

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [HB 797](#)

**TITLE:** Nonprofit Corporations

**SPONSOR(S):** Tuck

**COMPANION BILL:** [SB 554](#) (Bernard)

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Industries & Professional Activities](#)  
15 Y, 0 N

[Civil Justice & Claims](#)

[Commerce](#)

## SUMMARY

### Effect of the Bill:

The bill revises Florida statute governing nonprofit corporations to conform with the Model Nonprofit Corporation Act adopted by the American Bar Association and to align related provisions with the Florida Business Corporation Act.

### Fiscal or Economic Impact:

None

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## ANALYSIS

### **EFFECT OF THE BILL:**

The bill revises the [Florida Not For Profit Corporation Act \(FNFPCA\)](#), ch. 617, F.S., to conform with the [Model Nonprofit Corporation Act \(MNCA\)](#) and to align related provisions with the [Florida Business Corporation Act \(FBCA\)](#). The provisions of the bill are addressed in detail below.

### Definitions

The bill creates definitions for the following terms, as such terms are used in the chapter: (Section 9)

- “Applicable county” means the county in which a nonprofit corporation’s principal office is or was located.
- “Authorized entity” means a corporation for profit, a limited liability company (LLC), a limited liability partnership, or a limited partnership.
- “Charitable asset” means property that is given, received, or held for a charitable purpose.
- “Charitable purpose” means a purpose that would qualify a nonprofit corporation as tax exempt under s. 501(c)(3) of the Internal Revenue Code or is otherwise considered charitable under Florida law.
- “Eligible entity” means a domestic or foreign nonprofit corporation, corporation for profit, general partnership, limited partnership, LLC, or other unincorporated entity.
- “Eligible interest” means a share, membership or both of the right to receive distributions from the entity or the right to receive notice or vote on issues involving the entity’s internal affairs.
- “Entity” means corporations, unincorporated associations, business trusts, estates, LLCs, partnerships, trusts, and a joint or common economic interest, as well as any State, the United States, or any foreign government.
- “Interest holder” means a shareholder of a corporation for profit, a member of a nonprofit corporation, a general partner of a general partnership, a general or limited partner of a limited partnership, a member of a LLC, a shareholder or beneficial owner of a real estate investment trust, a beneficiary of a statutory or business trust, or a direct holder of an interest.
- “Interest holder liability” means personal liability for a liability of an entity or an obligation of an interest holder to contribute to the entity.

**STORAGE NAME:** h0797a.IPA

**DATE:** 1/15/2026

- “Nonprofit corporation” means a corporation in which income or profit is not distributable to its members, directors, or officers, except as provided under ch. 617, F.S..
- “Organic rules” means the public organic record and private organic rules of an entity.
  - “Public organic record” means a record of the filings required for formation and any subsequent amendment or restatement of such.
  - “Private organic rule” means the rules governing the internal affairs of an entity, that are binding on its interest holders, and are not part of its public organic record.
- “Protected agreement” includes a document evidencing indebtedness of, an agreement that is binding on, the organic rules of, and an agreement that is binding on the interest holders or directors of a domestic corporation.

### Mutual Benefit Corporations

The bill removes the distinction between a mutual benefit corporation and a nonprofit corporation, but maintains all rights and powers available to mutual benefit corporations and members. (Sections [9](#), [28](#), and [29](#))

### Corporate Records

The bill revises provisions on required corporate recordkeeping, and establishes the minimum retention period for certain types of records that must be maintained by the nonprofit corporation. (Section [101](#))

The bill enables nonprofit corporations to impose reasonable restrictions on its members’ ability to disclose or otherwise use information maintained as part of the corporate record. However, the bill prohibits a nonprofit corporation from limiting a member’s right to inspect the corporate record through its articles of incorporation or bylaws. (Section [102](#))

The bill expands the required financial disclosures a nonprofit corporation must make to its members and provides mandatory timelines for the required disclosures. However, the bill does provide an exception to stated disclosure timelines when the corporation needs additional time to comply with the request for information. (Section [105](#))

The bill expands the inspection rights for directors, allowing directors to inspect the corporate record as it relates to their duties at any reasonable time. (Section [106](#))

### Registered Agent

The bill establishes the minimum duties of a nonprofit corporation’s registered agent and provides the default rules for changing, replacing, or terminating a registered agent. (Sections [19](#), [20](#), and [21](#))

### Corporate Name

The bill allows a nonprofit corporation to register under a nonunique name when the other entity of the same name consents to its use and changes its name to a distinguishable name or when the applicant demonstrates through a final court judgment its right to use the name. (Section [17](#))

### Articles of Incorporation

The bill revises the default process for amending the articles of incorporation for a nonprofit corporation. Any amendment to the articles of incorporation must be approved by both the board of directors and the members of a nonprofit corporation, unless it is limited to:

- Extending the duration of a time limited nonprofit corporation;
- Removing the names or addresses of previous directors or registered agents if a statement of change has been filed;
- Deleting information solely of historical interest;
- Changing the entity name by substituting a word for an abbreviation or adding, removing, or changing a geographical attribution in the name; or
- Restating without change all operative provisions of the articles of incorporation.

