

1                   A bill to be entitled  
2       An act relating to nonprofit corporations; amending s.  
3       617.01011, F.S.; renaming the "Florida Not For Profit  
4       Corporation Act" as the "Florida Nonprofit Corporation  
5       Act"; amending s. 617.01201, F.S.; providing  
6       applicability; providing that provisions of a plan or  
7       filed document may not be made dependent upon facts  
8       outside the plan or filed document; requiring a  
9       corporation to file articles of amendment with the  
10      Department of State under certain circumstances;  
11      providing that articles of amendment are deemed to be  
12      authorized by the authorization of the original filed  
13      document to which they relate; providing that such  
14      articles of amendment may be filed by the corporation  
15      without further action by the board of directors or  
16      the members; defining the terms "filed document" and  
17      "plan"; making technical changes; amending s.  
18      617.0123, F.S.; providing that a document accepted for  
19      filing may specify an effective time and a delayed  
20      effective date; providing that a previous effective  
21      date may be specified in the initial articles of  
22      incorporation if such date is within a specified  
23      timeframe; specifying when a document accepted for  
24      filing is effective; providing that the date or time  
25      at which a document is filed is the time and date at

26        the place of filing in this state; amending s.  
27        617.0124, F.S.; revising the circumstances in which a  
28        domestic or foreign corporation may correct a document  
29        filed with the department; prohibiting articles of  
30        correction from containing a delayed effective date  
31        for the correction; authorizing a corporation to  
32        withdraw a filing delivered to the department before  
33        it takes effect by delivering a withdrawal statement  
34        to the department for filing; specifying what  
35        information must be included in a withdrawal  
36        statement; providing that the action or transaction  
37        evidenced by the original filing does not take effect  
38        upon the filing of a withdrawal statement by the  
39        department; amending s. 617.0126, F.S.; revising what  
40        a domestic or foreign corporation may do if the  
41        department refuses to file a document delivered to its  
42        office for filing; amending s. 617.0127, F.S.;  
43        requiring all courts, public offices, and official  
44        bodies to receive all certificates issued by the  
45        department as prima facie evidence of certain facts;  
46        amending s. 617.0128, F.S.; requiring the department  
47        to issue, upon request, a certificate of status for a  
48        domestic corporation or a certificate of authorization  
49        for a foreign corporation; amending s. 617.01301,  
50        F.S.; revising who must answer interrogatories

51        directed at a corporation; making technical changes;  
52        amending s. 617.01401, F.S.; defining, revising, and  
53        deleting terms; amending s. 617.0141, F.S.; requiring  
54        written and oral notice to be communicated in a  
55        specified manner; making technical changes; creating  
56        s. 617.0143, F.S.; defining terms; providing that a  
57        director is not automatically prevented from being a  
58        qualified director under certain circumstances;  
59        amending s. 617.0202, F.S.; revising the contents of  
60        the articles of incorporation; amending s. 617.0204,  
61        F.S.; deleting an exception for liability for  
62        preincorporation transactions; amending s. 617.0206,  
63        F.S.; providing an exception when the initial bylaws  
64        of a corporation must be adopted by its board of  
65        directors; amending s. 617.0302, F.S.; revising the  
66        corporate powers of nonprofit corporations; amending  
67        s. 617.0304, F.S.; making technical changes; amending  
68        s. 617.0401, F.S.; authorizing a corporation to  
69        register under a name that is not otherwise  
70        distinguishable on the records of the department under  
71        certain circumstances; providing that the corporate  
72        name as filed with the department is for public notice  
73        only and does not alone create any presumption of  
74        ownership of such name; providing applicability;  
75        amending s. 617.0403, F.S.; authorizing a foreign

76 corporation that has registered its name to conduct  
77 its affairs in this state; making technical changes;  
78 amending s. 617.0501, F.S.; specifying the duties of a  
79 registered agent; deleting the definition for the term  
80 "authorized entity"; authorizing a court to stay a  
81 proceeding commenced by a corporation until the  
82 corporation is in compliance; making technical  
83 changes; amending s. 617.0502, F.S.; revising the  
84 information required in a statement filed with the  
85 department for a corporation requesting to change its  
86 registered office or its registered agent; deleting a  
87 provision that a registered agent may resign by  
88 signing and delivering to the department a statement  
89 of resignation; revising the statement of resignation  
90 requirements; deleting the notification requirements  
91 for a registered agent who changes his or her business  
92 name or business address; deleting a provision that a  
93 registered office or registered agent may be changed  
94 on the corporation's annual report form filed with the  
95 department; deleting a requirement that the department  
96 collect a fee for filings; creating s. 617.05021,  
97 F.S.; authorizing a registered agent to resign as  
98 agent for a corporation in a specified manner under  
99 certain circumstances; providing applicability;  
100 providing that a registered agent is terminated upon

the department filing certain documents; providing that a registered agent ceases to have responsibility for any matter tendered to the agent once a statement of resignation takes effect; authorizing a registered agent to resign from a corporation regardless of whether the corporation has active status; creating s. 617.05022, F.S.; authorizing a registered agent seeking to change the registered agent's name or business address to file with the department a statement of change; specifying the information to be included in the statement of change; requiring a registered agent to furnish notice of the statement of change to the represented corporation; providing that the statement of change is effective when filed by the department; providing that such changes may be made by the corporation with other filings by the department; requiring the department to collect a fee for filings; amending s. 617.0503, F.S.; deleting applicability for alien business organizations; revising the testimony and records required to be produced for the Department of Legal Affairs by certain domestic or foreign corporations; deleting definitions; making technical changes; amending s. 617.0505, F.S.; prohibiting a corporation from paying any dividend and making distributions of any part of its net income or net

126 earnings to its members, directors, or officers;  
127 revising exceptions; providing that a dividend or  
128 distribution by a nonprofit insurance company  
129 subsidiary is not a distribution under certain  
130 circumstances; making technical changes; amending s.  
131 617.0601, F.S.; providing that, for certain nonprofit  
132 corporations, notice to, the presence of, or the vote,  
133 consent, or other action by a board of directors  
134 satisfies a specified requirement; requiring  
135 corporation members who have no other rights except as  
136 provided in the articles of incorporation or the  
137 bylaws to have the same rights and obligations as  
138 every other member; authorizing a corporation to admit  
139 members for no consideration or for such consideration  
140 as determined by the board of directors; providing  
141 that such consideration may take any form; providing  
142 that payment of such consideration may be made as set  
143 forth in or authorized by the articles of  
144 incorporation, the bylaws, or the action of the board  
145 of directors; prohibiting a corporation from being a  
146 member of itself or exercising the rights of a member  
147 with respect to itself; providing that a corporation's  
148 purchase of its own membership interest is canceled  
149 under certain circumstances; making technical changes;  
150 creating s. 617.0603, F.S.; authorizing a corporation

151       to pay certain compensation to and confer certain  
152       benefits upon its members, directors, officers,  
153       agents, and employees; authorizing a corporation to  
154       make certain distributions to its members and others  
155       upon dissolution or final liquidation; providing that  
156       such payments, benefits, or distributions may not be  
157       deemed to be a dividend or a distribution of income or  
158       earnings; amending s. 617.0604, F.S.; authorizing a  
159       corporation to levy dues, assessments, and fees on its  
160       members to the extent authorized by the articles of  
161       incorporation or bylaws; providing that such dues,  
162       assessments, and fees may be imposed on members of the  
163       same class in alike or different amounts or  
164       proportions, and imposed on a different basis on  
165       different classes of members; providing that certain  
166       members may be made exempt from such dues,  
167       assessments, and fees to the extent provided in the  
168       articles of incorporation or bylaws; providing that  
169       the amount and method of collecting such dues,  
170       assessments, and fees may be fixed in the articles of  
171       incorporation or bylaws, or by the board of directors  
172       or its members; providing that the articles of  
173       incorporation or bylaws may provide reasonable means  
174       to enforce the collection of such dues, assessments,  
175       and fees; prohibiting a creditor of a corporation from

bringing a proceeding to reach the liability of a member of the corporation unless certain conditions are met; authorizing all creditors of a corporation to intervene in any other creditor's proceeding brought to reach and apply unpaid amounts due from the corporation; authorizing all members who owe unpaid amounts to the corporation to be joined in the proceeding; providing that satisfaction of a debt owed to a creditor by the corporation through payment of a member who owes unpaid amounts to the corporation satisfies the debt of the corporation to the creditor and the debt of the member to the corporation to the extent so paid by the member to the creditor; amending s. 617.0605, F.S.; revising the process by which membership interests of a corporation may be transferred; amending s. 617.0606, F.S.; authorizing a member to resign at any time for any reason; amending s. 617.0607, F.S.; providing that a member who had a membership suspended or terminated may be liable to the corporation for dues, assessments, or fees for obligations incurred or commitments made before the expulsion, suspension, or termination; providing that any such expulsion, suspension, or termination does not relieve the member of any obligations or commitments made before the expulsion, suspension, or



201        termination; authorizing a corporation to levy fines  
202        or penalize its members if such actions are authorized  
203        in the articles of incorporation or bylaws;  
204        prohibiting the levy of certain penalties until after  
205        the corporation has provided notice to the member  
206        concerned and has afforded the affected member an  
207        opportunity to be heard on the matter; amending s.  
208        617.0608, F.S.; prohibiting certain corporations from  
209        purchasing the membership interests or any rights  
210        arising from membership of any of their members;  
211        authorizing certain other corporations to purchase the  
212        membership interest of any member or any right arising  
213        from membership, subject to the articles of  
214        incorporation or bylaws; providing that payment for  
215        such membership interest or right arising from  
216        membership is not a dividend or a distribution of  
217        income or earnings; providing circumstances in which a  
218        corporation may purchase the membership interests of a  
219        member who resigns; amending s. 617.0701, F.S.;

220        authorizing a corporation with members to hold  
221        meetings for certain purposes; providing that  
222        specified meetings may be held in or out of this  
223        state; providing that failure to hold a required  
224        annual meeting does not work a forfeiture or  
225        dissolution of the corporation and does not affect the

validity of any corporate action; revising when  
special meetings of the members may be called;  
providing that a written demand for a special meeting  
may be revoked by a writing received by the  
corporation before receiving the written demands from  
certain members sufficient in number to require  
holding the special meeting; providing that any  
business other than that described in the meeting  
notice may not be conducted at the meeting;  
authorizing special meetings to be held in or out of  
this state at a place stated in or fixed in accordance  
with the articles of incorporation and bylaws;  
requiring that special meetings be held at the  
corporation's principal office if no such place is  
stated in or fixed in the articles of incorporation  
and bylaws or in the notice of special meeting;  
providing that action taken by written consent is  
effective when such written consent is signed by  
members entitled to cast the required number of votes  
on the action and has been delivered to the  
corporation; requiring that, for corporations whose  
nonvoting members must be given notice of proposed  
corporate action, proper notice be given to the  
nonvoting members after obtaining authorization by  
written consent; authorizing members to waive any

required notice within a certain timeframe; requiring  
that such waiver be in writing, signed by the member,  
and delivered to the corporation for filing; providing  
that a member's attendance at a meeting waives certain  
objections; making technical changes; amending s.  
617.0721, F.S.; providing that a member or a member's  
attorney in fact may appoint a proxy to vote or  
otherwise act for the member for certain duties;  
requiring that an appointment form contain certain  
information; specifying when an appointment of a proxy  
is effective and valid; providing that the death or  
incapacity of a member who appoints a proxy does not  
affect the right of the corporation to accept the  
proxy's authority under certain circumstances;  
authorizing a member to revoke appointment of a proxy;  
providing an exception; providing that a corporation  
may reject a ballot or demand, as well as a vote,  
consent, waiver, or proxy appointment, under certain  
circumstances; providing that members of any class,  
their attorneys-in-fact, and proxies may participate  
in any meeting of members to the extent that the board  
of directors authorizes such participation for such  
class; limiting participation by remote communication  
to the guidelines and procedures adopted by the board  
of directors; providing that members, their attorneys-

in-fact, and proxies who participate by means of remote communication are deemed present in person and may vote at a meeting under certain circumstances; requiring that a vote or action taken by a member, a member's attorney in fact, or a proxy by means of remote communication be maintained by the corporation; providing that a meeting may be held solely by means of remote communication only under certain circumstances; making technical changes; creating s. 617.0741, F.S.; prohibiting directors, officers, or members from commencing a proceeding in the right of a domestic or foreign corporation unless certain circumstances exist; creating s. 617.0742, F.S.; specifying requirements for a complaint in a proceeding brought in the right of a corporation; creating s. 617.0743, F.S.; authorizing the court to stay a derivative proceeding if the corporation commences an inquiry into the allegations made in the demand or complaint; creating s. 617.0744, F.S.; authorizing the court to dismiss a derivative proceeding on motion by the corporation if a certain determination is made by specified persons; providing that the corporation has the burden of proof in all such cases in regard to certain issues; authorizing the court to appoint a panel of disinterested and

independent persons to make such determination;  
providing construction; creating s. 617.0745, F.S.;  
providing that a derivative action may not be  
discontinued or settled without the court's approval;  
requiring the court to direct that notice be given to  
certain members under certain circumstances;  
authorizing the court to determine which party bears  
the expense of giving such notice; creating s.  
617.0746, F.S.; authorizing the court to take  
specified action upon the termination of a derivative  
proceeding; creating s. 617.0747, F.S.; providing  
applicability; amending s. 617.0803, F.S.; revising  
the number of persons to serve on the board of  
directors; creating s. 617.0804, F.S.; specifying the  
manner in which directors of membership and  
nonmembership corporations are elected; creating s.  
617.0805, F.S.; providing that the articles of  
incorporation or bylaws may specify the terms of  
directors; providing that if a term is not specified  
in the articles of incorporation or bylaws, the term  
of a director is 1 year; providing that a decrease in  
the number of directors does not affect an incumbent  
director's term; providing that the term of a director  
elected to fill a vacancy expires at the end of the  
term the director is filling; providing that a

326 director continues to serve after his or her term  
327 expires until the director's successor takes office;  
328 amending s. 617.0808, F.S.; providing that a director  
329 may be removed under certain circumstances; amending  
330 s. 617.0809, F.S.; revising the manner in which a  
331 vacancy on the board of directors is filled; deleting  
332 a requirement that the term of a director elected or  
333 appointed to fill a vacancy expires at the next annual  
334 meeting to elect directors; deleting a provision  
335 authorizing a vacancy caused by an increase in the  
336 number of directors to be filled by the board of  
337 directors in a specified manner; creating s.  
338 617.08091, F.S.; authorizing the court to remove a  
339 director from office in a proceeding commenced by or  
340 in the right of the corporation if the court makes  
341 certain findings; limiting the persons who may bring  
342 such an action; requiring that an action by a member  
343 be brought only if the member or members collectively  
344 bringing action have a specified voting power;  
345 authorizing the court to bar the director from being  
346 reelected, redesignated, or reappointed for a period  
347 prescribed by the court; providing construction;  
348 amending s. 617.0820, F.S.; revising the criteria for  
349 when meetings of the board of directors may be called;  
350 authorizing that regular meetings of the board of

directors may be held without notice of date, time, place, or purpose; requiring that special meetings of the board of directors be preceded by a certain amount of notice of the date, time, and place of the meeting; amending s. 617.0821, F.S.; requiring that actions taken without a meeting be delivered to the corporation; revising when certain action taken is effective; providing that a director's consent may be withdrawn by a revocation signed by the director and delivered to the corporation before delivery to the corporation of certain unrevoked written consents; amending s. 617.0823, F.S.; revising the list of what a director waives when he or she signs a waiver of notice and attends a meeting of the board of directors; amending s. 617.0830, F.S.; specifying the standards of conduct a member of the board of directors or a board committee must conform to in discharging his or her duties; authorizing members to rely on certain persons in discharging their duties; providing that a director is not a trustee in certain respects; amending s. 617.0832, F.S.; defining terms; providing that if a director's conflict of interest transaction is fair to the corporation at the time that transaction is authorized, approved, effectuated, or ratified, the transaction is not void or voidable,

and is not grounds for relief, damages, or other sanctions; providing that the person challenging the validity of such transaction or seeking relief has the burden of proving certain facts; specifying the burden of proof for the person defending or asserting the validity of the director's conflict of interest; providing that the presence of or a vote cast by a director with an interest in a transaction does not affect the validity of the action if the transaction is otherwise authorized, approved, or ratified by the board of directors; authorizing a party challenging the validity of the transaction to assert and prove that a director or member was not disinterested on certain grounds for the purpose of voting on, consenting to, or approving the transaction; requiring that an action to satisfy certain authorization requirements be taken by the board of directors or a committee in order to authorize the transaction under certain circumstances; requiring that action be taken to satisfy certain requirements by the members or a committee in order to authorize the transaction under certain circumstances; reordering and amending s. 617.0834, F.S.; revising immunity and liability of certain persons; specifying when such persons are deemed not to have derived an improper personal



benefit from any transaction under certain  
circumstances; revising the definition of the term  
"recklessness"; providing construction; amending s.  
617.0835, F.S.; revising applicability; creating s.  
617.0844, F.S.; providing the standards of conduct an  
officer must conform to in discharging his or her  
duties; authorizing officers to rely on certain  
persons in discharging their duties; specifying the  
duties of an officer; providing that an officer is not  
a trustee with respect to the corporation or any  
property held or administered by the corporation in  
trust; amending s. 617.1001, F.S.; revising the  
authority of the corporation to amend its articles of  
incorporation; amending s. 617.1002, F.S.; revising the  
procedure for amending the articles of incorporation;  
amending s. 617.1006, F.S.; requiring that an  
amendment to the articles of incorporation be  
delivered to the department for filing articles of  
amendment; specifying what must be set forth in such  
articles of amendment; amending s. 617.1101, F.S.;  
revising the plan of merger for certain entities;  
specifying what a plan of merger must include;  
providing that terms of a plan of merger may be made  
dependent upon facts objectively ascertainable outside  
the plan; authorizing amendments to a plan of merger

