity and all claims which are known to the dissolved~~
9336 ~~corporation or such successor entity but for which the identity~~
9337 ~~of the claimant is unknown. Such claims shall be paid in full,~~
9338 ~~and any such provision for payment made shall be made in full if~~
9339 ~~there are sufficient funds. If there are insufficient funds,~~
9340 ~~such claims and obligations shall be paid or provided for~~
9341 ~~according to their priority and, among claims of equal priority,~~
9342 ~~ratably to the extent of funds legally available therefor. Any~~
9343 ~~remaining funds shall be distributed to the shareholders of the~~
9344 ~~dissolved corporation.~~

9345 ~~(11) Directors of a dissolved corporation or governing~~
9346 ~~persons of a successor entity which has complied with subsection~~
9347 ~~(9) or subsection (10) are not personally liable to the~~
9348 ~~claimants of the dissolved corporation.~~

9349 ~~(12) A shareholder of a dissolved corporation the assets~~
9350 ~~of which were distributed pursuant to subsection (9) or~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9351 ~~subsection (10) is not liable for any claim against the~~
9352 ~~corporation in an amount in excess of such shareholder's pro~~
9353 ~~rata share of the claim or the amount distributed to the~~
9354 ~~shareholder, whichever is less.~~

9355 ~~(13) A shareholder of a dissolved corporation, the assets~~
9356 ~~of which were distributed pursuant to subsection (9), is not~~
9357 ~~liable for any claim against the corporation, which claim is~~
9358 ~~known to the corporation or successor entity, on which a~~
9359 ~~proceeding is not begun prior to the expiration of 3 years~~
9360 ~~following the effective date of dissolution.~~

9361 ~~(14) The aggregate liability of any shareholder of a~~
9362 ~~dissolved corporation for claims against the dissolved~~
9363 ~~corporation arising under this section, s. 607.1407, or~~
9364 ~~otherwise, may not exceed the amount distributed to the~~
9365 ~~shareholder in dissolution.~~

9366 ~~(15) As used in this section or s. 607.1407, the term~~
9367 ~~"successor entity" includes any trust, receivership, or other~~
9368 ~~legal entity governed by the laws of this state to which the~~
9369 ~~remaining assets and liabilities of a dissolved corporation are~~
9370 ~~transferred and which exists solely for the purposes of~~
9371 ~~prosecuting and defending suits by or against the dissolved~~
9372 ~~corporation, enabling the dissolved corporation to settle and~~
9373 ~~close the business of the dissolved corporation, to dispose of~~
9374 ~~and convey the property of the dissolved corporation, to~~
9375 ~~discharge the liabilities of the dissolved corporation, and to~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9376 | ~~distribute to the dissolved corporation's shareholders any~~
 9377 | ~~remaining assets, but not for the purpose of continuing the~~
 9378 | ~~business for which the dissolved corporation was organized.~~

9379 | Section 181. Section 607.1407, Florida Statutes, is
 9380 | amended to read:

9381 | 607.1407 Other ~~Unknown~~ claims against dissolved
 9382 | corporation.—

9383 | (1) A dissolved corporation ~~or successor entity~~, as
 9384 | ~~defined in s. 607.1406(15)~~, may choose to execute one of the
 9385 | following procedures to resolve any claims other than known
 9386 | ~~payment of unknown~~ claims:—

9387 | (a) ~~(1)~~ A dissolved corporation ~~or successor entity~~ may
 9388 | file notice of its dissolution with the department ~~of State~~ on
 9389 | the form prescribed by the department ~~of State~~ and request that
 9390 | persons with claims against the corporation which are not known
 9391 | to the dissolved corporation ~~or successor entity~~ present them in
 9392 | accordance with the notice. The notice must ~~shall~~:

9393 | 1.(a) State the name of the corporation that is the
 9394 | subject of the ~~and the date of~~ dissolution;

9395 | 2.(b) State that the corporation is the subject of a
 9396 | dissolution and the effective date of the dissolution ~~Describe~~
 9397 | ~~the information that must be included in a claim and provide a~~
 9398 | ~~mailing address to which the claim may be sent; and~~

9399 | 3. Specify the information that must be included in a
 9400 | claim;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9401 4. State that a claim must be in writing and provide a
 9402 mailing address where a claim may be sent; and

9403 ~~5.(e)~~ State that a claim against the corporation under
 9404 this subsection will be barred unless a proceeding to enforce
 9405 the claim is commenced within 4 years after the filing of the
 9406 notice.

9407 ~~(b)(2)~~ A dissolved corporation ~~or successor entity~~ may,
 9408 within 10 days after filing articles of dissolution with the
 9409 department ~~of State~~, publish a "Notice of Corporate
 9410 Dissolution." The notice shall appear once a week for 2
 9411 consecutive weeks in a newspaper of general circulation in a
 9412 county in the state in which the corporation has its principal
 9413 office, if any, or, if none, in a county in the state in which
 9414 the corporation owns real or personal property. Such newspaper
 9415 shall meet the requirements as are prescribed by law for such
 9416 purposes. The notice must ~~shall~~:

9417 1. State the name of the corporation that is the subject
 9418 of the dissolution;

9419 2. State that the corporation is the subject of a
 9420 dissolution and the effective date of the dissolution;

9421 3. Specify the information that must be included in the
 9422 claim;

9423 4. State that a claim must be in writing and provide a
 9424 mailing address where a claim may be sent; and

9425 5. State that a claim against the corporation under this

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9426 subsection will be barred unless a proceeding to enforce the
9427 claim is commenced within 4 years after the date of the second
9428 consecutive weekly publication of the notice authorized by this
9429 section.

9430 ~~(a) State the name of the corporation and the date of~~
9431 ~~dissolution;~~

9432 ~~(b) Describe the information that must be included in a~~
9433 ~~claim and provide a mailing address to which the claim may be~~
9434 ~~sent; and~~

9435 ~~(c) State that a claim against the corporation under this~~
9436 ~~subsection will be barred unless a proceeding to enforce the~~
9437 ~~claim is commenced within 4 years after the date of the second~~
9438 ~~consecutive weekly publication of the notice authorized by this~~
9439 ~~section.~~

9440 (2)(3) If the dissolved corporation ~~or successor entity~~
9441 complies with paragraph (1) (a) or paragraph (1) (b) subsection
9442 (1) or subsection (2), unless sooner barred by another statute
9443 limiting actions, the claim of each of the following claimants
9444 with known or other claims is barred unless the claimant
9445 commences a proceeding to enforce the claim against the
9446 dissolved corporation within 4 years after the date of filing
9447 the notice with the department ~~of State~~ or the date of the
9448 second consecutive weekly publication, as applicable:

9449 (a) A claimant who did not receive written notice under s.
9450 607.1406 ~~s. 607.1406(9), or whose claim was not provided for~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9451 ~~under s. 607.1406(10), whether such claim is based on an event~~
9452 ~~occurring before or after the effective date of dissolution.~~

9453 (b) A claimant whose claim was timely sent to the
9454 dissolved corporation but on which no action was taken by the
9455 dissolved corporation.

9456 (c) A claimant whose claim is not a known claim under s.
9457 607.1406(5)

9458 ~~(4) A claim may be entered under this section:~~

9459 ~~(a) Against the dissolved corporation, to the extent of~~
9460 ~~its undistributed assets; or~~

9461 ~~(b) If the assets have been distributed in liquidation,~~
9462 ~~against a shareholder of the dissolved corporation to the extent~~
9463 ~~of such shareholder's pro rata share of the claim or the~~
9464 ~~corporate assets distributed to such shareholder in liquidation,~~
9465 ~~whichever is less, provided that the aggregate liability of any~~
9466 ~~shareholder of a dissolved corporation arising under this~~
9467 ~~section, s. 607.1406, or otherwise may not exceed the amount~~
9468 ~~distributed to the shareholder in dissolution.~~

9469 (3) Nothing in this section shall preclude or relieve the
9470 corporation from its notification to claimants otherwise set
9471 forth in this chapter.

9472 Section 182. Section 607.1408, Florida Statutes, is
9473 created to read:

9474 607.1408 Claims against dissolved corporations;
9475 enforcement.—A claim that is not barred by s. 607.1406(4), by s.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9476 607.1407(2), or by another statute limiting actions may be
 9477 enforced:

9478 (1) Against the dissolved corporation, to the extent of
 9479 its undistributed assets; or

9480 (2) Except as provided in s. 607.1409(4), if the assets
 9481 have been distributed in liquidation, against a shareholder of
 9482 the dissolved corporation to the extent of the shareholder's pro
 9483 rata share of the claim or the corporate assets distributed to
 9484 the shareholder in liquidation, whichever is less, provided that
 9485 the aggregate liability of any shareholder of a dissolved
 9486 corporation arising under s. 607.1406, under s. 607.1407, or
 9487 otherwise may not exceed the total amount of assets distributed
 9488 to the shareholder in dissolution.

9489 Section 183. Section 607.1409, Florida Statutes, is
 9490 created to read:

9491 607.1409 Court proceedings.—

9492 (1) A dissolved corporation that has filed a notice under
 9493 s. 607.1407(1)(a) or published a notice under s. 607.1407(1)(b)
 9494 may file an application with the circuit court in the applicable
 9495 county for a determination of the amount and form of security to
 9496 be provided for payment of claims that are contingent or have
 9497 not been made known to the dissolved corporation or that are
 9498 based on an event occurring after the effective date of
 9499 dissolution but that, based on the facts known to the dissolved
 9500 corporation, are reasonably estimated to arise after the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9501 effective date of dissolution. Provision need not be made for
9502 any claim that is or is reasonably anticipated to be barred
9503 under s. 607.1407(2).

9504 (2) Within 10 days after the filing of the application
9505 under subsection (1), notice of the proceeding shall be given by
9506 the dissolved corporation to each claimant holding a contingent
9507 claim whose identity and contingent claim is known to the
9508 dissolved corporation. Such notice shall be accompanied by a
9509 copy of ss. 607.1405-607.1410.

9510 (3) In any proceeding under this section, the court may
9511 appoint a guardian ad litem to represent all claimants whose
9512 identities are unknown. The reasonable fees and expenses of such
9513 guardian, including all reasonable expert witness fees, shall be
9514 paid by the dissolved corporation.

9515 (4) Provision by the dissolved corporation for security in
9516 the amount and the form ordered by the court under subsection
9517 (1) shall satisfy the dissolved corporation's obligations with
9518 respect to claims that are contingent, have not been made known
9519 to the dissolved corporation or are based on an event occurring
9520 after the effective date of dissolution, and such claims may not
9521 be enforced against a shareholder who received assets in
9522 liquidation.

9523 Section 184. Section 607.1410, Florida Statutes, is
9524 created to read:

9525 607.1410 Director duties.-

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9526 (1) Directors shall cause the dissolved corporation to
 9527 discharge or make reasonable provision for the payment of claims
 9528 and make distributions in liquidation of assets to shareholders
 9529 after payment or provision for claims.

9530 (2) Directors of a dissolved corporation that has disposed
 9531 of claims under s. 607.1406, s. 607.1407, or s. 607.1409 are not
 9532 liable to any claimant or shareholder for a breach of subsection
 9533 (1) with respect to claims against the dissolved corporation
 9534 that are barred or satisfied in accordance with s. 607.1406, s.
 9535 607.1407, or s. 607.1409.

9536 Section 185. Section 607.1420, Florida Statutes, is
 9537 amended to read:

9538 607.1420 ~~Grounds for~~ Administrative dissolution.—

9539 (1) The department ~~may of State may commence a proceeding~~
 9540 ~~under s. 607.1421 to administratively~~ dissolve a corporation
 9541 administratively if the corporation does not:

9542 (a) Deliver its annual report to the department ~~The~~
 9543 ~~corporation has failed to file its annual report and pay the~~
 9544 ~~annual report filing fee by 5 p.m. Eastern Time on the third~~
 9545 ~~Friday in September~~ of each year;

9546 (b) Pay a fee or penalty due to the department under this
 9547 chapter;

9548 (c) Appoint and maintain a registered agent and registered
 9549 office as required by s. 607.0501 ~~The corporation is without a~~
 9550 ~~registered agent or registered office in this state for 30 days~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9551 ~~or more;~~
 9552 (d)(e) Deliver for filing a statement of change under s.
 9553 607.0502 within 30 days after a change has occurred in the name
 9554 or address of the agent unless, within 30 days after the change
 9555 occurred:
 9556 1. The agent filed a statement of change pursuant to s.
 9557 607.05031; or
 9558 2. The change was made in accordance with s. 607.0502(4)
 9559 ~~The corporation does not notify the Department of State within~~
 9560 ~~30 days that its registered agent or registered office has been~~
 9561 ~~changed, that its registered agent has resigned, or that its~~
 9562 ~~registered office has been discontinued;~~
 9563 (e)(d) The corporation has failed to answer truthfully and
 9564 fully, within the time prescribed by this chapter act,
 9565 interrogatories propounded by the department of State; or
 9566 (f)(e) The corporation's period of duration stated in its
 9567 articles of incorporation expires has expired.
 9568 (2) Administrative dissolution of a corporation for
 9569 failure to file an annual report must occur on the fourth Friday
 9570 in September of each year. The department shall issue a notice
 9571 in a record of administrative dissolution to the corporation
 9572 dissolved for failure to file an annual report. Issuance of the
 9573 notice may be by electronic transmission to a corporation that
 9574 has provided the department with an e-mail address.
 9575 (3) If the department determines that one or more grounds

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9576 exist for administratively dissolving a corporation under
9577 paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d), the
9578 department shall serve notice in a record to the corporation of
9579 its intent to administratively dissolve the corporation.
9580 Issuance of the notice may be by electronic transmission to a
9581 corporation that has provided the department with an e-mail
9582 address.

9583 (4) If, within 60 days after sending the notice of intent
9584 to administratively dissolve pursuant to subsection (3), a
9585 corporation does not correct each ground for dissolution under
9586 paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d) or
9587 demonstrate to the reasonable satisfaction of the department
9588 that each ground determined by the department does not exist,
9589 the department shall dissolve the corporation administratively
9590 and issue to the corporation a notice in a record of
9591 administrative dissolution that states the grounds for
9592 dissolution. Issuance of the notice of administrative
9593 dissolution may be by electronic transmission to a corporation
9594 that has provided the department with an e-mail address.

9595 (5) A corporation that has been administratively dissolved
9596 continues in existence but may only carry on activities
9597 necessary to wind up its activities and affairs, liquidate and
9598 distribute its assets, and notify claimants under ss. 607.1405,
9599 607.1406, and 607.1407.

9600 (6) The administrative dissolution of a corporation does

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9601 not terminate the authority of its registered agent for service
9602 of process ~~The foregoing enumeration in subsection (1) of~~
9603 ~~grounds for administrative dissolution shall not exclude actions~~
9604 ~~or special proceedings by the Department of Legal Affairs or any~~
9605 ~~state officials for the annulment or dissolution of a~~
9606 ~~corporation for other causes as provided in any other statute of~~
9607 ~~this state.~~

9608 Section 186. Section 607.1421, Florida Statutes, is
9609 repealed.

9610 Section 187. Section 607.1422, Florida Statutes, is
9611 amended to read:

9612 607.1422 Reinstatement following administrative
9613 dissolution.—

9614 (1) A corporation that is administratively dissolved under
9615 s. 607.1420 or that was dissolved under s. 607.1421 before
9616 January 1, 2020, s. 607.1421 may apply to the department ~~of~~
9617 ~~State~~ for reinstatement at any time after the effective date of
9618 dissolution. The corporation must submit all fees and penalties
9619 then owed by the corporation at the rates provided by laws at
9620 the time the corporation applies for reinstatement, together
9621 with an application for reinstatement prescribed and furnished
9622 by the department, which is a reinstatement form prescribed and
9623 ~~furnished by the Department of State or a current uniform~~
9624 ~~business report~~ signed by both the registered agent and an
9625 officer or director of the corporation and states:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9626 (a) The name of the corporation;
 9627 (b) The street address of the corporations' principal
 9628 office and mailing address;
 9629 (c) The date of the corporation's organization;
 9630 (d) The corporation's federal employer identification
 9631 number or, if none, whether one has been applied for;
 9632 (e) The name, title or capacity, and address of at least
 9633 one officer or director of the corporation; and
 9634 (f) Additional information that is necessary or
 9635 appropriate to enable the department to carry out this chapter.
 9636 (2) In lieu of the requirement to file an application for
 9637 reinstatement as described in subsection (1), an
 9638 administratively dissolved corporation may submit all fees and
 9639 penalties owed by the corporation at the rates provided by law
 9640 at the time the corporation applies for reinstatement, together
 9641 with a current annual report, signed by both the registered
 9642 agent and an officer or director of the corporation, which
 9643 contains the information described in subsection (1).
 9644 (3) If the department determines that an application for
 9645 reinstatement contains the information required under subsection
 9646 (1) or subsection (2) and that the information is correct, upon
 9647 payment of all required fees and penalties, the department shall
 9648 reinstate the corporation.
 9649 (4) When reinstatement under this section becomes
 9650 effective:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9651 (a) The reinstatement relates back to and takes effect as
 9652 of the effective date of the administrative dissolution.

9653 (b) The corporation may operate as if the administrative
 9654 dissolution had never occurred.

9655 (c) The rights of a person arising out of an act or
 9656 omission in reliance on the dissolution before the person knew
 9657 or had notice of the reinstatement are not affected and all fees
 9658 ~~then owed by the corporation, computed at the rate provided by~~
 9659 ~~law at the time the corporation applies for reinstatement.~~

9660 ~~(2) If the Department of State determines that the~~
 9661 ~~application contains the information required by subsection (1)~~
 9662 ~~and that the information is correct, it shall reinstate the~~
 9663 ~~corporation.~~

9664 ~~(3) When the reinstatement is effective, it relates back~~
 9665 ~~to and takes effect as of the effective date of the~~
 9666 ~~administrative dissolution and the corporation resumes carrying~~
 9667 ~~on its business as if the administrative dissolution had never~~
 9668 ~~occurred.~~

9669 (5) ~~(4)~~ The name of the dissolved corporation is not shall
 9670 ~~not be~~ available for assumption or use by another eligible
 9671 entity ~~corporation~~ until 1 year after the effective date of
 9672 dissolution unless the dissolved corporation provides the
 9673 department ~~of State~~ with a record signed as required by an
 9674 ~~affidavit executed as required by s. 607.0120~~ permitting the
 9675 immediate assumption or use of the name by another eligible

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9676 | entity corporation.

9677 | ~~(6)~~⁽⁵⁾ If the name of the dissolved corporation has been
 9678 | lawfully assumed in this state by another business entity, the
 9679 | department corporation, the Department of State shall require
 9680 | the dissolved corporation to amend its articles of incorporation
 9681 | to change its name before accepting its application for
 9682 | reinstatement.

9683 | Section 188. Section 607.1423, Florida Statutes, is
 9684 | amended to read:

9685 | 607.1423 Judicial review of ~~Appeal from~~ denial of
 9686 | reinstatement.—

9687 | (1) If the department ~~of State~~ denies a corporation's
 9688 | application for reinstatement after following administrative
 9689 | dissolution, the department ~~it~~ shall serve the corporation under
 9690 | either s. 607.0504(1) or s. 607.0504(2) with a written notice
 9691 | that explains the reason or reasons for denial.

9692 | (2) Within 30 days after service of a notice of denial of
 9693 | reinstatement, a corporation may appeal the denial by
 9694 | petitioning the Circuit Court of Leon County to set aside the
 9695 | dissolution. The petition must be served on the department and
 9696 | contain a copy of the department's notice of administrative
 9697 | ~~After exhaustion of administrative remedies, the corporation may~~
 9698 | ~~appeal the denial of reinstatement to the appropriate court as~~
 9699 | ~~provided in s. 120.68 within 30 days after service of the notice~~
 9700 | ~~of denial is perfected. The corporation appeals by petitioning~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9701 ~~the court to set aside the dissolution and attaching to the~~
 9702 ~~petition copies of the Department of State's certificate of~~
 9703 ~~dissolution, the corporation's application for reinstatement,~~
 9704 ~~and the department's notice of denial.~~

9705 (3) The court may ~~summarily~~ order the department ~~of State~~
 9706 to reinstate the dissolved corporation or ~~may~~ take other action
 9707 the court considers appropriate.

9708 (4) The court's final decision may be appealed as in other
 9709 civil proceedings.

9710 Section 189. Section 607.1430, Florida Statutes, is
 9711 amended to read:

9712 607.1430 Grounds for judicial dissolution.—

9713 (1) A circuit court may dissolve a corporation or order
 9714 such other remedy as provided in s. 607.1434:

9715 ~~(1)~~(a) In a proceeding by the Department of Legal Affairs
 9716 to dissolve a corporation if it is established that:

9717 1. The corporation obtained its articles of incorporation
 9718 through fraud; or

9719 2. The corporation has continued to exceed or abuse the
 9720 authority conferred upon it by law.

9721
 9722 ~~(b)~~ The enumeration in subparagraphs 1. and 2. ~~paragraph (a)~~ of
 9723 grounds for involuntary dissolution does not exclude actions or
 9724 special proceedings by the Department of Legal Affairs or any
 9725 state official for the annulment or dissolution of a corporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9726 | for other causes as provided in any other statute of this state;
 9727 | **(b)**~~(2)~~ In a proceeding by a shareholder to dissolve a
 9728 | corporation if it is established that:
 9729 | **1.**~~(a)~~ The directors are deadlocked in the management of
 9730 | the corporate affairs, the shareholders are unable to break the
 9731 | deadlock, and:
 9732 | **a.** Irreparable injury to the corporation is threatened or
 9733 | being suffered;
 9734 | **b.** The business and affairs of the corporation can no
 9735 | longer be conducted to the advantage of the shareholders
 9736 | generally because of the deadlock; or
 9737 | **c.** Both; or
 9738 | **2.**~~(b)~~ The shareholders are deadlocked in voting power and
 9739 | have failed to elect successors to directors whose terms have
 9740 | expired or would have expired upon qualification of their
 9741 | successors;
 9742 | ~~(3) In a proceeding by a shareholder or group of~~
 9743 | ~~shareholders in a corporation having 35 or fewer shareholders if~~
 9744 | ~~it is established that:~~
 9745 | **3.**~~(a)~~ The corporate assets are being misapplied or wasted,
 9746 | causing material injury to the corporation; or
 9747 | **4.**~~(b)~~ The directors or those in control of the corporation
 9748 | have acted, are acting, or are reasonably expected to act in a
 9749 | manner that is illegal or fraudulent;
 9750 | **(c)**~~(4)~~ In a proceeding by a creditor if it is established

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9751 that:

9752 1.~~(a)~~ The creditor's claim has been reduced to judgment,
 9753 the execution on the judgment returned unsatisfied, and the
 9754 corporation is insolvent; or

9755 2.~~(b)~~ The corporation has admitted in writing that the
 9756 creditor's claim is due and owing and the corporation is
 9757 insolvent; ~~or~~

9758 (d)~~(5)~~ In a proceeding by the corporation to have its
 9759 voluntary dissolution continued under court supervision; or

9760 (e) In a proceeding by a shareholder if the corporation
 9761 has abandoned its business and has failed within a reasonable
 9762 period of time to liquidate and distribute its assets and
 9763 dissolve.

9764 (2) Paragraph (1) (b) does not apply in the case of a
 9765 corporation that, on the date of the filing of the proceeding,
 9766 has shares that are:

9767 (a) A covered security under s. 18(b)(1)(A) or (B) of the
 9768 Securities Act of 1933; or

9769 (b) Not a covered security, but are held by at least 300
 9770 shareholders and the shares outstanding have a market value of
 9771 at least \$20 million, exclusive of the value of outstanding
 9772 shares of the corporation held by the corporation's
 9773 subsidiaries, by the corporation's senior executives, by the
 9774 corporation's directors, and by the corporation's beneficial
 9775 shareholders and voting trust beneficial owners owning more than

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9776 | 10 percent of the outstanding shares of the corporation.

9777 | (3) (a) In the event of a deadlock situation that satisfies

9778 | subparagraph (1) (b)1. or subparagraph (1) (b)2., if the

9779 | shareholders are subject to a shareholder agreement that

9780 | complies with s. 607.0732 and contains a deadlock sale

9781 | provision, then such deadlock sale provision shall apply to the

9782 | resolution of such deadlock in lieu of the court entering an

9783 | order of judicial dissolution or an order directing the purchase

9784 | of petitioner's shares under s. 607.1436, so long as the

9785 | provisions of such deadlock sale provision are initiated and

9786 | effectuated within the time periods specified for the

9787 | corporation to act under s. 607.1436 and in accordance with the

9788 | terms of such deadlock sale provision.

9789 | (b) As used in this section, the term "deadlock sale

9790 | provision" means a provision in a shareholder agreement that

9791 | complies with s. 607.0732, which is or may be applicable in the

9792 | event of a deadlock among the directors or shareholders of the

9793 | corporation, which neither the directors nor the shareholders,

9794 | as applicable, of the corporation are able to break; and which

9795 | provides for a deadlock breaking mechanism, including, but not

9796 | limited to:

9797 | 1. A redemption or a purchase and sale of shares or other

9798 | equity securities;

9799 | 2. A governance change;

9800 | 3. A sale of the corporation or all or substantially all

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9801 of the assets of the corporation; or

9802 4. A similar provision that, if initiated and effectuated,

9803 breaks the deadlock by causing the transfer of the shares or

9804 other equity securities, a governance change, or a sale of the

9805 corporation or all or substantially all of the corporation's

9806 assets.

9807 (4) A deadlock sale provision in a shareholder agreement

9808 which complies with s. 607.0732 which is not initiated and

9809 effectuated before the court enters an order of judicial

9810 dissolution under subparagraph (1)(b)1. or subparagraph

9811 (1)(b)2., as the case may be, or an order directing the purchase

9812 of petitioner's interest under s. 607.1436, does not adversely

9813 affect the rights of shareholders to seek judicial dissolution

9814 under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the

9815 case may be, or the rights of the corporation or one or more

9816 shareholders to purchase the petitioner's interest under s.