Further, the bill details the applicable notice standards and minimum voting requirements for an amendment to the articles of incorporation requiring a member vote. (Section [56](#))

The bill revises the procedure for filing the articles of amendment and requires additional information be included in the filing, following an amendment to the articles of incorporation. (Section [57](#))

### **Board of Directors**

The bill defines qualified directors and establishes voting requirements for qualified directors. (Sections [11](#), [37](#), and [51](#))

The bill reduces the [minimum number of directors](#) required to be on the board of directors of a nonprofit corporation to one person. However, the bill maintains the three-person minimum requirement for 501(c)(3) organizations. (Section [41](#))

The bill establishes the default [selection process](#) for directors of nonprofit corporations. For nonprofit corporations with members, directors are elected by members, unless the articles of incorporation or bylaws provide otherwise. For nonprofit corporations without members, directors are elected by the board of directors, unless the articles of incorporation or bylaws provide otherwise. (Section [42](#))

The bill establishes the default [term length](#) for directors as 1 year, unless the articles of incorporation or bylaws provide otherwise. Further, a director whose term has expired may continue to serve until his successor is selected. (Section [43](#))

The bill allows the board of directors to fill [any board vacancy](#) after three months if the members fail to elect a successor. (Section [45](#))

The bill establishes the procedure for [removing a director](#) by judicial proceeding when a court finds that the director engaged in fraudulent conduct, grossly abused the position of director or intentionally inflicted harm on the entity, and that removal is in the best interest of the nonprofit corporation. (Section [46](#))

The bill establishes the minimum [duties and standards of care](#) a director owes to the nonprofit corporation. (Section [50](#))

The bill revises the procedure for dealing with a director [conflict of interest](#). Specifically, it establishes the burden of proof when challenging a transaction and clarifies that fairness to the corporation may always be considered. (Section [51](#))

The bill expands who may respond to interrogatories directed to the nonprofit corporation to include any authorized officer or director of the entity, or, when appropriate, a member or fiduciary. (Section [8](#))

### **Board Meetings**

The bill provides that a board meeting may be called by 20% of the directors in office. (Section [47](#)).

### **Nonprofit Corporate Officers**

The bill expands personal liability protections to directors and officers of all nonprofit corporations, granting them personal liability immunity for all actions or inactions taken in their role as director or officer. (Section [52](#))

The bill establishes the minimum [duties and standards of care](#) an officer owes to the nonprofit corporation. (Section [54](#))

### **Court-Appointed Provisional Director**

The bill allows the court to appoint an impartial, provisional director in instances where there is an irreparable deadlock among the directors that is causing harm to the nonprofit corporation. A provisional director has all of

the rights and powers of an elected director, and retains such authority until they are properly removed by court order or a vote of the directors or members of the nonprofit corporation. (Section [32](#))

### Members

The bill allows the board of directors to serve as a substitute for members for any action when a nonprofit corporation does not have members or those members are not entitled to act. (Section [25](#))

The bill establishes that all members of a nonprofit corporation have the same rights and obligations unless the articles of incorporation or bylaws otherwise provide. (Section [25](#))

The bill allows a nonprofit corporation to admit members for no consideration or for consideration determined by the board of directors. (Section [25](#))

The bill prohibits a nonprofit corporation from being a member of itself. (Section [25](#))

The bill eliminates the requirement that chapters or affiliates of nonprofit corporations that have the right to vote must register with the Department of Agriculture and Consumer Services. (Section [25](#))

The bill creates an exception to the rule that members of a nonprofit corporation are not personally liable, by allowing a creditor of a nonprofit corporation who has obtained a judgment against the entity to bring a proceeding against a member who owes money to the entity to the extent of the amount owed. (Section [27](#))

### Membership Interests

The bill allows for the transfer of membership interests for all nonprofit corporations as permitted by its articles of incorporation or bylaws. (Section [28](#))

The bill establishes that a member of a nonprofit corporation may resign at any time for any reason. (Section [29](#))