426 with the consent of each party to the merger, except  
427 as provided in the plan; authorizing a domestic party  
428 to a merger to approve an amendment to a plan in a  
429 certain manner; amending s. 617.1102, F.S.; revising  
430 the limitations on merger for certain corporations  
431 that hold property for a charitable purpose; amending  
432 s. 617.1103, F.S.; specifying the manner in which a  
433 plan of merger must be adopted for a domestic  
434 corporation whose members are entitled to vote on the  
435 merger; authorizing the adoption of a plan of merger  
436 at the meeting of the board of directors for certain  
437 domestic corporations; providing that a plan of merger  
438 may be abandoned after the plan has been approved but  
439 before the articles of merger are effective; providing  
440 that the plan may be abandoned by the board of  
441 directors in the same manner as the plan of merger was  
442 approved by a domestic corporation or a merging  
443 domestic eligible entity; requiring that a statement  
444 of abandonment signed by all parties that signed the  
445 articles of merger be delivered to the department if  
446 the merger is abandoned after articles of merger were  
447 delivered to the department for filing but before the  
448 articles of merger become effective; specifying what  
449 must be in a statement of abandonment; creating s.  
450 617.1104, F.S.; authorizing a domestic or foreign

parent eligible entity that holds membership in a domestic corporation and that carries a specified percentage of voting power of the domestic corporation to merge the subsidiary into itself or into another specified domestic or foreign eligible entity or to merge itself into the subsidiary; providing that such mergers do not require approval of the board of directors or members of the subsidiary unless required; providing that articles of merger do not need to be signed by the subsidiary entity; requiring the parent eligible entity to notify subsidiary members within a specified timeframe; providing construction; amending s. 617.1105, F.S.; requiring that the articles of merger be signed by each party to the merger if the merger has been approved; providing an exception; specifying what must be included in the articles of merger; requiring that the articles of merger be delivered to the department for filing; specifying when a merger becomes effective; authorizing the filing of articles of merger in a specified manner under certain circumstances; amending s. 617.1106, F.S.; revising the effects of a merger once such merger becomes effective; providing that a merger does not give rise to any rights that any interest holder or third party would have upon a

dissolution, liquidation, or winding up of that party;  
providing that a party to a merger is not required to  
wind up its affairs and cause its dissolution or  
termination; prohibiting certain property held in  
trust or otherwise used for charitable purposes from  
being diverted from such purposes except as provided  
by law; providing that any bequest, devise, gift,  
grant, or promise contained in certain instruments  
inures to the survivor of the merger; providing that a  
trust obligation that would govern property if the  
property is directed to be transferred to the  
nonsurviving party is transferred to the surviving  
party of a merger; amending s. 617.1107, F.S.;  
deleting provisions related to mergers of foreign  
corporations and domestic corporations under certain  
circumstances; requiring a foreign eligible entity  
that survives a merger to comply with ch. 617, F.S.;  
deleting a provision to allow abandonment of merger  
under certain circumstances; amending s. 617.1202,  
F.S.; revising the manner in which a corporation may  
sell, lease, exchange, or otherwise dispose of all, or  
substantially all, of its property; specifying the  
manner in which a board of directors proposes and its  
members approve the proposed transaction; authorizing  
the corporation to abandon such disposition of

property without action by the members; providing exceptions; providing construction; reenacting and amending s. 617.1401, F.S.; revising what must be set forth in articles of dissolution; amending s. 617.1402, F.S.; making technical changes; amending s. 617.1403, F.S.; defining the term "dissolved corporation"; reenacting and amending s. 617.1405, F.S.; authorizing the circuit court to appoint a trustee, custodian, receiver, or provisional director for any property owned or acquired by the corporation to conduct its affairs for winding up and liquidating its affairs if any director or officer of the dissolved corporation is unwilling or unable to serve or cannot be located; prohibiting certain property held in trust from being diverted from its trust or charitable purpose unless done so under certain circumstances; amending s. 617.1406, F.S.; deleting obsolete language; making technical changes; amending s. 617.1407, F.S.; revising the notice requirements that a dissolved corporation or successor entity must file with the department; revising the claimants who may bring a claim against a dissolved corporation or successor entity; providing conditions under which certain claims are barred; amending s. 617.1408, F.S.; authorizing that a dissolved corporation or successor

entity may dispose of known claims against it by giving written notice to its known claimants of the dissolution within a specified timeframe after a specified timeframe; specifying what must be in such written notice; authorizing that a dissolved corporation or successor entity may reject a claim submitted by a claimant and received before the specified timeframe by mailing notice of the rejection to the claimant within a specified timeframe; specifying what must be included in such notice; providing that a claim against a dissolved corporation is barred under certain circumstances; defining the term "known claim"; providing that such notice does not revive any claim then barred or acknowledge that any person to whom such notice is sent is a proper claimant and does not operate as a waiver of any defenses or counterclaims; creating s. 617.1409, F.S.; authorizing a dissolved corporation to file with the circuit court for a determination of the amount and form of security to be provided for payment of unknown claims; specifying certain notice requirements of such proceeding; authorizing the court to appoint a guardian ad litem for a specified purpose; requiring the dissolved corporation to pay the reasonable fees and expenses of the guardian ad litem; providing that

provisions by the dissolved corporation for security ordered by the court satisfies the dissolved corporation's obligations with respect to certain claims; creating s. 617.14091, F.S.; providing that directors of certain dissolved corporations are not personally liable to its claimants; authorizing certain claims from being enforced against the dissolved corporation's undistributed assets and a member of the dissolved corporation on a pro rata share of the claim or the corporate assets distributed to such member, whichever is less; providing construction; amending s. 617.1420, F.S.; requiring the department to serve notice in a record to the corporation of its intent to administratively dissolve a corporation under certain circumstances; specifying the manner in which the department may issue the notice; requiring the department to administratively dissolve a corporation that does not respond to such notice within a specified timeframe; requiring the department to issue a notice in a record of administrative dissolution that states the grounds for the administrative dissolution; authorizing the department to issue such notice in a specified manner; reenacting and amending s. 617.1421, F.S.; making technical changes; amending s. 617.1430, F.S.;

revising when a circuit court may dissolve a  
corporation or order other remedies; amending s.  
617.1431, F.S.; revising the venue for judicial  
dissolution proceedings; providing that directors need  
not be made parties to a proceeding to dissolve a  
corporation unless relief is sought against them  
individually; authorizing a court to award reasonable  
attorney fees and costs to the other parties to the  
proceedings if the court makes certain findings;  
deleting obsolete language; amending s. 617.1432,  
F.S.; prohibiting a court from appointing a custodian  
or receiver brought in certain proceedings if its  
members, directors, or authorized persons have  
provided for the appointment of a provisional director  
or other means for the resolution of a deadlock;  
authorizing the court to enforce the remedy so  
provided by the provisional director; revising who the  
court may appoint to act as receiver or custodian of  
the corporation; revising the duties of the receiver  
redesignated as custodian by the court; authorizing  
the court to amend the order designating the receiver  
as custodian and custodian as receiver; making  
technical changes; amending s. 617.1433, F.S.;  
conforming provisions to changes made by the act;  
making technical changes; creating s. 617.1434, F.S.;



authorizing the court to order certain actions be taken as an alternative to directing the dissolution of the corporation; creating s. 617.1435, F.S.; authorizing the court to appoint a provisional director for a certain proceeding if it appears such appointment will remedy the grounds alleged by the complaining members or directors; providing that a provisional director may be appointed without a vacancy on the board of directors; providing that a provisional director has all the rights and powers of a duly elected director, until removed; specifying the criteria for a provisional director; requiring a provisional director to report to the court concerning certain matters; providing that a provisional director is not liable for actions taken or decisions made; providing exceptions; requiring the provisional director to submit recommendations to the court if directed; authorizing any officer or director to petition the court for certain instructions; requiring the court to compensate and reimburse the provisional director; amending s. 617.1440, F.S.; providing an exception to the assets that must be deposited with the Department of Financial Services for safekeeping; making technical changes; creating s. 617.15015, F.S.; providing the governing law for a foreign corporation

for certain affairs and interests of the foreign corporation; prohibiting a foreign corporation from being denied a certificate of authority for a specified reason; providing that a certificate of authority does not authorize a foreign corporation to engage in any business or exercise any prohibited power; amending s. 617.1502, F.S.; making technical changes; providing that any member, officer, or director of a foreign corporation is not liable for the debts, obligations, or other liabilities of the foreign corporation under certain circumstances; providing applicability; requiring a foreign corporation that transacts business in this state without a certificate of authority to appoint the Secretary of State as its agent for service of process; amending s. 617.1503, F.S.; conforming a provision to changes made by the act; amending s. 617.1504, F.S.; revising the requirements for a foreign corporation to amend its certificate of authority; revising applicability; authorizing a foreign corporation to amend its certificate of authority to add, remove, or change certain information; amending s. 617.1505, F.S.; deleting a prohibition of the state to regulate the organization or internal affairs of a foreign corporation; making a

technical change; amending s. 617.1506, F.S.; revising the requirements for a foreign corporation whose name is noncompliant to use an alternate name; authorizing the foreign corporation to use its name if it becomes available; providing construction; authorizing a foreign corporation to transact business in this state under the alternate name; providing an exception; prohibiting a foreign corporation with a noncompliant name from transacting business in this state until such corporation obtains an amended certificate of authority; authorizing a foreign corporation to register under a name not otherwise distinguishable on the records of another registered entity under certain circumstances; amending s. 617.1507, F.S.; requiring certain registered agents file a statement with the department with certain information; providing the duties of a registered agent; deleting the definition of the term "authorized entity"; requiring the department to maintain an accurate record of the registered agent and registered offices; requiring the department to furnish any information for a fee; prohibiting a foreign corporation from prosecuting or maintaining any action in a court in this state until it complies with certain requirements; authorizing a court to stay a proceeding commenced by a foreign

676 corporation until such compliance; amending s.  
677 617.1508, F.S.; specifying what must be in a statement  
678 of change; providing that a statement of change is  
679 effective when filed with the department; providing a  
680 statement of change may also be filed on the foreign  
681 corporation's annual report in an application for  
682 reinstatement; making technical changes; amending s.  
683 617.1509, F.S.; requiring the registered agent of a  
684 foreign corporation to mail a copy of his or her  
685 statement of resignation to the foreign corporation  
686 after filing it with the department; providing when a  
687 registered agent is terminated; providing that a  
688 registered agent ceases to have responsibility for any  
689 matters for the foreign corporation when a statement  
690 of resignation takes effect; providing that  
691 resignation does not affect contractual rights between  
692 the foreign corporation and the registered agent;  
693 authorizing a registered agent to resign from a  
694 foreign corporation regardless if it has active  
695 status; creating s. 617.15091, F.S.; providing the  
696 permissible means of delivery of certain  
697 communications; providing when notice to the  
698 department is effective; providing an exception;  
699 amending s. 617.1520, F.S.; requiring a foreign  
700 corporation who wishes to cancel its certificate of

701 authority to deliver to the department a notice of  
702 withdrawal of certificate of authority; providing when  
703 the certificate is effective; requiring such  
704 certificate be signed by an officer or a director and  
705 state certain information; providing that service of  
706 process for a foreign corporation whose withdrawal is  
707 effective is on the Secretary of State; creating s.  
708 617.1521, F.S.; providing that a foreign corporation  
709 that converts to a domestic corporation or another  
710 domestic eligible entity is deemed to have withdrawn  
711 its certificate of authority on the effective date of  
712 the conversion; creating s. 617.1522, F.S.; requiring  
713 certain entities no longer authorized to conduct  
714 affairs in this state to deliver a notice of  
715 withdrawal of certificate of authority to the  
716 department for filing; specifying service of process  
717 for such entities; creating s. 617.1523, F.S.;  
718 authorizing the Department of Legal Affairs to  
719 maintain an action to enjoin a foreign corporation  
720 from illegally conducting affairs in this state;  
721 amending s. 617.1530, F.S.; authorizing the department  
722 to revoke a foreign corporation's certificate of  
723 authority to transact business under certain  
724 circumstances; requiring revocation of a foreign  
725 corporation's certificate of authority to be done on a

specified date; requiring the department to issue notice to revoke the foreign corporation's certificate of authority and authority to transact business; authorizing the department to issue notice stating the grounds of such revocations by electronic transmission if the foreign corporation provided an e-mail address; providing that revocation of a foreign corporation's certificate of authority does not terminate the authority of the registered agent; creating s. 617.15315, F.S.; authorizing a foreign corporation whose certificate of authority has been revoked to apply to the department for reinstatement at any time after the effective date of revocation; requiring the foreign corporation to submit all fees and penalties owed with its application for reinstatement; specifying what must be included in the application for reinstatement; authorizing a foreign corporation to be reinstated if it pays all fees and penalties and files its current annual report; requiring the registered agent and an officer or director to sign the annual report; requiring the department to reinstate the foreign corporation if all conditions are met; providing that a reinstatement relates back to the effective date of the revocation of authority; prohibiting another entity from using the name of the

foreign corporation whose certificate of authority has been revoked until after a specified timeframe; requiring the department to require a foreign corporation seeking reinstatement whose name has been lawfully assumed by another eligible entity to comply with choosing a new name before accepting its application for reinstatement; amending s. 617.1532, F.S.; requiring the department to serve a foreign corporation with written notice explaining the reasons for denial of its application for reinstatement; authorizing a foreign corporation to appeal the department's denial in a specified manner; specifying how service is effectuated on the department; authorizing the Circuit Court of Leon County to take certain actions; providing that the circuit court's final decision may be appealed; amending s. 617.1601, F.S.; requiring a corporation to maintain certain records; requiring such records be maintained in a certain manner; amending s. 617.1602, F.S.; revising the records a member of a corporation may inspect and copy; authorizing the corporation to impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, certain records; providing that persons who become members of a corporation after a