9817 607.1436. The filing of an action for judicial dissolution on

9818 the grounds described in subparagraph (1)(b)1. or subparagraph

9819 (1)(b)2., as the case may be, or an election to purchase the

9820 petitioner's interest under s. 607.1436, does not adversely

9821 affect the right of a shareholder to initiate an available

9822 deadlock sale provision under the shareholder agreement that

9823 complies with s. 607.0732 or to enforce a shareholder-initiated

9824 or an automatically-initiated deadlock sale provision if the

9825 deadlock sale provision is initiated and effectuated before the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9826 court enters an order of judicial dissolution under subparagraph
 9827 (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an
 9828 order directing the purchase of petitioner's interest under s.
 9829 607.1436.

9830 (5) For purposes of subsections (1) and (2), the term
 9831 "shareholder" means a record shareholder, a beneficial
 9832 shareholder, or an unrestricted voting trust beneficial owner.

9833 Section 190. Subsections (1), (3), and (4) of section
 9834 607.1431, Florida Statutes, are amended to read:

9835 607.1431 Procedure for judicial dissolution.—

9836 (1) Venue for a proceeding brought under s. 607.1430 lies
 9837 in the circuit court in the applicable county ~~of the county~~
 9838 ~~where the corporation's principal office is or was last located,~~
 9839 ~~as shown by the records of the Department of State, or, if none~~
 9840 ~~in this state, where its registered office is or was last~~
 9841 ~~located.~~

9842 (3) A court in a proceeding brought under s. 607.1430 ~~to~~
 9843 ~~dissolve a corporation~~ may issue injunctions, appoint a receiver
 9844 or custodian during the proceeding ~~pendente lite~~ with all powers
 9845 and duties the court directs, take other action required to
 9846 preserve the corporate assets wherever located, and carry on the
 9847 business of the corporation until a full hearing can be held.

9848 (4) Within 30 days of the commencement of a proceeding
 9849 under s. 607.1430(1)(b), the corporation shall deliver to all
 9850 shareholders, other than the petitioner, a notice stating that

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9851 the shareholders are entitled to avoid the dissolution of the
 9852 corporation by electing to purchase the petitioner's shares
 9853 under s. 607.1436 and accompanied by a copy of s. 607.1436.

9854 (5) If the court determines that any party has commenced,
 9855 continued, or participated in a proceeding ~~an action~~ under s.
 9856 607.1430 and has acted arbitrarily, frivolously, vexatiously, or
 9857 not in good faith, the court may, in its discretion, award
 9858 attorney ~~attorney's~~ fees and other reasonable expenses to the
 9859 other parties to the action who have been affected adversely by
 9860 such actions.

9861 Section 191. Subsections (1) and (2), paragraph (a) of
 9862 subsection (3), and subsections (4) and (5) of section 607.1432,
 9863 Florida Statutes, are amended to read:

9864 607.1432 Receivership or custodianship.—

9865 (1) A court in a judicial proceeding brought under s.
 9866 607.1430 ~~to dissolve a corporation~~ may appoint one or more
 9867 receivers to wind up and liquidate, or one or more custodians to
 9868 manage, the business and affairs of the corporation. The court
 9869 shall hold a hearing, after notifying all parties to the
 9870 proceeding and any interested persons designated by the court,
 9871 before appointing a receiver or custodian. The court appointing
 9872 a receiver or custodian has exclusive jurisdiction over the
 9873 corporation and all of its property wherever located.

9874 (2) The court may appoint a natural person or an eligible
 9875 entity ~~a corporation~~ authorized to act as a receiver or

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9876 | custodian. The eligible entity ~~corporation~~ may be a domestic
 9877 | eligible entity ~~corporation~~ or a foreign eligible entity
 9878 | ~~corporation~~ authorized to transact business in this state. The
 9879 | court may require the receiver or custodian to post bond, with
 9880 | or without sureties, in an amount the court directs.

9881 | (3) The court shall describe the powers and duties of the
 9882 | receiver or custodian in its appointing order, which may be
 9883 | amended from time to time. Among other powers:

9884 | (a) The receiver:

9885 | 1. May dispose of all or any part of the assets of the
 9886 | corporation wherever located, at a public or private sale, if
 9887 | authorized by the court; and

9888 | 2. May sue and defend in his, her, or its ~~or her~~ own name
 9889 | as receiver of the corporation in all courts of this state.

9890 | (4) The court during a receivership may redesignate the
 9891 | receiver a custodian, and during a custodianship may redesignate
 9892 | the custodian a receiver, if doing so is determined by the court
 9893 | to be in the best interests of the corporation and its
 9894 | shareholders and creditors.

9895 | (5) The court from time to time during the receivership or
 9896 | custodianship may order compensation paid and expense
 9897 | disbursements or reimbursements made to the receiver or
 9898 | custodian and his, her, or its ~~or her~~ counsel from the assets of
 9899 | the corporation or proceeds from the sale of the assets.

9900 | Section 192. Section 607.1433, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9901 amended to read:

9902 607.1433 Judgment of dissolution.—

9903 (1) If after a hearing in a proceeding under s. 607.1430
 9904 the court determines that one or more grounds for judicial
 9905 dissolution described in s. 607.1430 exist, it may enter a
 9906 judgment dissolving the corporation and specifying the effective
 9907 date of the dissolution, and the clerk of the court shall
 9908 deliver a certified copy of the judgment to the department ~~of~~
 9909 ~~State~~, which shall file it.

9910 (2) After entering the judgment of dissolution, the court
 9911 shall direct the winding up and liquidation of the corporation's
 9912 business and affairs in accordance with s. 607.1405 and the
 9913 notification of claimants in accordance with ss. 607.1406 and
 9914 607.1407 ~~s. 607.1406~~, subject to the provisions of subsection
 9915 (3).

9916 (3) In a proceeding for judicial dissolution, the court
 9917 may require all creditors of the corporation to file with the
 9918 clerk of the court or with the receiver, in such form as the
 9919 court may prescribe, proofs under oath of their respective
 9920 claims. If the court requires the filing of claims, it shall fix
 9921 a date, which shall be not less than 4 months from the date of
 9922 the order, as the last day for filing of claims. The court shall
 9923 prescribe the method by which such notice of the deadline for
 9924 filing claims shall be given to creditors and claimants. Prior
 9925 to the date so fixed, the court may extend the time for the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9926 filing of claims by court order. Creditors and claimants failing
 9927 to file proofs of claim on or before the date so fixed shall be
 9928 barred ~~may be barred, by order of court,~~ from participating in
 9929 the distribution of the assets of the corporation. Nothing in
 9930 this section affects the enforceability of any recorded mortgage
 9931 or lien or the perfected security interest or rights of a person
 9932 in possession of real or personal property.

9933 Section 193. Section 607.1434, Florida Statutes, is
 9934 amended to read:

9935 607.1434 Alternative remedies to judicial dissolution.—

9936 (1) In a proceeding under an action for dissolution
 9937 ~~pursuant to s. 607.1430,~~ the court may, as an alternative to
 9938 directing the dissolution of the corporation and upon a showing
 9939 of sufficient merit to warrant such remedy:

9940 (a)(1) Appoint a receiver or custodian during the
 9941 proceeding ~~pendente lite~~ as provided in s. 607.1432;

9942 (b)(2) Appoint a provisional director as provided in s.
 9943 607.1435;

9944 (c)(3) Order a purchase of the petitioning complaining
 9945 shareholder's shares pursuant to s. 607.1436; or

9946 (d)(4) Upon proof of good cause, Make any order or grant
 9947 any equitable relief other than dissolution ~~or liquidation~~ as in
 9948 its discretion it may deem appropriate.

9949 (2) Alternative remedies, such as the appointment of a
 9950 receiver or custodian, may also be ordered in the discretion of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9951 | the court, upon a showing of sufficient merit to warrant such
 9952 | remedy, in advance of directing the dissolution of the
 9953 | corporation or, after a judgment of dissolution is entered, to
 9954 | assist in facilitating the winding up of the corporation.

9955 | Section 194. Subsections (1) and (3) of section 607.1435,
 9956 | Florida Statutes, are amended to read:

9957 | 607.1435 Provisional director.—

9958 | (1) In a proceeding under s. 607.1430, a provisional
 9959 | director may be appointed in the discretion of the court if it
 9960 | appears that such action by the court will remedy the grounds
 9961 | alleged by the complaining shareholder to support the
 9962 | jurisdiction of the court under s. 607.1430. A provisional
 9963 | director may be appointed notwithstanding the absence of a
 9964 | vacancy on the board of directors, and such director shall have
 9965 | all the rights and powers of a duly elected director, including
 9966 | the right to notice of and to vote at meetings of directors,
 9967 | until such time as the provisional director is removed by order
 9968 | of the court or, unless otherwise ordered by a court, removed by
 9969 | a vote of the shareholders sufficient either to elect a majority
 9970 | of the board of directors or, if greater than majority voting is
 9971 | required by the articles of incorporation or the bylaws, to
 9972 | elect the requisite number of directors needed to take action. A
 9973 | provisional director shall be an impartial person who is neither
 9974 | a shareholder nor a creditor of the corporation or of any
 9975 | subsidiary or affiliate of the corporation, and whose further

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

9976 | qualifications, if any, may be determined by the court.

9977 | (3) In any proceeding under which a provisional director
 9978 | is appointed pursuant to this section, the court shall allow
 9979 | reasonable compensation to the provisional director for services
 9980 | rendered and reimbursement or direct payment of reasonable costs
 9981 | and expenses, which amounts shall be paid by the corporation.

9982 | Section 195. Section 607.1436, Florida Statutes, is
 9983 | amended to read:

9984 | 607.1436 Election to purchase instead of dissolution.—

9985 | (1) In a proceeding under s. 607.1430(1)(b) ~~s. 607.1430(2)~~
 9986 | ~~or (3) to dissolve a corporation~~, the corporation may elect or,
 9987 | if it fails to elect, one or more shareholders may elect to
 9988 | purchase all shares owned by the petitioning shareholder at the
 9989 | fair value of the shares. An election pursuant to this section
 9990 | shall be irrevocable unless the court determines that it is
 9991 | equitable to set aside or modify the election.

9992 | (2) An election to purchase pursuant to this section may
 9993 | be filed with the court at any time within 90 days after the
 9994 | filing of the petition under s. 607.1430(1)(b) ~~s. 607.1430(2)~~ ~~or~~
 9995 | ~~(3)~~ or at such later time as the court in its discretion may
 9996 | allow. If the election to purchase is filed by one or more
 9997 | shareholders, the corporation shall, within 10 days thereafter,
 9998 | give written notice to all shareholders, other than the
 9999 | petitioner. The notice must state the name and number of shares
 10000 | owned by the petitioner and the name and number of shares owned

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10001 by each electing shareholder and must advise the recipients of
 10002 their right to join in the election to purchase shares in
 10003 accordance with this section. Shareholders who wish to
 10004 participate must file notice of their intention to join in the
 10005 purchase no later than 30 days after the effective date of the
 10006 notice to them. All shareholders who have filed an election or
 10007 notice of their intention to participate in the election to
 10008 purchase thereby become parties to the proceeding and shall
 10009 participate in the purchase in proportion to their ownership of
 10010 shares as of the date the first election was filed, unless they
 10011 otherwise agree or the court otherwise directs. After an
 10012 election has been filed by the corporation or one or more
 10013 shareholders, the proceeding under s. 607.1430(1)(b) ~~s.~~
 10014 ~~607.1430(2) or (3)~~ may not be discontinued or settled, nor may
 10015 the petitioning shareholder sell or otherwise dispose of his or
 10016 her shares, unless the court determines that it would be
 10017 equitable to the corporation and the shareholders, other than
 10018 the petitioner, to permit such discontinuance, settlement, sale,
 10019 or other disposition.

10020 (3) If, within 60 days after the filing of the first
 10021 election, the parties reach agreement as to the fair value and
 10022 terms of the purchase of the petitioner's shares, the court
 10023 shall enter an order directing the purchase of the petitioner's
 10024 shares upon the terms and conditions agreed to by the parties.

10025 (4) If the parties are unable to reach an agreement as

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10026 | provided for in subsection (3), the court, upon application of
 10027 | any party, may stay the proceeding to dissolve under s.
 10028 | 607.1430(1) (b) and shall, whether or not the proceeding is
 10029 | stayed, shall stay the s. 607.1430 proceedings and determine the
 10030 | fair value of the petitioner's shares as of the day before the
 10031 | date on which the petition under s. 607.1430 was filed or as of
 10032 | such other date as the court deems appropriate under the
 10033 | circumstances.

10034 | (5) Upon determining the fair value of the shares, the
 10035 | court shall enter an order directing the purchase upon such
 10036 | terms and conditions as the court deems appropriate, which may
 10037 | include payment of the purchase price in installments, when
 10038 | necessary in the interests of equity, provision for security to
 10039 | assure payment of the purchase price and any additional costs,
 10040 | fees, and expenses as may have been awarded, and, if the shares
 10041 | are to be purchased by shareholders, the allocation of shares
 10042 | among such shareholders. In allocating the petitioner's shares
 10043 | among holders of different classes of shares, the court shall
 10044 | attempt to preserve any ~~the~~ existing distribution of voting
 10045 | rights among holders of different classes and series insofar as
 10046 | practicable and may direct that holders of any ~~a~~ specific class
 10047 | or classes or series shall not participate in the purchase.
 10048 | Interest may be allowed at the rate and from the date determined
 10049 | by the court to be equitable; however, if the court finds that
 10050 | the refusal of the petitioning shareholder to accept an offer of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10051 | payment was arbitrary or otherwise not in good faith, no
 10052 | interest shall be allowed. If the court finds that the
 10053 | petitioning shareholder had probable grounds for relief under s.
 10054 | 607.1430(1)(b) ~~s. 607.1430(3)~~, it may award expenses to the
 10055 | petitioning shareholder, including reasonable fees and expenses
 10056 | of counsel and of any experts employed by petitioner.

10057 | (6) ~~The~~ Upon entry of an order under subsection (3) or
 10058 | subsection (5) shall be subject to the provisions of subsection
 10059 | (8), and the order shall not be entered unless and until the
 10060 | award is determined by the court to be permitted under the
 10061 | provisions of subsection (8). In determining compliance with s.
 10062 | 607.06401, the court may rely on an affidavit from the
 10063 | corporation as to compliance with that section as of the
 10064 | measurement date. Upon entry of an order under subsection (3) or
 10065 | subsection (5), the court shall dismiss the petition to dissolve
 10066 | the corporation under s. 607.1430(1)(b) ~~s. 607.1430~~ and the
 10067 | petitioning shareholder shall no longer have any rights or
 10068 | status as a shareholder of the corporation, except the right to
 10069 | receive the amounts awarded by the order of the court, which
 10070 | shall be enforceable in the same manner as any other judgment.

10071 | (7) The purchase ordered pursuant to subsection (5) shall
 10072 | be made within 10 days after the date the order becomes final
 10073 | ~~unless, before that time, the corporation files with the court a~~
 10074 | ~~notice of its intention to adopt articles of dissolution~~
 10075 | ~~pursuant to ss. 607.1402 and 607.1403, which articles shall then~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10076 | ~~be adopted and filed within 50 days thereafter. Upon filing of~~
 10077 | ~~such articles of dissolution, the corporation shall be dissolved~~
 10078 | ~~in accordance with the provisions of ss. 607.1405 and 607.1406,~~
 10079 | ~~and the order entered pursuant to subsection (5) shall no longer~~
 10080 | ~~be of any force or effect, except that the court may award the~~
 10081 | ~~petitioning shareholder reasonable fees and expenses of counsel~~
 10082 | ~~and any experts in accordance with the provisions of subsection~~
 10083 | ~~(5) and the petitioner may continue to pursue any claims~~
 10084 | ~~previously asserted on behalf of the corporation.~~

10085 | (8) Any payment by the corporation pursuant to an order
 10086 | under subsection (3) or subsection (5), other than an award of
 10087 | fees and expenses pursuant to subsection (5), is subject to the
 10088 | provisions of s. 607.06401. Unless otherwise provided in the
 10089 | court's order, the effect of the distribution under s. 607.06401
 10090 | shall be measured as of the date of the court's order under
 10091 | subsection (3) or subsection (5).

10092 | Section 196. Section 607.14401, Florida Statutes, is
 10093 | amended to read:

10094 | 607.14401 Deposit with Department of Financial Services.—
 10095 | Assets of a dissolved corporation that should be transferred to
 10096 | a creditor, claimant, or shareholder of the corporation who
 10097 | cannot be found or who is not competent to receive them shall be
 10098 | reduced to cash and deposited, ~~within 6 months from the date~~
 10099 | ~~fixed for the payment of the final liquidating distribution,~~
 10100 | with the Department of Financial Services for safekeeping, ~~where~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10101 ~~such assets shall be held as abandoned property.~~ When the
 10102 creditor, claimant, or shareholder furnishes satisfactory proof
 10103 of entitlement to the amount or assets deposited, the Department
 10104 of Financial Services shall pay such person ~~the creditor,~~
 10105 ~~claimant, or shareholder~~ or his or her representative that
 10106 amount ~~or those assets.~~

10107 Section 197. Section 607.1501, Florida Statutes, is
 10108 amended to read:

10109 607.1501 Authority of foreign corporation to transact
 10110 business required; activities not constituting transacting
 10111 business.—

10112 (1) A foreign corporation may not transact business in
 10113 this state until it obtains a certificate of authority from the
 10114 department ~~of State.~~

10115 (2) The following activities, among others, do not
 10116 constitute transacting business within the meaning of subsection
 10117 (1):

10118 (a) Maintaining, defending, mediating, arbitrating, or
 10119 settling any proceeding.

10120 (b) Carrying on any activity concerning the internal
 10121 affairs of the foreign corporation, including holding meetings
 10122 of its shareholders or board of directors ~~the board of directors~~
 10123 ~~or shareholders or carrying on other activities concerning~~
 10124 ~~internal corporate affairs.~~

10125 (c) Maintaining bank accounts in financial institutions.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10126 (d) Maintaining offices ~~officers~~ or agencies for the
 10127 transfer, exchange, and registration of ~~the corporation's own~~
 10128 securities of the foreign corporation or maintaining trustees or
 10129 depositaries with respect to those securities.

10130 (e) Selling through independent contractors.

10131 (f) Soliciting or obtaining orders, whether by mail or
 10132 through employees, agents, or otherwise, if the orders require
 10133 acceptance outside this state before they become contracts.

10134 (g) Creating or acquiring indebtedness, mortgages, or ~~and~~
 10135 security interests in real or personal property.

10136 (h) Securing or collecting debts or enforcing mortgages or
 10137 ~~and~~ security interests in property securing the debts, and
 10138 holding, protecting, or maintaining property so acquired.

10139 (i) Transacting business in interstate commerce.

10140 (j) Conducting an isolated transaction that is completed
 10141 within 30 days and that is not one in the course of repeated
 10142 transactions of a like nature.

10143 (k) Owning and controlling a subsidiary corporation
 10144 incorporated in or limited liability company formed in, or
 10145 transacting business within, this state; ~~or~~ voting the shares
 10146 ~~stock~~ of any such subsidiary corporation; or voting the
 10147 membership interests of any such limited liability company,
 10148 which it has lawfully acquired.

10149 (l) Owning a limited partnership interest in a limited
 10150 partnership that is transacting ~~doing~~ business within this

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10151 state, unless ~~the such~~ limited partner manages or controls the
 10152 partnership or exercises the powers and duties of a general
 10153 partner.

10154 (m) Owning, protecting, and maintaining, without more,
 10155 real or personal property.

10156 (3) The list of activities in subsection (2) is not an
 10157 exhaustive list of activities that do not constitute transacting
 10158 business within the meaning of subsection (1).

10159 (4) This section does not apply in determining the
 10160 contacts or activities that may subject a foreign corporation
 10161 ~~has no application to the question of whether any foreign~~
 10162 ~~corporation is subject to service of process, taxation, or~~
 10163 ~~regulation under the and suit in this state under any~~ law of
 10164 this state other than this chapter.

10165 Section 198. Section 607.15015, Florida Statutes, is
 10166 created to read:

10167 607.15015 Governing law.—

10168 (1) The law of the state or other jurisdiction under which
 10169 a foreign corporation exists governs:

10170 (a) The organization and internal affairs of the foreign
 10171 corporation; and

10172 (b) The interest holder liability of its shareholders.

10173 (2) A foreign corporation may not be denied a certificate
 10174 of authority by reason of a difference between the laws of its
 10175 jurisdiction of formation and the laws of this state.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10176 (3) A certificate of authority does not authorize a
 10177 foreign corporation to engage in any business or exercise any
 10178 power that a corporation may not engage in or exercise in this
 10179 state.

10180 Section 199. Section 607.1502, Florida Statutes, is
 10181 amended to read:

10182 607.1502 Effect of failure to have a certificate of
 10183 ~~Consequences of transacting business without~~ authority.-

10184 (1) A foreign corporation transacting business in this
 10185 state or its successors may not prosecute or maintain an action
 10186 or proceeding ~~without a certificate of authority may not~~
 10187 ~~maintain a proceeding in any court~~ in this state until it has
 10188 obtained ~~obtains~~ a certificate of authority to transact business
 10189 in this state.

10190 (2) The successor to a foreign corporation that transacted
 10191 business in this state without a certificate of authority and
 10192 the assignee of a cause of action arising out of that business
 10193 may not prosecute or maintain a proceeding based on that cause
 10194 of action in a ~~any~~ court in this state until the foreign
 10195 corporation or its successor has obtained ~~obtains~~ a certificate
 10196 of authority to transact business in this state.

10197 (3) A court may stay a proceeding commenced by a foreign
 10198 corporation or its successor or assignee until it determines
 10199 whether the foreign corporation or its successor requires a
 10200 certificate of authority. If it so determines, the court may

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10201 further stay the proceeding until the foreign corporation or its
 10202 successor has obtained a ~~obtains the~~ certificate of authority to
 10203 transact business in this state.

10204 (4) A foreign corporation which transacts business in this
 10205 state without obtaining a certificate of authority is to do so
 10206 ~~shall be~~ liable to this state for the years or parts thereof
 10207 during which it transacted business in this state without
 10208 obtaining a certificate of authority in an amount equal to all
 10209 fees and penalties that ~~taxes which~~ would have been imposed by
 10210 this chapter act upon the foreign ~~such~~ corporation had it duly
 10211 applied for and received a certificate of authority to transact
 10212 business in this state as required under this chapter ~~by this~~
 10213 ~~act~~. In addition to the payments thus prescribed, the foreign
 10214 corporation may, to the extent ordered by a court of competent
 10215 jurisdiction, ~~such corporation shall~~ be liable for a civil
 10216 penalty of not less than \$500 but not ~~or~~ more than \$1,000 for
 10217 each year or part thereof during which it transacts business in
 10218 this state without a certificate of authority. The department ~~of~~
 10219 ~~State~~ may collect all penalties due under this subsection ~~and~~
 10220 ~~may bring an action in circuit court to recover all penalties~~
 10221 ~~and fees due and owing the state.~~

10222 (5) ~~Notwithstanding subsections (1) and (2),~~ The failure
 10223 of a foreign corporation to have ~~obtain~~ a certificate of
 10224 authority to transact business in this state does not impair the
 10225 validity of any of its contracts, deeds, mortgages, security

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10226 | interests, or corporate acts or prevent the foreign corporation
 10227 | ~~it~~ from defending an action or any proceeding in this state.

10228 | (6) A shareholder, officer, or director of a foreign
 10229 | corporation is not liable for the debts, obligations, or other
 10230 | liabilities of the foreign corporation solely because the
 10231 | foreign corporation transacted business in this state without a
 10232 | certificate of authority.

10233 | (7) Section 607.15015(1) applies even if a foreign
 10234 | corporation fails to have a certificate of authority to transact
 10235 | business in this state.

10236 | (8) If a foreign corporation transacts business in this
 10237 | state without a certificate of authority or cancels its
 10238 | certificate of authority, it appoints the secretary of state as
 10239 | its agent for service of process for rights of action arising
 10240 | out of the transaction of business in this state.

10241 | Section 200. Section 607.1503, Florida Statutes, is
 10242 | amended to read:

10243 | 607.1503 Application for certificate of authority.—

10244 | (1) A foreign corporation may apply for a certificate of
 10245 | authority to transact business in this state by delivering an
 10246 | application to the department ~~of State~~ for filing. Such
 10247 | application shall be made on forms prescribed ~~and furnished~~ by
 10248 | the department. The application must contain the following
 10249 | ~~Department of State and shall set forth:~~

10250 | (a) The name of the foreign corporation and, if the name

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10251 does not comply with s. 607.0401, an alternate name adopted
 10252 pursuant to ~~as long as its name satisfies the requirements of s.~~
 10253 ~~607.0401, but if its name does not satisfy such requirements, a~~
 10254 ~~corporate name that otherwise satisfies the requirements of s.~~
 10255 ~~607.1506.~~

10256 (b) The name of the foreign corporation's jurisdiction of
 10257 incorporation. ~~jurisdiction under the law of which it is~~
 10258 ~~incorporated.~~

10259 (c) Its date of incorporation and period of duration.

10260 (d) The principal office and mailing address of the
 10261 foreign corporation. ~~street address of its principal office.~~

10262 (e) The name and street address in this state of, and the
 10263 written acceptance by, the foreign corporation's initial
 10264 registered agent in this state. ~~of its registered office in this~~
 10265 ~~state and the name of its registered agent at that office.~~

10266 (f) The names and usual business addresses of its current
 10267 directors and officers.