The bill allows nonprofit corporations to purchase membership interests of its members, as permitted by its articles of incorporation or bylaws, unless the entity is a 501(c)(3) organization. Such purchase is not considered a dividend or distribution. However, a nonprofit corporation may **not** purchase membership interests if doing so would impair its ability to pay its debts in the usual course of business. (Section [31](#))

### Special Meetings

The bill increases the minimum percentage of members required to call a special meeting to 10% of the votes entitled on any issue to be considered at the meeting, unless otherwise provided in the articles of incorporation or bylaws. (Section [32](#))

### Proxy Voting

The bill establishes the default rules governing proxy voting, including the procedure for implementing and terminating a proxy. (Section [33](#))

### Derivative Proceedings

The bill revises the procedure for derivative proceedings brought on behalf of a nonprofit corporation in the following ways:

- Grants standing to directors and officers of a nonprofit corporation. (Section [34](#))
- Allows the filing of a complaint without prior notice to the board of directors when providing such notice would be futile. (Section [35](#))

### Mergers

The bill permits a nonprofit corporation to merge with other eligible entities and does not require the surviving entity to be a nonprofit corporation. However, if the merging nonprofit entity holds property for a charitable purpose, the surviving entity must be a nonprofit corporation. (Sections [58](#) and [59](#))

The bill revises the default procedure for [merger approval](#). Specifically, the bill provides an exception to the requirement that the board of directors must make a recommendation on a plan of merger to the members, when the board of directors is unable to make such recommendation due to a conflict of interest or other special circumstances. (Section [60](#))

The bill allows an approved merger to be [abandoned](#) any time before the articles of merger have become effective. A merger may be abandoned in the manner provided by the plan of merger, or in the same manner as the plan was approved. When a merger is abandoned after the articles of merger have been filed, the nonprofit corporation must also file a signed statement of abandonment. (Section [60](#))

The bill establishes a simplified merger process for a merger between a parent and subsidiary when the parent eligible entity owns at least 80% of the voting power of the subsidiary eligible entity. In such case, the merger does not require the approval of the board of directors, but does require the parent eligible entity to notify the subsidiary's members within 10 days of the merger. (Section [61](#))

The bill expands the disclosures required in the articles of merger. (Section [62](#))

#### **Dissolution of Nonprofit Corporations**

The bill revises provisions related to [known claims](#) against a dissolved nonprofit corporation and establishes court proceedings to address [unknown claims](#) against a dissolved nonprofit corporation. (Sections [72](#) and [73](#))

The bill limits the extent of [liability for directors](#) of a dissolved nonprofit corporation. (Section [74](#))

The bill establishes grounds for [administrative](#) and [judicial dissolution](#) of a nonprofit corporation and provides alternatives available to the court if such grounds exist. (Sections [75](#), [76](#), [77](#), [78](#) and [81](#))

#### **Foreign Nonprofit Corporations**

The bill establishes the duties of a registered agent of a foreign nonprofit corporation. (Section [90](#))

The bill allows a court to stay a proceeding brought by a foreign nonprofit corporation that does not comply with the registered agent requirement. (Section [90](#))

The bill establishes proper [notice procedures](#) for foreign nonprofit corporations. (Section [93](#))

The bill provides for the [automatic withdrawal](#) of a foreign nonprofit corporation's qualification to transact business in Florida when the foreign entity converts to a domestic nonprofit corporation. (Section [95](#))

The bill establishes a legal framework for foreign nonprofit corporations that have dissolved, merged, or converted to a nonfiling entity, to withdraw its certificate of authority to transact business in this state. (Section [96](#))

The bill establishes that the Department of Legal Affairs may bring an action to prevent a foreign nonprofit corporation from illegally conducting business in the state. (Section [97](#))

#### **Domestication**

The bill allows both inbound and outbound domestications of nonprofit corporations, as long as the domestication is permitted by the laws of the jurisdiction where the foreign corporation is organized, and establishes the procedure for domestication. The bill provides required disclosures and requirements for filing evidence of domestication with the department and the effect of such filing. The bill allows a plan of domestication to be amended or abandoned prior to becoming effective. (Sections [108](#), [109](#), [110](#), [111](#), and [112](#))

#### **Conversion**

The bill revises provisions related to conversion, including the requisite process. Specifically, the bill allows a domestic nonprofit corporation to become any other domestic or foreign entity. However, if the nonprofit corporation holds property for a charitable purpose, it may not convert into a for profit entity. Further, if the entity is a domestic nonprofit corporation holding property for a charitable purpose, it may only become a foreign nonprofit corporation. (Sections [113](#), [114](#), [115](#), [116](#), [117](#), [118](#), and [119](#))

The bill provides an effective date of July 1, 2026. (Section [190](#))