776 specified timeframe and who are entitled to vote at a  
777 meeting are entitled to certain information; providing  
778 an exception; prohibiting the abolishment or  
779 limitation of the right of inspection by a  
780 corporation's articles of incorporation or bylaws;  
781 revising construction; prohibiting a member from  
782 selling or distributing specific information or  
783 records; providing an exception; prohibiting a person  
784 from obtaining or using a membership list or any part  
785 thereof for any purpose unrelated to a member's  
786 interest without the consent of the board of  
787 directors; revising the definition of the term  
788 "member"; providing applicability; amending s.  
789 617.1603, F.S.; authorizing a corporation to satisfy  
790 the right of a member to inspect specific records by  
791 means chosen by the corporation; providing that the  
792 corporation bears the reasonable costs of converting  
793 specified records; making technical changes;  
794 conforming a cross-reference; amending s. 617.1604,  
795 F.S.; revising the circumstances under which a  
796 corporation is not liable for the costs of a member  
797 inspecting and copying specified records; authorizing  
798 the court to impose reasonable restrictions on the  
799 confidentiality of such records; making technical  
800 changes; amending s. 617.1605, F.S.; requiring a



corporation to deliver or make available the latest annual financial statements to a member within a specified timeframe under certain circumstance; requiring the corporation to notify the member within a specified timeframe if the annual financial statements have not been prepared for the fiscal year requested; requiring the corporation to deliver to the member the annual financial statements within a specified timeframe; specifying how a corporation may deliver the specified annual financial statements; authorizing the corporation to place reasonable restrictions on members requesting annual financial statements; authorizing a corporation to decline to issue annual financial statements if the corporation determines the request was not made in good faith or for a proper purpose; authorizing a member who has not received a response from the corporation as required to seek relief from the circuit court in the applicable county; requiring the circuit court to expedite the matter; authorizing the circuit court to impose reasonable restrictions on the annual financial statements; providing that the corporation has the burden of proof; requiring the court to award the member's expenses under certain circumstances; providing exceptions; creating s. 617.16051, F.S.;

826 providing that a director of a corporation is entitled  
827 to inspect and copy specified records of the  
828 corporation at any reasonable time for a specified  
829 purpose; authorizing the circuit court of the  
830 applicable county to order inspection and copying of  
831 such records at the corporation's expense upon  
832 application of a director who has been refused such  
833 inspection rights; providing exceptions; requiring the  
834 court to expedite such application; authorizing a  
835 court that orders access to such records to include  
836 specific provisions protecting the corporation from  
837 undue burden or expense and prohibiting the director  
838 from using such information obtained for a specified  
839 purpose; authorizing the court to order the  
840 corporation to reimburse the director for the costs  
841 incurred for the application; amending s. 617.1622,  
842 F.S.; revising the information to be included in a  
843 domestic or foreign corporation's annual report to the  
844 department; providing that if the name or address of a  
845 registered agent in a corporation's annual report  
846 differs from the records of the department, the annual  
847 report is considered a statement of change; revising  
848 when the first annual report must be delivered to the  
849 department; providing reporting requirements for  
850 specified entities involved in certain mergers,

851 conversions, or domestications; creating s.  
852 617.180301, F.S.; providing construction; requiring a  
853 domesticating corporation to enter into a plan of  
854 domestication; specifying what must be included in a  
855 plan of domestication; authorizing the terms of a plan  
856 of domestication to be made dependent upon facts  
857 objectively ascertainable outside the plan; providing  
858 applicability; creating s. 617.18031, F.S.; providing  
859 the manner in which a domestication of a domestic  
860 corporation into a foreign jurisdiction must be  
861 adopted; creating s. 617.18032, F.S.; providing that  
862 articles of domestication must be signed by the  
863 domesticating corporation after certain circumstances;  
864 specifying information to be included in the articles  
865 of domestication; requiring that certain information  
866 be included in the articles of domestication for a  
867 domesticated corporation that is seeking to become a  
868 domestic corporation; requiring that articles of  
869 domestication be filed with the department and take  
870 effect within certain timeframes; specifying when the  
871 domestications of domestic and foreign corporations  
872 are effective; providing that a domesticating foreign  
873 corporation's certificate of authority is  
874 automatically canceled when domestication becomes  
875 effective; authorizing the filing of a certified copy

876 of the articles of domestication in any county in this  
877 state in which the domesticating corporation holds an  
878 interest in real property; creating s. 617.18033,  
879 F.S.; authorizing the amending of a plan of  
880 domestication of a domestic corporation in certain  
881 manners; authorizing the abandoning of a plan of  
882 domestication under certain circumstances in the same  
883 manner that the plan was approved or determined by the  
884 board of directors; requiring a domesticating  
885 corporation seeking to abandon domestication to send  
886 to the department a statement of abandonment before  
887 the articles of domestication become effective;  
888 specifying the information the statement of  
889 abandonment must include; creating s. 617.18034, F.S.;  
890 specifying effects of domestication with respect to  
891 rights, responsibilities, and liabilities; providing  
892 that a domestication does not constitute or cause the  
893 dissolution of the domesticating corporation;  
894 prohibiting the diversion for any other purpose of  
895 certain property held in trust or otherwise dedicated  
896 to a charitable purpose and held by a domestic of  
897 foreign corporation immediately before a domestication  
898 becomes effective; providing that any bequest, devise,  
899 gift, grant, or promise in certain instruments inures  
900 to the domesticated corporation; providing that a

trust obligation that would govern property if the property is transferred to the domesticating corporation applies to property that is transferred to the domesticated corporation after domestication takes effect; creating s. 617.1804, F.S.; specifying what certain domestic and foreign entities may convert to under certain circumstances; specifying applicability of certain provisions in certain protected agreements of a domestic converting corporation; creating s. 617.18041, F.S.; prohibiting a domestic corporation that holds property for a charitable purpose from becoming a domestic eligible entity or a foreign eligible entity; providing an exception; creating s. 617.18042, F.S.; authorizing a domestic corporation to convert to a domestic or foreign eligible entity by approving a plan of conversion; specifying the information to be included in the plan of conversion; providing that the terms of a plan of conversion may be made dependent upon facts objectively ascertainable outside the plan; creating s. 617.18043, F.S.; providing for the adoption of a plan of conversion for a domestic corporation converting to a domestic or foreign eligible entity other than a domestic corporation; creating s. 617.18044, F.S.; requiring specified entities that have had plans of conversion

adopted and approved to sign articles of conversion;  
specifying the information to be included in such  
articles of conversion; requiring a converted domestic  
corporation to satisfy the requirements of filing its  
articles of incorporation; providing an exception;  
requiring that certain domestic eligible entities'  
organic records, if any, satisfy certain requirements;  
providing an exception; requiring that articles of  
conversion be delivered to the department for filing  
and take effect on a specified date; specifying when  
certain entities' conversions become effective;  
authorizing the filing of articles of conversion in  
combination with any filing required for certain  
entities; providing that an eligible entity that is a  
foreign eligible entity's foreign qualification  
cancels automatically on the effective date of its  
conversion; authorizing the filing of a certified copy  
of the articles of conversion in the official records  
of any county in this state in which the converting  
eligible entity holds an interest in real property;  
creating s. 617.18045, F.S.; authorizing the amending  
of a plan of conversion of a converting eligible  
entity that is a domestic corporation under certain  
circumstances; authorizing such converting eligible  
entity to abandon the plan of conversion without

951        action by its interest holders under certain  
952        circumstances; requiring a converting eligible entity  
953        to sign and deliver to the department for filing a  
954        statement of abandonment if the conversion is  
955        abandoned after the articles of conversion have been  
956        delivered to the department but before the articles of  
957        conversion become effective; specifying when the  
958        statement of abandonment takes effect; specifying the  
959        information a statement of abandonment must contain;  
960        creating s. 617.18046, F.S.; specifying the effect of  
961        a conversion of an eligible entity; providing that  
962        certain interest holders of certain eligible entities  
963        who become subject to interest holder liability as a  
964        result of the conversion have such interest holder  
965        liability only in respect of interest holder  
966        liabilities that arise after the conversion becomes  
967        effective; providing that a conversion does not  
968        require the converting eligible entity to wind up its  
969        affairs or cause the dissolution or termination of the  
970        entity; prohibiting certain property held for  
971        charitable purposes immediately before conversion of  
972        specified entities from being diverted from the  
973        purposes for which such property was given; providing  
974        exceptions; providing that any bequest, devise, gift,  
975        grant, or promise contained in certain instruments

976        made to a converting eligible entity takes effect or  
977        remains payable after the conversion inures to the  
978        converted eligible entity; providing for applicability  
979        of certain trust obligations under certain  
980        circumstances; amending s. 617.2005, F.S.; revising  
981        the manner in which a court may dissolve an extinct  
982        church or religious society; amending s. 617.2006,  
983        F.S.; deleting certain provisions relating to a labor  
984        union or body filing its articles of incorporation in  
985        the applicable circuit court; amending ss. 39.8298,  
986        381.00316, 605.1025, 617.0102, 617.0121, 617.0122,  
987        617.0125, 617.02011, 617.0203, 617.0205, 617.0301,  
988        617.0504, 617.0806, 617.0824, 617.0825, 617.0831,  
989        617.0901, 617.1008, 617.1009, 617.1404, 617.1422,  
990        617.1423, 617.1501, 617.1510, 617.1606, 617.1623,  
991        617.1701, 617.1702, 617.1703, 617.1711, 617.1808,  
992        617.1809, 617.1904, 617.1907, 617.1908, 617.2001,  
993        617.2002, 617.2003, 617.2007, 617.2101, 617.221,  
994        620.2108, 620.8918, 628.910, 768.38, and 893.055,  
995        F.S.; conforming provisions to changes made by the  
996        act; conforming cross-references; making technical  
997        changes; repealing ss. 617.07401, 617.0822, 617.1108,  
998        617.1301, 617.1302, 617.1531, 617.1533, 617.1803,  
999        617.1805, 617.1806, 617.1807, and 617.2102, F.S.,  
1000        relating to members' derivative actions; notice of



1001 meetings; merger of domestic corporation and other  
1002 eligible entities; prohibited distributions;  
1003 authorized distributions; procedure for and effect of  
1004 revocation; reinstatement following revocation;  
1005 domestication of foreign not-for-profit corporations;  
1006 corporations for profit and when they may become  
1007 corporations not for profit; conversion to corporation  
1008 not for profit, petition, and contents; conversion to  
1009 corporation not for profit and authority of circuit  
1010 judge; and fines and penalties against members,  
1011 respectively; reenacting s. 617.1007(3), F.S.,  
1012 relating to restated articles of incorporation, to  
1013 incorporate the amendments to ss. 617.01201 and  
1014 617.1006, F.S., in references thereto; reenacting s.  
1015 295.21(5)(a), F.S., relating to Florida Is For  
1016 Veterans, Inc., to incorporate the amendment made to  
1017 s. 617.0302, F.S., in a reference thereto; reenacting  
1018 ss. 409.987(4)(b), 718.1265(1), 719.128(1), and  
1019 720.316(1), F.S., relating to lead agency procurement,  
1020 boards, and conflicts of interest; association  
1021 emergency powers; association emergency powers; and  
1022 association emergency powers, respectively, to  
1023 incorporate the amendment made to s. 617.0830, F.S.,  
1024 in references thereto; reenacting s. 718.3027(2) and  
1025 (5), F.S., relating to conflicts of interest, to

incorporate the amendment made to s. 617.0832, F.S., in references thereto; reenacting s. 720.3033(2)(a) and (b) and (3), F.S., relating to officers and directors, respectively, to incorporate the amendments made to ss. 617.0832 and 617.0834, F.S., in references thereto; reenacting s 721.13(13)(a), F.S., relating to management, to incorporate the amendment made to s. 617.0834, F.S., in a reference thereto; reenacting s. 718.111(1)(d), F.S., relating to the association, to incorporate the amendments made to ss. 617.0830 and 617.0834, F.S., in references thereto; providing an effective date.

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

**Section 1. Section 617.01011, Florida Statutes, is amended to read:**

617.01011 Short title.—This chapter ~~act~~ may be cited as the "Florida Nonprofit ~~Not-For-Profit~~ Corporation Act."

**Section 2. Subsections (1), (2), (3), (7), and (8) of section 617.01201, Florida Statutes, are amended, subsection (10) is added to that section, and subsection (9) of that section is reenacted, to read:**

617.01201 Filing requirements.—

(1) A document must satisfy the requirements of this

1051 section and of any other section that adds to or varies these  
1052 requirements to be entitled to filing by the department ~~of~~  
1053 ~~State~~.

1054 (2) This chapter act must require or permit filing the  
1055 document in the office of the department ~~of State~~.

1056 (3) The document must contain the information required by  
1057 this chapter act. It may contain other information as well.

1058 (7) The person executing the document shall sign it and  
1059 state beneath or opposite such person's ~~his or her~~ signature  
1060 such person's ~~his or her~~ name and the capacity in which such  
1061 person ~~he or she~~ signs. The document may, but need not, contain  
1062 the corporate seal, an attestation, an acknowledgment, or a  
1063 verification.

1064 ~~(a) The corporate seal,~~

1065 ~~(b) An attestation by the secretary or an assistant~~  
1066 ~~secretary,~~

1067 ~~(c) An acknowledgment, verification, or proof.~~

1068 (8) If the department ~~of State~~ has prescribed a mandatory  
1069 form for the document under s. 617.0121, the document must be in  
1070 or on the prescribed form.

1071 (9) The document must be delivered to the department for  
1072 filing. Delivery may be made by electronic transmission if and  
1073 to the extent allowed by the department. If the document is  
1074 filed in typewritten or printed form and not transmitted  
1075 electronically, the department may require that one exact or

conformed copy be delivered with the document, except as provided in s. 617.1508. The document must be accompanied by the correct filing fee and any other tax or penalty required by law.

(10) Whenever this chapter allows any of the terms of a plan or a filed document to be dependent upon facts objectively ascertainable outside the plan or filed document, the following apply:

(a) The plan or filed document must set forth the manner in which the facts will operate upon the terms of the plan or filed document.

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

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

a. Statistical or market indices;

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

c. Interest rates;

d. Currency exchange rates; and

e. Similar economic or financial data;

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

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

1101        (c) The following provisions of a plan or filed document  
1102 may not be made dependent upon facts outside the plan or filed  
1103 document:

1104        1. The name and address of any person required in a filed  
1105 document;

1106        2. The registered office of any entity required in a filed  
1107 document;

1108        3. The registered agent of any entity required in a filed  
1109 document;

1110        4. The effective date of a filed document; and

1111        5. Any required statement in a filed document of the date  
1112 on which the underlying transaction was approved or the manner  
1113 in which that approval was given.

1114        (d) If a provision of a filed document is made dependent  
1115 upon a fact ascertainable outside of the filed document, and  
1116 that fact is not ascertainable by reference to a source  
1117 described in subparagraph (b)1. or a document that is a matter  
1118 of public record, and the affected members have not received  
1119 notice of the fact from the corporation, the corporation must  
1120 file with the department articles of amendment to the filed  
1121 document setting forth the fact promptly after the time when the  
1122 fact referred to is first ascertainable or thereafter changes.  
1123 Articles of amendment under this section are deemed to be  
1124 authorized by the authorization of the original filed document  
1125 to which they relate and may be filed by the corporation without

1126 further action by the board of directors or the members.

1127 (e) As used in this subsection, the term:

1128 1. "Filed document" means a document filed with the  
1129 department pursuant to this chapter, except for a document filed  
1130 pursuant to ss. 617.1501-617.1532.

1131 2. "Plan" means a plan of merger, a plan of conversion, or  
1132 a plan of domestication.

1133 **Section 3. Section 617.0123, Florida Statutes, is amended**  
1134 **to read:**

1135 617.0123 Effective time and date of document.—

1136 ~~(1)~~ Except as provided in subsection (1) ~~(2)~~ and in s.  
1137 617.0124(3), a document accepted for filing under this chapter  
1138 may specify an is effective at the time and a delayed effective  
1139 date. In the case of the initial articles of incorporation, a  
1140 prior effective date may be specified in the articles of  
1141 incorporation if such date is within 5 business days before the  
1142 date of filing of filing on the date it is filed, as evidenced  
1143 by the Department of State's date and time endorsement on the  
1144 original document.

1145 (1) Subject to s. 617.0124(3), a document accepted for  
1146 filing is effective under any of the following conditions:

1147 (a) If the record filed does not specify an effective time  
1148 and does not specify a prior or a delayed effective date, on the  
1149 date and at the time the record is accepted, as evidenced by the  
1150 department's endorsement of the date and time on the filing.