10268 (g) ~~Such~~ Additional information as may be necessary or
 10269 appropriate in order to enable the department of State to
 10270 determine whether the foreign ~~such~~ corporation is entitled to
 10271 file an application for certificate of authority to transact
 10272 business in this state and to determine and assess the fees and
 10273 ~~taxes~~ payable as prescribed in this chapter act.

10274 (2) The foreign corporation shall deliver with a ~~the~~
 10275 completed application under subsection (1) a certificate of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10276 | existence or a record ~~(or a document~~ of similar import,) duly
 10277 | authenticated, not more than 90 days prior to delivery of the
 10278 | application to the department ~~of State,~~ signed by the ~~Secretary~~
 10279 | ~~of State or other~~ official having custody of the foreign
 10280 | corporation's publicly filed records in its jurisdiction of
 10281 | incorporation ~~corporate records in the jurisdiction under the~~
 10282 | ~~law of which it is incorporated.~~ A translation of the
 10283 | certificate, under oath of the translator, must be attached to a
 10284 | certificate which is in a language other than the English
 10285 | language.

10286 | ~~(3) A foreign corporation shall not be denied authority to~~
 10287 | ~~transact business in this state by reason of the fact that the~~
 10288 | ~~laws of the jurisdiction under which such corporation is~~
 10289 | ~~organized governing its organization and internal affairs differ~~
 10290 | ~~from the laws of this state.~~

10291 | Section 201. Section 607.1504, Florida Statutes, is
 10292 | amended to read:

10293 | 607.1504 Amended certificate of authority.—

10294 | (1) A foreign corporation authorized to transact business
 10295 | in this state shall deliver for filing an amendment to its ~~make~~
 10296 | ~~application to the Department of State to obtain an amended~~
 10297 | ~~certificate of authority~~ to reflect a change in any of the
 10298 | following if it changes:

10299 | (a) Its name on the records of the department. ~~corporate~~
 10300 | ~~name;~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10301 (b) ~~The period of its duration; or~~
 10302 ~~(e)~~ The jurisdiction of its incorporation.
 10303 (c) The name and street address in this state of the
 10304 foreign corporation's registered agent in this state, unless the
 10305 change was timely made in accordance with s. 607.0502 or s.
 10306 607.05031.

10307 (2) The amendment must be filed within 90 days after the
 10308 occurrence of a change described in subsection (1), must be
 10309 signed by an officer of the foreign corporation, and must state
 10310 the following ~~Such application shall be made within 90 days~~
 10311 ~~after the occurrence of any change mentioned in subsection (1),~~
 10312 ~~shall be made on forms prescribed by the Department of State,~~
 10313 ~~and shall be executed in accordance with s. 607.0120. The~~
 10314 ~~foreign corporation shall deliver with the completed~~
 10315 ~~application, a certificate, or a document of similar import,~~
 10316 ~~authenticated as of a date not more than 90 days prior to~~
 10317 ~~delivery of the application to the Department of State by the~~
 10318 ~~Secretary of State or other official having custody of corporate~~
 10319 ~~records in the jurisdiction under the laws of which it is~~
 10320 ~~incorporated, evidencing the amendment. A translation of the~~
 10321 ~~certificate, under oath or affirmation of the translator, must~~
 10322 ~~be attached to a certificate that is in a language other than~~
 10323 ~~English. The application shall set forth:~~

10324 (a) The name of the foreign corporation as it appears on
 10325 the records of the department ~~of State.~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10326 (b) The jurisdiction of its incorporation.

10327 (c) The date the foreign corporation ~~it~~ was authorized to

10328 do business in this state.

10329 (d) If the name of the foreign corporation has been

10330 changed, the name relinquished and its new name, ~~the new name, a~~

10331 ~~statement that the change of name has been effected under the~~

10332 ~~laws of the jurisdiction of its incorporation, and the date the~~

10333 ~~change was effected.~~

10334 (e) If the amendment changes its period of duration, a

10335 statement of such change.

10336 (f) If the amendment changes the jurisdiction of

10337 incorporation of the foreign corporation, a statement of that

10338 ~~such~~ change.

10339 (3) The requirements of s. 607.1503 for obtaining an

10340 original certificate of authority apply to obtaining an amended

10341 certificate under this section unless the official having

10342 custody of the foreign corporation's publicly filed records in

10343 its jurisdiction of incorporation did not require an amendment

10344 to effectuate the change on its records.

10345 (4) Subject to subsection (3), a foreign corporation

10346 authorized to transact business in this state may make

10347 application to the department to obtain an amended certificate

10348 of authority to add, remove, or change the name, title,

10349 capacity, or address of an officer or director of the foreign

10350 corporation.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10351 Section 202. Section 607.1505, Florida Statutes, is
 10352 amended to read:
 10353 607.1505 Effect of a certificate of authority.-
 10354 (1) Unless the department determines than an application
 10355 for a certificate of authority of a foreign corporation
 10356 authorizes the foreign corporation to which it is issued to
 10357 transact business in this state does not comply with the filing
 10358 requirements of this chapter, the department shall, upon payment
 10359 of all filing fees, authorize the foreign corporation to
 10360 transact business in this state and file the application for
 10361 certificate of authority subject, however, to the right of the
 10362 Department of State to suspend or revoke the certificate as
 10363 provided in this act.
 10364 (2) The filing by the department of an application for a
 10365 certificate of authority means that the foreign corporation that
 10366 filed the application to transact business in this state has
 10367 obtained a certificate of authority to transact business in this
 10368 state and is authorized to transact business in this state,
 10369 subject, however, to the right of the department to suspend or
 10370 revoke the certificate of authority as provided in this chapter
 10371 ~~A foreign corporation with a valid certificate of authority has~~
 10372 ~~the same but no greater rights and has the same but no greater~~
 10373 ~~privileges as, and except as otherwise provided by this act is~~
 10374 ~~subject to the same duties, restrictions, penalties, and~~
 10375 ~~liabilities now or later imposed on, a domestic corporation of~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10376 | ~~like character.~~

10377 | ~~(3) This act does not authorize this state to regulate the~~
 10378 | ~~organization or internal affairs of a foreign corporation~~
 10379 | ~~authorized to transact business in this state.~~

10380 | Section 203. Section 607.1506, Florida Statutes, is
 10381 | amended to read:

10382 | 607.1506 Corporate name of foreign corporation.—

10383 | (1) A foreign corporation whose name is unavailable under
 10384 | or whose name does not otherwise comply with s. 607.0401 shall
 10385 | use an alternate name that complies with s. 607.0401 ~~is not~~
 10386 | ~~entitled to file an application for a certificate of authority~~
 10387 | ~~unless the corporate name of such corporation satisfies the~~
 10388 | ~~requirements of s. 607.0401. If the corporate name of a foreign~~
 10389 | ~~corporation does not satisfy the requirements of s. 607.0401,~~
 10390 | ~~the foreign corporation, to obtain or maintain a certificate of~~
 10391 | ~~authority to transact business in this state.~~ An alternate name
 10392 | adopted for use in this state shall be cross-referenced to the
 10393 | actual name of the foreign corporation in the records of the
 10394 | department, provided that no cross-reference is required if the
 10395 | alternate name involves no more than adding the suffix
 10396 | "corporation," "company," or "incorporated" or the abbreviation
 10397 | "Corp.," or "Inc.," or "Co." or the designation "Corp.," or
 10398 | "Inc." or "Co." to the name. If the actual name of the foreign
 10399 | corporation subsequently becomes available in this state and the
 10400 | foreign corporation elects to operate in this state under its

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10401 actual name, or the foreign corporation chooses to change its
 10402 alternate name, a record approving the election or change, as
 10403 the case may be, by its directors or shareholders, and signed as
 10404 required pursuant to s. 607.0120, shall be delivered to the
 10405 department for filing;

10406 ~~(a) May add the word "corporation," "company," or~~
 10407 ~~"incorporated" or the abbreviation "Corp.," "Inc.," "Co.," or~~
 10408 ~~the designation "Corp.," "Inc.," or "Co.," as will clearly indicate~~
 10409 ~~that it is a corporation instead of a natural person,~~
 10410 ~~partnership, or other business entity; or~~

10411 ~~(b) May use an alternate name to transact business in this~~
 10412 ~~state if its real name is unavailable. Any such alternate~~
 10413 ~~corporate name, adopted for use in this state, shall be cross-~~
 10414 ~~referenced to the real corporate name in the records of the~~
 10415 ~~Division of Corporations. If the corporation's real corporate~~
 10416 ~~name becomes available in this state or the corporation chooses~~
 10417 ~~to change its alternate name, a copy of the resolution of its~~
 10418 ~~board of directors changing or withdrawing the alternate name,~~
 10419 ~~executed as required by s. 607.0120, shall be delivered for~~
 10420 ~~filing.~~

10421 (2) A foreign corporation that adopts an alternate name
 10422 under subsection (1) and obtains a certificate of authority with
 10423 the alternate name need not comply with s. 865.09 with respect
 10424 to the alternate name ~~The corporate name (including the~~
 10425 ~~alternate name) of a foreign corporation must be distinguishable~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10426 ~~upon the records of the Division of Corporations from:~~
 10427 ~~(a) Any corporate name of a corporation incorporated or~~
 10428 ~~authorized to transact business in this state;~~
 10429 ~~(b) The alternate name of another foreign corporation~~
 10430 ~~authorized to transact business in this state;~~
 10431 ~~(c) The corporate name of a not-for-profit corporation~~
 10432 ~~incorporated or authorized to transact business in this state;~~
 10433 ~~and~~
 10434 ~~(d) The names of all other entities or filings, except~~
 10435 ~~fictitious name registrations pursuant to s. 865.09, organized~~
 10436 ~~or registered under the laws of this state that are on file with~~
 10437 ~~the Division of Corporations.~~
 10438 (3) So long as a foreign corporation maintains a
 10439 certificate of authority with an alternate name, a foreign
 10440 corporation shall transact business in this state under the
 10441 alternate name unless the corporation is authorized under s.
 10442 865.09 to transact business in this state under another name.
 10443 ~~(4)(3)~~ If a foreign corporation authorized to transact
 10444 business in this state changes its corporate name to one that
 10445 does not comply with satisfy the requirements of s. 607.0401, it
 10446 may not thereafter transact business in this state ~~under the~~
 10447 ~~changed name~~ until it complies with subsection (1) ~~adopts a name~~
 10448 ~~satisfying the requirements of s. 607.0401~~ and obtains an
 10449 amended certificate of authority under s. 607.1504.
 10450 (5) Notwithstanding the foregoing, a foreign corporation

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10451 may register under a name that is not otherwise distinguishable
 10452 on the records of the department with the written consent of the
 10453 other entity if the consent is filed with the department at the
 10454 time of registration of such name and if such name is not
 10455 identical to the name of the other entity.

10456 Section 204. Section 607.1507, Florida Statutes, is
 10457 amended to read:

10458 607.1507 Registered office and registered agent of foreign
 10459 corporation.—

10460 (1) Each foreign corporation authorized to transact
 10461 business in this state shall designate and ~~must~~ continuously
 10462 maintain in this state:

10463 (a) A registered office, which may be the same as ~~that may~~
 10464 ~~be the same as any of its~~ place ~~places~~ of business in this
 10465 state; and

10466 (b) A registered agent, which must ~~who may~~ be:

10467 1. An individual who resides in this state and whose
 10468 business address is identical to the address of ~~office is~~
 10469 ~~identical with~~ the registered office;

10470 2. A domestic entity that is an authorized entity and
 10471 whose business address is identical to the address of the
 10472 registered office; or

10473 3. Another foreign entity authorized to transact business
 10474 in this state which is an authorized entity and whose business
 10475 address is identical to the address of ~~corporation or not for~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10476 ~~profit corporation as defined in chapter 617, the business~~
 10477 ~~office of which is identical with the registered office; or~~
 10478 ~~3. Another foreign corporation or foreign not-for-profit~~
 10479 ~~corporation authorized pursuant to this chapter or chapter 617,~~
 10480 ~~to transact business or conduct its affairs in this state the~~
 10481 ~~business office of which is identical with the registered~~
 10482 ~~office.~~

10483 (2) This section does not apply to corporations that are
 10484 required by law to designate the Chief Financial Officer as
 10485 their attorney for service of process, associations subject to
 10486 the provisions of chapter 665, and banks and trust companies
 10487 subject to the financial institutions codes.

10488 (3) Each initial registered agent, and each successor
 10489 registered agent that is appointed, shall ~~A registered agent~~
 10490 ~~appointed pursuant to this section or a successor registered~~
 10491 ~~agent appointed pursuant to s. 607.1508 on whom process may be~~
 10492 ~~served shall each~~ file a statement in writing with the
 10493 department, in the form and manner ~~Department of State, in such~~
 10494 ~~form and manner as shall be~~ prescribed by the department,
 10495 accepting the appointment as a registered agent while
 10496 simultaneously ~~with his or her~~ being designated as the
 10497 registered agent. The ~~Such~~ statement of acceptance must provide
 10498 ~~shall state~~ that the registered agent is familiar with, and
 10499 accepts, the obligations of that position.

10500 (4) The duties of a registered agent are as follows:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10501 (a) To forward to the foreign corporation at the address
 10502 most recently supplied to the registered agent by the foreign
 10503 corporation, a process, notice, or demand pertaining to the
 10504 foreign corporation which is served on or received by the
 10505 registered agent; and

10506 (b) If the registered agent resigns, to provide the notice
 10507 required under s. 607.1509 to the foreign corporation at the
 10508 address most recently supplied to the registered agent by the
 10509 foreign corporation.

10510 (5) The department shall maintain an accurate record of
 10511 the registered agents and registered offices for service of
 10512 process and shall promptly furnish any information disclosed
 10513 thereby upon request and payment of the required fee.

10514 (6) A foreign corporation may not prosecute or maintain
 10515 any action in a court in this state until the foreign
 10516 corporation complies with the provisions of this section, pays
 10517 to the department the amounts required by this chapter, and, to
 10518 the extent ordered by a court of competent jurisdiction, pays to
 10519 the department a penalty of \$5 for each day it has failed to so
 10520 comply or \$500, whichever is less.

10521 (7) A court may stay a proceeding commenced by a foreign
 10522 corporation until the corporation complies with this section.

10523 Section 205. Section 607.1508, Florida Statutes, is
 10524 amended to read:

10525 607.1508 Change of registered office and registered agent

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10526 | of foreign corporation.—

10527 | (1) In order to change its registered agent or registered
 10528 | office address, a foreign corporation authorized to transact
 10529 | business in this state may deliver to the department ~~change its~~
 10530 | ~~registered office or registered agent by delivering to the~~
 10531 | ~~Department of State~~ for filing a statement of change containing
 10532 | the following ~~that sets forth:~~

10533 | (a) The name of the foreign corporation. ~~Its name;~~

10534 | (b) The name ~~street address~~ of its current registered
 10535 | agent. ~~office;~~

10536 | (c) If the current registered agent is to be changed, the
 10537 | name of the new registered agent.

10538 | (d) The street address of its current registered office
 10539 | for its current registered agent.

10540 | (e) If the street address of the current registered office
 10541 | is to be changed, the new street address of the registered
 10542 | office

10543 | ~~(c) If the current registered office is to be changed, the~~
 10544 | ~~street address of its new registered office;~~

10545 | ~~(d) The name of its current registered agent;~~

10546 | ~~(e) If the current registered agent is to be changed, the~~
 10547 | ~~name of its new registered agent and the new agent's written~~
 10548 | ~~consent (either on the statement or attached to it) to the~~
 10549 | ~~appointment;~~

10550 | ~~(f) That, after the change or changes are made, the street~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10551 ~~address of its registered office and the business office of its~~
10552 ~~registered agent will be identical; and~~

10553 ~~(g) That such change was authorized by resolution duly~~
10554 ~~adopted by its board of directors or by an officer of the~~
10555 ~~corporation so authorized by the board of directors.~~

10556 (2) If the registered agent is changed, the written
10557 acceptance of the successor registered agent described in s.
10558 607.1507(3) must also be included in or attached to the
10559 statement of change.

10560 (3) A statement of change is effective when filed by the
10561 department.

10562 (4) The changes described in this section may also be made
10563 on the foreign corporation's annual report or in an application
10564 for reinstatement filed with the department under s. 607.1622 ~~if~~
10565 ~~a registered agent changes the street address of her or his~~
10566 ~~business office, she or he may change the street address of the~~
10567 ~~registered office of any foreign corporation for which she or he~~
10568 ~~is the registered agent by notifying the corporation in writing~~
10569 ~~of the change and signing (either manually or in facsimile) and~~
10570 ~~delivering to the Department of State for filing a statement of~~
10571 ~~change that complies with the requirements of paragraphs (1) (a)-~~
10572 ~~(f) and recites that the corporation has been notified of the~~
10573 ~~change.~~

10574 Section 206. Section 607.1509, Florida Statutes, is
10575 amended to read:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10576 607.1509 Resignation of registered agent of foreign
10577 corporation.—

10578 (1) A registered agent may resign as agent for a foreign
10579 corporation by delivering to the department for filing a signed
10580 statement of resignation containing the name of the foreign
10581 corporation ~~The registered agent of a foreign corporation may~~
10582 ~~resign his or her agency appointment by signing and delivering~~
10583 ~~to the Department of State for filing a statement of resignation~~
10584 ~~and mailing a copy of such statement to the corporation at the~~
10585 ~~corporation's principal office address shown in its most recent~~
10586 ~~annual report or, if none, shown in its application for a~~
10587 ~~certificate of authority or other most recently filed document.~~
10588 ~~The statement of resignation must state that a copy of such~~
10589 ~~statement has been mailed to the corporation at the address so~~
10590 ~~stated. The statement of resignation may include a statement~~
10591 ~~that the registered office is also discontinued.~~

10592 (2) After delivering the statement of resignation to the
10593 department for filing, the registered agent must promptly mail a
10594 copy to the foreign corporation at its current mailing address
10595 ~~The agency appointment is terminated as of the 31st day after~~
10596 ~~the date on which the statement was filed and, unless otherwise~~
10597 ~~provided in the statement, termination of the agency acts as a~~
10598 ~~termination of the registered office.~~

10599 (3) A registered agent is terminated upon the earlier of:
10600 (a) The 31st day after the department files the statement

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10601 of resignation; or

10602 (b) When a statement of change or other record designating

10603 a new registered agent is filed by the department.

10604 (4) When a statement of resignation takes effect, the

10605 registered agent ceases to have responsibility for a matter

10606 thereafter tendered to it as agent for the foreign corporation.

10607 The resignation does not affect contractual rights that the

10608 foreign corporation has against the agent or that the agent has

10609 against the foreign corporation.

10610 (5) A registered agent may resign from a foreign

10611 corporation regardless of whether the foreign corporation has

10612 active status.

10613 Section 207. Section 607.15091, Florida Statutes, is

10614 created to read:

10615 607.15091 Change of name or address by registered agent.-

10616 (1) If a registered agent changes his or her name or

10617 address, the agent may deliver to the department for filing a

10618 statement of change containing the following:

10619 (a) The name of the foreign corporation represented by the

10620 registered agent.

10621 (b) The name of the registered agent as currently shown in

10622 the records of the department for the corporation.

10623 (c) If the name of the registered agent has changed, its

10624 new name.

10625 (d) If the address of the registered agent has changed,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10626 | the new address.

10627 | (e) A statement that the registered agent has given the
 10628 | notice required under subsection (2).

10629 | (2) A registered agent shall promptly furnish notice of
 10630 | the statement of change and the changes made by the statement
 10631 | filed with the department to the represented foreign
 10632 | corporation.

10633 | Section 208. Section 607.15092, Florida Statutes, is
 10634 | created to read:

10635 | 607.15092 Delivery of notice or other communication.—

10636 | (1) Except as otherwise provided in this chapter,
 10637 | permissible means of delivery of a notice or other communication
 10638 | includes delivery by hand, the United States Postal Service, a
 10639 | commercial delivery service, and electronic transmission, all as
 10640 | more particularly described in s. 607.0141.

10641 | (2) Except as provided in subsection (3), delivery to the
 10642 | department is effective only when a notice or other
 10643 | communication is received by the department.

10644 | (3) If a check is mailed to the department for payment of
 10645 | an annual report fee or the annual supplemental fee required
 10646 | under s. 607.193, the check shall be deemed to have been
 10647 | received by the department as of the postmark date appearing on
 10648 | the envelope or package transmitting the check if the envelope
 10649 | or package is received by the department.

10650 | Section 209. Section 607.15101, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10651 amended to read:

10652 607.15101 Service of process, notice, or demand on a
10653 foreign corporation.—

10654 (1) A foreign corporation may be served with process
10655 required or authorized by law by serving on its registered
10656 agent.

10657 (2) If a foreign corporation ceases to have a registered
10658 agent or if its registered agent cannot with reasonable
10659 diligence be served, the process required or permitted by law
10660 may instead be served on the chair of the board, the president,
10661 any vice president, the secretary, or the treasurer of the
10662 foreign corporation at the principal office of the foreign
10663 corporation in this state.

10664 (3) If the process cannot be served on a foreign
10665 corporation pursuant to subsection (1) or subsection (2), the
10666 process may be served on the secretary of state as an agent of
10667 the foreign corporation.

10668 (4) Service of process on the secretary of state may be
10669 made by delivering to and leaving with the department duplicate
10670 copies of the process.

10671 (5) Service is effectuated under subsection (3) on the
10672 date shown as received by the department.

10673 (6) The department shall keep a record of each process
10674 served on the secretary of state pursuant to this section and
10675 record the time of and the action taken regarding the service.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10676 (7) Any notice or demand on a foreign corporation under
 10677 this chapter may be given or made to the chair of the board, the
 10678 president, any vice president, the secretary, or the treasurer
 10679 of the foreign corporation; to the registered agent of the
 10680 foreign corporation at the registered office of the foreign
 10681 corporation in this state; or to any other address in this state
 10682 that is in fact the principal office of the foreign corporation
 10683 in this state.

10684 (8) This section does not affect the right to serve
 10685 process, give notice, or make a demand in any other manner
 10686 provided by law

10687 ~~(1) The registered agent of a foreign corporation~~
 10688 ~~authorized to transact business in this state is the~~
 10689 ~~corporation's agent for service of process, notice, or demand~~
 10690 ~~required or permitted by law to be served on the foreign~~
 10691 ~~corporation.~~

10692 ~~(2) A foreign corporation may be served by registered or~~
 10693 ~~certified mail, return receipt requested, addressed to the~~
 10694 ~~secretary of the foreign corporation at its principal office~~
 10695 ~~shown in its application for a certificate of authority or in~~
 10696 ~~its most recent annual report if the foreign corporation:~~

10697 ~~(a) Has no registered agent or its registered agent cannot~~
 10698 ~~with reasonable diligence be served;~~

10699 ~~(b) Has withdrawn from transacting business in this state~~
 10700 ~~under s. 607.1520; or~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10701 ~~(c) Has had its certificate of authority revoked under s.~~
 10702 ~~607.1531.~~

10703 ~~(3) Service is perfected under subsection (2) at the~~
 10704 ~~earliest of:~~

10705 ~~(a) The date the foreign corporation receives the mail;~~
 10706 ~~(b) The date shown on the return receipt, if signed on~~
 10707 ~~behalf of the foreign corporation; or~~

10708 ~~(c) Five days after its deposit in the United States mail,~~
 10709 ~~as evidenced by the postmark, if mailed postpaid and correctly~~
 10710 ~~addressed.~~

10711 ~~(4) This section does not prescribe the only means, or~~
 10712 ~~necessarily the required means, of serving a foreign~~
 10713 ~~corporation. Process against any foreign corporation may also be~~
 10714 ~~served in accordance with chapter 48 or chapter 49.~~

10715 ~~(5) Any notice to or demand on a foreign corporation made~~
 10716 ~~pursuant to this act may be made in accordance with the~~
 10717 ~~procedures for notice to or demand on domestic corporations~~
 10718 ~~under s. 607.0504.~~

10719 Section 210. Section 607.1520, Florida Statutes, is
 10720 amended to read:

10721 607.1520 Withdrawal and cancellation of certificate of
 10722 authority for ~~of~~ foreign corporation.—

10723 (1) To cancel its certificate of authority to transact
 10724 business in this state, a foreign corporation must deliver to
 10725 the department for filing a notice of withdrawal of certificate

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10726 | of authority. The certificate of authority is canceled when the
 10727 | notice of withdrawal becomes effective pursuant to s. 607.0123.
 10728 | The notice of withdrawal of certificate of authority must be
 10729 | signed by an officer or director and state the following:
 10730 | (a) The name of the foreign corporation as it appears on
 10731 | the records of the department.
 10732 | (b) The name of the foreign corporation's jurisdiction of
 10733 | incorporation.
 10734 | (c) The date the foreign corporation was authorized to
 10735 | transact business in this state.
 10736 | (d) That the foreign corporation is withdrawing its
 10737 | certificate of authority in this state.
 10738 | (e) That it revokes the authority of its registered agent
 10739 | to accept service on its behalf and appoints the secretary of
 10740 | state as its agent for service of process based on a cause of
 10741 | action arising during the time it was authorized to transact
 10742 | business in this state.
 10743 | (f) A mailing address to which the secretary of state may
 10744 | mail a copy of any process served on the secretary of state
 10745 | under paragraph (e).
 10746 | (g) A commitment to notify the department in the future of
 10747 | any change in its mailing address ~~A foreign corporation~~
 10748 | ~~authorized to transact business in this state may not withdraw~~
 10749 | ~~from this state until it obtains a certificate of withdrawal~~
 10750 | ~~from the Department of State.~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10751 ~~(2) A foreign corporation authorized to transact business~~
 10752 ~~in this state may apply for a certificate of withdrawal by~~
 10753 ~~delivering an application to the Department of State for filing.~~
 10754 ~~The application shall be made on forms prescribed and furnished~~
 10755 ~~by the Department of State and shall set forth:~~

10756 ~~(a) The name of the foreign corporation and the~~
 10757 ~~jurisdiction under the law of which it is incorporated;~~

10758 ~~(b) That it is not transacting business in this state and~~
 10759 ~~that it surrenders its authority to transact business in this~~
 10760 ~~state;~~

10761 ~~(c) That it revokes the authority of its registered agent~~
 10762 ~~to accept service on its behalf and appoints the Department of~~
 10763 ~~State as its agent for service of process based on a cause of~~
 10764 ~~action arising during the time it was authorized to transact~~
 10765 ~~business in this state;~~

10766 ~~(d) A mailing address to which the Department of State may~~
 10767 ~~mail a copy of any process served on it under paragraph (c); and~~

10768 ~~(e) A commitment to notify the Department of State in the~~
 10769 ~~future of any change in its mailing address.~~

10770 ~~(2)(3)~~ After the withdrawal of the foreign corporation is
 10771 effective, service of process on the secretary of state
 10772 ~~Department of State~~ under this section is service on the foreign
 10773 corporation. Upon receipt of the process, the secretary of state
 10774 ~~Department of State~~ shall mail a copy of the process to the
 10775 foreign corporation at the mailing address set forth under

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10776 | paragraph (1) (f) ~~subsection (2)~~.