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### Nonprofit Corporations

A nonprofit corporation is a legal entity incorporated under state law for purposes other than generating profits for its owners or shareholders. Individual states have the power to promulgate laws relating to the creation, organization, operation, and dissolution of corporations, including nonprofit corporations.<sup>1</sup>

In addition to applicable state statutory schemes, nonprofit corporations are governed by their articles of incorporation, bylaws, and other internal governing documents. A nonprofit corporation is formed upon filing the articles of incorporation with the Department of State (Department).<sup>2</sup> The articles of incorporation are considered the highest governing document of a nonprofit corporation and provide all identifying information for the business entity, the purpose for which the entity is organized, and the default rules of the entity. A nonprofit corporation's bylaws are the code of rules adopted for the management of the entity.<sup>3</sup>

Generally, nonprofit corporations are governed by a board of directors that is responsible for overseeing the management and affairs of the entity. Nonprofit corporations also may have members who may have the right to elect directors, approve corporate actions, or vote on matters specified in the corporation's articles of incorporation or bylaws.<sup>4</sup>

Some, but not all, nonprofit corporations benefit from a tax-exempt status under section 501(c)(3) of the Internal Revenue Code. Common types of nonprofit corporations that have such status include charitable, religious, or educational organizations, political advocacy organizations, and private foundations.<sup>5</sup>

Further, nonprofit corporations may be classified as domestic or foreign. Domestic nonprofit corporations are incorporated under Florida law. Foreign nonprofit corporations are incorporated under the laws of any other jurisdiction.<sup>6</sup> As of January 2026, Florida has approximately 196,076 domestic non-profit corporations in existence.<sup>7</sup>

#### Mutual Benefit Corporations

A mutual benefit corporation is a domestic nonprofit corporation that is not organized for religious purposes, is not tax exempt under 501(c)(3), and is not organized for a public or charitable purpose.<sup>8</sup> Under the FNFPCA, mutual benefit corporations are afforded the following rights that other nonprofit corporations are not:

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<sup>1</sup> Legal Information Institute, Cornell Law School, *Nonprofit Corporation*, [https://www.law.cornell.edu/wex/nonprofit\\_corporation](https://www.law.cornell.edu/wex/nonprofit_corporation) (last visited Jan. 9, 2026).

<sup>2</sup> [S. 617.0203, F.S.](#)

<sup>3</sup> [S. 617.01401, F.S.](#)

<sup>4</sup> Ss. [617.0801](#) and [617.0601, F.S.](#)

<sup>5</sup> IRS, *Exempt Organization Types*, <https://www.irs.gov/charities-non-profits/exempt-organization-types> (last visited Jan. 9, 2026).

<sup>6</sup> [S. 617.01401, F.S.](#)

<sup>7</sup> Department of State, Division of Corporations, *Yearly Statistics*, <https://dos.fl.gov/sunbiz/about-us/yearly-statistics/> (last visited Jan. 9, 2026).

<sup>8</sup> [S. 617.01401\(13\), F.S.](#)

- The right to transfer membership interests.<sup>9</sup>
- The right to purchase membership interests of its members.<sup>10</sup>

## **Relevant Regulatory Schemes**

### **The Model Corporation Acts**

The American Bar Association (ABA) developed the Model Business Corporation Act (MBCA) and the [Model Nonprofit Corporation Act \(MNCA\)](#) in an attempt to uniformly regulate corporations and nonprofit corporations across different states. Generally, the MNCA tracks the MBCA, diverging only where necessary to address the unique aspects of nonprofit corporation law.<sup>11</sup>

### **Florida Business Corporation Act**

Currently, Florida for profit corporations are regulated under the Florida Business Corporation Act (FBCA) contained in ch. 607, F.S. In 2019, upon the recommendation of the Business Law Section of The Florida Bar, the Florida Legislature adopted a comprehensive update to the FBCA, largely aligning Florida statute with the MBCA.<sup>12</sup>

### **Florida Not For Profit Corporation Act**

Currently, Florida nonprofit corporations are regulated under the Florida Not For Profit Corporation Act (FNFPCA) contained in ch. 617, F.S. The FNFPCA has not been significantly amended for over 15 years. As a result, the Business Law Section of The Florida Bar formed the Ch. 617 Task Force (Task Force) to examine the FNFPCA and recommend necessary amendments. After a multiyear examination, the Task Force prepared a comprehensive update to the FNFPCA intended to modernize and harmonize Florida nonprofit corporation and for profit corporation laws. The Task Force's efforts culminated in this bill.<sup>13</sup>

### **Corporate Record**

A nonprofit corporation must keep comprehensive records of meetings, actions, and committees, maintain accurate accounting, and have a member list. Additionally, it must keep:<sup>14</sup>

- Current copies of its articles of incorporation and bylaws, and amendments to each;
- Minutes and member actions from the past three years;
- Communications to members from the past three years;
- List of current directors and officers with addresses; and
- Most current annual report filed with the Department.