1151        (b) If the record filed specifies an effective time, but  
1152 not a prior or delayed effective date, on the date the record is  
1153 accepted, as evidenced by the department's endorsement, and at  
1154 the time specified in the filing.

1155        (c) If the record filed specifies a delayed effective  
1156 date, but not an effective time, at 12:01 a.m. on the earlier  
1157 of:

1158            1. The specified date; or

1159            2. The 90th day after the date the record is filed.

1160        (d) If the record filed specifies a delayed effective date  
1161 and an effective time, at the specified time on the earlier of:

1162            1. The specified date; or

1163            2. The 90th day after the date the record is filed.

1164        (e) If the record filed is of initial articles of  
1165 incorporation and specifies an effective date before the date of  
1166 the filing, but no effective time, at 12:01 a.m. on the later  
1167 of:

1168            1. The specified date; or

1169            2. The 5th business day before the date the record is  
1170 filed.

1171        (f) If the record filed is of initial articles of  
1172 incorporation and specifies an effective time and an effective  
1173 date before the date of the filing, at the specified time on the  
1174 later of:

1175            1. The specified date; or

1176        2. The 5th business day before the date the record is  
1177 filed.

1178        (2) If the record filed does not specify the time zone or  
1179 place at which the date or time, or both, is to be determined,  
1180 the date or time, or both, at which it becomes effective will be  
1181 those prevailing at the place of filing in this state ~~A document~~  
1182 ~~may specify a delayed effective date, and if it does the~~  
1183 ~~document shall become effective on the date specified. Unless~~  
1184 ~~otherwise permitted by this act, a delayed effective date for a~~  
1185 ~~document may not be later than the 90th day after the date on~~  
1186 ~~which it is filed.~~

1187        (3) If a document is determined by the department ~~of State~~  
1188 to be incomplete and inappropriate for filing, the department ~~of~~  
1189 ~~State~~ may return the document to the person or corporation  
1190 filing it, together with a brief written explanation of the  
1191 reason for the refusal to file, in accordance with s.  
1192 617.0125(3). If the applicant returns the document with  
1193 corrections in accordance with the rules of the department  
1194 within 60 days after it was mailed to the applicant by the  
1195 department, and if at the time of return the applicant so  
1196 requests in writing, the filing date of the document will be the  
1197 filing date that would have been applied had the original  
1198 document not been deficient, except as to persons who relied on  
1199 the record before correction and were adversely affected  
1200 thereby.



(4) Corporate existence may predate the filing date, pursuant to s. 617.0203(1).

**Section 4. Section 617.0124, Florida Statutes, is amended to read:**

617.0124 Correcting filed document; withdrawal of filed record before effectiveness.—

(1) A domestic or foreign corporation may correct a document filed by the department within 30 days after filing if:

(a) The document contains an inaccuracy ~~incorrect statement~~;

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

(c) The document was defectively executed, attested, sealed, verified, or acknowledged; or

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

(2) A document is corrected:

(a) By preparing articles of correction that:

1. Describe the document, including its filing date, or attach a copy of the document to the articles of correction;

2. Specify the inaccuracy or defect ~~incorrect statement and the reason it is incorrect or the manner in which the execution was defective~~; and

3. Correct the inaccuracy or defect ~~incorrect statement or defective execution~~; and

1226 (b) By delivering the executed articles of correction to  
1227 the department for filing.

1228 (3) Articles of correction are effective on the effective  
1229 date of the document they correct except as to persons relying  
1230 on the uncorrected document and who are adversely affected by  
1231 the correction. As to those persons, articles of correction are  
1232 effective when filed.

1233 (4) Articles of correction may not contain a delayed  
1234 effective date for the correction.

1235 (5) Unless otherwise provided for in s. 617.1103(3) or s.  
1236 617.1809(8), a filing delivered to the department may be  
1237 withdrawn before it takes effect by delivering a withdrawal  
1238 statement to the department for filing.

1239 (a) A withdrawal statement must:

1240 1. Be signed by each person who signed the filing being  
1241 withdrawn, except as otherwise agreed to by such persons;

1242 2. Identify the filing to be withdrawn; and

1243 3. If not signed by all persons who signed the filing  
1244 being withdrawn, state that the filing is withdrawn in  
1245 accordance with the agreement of all persons who signed the  
1246 filing.

1247 (b) Upon the filing by the department of a withdrawal  
1248 statement, the action or transaction evidenced by the original  
1249 filing does not take effect.

1250 (6) Articles of correction that are filed to correct

1251 false, misleading, or fraudulent information are not subject to  
1252 a fee of the department if the articles of correction are  
1253 delivered to the department within 15 days after the  
1254 notification of filing sent pursuant to s. 617.0125(2).

1255 **Section 5. Section 617.0126, Florida Statutes, is amended**  
1256 **to read:**

1257 617.0126 Appeal from department's ~~Department of State's~~  
1258 refusal to file document.—If the department ~~of State~~ refuses to  
1259 file a document delivered to its office for filing, within 30  
1260 days after return of the document by the department by mail, as  
1261 evidenced by the postmark, the domestic or foreign corporation  
1262 may:

1263 (1) Appeal the refusal pursuant to s. 120.68; or

1264 (2) Petition the Circuit Court of Leon County to compel  
1265 filing of the document. ~~Appeal the refusal to the circuit court~~  
1266 ~~of the county where the corporation's principal office (or, if~~  
1267 ~~none in this state, its registered office) is or will be~~  
1268 ~~located. The appeal is commenced by petitioning the court to~~  
1269 ~~compel filing the document and by attaching to the petition~~ The  
1270 document and the department's ~~department of State's~~ explanation  
1271 of its refusal to file must be attached to the petition. ~~The~~  
1272 ~~matter shall promptly be tried de novo by the court without a~~  
1273 ~~jury.~~ The court may decide the matter in a summary proceeding,  
1274 and the court may summarily order the department ~~of State~~ to  
1275 file the document or take other action the court considers

1276 appropriate. The court's final decision may be appealed as in  
1277 other civil proceedings.

1278 **Section 6. Section 617.0127, Florida Statutes, is amended**  
1279 **to read:**

1280 617.0127 Certificates to be received in evidence;  
1281 ~~evidentiary~~ effect of certified copy of filed document.—All  
1282 certificates issued by the department pursuant to this chapter  
1283 must be taken and received in all courts, public offices, and  
1284 official bodies as prima facie evidence of the facts stated  
1285 therein. A certificate attached to a copy of a document filed by  
1286 the department ~~of State~~, bearing the signature of the Secretary  
1287 of State, ~~(which may be in facsimile,)~~ and the seal of this  
1288 state, is conclusive evidence that the original document is on  
1289 file with the department.

1290 **Section 7. Subsection (1) of section 617.0128, Florida**  
1291 **Statutes, is amended, and subsection (2) of that section is**  
1292 **reenacted, to read:**

1293 617.0128 Certificate of status.—

1294 (1) ~~Anyone may apply to~~ The department, upon request,  
1295 shall issue ~~of State to furnish~~ a certificate of status for a  
1296 domestic corporation or a certificate of authorization for a  
1297 foreign corporation.

1298 (2) A certificate of status or authorization sets forth:

1299 (a) The domestic corporation's corporate name or the  
1300 foreign corporation's corporate name used in this state;

1301 (b)1. That the domestic corporation is duly incorporated  
1302 under the law of this state and the date of its incorporation,  
1303 or

1304 2. That the foreign corporation is authorized to conduct  
1305 its affairs in this state;

1306 (c) That all fees and penalties owed to the department  
1307 have been paid, if:

1308 1. Payment is reflected in the records of the department,  
1309 and

1310 2. Nonpayment affects the existence or authorization of  
1311 the domestic or foreign corporation;

1312 (d) That its most recent annual report required by s.  
1313 617.1622 has been delivered to the department; and

1314 (e) That articles of dissolution have not been filed.

1315 **Section 8. Section 617.01301, Florida Statutes, is amended**  
1316 **to read:**

1317 617.01301 Powers of department ~~of State.~~

1318 (1) The department ~~of State~~ may propound to any  
1319 corporation subject to ~~the provisions of this chapter act~~, and  
1320 to any officer or director thereof, such interrogatories as may  
1321 be reasonably necessary and proper to enable it to ascertain  
1322 whether the corporation has complied with all applicable filing  
1323 provisions of this chapter act. Such interrogatories must be  
1324 answered within 30 days after mailing or within such additional  
1325 time as fixed by the department. Answers to interrogatories must

1326 be full and complete, in writing, and under oath.

1327 Interrogatories directed to an individual must be answered by  
1328 that individual ~~him or her~~, and interrogatories directed to a  
1329 corporation must be answered by an authorized officer or  
1330 director of the corporation, by a member if there are no  
1331 officers or directors of the corporation, or by a fiduciary if  
1332 the corporation is in the hands of a receiver, trustee, or other  
1333 court-appointed fiduciary ~~the president, vice president,~~  
1334 ~~secretary, or assistant secretary.~~

1335 (2) The department ~~of State~~ is not required to file any  
1336 document:

1337 (a) To which interrogatories, as propounded pursuant to  
1338 subsection (1) relate, until the interrogatories are answered in  
1339 full;

1340 (b) When interrogatories or other relevant evidence  
1341 discloses that such document is not in conformity with ~~the~~  
1342 ~~provisions of this chapter act~~; or

1343 (c) When the department has determined that the parties to  
1344 such document have not paid all fees, taxes, and penalties due  
1345 and owing this state.

1346 (3) The department ~~of State~~ may, based upon its findings  
1347 hereunder or ~~as provided~~ in s. 213.053(15), bring an action in  
1348 circuit court to collect any penalties, fees, or taxes  
1349 determined to be due and owing the state and to compel any  
1350 filing, qualification, or registration required by law. In

1351 connection with such proceeding the department may, without  
1352 prior approval by the court, file a lis pendens against any  
1353 property owned by the corporation and may further certify any  
1354 findings to the Department of Legal Affairs for the initiation  
1355 of any action permitted pursuant to s. 617.0503 which the  
1356 Department of Legal Affairs may deem appropriate.

1357 (4) The department has ~~of State shall have~~ the power and  
1358 authority reasonably necessary to enable it to administer this  
1359 chapter ~~act~~ efficiently, to perform the duties herein imposed  
1360 upon it, and to adopt rules pursuant to ss. 120.536(1) and  
1361 120.54 to implement this chapter ~~the provisions of this act~~  
1362 ~~conferring duties upon it.~~

1363 **Section 9. Section 617.01401, Florida Statutes, is amended**  
1364 **to read:**

1365 617.01401 Definitions.—As used in this chapter, the term:

1366 (1) "Articles of incorporation" includes original,  
1367 amended, and restated articles of incorporation, articles of  
1368 consolidation, and articles of merger, and all amendments  
1369 thereto, including documents designated by the laws of this  
1370 state as charters, and, in the case of a foreign corporation,  
1371 documents equivalent to articles of incorporation in the  
1372 jurisdiction of incorporation.

1373 (2) "Applicable county" means the county in this state in  
1374 which a corporation's principal office is located or was located  
1375 when an action is or was commenced. If the corporation has, or

1376 at the time of such action had, no principal office in this  
1377 state, the applicable county is the county in which the  
1378 corporation has, or at the time of such action had, an office in  
1379 this state. If the corporation does not have an office in this  
1380 state, the applicable county is the county in which the  
1381 corporation's registered office is or was last located.

1382 (3) "Authorized entity" means any of the following:

1383 (a) A corporation for profit.

1384 (b) A limited liability company.

1385 (c) A limited liability partnership.

1386 (d) A limited partnership, including a limited liability  
1387 limited partnership.

1388 (4)-(2) "Board of directors" means the group of persons  
1389 vested with the management of the affairs of the corporation  
1390 irrespective of the name by which such group is designated,  
1391 including, but not limited to, managers or trustees.

1392 (5)-(3) "Bylaws" means the code or codes of rules adopted  
1393 for the regulation or management of the affairs of the  
1394 corporation irrespective of the name or names by which such  
1395 rules are designated.

1396 (6) "Charitable asset" means property that is given,  
1397 received, or held for a charitable purpose.

1398 (7) "Charitable purpose" means a purpose that:

1399 (a) Would make a corporation organized and operated  
1400 exclusively for that purpose eligible to be exempt from taxation



1401 under s. 501(c)(3) of the Internal Revenue Code of 1986, as  
1402 amended, or

1403 (b) Is considered charitable under the law of this state  
1404 other than as set forth in the Internal Revenue Code of 1986, as  
1405 amended.

1406 (8)~~(4)~~ "Corporation" or "domestic corporation" means a  
1407 nonprofit corporation ~~not for profit~~, subject to the provisions  
1408 of this chapter, except a foreign corporation.

1409 ~~(5) "Corporation not for profit" means a corporation no~~  
1410 ~~part of the income or profit of which is distributable to its~~  
1411 ~~members, directors, or officers, except as otherwise provided~~  
1412 ~~under this chapter.~~

1413 (9)~~(6)~~ "Department" means the Florida Department of State.

1414 ~~(7) "Distribution" means the payment of a dividend or any~~  
1415 ~~part of the income or profit of a corporation to its members,~~  
1416 ~~directors, or officers.~~

1417 ~~(a) A donation or transfer of corporate assets or income~~  
1418 ~~to or from another not-for-profit corporation qualified as tax-~~  
1419 ~~exempt under s. 501(c) of the Internal Revenue Code or a~~  
1420 ~~governmental organization exempt from federal and state income~~  
1421 ~~taxes, if such corporation or governmental organization is a~~  
1422 ~~member of the corporation making such donation or transfer, is~~  
1423 ~~not a distribution for purposes of this chapter.~~

1424 ~~(b) A dividend or distribution by a not-for-profit~~  
1425 ~~insurance company subsidiary to its mutual insurance holding~~

1426 ~~company organized under part III of chapter 628, directly or~~  
1427 ~~indirectly through one or more intermediate holding companies~~  
1428 ~~authorized under that part, is not a distribution for the~~  
1429 ~~purposes of this chapter.~~

1430 (10)(8) "Electronic transmission" means any form of  
1431 communication, not directly involving the physical transmission  
1432 or transfer of paper, which creates a record that may be  
1433 retained, retrieved, and reviewed by a recipient and which may  
1434 be directly reproduced in a comprehensible and legible paper  
1435 form by such recipient through an automated process. Examples of  
1436 electronic transmission include, but are not limited to,  
1437 electronic mail, telegrams, facsimile, and transmissions through  
1438 the Internet ~~transmissions of images, and text that is sent via~~  
1439 ~~electronic mail between computers.~~

1440 (11)(a) "Eligible entity" means a domestic or foreign:

- 1441 1. Corporation or corporation for profit;  
1442 2. General partnership, including a limited liability  
1443 partnership;  
1444 3. Limited partnership, including a limited liability  
1445 limited partnership;

1446 4. Limited liability company; or

1447 5. Other unincorporated entity.

1448 (b) The term does not include:

- 1449 1. An individual;  
1450 2. An association or relationship that is not a

partnership solely by reason of s. 620.8202(2) or a similar provision of the law of another jurisdiction;

3. A decedent's estate; or

4. A government or a governmental subdivision, agency or instrumentality.

(12) "Eligible interest" means:

(a) A share;

(b) A membership; or

(c) Either or both of the following rights under the organic rules governing the entity:

1. The right to receive distributions from the entity either in the ordinary course of business or upon liquidation.

2. The right to receive notice or vote on issues involving its internal affairs, other than as an agent, assignee, proxy, or person responsible for managing its business, activities, or affairs.

(13) "Entity" includes corporations and foreign corporations; unincorporated associations; business trusts, estates, limited liability companies, partnerships, trusts, and two or more persons having a joint or common economic interest; any state, the United States, or any foreign government.

(14)~~(9)~~ "Foreign corporation" means a nonprofit corporation ~~not for profit~~ organized under laws other than the laws of this state.

(15)~~(10)~~ "Insolvent" means the inability of a corporation

to pay its debts as they become due in the usual course of its affairs.