10777 | Section 211. Section 607.1521, Florida Statutes, is
10778 | created to read:

10779 | 607.1521 Withdrawal deemed on conversion to domestic
10780 | filing entity.—A foreign corporation authorized to transact
10781 | business in this state that converts to a domestic corporation
10782 | or another domestic eligible entity that is organized,
10783 | incorporated, registered, or otherwise formed through the
10784 | delivery of a record to the department for filing is deemed to
10785 | have withdrawn its certificate of authority on the effective
10786 | date of the conversion.

10787 | Section 212. Section 607.1522, Florida Statutes, is
10788 | created to read:

10789 | 607.1522 Withdrawal on dissolution, merger, or conversion
10790 | to certain nonfiling entities.—

10791 | (1) A foreign corporation that is authorized to transact
10792 | business in this state that has dissolved and completed winding
10793 | up, has merged into a foreign eligible entity that is not
10794 | authorized to transact business in this state, or has converted
10795 | to a domestic or foreign eligible entity that is not organized,
10796 | incorporated, registered or otherwise formed through the public
10797 | filing of a record, shall deliver a notice of withdrawal of
10798 | certificate of authority to the department for filing in
10799 | accordance with s. 607.1520.

10800 | (2) After a withdrawal under this section of a foreign

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10801 corporation that has converted to another type of entity is
 10802 effective, service of process in any action or proceeding based
 10803 on a cause of action arising during the time the foreign
 10804 corporation was authorized to transact business in this state
 10805 may be made pursuant to s. 607.15101.

10806 Section 213. Section 607.1523, Florida Statutes, is
 10807 created to read:

10808 607.1523 Action by Department of Legal Affairs.—The
 10809 Department of Legal Affairs may maintain an action to enjoin a
 10810 foreign corporation from transacting business in this state in
 10811 violation of this chapter.

10812 Section 214. Section 607.1530, Florida Statutes, is
 10813 amended to read:

10814 607.1530 ~~Grounds for~~ Revocation of certificate of
 10815 authority to transact business.—

10816 (1) A ~~The Department of State may commence a proceeding~~
 10817 ~~under s. 607.1531 to revoke the certificate of authority of a~~
 10818 ~~foreign corporation authorized to transact business in this~~
 10819 ~~state~~ may be revoked by the department if:

10820 (a) (1) The foreign corporation does not deliver its annual
 10821 report to the department ~~has failed to file its annual report~~
 10822 ~~with the Department of State by 5 p.m. Eastern Time on the third~~
 10823 ~~Friday in September~~ of each year;—

10824 (b) (2) The foreign corporation does not pay a fee or
 10825 penalty due to the department under this chapter;— ~~within the~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10826 ~~time required by this act, any fees, taxes, or penalties imposed~~
 10827 ~~by this act or other law.~~

10828 (c)(3) The foreign corporation does not appoint and
 10829 maintain a registered agent as required by s. 607.1507; is
 10830 ~~without a registered agent or registered office in this state~~
 10831 ~~for 30 days or more.~~

10832 (d)(4) The foreign corporation does not deliver for filing
 10833 a statement of a change under s. 607.1508 within 30 days after
 10834 the change in the name or address of the agent has occurred,
 10835 unless, within 30 days after the change occurred, either:

10836 1. The registered agent files a statement of change under
 10837 s. 607.15091; or

10838 2. The change was made in accordance with s. 607.1508(4)
 10839 or s. 607.1504(1)(c);

10840 (e) The foreign corporation has failed to amend its
 10841 certificate of authority to reflect a change in its name on the
 10842 records of the department or its jurisdiction of incorporation;

10843 (f) The foreign corporation's period of duration stated in
 10844 its articles of incorporation has expired; notify the Department
 10845 ~~of State under s. 607.1508 or s. 607.1509 that its registered~~
 10846 ~~agent has resigned or that its registered office has been~~
 10847 ~~discontinued within 30 days of the resignation or~~
 10848 ~~discontinuance.~~

10849 (g)(5) An incorporator, director, officer, or agent of the
 10850 foreign corporation signs ~~signed~~ a document that she or he knew

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10851 | was false in a ~~any~~ material respect with the intent that the
10852 | document be delivered to the department ~~of State~~ for filing;
10853 | (h)-(6) The department ~~of State~~ receives a duly
10854 | authenticated certificate from the ~~Secretary of State or other~~
10855 | official having custody of corporate records in the jurisdiction
10856 | under the law of which the foreign corporation is incorporated
10857 | stating that it has been dissolved or is no longer active on the
10858 | official's records; or disappeared as the result of a merger.
10859 | (i)-(7) The foreign corporation has failed to answer
10860 | truthfully and fully, within the time prescribed by this chapter
10861 | act, interrogatories propounded by the department ~~of State~~.
10862 | (2) Revocation of a foreign corporation's certificate of
10863 | authority for failure to file an annual report shall occur on
10864 | the fourth Friday in September of each year. The department
10865 | shall issue a notice in a record of the revocation to the
10866 | revoked foreign corporation. Issuance of the notice may be by
10867 | electronic transmission to a foreign corporation that has
10868 | provided the department with an e-mail address.
10869 | (3) If the department determines that one or more grounds
10870 | exist under paragraph (1) (b) for revoking a foreign
10871 | corporation's certificate of authority, the department shall
10872 | issue a notice in a record to the foreign corporation of the
10873 | department's intent to revoke the certificate of authority.
10874 | Issuance of the notice may be by electronic transmission to a
10875 | foreign corporation that has provided the department with an e-

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10876 | mail address.

10877 | (4) If, within 60 days after the department sends the
 10878 | notice of intent to revoke in accordance with subsection (3),
 10879 | the foreign corporation does not correct each ground for
 10880 | revocation or demonstrate to the reasonable satisfaction of the
 10881 | department that each ground determined by the department does
 10882 | not exist, the department shall revoke the foreign corporation's
 10883 | authority to transact business in this state and issue a notice
 10884 | in a record of revocation which states the grounds for
 10885 | revocation. Issuance of the notice may be by electronic
 10886 | transmission to a foreign corporation that has provided the
 10887 | department with an e-mail address.

10888 | (5) Revocation of a foreign corporation's certificate of
 10889 | authority does not terminate the authority of the registered
 10890 | agent of the corporation.

10891 | Section 215. Section 607.1531, Florida Statutes, is
 10892 | repealed.

10893 | Section 216. Section 607.15315, Florida Statutes, is
 10894 | amended to read:

10895 | 607.15315 ~~Revocation; application for~~ Reinstatement
 10896 | following revocation of certificate of authority.-

10897 | (1)~~(a)~~ A foreign corporation the certificate of authority
 10898 | of which has been revoked pursuant to s. 607.1530 or former s.
 10899 | 607.1531 may apply to the department of State for reinstatement
 10900 | at any time after the effective date of revocation of authority.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10901 | The foreign corporation applying for reinstatement must submit
 10902 | all fees and penalties then owed by the foreign corporation at
 10903 | rates provided by law at the time the foreign corporation
 10904 | applies for reinstatement, together with an application for
 10905 | reinstatement prescribed and furnished by the department, which
 10906 | is signed by both the registered agent and an officer or
 10907 | director of the company and states ~~application must:~~

10908 | (a)1. ~~Recite~~ The name under which ~~of~~ the foreign
 10909 | corporation is authorized to transact business in this state.
 10910 | ~~and the effective date of its revocation of authority;~~

10911 | (b)2. The street address of the corporation's principal
 10912 | office and mailing address. State that the ground or grounds for
 10913 | ~~revocation of authority either did not exist or have been~~
 10914 | ~~eliminated and that no further grounds currently exist for~~
 10915 | ~~revocation of authority;~~

10916 | (c) The jurisdiction of the foreign corporation's
 10917 | formation and the date on which it became qualified to transact
 10918 | business in this state.

10919 | (d) The foreign corporation's federal employer
 10920 | identification number or, if none, whether one has been applied
 10921 | for.

10922 | (e) The name, title or capacity, and address of at least
 10923 | one officer or director of the corporation.

10924 | (f) Additional information that is necessary or
 10925 | appropriate to enable the department to carry out this chapter.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10926 (2) In lieu of the requirement to file an application for
 10927 reinstatement as described in subsection (1), a foreign
 10928 corporation whose certificate of authority has been revoked may
 10929 submit all fees and penalties owed by the corporation at the
 10930 rates provided by law at the time the corporation applies for
 10931 reinstatement, together with a current annual report, signed by
 10932 both the registered agent and an officer or director of the
 10933 corporation, which contains the information described in
 10934 subsection (1).

10935 (3) If the department determines that an application for
 10936 reinstatement contains the information required under subsection
 10937 (1) or subsection (2) and that the information is correct, upon
 10938 payment of all required fees and penalties, the department shall
 10939 reinstate the foreign corporation's certificate of authority

10940 ~~3. State that the foreign corporation's name satisfies the~~
 10941 ~~requirements of s. 607.1506; and~~

10942 ~~4. State that all fees owed by the corporation and~~
 10943 ~~computed at the rate provided by law at the time the foreign~~
 10944 ~~corporation applies for reinstatement have been paid; or~~

10945 ~~(b) As an alternative, the foreign corporation may submit~~
 10946 ~~a current annual report, signed by the registered agent and an~~
 10947 ~~officer or director, which substantially complies with the~~
 10948 ~~requirements of paragraph (a).~~

10949 ~~(2) If the Department of State determines that the~~
 10950 ~~application contains the information required by subsection (1)~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10951 ~~and that the information is correct, it shall cancel the~~
10952 ~~certificate of revocation of authority and prepare a certificate~~
10953 ~~of reinstatement that recites its determination and prepare a~~
10954 ~~certificate of reinstatement, file the original of the~~
10955 ~~certificate, and serve a copy on the corporation under s.~~
10956 ~~607.0504(2).~~

10957 (4)~~(3)~~ When a reinstatement becomes ~~the reinstatement is~~
10958 ~~effective, it relates back to and takes effect as of the~~
10959 ~~effective date of the revocation of authority and the foreign~~
10960 ~~corporation~~ may operate in this state ~~resumes carrying on its~~
10961 ~~business~~ as if the revocation of authority had never occurred.

10962 (5)~~(4)~~ The name of the foreign corporation whose ~~the~~
10963 ~~certificate of authority of which~~ has been revoked is not
10964 available for assumption or use by another eligible entity
10965 ~~corporation~~ until 1 year after the effective date of revocation
10966 of authority unless the corporation provides the department ~~of~~
10967 ~~State~~ with a record signed ~~an affidavit executed~~ as required by
10968 s. 607.0120 which authorizes ~~permitting~~ the immediate assumption
10969 or use of the name by another eligible entity ~~corporation~~.

10970 (6)~~(5)~~ If the name of the foreign corporation applying for
10971 reinstatement has been lawfully assumed in this state by another
10972 eligible entity, the department ~~corporation, the Department of~~
10973 ~~State~~ shall require the foreign corporation to comply with s.
10974 607.1506 before accepting its application for reinstatement.

10975 Section 217. Section 607.1532, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

10976 amended to read:

10977 607.1532 Judicial review of denial of reinstatement ~~Appeal~~
 10978 ~~from revocation.~~-

10979 (1) If the department denies a foreign corporation's
 10980 application for reinstatement after revocation of its
 10981 certificate of authority, the department shall serve the foreign
 10982 corporation under s. 607.15101 with a written notice that
 10983 explains the reason or reasons for the denial ~~Department of~~
 10984 ~~State revokes the authority of any foreign corporation to~~
 10985 ~~transact business in this state pursuant to the provisions of~~
 10986 ~~this act, such foreign corporation may likewise appeal to the~~
 10987 ~~circuit court of the county where the registered office of such~~
 10988 ~~corporation in this state is situated by filing with the clerk~~
 10989 ~~of such court a petition setting forth a copy of its application~~
 10990 ~~for authority to transact business in this state and a copy of~~
 10991 ~~the certificate of revocation given by the Department of State,~~
 10992 ~~whereupon the matter shall be tried de novo by the court, and~~
 10993 ~~the court shall either sustain the action of the Department of~~
 10994 ~~State or direct the department to take such action as the court~~
 10995 ~~deems proper.~~

10996 (2) Within 30 days after service of a notice of denial of
 10997 reinstatement, a foreign corporation may appeal the denial by
 10998 petitioning the Circuit Court of Leon County to set aside the
 10999 revocation. The petition must be served on the department and
 11000 contain a copy of the department's notice of revocation, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11001 foreign corporation's application for reinstatement, and the
 11002 department's notice of denial ~~Appeals from all final orders and~~
 11003 ~~judgments entered by the circuit court under this section in~~
 11004 ~~review of any ruling or decision of the Department of State may~~
 11005 ~~be taken as in other civil actions.~~

11006 (3) The circuit court may order the department to
 11007 reinstate the certificate of authority of the foreign
 11008 corporation or take other action the court considers
 11009 appropriate.

11010 (4) The circuit court's final decision may be appealed as
 11011 in other civil proceedings.

11012 Section 218. Section 607.1601, Florida Statutes, is
 11013 amended to read:

11014 607.1601 Corporate records.—

11015 (1) A corporation shall maintain the following records:
 11016 ~~keep as permanent records minutes of all meetings of its~~
 11017 ~~shareholders and board of directors, a record of all actions~~
 11018 ~~taken by the shareholders or board of directors without a~~
 11019 ~~meeting, and a record of all actions taken by a committee of the~~
 11020 ~~board of directors in place of the board of directors on behalf~~
 11021 ~~of the corporation.~~

11022 ~~(2) A corporation shall maintain accurate accounting~~
 11023 ~~records.~~

11024 ~~(3) A corporation or its agent shall maintain a record of~~
 11025 ~~its shareholders in a form that permits preparation of a list of~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11026 ~~the names and addresses of all shareholders in alphabetical~~
 11027 ~~order by class of shares showing the number and series of shares~~
 11028 ~~held by each.~~

11029 ~~(4) A corporation shall maintain its records in written~~
 11030 ~~form or in another form capable of conversion into written form~~
 11031 ~~within a reasonable time.~~

11032 ~~(5) A corporation shall keep a copy of the following~~
 11033 ~~records:~~

11034 ~~(a) Its articles or restated articles of incorporation, as~~
 11035 ~~and all amendments to them currently in effect;~~

11036 ~~(b) Any notices to shareholders referred to in s.~~
 11037 ~~607.0120(11)(d) specifying facts on which a filed document is~~
 11038 ~~dependent, if such facts are not included in the articles of~~
 11039 ~~incorporation or otherwise available as specified in s.~~
 11040 ~~607.0120(11)(d);~~

11041 ~~(c)(b) Its bylaws, as or restated bylaws and all~~
 11042 ~~amendments to them currently in effect;~~

11043 ~~(c) Resolutions adopted by its board of directors creating~~
 11044 ~~one or more classes or series of shares and fixing their~~
 11045 ~~relative rights, preferences, and limitations, if shares issued~~
 11046 ~~pursuant to those resolutions are outstanding;~~

11047 ~~(d) The minutes of all shareholders' meetings and records~~
 11048 ~~of all action taken by shareholders without a meeting for the~~
 11049 ~~past 3 years;~~

11050 ~~(d)(e) All written communications within the past 3 years~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11051 | to ~~all~~ shareholders generally or to ~~all~~ shareholders of a class
 11052 | or series ~~within the past 3 years, including the financial~~
 11053 | ~~statements furnished for the past 3 years under s. 607.1620;~~
 11054 | (e) Minutes of all meetings of, and records of all actions
 11055 | taken without a meeting by, its shareholders, its board of
 11056 | directors, and any board committees established under s.
 11057 | 607.0825;
 11058 | (f) A list of the names and business street addresses of
 11059 | its current directors and officers; and
 11060 | (g) Its most recent annual report delivered to the
 11061 | department ~~of State~~ under s. 607.1622.
 11062 | (2) A corporation shall maintain all annual financial
 11063 | statements prepared for the corporation for its last 3 fiscal
 11064 | years, or such shorter period of existence, and any audit or
 11065 | other reports with respect to such financial statements.
 11066 | (3) A corporation shall maintain accounting records in a
 11067 | form that permits preparation of its financial statements.
 11068 | (4) A corporation shall maintain a record of its current
 11069 | shareholders in alphabetical order by class or series of shares
 11070 | showing the address of, and the number and class or series of
 11071 | shares held by, each shareholder. This subsection does not
 11072 | require the corporation to include the electronic mail address
 11073 | or other electronic contact information of a shareholder in such
 11074 | record.
 11075 | (5) A corporation shall maintain the records specified in

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11076 | this section in a manner so that they may be available for
 11077 | inspection within a reasonable time.

11078 | Section 219. Section 607.1602, Florida Statutes, is
 11079 | amended to read:

11080 | 607.1602 Inspection of records by shareholders.—

11081 | (1) A shareholder of a corporation is entitled to inspect
 11082 | and copy, during regular business hours at the corporation's
 11083 | principal office, any of the records of the corporation
 11084 | described in s. 607.1601(1), excluding minutes of meetings of,
 11085 | and records of actions taken without a meeting by, the
 11086 | corporation's board of directors and any board committees
 11087 | established under s. 607.0825, ~~s. 607.1601(5)~~ if the shareholder
 11088 | gives the corporation written notice of the shareholder's ~~his or~~
 11089 | ~~her~~ demand at least 5 business days before the date on which the
 11090 | shareholder ~~he or she~~ wishes to inspect and copy.

11091 | (2) A shareholder of a corporation is entitled to inspect
 11092 | and copy, during regular business hours at a reasonable location
 11093 | specified by the corporation, any of the following records of
 11094 | the corporation if the shareholder meets the requirements of
 11095 | subsection (3) and gives the corporation written notice of the
 11096 | shareholder's ~~his or her~~ demand at least 5 business days before
 11097 | the date on which the shareholder ~~he or she~~ wishes to inspect
 11098 | and copy:

11099 | (a) Excerpts from minutes of any meeting of, or records of
 11100 | any actions taken without a meeting by, the corporation's board

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11101 of directors and board committees maintained in accordance with
 11102 s. 607.1601(1), ~~records of any action of a committee of the~~
 11103 ~~board of directors while acting in place of the board of~~
 11104 ~~directors on behalf of the corporation, minutes of any meeting~~
 11105 ~~of the shareholders, and records of action taken by the~~
 11106 ~~shareholders or board of directors without a meeting, to the~~
 11107 ~~extent not subject to inspection under subsection (1);~~
 11108 (b) The financial statements of the corporation maintained
 11109 in accordance with s. 607.1601(2);
 11110 (c) ~~(b)~~ Accounting records of the corporation;
 11111 (d) ~~(e)~~ The record of shareholders maintained in accordance
 11112 with s. 607.1601(4); and
 11113 (e) ~~(d)~~ Any other books and records.
 11114 (3) A shareholder may inspect and copy the records
 11115 described in subsection (2) only if:
 11116 (a) The shareholder's demand is made in good faith and for
 11117 a proper purpose;
 11118 (b) The shareholder's demand ~~shareholder~~ describes with
 11119 reasonable particularity the shareholder's ~~his or her~~ purpose
 11120 and the records the shareholder ~~he or she~~ desires to inspect;
 11121 and
 11122 (c) The records are directly connected with the
 11123 shareholder's purpose.
 11124 (4) The corporation may impose reasonable restrictions on
 11125 the disclosure, use, or distribution of, and reasonable

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11126 | obligations to maintain the confidentiality of, records
 11127 | described in subsection (2) ~~A shareholder of a Florida~~
 11128 | ~~corporation, or a shareholder of a foreign corporation~~
 11129 | ~~authorized to transact business in this state who resides in~~
 11130 | ~~this state, is entitled to inspect and copy, during regular~~
 11131 | ~~business hours at a reasonable location in this state specified~~
 11132 | ~~by the corporation, a copy of the records of the corporation~~
 11133 | ~~described in s. 607.1601(5) (b) and (f), if the shareholder gives~~
 11134 | ~~the corporation written notice of his or her demand at least 15~~
 11135 | ~~business days before the date on which he or she wishes to~~
 11136 | ~~inspect and copy.~~

11137 | (5) For any meeting of shareholders for which the record
 11138 | date for determining shareholders entitled to vote at the
 11139 | meeting is different than the record date for notice of the
 11140 | meeting, any person who becomes a shareholder subsequent to the
 11141 | record date for notice of the meeting and is entitled to vote at
 11142 | the meeting is entitled to obtain from the corporation upon
 11143 | request the notice and any other information provided by the
 11144 | corporation to shareholders in connection with the meeting,
 11145 | unless the corporation has made such information generally
 11146 | available to shareholders by posting it on its website or by
 11147 | other generally recognized means. Failure of a corporation to
 11148 | provide such information does not affect the validity of action
 11149 | taken at the meeting.

11150 | (6) The right of inspection granted by this section may

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11151 not be abolished or limited by a corporation's articles of
 11152 incorporation or bylaws.

11153 (7)-(5) This section does not affect:

11154 (a) The right of a shareholder to inspect and copy records
 11155 under s. 607.0720 or, if the shareholder is in litigation with
 11156 the corporation, to the same extent as any other litigant; or

11157 (b) The power of a court, independently of this chapter
 11158 act, to compel the production of corporate records for
 11159 examination and to impose reasonable restrictions as provided in
 11160 s. 607.1604(3), provided that, in the case of production of
 11161 records described in subsection (2) at the request of the
 11162 shareholder, the shareholder has met the requirements of
 11163 subsection (3).

11164 (8)-(6) A corporation may deny any demand for inspection
 11165 made pursuant to subsection (2) if the demand was made for an
 11166 improper purpose, or if the demanding shareholder has within 2
 11167 years preceding his or her demand sold or offered for sale any
 11168 list of shareholders of the corporation or any other
 11169 corporation, has aided or abetted any person in procuring any
 11170 list of shareholders for any such purpose, or has improperly
 11171 used any information secured through any prior examination of
 11172 the records of the corporation or any other corporation.

11173 (9)-(7) A shareholder may not sell or otherwise distribute
 11174 any information or records inspected under this section, except
 11175 to the extent that such use is for a proper purpose as defined

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11176 | in subsection (11) ~~(3)~~. ~~Any person who violates this provision~~
 11177 | ~~shall be subject to a civil penalty of \$5,000.~~

11178 | (10)~~(8)~~ For purposes of this section, the term
 11179 | "shareholder" means a record shareholder, a beneficial
 11180 | shareholder, or an unrestricted voting trust beneficial owner
 11181 | ~~includes a beneficial owner whose shares are held in a voting~~
 11182 | ~~trust or by a nominee on his or her behalf.~~

11183 | (11)~~(9)~~ For purposes of this section, a "proper purpose"
 11184 | means a purpose reasonably related to such person's interest as
 11185 | a shareholder.

11186 | (12) The rights of a shareholder to obtain records under
 11187 | subsections (1) and (2) shall also apply to the records of
 11188 | subsidiaries of the corporation.

11189 | Section 220. Section 607.1603, Florida Statutes, is
 11190 | amended to read:

11191 | 607.1603 Scope of inspection right.—

11192 | (1) A shareholder may appoint an agent or attorney to
 11193 | exercise the shareholder's inspection and copying rights under
 11194 | s. 607.1602 ~~shareholder's agent or attorney has the same~~
 11195 | ~~inspection and copying rights as the shareholder he or she~~
 11196 | ~~represents.~~

11197 | (2) The corporation may, if reasonable, satisfy the right
 11198 | of a shareholder to copy records under s. 607.1602 by furnishing
 11199 | to the shareholder copies made by photocopy or other means
 11200 | chosen by the corporation, including furnishing copies through

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11201 ~~an electronic transmission includes, if reasonable, the right to~~
11202 ~~receive copies made by photographic, xerographic, or other~~
11203 ~~means.~~

11204 (3) The corporation may impose a reasonable charge to
11205 cover the costs of providing copies of any documents to the
11206 shareholder which may be based on an estimate of such costs,
11207 ~~covering the costs of labor and material, for copies of any~~
11208 ~~documents provided to the shareholder. The charge may not exceed~~
11209 ~~the estimated cost of production or reproduction of the records.~~
11210 ~~If the records are kept in other than written form, the~~
11211 ~~corporation shall convert such records into written form upon~~
11212 ~~the request of any person entitled to inspect the same. The~~
11213 ~~corporation shall bear the costs of converting any records~~
11214 ~~described in s. 607.1601(5). The requesting shareholder shall~~
11215 ~~bear the costs, including the cost of compiling the information~~
11216 ~~requested, incurred to convert any records described in s.~~
11217 ~~607.1602(2).~~

11218 (4) ~~If requested by a shareholder,~~ The corporation may
11219 comply at its expense ~~shall comply~~ with a shareholder's demand
11220 to inspect the records of shareholders under s. 607.1602(2)(d)
11221 ~~s. 607.1602(2)(e)~~ by providing the shareholder ~~him or her~~ with a
11222 list of ~~its~~ shareholders that was compiled no earlier than the
11223 date of the shareholder's demand ~~of the nature described in s.~~
11224 ~~607.1601(3). Such a list must be compiled as of the last record~~
11225 ~~date for which it has been compiled or as of a subsequent date~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11226 | ~~if specified by the shareholder.~~

11227 | Section 221. Section 607.1604, Florida Statutes, is
11228 | amended to read:

11229 | 607.1604 Court-ordered inspection.—

11230 | (1) If a corporation does not allow a shareholder who
11231 | complies with s. 607.1602(1) ~~or (4)~~ to inspect and copy any
11232 | records required by that subsection to be available for
11233 | inspection, the circuit court in the applicable county ~~where the~~
11234 | ~~corporation's principal office (or, if none in this state, its~~
11235 | ~~registered office) is located~~ may summarily order inspection and
11236 | copying of the records demanded at the corporation's expense
11237 | upon application of the shareholder. If the court orders
11238 | inspection and copying of the records demanded under s.
11239 | 607.1601(1), it shall also order the corporation to pay the
11240 | shareholder's expenses, including reasonable attorney fees,
11241 | incurred to obtain the order and enforce its rights under this
11242 | section.