Members of a nonprofit corporation have the [right to inspect](#) and copy corporate records. However, nonprofit corporations may deny requests to inspect the corporate record for improper purposes.<sup>15</sup>

Upon written request, a nonprofit corporation must provide a member with its most recent annual [financial statements](#), including a balance sheet at fiscal year-end and a statement of operations for the year.<sup>16</sup>

### **Registered Agent and Registered Office**

<sup>9</sup> [S. 617.0605, F.S.](#)

<sup>10</sup> [S. 617.0608, F.S.](#)

<sup>11</sup> William L Boyd III, *The New Model Nonprofit Corporation Act*, American Bar Association, Business Law Section, (Oct. 16, 2023) [https://www.americanbar.org/groups/business\\_law/resources/business-law-today/2023-october/the-new-model-nonprofit-corporation-act/](https://www.americanbar.org/groups/business_law/resources/business-law-today/2023-october/the-new-model-nonprofit-corporation-act/) (last visited Jan. 9, 2026).

<sup>12</sup> See ch. 607, F.S.

<sup>13</sup> See The Florida Bar Business Law Section, *Task Force Report and Recommendations*, [https://flabizlaw.org/wp-content/uploads/2025/09/Ch-617-NonProfit-White-Paper\\_Final.pdf](https://flabizlaw.org/wp-content/uploads/2025/09/Ch-617-NonProfit-White-Paper_Final.pdf) (last visited Jan. 9, 2026).

<sup>14</sup> [S. 617.1601, F.S.](#)

<sup>15</sup> [S. 617.1602, F.S.](#)

<sup>16</sup> [S. 617.1605, F.S.](#)

Every nonprofit corporation must maintain a registered office and a registered agent in the state. The agent can be an individual resident, a domestic entity, or a foreign entity authorized to do business in the state. Registered agents must file a written acceptance with the Department confirming their duties.<sup>17</sup>

Nonprofit corporations cannot file or maintain lawsuits in the state until they have a registered agent.<sup>18</sup>

### Corporate Name

Under the FNFPCA, a nonprofit corporate name must contain the word “corporation” or “incorporated” or an abbreviation of such and must be distinguishable from the names of all other entities registered with the Division of Corporations.<sup>19</sup> However, the FBCA allows a for profit corporation to register under a nonunique name when the other entity of the same name consents to its use and the names are not identical.<sup>20</sup>

### Articles of Incorporation

A nonprofit corporation may amend its articles of incorporation at any time. Currently, the procedure for amending the articles of incorporation for a nonprofit corporation are as follows:<sup>21</sup>

- If the nonprofit corporation has members entitled to vote, the board of directors must approve the proposed amendment and submit it to the members for approval at an annual or special meeting with proper notice.
- If the nonprofit corporation does not have members, or if the members are not entitled to vote on the amendments, the board of directors may adopt the amendment by majority vote.

### Board of Directors

The board of directors of a nonprofit corporation is responsible for exercising the entity's corporate powers and otherwise managing the entity, subject to limitations provided by the articles of incorporation.<sup>22</sup> Under the FNFPCA, directors of a nonprofit corporation must be natural persons who are at least 18 years old. However, the articles of incorporation or bylaws of a nonprofit corporation may provide additional qualifications for directors.<sup>23</sup>

Directors of nonprofit corporations are elected or appointed as provided in the articles of incorporation or bylaws. The number of directors on the board of directors may be amended as provided in the articles of incorporation or bylaws. However, the FNFPCA requires nonprofit corporations to have a minimum three-person board of directors.<sup>24</sup> Each director serves for a term length specified in the articles of incorporation or bylaws, and may continue to serve until their successor has been selected.<sup>25</sup>

Vacancies on a nonprofit corporation's board of directors may be filled by a majority of the remaining directors, or if necessary, by the members or by the circuit court in the county where the corporation's registered office is located. However, vacancies involving directors elected by a class, chapter or similar group must be filled by that group, or by directors elected by that group. Directors appointed to fill vacancies generally serve until the next annual election.<sup>26</sup>

Under the FNFPCA, directors of a nonprofit corporation may be removed as provided in the articles of incorporation or bylaws. Generally, directors may be removed with or without cause by the members or directors who elected or appointed them, subject to voting thresholds.<sup>27</sup>

<sup>17</sup> [S. 617.0501, F.S.](#)

<sup>18</sup> Id.