(16) "Interest holder" means any of the following persons:

(a) A shareholder of a corporation for profit.

(b) A member of a nonprofit corporation.

(c) A general partner of a general partnership.

(d) A general partner of a limited partnership.

(e) A limited partner of a limited partnership.

(f) A member of a limited liability company.

(g) A shareholder or beneficial owner of a real estate investment trust.

(h) A beneficiary or beneficial owner of a statutory trust, business trust, or common law business trust.

(i) Another direct holder of an interest.

(17) "Interest holder liability" means:

(a) Personal liability for a liability of an entity which arises, except as otherwise provided in the organic rules of the entity, when the entity incurs the liability and which is imposed on a person:

1. Solely by reason of the status of the person as an interest holder; or

2. By the organic rules of the entity which make one or more specified interest holders or categories of interest holders liable in their capacity as interest holders for all or specified liabilities of the entity; or

1501        (b) An obligation of an interest holder under the organic  
1502 rules of an entity to contribute to the entity.

1503        (18)~~(11)~~ "Mail" means the United States mail, facsimile  
1504 transmissions, and private mail carriers handling nationwide  
1505 mail services.

1506        (19)~~(12)~~ "Member" means one having membership rights in a  
1507 corporation in accordance with ~~the provisions of its articles of~~  
1508 ~~incorporation or bylaws or the provisions of this chapter.~~

1509        ~~(13) "Mutual benefit corporation" means a domestic~~  
1510 ~~corporation that is not organized primarily or exclusively for~~  
1511 ~~religious purposes; is not recognized as exempt under s.~~  
1512 ~~501(c)(3) of the Internal Revenue Code; and is not organized for~~  
1513 ~~a public or charitable purpose that is required upon its~~  
1514 ~~dissolution to distribute its assets to the United States, a~~  
1515 ~~state, a local subdivision thereof, or a person that is~~  
1516 ~~recognized as exempt under s. 501(c)(3) of the Internal Revenue~~  
1517 ~~Code. The term does not include an association organized under~~  
1518 ~~chapter 718, chapter 719, chapter 720, or chapter 721, or any~~  
1519 ~~corporation where membership in the corporation is required~~  
1520 ~~pursuant to a document recorded in county property records.~~

1521        (20) "Nonprofit corporation" means a corporation no part  
1522 of the income or profit of which is distributable to its  
1523 members, directors, or officers, except as otherwise provided  
1524 under this chapter.

1525        (21) "Organic rules" means the public organic record and

private organic rules of an entity.

~~(22)(14)~~ "Person" includes an individual and entity.

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

(a) The bylaws of a corporation for profit.

(b) The bylaws of a nonprofit corporation.

(c) The partnership agreement of a general partnership.

(d) The partnership agreement of a limited partnership.

(e) The operating agreement, limited liability company agreement, or similar agreement of a limited liability company.

(f) The bylaws, trust instrument, or similar rules of a real estate investment trust.

(g) The trust instrument of a statutory trust or similar rules of a business trust or common law business trust.

(24) "Protected agreement" means any of the following:

(a) A document evidencing indebtedness of a domestic corporation or eligible entity and any related agreement in effect immediately before July 1, 2026.

(b) An agreement that is binding on a domestic corporation or eligible entity immediately before July 1, 2026.

1551        (c) The articles of incorporation or bylaws of a domestic  
1552 corporation or the organic rules of a domestic eligible entity,  
1553 in each case in effect immediately before July 1, 2026.

1554        (d) An agreement that is binding on any of the interest  
1555 holders, directors, or other governors of a domestic corporation  
1556 or eligible entity, in their capacities as such, immediately  
1557 before July 1, 2026.

1558        (25) "Public organic record" means a record, the filing of  
1559 which by a governmental body is required to form an entity, and  
1560 an amendment to or restatement of such record. When a public  
1561 organic record has been amended or restated, the term means the  
1562 public organic record as last amended or restated. The term  
1563 includes any of the following:

1564            (a) The articles of incorporation of a corporation for  
1565 profit.

1566            (b) The articles of incorporation of a nonprofit  
1567 corporation.

1568            (c) The certificate of limited partnership of a limited  
1569 partnership.

1570            (d) The articles of organization, certificate of  
1571 organization, or certificate of formation of a limited liability  
1572 company.

1573            (e) The articles of incorporation of a general cooperative  
1574 association or a limited cooperative association.

1575            (f) The certificate of trust of a statutory trust or

1576 similar record of a business trust.

1577 (g) The articles of incorporation of a real estate  
1578 investment trust.

1579 (26)-(15) "Successor entity" means any ~~trust, receivership,~~  
1580 ~~or other legal entity that is governed by the laws of this state~~  
1581 ~~to which the remaining assets of the and liabilities of a~~  
1582 ~~dissolved corporation are transferred, subject to its~~  
1583 ~~liabilities, for purposes of liquidation and that exists solely~~  
1584 ~~for the purposes of prosecuting and defending suits by or~~  
1585 ~~against the dissolved corporation and enabling the dissolved~~  
1586 ~~corporation to settle and close the business of the dissolved~~  
1587 ~~corporation, to dispose of and convey the property of the~~  
1588 ~~dissolved corporation, to discharge the liabilities of the~~  
1589 ~~dissolved corporation, and to distribute to the dissolved~~  
1590 ~~corporation's members any remaining assets, but not for the~~  
1591 ~~purpose of continuing the business for which the dissolved~~  
1592 ~~corporation was organized.~~

1593 (27)-(16) "Voting power" means the total number of votes  
1594 entitled to be cast for the election of directors at the time  
1595 the determination of voting power is made, excluding a vote that  
1596 is contingent upon the happening of a condition or event that  
1597 has not yet occurred. If the corporation's directors are not  
1598 elected by the members, voting power must, unless otherwise  
1599 provided in the articles of incorporation or bylaws, be on a  
1600 one-member, one-vote basis. If the members of a class are



entitled to vote as a class to elect directors, the determination of the voting power of the class is based on the percentage of the number of directors the class is entitled to elect relative to the total number of authorized directors. ~~If the corporation's directors are not elected by the members, voting power shall, unless otherwise provided in the articles of incorporation or bylaws, be on a one-member, one-vote basis.~~

**Section 10. Subsections (1) through (6), (8), and (9) of section 617.0141, Florida Statutes, are amended to read:**

617.0141 Notice.—

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

(a) Expressly authorized by the articles of incorporation or the bylaws; and

(b) Reasonable under the circumstances.

(2) Written notice may be communicated by mail, electronic mail, facsimile in person; by telephone (where oral notice is permitted), telegraph, teletype, or other form of electronic transmission; or by mail. When oral notice is permitted, notice may be communicated in person, by telephone, or other electronic transmission by means of which all persons participating can hear each other.

(3) Written notice by a domestic or foreign corporation authorized to conduct its affairs in this state to its member, if in a comprehensible form, is effective under any of the

1626 following circumstances:

1627 (a) When mailed, if mailed postpaid and correctly  
1628 addressed to the member's address shown in the domestic or  
1629 foreign corporation's current record of members.~~+~~

1630 (b) When actually transmitted by facsimile  
1631 ~~telecommunication~~, if correctly directed to a telephone number  
1632 at which the member has consented to receive notice.~~+~~

1633 (c) When actually transmitted by electronic mail, if  
1634 correctly directed to an electronic mail address at which the  
1635 member has consented to receive notice.~~+~~

1636 (d) When posted on an electronic network that the member  
1637 has consented to consult, upon the later of:

- 1638 1. Such correct posting; or  
1639 2. The giving of a separate notice to the member of the  
1640 fact of such specific posting.~~+~~~~or~~

1641 (e) When correctly transmitted to the member, if by any  
1642 other form of electronic transmission consented to by the member  
1643 to whom notice is given.

1644 (4) Consent by a member to receive notice by electronic  
1645 transmission is ~~shall be~~ revocable by the member by written  
1646 notice to the domestic or foreign corporation. Any such consent  
1647 is ~~shall be~~ deemed revoked if:

1648 (a) The domestic or foreign corporation is unable to  
1649 deliver by electronic transmission two consecutive notices given  
1650 by the domestic or foreign corporation in accordance with such

1651 consent; and

1652 (b) Such inability becomes known to the secretary or an  
1653 assistant secretary of the domestic or foreign corporation, or  
1654 other authorized person responsible for the giving of notice.  
1655 However, the inadvertent failure to treat such inability as a  
1656 revocation does not invalidate any meeting or other action.

1657 (5) Written notice to a domestic or foreign corporation  
1658 authorized to conduct its affairs in this state may be addressed  
1659 to its registered agent at its registered office. Written notice  
1660 may also be delivered ~~or~~ to the domestic or foreign corporation  
1661 ~~or its secretary~~ at its principal office shown in its most  
1662 recent annual report or, in the case of a domestic or foreign  
1663 corporation that has not yet delivered an annual report, in a  
1664 domestic corporation's articles of incorporation or in a foreign  
1665 corporation's application for certificate of authority.

1666 (6) Except as provided in subsection (3) or elsewhere in  
1667 this chapter ~~act~~, written notice, if in a comprehensible form,  
1668 is effective at the earliest date of any of the following:

1669 (a) When received. ~~;~~

1670 (b) Five days after its deposit in the United States mail,  
1671 as evidenced by the postmark, if mailed postpaid and correctly  
1672 addressed. ~~;~~ ~~or~~

1673 (c) On the date shown on the return receipt, if sent by  
1674 registered or certified mail, return receipt requested, and the  
1675 receipt is signed by or on behalf of the addressee.

(8) An affidavit of the secretary, an assistant secretary, the transfer agent, or other authorized agent of the domestic or foreign corporation that the notice has been given by a form of electronic transmission is, in the absence of fraud, prima facie evidence of the facts stated in the notice.

(9) If this chapter ~~act~~ prescribes notice requirements for particular circumstances, those requirements govern. If articles of incorporation or bylaws prescribe notice requirements not less stringent than the requirements of this section or other provisions of this chapter ~~act~~, those requirements govern.

**Section 11. Section 617.0143, Florida Statutes, is created to read:**

617.0143 Qualified director.—

(1) For purposes of this chapter, the term:

(a) "Material interest" means an actual or potential benefit or detriment, other than one which would devolve on the corporation or the members generally, which would reasonably be expected to impair the objectivity of the director's judgment when participating in the action to be taken. For a corporation that is regulated by chapter 718, chapter 719, chapter 720, chapter 721, or chapter 723, or a corporation when membership in such corporation is required pursuant to a document recorded in the county property records, a "material interest" is limited to familial, financial, professional, or employment interests.

(b) "Material relationship" means a familial, financial,

1701 professional, employment, or other relationship that would  
1702 reasonably be expected to impair the objectivity of the  
1703 director's judgment when participating in the action to be  
1704 taken.

1705 (c) "Qualified director" is a director who, at the time  
1706 action is to be taken under:

1707 1. Section 617.0744, and who does not have an interest in  
1708 the outcome of the proceeding or has a material relationship  
1709 with a person who has an interest in the outcome of the  
1710 proceeding;

1711 2. Section 617.0832, and who is not a director as to whom  
1712 the transaction is a director's conflict of interest  
1713 transaction, or who has a material relationship with another  
1714 director as to whom the transaction is a director's conflict of  
1715 interest transaction; or

1716 3. Section 617.0831, with respect to the application of  
1717 ss. 607.0850-607.0859, and who:

1718 a. Is not a party to the proceeding;

1719 b. Is not a director as to whom a transaction is a  
1720 director's conflict of interest transaction, which transaction  
1721 is challenged in the proceeding; and

1722 c. Does not have a material relationship with a director  
1723 who is disqualified by virtue of not meeting the requirements of  
1724 sub-subparagraph a. or sub-subparagraph b.

1725 (2) A director is not automatically prevented from being a

1726 qualified director if any of the following is present:

1727 (a) The nomination or election of the director to the  
1728 current board of directors by any director who is not a  
1729 qualified director with respect to the matter, or by any person  
1730 who has a material relationship with that director, acting alone  
1731 or participating with others.

1732 (b) Service as a director of another corporation of which  
1733 a director who is not a qualified director with respect to the  
1734 matter, or any individual who has a material relationship with  
1735 that director is or was also a director.

1736 (c) With respect to actions pursuant to s. 617.0744,  
1737 status as a named defendant, as a director against whom action  
1738 is demanded, or as a director who approved the conduct being  
1739 challenged.

1740 **Section 12. Subsections (1) and (2) of section 617.0202,**  
1741 **Florida Statutes, are amended to read:**

1742 617.0202 Articles of incorporation; content.—

1743 (1) The articles of incorporation must set forth:

1744 (a) A ~~corporate~~ name for the corporation that satisfies  
1745 the requirements of s. 617.0401;~~—~~

1746 (b) The street address of the initial principal office  
1747 and, if different, the mailing address of the corporation;

1748 (c) The purpose or purposes for which the corporation is  
1749 organized;

1750 (d) A statement of the manner in which the directors are

1751 to be elected or appointed. In lieu thereof, the articles of  
1752 incorporation may provide that the method of election of  
1753 directors be stated in the bylaws;

1754 (e) Any provision that lawfully limits the corporate  
1755 powers authorized under this chapter, ~~not inconsistent with this~~  
1756 ~~act or with any other law, which limits in any manner the~~  
1757 ~~corporate powers authorized under this act;~~

1758 (f) The street address of the corporation's initial  
1759 registered office and the name of its initial registered agent  
1760 at that address together with a written acceptance of  
1761 appointment as a registered agent as required by s. 617.0501;  
1762 and

1763 (g) The name and address of each incorporator.

1764 (2) The articles of incorporation may set forth:

1765 (a) The names and addresses of the individuals who are to  
1766 serve as the initial directors;

1767 (b) Any provision not inconsistent with law, regarding the  
1768 regulation of the internal affairs of the corporation,  
1769 including, without limitation, any provision with respect to the  
1770 relative rights or interests of the members as among themselves  
1771 or in the property of the corporation;

1772 (c) The manner of termination of membership in the  
1773 corporation;

1774 (d) The rights, upon termination of membership, of the  
1775 corporation, the terminated members, and the remaining members;

(e) The transferability or nontransferability of membership to the extent consistent with s. 617.0605;

(f) The distribution of assets upon dissolution or final liquidation or, if otherwise permitted by law, upon partial liquidation;

(g) If the corporation is to have one or more classes of members, any provision designating the class or classes of members and stating the qualifications and rights of the members of each class;

(h) The names of any persons or the designations of any groups of persons who are to be the initial members;

(i) A provision to the effect that the corporation will be subordinate to and subject to the authority of any head or national association, lodge, order, beneficial association, fraternal or beneficial society, foundation, federation, or other corporation, society, organization, or nonprofit association ~~not for profit~~; and

(j) Any provision that under this chapter ~~act~~ is required or permitted to be set forth in the bylaws. Any such provision set forth in the articles of incorporation need not be set forth in the bylaws.

**Section 13. Section 617.0204, Florida Statutes, is amended to read:**

617.0204 Liability for preincorporation transactions.—All persons purporting to act as or on behalf of a corporation,



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1801 ~~knowing having actual knowledge~~ that there was no incorporation  
1802 under this chapter act, are jointly and severally liable for all  
1803 liabilities created while so acting ~~except for any liability to~~  
1804 ~~any person who also had actual knowledge that there was no~~  
1805 ~~incorporation.~~

1806 **Section 14. Section 617.0206, Florida Statutes, is amended**  
1807 **to read:**

1808 617.0206 Bylaws.—The initial bylaws of a corporation shall  
1809 be adopted by its board of directors unless that power is  
1810 reserved to the members by the articles of incorporation. The  
1811 power to alter, amend, or repeal the bylaws or adopt new bylaws  
1812 is ~~shall be~~ vested in the board of directors unless otherwise  
1813 provided in the articles of incorporation or the bylaws. The  
1814 bylaws may contain any provision for the regulation and  
1815 management of the affairs of the corporation not inconsistent  
1816 with law or the articles of incorporation.