11243 | (2) If a corporation does not within a reasonable time
11244 | allow a shareholder who complies with s. 607.1602(2) to inspect
11245 | and copy the records required by that section ~~any other record,~~
11246 | the shareholder who complies with s. 607.1602(3) ~~s. 607.1602(2)~~
11247 | ~~and (3),~~ may apply to the circuit court in the applicable county
11248 | ~~where the corporation's principal office (or, if none in this~~
11249 | ~~state, its registered office) is located~~ for an order to permit
11250 | inspection and copying of the records demanded. The court shall

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11251 dispose of an application under this subsection on an expedited
 11252 basis.

11253 (3) If the court orders inspection and ~~or~~ copying of the
 11254 records demanded under s. 607.1602(2), it may impose reasonable
 11255 restrictions on the disclosure, use, or distribution of, and
 11256 reasonable obligations to maintain the confidentiality of, such
 11257 records, and it shall also order the corporation to pay the
 11258 shareholder's expenses incurred ~~costs~~, including reasonable
 11259 attorney ~~attorney's~~ fees, ~~reasonably~~ incurred to obtain the
 11260 order and enforce its rights under this section unless the
 11261 corporation establishes that the corporation, ~~or the officer,~~
 11262 ~~director, or agent, as the case may be, proves that it or she or~~
 11263 ~~he~~ refused inspection in good faith because the corporation ~~it~~
 11264 ~~or she or he~~ had:

11265 (a) A reasonable basis for doubt about the right of the
 11266 shareholder to inspect or copy the records demanded; or-

11267 (b) ~~(4) Required~~ Required ~~If the court orders inspection or copying~~
 11268 ~~of the records demanded, it may impose~~ reasonable restrictions
 11269 on the disclosure, use, or distribution of, and reasonable
 11270 obligations to maintain the confidentiality of, such ~~the~~ records
 11271 demand ~~ed~~ to which ~~by~~ the demanding shareholder had been
 11272 unwilling to agree.

11273 Section 222. Section 607.1605, Florida Statutes, is
 11274 amended to read:

11275 607.1605 Inspection rights of ~~records~~ ~~by~~ directors.-

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11276 (1) A director of a corporation is entitled to inspect and
 11277 copy the books, records, and documents of the corporation at any
 11278 reasonable time to the extent reasonably related to the
 11279 performance of the director's duties as a director, including
 11280 duties as a member of a board committee, but not for any other
 11281 purpose or in any manner that would violate any duty to the
 11282 corporation.

11283 (2) The circuit court of the applicable county ~~in which~~
 11284 ~~the corporation's principal office or, if none in this state,~~
 11285 ~~its registered office is located~~ may order inspection and
 11286 copying of the books, records, and documents at the
 11287 corporation's expense, upon application of a director who has
 11288 been refused such inspection rights, unless the corporation
 11289 establishes that the director is not entitled to such inspection
 11290 rights. The court shall dispose of an application under this
 11291 subsection on an expedited basis.

11292 (3) If an order is issued, the court may include
 11293 provisions protecting the corporation from undue burden or
 11294 expense and prohibiting the director from using information
 11295 obtained upon exercise of the inspection rights in a manner that
 11296 would violate a duty to the corporation, and may also order the
 11297 corporation to reimburse the director for the director's costs,
 11298 including reasonable attorney ~~counsel~~ fees, incurred in
 11299 connection with the application.

11300 Section 223. Section 607.1620, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11301 amended to read:

11302 607.1620 Financial statements for shareholders.—

11303 (1) Upon the written request of any shareholder, a
 11304 corporation shall deliver or make available to the requesting
 11305 shareholder the corporation's annual financial statements for
 11306 the most recent fiscal year of the corporation ~~Unless modified~~
 11307 ~~by resolution of the shareholders within 120 days of the close~~
 11308 ~~of each fiscal year, a corporation shall furnish its~~
 11309 ~~shareholders annual financial statements which may be~~
 11310 ~~consolidated or combined statements of the corporation and one~~
 11311 ~~or more of its subsidiaries, as appropriate, that include a~~
 11312 ~~balance sheet as of the end of the fiscal year, an income~~
 11313 ~~statement for that year, and a statement of cash flows for that~~
 11314 ~~year. If annual financial statements have been ~~are~~ prepared for~~
 11315 ~~the corporation on the basis of generally accepted accounting~~
 11316 ~~principles for such specified period, the corporation shall~~
 11317 ~~deliver or make available such financial statements to the~~
 11318 ~~requesting shareholder, the annual financial statements must~~
 11319 ~~also be prepared on that basis.~~

11320 ~~(2)~~ If the annual financial statements to be delivered or
 11321 made available to the requesting shareholder are audited or
 11322 otherwise ~~are~~ reported upon by a public accountant, the report
 11323 of the public accountant shall also be delivered or made
 11324 available to the requesting shareholder ~~his or her report must~~
 11325 ~~accompany them. If not, the statements must be accompanied by a~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11326 | ~~statement of the president or the person responsible for the~~
 11327 | ~~corporation's accounting records:~~

11328 | ~~(a) Stating his or her reasonable belief whether the~~
 11329 | ~~statements were prepared on the basis of generally accepted~~
 11330 | ~~accounting principles and, if not, describing the basis of~~
 11331 | ~~preparation; and~~

11332 | ~~(b) Describing any respects in which the statements were~~
 11333 | ~~not prepared on a basis of accounting consistent with the~~
 11334 | ~~statements prepared for the preceding year.~~

11335 | ~~(2)(3)~~ A Any corporation required by subsection (1) to
 11336 | deliver or make available ~~furnish~~ annual financial statements to
 11337 | a requesting shareholder shall deliver or make available such
 11338 | annual financial statements to such shareholder within 5
 11339 | business days after the request if the annual financial
 11340 | statements have already been prepared and are available, or, if
 11341 | the annual financial statements have not been prepared, must
 11342 | notify the shareholder within 5 business days that the annual
 11343 | financial statements have not yet been prepared, and must
 11344 | deliver or make available such annual financial statements to
 11345 | the ~~its shareholders shall furnish such annual financial~~
 11346 | ~~statements to each~~ shareholder within 120 days after the request
 11347 | ~~close of each fiscal year~~ or within such additional time
 11348 | thereafter as is reasonably necessary to enable the corporation
 11349 | to prepare its annual financial statements if, for reasons
 11350 | beyond the corporation's control, it is unable to prepare its

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11351 annual financial statements within the prescribed period.
11352 ~~Thereafter, on written request from a shareholder who was not~~
11353 ~~furnished the statements, the corporation shall furnish him or~~
11354 ~~her the latest annual financial statements.~~

11355 (3) If requested by the requesting shareholder in its
11356 written request under subsection (1), the corporation shall
11357 promptly notify all other shareholders that the annual financial
11358 statements that have or are to be delivered or made available to
11359 the requesting shareholder have been or are being made available
11360 to the requesting shareholder and will also be delivered or made
11361 available to any other shareholder who makes its own written
11362 request to the corporation under subsection (1).

11363 (4) A corporation may fulfill its responsibilities under
11364 this section by delivering the specified annual financial
11365 statements, by posting the specified annual financial statements
11366 on its website, by any other generally recognized means, or in
11367 any other manner permitted by the applicable rules and
11368 regulations of the United States Securities and Exchange
11369 Commission.

11370 (5) Notwithstanding subsections (1), (2), and (3):

11371 (a) As a condition to delivering or making available
11372 annual financial statements to any requesting shareholder, the
11373 corporation may require the requesting shareholder to agree to
11374 reasonable restrictions on the confidentiality, use, and
11375 distribution of such annual financial statements; and

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11376 (b) The corporation may, if it reasonably determines that
11377 the shareholder's request is not made in good faith or for a
11378 proper purpose, decline to deliver or make available such annual
11379 financial statements to that shareholder.

11380 (6) If a corporation does not respond to a shareholder's
11381 request for annual financial statements pursuant to this section
11382 in accordance with subsection (3) within the applicable period
11383 specified in subsection (2):

11384 (a) The requesting shareholder may apply to the circuit
11385 court in the applicable county for an order requiring delivery
11386 of or access to the requested annual financial statements. The
11387 court shall dispose of an application under this subsection on
11388 an expedited basis.

11389 (b) If the court orders delivery or access to the
11390 requested annual financial statements, it may impose reasonable
11391 restrictions on their confidentiality, use, or distribution.

11392 (c) In such proceeding, if the corporation has declined to
11393 deliver or make available such annual financial statements
11394 because the shareholder had been unwilling to agree to
11395 restrictions proposed by the corporation on the confidentiality,
11396 use, and distribution of such financials statements, the
11397 corporation shall have the burden of demonstrating that the
11398 restrictions proposed by the corporation were reasonable.

11399 (d) In such proceeding, if the corporation has declined to
11400 deliver or make available such annual financial statements

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11401 pursuant to s. 607.1620(5)(b), the corporation shall have the
 11402 burden of demonstrating that it had reasonably determined that
 11403 the shareholder's request was not made in good faith or for a
 11404 proper purpose.

11405 (7) If the court orders delivery or access to the
 11406 requested annual financial statements it shall order the
 11407 corporation to pay the shareholder's expenses, including
 11408 reasonable attorney fees, incurred to obtain such order unless
 11409 the corporation establishes that it had refused delivery or
 11410 access to the requested annual financial statements because the
 11411 shareholder had refused to agree to reasonable restrictions on
 11412 the confidentiality, use, or distribution of the annual
 11413 financial statements or that the corporation had reasonably
 11414 determined that the shareholder's request was not made in good
 11415 faith or for a proper purpose

11416 ~~(4) If a corporation does not comply with the~~
 11417 ~~shareholder's request for annual financial statements pursuant~~
 11418 ~~to this section within 30 days of delivery of such request to~~
 11419 ~~the corporation, the circuit court in the county where the~~
 11420 ~~corporation's principal office (or, if none in this state, its~~
 11421 ~~registered office) is located may, upon application of the~~
 11422 ~~shareholder, summarily order the corporation to furnish such~~
 11423 ~~financial statements. If the court orders the corporation to~~
 11424 ~~furnish the shareholder with the financial statements demanded,~~
 11425 ~~it shall also order the corporation to pay the shareholder's~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11426 ~~costs, including reasonable attorney's fees, reasonably incurred~~
 11427 ~~to obtain the order and otherwise enforce its rights under this~~
 11428 ~~section.~~

11429 ~~(5) The requirement to furnish annual financial statements~~
 11430 ~~as described in this section shall be satisfied by sending such~~
 11431 ~~annual financial statements by mail or electronic transmission.~~
 11432 ~~If a corporation has an outstanding class of securities~~
 11433 ~~registered under s. 12 of the Securities Exchange Act of 1934,~~
 11434 ~~as amended, the requirement to furnish annual financial~~
 11435 ~~statements may be satisfied by complying with 17 C.F.R. s.~~
 11436 ~~240.14a-16, as amended, with respect to the obligation of a~~
 11437 ~~corporation to furnish an annual financial report to~~
 11438 ~~shareholders pursuant to 17 C.F.R. s. 240.14a-3(b), as amended.~~

11439 Section 224. Section 607.1621, Florida Statutes, is
 11440 repealed.

11441 Section 225. Section 607.1622, Florida Statutes, is
 11442 amended to read:

11443 607.1622 Annual report for department ~~of State.~~

11444 (1) Each domestic corporation and each foreign corporation
 11445 authorized to transact business in this state shall deliver to
 11446 the department for filing an annual report that states the
 11447 following ~~of State for filing a sworn annual report on such~~
 11448 ~~forms as the Department of State prescribes that sets forth:~~

11449 (a) The name of the corporation or, if a foreign
 11450 corporation, the name under which the foreign corporation is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11451 authorized to transact business in this state ~~and the state or~~
 11452 ~~country under the law of which it is incorporated;~~

11453 (b) The date of its incorporation and ~~or~~, if a foreign
 11454 corporation, the jurisdiction of its incorporation and the date
 11455 on which it became qualified to transact ~~date on which it was~~
 11456 ~~admitted to do~~ business in this state;

11457 (c) The street address of its principal office and the
 11458 mailing address of the corporation;

11459 (d) The corporation's federal employer identification
 11460 number, if any, or, if none, whether one has been applied for;

11461 (e) The names and business street addresses of its
 11462 directors and principal officers; and

11463 ~~(f) The street address of its registered office and the~~
 11464 ~~name of its registered agent at that office in this state;~~

11465 ~~(g) Language permitting a voluntary contribution of \$5 per~~
 11466 ~~taxpayer, which contribution shall be transferred into the~~
 11467 ~~Election Campaign Financing Trust Fund. A statement providing an~~
 11468 ~~explanation of the purpose of the trust fund shall also be~~
 11469 ~~included; and~~

11470 ~~(f)(h)~~ Any additional information that the department has
 11471 identified as ~~Such additional information as may be~~ necessary or
 11472 appropriate to enable the department ~~of State~~ to carry out the
 11473 provisions of this chapter ~~act~~.

11474 (2) If an annual report contains the name and address of a
 11475 registered agent which differs from the information shown in the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11476 records of the department immediately before the annual report
 11477 becomes effective, the differing information in the annual
 11478 report is considered a statement of change under s. 607.0502
 11479 ~~Proof to the satisfaction of the Department of State that on or~~
 11480 ~~before May 1 such report was deposited in the United States mail~~
 11481 ~~in a sealed envelope, properly addressed with postage prepaid,~~
 11482 ~~shall be deemed compliance with this requirement.~~

11483 (3) If an annual report does not contain the information
 11484 required in ~~by~~ this section, the department ~~of State~~ shall
 11485 promptly notify the reporting domestic corporation or foreign
 11486 corporation ~~in writing and return the report to it for~~
 11487 ~~correction~~. If the report is corrected to contain the
 11488 information required in subsection (1) ~~by this section~~ and
 11489 delivered to the department ~~of State~~ within 30 days after the
 11490 effective date of the notice, it will be considered timely
 11491 delivered ~~is deemed to be timely filed~~.

11492 ~~(4) Each report shall be executed by the corporation by an~~
 11493 ~~officer or director or, if the corporation is in the hands of a~~
 11494 ~~receiver or trustee, shall be executed on behalf of the~~
 11495 ~~corporation by such receiver or trustee, and the signing thereof~~
 11496 ~~shall have the same legal effect as if made under oath, without~~
 11497 ~~the necessity of appending such oath thereto.~~

11498 (4) ~~(5)~~ The first annual report must be delivered to the
 11499 department ~~of State~~ between January 1 and May 1 of the year
 11500 following the calendar year in which a domestic corporation's

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11501 articles of incorporation became effective ~~corporation was~~
 11502 ~~incorporated~~ or a foreign corporation obtained its certificate
 11503 of authority ~~was authorized~~ to transact business in this state.
 11504 Subsequent annual reports must be delivered to the department ~~of~~
 11505 ~~State~~ between January 1 and May 1 of each calendar year
 11506 thereafter. If one or more forms of annual report are submitted
 11507 for a calendar year, the department shall file each of them and
 11508 make the information contained in them part of the official
 11509 record. The first form of annual report filed in a calendar year
 11510 shall be considered the annual report for the calendar year, and
 11511 each report filed after that one in the same calendar year shall
 11512 be treated as an amended report for that calendar year ~~the~~
 11513 ~~subsequent calendar years.~~

11514 (5) ~~(6)~~ Information in the annual report must be current as
 11515 of the date the annual report is delivered to the department for
 11516 filing ~~executed on behalf of the corporation.~~

11517 ~~(7) If an additional updated report is received, the~~
 11518 ~~department shall file the document and make the information~~
 11519 ~~contained therein part of the official record.~~

11520 (6) ~~(8)~~ A domestic corporation or foreign corporation that
 11521 fails ~~Any corporation failing~~ to file an annual report that
 11522 ~~which~~ complies with the requirements of this section may not
 11523 prosecute or maintain ~~shall not be permitted to maintain or~~
 11524 ~~defend~~ any action in any court of this state until the such
 11525 report is filed and all fees and penalties ~~taxes~~ due under this

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11526 | chapter ~~act~~ are paid, and shall be subject to dissolution or
 11527 | cancellation of its certificate of authority to transact ~~do~~
 11528 | business as provided in this chapter ~~act~~.

11529 | (7)-(9) The department shall prescribe the forms, which may
 11530 | be in an electronic format, on which to make the annual report
 11531 | called for in this section and may substitute the uniform
 11532 | business report, pursuant to s. 606.06, as a means of satisfying
 11533 | the requirement of this chapter ~~part~~.

11534 | (8) As a condition of a merger under s. 607.1101, each
 11535 | party to a merger which exists under the laws of this state, and
 11536 | each party to the merger which exists under the laws of another
 11537 | jurisdiction and has a certificate of authority to transact
 11538 | business or conduct its affairs in this state, must be active
 11539 | and current in filing its annual reports in the records of the
 11540 | department through December 31 of the calendar year in which the
 11541 | articles of merger are submitted to the department for filing.

11542 | (9) As a condition of a conversion of an entity to a
 11543 | corporation under s. 607.11930, the entity, if it exists under
 11544 | the laws of this state or if it exists under the laws of another
 11545 | jurisdiction and has a certificate of authority to transact
 11546 | business or conduct its affairs in this state, must be active
 11547 | and current in filing its annual reports in the records of the
 11548 | department through December 31 of the calendar year in which the
 11549 | articles of conversion are submitted to the department for
 11550 | filing.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11551 (10) As a condition of a conversion of a domestic
 11552 corporation to another type of entity under s. 607.11930, the
 11553 domestic corporation converting to the other type of entity must
 11554 be active and current in filing its annual reports in the
 11555 records of the department through December 31 of the calendar
 11556 year in which the articles of conversion are submitted to the
 11557 department for filing.

11558 (11) As a condition of a share exchange between a
 11559 corporation and another entity under s. 607.1102, the
 11560 corporation, and each other entity that is a party to the share
 11561 exchange which exists under the laws of this state, and each
 11562 party to the share exchange which exists under the laws of
 11563 another jurisdiction and has a certificate of authority to
 11564 transact business or conduct its affairs in this state, must be
 11565 active and current in filing its annual reports in the records
 11566 of the department through December 31 of the calendar year in
 11567 which the articles of share exchange are submitted to the
 11568 department for filing.

11569 (12) As a condition of domestication of a domestic
 11570 corporation into a foreign jurisdiction under s. 607.11920, the
 11571 domestic corporation domesticating into a foreign jurisdiction
 11572 must be active and current in filing its annual reports in the
 11573 records of the department through December 31 of the calendar
 11574 year in which the articles of domestication are submitted to the
 11575 department for filing.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11576 Section 226. Section 607.1701, Florida Statutes, is
 11577 amended to read:
 11578 607.1701 Application to existing domestic corporation.—
 11579 This chapter ~~act~~ applies to all domestic corporations in
 11580 existence on January 1, 2020 ~~July 1, 1990~~, that were
 11581 incorporated under any general statute of this state providing
 11582 for incorporation of corporations for profit if power to amend
 11583 or repeal the statute under which the corporation was
 11584 incorporated was reserved.

11585 Section 227. Section 607.1702, Florida Statutes, is
 11586 amended to read:
 11587 607.1702 Application to qualified foreign corporations.—A
 11588 foreign corporation authorized to transact business in this
 11589 state on January 1, 2020 ~~July 1, 1990~~, is subject to this
 11590 chapter, is deemed to be authorized to transact business in this
 11591 state, and ~~act but~~ is not required to obtain a new certificate
 11592 of authority to transact business under this chapter ~~act~~.

11593 Section 228. Section 607.1711, Florida Statutes, is
 11594 amended to read:
 11595 607.1711 Application to foreign and interstate commerce.—
 11596 The provisions of this chapter ~~act~~ apply to commerce with
 11597 foreign nations and among the several states only insofar as the
 11598 same may be permitted under the Constitution and laws of the
 11599 United States.

11600 Section 229. Section 607.1801, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11601 repealed.

11602 Section 230. Section 607.1907, Florida Statutes, is
 11603 amended to read:

11604 607.1907 Saving provision ~~Effect of repeal of prior acts.~~

11605 (1) Except as to procedural provisions, this act does not
 11606 affect a pending action or proceeding or a right accrued before
 11607 January 1, 2020, and a pending civil action or proceeding may be
 11608 completed, and a right accrued may be enforced, as if this act
 11609 had not become effective ~~provided in subsection (2), the repeal~~
 11610 ~~of a statute by this act does not affect:~~

11611 ~~(a) The operation of the statute or any action taken under~~
 11612 ~~it before its repeal, including, without limiting the generality~~
 11613 ~~of the foregoing, the continuing validity of any provision of~~
 11614 ~~the articles of incorporation or bylaws of a corporation~~
 11615 ~~authorized by the statute at the time of its adoption;~~

11616 ~~(b) Any ratification, right, remedy, privilege,~~
 11617 ~~obligation, or liability acquired, accrued, or incurred under~~
 11618 ~~the statute before its repeal;~~

11619 ~~(c) Any violation of the statute, or any penalty,~~
 11620 ~~forfeiture, or punishment incurred because of the violation,~~
 11621 ~~before its repeal;~~

11622 ~~(d) Any proceeding, merger, consolidation, sale of assets,~~
 11623 ~~reorganization, or dissolution commenced under the statute~~
 11624 ~~before its repeal, and the proceeding, merger, consolidation,~~
 11625 ~~sale of assets, reorganization, or dissolution may be completed~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11626 | ~~in accordance with the statute as if it had not been repealed.~~

11627 | (2) If a penalty or punishment ~~imposed~~ for violation of a
11628 | statute or rule ~~repealed by this act~~ is reduced by this act, the
11629 | penalty or punishment, if not already imposed, shall be imposed
11630 | in accordance with this act.

11631 | Section 231. Section 607.1908, Florida Statutes, is
11632 | created to read:

11633 | 607.1908 Severability clause.—If any provision of this
11634 | chapter or its application to any person or circumstance is held
11635 | invalid, the invalidity does not affect other provisions or
11636 | applications of this chapter which can be given effect without
11637 | the invalid provision or application, and to this end the
11638 | provisions of this chapter are severable.

11639 | Section 232. Subsections (2) and (3) of section 607.504,
11640 | Florida Statutes, are amended to read:

11641 | 607.504 Election of social purpose corporation status.—

11642 | (2) A plan of merger, domestication, conversion, or share
11643 | exchange must be adopted by the minimum status vote if an entity
11644 | that is not a social purpose corporation is a party to the
11645 | merger, domestication, or conversion or if the exchanging entity
11646 | in a share exchange and the surviving, new, or resulting entity
11647 | is, or will be, a social purpose corporation.

11648 | (3) If an entity elects to become a social purpose
11649 | corporation by amendment of the articles of incorporation or by
11650 | a merger, conversion, or share exchange, the shareholders of the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11651 entity are entitled to appraisal rights under and pursuant to
 11652 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11653 Section 233. Subsections (2) and (3) of section 607.604,
 11654 Florida Statutes, are amended to read:

11655 607.604 Election of benefit corporation status.—

11656 (2) A plan of merger, domestication, conversion, or share
 11657 exchange must be adopted by the minimum status vote if an entity
 11658 that is not a benefit corporation is a party to a merger,
 11659 domestication, or conversion or if the exchanging entity in a
 11660 share exchange and the surviving, new, or resulting entity is,
 11661 or will be, a benefit corporation.

11662 (3) If an entity elects to become a benefit corporation by
 11663 amendment of the articles of incorporation or by a merger,
 11664 domestication, conversion, or share exchange, the shareholders
 11665 of the entity are entitled to appraisal rights under and
 11666 pursuant to ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11667 Section 234. Paragraph (b) of subsection (23) and
 11668 subsections (55) and (58) of section 605.0102, Florida Statutes,
 11669 are amended to read:

11670 605.0102 Definitions.—As used in this chapter, the term:

11671 (23)

11672 (b) "Entity" does not include:

11673 1. An individual;

11674 2. A trust with a predominantly donative purpose or a
 11675 charitable trust;

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11676 | 3. An association or relationship that is not a
 11677 | partnership solely by reason of s. 620.8202(2) ~~s. 620.8202(3)~~ or
 11678 | a similar provision of the law of another jurisdiction;

11679 | 4. A decedent's estate; or

11680 | 5. A government or a governmental subdivision, agency, or
 11681 | instrumentality.