<sup>19</sup> [S. 617.0401, F.S.](#)

<sup>20</sup> [S. 607.0401, F.S.](#)

<sup>21</sup> Ss. [617.1001](#) and [617.1002, F.S.](#)

<sup>22</sup> [S. 617.0801, F.S.](#)

<sup>23</sup> [S. 617.0802, F.S.](#)

<sup>24</sup> [S. 617.0803, F.S.](#)

<sup>25</sup> [S. 617.0806, F.S.](#)

<sup>26</sup> [S. 617.0809, F.S.](#)

<sup>27</sup> [S. 617.0808, F.S.](#)

Directors of a nonprofit corporation must perform their [duties](#) in good faith, with the care an ordinarily prudent person would exercise in similar circumstances, and in a manner they reasonably believe is in the best interest of the corporation.<sup>28</sup>

A contract or transaction between a nonprofit corporation and one of its directors is not automatically void or voidable solely because of the director's [conflicting interest](#). Under the FNFPCA, such transaction is valid if the conflicting interest is disclosed and the transaction is subsequently approved by either a majority of the disinterested directors or a majority of the members entitled to vote, or if the transaction is fair and reasonable to the nonprofit corporation at the time it is authorized.<sup>29</sup>

### Officers

A nonprofit corporation's articles of incorporation or bylaws may specify corporate officers the entity is required to maintain, including how each must be selected. If no such provisions exist, officers are elected or appointed annually by the board of directors.<sup>30</sup>

Officers of a nonprofit corporation are responsible for performing the [duties](#) established in the bylaws, or as assigned by the board of directors or another authorized officer.<sup>31</sup>

### Members

A nonprofit corporation may have one or more classes of members, or no members at all. If the nonprofit corporation has members, the articles of incorporation or bylaws must set forth the class designations, member qualifications and rights, voting and quorum requirements, and notice procedures. Further, members have no rights except what is provided in the articles of incorporation or bylaws.<sup>32</sup>

Members of a nonprofit corporation are not [personally liable](#) for any act, debt, or obligation of the entity.<sup>33</sup>

### Membership Interests

Members of a nonprofit corporation are generally prohibited from [transferring a membership interest](#), or any rights arising from membership, unless the articles of incorporation or bylaws provide otherwise.<sup>34</sup> Further, a nonprofit corporation may not [purchase the membership](#) of its members.<sup>35</sup>

A nonprofit corporation may only expel, suspend, or terminate a member's membership interest through a fair and reasonable procedure carried out in good faith. A member who has been expelled, suspended, or terminated has one year to challenge such action. Further, expulsion or suspension does not relieve the member from obligations incurred prior to the expulsion or suspension.<sup>36</sup>

### Member Meetings

Nonprofit corporations may hold annual, regular, and special member meetings. The board of directors is responsible for setting the time and place of any annual and special meeting, in accordance with the its articles of incorporation or bylaws.<sup>37</sup>

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<sup>28</sup> [S. 617.0830, F.S.](#)

<sup>29</sup> [S. 617.0832, F.S.](#)

<sup>30</sup> [S. 617.0840, F.S.](#)

<sup>31</sup> [S. 617.0841, F.S.](#)

<sup>32</sup> [S. 617.0601, F.S.](#)

<sup>33</sup> [S. 617.0604, F.S.](#)

<sup>34</sup> [S. 617.0605, F.S.](#)

<sup>35</sup> [S. 617.0608, F.S.](#)

<sup>36</sup> [S. 617.0607, F.S.](#)

<sup>37</sup> [S. 617.0701, F.S.](#)

Special meetings may be called by the board of directors, corporate officers, or members of the nonprofit corporation. Under the FNFPCA, the minimum percentage of members required to call a special meeting is 5% of the votes entitled on any issue to be considered at the meeting.<sup>38</sup>

### Member Voting

Members of a nonprofit corporation are entitled to vote only if the articles of incorporation or bylaws grant that right. If members are entitled to vote, they may do so in person, by proxy, or when authorized, by remote communication.<sup>39</sup> Proxy voting is when a member authorizes another person to vote on their behalf at a meeting.<sup>40</sup>

### Derivative Proceedings

A derivative action is a lawsuit brought by a shareholder on behalf of a corporate entity to enforce a corporate cause of action against officers, directors, or third parties.<sup>41</sup> A member of a nonprofit corporation may bring a derivative action on behalf of the entity, but only if the member was a member at the time of the challenged conduct, or became a member by operation of law from someone who was. Under the FNFPCA, an individual must make a demand on the board of directors before commencing a derivative proceeding. After the demand is made, the board of directors has 90 days to respond. A derivative action may be commenced before the expiration of 90-day period only if:<sup>42</sup>

- The demand was rejected in writing; or
- Waiting 90 days would result in irreparable injury to the nonprofit corporation.