1817 **Section 15. Subsections (1), (3), (6), (8), (12), (14),**  
1818 **and (16) of section 617.0302, Florida Statutes, are amended, and**  
1819 **a new subsection (16) is added to that section, to read:**

1820 617.0302 Corporate powers.—Every nonprofit corporation ~~not~~  
1821 ~~for-profit~~ organized under this chapter, unless otherwise  
1822 provided in its articles of incorporation or bylaws, shall have  
1823 power to:

1824 ~~(1) Have succession by its corporate name for the period~~  
1825 ~~set forth in its articles of incorporation.~~

1826        (2)~~(3)~~ Adopt, use, and alter a ~~common~~ corporate seal.

1827        However, such seal must always contain the words "corporation  
1828        not for profit" or "nonprofit corporation."

1829        (5)~~(6)~~ Increase or decrease, ~~by a vote of its members cast~~  
1830        ~~as the bylaws may direct~~, the number of its directors, subject  
1831        to any minimum number of directors required under s. 617.0803 ~~so~~  
1832        ~~that the number shall not be less than three but may be any~~  
1833        ~~number in excess thereof.~~

1834        (7)~~(8)~~ Conduct its affairs, carry on its operations, and  
1835        have offices and exercise the powers granted by this chapter ~~act~~  
1836        in any state, territory, district, or possession of the United  
1837        States or any foreign country.

1838        (11)~~(12)~~ Purchase, take, receive, subscribe for, or  
1839        otherwise acquire, own, hold, vote, use, employ, sell, mortgage,  
1840        lend, pledge, or otherwise dispose of and otherwise use and deal  
1841        in and with, shares and other interests in, or obligations of,  
1842        other entities ~~domestic or foreign corporations, whether for~~  
1843        ~~profit or not for profit, associations, partnerships, or~~  
1844        individuals, or direct or indirect obligations of the United  
1845        States, or of any other government, state, territory,  
1846        governmental district, municipality, or of any instrumentality  
1847        thereof.

1848        (13)~~(14)~~ Make donations for the public welfare or for  
1849        religious, charitable, scientific, literary, educational, or  
1850        other similar purposes.

1851        (15) ~~(16)~~ Merge with other corporations or other eligible  
1852 entities ~~identified in s. 607.1101~~, both for profit and  
1853 nonprofit not for profit, domestic and foreign, in accordance  
1854 with the merger provisions of this chapter ~~if the surviving~~  
1855 ~~corporation or other surviving eligible entity is a corporation~~  
1856 ~~not for profit or other eligible entity that has been organized~~  
1857 ~~as a not-for-profit entity under a governing statute or other~~  
1858 ~~applicable law that permits such a merger.~~

1859        (16) Be a promoter, incorporator, partner, member,  
1860 associate, or manager of any corporation, joint venture, or  
1861 other entity.

1862        **Section 16. Section 617.0304, Florida Statutes, is amended**  
1863 **to read:**

1864        617.0304 Lack of power to act ~~Ultra vires.~~—

1865        (1) Except as provided in subsection (2), the validity of  
1866 corporate action, including, but not limited to, any conveyance,  
1867 transfer, or encumbrance of real or personal property to or by a  
1868 corporation, may not be challenged on the ground that the  
1869 corporation lacks or lacked power to act.

1870        (2) A corporation's power to act may be challenged:

1871        (a) In a proceeding by a member against the corporation to  
1872 enjoin the act;

1873        (b) In a proceeding by the corporation, directly,  
1874 derivatively, or through a receiver, trustee, or other legal  
1875 representative, or through members in a representative suit,

1876 against an incumbent or former officer, employee, or agent of  
1877 the corporation; or

1878 (c) In a proceeding by the Attorney General, as provided  
1879 in this chapter act, to dissolve the corporation or in a  
1880 proceeding by the Attorney General to enjoin the corporation  
1881 from the transaction of unauthorized business.

1882 (3) In a member's proceeding under paragraph (2) (a) to  
1883 enjoin an unauthorized corporate act, the court may enjoin or  
1884 set aside the act, if equitable and if all affected persons are  
1885 parties to the proceeding, and may award damages for loss ~~(other~~  
1886 ~~than anticipated profits)~~ suffered by the corporation or another  
1887 party because of enjoining the unauthorized act, except the  
1888 court may not award damages for anticipated profits.

1889 **Section 17. Subsections (3), (4), and (5) are added to**  
1890 **section 617.0401, Florida Statutes, to read:**

1891 617.0401 Corporate name.—

1892 (3) Notwithstanding subsection (2), a corporation may  
1893 register under a name that is not otherwise distinguishable on  
1894 the records of the department if:

1895 (a) The other entity consents to the use and submits an  
1896 undertaking in form satisfactory to the secretary of state to  
1897 change its name to a name that is distinguishable upon the  
1898 records of the department from the name of the applying  
1899 corporation; or

1900 (b) The applicant delivers to the department a certified

copy of a final judgment of a court of competent jurisdiction  
establishing the applicant's right to use the name applied for  
in the state.

(4) A corporate name as filed with the department is for  
public notice only and does not alone create any presumption of  
ownership of such name.

(5) This section does not apply to the use of fictitious  
names.

**Section 18. Subsections (1), (2), (5), and (6) of section**  
**617.0403, Florida Statutes, are amended to read:**

617.0403 Registered name; application; renewal;  
revocation.—

(1) A foreign corporation may register its corporate name,  
or its corporate name with any addition required by s. 617.1506,  
if the name is distinguishable upon the records of the  
department ~~of State~~ from the corporate names that are not  
available under s. 617.0401(1)(e).

(2) A foreign corporation registers its corporate name, or  
its corporate name with any addition required by s. 617.1506, by  
delivering to the department ~~of State~~ for filing an application:

(a) Setting forth its corporate name, or its corporate  
name with any addition required by s. 617.1506, the state or  
country and date of its incorporation, and a brief description  
of the nature of its purposes and the affairs in which it is  
engaged; and

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

(5) A foreign corporation that has so registered its name ~~the registration of which is effective~~ may thereafter qualify to conduct its affairs in this state as a foreign corporation under the registered name or consent in writing to the use of that name by a corporation thereafter incorporated under this chapter ~~act~~ or by another foreign corporation thereafter authorized to conduct its affairs in this state. The registration terminates when the domestic corporation is incorporated or the foreign corporation qualifies or consents to the qualification of another foreign corporation under the registered name.

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

**Section 19. Present subsections (4) and (5) of section 617.0501, Florida Statutes, are redesignated as subsections (5) and (6), respectively, a new subsection (4) is added to that section, and subsections (1) and (3) and present subsection (5) and subsection (6) of that section are amended, to read:**

617.0501 Registered office and registered agent.—

(1) Each corporation shall have and continuously maintain

in this state:

(a) A registered office which may be the same as its principal office; and

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

1. An individual who resides in this state whose business office is identical to ~~with~~ such registered office; ~~or~~

2.~~a~~. Another domestic entity that is an authorized entity whose business address is identical to the address of the registered office; or

3.~~b~~. A foreign entity authorized to transact business in this state that is an authorized entity and whose business address is identical to the address of the registered office.

(3) Each initial A registered agent, and each appointed ~~pursuant to this section or a~~ successor registered agent that is appointed, ~~pursuant to s. 617.0502 on whom process may be served~~ shall ~~each~~ file a statement in writing with the department ~~of State~~, in the ~~such~~ form and manner ~~as shall be~~ prescribed by the department, accepting the appointment as a registered agent while simultaneously ~~with his or her~~ being designated as the registered agent. The ~~Such~~ statement of acceptance must provide ~~shall state~~ that the registered agent is familiar with, and accepts, the obligations of that position.

(4) The duties of a registered agent are:

(a) To forward to the corporation, at the address most recently supplied to the registered agent by the corporation, a

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process, notice, or demand pertaining to the corporation which is served on or received by the registered agent; and

(b) If the registered agent resigns, to provide the notice required under s. 617.0502 to the corporation at the address most recently supplied to the registered agent by the corporation.

(6)-(5) A corporation may not prosecute or maintain any action in a court in this state until the corporation complies with this section or s. 617.1508, as applicable; pays to the department of State any amounts required under this chapter; and, to the extent ordered by a court of competent jurisdiction, pays to the department of State a penalty of \$5 for each day it has failed to so comply or \$500, whichever is less. A court may stay a proceeding commenced by a corporation until the corporation complies with this section.

~~(6) For the purposes of this section, the term "authorized entity" means:~~

~~(a) A corporation for profit;~~  
~~(b) A limited liability company;~~  
~~(c) A limited liability partnership; or~~  
~~(d) A limited partnership, including a limited liability limited partnership.~~

**Section 20. Section 617.0502, Florida Statutes, is amended to read:**

617.0502 Change of registered office or registered agent;



~~resignation of registered agent.~~

(1) A corporation may change its registered office or its registered agent upon filing with the department ~~of State~~ a statement of change setting forth:

(a) The name of the corporation;

(b) The name ~~street address~~ of its current registered agent ~~office~~;

(c) If the current registered agent ~~office~~ is to be changed, the name ~~street address~~ of the new registered agent ~~office~~;

(d) The street address ~~name~~ of its current registered office for its current registered agent;

(e) If the street address of the current registered office is to be changed, the new street address of the registered office in this state.

(2) If the ~~its current~~ registered agent is ~~to be~~ changed, the written acceptance ~~name~~ of the successor ~~new~~ registered agent as described in s. 617.0501(3) must be provided to the department ~~and the new agent's written consent (either on the statement or attached to it) to the appointment;~~

~~(f) That the street address of its registered office and the street address of the business office of its registered agent, as changed, will be identical; and~~

~~(g) That such change was authorized by resolution duly adopted by its board of directors or by an officer of the~~

2026 ~~corporation so authorized by the board of directors.~~

2027 ~~(2)(a) Any registered agent may resign his or her agency~~  
2028 ~~appointment by signing and delivering for filing with the~~  
2029 ~~Department of State a statement of resignation and mailing a~~  
2030 ~~copy of such statement to the corporation at its mailing address~~  
2031 ~~of the respective corporation that then appears in the records~~  
2032 ~~of the Department of State; provided, however, that if a~~  
2033 ~~composite statement of resignation is being filed pursuant to~~  
2034 ~~paragraph (b), the registered agent must promptly mail a copy of~~  
2035 ~~either the composite statement of resignation or a separate~~  
2036 ~~notice of resignation for each respective corporation, in each~~  
2037 ~~case using the respective mailing address of the respective~~  
2038 ~~corporation that then appears in the records of the Department~~  
2039 ~~of State. The statement of resignation shall state that a copy~~  
2040 ~~of such statement of resignation or, if applicable, notice of~~  
2041 ~~resignation, has been mailed to the corporation at the address~~  
2042 ~~so stated. The agency is terminated as of the 31st day after the~~  
2043 ~~date on which the statement was filed and unless otherwise~~  
2044 ~~provided in the statement, termination of the agency acts as a~~  
2045 ~~termination of the registered office.~~

2046 ~~(b) If a registered agent is resigning as registered agent~~  
2047 ~~from one or more corporations that each have been dissolved,~~  
2048 ~~either voluntarily, administratively, or by court action, for a~~  
2049 ~~continuous period of 10 years or longer, the registered agent~~  
2050 ~~may elect to file the statement of resignation separately for~~

~~each such corporation or may elect to file a single composite statement of resignation covering two or more corporations. Any such composite statement of resignation must set forth, for each such corporation covered by the statement of resignation, the name of the respective corporation and the date that dissolution became effective for the respective corporation. This subsection is applicable only to resignations by registered agents from domestic corporations.~~

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

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

~~(b) Signing (either manually or in facsimile) and delivering to the Department of State for filing a statement that substantially complies with the requirements of paragraphs (1)(a)-(f), setting forth the names of all such corporations represented by the registered agent; and~~

~~(c) Reciting that each corporation has been notified of the change.~~

~~(4) Changes of the registered office or registered agent may be made by a change on the corporation's annual report form filed with the Department of State.~~

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

2076 ~~to s. 15.09(2) for filings authorized by this section.~~

2077 **Section 21. Section 617.05021, Florida Statutes, is**  
2078 **created to read:**

2079 617.05021 Resignation of a registered agent.—

2080 (1)(a) A registered agent may resign as agent for a  
2081 corporation by delivering to the department a signed statement  
2082 of resignation and mailing a copy of such statement to the  
2083 corporation at its mailing address of the respective corporation  
2084 that then appears in the records of the department; provided,  
2085 however, that if a composite statement of resignation is being  
2086 filed pursuant to paragraph (b), the registered agent must  
2087 promptly mail a copy of either the composite statement of  
2088 resignation or a separate notice of resignation for each  
2089 respective corporation, in each case using the respective  
2090 mailing address of the respective corporation that then appears  
2091 in the records of the department.

2092 (b) If a registered agent is resigning as registered agent  
2093 from one or more corporations that each have been dissolved,  
2094 either voluntarily, administratively, or by court action, for a  
2095 continuous period of 10 years or longer, the registered agent  
2096 may elect to file the statement of resignation separately for  
2097 each such corporation or may elect to file a single composite  
2098 statement of resignation covering two or more corporations. Any  
2099 such composite statement of resignation must set forth, for each  
2100 such corporation covered by the statement of resignation, the

name of the respective corporation and the date that dissolution became effective for the respective corporation. This paragraph is applicable only to resignations by registered agents from domestic corporations.

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

(a) The 31st day after the department files the statement of resignation; or

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

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

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

**Section 22. Section 617.05022, Florida Statutes, is created to read:**

617.05022 Change of name or address by a registered agent.—

(1) If a registered agent changes the registered agent's name or business address, the agent may deliver to the department for filing a statement of change that provides the following:

2126        (a) The name of the corporation represented by the  
2127 registered agent.

2128        (b) The name of the registered agent as currently shown in  
2129 the records of the department for the corporation.

2130        (c) If the name of the registered agent has changed, its  
2131 new name.

2132        (d) If the address of the registered agent has changed,  
2133 the new address.

2134        (e) A statement that the registered agent has given the  
2135 notice required under subsection (2).

2136        (2) A registered agent shall promptly furnish notice to  
2137 the represented corporation of the statement of change and the  
2138 changes made in the statement, as delivered to the department.

2139        (3) A statement of change is effective when filed by the  
2140 department.

2141        (4) The changes described in this section may also be made  
2142 on the corporation's annual report, in an application for  
2143 reinstatement filed with the department under s. 617.1422, or in  
2144 an amendment to or restatement of the company's articles of  
2145 incorporation in accordance with s. 617.1006 or s. 617.1007.

2146        (5) The department shall collect a fee pursuant to s.  
2147 15.09(2) for filings authorized by this section.

2148        **Section 23. Section 617.0503, Florida Statutes, is amended**  
2149 **to read:**

2150        617.0503 Failure to maintain registered agent; subpoena by

2151 the Department of Legal Affairs ~~Registered agent; duties;~~  
2152 ~~confidentiality of investigation records.-~~

2153 (1)(a) Each corporation or, ~~foreign corporation, or alien~~  
2154 ~~business organization~~ that owns real property located in this  
2155 state, that owns a mortgage on real property located in this  
2156 state, or that conducts affairs ~~transacts business~~ in this state  
2157 shall have and continuously maintain in this state a registered  
2158 office and a registered agent and shall file with the department  
2159 ~~of State~~ notice of the registered office and registered agent as  
2160 provided in ss. 617.0501 and 617.0502. The appointment of a  
2161 registered agent in compliance with s. 617.0501 or s. 617.0502  
2162 is sufficient for purposes of this section if the registered  
2163 agent so appointed files, in the form and manner prescribed by  
2164 the department ~~of State~~, an acceptance of the obligations  
2165 provided for in this section.