11682 | (55) "Private organic rules" means the rules, whether or
 11683 | not in a record, which govern the internal affairs of an entity,
 11684 | are binding on all its interest holders, and are not part of its
 11685 | public organic record, if any. Where private organic rules have
 11686 | been amended or restated, the term means the private organic
 11687 | rules as last amended or restated. The term includes:

11688 | (a) The bylaws of a business corporation.

11689 | (b) The bylaws of a nonprofit corporation.

11690 | (c) The partnership agreement of a general partnership.

11691 | (d) The partnership agreement of a limited partnership.

11692 | (e) The operating agreement, limited liability company
 11693 | agreement, or similar agreement of a limited liability company.

11694 | (f) The bylaws, trust instrument, or similar rules of a
 11695 | real estate investment trust.

11696 | (g) The trust instrument of a statutory trust or similar
 11697 | rules of a business trust or common law business trust.

11698 | (58) "Public organic record" means a record, the filing of
 11699 | which by a governmental body is required to form an entity, and
 11700 | an amendment to or restatement of that record. Where a public

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11701 organic record has been amended or restated, the term means the
 11702 public organic record as last amended or restated. The term
 11703 includes the following:
 11704 (a) The articles of incorporation of a business
 11705 corporation.
 11706 (b) The articles of incorporation of a nonprofit
 11707 corporation.
 11708 (c) The certificate of limited partnership of a limited
 11709 partnership.
 11710 (d) The articles of organization of a limited liability
 11711 company.
 11712 (e) The articles of incorporation of a general cooperative
 11713 association or a limited cooperative association.
 11714 (f) The certificate of trust of a statutory trust or
 11715 similar record of a business trust.
 11716 (g) The articles of incorporation of a real estate
 11717 investment trust.
 11718 Section 235. Paragraph (i) of subsection (3) of section
 11719 605.0105, Florida Statutes, is amended to read:
 11720 605.0105 Operating agreement; scope, function, and
 11721 limitations.—
 11722 (3) An operating agreement may not do any of the
 11723 following:
 11724 (i) Vary the grounds for dissolution specified in s.
 11725 605.0702. A deadlock resolution mechanism does not vary the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11726 grounds for dissolution for the purposes of this paragraph.

11727 Section 236. Paragraphs (a) and (b) of subsection (1) of
 11728 section 605.0112, Florida Statutes, are amended, and subsection
 11729 (6) is added to that section, to read:

11730 605.0112 Name.—

11731 (1) The name of a limited liability company:

11732 (a) Must contain the words "limited liability company" or
 11733 the abbreviation "L.L.C." or "LLC—" as will clearly indicate
 11734 that it is a limited liability company instead of a natural
 11735 person, partnership, corporation, or other business entity.

11736 (b) Must be distinguishable in the records of the ~~Division~~
 11737 ~~of Corporations of the~~ department from the names of all other
 11738 entities or filings that are on file with the department
 11739 ~~division~~, except fictitious name registrations pursuant to s.
 11740 865.09, general partnership registrations pursuant to s.
 11741 620.8105, and limited liability partnership statements pursuant
 11742 to s. 620.9001 which are organized, registered, or reserved
 11743 under the laws of this state; however, a limited liability
 11744 company may register under a name that is not otherwise
 11745 distinguishable on the records of the department ~~division~~ with
 11746 the written consent of the other ~~owner~~ entity if the consent is
 11747 filed with the department ~~division~~ at the time of registration
 11748 of such name and if such name is not identical to the name of
 11749 the other entity. A name that is different from the name of
 11750 another entity or filing due to any of the following is not

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11751 | considered distinguishable:

11752 | 1. A suffix.

11753 | 2. A definite or indefinite article.

11754 | 3. The word "and" and the symbol "&."

11755 | 4. The singular, plural, or possessive form of a word.

11756 | 5. ~~A recognized abbreviation of a root word.~~

11757 | ~~6.~~ A punctuation mark or a symbol.

11758 | (6) A limited liability company in existence before

11759 | January 1, 2020, that has a name that does not clearly indicate

11760 | that it is a limited liability company instead of a natural

11761 | person, partnership, corporation, or other business entity may

11762 | continue using such name until the limited liability company

11763 | dissolves or amends its name in the records of the department.

11764 | Section 237. Section 605.01125, Florida Statutes, is

11765 | created to read:

11766 | 605.01125 Reserved name.—

11767 | (1) A person may reserve the exclusive use of the name of

11768 | a limited liability company, including an alternate name for a

11769 | foreign limited liability company whose name is not available,

11770 | by delivering an application to the department for filing. The

11771 | application must set forth the name and address of the applicant

11772 | and the name proposed to be reserved. If the department finds

11773 | that the name of the limited liability company applied for is

11774 | available, it must reserve the name for the applicant's

11775 | exclusive use for a nonrenewable 120-day period.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11776 (2) The owner of a reserved name of a limited liability
 11777 company may transfer the reservation to another person by
 11778 delivering to the department a signed notice of the transfer
 11779 that states the name and address of the transferee.

11780 (3) The department may revoke any reservation if, after a
 11781 hearing, it finds that the application therefor or any transfer
 11782 thereof was not made in good faith.

11783 Section 238. Subsections (1) and (5) of section 605.0113,
 11784 Florida Statutes, are amended, and subsection (6) is added to
 11785 that section, to read:

11786 605.0113 Registered agent.—

11787 (1) Each limited liability company and each foreign
 11788 limited liability company that has a certificate of authority
 11789 under s. 605.0902 shall designate and continuously maintain in
 11790 this state:

11791 (a) A registered office, which may be the same as its
 11792 place of business in this state; and

11793 (b) A registered agent, who must be:

11794 1. An individual who resides in this state and whose
 11795 business address is identical to the address of the registered
 11796 office; ~~or~~

11797 2. Another domestic entity that is an authorized entity
 11798 and whose business address is identical to the address of the
 11799 registered office; or

11800 3. A foreign entity authorized to transact business in

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11801 this state that is an authorized entity and ~~A foreign or~~
 11802 ~~domestic entity authorized to transact business in this state~~
 11803 whose business address is identical to the address of the
 11804 registered office.

11805 (5) A limited liability company and each foreign limited
 11806 liability company that has a certificate of authority under s.
 11807 605.0902 may not prosecute or maintain, ~~maintain, or defend~~ an
 11808 action in a court in this state until the limited liability
 11809 company complies with this section, pays to the department any
 11810 amounts required under this chapter, and, to the extent ordered
 11811 by a court of competent jurisdiction, ~~and~~ pays to the department
 11812 a penalty of \$5 for each day it has failed to comply or \$500,
 11813 whichever is less, and pays any other amounts required under
 11814 this chapter.

11815 (6) For the purposes of this section, "authorized entity"
 11816 means:

- 11817 (a) A corporation for profit.
- 11818 (b) A limited liability company.
- 11819 (c) A limited liability partnership.
- 11820 (d) A limited partnership, including a limited liability
 11821 limited partnership.

11822 Section 239. Paragraphs (c), (d), and (e) of subsection
 11823 (1) of section 605.0114, Florida Statutes, are amended to read:
 11824 605.0114 Change of registered agent or registered office.—
 11825 (1) In order to change its registered agent or registered

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11826 office address, a limited liability company or a foreign limited
 11827 liability company may deliver to the department for filing a
 11828 statement of change containing the following:

11829 (c) If the current registered agent is to be changed, the
 11830 name of the new registered agent.

11831 (d) The street address of its current registered office
 11832 for its current registered agent.

11833 (e) If the street address of the current registered office
 11834 is to be changed, the new street address of the registered
 11835 office in this state.

11836 Section 240. Subsection (2) of section 605.0115, Florida
 11837 Statutes, is amended to read:

11838 605.0115 Resignation of registered agent.—

11839 (2) After delivering the statement of resignation to ~~with~~
 11840 the department for filing, the registered agent must promptly
 11841 ~~shall~~ mail a copy to the limited liability company's or foreign
 11842 limited liability company's current mailing address.

11843 Section 241. Paragraphs (b) through (e) of subsection (1)
 11844 of section 605.0116, Florida Statutes, are amended to read:

11845 605.0116 Change of name or address by registered agent.—

11846 (1) If a registered agent changes his or her name or
 11847 address, the agent may deliver to the department for filing a
 11848 statement of change that provides the following:

11849 (b) The name of the registered agent as currently shown in
 11850 the records of the department for the limited liability company

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11851 or foreign limited liability company.

11852 (c) If the name of the registered agent has changed, its
11853 new name.

11854 (d) If the address of the registered agent has changed,
11855 the new address.

11856 (e) A statement that the registered agent has given the
11857 notice required under subsection (2).

11858 Section 242. Present subsection (7) of section 605.0117,
11859 Florida Statutes, is redesignated as subsection (8), subsections
11860 (1), (2), (3), (4), and (6) of that section are amended, and a
11861 new subsection (7) is added to that section, to read:

11862 605.0117 Service of process, notice, or demand.—

11863 (1) A limited liability company or registered foreign
11864 limited liability company may be served with process, ~~notice, or~~
11865 ~~a demand~~ required or authorized by law by serving on its
11866 registered agent.

11867 (2) If a limited liability company or registered foreign
11868 limited liability company ceases to have a registered agent or
11869 if its registered agent cannot with reasonable diligence be
11870 served, the process, ~~notice, or demand~~ required or permitted by
11871 law may instead be served:

11872 (a) On a member of a member-managed limited liability
11873 company or registered foreign limited liability company; or

11874 (b) On a manager of a manager-managed limited liability
11875 company or registered foreign limited liability company.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11876 (3) If the process, ~~notice, or demand~~ cannot be served on
 11877 a limited liability company or registered foreign limited
 11878 liability company pursuant to subsection (1) or subsection (2),
 11879 the process, ~~notice, or demand~~ may be served on the secretary of
 11880 state department as an agent of the company.

11881 (4) Service of process on the secretary of state ~~with~~
 11882 ~~process, notice, or a demand on the department~~ may be made by
 11883 delivering to and leaving with the department duplicate copies
 11884 of the process, ~~notice, or demand~~.

11885 (6) The department shall keep a record of each process,
 11886 ~~notice, and demand~~ served pursuant to this section and record
 11887 the time of and the action taken regarding the service.

11888 (7) Any notice or demand on a limited liability company or
 11889 registered foreign limited liability company under this chapter
 11890 may be given or made to any member of a member-managed limited
 11891 liability company or registered foreign limited liability
 11892 company or to any manager of a manager-managed limited liability
 11893 company or registered foreign limited liability company; to the
 11894 registered agent of the limited liability company or registered
 11895 foreign limited liability company at the registered office of
 11896 the limited liability company or registered foreign limited
 11897 liability company in this state; or to any other address in this
 11898 state that is in fact the principal office of the limited
 11899 liability company or registered foreign limited liability
 11900 company in this state.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11901 Section 243. Subsection (3) of section 605.0118, Florida
 11902 Statutes, is amended to read:

11903 605.0118 Delivery of record.—

11904 (3) If a check is mailed to the department for payment of
 11905 an annual report fee or the annual supplemental fee required
 11906 under s. 607.193, the check shall be deemed to have been
 11907 received by the department as of the postmark date appearing on
 11908 the envelope or package transmitting the check if the envelope
 11909 or package is received by the department.

11910 Section 244. Section 605.0207, Florida Statutes, is
 11911 amended to read:

11912 605.0207 Effective date and time.—Except as otherwise
 11913 provided in s. 605.0208, and subject to s. 605.0209(3), any
 11914 document delivered to the department for filing under this
 11915 chapter may specify an effective time and a delayed effective
 11916 date. In the case of initial articles of organization, a prior
 11917 effective date may be specified in the articles of organization
 11918 if such date is within 5 business days before the date of
 11919 filing. Subject to ss. 605.0114, 605.0115, 605.0208, and
 11920 605.0209, a record filed by the department is effective:

11921 (1) If the record filed does not specify an effective time
 11922 and does not specify a prior or a delayed effective date, on the
 11923 date and at the time the record is accepted ~~filed~~ as evidenced
 11924 by the department's endorsement of the date and time on the
 11925 filing ~~record~~.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11926 (2) If the record filed specifies an effective time, but
 11927 not a prior or delayed effective date, on the date the record is
 11928 filed at the time specified in the filing ~~record~~.

11929 (3) If the record filed specifies a delayed effective
 11930 date, but not an effective time, at 12:01 a.m. on the earlier
 11931 of:

11932 (a) The specified date; or

11933 (b) The 90th day after the record is filed.

11934 (4) If the record filed specifies a delayed effective date
 11935 and an effective time, at the specified time on or the earlier
 11936 of:

11937 (a) The specified date; or

11938 (b) The 90th day after the record is filed.

11939 (5)-(4) If the record filed is the initial articles of
 11940 organization and specifies an effective ~~a~~ date before the
 11941 ~~effective~~ date of the filing, but no effective time, at 12:01
 11942 a.m. on the later of:

11943 (a) The specified date; or

11944 (b) The 5th business day before the record is filed.

11945 (6)-(5) If the record filed is the initial articles of
 11946 organization and specifies an effective time and an effective ~~a~~
 11947 ~~delayed effective date, at the specified time on the earlier of:~~

11948 ~~(a) The specified date; or~~

11949 ~~(b) The 90th day after the record is filed.~~

11950 ~~(6) If the record specifies an effective time and a prior~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11951 ~~effective~~ date before the date of the filing, at the specified
 11952 time on the later of:

- 11953 (a) The specified date; or
- 11954 (b) The 5th business day before the record is filed.
- 11955 (7) If a filed document does not specify the time zone or
 11956 place at which the date or time, or both, is to be determined,
 11957 the date or time, or both, at which it becomes effective shall
 11958 be those prevailing at the place of filing in this state.

11959 Section 245. Subsection (3) of section 605.0209, Florida
 11960 Statutes, is amended to read:

11961 605.0209 Correcting filed record.—

- 11962 (3) A statement of correction:
 - 11963 (a) May not state a delayed effective date;
 - 11964 (b) Must be signed by the person correcting the filed
 11965 record;
 - 11966 (c) Must identify the filed record to be corrected,
 11967 including such record's filing date, or attach a copy of the
 11968 record to the statement of correction;
 - 11969 (d) Must specify the inaccuracy or defect to be corrected;
 11970 and
 - 11971 (e) Must correct the inaccuracy or defect.

11972 Section 246. Subsection (7) of section 605.0210, Florida
 11973 Statutes, is amended to read:

11974 605.0210 Duty of department to file; review of refusal to
 11975 file; transmission of information by department.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

11976 (7) If the department refuses to file a record delivered
 11977 to its office for filing, the person who submitted the record
 11978 for filing may petition the Circuit Court of Leon County to
 11979 compel filing of the record. The record and the explanation from
 11980 ~~of~~ the department of the refusal to file must be attached to the
 11981 petition. The court may decide the matter in a summary
 11982 proceeding and the court may summarily order the department to
 11983 file the record or take other action the court considers
 11984 appropriate. The court's final decision may be appealed as in
 11985 other civil proceedings.

11986 Section 247. Paragraph (a) of subsection (2) and
 11987 subsection (3) of section 605.0211, Florida Statutes, are
 11988 amended to read:

11989 605.0211 Certificate of status.—

11990 (2) The department, upon request and payment of the
 11991 requisite fee, shall furnish a certificate of status for a
 11992 foreign limited liability company if the records filed show that
 11993 the department has filed a certificate of authority. A
 11994 certificate of status for a foreign limited liability company
 11995 must state the following:

11996 (a) The foreign limited liability company's name and any ~~a~~
 11997 current alternate name adopted under s. 605.0906(1) for use in
 11998 this state.

11999 (3) Subject to any qualification stated in the certificate
 12000 of status, a certificate of status issued by the department is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12001 | conclusive evidence that the domestic limited liability company
 12002 | is in existence and is of active status in this state or the
 12003 | foreign limited liability company is authorized to transact
 12004 | business in this state and is of active status in this state.

12005 | Section 248. Section 605.0215, Florida Statutes, is
 12006 | amended to read:

12007 | 605.0215 Certificates to be received in evidence and
 12008 | evidentiary effect of copy of filed document.—All certificates
 12009 | issued by the department in accordance with this chapter shall
 12010 | be taken and received in all courts, public offices, and
 12011 | official bodies as prima facie evidence of the facts stated. A
 12012 | certificate from the department delivered with a copy of a
 12013 | document filed by the department bearing the signature of the
 12014 | secretary of state, which may be in facsimile, and the seal of
 12015 | this state is conclusive evidence that the original document is
 12016 | on file with the department.

12017 | Section 249. Subsections (1) through (4) of section
 12018 | 605.04092, Florida Statutes, are amended to read:

12019 | 605.04092 Conflict of interest transactions.—

12020 | (1) As used in this section, the following terms and
 12021 | definitions apply:

12022 | (a) A member or manager is "indirectly" a party to a
 12023 | transaction if that member or manager has a material financial
 12024 | interest in or is a director, officer, member, manager, or
 12025 | partner of a person, other than the limited liability company,

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12026 | who is a party to the transaction.

12027 | (b) A member or manager has an "indirect material
12028 | financial interest" if a ~~spouse or other~~ family member has a
12029 | material financial interest in the transaction, other than
12030 | having an indirect interest as a member or manager of the
12031 | limited liability company, or if the transaction is with an
12032 | entity, other than the limited liability company, which has a
12033 | material financial interest in the transaction and controls, or
12034 | is controlled by, the member or manager or another person
12035 | specified in this subsection.

12036 | (c) "Fair to the limited liability company" means that the
12037 | transaction, as a whole, is beneficial to the limited liability
12038 | company and its members, taking into appropriate account whether
12039 | it is:

12040 | 1. Fair in terms of the member's or manager's dealings
12041 | with the limited liability company in connection with that
12042 | transaction; and

12043 | 2. Comparable to what might have been obtainable in an
12044 | arm's length transaction.

12045 | (d) "Family member" includes any of the following:

12046 | 1. The member's or manager's spouse.

12047 | 2. A child, stepchild, parent, stepparent, grandparent,
12048 | sibling, step sibling, or half sibling of the member or manager
12049 | or the member's or manager's spouse.

12050 | (e) "Manager's conflict of interest transaction" means a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12051 transaction between a limited liability company and one or more
 12052 of its managers, or another entity in which one or more of the
 12053 limited liability company's managers is directly or indirectly a
 12054 party to the transaction, other than being an indirect party as
 12055 a result of being a member of the limited liability company, and
 12056 has a direct or indirect material financial interest or other
 12057 material interest.

12058 (f) "Material financial interest" or "other material
 12059 interest" means a financial or other interest in the transaction
 12060 that would reasonably be expected to impair the objectivity of
 12061 the judgment of the member or manager when participating in the
 12062 action on the authorization of the transaction.

12063 (g) "Member's conflict of interest transaction" means a
 12064 transaction between a limited liability company and one or more
 12065 of its members, or another entity in which one or more of the
 12066 limited liability company's members is directly or indirectly a
 12067 party to the transaction, other than being an indirect party as
 12068 a result of being a member of the limited liability company, and
 12069 has a direct or indirect material financial interest or other
 12070 material interest.

12071 (2) If the requirements of this section have been
 12072 satisfied, a member's conflict of interest transaction or a
 12073 manager's conflict of interest transaction between a limited
 12074 liability company and one or more of its members or managers, or
 12075 another entity in which one or more of the limited liability

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12076 | company's members or managers have a financial or other
 12077 | interest, is not void or voidable because of that relationship
 12078 | or interest; because the members or managers are present at the
 12079 | meeting of the members or managers at which the transaction was
 12080 | authorized, approved, effectuated, or ratified; or because the
 12081 | votes of the members or managers are counted for such purpose.

12082 | (3) If a member's conflict of interest transaction or a
 12083 | manager's conflict of interest transaction is fair to the
 12084 | limited liability company at the time it is authorized,
 12085 | approved, effectuated, or ratified, the fact that a member or
 12086 | manager of the limited liability company is directly or
 12087 | indirectly a party to the transaction, other than being an
 12088 | indirect party as a result of being a member or manager of the
 12089 | limited liability company, or has a direct or indirect material
 12090 | financial interest or other interest in the transaction, other
 12091 | than having an indirect interest as a result of being a member
 12092 | or manager of the limited liability company, is not grounds for
 12093 | equitable relief and does not give rise to an award of damages
 12094 | or other sanctions.

12095 | (4) (a) In a proceeding challenging the validity of a
 12096 | member's conflict of interest transaction or a manager's
 12097 | conflict of interest transaction or in a proceeding seeking
 12098 | equitable relief, award of damages, or other sanctions with
 12099 | respect to a member's conflict of interest transaction or a
 12100 | manager's conflict of interest transaction, ~~described in~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12101 ~~subsection (3),~~ the person challenging the validity or seeking
 12102 equitable relief, award of damages, or other sanctions has the
 12103 burden of proving the lack of fairness of the transaction if:
 12104 1. In a manager-managed limited liability company, the
 12105 material facts of the transaction and the member's or manager's
 12106 interest in the transaction were disclosed or known to the
 12107 managers or a committee of managers who voted upon the
 12108 transaction and the transaction was authorized, approved, or
 12109 ratified by a majority of the disinterested managers even if the
 12110 disinterested managers constitute less than a quorum; however,
 12111 the transaction cannot be authorized, approved, or ratified
 12112 under this subsection solely by a single manager; and
 12113 2. In a member-managed limited liability company, or a
 12114 manager-managed limited liability company in which the managers
 12115 have failed to or cannot act under subparagraph 1., the material
 12116 facts of the transaction and the member's or manager's interest
 12117 in the transaction were disclosed or known to the members who
 12118 voted upon such transaction and the transaction was authorized,
 12119 approved, or ratified by a majority-in-interest of the
 12120 disinterested members even if the disinterested members
 12121 constitute less than a quorum; however, the transaction cannot
 12122 be authorized, approved, or ratified under this subsection
 12123 solely by a single member; or
 12124 (b) If neither of the conditions provided in paragraph (a)
 12125 has been satisfied, the person defending or asserting the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12126 | validity of a member's conflict of interest transaction or a
 12127 | manager's conflict of interest transaction ~~described in~~
 12128 | ~~subsection (3)~~ has the burden of proving its fairness in a
 12129 | proceeding challenging the validity of the transaction.

12130 | Section 250. Paragraph (c) of subsection (3) of section
 12131 | 605.0410, Florida Statutes, is amended to read:

12132 | 605.0410 Records to be kept; rights of member, manager,
 12133 | and person dissociated to information.—

12134 | (3) In a manager-managed limited liability company, the
 12135 | following rules apply:

12136 | (c) Within 10 days after receiving a demand pursuant to
 12137 | subparagraph (b)2. ~~(2)(b)2.~~, the company shall, in a record,
 12138 | inform the member who made the demand of:

12139 | 1. The information that the company will provide in
 12140 | response to the demand and when and where the company will
 12141 | provide the information; and

12142 | 2. The company's reasons for declining, if the company
 12143 | declines to provide any demanded information.

12144 | Section 251. Paragraph (b) of subsection (1) and
 12145 | subsection (2) of section 605.0702, Florida Statutes, are
 12146 | amended, and subsections (3), (4), and (5) are added to that
 12147 | section, to read:

12148 | 605.0702 Grounds for judicial dissolution.—

12149 | (1) A circuit court may dissolve a limited liability
 12150 | company:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12151 (b) In a proceeding by a manager or member to dissolve the
 12152 limited liability company if it is established that:

12153 1. The conduct of all or substantially all of the
 12154 company's activities and affairs is unlawful;

12155 2. It is not reasonably practicable to carry on the
 12156 company's activities and affairs in conformity with the articles
 12157 of organization and the operating agreement;

12158 3. The managers or members in control of the company have
 12159 acted, are acting, or are reasonably expected to act in a manner
 12160 that is illegal or fraudulent;

12161 4. The limited liability company's assets are being
 12162 misappropriated or wasted, causing injury to the limited
 12163 liability company, or in a proceeding by a member, causing
 12164 injury to one or more of its members; or

12165 5. The managers or the members of the limited liability
 12166 company are deadlocked in the management of the limited
 12167 liability company's activities and affairs, the members are
 12168 unable to break the deadlock, and irreparable injury to the
 12169 limited liability company is threatened or being suffered.

12170 (2) (a) If the managers or the members of the limited
 12171 liability company are deadlocked in the management of the
 12172 limited liability company's activities and affairs, the members
 12173 are unable to break the deadlock, and irreparable injury to the
 12174 limited liability company is threatened or being suffered, if
 12175 the operating agreement contains a deadlock sale provision that

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12176 | has been initiated before the time that the court determines
 12177 | that the grounds for judicial dissolution exist under
 12178 | subparagraph (1)(b)5., then such deadlock sale provision applies
 12179 | to the resolution of such deadlock instead of the court entering
 12180 | an order of judicial dissolution or an order directing the
 12181 | purchase of petitioner's interest under s. 605.0706, so long as
 12182 | the provisions of such deadlock sale provision are thereafter
 12183 | initiated and effectuated in accordance with the terms of such
 12184 | deadlock sale provision or otherwise pursuant to an agreement of
 12185 | the members of the company.