### Mergers

A merger is a legal process in which two or more business entities combine into a single entity. One entity is deemed to survive and acquires all of the assets and liabilities of the entity that is absorbed.<sup>43</sup>

Two or more domestic nonprofit corporations may merge into a single domestic corporation through an approved plan of merger. Each nonprofit corporation must adopt a plan specifying:<sup>44</sup>

- The names of the merging nonprofit corporations;
- The name of the surviving corporation;
- The terms and conditions of the merger;
- Any changes to the surviving corporation's articles of incorporation; and
- How memberships will be converted into memberships, obligations, securities, cash, or other property.

Under the FNFPCA, a nonprofit corporation may **only** merge with another nonprofit corporation. The surviving entity of a merger between two or more nonprofit corporations must be a nonprofit corporation.<sup>45</sup>

A plan of merger must be approved by either the majority of members entitled to vote, or if the nonprofit corporation has no voting members, by a majority of the board of directors. After approval, the board may abandon the proposed merger at any time prior to filing the articles of merger, unless the plan specifically requires member approval.<sup>46</sup>

### Dissolution of Nonprofit Corporations

<sup>38</sup> [S. 617.0701, F.S.](#)

<sup>39</sup> [S. 617.0721, F.S.](#)

<sup>40</sup> [S. 607.0722, F.S.](#)

<sup>41</sup> [S. 607.01401\(17\), F.S.](#)

<sup>42</sup> [S. 617.07401, F.S.](#)

<sup>43</sup> Legal Information Institute, Cornell Law School, *Merger*, <https://www.law.cornell.edu/wex/merger> (last visited Jan. 9, 2026).

<sup>44</sup> [S. 617.1101, F.S.](#)

<sup>45</sup> [S. 617.1102, F.S.](#)

<sup>46</sup> [S. 617.1103, F.S.](#)

Dissolution is the legal process through which a corporation ceases business operations, winds up its affairs, and distributes its assets.<sup>47</sup> To dissolve a nonprofit corporation, a resolution must be adopted either by a majority of voting members, or when there are not voting members, by a majority of the board of directors.<sup>48</sup>

Upon dissolution, a nonprofit corporation remains in existence but may act only to wind up and liquidate its affairs. Dissolution does not transfer property, change governance rules, alter director or officer duties, terminate ongoing legal proceedings or affect the authority of the registered agent. Further, directors, officers, and agents maintain personal liability protection for acts taken in connection with dissolution.<sup>49</sup>

#### Unknown Claims Against Dissolved Nonprofit Corporation

A dissolved corporation may address unknown claims either by filing a notice of dissolution with the Department or by publishing a notice in a local newspaper, specifying the corporation's name, dissolution date, and claim submission instructions. Claims against the nonprofit corporation are barred after four years if the nonprofit corporation followed the proper procedure.<sup>50</sup>

Claims may be satisfied from the nonprofit corporations undistributed assets or from the pro rata share of assets received by members, with liability capped at the amount distributed.<sup>51</sup>

#### Known Claims Against Dissolved Nonprofit Corporation

A dissolved corporation may resolve known claims by notifying claimants of the dissolution, specifying the claim status, amount, and submission deadlines. Contingent, conditional, or unmatured claims must also be addressed and unresolved disputes may be submitted to the appropriate circuit court. Claims must be paid or adequately secured in full if funds are sufficient, or ratably if insufficient, before any remaining assets are distributed.<sup>52</sup>

Directors who comply with the required procedures are not personally liable. Members' liability is limited to their pro rata share of distributed assets.<sup>53</sup>

#### Administrative Dissolution

The Department may administratively dissolve a nonprofit corporation for failing to file its annual report, lacking a registered agent or office, not updating agent or office information, failing to respond to inquiries, or if its stated duration has expired, among other grounds.<sup>54</sup> When the Department identifies grounds for dissolution, it must notify the nonprofit corporation. The nonprofit corporation has 60 days to correct or demonstrate no such grounds exist. If the nonprofit corporation fails to do so, a certificate of dissolution is issued by the Department.<sup>55</sup>

#### Judicial Dissolution

A circuit court may dissolve a nonprofit corporation in the following circumstances:<sup>56</sup>

- At the request of the Department of Legal Affairs, if the nonprofit corporation was fraudulently formed or has exceeded its legal authority.
- At the request of its members or directors, if deadlocks threaten the corporation, directors cannot be elected, or assets are being wasted.
- At the request of a creditor, if the nonprofit corporation is insolvent and the creditor's claim is unpaid or acknowledged.