2166 (b) Each such corporation or, ~~foreign corporation, or~~  
2167 ~~alien business organization~~ that fails to have and continuously  
2168 maintain a registered office and a registered agent as required  
2169 in this section is liable to this state for \$500 for each year,  
2170 or part of a year, during which the domestic or ~~corporation,~~  
2171 ~~foreign corporation, or alien business organization~~ fails to  
2172 comply with these requirements; but this liability is forgiven  
2173 in full upon the compliance by the domestic or foreign  
2174 ~~corporation, foreign corporation, or alien business organization~~  
2175 with the requirements of this subsection, even if that

2176 compliance occurs after an action to collect such amount is  
2177 instituted. The Department of Legal Affairs may file an action  
2178 in the circuit court for the judicial circuit in which the  
2179 domestic or foreign corporation, ~~foreign corporation, or alien~~  
2180 ~~business organization~~ is found or conducts affairs ~~transacts~~  
2181 ~~business~~, or in which real property belonging to the domestic or  
2182 foreign corporation, ~~foreign corporation, or alien business~~  
2183 ~~organization~~ is located, to petition the court for an order  
2184 directing that a registered agent be appointed and that a  
2185 registered office be designated, and to obtain judgment for the  
2186 amount owed under this subsection. In connection with such  
2187 proceeding, the department may, without prior approval by the  
2188 court, file a lis pendens against real property owned by the  
2189 domestic or foreign corporation, ~~foreign corporation, or alien~~  
2190 ~~business organization~~, which lis pendens must ~~shall~~ set forth  
2191 the legal description of the real property and must ~~shall~~ be  
2192 filed in the public records of the county where the real  
2193 property is located. If the lis pendens is filed in any county  
2194 other than the county in which the action is pending, the lis  
2195 pendens that is filed must be a certified copy of the original  
2196 lis pendens. The failure to comply timely or fully with an order  
2197 directing that a registered agent be appointed and that a  
2198 registered office be designated will result in a civil penalty  
2199 of not more than \$1,000 for each day of noncompliance. A  
2200 judgment or an order of payment entered under this subsection



2201 becomes a judgment lien against any real property owned by the  
2202 domestic or foreign corporation, ~~foreign corporation, or alien~~  
2203 ~~business organization~~ when a certified copy of the judgment or  
2204 order is recorded as required by s. 55.10. The department may  
2205 avail itself of, and is entitled to use, any ~~provision of~~ law or  
2206 of the Florida Rules of Civil Procedure to further the  
2207 collecting or obtaining of payment pursuant to a judgment or  
2208 order of payment. The state, through the Attorney General, may  
2209 bid, at any judicial sale to enforce its judgment lien, any  
2210 amount up to the amount of the judgment or lien obtained  
2211 pursuant to this subsection. All moneys recovered under this  
2212 subsection must ~~shall~~ be treated as forfeitures under ss.  
2213 895.01-895.09 and used or distributed in accordance with the  
2214 procedure set forth in s. 895.09. A domestic or foreign  
2215 corporation, ~~foreign corporation, or alien business organization~~  
2216 that fails to have and continuously maintain a registered office  
2217 and a registered agent as required in this section may not  
2218 defend itself against any action instituted by the Department of  
2219 Legal Affairs or by any other agency of this state until the  
2220 requirements of this subsection have been met.

2221 (2) Each domestic or foreign corporation, ~~foreign~~  
2222 ~~corporation, or alien business organization~~ that owns real  
2223 property located in this state, that owns a mortgage on real  
2224 property located in this state, or that conducts affairs  
2225 ~~transacts business~~ in this state must ~~shall~~, pursuant to

subpoena served upon the registered agent of the domestic or  
foreign corporation, ~~foreign corporation, or alien business~~  
~~organization~~ issued by the Department of Legal Affairs, produce,  
through its registered agent or through a designated  
representative within 30 days after service of the subpoena,  
testimony and records showing the following:

(a) True copies of documents evidencing the legal  
existence of the entity, including the articles of incorporation  
and any amendments to the articles of incorporation or the legal  
equivalent of the articles of incorporation and such amendments.

(b) The names and addresses of each current officer and  
director of the entity or persons holding equivalent positions.

(c) The names and addresses of all prior officers and  
directors of the entity or persons holding equivalent positions,  
for a period not to exceed the 5 years previous to the date of  
issuance of the subpoena.

(d) The names and addresses of each member ~~current~~  
~~shareholder, equivalent equitable owner, and ultimate equitable~~  
~~owner~~ of the entity, the number of which names is limited to the  
names of the 100 members holding the largest share of voting  
power of the domestic or foreign corporation ~~shareholders,~~  
~~equivalent equitable owners, and ultimate equitable owners that,~~  
~~in comparison to all other shareholders, equivalent equitable~~  
~~owners, or ultimate equitable owners, respectively, own the~~  
~~largest number of shares of stock of the corporation, foreign~~

2251 ~~corporation, or alien business organization or the largest~~  
2252 ~~percentage of an equivalent form of equitable ownership of the~~  
2253 ~~corporation, foreign corporation, or alien business~~  
2254 ~~organization.~~

2255 (e) The names and addresses of all previous members ~~prior~~  
2256 ~~shareholders, equivalent equitable owners, and ultimate~~  
2257 ~~equitable owners of the entity~~ for the 12-month period preceding  
2258 the date of issuance of the subpoena, the number of which names  
2259 is limited to the 100 members holding the largest share of  
2260 voting power of the domestic or foreign corporation  
2261 ~~shareholders, equivalent equitable owners, and ultimate~~  
2262 ~~equitable owners that, in comparison to all other shareholders,~~  
2263 ~~equivalent equitable owners, or ultimate equitable owners,~~  
2264 ~~respectively, own the largest number of shares of stock of the~~  
2265 ~~corporation, foreign corporation, or alien business organization~~  
2266 ~~or the largest percentage of an equivalent form of equitable~~  
2267 ~~ownership of the corporation, foreign corporation, or alien~~  
2268 ~~business organization.~~

2269 (f) The names and addresses of the person or persons who  
2270 provided the records and information to the registered agent or  
2271 designated representative of the entity.

2272 (g) The requirements of paragraphs (d) and (e) do not  
2273 apply to:

- 2274 1. A financial institution;
- 2275 2. A corporation, foreign corporation, or alien business

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organization the securities of which are registered pursuant to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, if such corporation, foreign corporation, or alien business organization files with the United States Securities and Exchange Commission the reports required by s. 13 of that act; or

3. A corporation, foreign corporation, or alien business organization, the securities of which are regularly traded on an established securities market located in the United States or on an established securities market located outside the United States, if such non-United States securities market is designated by rule adopted by the Department of Legal Affairs;

upon a showing by the corporation, foreign corporation, or alien business organization that the exception in subparagraph 1., subparagraph 2., or subparagraph 3. applies to the corporation, foreign corporation, or alien business organization. Such exception in subparagraph 1., subparagraph 2., or subparagraph 3. does not, however, exempt the corporation, foreign corporation, or alien business organization from the requirements for producing records, information, or testimony otherwise imposed under this section for any period of time when the requisite conditions for the exception did not exist.

(3) The time limit for producing records and testimony may be extended for good cause shown by the domestic or foreign

2301 corporation, ~~foreign corporation, or alien business~~  
2302 ~~organization.~~

2303 (4) A domestic or foreign corporation ~~person, corporation,~~  
2304 ~~foreign corporation, or alien business organization~~ designating  
2305 an attorney or, ~~accountant, or spouse~~ as a registered agent or  
2306 designated representative shall, with respect to this state or  
2307 any agency or subdivision of this state, be deemed to have  
2308 waived any privilege that might otherwise attach to  
2309 communications with respect to the information required to be  
2310 produced pursuant to subsection (2), which communications are  
2311 among such domestic or foreign corporation, ~~foreign corporation,~~  
2312 ~~or alien business organization~~; the registered agent or  
2313 designated representative of such domestic or foreign  
2314 ~~corporation, foreign corporation, or alien business~~  
2315 ~~organization~~; and the beneficial owners of such domestic or  
2316 foreign corporation, ~~foreign corporation, or alien business~~  
2317 ~~organization~~. The duty to comply with ~~the provisions of this~~  
2318 section will not be excused by virtue of any privilege or  
2319 ~~provision of~~ law of this state or any other state or country,  
2320 which privilege or provision authorizes or directs that the  
2321 testimony or records required to be produced under subsection  
2322 (2) are privileged or confidential or otherwise may not be  
2323 disclosed.

2324 (5) If a domestic or foreign corporation, ~~foreign~~  
2325 ~~corporation, or alien business organization~~ fails without lawful

2326 | excuse to comply timely or fully with a subpoena issued pursuant  
2327 | to subsection (2), the Department of Legal Affairs may file an  
2328 | action in the circuit court for the judicial circuit in which  
2329 | the domestic or foreign corporation, ~~foreign corporation, or~~  
2330 | ~~alien business organization~~ is found or conducts affairs,  
2331 | ~~transacts business~~ or in which real property belonging to the  
2332 | domestic or foreign corporation, ~~foreign corporation, or alien~~  
2333 | ~~business organization~~ is located, for an order compelling  
2334 | compliance with the subpoena. The failure without a lawful  
2335 | excuse to comply timely or fully with an order compelling  
2336 | compliance with the subpoena will result in a civil penalty of  
2337 | not more than \$1,000 for each day of noncompliance with the  
2338 | order. In connection with such proceeding, the department may,  
2339 | without prior approval by the court, file a lis pendens against  
2340 | real property owned by the domestic or foreign corporation,  
2341 | ~~foreign corporation, or alien business organization,~~ which lis  
2342 | pendens must ~~shall~~ set forth the legal description of the real  
2343 | property and must ~~shall~~ be filed in the public records of the  
2344 | county where the real property is located. If the lis pendens is  
2345 | filed in any county other than the county in which the action is  
2346 | pending, the lis pendens that is filed must be a certified copy  
2347 | of the original lis pendens. A judgment or an order of payment  
2348 | entered pursuant to this subsection will become a judgment lien  
2349 | against any real property owned by the domestic or foreign  
2350 | ~~corporation, foreign corporation, or alien business organization~~

2351 when a certified copy of the judgment or order is recorded as  
2352 required by s. 55.10. The department may avail itself of, and is  
2353 entitled to use, any provision of law or of the Florida Rules of  
2354 Civil Procedure to further the collecting or obtaining of  
2355 payment pursuant to a judgment or order of payment. The state,  
2356 through the Attorney General, may bid at any judicial sale to  
2357 enforce its judgment lien, an amount up to the amount of the  
2358 judgment or lien obtained pursuant to this subsection. All  
2359 moneys recovered under this subsection shall be treated as  
2360 forfeitures under ss. 895.01-895.09 and used or distributed in  
2361 accordance with the procedure set forth in s. 895.09.

2362 (6) Information provided to, and records and  
2363 transcriptions of testimony obtained by, the Department of Legal  
2364 Affairs pursuant to this section are confidential and exempt  
2365 from ~~the provisions of~~ s. 119.07(1) and s. 24(a), Art. I of the  
2366 State Constitution while the investigation is active. For  
2367 purposes of this section, an investigation shall be considered  
2368 ~~"active"~~ while such investigation is being conducted with a  
2369 reasonable, good faith belief that it may lead to the filing of  
2370 an administrative, a civil, or a criminal proceeding. An  
2371 investigation does not cease being ~~to be~~ active so long as the  
2372 department is proceeding with reasonable dispatch and there is a  
2373 good faith belief that action may be initiated by the department  
2374 or other administrative or law enforcement agency. Except for  
2375 active criminal intelligence or criminal investigative

information, as defined in s. 119.011, and information which, if disclosed, would reveal a trade secret, as defined in s. 688.002, or would jeopardize the safety of an individual, all information, records, and transcriptions become available to the public when the investigation is completed or becomes inactive ~~ceases to be active~~. The department may ~~shall~~ not disclose confidential information, records, or transcriptions of testimony except pursuant to authorization by the Attorney General in any of the following circumstances:

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

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

(c) In the course of filing, participating in, or conducting a judicial proceeding to enforce an order or judgment entered pursuant to this section or chapter 895.

(d) In the course of a criminal proceeding.

A person or law enforcement agency that receives any information, record, or transcription of testimony that has been made confidential by this subsection shall maintain the confidentiality of such material and may ~~shall~~ not disclose such information, record, or transcription of testimony except as



provided for herein. Any person who willfully discloses any information, record, or transcription of testimony that has been made confidential by this subsection, except as provided for in this subsection, commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. If any information, record, or testimony obtained pursuant to subsection (2) is offered in evidence in any judicial proceeding, the court may, in its discretion, seal that portion of the record to further the policies of confidentiality set forth in this subsection.

(7) This section is supplemental and may ~~shall~~ not be construed to preclude or limit the scope of evidence gathering or other permissible discovery pursuant to any other subpoena or discovery method authorized by law or rule of procedure.

(8) It is unlawful for any person, with respect to any record or testimony produced pursuant to a subpoena issued by the Department of Legal Affairs under subsection (2), to knowingly and willfully falsify, conceal, or cover up a material fact by a trick, scheme, or device; make any false, fictitious, or fraudulent statement or representation; or make or use any false writing or document knowing the writing or document to contain any false, fictitious, or fraudulent statement or entry. A person who violates this subsection commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

2426 (9) In the absence of a written agreement to the contrary,  
2427 a registered agent is not liable for the failure to give notice  
2428 of the receipt of a subpoena under subsection (2) to the  
2429 domestic or foreign corporation, ~~foreign corporation, or alien~~  
2430 ~~business organization~~ that appointed the registered agent if the  
2431 registered agent timely sends written notice of the receipt of  
2432 the subpoena by first-class mail or domestic or international  
2433 air mail, postage fees prepaid, to the last address that has  
2434 been designated in writing to the registered agent by the  
2435 appointing domestic or foreign corporation, ~~foreign corporation,~~  
2436 ~~or alien business organization~~.

2437 (10) The designation of a registered agent and a  
2438 registered office as required by subsection (1) for a domestic  
2439 or foreign corporation, ~~foreign corporation, or alien business~~  
2440 ~~organization~~ that owns real property in this state or a mortgage  
2441 on real property in this state is solely for the purposes of  
2442 this chapter; and, notwithstanding s. 48.181, s. 617.1502, s.  
2443 617.1503, or any other relevant section of the Florida Statutes,  
2444 such designation may not be used in determining whether the  
2445 domestic or foreign corporation, ~~foreign corporation, or alien~~  
2446 ~~business organization~~ is actually doing business in this state.

2447 (11) As used in this section, the term:

2448 (a) ~~"Alien business organization" means:~~

2449 1. ~~Any corporation, association, partnership, trust, joint~~  
2450 ~~stock company, or other entity organized under any laws other~~

2451 ~~than the laws of the United States, of any United States~~  
2452 ~~territory or possession, or of any state of the United States;~~  
2453 ~~or~~

2454 ~~2. Any corporation, association, partnership, trust, joint~~  
2455 ~~stock company, or other entity or device 10 percent or more of~~  
2456 ~~which is owned or controlled, directly or indirectly, by an~~  
2457 ~~entity described in subparagraph 1. or by a foreign natural~~  
2458 ~~person.~~

2459 ~~(b) "Financial institution" means:~~

2460 ~~1. A bank, banking organization, or savings association,~~  
2461 ~~as defined in s. 220.62;~~

2462 ~~2. An insurance company, trust company, credit union, or~~  
2463 ~~industrial savings bank, any of which is licensed or regulated~~  
2464 ~~by an agency of the United States or any state of the United~~  
2465 ~~States; or~~

2466 ~~3. Any person licensed under the provisions of chapter~~  
2467 ~~494.~~

2468 ~~(c) "Mortgage" means a mortgage on real property situated~~  
2469 ~~in this state, except a mortgage owned by a financial~~  
2470 ~~institution.~~

2471 ~~(b)(d) "Real property" means any real property situated in~~  
2472 ~~this state or any interest in such real property.~~

2473 ~~(e) "Ultimate equitable owner" means a natural person who,~~  
2474 ~~directly or indirectly, owns or controls an ownership interest~~  
2475 ~~in a corporation, foreign corporation, or alien business~~

2476 ~~organization, regardless of whether such natural person owns or~~  
2477 ~~controls such ownership interest through one or other natural~~  
2478 ~~persons or one or more proxies, powers of attorney, nominees,~~  
2479 ~~corporations, associations, partnerships, trusts, joint stock~~  
2480 ~~companies, or other entities or devices, or any combination~~  
2481 ~~thereof.~~

2482 ~~(12) Any alien business organization may withdraw its~~  
2483 ~~registered agent designation by delivering an application for~~  
2484 ~~certificate of withdrawal to the department for filing. The~~  
2485 ~~application shall set forth:~~

2486 ~~(a) The name of the alien business organization and the~~  
2487 ~~jurisdiction under the law of which it is incorporated or~~  
2488 ~~organized; and~~

2489 ~~(b) That it is no longer required to maintain a registered~~  
2490 ~~agent in this state.~~

2491 **Section 24. Section 617.0505, Florida Statutes, is amended**  
2492 **to read:**

2493 617.0505 Distributions and dividends prohibited;  
2494 ~~exceptions. Except as authorized in s. 617.1302,~~ A corporation  
2495 may not make distributions to its members, directors, or  
2496 officers.