12186 | **(b)** As used in this section, the term "deadlock sale
 12187 | provision" means a provision in an operating agreement which is
 12188 | or may be applicable in the event of a deadlock among the
 12189 | managers or the members of the limited liability company which
 12190 | the members of the company are unable to break and which
 12191 | provides for a deadlock breaking mechanism, including, but not
 12192 | limited to:

- 12193 | 1. A redemption or a purchase and sale of interests; ~~or~~
- 12194 | 2. A governance change, among or between members;
- 12195 | 3. The sale of the company or all or substantially all of
 12196 | the assets of the company; or
- 12197 | 4. A similar provision that, if initiated and effectuated,
 12198 | breaks the deadlock by causing the transfer of interests, a
 12199 | governance change, or the sale of all or substantially all of
 12200 | the company's assets. ~~A deadlock sale provision in an operating~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12201 ~~agreement which is not initiated and effectuated before the~~
 12202 ~~court enters an order of judicial dissolution under subparagraph~~
 12203 ~~(1) (b) 5. or an order directing the purchase of petitioner's~~
 12204 ~~interest under s. 605.0706 does not adversely affect the rights~~
 12205 ~~of members and managers to seek judicial dissolution under~~
 12206 ~~subparagraph (1) (b) 5. or the rights of the company or one or~~
 12207 ~~more members to purchase the petitioner's interest under s.~~
 12208 ~~605.0706. The filing of an action for judicial dissolution on~~
 12209 ~~the grounds described in subparagraph (1) (b) 5. or an election to~~
 12210 ~~purchase the petitioner's interest under s. 605.0706 does not~~
 12211 ~~adversely affect the right of a member to initiate an available~~
 12212 ~~deadlock sale provision under the operating agreement or to~~
 12213 ~~enforce a member initiated or an automatically initiated~~
 12214 ~~deadlock sale provision if the deadlock sale provision is~~
 12215 ~~initiated and effectuated before the court enters an order of~~
 12216 ~~judicial dissolution under subparagraph (1) (b) 5. or an order~~
 12217 ~~directing the purchase of petitioner's interest under s.~~
 12218 ~~605.0706.~~

12219 (3) A deadlock sale provision in an operating agreement
 12220 which is not initiated and effectuated before the court enters
 12221 an order of judicial dissolution under subparagraph (1) (b) 5. or
 12222 an order directing the purchase of petitioner's interest under
 12223 s. 605.0706, does not adversely affect the rights of members and
 12224 managers to seek judicial dissolution under subparagraph
 12225 (1) (b) 5. or the rights of the company or one or more members to

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12226 purchase the petitioner's interest under s. 605.0706. The filing
 12227 of an action for judicial dissolution on the grounds described
 12228 in subparagraph (1)(b)5. or an election to purchase the
 12229 petitioner's interest under s. 605.0706, does not adversely
 12230 affect the right of a member to initiate an available deadlock
 12231 sale provision under the operating agreement or to enforce a
 12232 member-initiated or an automatically-initiated deadlock sale
 12233 provision if the deadlock sale provision is initiated and
 12234 effectuated before the court enters an order of judicial
 12235 dissolution under subparagraph (1)(b)5. or an order directing
 12236 the purchase of petitioner's interest under s. 605.0706.

12237 Section 252. Subsections (1), (2), (4), (5), (6), (7), and
 12238 (8) of section 605.0706, Florida Statutes, are amended to read:

12239 605.0706 Election to purchase instead of dissolution.—

12240 (1) In a proceeding initiated by a member of a limited
 12241 liability company under s. 605.0702(1)(b) ~~to dissolve the~~
 12242 ~~company~~, the company may elect, or, if it fails to elect, one or
 12243 more other members may elect, to purchase the entire interest of
 12244 the petitioner in the company at the fair value of the interest.
 12245 An election pursuant to this section is irrevocable unless the
 12246 court determines that it is equitable to set aside or modify the
 12247 election.

12248 (2) An election to purchase pursuant to this section may
 12249 be filed with the court within 90 days after the filing of the
 12250 petition by the petitioning member under s. 605.0702(1)(b) ~~or~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12251 ~~(2)~~ or at such later time as the court may allow. If the
 12252 election to purchase is filed, the company shall within 10 days
 12253 thereafter give written notice to all members, other than the
 12254 petitioning member. The notice must describe the interest in the
 12255 company owned by each petitioning member and must advise the
 12256 recipients of their right to join in the election to purchase
 12257 the petitioning member's interest in accordance with this
 12258 section. Members who wish to participate must file notice of
 12259 their intention to join in the purchase within 30 days after the
 12260 effective date of the notice. A member who has filed an election
 12261 or notice of the intent to participate in the election to
 12262 purchase thereby becomes a party to the proceeding and shall
 12263 participate in the purchase in proportion to the ownership
 12264 interest as of the date the first election was filed unless the
 12265 members otherwise agree or the court otherwise directs. After an
 12266 election to purchase has been filed by the limited liability
 12267 company or one or more members, the proceeding under s.
 12268 605.0702(1)(b) ~~or (2)~~ may not be discontinued or settled, and
 12269 the petitioning member may not sell or otherwise dispose of the
 12270 interest of the petitioner in the company unless the court
 12271 determines that it would be equitable to the company and the
 12272 members, other than the petitioner, to authorize such
 12273 discontinuance, settlement, sale, or other disposition or the
 12274 sale is pursuant to a deadlock sale provision described in s.
 12275 605.0702(1)(b).

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12276 (4) If the parties are unable to reach an agreement as
 12277 provided for in subsection (3), the court, upon application of a
 12278 party, may ~~shall~~ stay the proceedings to dissolve under s.
 12279 605.0702(1)(b) and shall, whether or not the proceeding is
 12280 stayed, determine the fair value of the petitioner's interest as
 12281 of the day before the date on which the petition was filed or as
 12282 of such other date as the court deems appropriate under the
 12283 circumstances.

12284 (5) Upon determining the fair value of the petitioner's
 12285 interest in the company, unless the petitioner's interest has
 12286 been acquired pursuant to a deadlock sale provision before the
 12287 order, the court shall enter an order directing the purchase
 12288 upon such terms and conditions as the court deems appropriate,
 12289 which may include: payment of the purchase price in
 12290 installments, when necessary in the interests of equity; a
 12291 provision for security to ensure payment of the purchase price
 12292 and additional costs, fees, and expenses as may have been
 12293 awarded; and, if the interest is to be purchased by members, the
 12294 allocation of the interest among those members. In allocating
 12295 the petitioner's interest among holders of different classes or
 12296 series of interests in the company, the court shall attempt to
 12297 preserve any ~~the~~ existing distribution of voting rights among
 12298 holders of different classes or series insofar as practicable
 12299 and may direct that holders of any a specific class or classes
 12300 or series may not participate in the purchase. Interest may be

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12301 allowed at the rate and from the date determined by the court to
 12302 be equitable; however, if the court finds that the refusal of
 12303 the petitioning member to accept an offer of payment was
 12304 arbitrary or otherwise not in good faith, payment of interest is
 12305 not allowed. If the court finds that the petitioning member had
 12306 probable grounds for relief under s. 605.0702(1)(b) ~~s.~~
 12307 ~~605.0702(1)(b)3. or 4.~~, it may award expenses to the petitioning
 12308 member, including reasonable fees and expenses of counsel and of
 12309 experts employed by petitioner.

12310 (6) The ~~Upon~~ entry of an order under subsection (3) or
 12311 subsection (5) shall be subject to subsection (8), and the order
 12312 may not be entered unless the award is determined by the court
 12313 to be allowed under subsection (8). In determining compliance
 12314 with s. 605.0405, the court may rely on an affidavit from the
 12315 limited liability company as to compliance with that section as
 12316 of the measurement date. Upon entry of an order under subsection
 12317 (3) or subsection (5), the court shall dismiss the petition to
 12318 dissolve the limited liability company under s. 605.0702(1)(b),
 12319 and the petitioning member shall no longer have rights or status
 12320 as a member of the limited liability company except the right to
 12321 receive the amounts awarded by the order of the court, which
 12322 shall be enforceable in the same manner as any other judgment.

12323 (7) The purchase ordered pursuant to subsection (5) shall
 12324 ~~must~~ be made within 10 days after the date the order becomes
 12325 final ~~unless, before that time, the limited liability company~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12326 | ~~files with the court a notice of its intention to dissolve~~
 12327 | ~~pursuant to s. 605.0701(2), in which case articles of~~
 12328 | ~~dissolution for the company must be filed within 50 days~~
 12329 | ~~thereafter. Upon filing of such articles of dissolution, the~~
 12330 | ~~limited liability company shall be wound up in accordance with~~
 12331 | ~~ss. 605.0709-605.0713, and the order entered pursuant to~~
 12332 | ~~subsection (5) shall no longer be of force or effect except that~~
 12333 | ~~the court may award the petitioning member reasonable fees and~~
 12334 | ~~expenses of counsel and experts in accordance with subsection~~
 12335 | ~~(5), and the petitioner may continue to pursue any claims~~
 12336 | ~~previously asserted on behalf of the limited liability company.~~

12337 | (8) Any award ~~A payment by the limited liability company~~
 12338 | ~~pursuant to an order under subsection (3) or subsection (5),~~
 12339 | ~~other than an award of fees and expenses pursuant to subsection~~
 12340 | ~~(5), is subject to s. 605.0405. Unless otherwise provided in the~~
 12341 | ~~court's order, the effect of a distribution under s. 605.0405~~
 12342 | ~~shall be measured as of the date of the court's order under~~
 12343 | ~~subsection (3) or subsection (5).~~

12344 | Section 253. Subsection (5) of section 605.0715, Florida
 12345 | Statutes, is amended, and subsection (6) is added to that
 12346 | section, to read:

12347 | 605.0715 Reinstatement.—

12348 | (5) The name of the dissolved limited liability company is
 12349 | not available for assumption or use by another business entity
 12350 | until 1 year after the effective date of dissolution unless the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12351 dissolved limited liability company provides the department with
 12352 a record executed as required pursuant to s. 605.0203 permitting
 12353 the immediate assumption or use of the name by another business
 12354 entity ~~limited liability company~~.

12355 (6) If the name of the dissolved limited liability company
 12356 has been lawfully assumed in this state by another business
 12357 entity, the department shall require the dissolved limited
 12358 liability company to amend its articles of organization to
 12359 change its name before accepting the application for
 12360 reinstatement.

12361 Section 254. Subsections (2) and (3) of section 605.0716,
 12362 Florida Statutes, are amended, and subsection (4) is added to
 12363 that section, to read:

12364 605.0716 Judicial review of denial of reinstatement.—

12365 (2) Within 30 days after service of a notice of denial of
 12366 reinstatement, a limited liability company may appeal the denial
 12367 by petitioning the Circuit Court of Leon County ~~in the~~
 12368 ~~applicable county, as defined in s. 605.0711(15),~~ to set aside
 12369 the dissolution. The petition must be served on the department
 12370 and contain a copy of the department's notice of administrative
 12371 dissolution, the company's application for reinstatement, and
 12372 the department's notice of denial.

12373 (3) The circuit court may order the department to
 12374 reinstate a dissolved limited liability company or take other
 12375 action the court considers appropriate.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12376 (4) The circuit court's final decision may be appealed as
 12377 in other civil proceedings.

12378 Section 255. Section 605.0801, Florida Statutes, is
 12379 amended to read:

12380 605.0801 Direct action by member.—

12381 (1) Subject to subsection (2), a member may maintain a
 12382 direct action against another member, a manager, or the limited
 12383 liability company to enforce the member's rights and otherwise
 12384 protect the member's interests, including rights and interests
 12385 under the operating agreement or this chapter or arising
 12386 independently of the membership relationship.

12387 (2) A member maintaining a direct action under this
 12388 section must plead and prove either:

12389 (a) An actual or threatened injury that is not solely the
 12390 result of an injury suffered or threatened to be suffered by the
 12391 limited liability company; or

12392 (b) An actual or threatened injury resulting from a
 12393 violation of a separate statutory or contractual duty owed by
 12394 the alleged wrongdoer to the member, even if the injury is in
 12395 whole or in part the same as the injury suffered or threatened
 12396 to be suffered by the limited liability company.

12397 Section 256. Section 605.0803, Florida Statutes, is
 12398 amended to read:

12399 605.0803 Proper plaintiff.—A derivative action to enforce
 12400 a right of a limited liability company may be commenced

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12401 ~~maintained~~ only by a person who is a member at the time the
 12402 action is commenced and:

12403 (1) Was a member when the conduct giving rise to the
 12404 action occurred; or

12405 (2) Whose status as a member devolved on the person by
 12406 operation of law or pursuant to the terms of the operating
 12407 agreement from a person who was a member when ~~at the time of~~ the
 12408 conduct giving rise to the action occurred.

12409 Section 257. Subsection (2) of section 605.0903, Florida
 12410 Statutes, is amended to read:

12411 605.0903 Effect of a certificate of authority.—

12412 (2) The filing by the department of an application for a
 12413 certificate of authority means ~~authorizes~~ the foreign limited
 12414 liability company that filed ~~files~~ the application to transact
 12415 business in this state has obtained a certificate of authority
 12416 to transact business in this state and is authorized to transact
 12417 business in this state, subject, however, to the right of the
 12418 department to suspend or revoke the certificate of authority as
 12419 provided in this chapter.

12420 Section 258. Subsections (3) and (4) of section 605.0904,
 12421 Florida Statutes, are amended to read:

12422 605.0904 Effect of failure to have certificate of
 12423 authority.—

12424 (3) A court may stay a proceeding commenced by a foreign
 12425 limited liability company or its successor or assignee until it

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12426 determines whether the foreign limited liability company or its
 12427 successor requires a certificate of authority. If it so
 12428 determines, the court may further stay the proceeding until the
 12429 foreign limited liability company or its successor has obtained
 12430 a ~~obtains~~ the certificate of authority to transact business in
 12431 this state.

12432 (4) The failure of a foreign limited liability company to
 12433 have a certificate of authority to transact business in this
 12434 state does not impair the validity of any contract, deed,
 12435 mortgage, security interest, ~~a contract~~ or act of the foreign
 12436 limited liability company or prevent the foreign limited
 12437 liability company from defending an action or proceeding in this
 12438 state.

12439 Section 259. Subsections (1) and (4) of section 605.0906,
 12440 Florida Statutes, are amended to read:

12441 605.0906 Noncomplying name of foreign limited liability
 12442 company.—

12443 (1) A foreign limited liability company whose name is
 12444 unavailable under or whose name does not otherwise comply with
 12445 s. 605.0112 shall ~~may~~ use an alternate name that complies with
 12446 s. 605.0112 to transact business in this state. An alternate
 12447 name adopted for use in this state shall be cross-referenced to
 12448 the actual name of the foreign limited liability company in the
 12449 records of the department. If the actual name of the foreign
 12450 limited liability company subsequently becomes available in this

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12451 state or the foreign limited liability company chooses to change
 12452 its alternate name, a copy of the record approving the change by
 12453 its members, managers, or other persons having the authority to
 12454 do so, and executed as required pursuant to s. 605.0203, shall
 12455 be delivered to the department for filing.

12456 (4) If a foreign limited liability company authorized to
 12457 transact business in this state changes its name to one that
 12458 does not comply with s. 605.0112, it may not thereafter transact
 12459 business in this state until it complies with subsection (1) and
 12460 obtains an amended certificate of authority pursuant to s.
 12461 605.0907.

12462 Section 260. Subsections (2) and (4) of section 605.0907,
 12463 Florida Statutes, are amended to read:

12464 605.0907 Amendment to certificate of authority.—

12465 (2) The amendment must be filed within 90 ~~30~~ days after
 12466 the occurrence of a change described in subsection (1), must be
 12467 signed by an authorized representative of the foreign limited
 12468 liability company, and must state the following:

12469 (a) The name of the foreign limited liability company as
 12470 it appears on the records of the department.

12471 (b) Its jurisdiction of formation.

12472 (c) The date the foreign limited liability company was
 12473 authorized to transact business in this state.

12474 (d) If the name of the foreign limited liability company
 12475 has been changed, the name relinquished and its new name.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12476 (e) If the amendment changes the jurisdiction of formation
 12477 of the foreign limited liability company, a statement of that
 12478 change.

12479 (4) The requirements of s. 605.0902 ~~s. 605.0902(2)~~ for
 12480 obtaining an original certificate of authority apply to
 12481 obtaining an amended certificate under this section unless the
 12482 ~~Secretary of State or other~~ official having custody of the
 12483 foreign limited liability company's publicly filed records in
 12484 its jurisdiction of formation did not require an amendment to
 12485 effectuate the change on its records.

12486 Section 261. Subsection (1) of section 605.0908, Florida
 12487 Statutes, is amended to read:

12488 605.0908 Revocation of certificate of authority.—

12489 (1) A certificate of authority of a foreign limited
 12490 liability company to transact business in this state may be
 12491 revoked by the department if:

12492 (a) The foreign limited liability company does not deliver
 12493 its annual report to the department by 5 p.m. Eastern Time on
 12494 the third Friday in September of each year.~~†~~

12495 (b) The foreign limited liability company does not pay a
 12496 fee or penalty due to the department under this chapter.~~†~~

12497 (c) The foreign limited liability company does not appoint
 12498 and maintain a registered agent as required under s. 605.0113.~~†~~

12499 (d) The foreign limited liability company does not deliver
 12500 for filing a statement of a change under s. 605.0114 within 30

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12501 days after a change in the name or address of the agent has
 12502 occurred ~~in the name or address of the agent~~, unless, within 30
 12503 days after the change occurred, either:

12504 1. The registered agent files a statement of change under
 12505 s. 605.0116; or

12506 2. The change was made in accordance with s. 605.0114(4).
 12507 ~~or s. 605.0907(1)(d);~~

12508 (e) The foreign limited liability company has failed to
 12509 amend its certificate of authority to reflect a change in its
 12510 name on the records of the department or its jurisdiction of
 12511 formation.~~†~~

12512 (f) The department receives a duly authenticated
 12513 certificate from the official having custody of records in the
 12514 company's jurisdiction of formation stating that it has been
 12515 dissolved or is no longer active on the official's records.~~†~~

12516 (g) The foreign limited liability company's period of
 12517 duration has expired.~~†~~

12518 (h) A member, manager, or agent of the foreign limited
 12519 liability company signs a document that the member, manager, or
 12520 agent knew was false in a material respect with the intent that
 12521 the document be delivered to the department for filing.~~†~~~~or~~

12522 (i) The foreign limited liability company has failed to
 12523 answer truthfully and fully, within the time prescribed in s.
 12524 605.1104, interrogatories propounded by the department.

12525 Section 262. Section 605.09091, Florida Statutes, is

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12526 created to read:

12527 605.09091 Judicial review of denial of reinstatement.—

12528 (1) If the department denies a foreign limited liability
 12529 company's application for reinstatement after revocation of its
 12530 certificate of authority, the department shall serve the foreign
 12531 limited liability company, pursuant to s. 605.0117(7), with a
 12532 written notice that explains the reason or reasons for the
 12533 denial.

12534 (2) Within 30 days after service of a notice of denial of
 12535 reinstatement, a foreign limited liability company may appeal
 12536 the denial by petitioning the Circuit Court of Leon County to
 12537 set aside the revocation. The petition must be served on the
 12538 department and must contain a copy of the department's notice of
 12539 revocation, the foreign limited liability company's application
 12540 for reinstatement, and the department's notice of denial.

12541 (3) The circuit court may order the department to
 12542 reinstate the certificate of authority of the foreign limited
 12543 liability company or take other action the court considers
 12544 appropriate.

12545 (4) The circuit court's final decision may be appealed as
 12546 in other civil proceedings.

12547 Section 263. Section 605.0910, Florida Statutes, is
 12548 amended to read:

12549 605.0910 Withdrawal and cancellation of certificate of
 12550 authority.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12551 (1) To cancel its certificate of authority to transact
 12552 business in this state, a foreign limited liability company must
 12553 deliver to the department for filing a notice of withdrawal of
 12554 certificate of authority. The certificate of authority is
 12555 canceled when the notice becomes effective pursuant to s.
 12556 605.0207. The notice of withdrawal of certificate of authority
 12557 must be signed by an authorized representative and state the
 12558 following:

12559 ~~(a)~~~~(1)~~ The name of the foreign limited liability company
 12560 as it appears on the records of the department.

12561 ~~(b)~~~~(2)~~ The name of the foreign limited liability company's
 12562 jurisdiction of formation.

12563 ~~(c)~~~~(3)~~ The date the foreign limited liability company was
 12564 authorized to transact business in this state.

12565 ~~(d)~~~~(4)~~ That the foreign limited liability company is
 12566 withdrawing its certificate of authority in this state.

12567 (e) That the foreign limited liability company revokes the
 12568 authority of its registered agent to accept service on its
 12569 behalf and appoints the secretary of state as its agent for
 12570 service of process based on a cause of action arising during the
 12571 time the foreign limited liability company was authorized to
 12572 transact business in this state.

12573 (f) A mailing address to which the department may mail a
 12574 copy of any process served on the secretary of state under
 12575 paragraph (e).

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12576 (g) A commitment to notify the department in the future of
 12577 any change in its mailing address.

12578 (2) After the withdrawal of the foreign limited liability
 12579 company is effective, service of process on the secretary of
 12580 state under this section is service on the foreign limited
 12581 liability company. Upon receipt of the process, the department
 12582 shall mail a copy of the process to the foreign limited
 12583 liability company at the mailing address set forth under
 12584 paragraph (1) (f).

12585 Section 264. Section 605.0911, Florida Statutes, is
 12586 amended to read:

12587 605.0911 Withdrawal deemed on conversion to domestic
 12588 filing entity.—A registered foreign limited liability company
 12589 authorized to transact business in this state that converts to a
 12590 domestic limited liability company or to another domestic entity
 12591 that is organized, incorporated, registered or otherwise formed
 12592 through the delivery of a record to the department for filing is
 12593 deemed to have withdrawn its certificate of authority on the
 12594 effective date of the conversion.

12595 Section 265. Section 605.0912, Florida Statutes, is
 12596 amended to read:

12597 605.0912 Withdrawal on dissolution, merger, or conversion
 12598 to nonfiling entity.—

12599 (1) A registered foreign limited liability company that
 12600 has dissolved and completed winding up, has merged into a

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12601 foreign entity that is not authorized to transact business
 12602 ~~registered~~ in this state, or has converted to a domestic or
 12603 foreign entity that is not organized, incorporated, registered
 12604 or otherwise formed through the public filing of a record, shall
 12605 deliver a notice of withdrawal of certificate of authority to
 12606 the department for filing in accordance with s. 605.0910.

12607 (2) After a withdrawal under this section of a foreign
 12608 limited liability company ~~entity~~ that has converted to another
 12609 type of entity is effective, service of process in any action or
 12610 proceeding based on a cause of action arising during the time
 12611 the foreign limited liability company was authorized to transact
 12612 ~~registered to do~~ business in this state may be made pursuant to
 12613 s. 605.0117.

12614 Section 266. Subsection (6) of section 605.1025, Florida
 12615 Statutes, is amended to read:

12616 605.1025 Articles of merger.—

12617 (6) A limited liability company is not required to deliver
 12618 articles of merger for filing pursuant to subsection (1) if the
 12619 limited liability company is named as a merging entity or
 12620 surviving entity in articles of merger or a certificate of
 12621 merger filed for the same merger in accordance with s. 607.1105
 12622 ~~s. 607.1109~~, s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and
 12623 if such articles of merger or certificate of merger
 12624 substantially comply with the requirements of this section. In
 12625 such a case, the other articles of merger or certificate of

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12626 merger may also be used for purposes of subsection (5).

12627 Section 267. Subsection (5) of section 605.1035, Florida
 12628 Statutes, is amended to read:

12629 605.1035 Articles of interest exchange.—

12630 (5) A limited liability company is not required to deliver
 12631 articles of interest exchange for filing pursuant to subsection
 12632 (1) if the domestic limited liability company is named as an
 12633 acquired entity or as an acquiring entity in the articles of
 12634 share exchange filed for the same interest exchange in
 12635 accordance with s. 607.1105 ~~s. 607.1105(1)~~ and if such articles
 12636 of share exchange substantially comply with the requirements of
 12637 this section.

12638 Section 268. Subsection (5) of section 605.1061, Florida
 12639 Statutes, is amended to read:

12640 605.1061 Appraisal rights; definitions.—The following
 12641 definitions apply to this section and to ss. 605.1006 and
 12642 605.1062-605.1072:

12643 (5) "Fair value" means the value of the member's
 12644 membership interest determined:

12645 (a) Immediately before the effectiveness ~~effectuation~~ of
 12646 the appraisal event to which the member objects;

12647 (b) Using customary and current valuation concepts and
 12648 techniques generally employed for similar businesses in the
 12649 context of the transaction requiring appraisal, excluding any
 12650 appreciation or depreciation in anticipation of the transaction

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12651 to which the member objects, unless exclusion would be
 12652 inequitable to the limited liability company and its remaining
 12653 members; and

12654 (c) Without discounting for lack of marketability or
 12655 minority status.

12656 Section 269. Subsection (3) of section 605.1063, Florida
 12657 Statutes, is amended to read:

12658 605.1063 Notice of appraisal rights.-

12659 (3) If the appraisal event is to be approved by written
 12660 consent of the members pursuant to s. 605.04073 ~~other than by a~~
 12661 ~~members' meeting:~~

12662 (a) Written notice that appraisal rights are, are not, or
 12663 may be available must be sent to each member from whom a consent
 12664 is solicited at the time consent of such member is first
 12665 solicited, and if the limited liability company has concluded
 12666 that appraisal rights are or may be available, a copy of ss.
 12667 605.1006 and 605.1061-605.1072 must accompany such written
 12668 notice; or

12669 (b) Written notice that appraisal rights are, are not, or
 12670 may be available must be delivered, at least 10 days before the
 12671 appraisal event becomes effective, to all nonconsenting and
 12672 nonvoting members, and, if the limited liability company has
 12673 concluded that appraisal rights are or may be available, a copy
 12674 of ss. 605.1006 and 605.1061-605.1072 must accompany such
 12675 written notice.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12676 Section 270. Section 605.1072, Florida Statutes, is
 12677 amended to read:
 12678 605.1072 Other remedies limited.—
 12679 (1) A member entitled to appraisal rights under this
 12680 chapter may not challenge a ~~The legality of a proposed or~~
 12681 completed appraisal event for which appraisal rights are
 12682 available unless such completed appraisal event was either: may
 12683 ~~not be contested, and the appraisal event may not be enjoined,~~
 12684 ~~set aside, or rescinded, in a legal or equitable proceeding by a~~
 12685 ~~member after the members have approved the appraisal event.~~
 12686 ~~(2) Subsection (1) does not apply to an appraisal event~~
 12687 ~~that:~~
 12688 (a) ~~Was~~ Not authorized and approved in accordance with the
 12689 applicable provisions of this chapter, the organic rules of the
 12690 limited liability company, or the resolutions of the members
 12691 authorizing the appraisal event. ~~;~~ ~~or~~
 12692 (b) ~~Was~~ Procured as a result of fraud, a material
 12693 misrepresentation, or an omission of a material fact that is
 12694 necessary to make statements made, in light of the circumstances
 12695 in which they were made, not misleading.
 12696 (2) Nothing in this section operates to override or
 12697 supersede s. 605.04092.
 12698 Section 271. Subsection (16) of section 617.0302, Florida
 12699 Statutes, is amended to read:
 12700 617.0302 Corporate powers.—Every corporation not for

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12701 profit organized under this chapter, unless otherwise provided
 12702 in its articles of incorporation or bylaws, shall have power to:
 12703 (16) Merge with other corporations or other eligible
 12704 ~~business~~ entities identified in s. 607.1101 ~~s. 607.1108(1)~~, both
 12705 for profit and not for profit, domestic and foreign, if the
 12706 surviving corporation or other surviving eligible ~~business~~
 12707 entity is a corporation not for profit or other eligible
 12708 ~~business~~ entity that has been organized as a not-for-profit
 12709 entity under a governing statute or other applicable law that
 12710 permits such a merger.