<sup>47</sup> Legal Information Institute, Cornell Law School, *Dissolution of Corporation*, [https://www.law.cornell.edu/wex/dissolution\\_of\\_corporation](https://www.law.cornell.edu/wex/dissolution_of_corporation) (last visited Jan. 9, 2026).

<sup>48</sup> [S. 617.1402, F.S.](#)

<sup>49</sup> [S. 617.1405, F.S.](#)

<sup>50</sup> [S. 617.1407, F.S.](#)

<sup>51</sup> *Id.*

<sup>52</sup> [S. 617.1408, F.S.](#)

<sup>53</sup> *Id.*

<sup>54</sup> [S. 617.1420, F.S.](#)

<sup>55</sup> [S. 617.1421, F.S.](#)

<sup>56</sup> [S. 617.1430, F.S.](#)

- At the request of the nonprofit corporation itself, to continue a voluntary dissolution under court supervision.

### **Foreign Nonprofit Corporations**

A foreign nonprofit corporation authorized to do business in Florida must continuously maintain a registered office and a registered agent in the state. The registered agent can be an individual resident, a domestic entity, or a foreign entity authorized to do business in Florida, provided their business address matches the registered office. Each registered agent must file a written statement with the Department of State accepting the appointment and acknowledging the responsibilities of the role.<sup>57</sup>

A foreign nonprofit corporation may change its registered office or registered agent by filing a statement of change with the Department.<sup>58</sup> Further, a registered agent of a foreign nonprofit corporation may resign by filing a statement of resignation with the Department and sending a copy to the nonprofit corporation's principal office.<sup>59</sup>

A foreign nonprofit corporation may be served with legal process through its registered agent, or through certain officers or any person listed on the nonprofit corporation's most recent annual report. Alternatively, service may be made on the Secretary of State.<sup>60</sup>

Under the FNFPCA, a foreign nonprofit corporation must apply for and obtain a certificate of withdrawal from the Department before it can formally cease operations in the state. To apply, the nonprofit corporation must submit a prescribed form stating its name, jurisdiction, that it is no longer conducting business in the state, and that it revokes its registered agent's authority.<sup>61</sup>

### **Domestication**

A foreign nonprofit corporation may become domesticated in Florida by filing a certificate of domestication and its articles of incorporation with the Department. The certificate must identify the corporation's original formation date and jurisdiction, its name before domestication, its new name, and its prior principal place of business.<sup>62</sup>

Upon filing, the nonprofit corporation is considered domesticated in Florida, though its original formation date remains effective. Domestication does not alter existing liabilities or obligations, and the nonprofit corporation's property, liabilities, pending actions, articles of incorporation, and membership interests remain unchanged. After domestication, Florida law applies to the nonprofit corporation as if it had originally incorporated in the state.<sup>63</sup>

### **Conversion**

Conversion requires filing a signed petition in the circuit court where the corporation's principal office is located, stating the entity's purposes and requesting the change. A for-profit corporation may convert to a nonprofit corporation if it is solely engaged in purposes allowed for nonprofit corporations under Florida law. Once approved by the court, the new nonprofit corporation takes over all rights, assets, and liabilities of the original for-profit corporation.<sup>64</sup>

To convert a for-profit corporation to a nonprofit corporation, the conversion petition must include:<sup>65</sup>

- Written consent of all shareholders;

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<sup>57</sup> [S. 617.1507, F.S.](#)

<sup>58</sup> [S. 617.1508, F.S.](#)

<sup>59</sup> [S. 617.1509, F.S.](#)

<sup>60</sup> [S. 617.1510, F.S.](#)

<sup>61</sup> [S. 617.1520, F.S.](#)

<sup>62</sup> [S. 617.1803, F.S.](#)

<sup>63</sup> *Id.*

<sup>64</sup> [S. 617.1805, F.S.](#)

<sup>65</sup> [S. 617.1806, F.S.](#)

- Statement affirming the new nonprofit will accept all property and assume all debts and liabilities of the original corporation; and
- Proposed articles of incorporation.

**OTHER RESOURCES:**

[Model Nonprofit Corporation Act Fourth Edition](#)

[Model Nonprofit Corporation Act Resource Center](#)

[Ch-617-NonProfit-White-Paper\\_Final.pdf](#)

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## BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Industries &amp; Professional Activities Subcommittee</a>	15 Y, 0 N	1/14/2026	Anstead	Bunnell
<a href="#">Civil Justice &amp; Claims Subcommittee</a>				
<a href="#">Commerce Committee</a>				