12711 Section 272. Subsections (1) and (5) of section 617.0501,
 12712 Florida Statutes, are amended, and subsection (6) is added to
 12713 that section, to read:

12714 617.0501 Registered office and registered agent.—

12715 (1) Each corporation shall have and continuously maintain
 12716 in this state:

12717 (a) A registered office which may be the same as its
 12718 principal office; and

12719 (b) A registered agent, who may be either:

12720 1. An individual who resides in this state whose business
 12721 office is identical with such registered office; or

12722 2. Another domestic entity that is an authorized entity
 12723 whose business address is identical to the address of the
 12724 registered office, or a foreign entity authorized to transact
 12725 business in this state that is an authorized entity and whose

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12726 business address is identical to the address of A corporation
 12727 ~~for profit or not for profit, authorized to transact business or~~
 12728 ~~conduct its affairs in this state, having a business office~~
 12729 ~~identical with~~ the registered office.

12730 (5) A corporation may not prosecute or maintain any action
 12731 in a court in this state until the corporation complies with
 12732 this section or s. 617.1508, as applicable, ~~and~~ pays to the
 12733 Department of State any amounts required under this chapter,
 12734 and, to the extent ordered by a court of competent jurisdiction,
 12735 pays to the Department of State a penalty of \$5 for each day it
 12736 has failed to so comply or \$500, whichever is less.

12737 (6) For the purposes of this section, the term "authorized
 12738 entity" means:

- 12739 (a) A corporation for profit;
- 12740 (b) A limited liability company;
- 12741 (c) A limited liability partnership; or
- 12742 (d) A limited partnership, including a limited liability
 12743 limited partnership.

12744 Section 273. Section 617.05015, Florida Statutes, is
 12745 created to read:

12746 617.05015 Reserved name.—

12747 (1) A person may reserve the exclusive use of the name of
 12748 a corporation, including an alternate name for a foreign
 12749 corporation whose name is not available, by delivering an
 12750 application to the department for filing. The application must

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12751 set forth the name and address of the applicant and the name
 12752 proposed to be reserved. If the department finds that the name
 12753 of the corporation applied for is available, it shall reserve
 12754 the name for the applicant's exclusive use for a nonrenewable
 12755 120-day period.

12756 (2) The owner of a reserved name of a corporation may
 12757 transfer the reservation to another person by delivering to the
 12758 department a signed notice of the transfer that states the name
 12759 and address of the transferee.

12760 (3) The department may revoke any reservation if, after a
 12761 hearing, it finds that the application therefor or any transfer
 12762 thereof was not made in good faith.

12763 Section 274. Section 617.0831, Florida Statutes, is
 12764 amended to read:

12765 617.0831 Indemnification and liability of officers,
 12766 directors, employees, and agents.—Except as provided in s.
 12767 617.0834, s. 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and~~
 12768 ~~607.0850~~ apply to a corporation organized under this act and a
 12769 rural electric cooperative organized under chapter 425. Any
 12770 reference to "directors" in those sections includes the
 12771 directors, managers, or trustees of a corporation organized
 12772 under this act or of a rural electric cooperative organized
 12773 under chapter 425. However, the term "director" as used in s.
 12774 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and 607.0850~~
 12775 does not include a director appointed by the developer to the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12776 board of directors of a condominium association under chapter
 12777 718, a cooperative association under chapter 719, a homeowners'
 12778 association defined in s. 720.301, or a timeshare managing
 12779 entity under chapter 721. Any reference to "shareholders" in
 12780 those sections includes members of a corporation organized under
 12781 this act and members of a rural electric cooperative organized
 12782 under chapter 425.

12783 Section 275. Section 617.1102, Florida Statutes, is
 12784 amended to read:

12785 617.1102 Limitation on merger.—A corporation not for
 12786 profit organized under this chapter may merge with one or more
 12787 other eligible ~~business~~ entities, as identified in s.
 12788 607.1101(1) ~~s. 607.1108(1)~~, only if the surviving entity of such
 12789 merger is a corporation not for profit or other eligible
 12790 ~~business~~ entity that has been organized as a not-for-profit
 12791 entity under a governing statute or other applicable law that
 12792 allows such a merger.

12793 Section 276. Section 617.1108, Florida Statutes, is
 12794 amended to read:

12795 617.1108 Merger of domestic corporation and other eligible
 12796 ~~business~~ entities.—

12797 (1) Subject to s. 617.0302(16) and other applicable
 12798 provisions of this chapter, ss. 607.1101, 607.1103, 607.1105,
 12799 607.1106, and 607.1107 ~~ss. 607.1108, 607.1109, and 607.11101~~
 12800 shall apply to a merger involving a corporation not for profit

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12801 organized under this act and one or more other eligible business
 12802 entities identified in s. 607.1108(1).

12803 (2) A domestic corporation not for profit organized under
 12804 this chapter is not required to file articles of merger pursuant
 12805 ~~pur-suant~~ to this section if the corporation not for profit is
 12806 named as a party or constituent organization in articles of
 12807 merger or a certificate of merger filed for the same merger in
 12808 accordance with s. 605.1025, s. 607.1105 ~~s. 607.1109~~, s.
 12809 620.2108(3), or s. 620.8918(1) and (2). In such a case, the
 12810 other articles of merger or certificate of merger may also be
 12811 used for purposes of subsection (3).

12812 (3) A copy of the articles of merger or certificate of
 12813 merger, certified by the Department of State, may be filed in
 12814 the office of the official who is the recording officer of each
 12815 county in this state in which real property of a party to the
 12816 merger, other than the surviving entity, is situated.

12817 Section 277. Section 617.1507, Florida Statutes, is
 12818 amended to read:

12819 617.1507 Registered office and registered agent of foreign
 12820 corporation.—

12821 (1) Each foreign corporation authorized to conduct its
 12822 affairs in this state must continuously maintain in this state:

12823 (a) A registered office that may be the same as any of the
 12824 places it conducts its affairs; and

12825 (b) A registered agent, who may be:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12826 1. An individual who resides in this state and whose
 12827 business office is identical with the registered office;
 12828 2. Another domestic entity that is an authorized entity
 12829 whose business address is identical to the address of the
 12830 registered office; or
 12831 3. A foreign entity authorized to transact business in
 12832 this state that is an authorized entity and whose business
 12833 address is identical to the address of ~~A domestic corporation~~
 12834 ~~for profit or not for profit the business office of which is~~
 12835 ~~identical with the registered office; or~~
 12836 ~~3. A foreign corporation for profit or not for profit~~
 12837 ~~authorized to transact business or conduct its affairs in this~~
 12838 ~~state the business office of which is identical with the~~
 12839 ~~registered office.~~
 12840 (2) A registered agent appointed pursuant to this section
 12841 or a successor registered agent appointed pursuant to s.
 12842 617.1508 on whom process may be served shall each file a
 12843 statement in writing with the Department of State, in such form
 12844 and manner as shall be prescribed by the department, accepting
 12845 the appointment as a registered agent simultaneously with his or
 12846 her being designated. Such statement of acceptance shall state
 12847 that the registered agent is familiar with, and accepts, the
 12848 obligations of that position.
 12849 (3) For purposes of this section, "authorized entity"
 12850 means:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

- 12851 (a) A corporation for profit;
- 12852 (b) A limited liability company;
- 12853 (c) A limited liability partnership; or
- 12854 (d) A limited partnership, including a limited liability
- 12855 limited partnership.

12856 Section 278. Subsections (2), (3), and (4) of section
 12857 620.1108, Florida Statutes, are amended, and subsection (6) is
 12858 added to that section, to read:

12859 620.1108 Name.—

12860 (2) The name of a limited partnership that is not a
 12861 limited liability limited partnership must contain the phrase
 12862 "limited partnership" or "limited" or the abbreviation "L.P." or
 12863 "Ltd." or the designation "LP," and may not contain the phrase
 12864 "limited liability limited partnership" or the abbreviation
 12865 "L.L.L.P." or the designation "LLLP,~~,"~~ as will clearly indicate
 12866 that it is a limited partnership instead of a natural person,
 12867 corporation, limited liability company, or other business
 12868 entity.

12869 (3) The name of a limited liability limited partnership
 12870 must contain the phrase "limited liability limited partnership"
 12871 or the abbreviation "L.L.L.P." or designation "LLLP," as will
 12872 clearly indicate that it is a limited liability limited
 12873 partnership instead of a natural person or other business
 12874 entity, except that a limited liability limited partnership
 12875 organized prior to January 1, 2006, that was ~~the effective date~~

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12876 | ~~of this act that is~~ using an abbreviation or designation
 12877 | permitted under prior law shall be entitled to continue using
 12878 | such abbreviation or designation until its dissolution.
 12879 | (4) The name of a limited partnership must be
 12880 | distinguishable in the records of the Department of State from
 12881 | the names of all other entities or filings that are on file with
 12882 | the Department of State, except fictitious name registrations
 12883 | pursuant to s. 865.09, general partnership registrations
 12884 | pursuant to s. 620.8105, and limited liability partnership
 12885 | statements pursuant to s. 620.9001 which are organized,
 12886 | registered, or reserved under the laws of this state; however, a
 12887 | limited partnership or a limited liability limited partnership
 12888 | may register under a name that is not otherwise distinguishable
 12889 | on the records of the Department of State with the written
 12890 | consent of the other entity if the consent is filed with the
 12891 | Department of State at the time of registration of such name and
 12892 | if such name is not identical to the name of the other entity. A
 12893 | name that is different from the name of another entity or filing
 12894 | due to any of the following is not considered distinguishable:
 12895 | (a) A suffix.
 12896 | (b) A definite or indefinite article.
 12897 | (c) The word "and" and the symbol "&."
 12898 | (d) The singular, plural, or possessive form of a word.
 12899 | (e) ~~A recognized abbreviation of a root word.~~
 12900 | ~~(f)~~ A punctuation mark or a symbol.

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12901 (6) A limited partnership or a limited liability limited
 12902 partnership in existence before January 1, 2020, that has a name
 12903 that does not clearly indicate that it is a limited partnership
 12904 or a limited liability limited partnership instead of a natural
 12905 person, corporation, limited liability company, or other
 12906 business entity may continue using its name until it dissolves
 12907 or amends its name in the records of the Department of State.

12908 Section 279. Section 620.11085, Florida Statutes, is
 12909 created to read:

12910 620.11085 Reserved name.—

12911 (1) A person may reserve the exclusive use of the name of
 12912 a limited partnership, including an alternate name for a foreign
 12913 limited partnership whose name is not available, by delivering
 12914 an application to the Department of State for filing. The
 12915 application must set forth the name and address of the applicant
 12916 and the name proposed to be reserved. If the department finds
 12917 that the name of the limited partnership applied for is
 12918 available, it must reserve the name for the applicant's
 12919 exclusive use for a nonrenewable 120-day period.

12920 (2) The owner of a reserved name of a limited partnership
 12921 may transfer the reservation to another person by delivering to
 12922 the Department of State a signed notice of the transfer that
 12923 states the name and address of the transferee.

12924 (3) The Department of State may revoke any reservation if,
 12925 after a hearing, it finds that the application therefor or any

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12926 | transfer thereof was not made in good faith.

12927 | Section 280. Paragraph (c) of subsection (1) of section
12928 | 620.2104, Florida Statutes, is amended to read:

12929 | 620.2104 Filings required for conversion; effective date.—

12930 | (1) After a plan of conversion is approved:

12931 | (c) A converting limited partnership is not required to
12932 | file a certificate of conversion pursuant to paragraph (a) if
12933 | the converting limited partnership files articles of conversion
12934 | or a certificate of conversion that substantially complies with
12935 | the requirements of this section pursuant to s. 605.1045, s.
12936 | 607.1105 ~~s. 607.1115~~, or s. 620.8914(1)(b) and contains the
12937 | signatures required by this chapter. In such a case, the other
12938 | certificate of conversion may also be used for purposes of s.
12939 | 620.2105(4).

12940 | Section 281. Subsection (3) of section 620.2108, Florida
12941 | Statutes, is amended to read:

12942 | 620.2108 Filings required for merger; effective date.—

12943 | (3) Each constituent limited partnership shall deliver the
12944 | certificate of merger for filing in the Department of State
12945 | unless the constituent limited partnership is named as a party
12946 | or constituent organization in articles of merger or a
12947 | certificate of merger filed for the same merger in accordance
12948 | with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.
12949 | 620.8918(1) and (2) and such articles of merger or certificate
12950 | of merger substantially complies with the requirements of this

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12951 section. In such a case, the other articles of merger or
 12952 certificate of merger may also be used for purposes of s.
 12953 620.2109(3).

12954 Section 282. Subsection (3) of section 620.8918, Florida
 12955 Statutes, is amended to read:

12956 620.8918 Filings required for merger; effective date.—

12957 (3) Each domestic constituent partnership shall deliver
 12958 the certificate of merger for filing with the Department of
 12959 State, unless the domestic constituent partnership is named as a
 12960 party or constituent organization in articles of merger or a
 12961 certificate of merger filed for the same merger in accordance
 12962 with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.
 12963 620.2108(3). The articles of merger or certificate of merger
 12964 must substantially comply with the requirements of this section.
 12965 In such a case, the other articles of merger or certificate of
 12966 merger may also be used for purposes of s. 620.8919(3). Each
 12967 domestic constituent partnership in the merger shall also file a
 12968 registration statement in accordance with s. 620.8105(1) if it
 12969 does not have a currently effective registration statement filed
 12970 with the Department of State.

12971 Section 283. Paragraph (b) of subsection (2) and
 12972 subsection (4) of section 621.12, Florida Statutes, are amended
 12973 to read:

12974 621.12 Identification with individual shareholders or
 12975 individual members.—

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

12976 (2) The name shall also contain:
 12977 (b)1. In the case of a professional corporation, the words
 12978 "professional association," or the abbreviation "P.A." or the
 12979 designation "PA"; or
 12980 2. In the case of a professional limited liability company
 12981 formed before January 1, 2014, the words "professional limited
 12982 company" or "professional limited liability company," the
 12983 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or
 12984 "PLLC," in lieu of the words "limited company" or "limited
 12985 liability company," or the abbreviation "L.C." or "L.L.C." or
 12986 the designation "LC" or "LLC" as otherwise required under s.
 12987 605.0112 or former s. 608.406.
 12988 3. In the case of a professional limited liability company
 12989 formed on or after January 1, 2014, the words "professional
 12990 limited liability company," the abbreviation "P.L.L.C." or the
 12991 designation "PLLC," in lieu of the words "limited liability
 12992 company," or the abbreviation "L.L.C." or the designation "LLC"
 12993 as otherwise required under s. 605.0112.
 12994 (4) It shall be permissible, however, for the corporation
 12995 or limited liability company to render professional services and
 12996 to exercise its authorized powers under a name which is
 12997 identical to its name or contains any one or more of the last
 12998 names of any shareholder or member included in such name except
 12999 that the word "chartered," the words "professional association,"
 13000 "professional limited company," or "professional limited

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13001 liability company," the abbreviations "P.A.," "P.L.," or
 13002 "P.L.L.C.," or the designation "PA," "PL," or "PLLC" may be
 13003 omitted, provided that the corporation or limited liability
 13004 company has first registered the name to be so used in the
 13005 manner required for the registration of fictitious names.

13006 Section 284. Paragraph (e) of subsection (14) of section
 13007 865.09, Florida Statutes, is amended to read:

13008 865.09 Fictitious name registration.—

13009 (14) PROHIBITION.—A fictitious name registered as provided
 13010 in this section may not contain the following words,
 13011 abbreviations, or designations:

13012 (e) "Professional association," "PA," "P.A.," or
 13013 "chartered," unless the person or business for which the name is
 13014 registered is organized as a professional corporation pursuant
 13015 to chapter 621, or is organized as a professional corporation
 13016 pursuant to a similar law of another jurisdiction and has
 13017 obtained a certificate of authority to transact business in this
 13018 state pursuant to chapter 607.

13019 Section 285. Subsection (1) of section 662.150, Florida
 13020 Statutes, is amended to read:

13021 662.150 Domestication of a foreign family trust company.—

13022 (1) A foreign family trust company lawfully organized and
 13023 currently in good standing with the state regulatory agency in
 13024 the jurisdiction where it is organized may become domesticated
 13025 in this state by:

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13026 (a) Filing with the Department of State articles a
 13027 ~~certificate~~ of domestication and articles of incorporation in
 13028 accordance with and subject to s. 607.11922 ~~s. 607.1801~~ or by
 13029 filing articles of conversion in accordance with s. 605.1045 or
 13030 s. 607.11933; and

13031 (b) Filing an application for a license to begin
 13032 operations as a licensed family trust company in accordance with
 13033 s. 662.121, which must first be approved by the office, or by
 13034 filing the prescribed form with the office to register as a
 13035 family trust company to begin operations in accordance with s.
 13036 662.122.

13037 Section 286. Subsection (1) of section 331.355, Florida
 13038 Statutes, is amended to read:

13039 331.355 Use of name; ownership rights to intellectual
 13040 property.—

13041 (1) (a) The corporate name of a corporation incorporated or
 13042 authorized to transact business in this state, or the name of
 13043 any person or business entity transacting business in this
 13044 state, may not use the words "Space Florida," "Florida Space
 13045 Authority," "Florida Aerospace Finance Corporation," "Florida
 13046 Space Research Institute," "spaceport Florida," or "Florida
 13047 spaceport" in its name unless the Space Florida board of
 13048 directors gives written approval for such use.

13049 (b) The Department of State may dissolve, pursuant to s.
 13050 607.1420 ~~s. 607.1421~~, any corporation that violates paragraph

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13051 (a) .

13052 Section 287. Paragraph (a) of subsection (4) of section
 13053 339.12, Florida Statutes, is amended to read:

13054 339.12 Aid and contributions by governmental entities for
 13055 department projects; federal aid.—

13056 (4) (a) Prior to accepting the contribution of road bond
 13057 proceeds, time warrants, or cash for which reimbursement is
 13058 sought, the department shall enter into agreements with the
 13059 governing body of the governmental entity for the project or
 13060 project phases in accordance with specifications agreed upon
 13061 between the department and the governing body of the
 13062 governmental entity. The department in no instance is to receive
 13063 from such governmental entity an amount in excess of the actual
 13064 cost of the project or project phase. By specific provision in
 13065 the written agreement between the department and the governing
 13066 body of the governmental entity, the department may agree to
 13067 reimburse the governmental entity for the actual amount of the
 13068 bond proceeds, time warrants, or cash used on a highway project
 13069 or project phases that are not revenue producing and are
 13070 contained in the department's adopted work program, or any
 13071 public transportation project contained in the adopted work
 13072 program. Subject to appropriation of funds by the Legislature,
 13073 the department may commit state funds for reimbursement of such
 13074 projects or project phases. Reimbursement to the governmental
 13075 entity for such a project or project phase must be made from

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13076 funds appropriated by the Legislature, and reimbursement for the
 13077 cost of the project or project phase is to begin in the year the
 13078 project or project phase is scheduled in the work program as of
 13079 the date of the agreement. Funds advanced pursuant to this
 13080 section, which were originally designated for transportation
 13081 purposes and so reimbursed to a county or municipality, shall be
 13082 used by the county or municipality for any transportation
 13083 expenditure authorized under s. 336.025(7). Also, cities and
 13084 counties may receive funds from persons, and reimburse those
 13085 persons, for the purposes of this section. Such persons may
 13086 include, but are not limited to, those persons defined in s.
 13087 607.01401(56) ~~s. 607.01401(19)~~.

13088 Section 288. Section 628.530, Florida Statutes, is amended
 13089 to read:

13090 628.530 Effects of redomestication.—The certificate of
 13091 authority, agents appointments and licenses, rates, and other
 13092 items which the office or department allows, in its discretion,
 13093 which are in existence at the time any insurer licensed to
 13094 transact the business of insurance in this state transfers its
 13095 corporate domicile to this or any other state by merger,
 13096 consolidation, merger pursuant to s. 607.1101(7) ~~s. 607.1107(5)~~,
 13097 or any other lawful method shall continue in full force and
 13098 effect upon such transfer if such insurer remains duly qualified
 13099 to transact the business of insurance in this state. All
 13100 outstanding policies of any transferring insurer shall remain in

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13101 full force and effect and need not be endorsed as to the new
 13102 name of the company or its new location unless so ordered by the
 13103 office. Every transferring insurer shall file new policy forms
 13104 with the office on or before the effective date of the transfer,
 13105 but may use existing policy forms with appropriate endorsements
 13106 if allowed by, and under such conditions as are approved by, the
 13107 office. However, every such transferring insurer shall notify
 13108 the office of the details of the proposed transfer and shall
 13109 file promptly any resulting amendments to corporate documents
 13110 filed or required to be filed with the office.

13111 Section 289. Section 631.0515, Florida Statutes, is
 13112 amended to read:

13113 631.0515 Appointment of receiver; insurance holding
 13114 company.—A delinquency proceeding pursuant to this chapter
 13115 constitutes the sole and exclusive method of dissolving,
 13116 liquidating, rehabilitating, reorganizing, conserving, or
 13117 appointing a receiver of a Florida corporation which is not
 13118 insolvent as defined by s. 607.01401 ~~s. 607.01401(16)~~; which
 13119 through its shareholders, board of directors, or governing body
 13120 is deadlocked in the management of its affairs; and which
 13121 directly or indirectly owns all of the stock of a Florida
 13122 domestic insurer. The department may petition for an order
 13123 directing it to rehabilitate such corporation if the interests
 13124 of policyholders or the public will be harmed as a result of the
 13125 deadlock. The department shall use due diligence to resolve the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13126 | deadlock. Whether or not the department petitions for an order,
 13127 | the circuit court shall not have jurisdiction pursuant to s.
 13128 | 607.271, s. 607.274, or s. 607.277 to dissolve, liquidate, or
 13129 | appoint receivers with respect to, a Florida corporation which
 13130 | directly or indirectly owns all of the stock of a Florida
 13131 | domestic insurer and which is not insolvent as defined by s.
 13132 | 607.01401 ~~s. 607.01401(16)~~. However, a managing general agent or
 13133 | holding company with a controlling interest in a domestic
 13134 | insurer in this state is subject to jurisdiction of the court
 13135 | under the provisions of s. 631.025.

13136 | Section 290. Subsection (5) of section 658.44, Florida
 13137 | Statutes, is amended to read:

13138 | 658.44 Approval by stockholders; rights of dissenters;
 13139 | preemptive rights.—

13140 | (5) The fair value, as defined in s. 607.1301(5) ~~s.~~
 13141 | ~~607.1301(4)~~, of dissenting shares of each constituent state bank
 13142 | or state trust company, the owners of which have not accepted an
 13143 | offer for such shares made pursuant to subsection (3), shall be
 13144 | determined pursuant to ss. 607.1326-607.1331 except as the
 13145 | procedures for notice and demand are otherwise provided in this
 13146 | section as of the effective date of the merger.

13147 | Section 291. Section 663.03, Florida Statutes, is amended
 13148 | to read:

13149 | 663.03 Applicability of the Florida Business Corporation
 13150 | Act.—Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the

ENROLLED

CS/CS/HB 1009, Engrossed 1

2019 Legislature

13151 provisions of part I of chapter 607 not in conflict with the
 13152 financial institutions codes which relate to foreign
 13153 corporations apply to all international banking corporations and
 13154 their offices doing business in this state.

13155 Section 292. Section 663.403, Florida Statutes, is amended
 13156 to read:

13157 663.403 Applicability of the Florida Business Corporation
 13158 Act.—Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the
 13159 provisions of part I of chapter 607 which are not in conflict
 13160 with the financial institutions codes and which relate to
 13161 foreign corporations apply to all international trust entities
 13162 and their offices doing business in this state.

13163 Section 293. Section 694.16, Florida Statutes, is amended
 13164 to read:

13165 694.16 Conveyances by merger or conversion of business
 13166 entities.—As to any merger or conversion of business entities
 13167 prior to June 15, 2000, the title to all real estate, or any
 13168 interest therein, owned by a business entity that was a party to
 13169 a merger or a conversion is vested in the surviving entity
 13170 without reversion or impairment, notwithstanding the requirement
 13171 of a deed which was previously required by former s. 607.11101,
 13172 former s. 608.4383, former s. 620.204, former s. 620.8904, or
 13173 former s. 620.8906.

13174 Section 294. This act shall take effect on January 1,
 13175 2020.