2497 (1) A corporation may not pay any dividend and may not  
2498 make distributions of any part of the net income or net earnings  
2499 of the corporation to its members, directors, or officers,  
2500 except that a corporation may:

2501        (a) Make payments for compensation and benefits as  
2502 authorized in s. 617.0603, membership purchases as authorized in  
2503 s. 617.0608(2), and compensation for directors as authorized in  
2504 s. 617.08101;

2505        (b) Make distributions to its members upon dissolution in  
2506 conformity with the dissolution provisions of this chapter or,  
2507 if expressly permitted by its articles of incorporation, upon  
2508 partial liquidation; and

2509        (c) Make distributions to another nonprofit entity or  
2510 governmental unit that is a member of the distributing  
2511 corporation or has the power to appoint one or more of the  
2512 directors of the distributing corporation ~~A mutual benefit~~  
2513 ~~corporation, such as a private club that is established for~~  
2514 ~~social, pleasure, or recreational purposes and that is organized~~  
2515 ~~as a corporation of which the equity interests are held by the~~  
2516 ~~members, may, subject to s. 617.1302, purchase the equity~~  
2517 ~~membership interest of any member, and the payment for such~~  
2518 ~~interest is not a distribution for purposes of this section.~~

2519        ~~(2) A corporation may pay compensation in a reasonable~~  
2520 ~~amount to its members, directors, or officers for services~~  
2521 ~~rendered, may confer benefits upon its members in conformity~~  
2522 ~~with its purposes, and, upon dissolution or final liquidation,~~  
2523 ~~may make distributions to its members as permitted by this~~  
2524 ~~chapter.~~

2525        ~~(3) If expressly permitted by its articles of~~

2526 ~~incorporation, a corporation may make distributions upon partial~~  
2527 ~~liquidation to its members, as permitted by this section. Any~~  
2528 ~~such payment, benefit, or distribution does not constitute a~~  
2529 ~~dividend or a distribution of income or profit for purposes of~~  
2530 ~~this section.~~

2531 ~~(4)~~ A corporation that is a utility exempt from regulation  
2532 under s. 367.022(7), whose articles of incorporation state that  
2533 it is exempt from taxation under s. 501(c)(12) of the Internal  
2534 Revenue Code of 1986, as amended, may make refunds to its  
2535 members, before ~~prior to~~ a dissolution or liquidation, as its  
2536 managing board deems necessary to establish or preserve its tax-  
2537 exempt status. Any such refund does not constitute a dividend or  
2538 a distribution of income or earnings ~~profit~~ for purposes of this  
2539 section.

2540 ~~(3)(5)~~ A corporation that is regulated by chapter 718,  
2541 chapter 719, chapter 720, chapter 721, or chapter 723, or a  
2542 corporation where membership in such corporation is required  
2543 pursuant to a document recorded in the official county property  
2544 records, may make refunds to its members, give ~~giving~~ credits to  
2545 its members, disburse ~~disbursing~~ insurance proceeds to its  
2546 members, or disburse ~~disbursing~~ or pay ~~paying~~ settlements to its  
2547 members without violating this section.

2548 (4) A dividend or distribution by a nonprofit insurance  
2549 company subsidiary to its mutual insurance holding company  
2550 organized under part III of chapter 628, directly or indirectly

2551 through one or more intermediate holding companies authorized  
2552 under that part, is not a distribution for the purposes of this  
2553 chapter.

2554 **Section 25. Paragraph (b) of subsection (1) and**  
2555 **subsections (3) through (7) of section 617.0601, Florida**  
2556 **Statutes, are amended, and subsections (8) and (9) are added to**  
2557 **that section, to read:**

2558 617.0601 Members, generally.—

2559 (1)

2560 (b) For ~~The articles of incorporation or bylaws of any~~  
2561 nonprofit corporation not for profit that does not have members,  
2562 or does not have members entitled to vote on a matter, any law  
2563 requiring notice to, the presence of, or the vote, consent, or  
2564 other action by members of the corporation in connection with  
2565 such matter is satisfied by notice to, the presence of, or the  
2566 vote, consent, or other action by the board of directors of the  
2567 nonprofit corporation ~~maintains chapters or affiliates may grant~~  
2568 ~~representatives of such chapters or affiliates the right to vote~~  
2569 ~~in conjunction with the board of directors of the corporation~~  
2570 ~~notwithstanding applicable quorum or voting requirements of this~~  
2571 ~~chapter if the corporation is registered with the Department of~~  
2572 ~~Agriculture and Consumer Services pursuant to ss. 496.401-~~  
2573 ~~496.424, the Solicitation of Contributions Act.~~

2574 (3) Corporation members have no voting or other rights  
2575 except as provided in the articles of incorporation or bylaws

2576 and each member has the same rights and obligations as every  
2577 other member except as provided in the articles of incorporation  
2578 or bylaws. However, members of any corporation existing on July  
2579 1, 1991, ~~shall~~ continue to have the same voting and other rights  
2580 as before such date until changed by amendment of the articles  
2581 of incorporation or bylaws.

2582 (4) A corporation shall keep a membership list ~~book~~  
2583 containing, in alphabetical order, the name and address of each  
2584 member. The corporation shall also keep records in accordance  
2585 with s. 617.1601.

2586 (5) A resignation, expulsion, suspension, or termination  
2587 of membership pursuant to s. 617.0606 or s. 617.0607 must ~~shall~~  
2588 be recorded in the membership list ~~book~~. Unless otherwise  
2589 provided in the articles of incorporation or the bylaws, all the  
2590 rights and privileges of a member cease on termination of  
2591 membership.

2592 (6) Except as provided in the articles of incorporation or  
2593 the bylaws, a corporation may admit members for no consideration  
2594 or for such consideration as is determined by the board of  
2595 directors. The consideration may take any form, including, but  
2596 not limited to, promissory notes, intangible property, or past  
2597 or future services. Payment of such consideration may be made at  
2598 such times and upon such terms as are set forth in or authorized  
2599 by the articles of incorporation, bylaws, or action of the board  
2600 of directors ~~Subsections (1), (2), (3), and (4) do not apply to~~



~~a corporation that is an association as defined in s. 720.301.~~

(7) Where the articles of incorporation expressly limit membership in the corporation to property owners within specific measurable geographic boundaries and where the corporation has been formed for the benefit of all of those property owners, ~~no~~ such property owner may not ~~shall~~ be denied membership, provided that such property owner once admitted to membership complies, ~~shall comply~~ with the terms and conditions of membership which may provide for termination of membership upon ceasing to be a property owner. Any bylaws, rules, or other regulations to the contrary are deemed void and any persons excluded from membership by such bylaws, rules, or other regulations are deemed members with full rights, including the right, by the majority, or as otherwise provided in the articles of incorporation, to call for a meeting of the membership.

(8) A corporation may not be a member of itself or exercise the rights of a member with respect to itself. Upon a corporation's purchase of its own membership interest in accordance with s. 617.0608, the membership interest is canceled.

(9) Subsections (1)-(4) do not apply to a corporation that is an association as defined in s. 720.301.

**Section 26. Section 617.0603, Florida Statutes, is created to read:**

617.0603 Compensation and benefits.—A corporation may do

any of the following:

(1) Pay compensation in reasonable amounts to its members, directors, officers, agents, and employees for services rendered.

(2) Confer benefits upon its members in conformity with its purposes.

(3) Upon dissolution or final liquidation, make distributions to its members or others as permitted by this chapter.

No such payments, benefits, or distributions may be deemed to be a dividend or a distribution of income or earnings.

**Section 27. Subsection (2) of section 617.0604, Florida Statutes, is amended, and subsections (3) through (7) are added to that section, to read:**

617.0604 Liability of members.—

(2) A corporation may levy dues, assessments, and fees on its members to the extent authorized in the articles of incorporation or the bylaws. Dues, assessments, and fees may be imposed on members of the same class either alike or in different amounts or proportions, and may be imposed on a different basis on different classes of members. Members of a class may be made exempt from dues, assessments, and fees to the extent provided in the articles of incorporation or the bylaws ~~A member may become liable to the corporation for dues,~~

2651 ~~assessments, or fees as provided by law.~~

2652 (3) The amount and method of collection of dues,  
2653 assessments, and fees may be fixed in the articles of  
2654 incorporation or bylaws, or the articles of incorporation or  
2655 bylaws may authorize the board of directors or its members to  
2656 fix the amount and method of collection.

2657 (4) The articles of incorporation or bylaws may provide  
2658 reasonable means, such as termination and reinstatement of  
2659 membership, to enforce the collection of dues, assessments, and  
2660 fees.

2661 (5) A creditor of a corporation may not bring a proceeding  
2662 to reach the liability, if any, of a member of the corporation  
2663 unless final judgment has been rendered in favor of the creditor  
2664 against the corporation and execution has been returned  
2665 unsatisfied in whole or in part or unless the proceeding would  
2666 be useless.

2667 (6) All creditors of a corporation, with or without  
2668 reducing their claims to judgment, may intervene in any other  
2669 creditor's proceeding brought pursuant to subsection (5) to  
2670 reach and apply unpaid amounts due from the corporation. All  
2671 members who owe unpaid amounts to the corporation may be joined  
2672 in the proceeding.

2673 (7) Satisfaction of a debt owed to a creditor by the  
2674 corporation through payment of a member who owes unpaid amounts  
2675 to the corporation satisfies the debt of the corporation to the

2676 creditor and the debt of the member to the corporation to the  
2677 extent so paid by the member to the creditor.

2678 **Section 28. Section 617.0605, Florida Statutes, is amended**  
2679 **to read:**

2680 617.0605 Transfer of membership interests.—

2681 (1) Except as provided in the articles of incorporation or  
2682 bylaws, a member of a corporation may not transfer a membership  
2683 or any right arising from membership ~~except as otherwise allowed~~  
2684 ~~in this section.~~

2685 (2) ~~Except as set forth in the articles of incorporation~~  
2686 ~~or bylaws of a mutual benefit corporation, a member of a mutual~~  
2687 ~~benefit corporation may not transfer a membership or any right~~  
2688 ~~arising from membership.~~

2689 ~~(3) Where the right to~~ If transfer a membership has been  
2690 provided in the articles of incorporation or bylaws ~~rights have~~  
2691 ~~been provided for one or more members of a mutual benefit~~  
2692 ~~corporation,~~ a restriction on such rights is not binding with  
2693 respect to a member holding a membership issued before the  
2694 adoption of the restriction unless the restriction is approved  
2695 by the ~~members and the~~ affected member.

2696 **Section 29. Section 617.0606, Florida Statutes, is amended**  
2697 **to read:**

2698 617.0606 Resignation of members.—

2699 (1) ~~Except as may be provided in the articles of~~  
2700 ~~incorporation or bylaws of a corporation,~~ A member may resign at

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any time for any reason ~~of a mutual benefit corporation may not transfer a membership or any right arising from membership.~~

(2) The resignation of a member does not relieve the member from any obligations ~~that the member may have to the corporation as a result of obligations~~ incurred or commitments made before resignation.

**Section 30. Subsections (3) and (4) of section 617.0607, Florida Statutes, are amended, and subsection (5) is added to that section, to read:**

617.0607 Termination, expulsion, and suspension.—

(3) Any proceeding challenging an expulsion, suspension, or termination, including a proceeding in which ~~the~~ defective notice is alleged, must be commenced within 1 year after the effective date of the expulsion, suspension, or termination.

(4) A member who has been expelled or suspended or has had a membership suspended or terminated may be liable to the corporation for dues, assessments, or fees as a result of obligations incurred or commitments made before the expulsion, ~~or~~ suspension, or termination. The expulsion, suspension, or termination does not relieve the member of any obligations or commitments made before the expulsion, suspension, or termination.

(5) A corporation may, if authorized in the articles of incorporation or bylaws, levy fines or otherwise penalize its members. A fine or penalty, other than a late fee for nonpayment

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of dues, may not be levied until after the corporation has provided notice thereof to the member concerned and has afforded the affected member an opportunity to be heard on the matter.

**Section 31. Section 617.0608, Florida Statutes, is amended to read:**

617.0608 Purchase of memberships.—

(1) A corporation described in s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, may not purchase the membership interests of any of its members ~~any of its memberships~~ or any right arising from membership. Any corporation that is not described in s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, may purchase the membership interest of any member or any right arising from membership to the extent provided in the articles of incorporation or bylaws. No such payment for purchase of membership interest or right arising from membership may be deemed a dividend or a distribution of income or earnings ~~except as provided in s. 617.0505 or subsection (2).~~

(2) Subject to subsection (1) ~~s. 617.1302~~, a ~~mutual benefit~~ corporation may purchase the membership interest of a member who resigns, or whose membership is terminated, for the amount and pursuant to the conditions set forth in its articles of incorporation or bylaws, but only if, after the completing the purchase:

(a) The corporation is able to pay its debts as they

2751 become due in the usual course of its activities; and

2752 (b) The total assets of the corporation are at least equal  
2753 to the sum of its liabilities.

2754 **Section 32. Section 617.0701, Florida Statutes, is amended**  
2755 **to read:**

2756 617.0701 Meetings of members, generally; failure to hold  
2757 annual meeting; special meeting; consent to corporate actions  
2758 without meetings; waiver of notice of meetings.—

2759 (1) A corporation with members may hold meetings of  
2760 members for the transaction of any proper business at such times  
2761 stated in or fixed in accordance with the articles of  
2762 incorporation or bylaws. The frequency of all meetings of  
2763 members, the time and manner of notice of such meetings, the  
2764 conduct and adjournment of such meetings, the determination of  
2765 members entitled to notice or to vote at such meetings, and the  
2766 number or voting power of members necessary to constitute a  
2767 quorum, shall be determined by or in accordance with the  
2768 articles of incorporation or the bylaws. Annual, regular, and  
2769 special meetings of the members may be held in or out of this  
2770 state, and the place and time of all meetings may be determined  
2771 by the board of directors.

2772 (2) The failure to hold an annual meeting at the time  
2773 stated in or fixed in accordance with a corporation's articles  
2774 of incorporation or bylaws or pursuant to this chapter does not  
2775 work ~~cause~~ a forfeiture or ~~give cause for~~ dissolution of the

2776 corporation, and ~~nor~~ does not ~~such failure~~ affect the validity  
2777 of any corporate action ~~otherwise valid corporate acts~~, except  
2778 as provided in s. 617.1430 in the case of a deadlock among the  
2779 directors or the members.

2780 (3) (a) Except as provided in the articles of incorporation  
2781 or bylaws, special meetings of the members may be called ~~by~~  
2782 either:

2783 1. By the corporation's board of directors or the person  
2784 or persons authorized to do so by the articles of incorporation  
2785 or bylaws; or

2786 2. If members holding no less than 10 percent, or such  
2787 other amount as specified in the articles of incorporation or  
2788 bylaws, of all the votes entitled to be cast on any issue being  
2789 considered at the proposed special meeting sign, date, and  
2790 deliver to the corporation's secretary one or more written  
2791 demands for the meeting describing the purpose or purposes for  
2792 which it is to be held.

2793 (b) Unless otherwise provided in the articles of  
2794 incorporation or bylaws, a written demand for a special meeting  
2795 may be revoked by a writing to that effect received by the  
2796 corporation before the receipt by the corporation of demands  
2797 sufficient in number to require holding a special meeting  
2798 pursuant to subparagraph (a)2.

2799 (c) Only business within the purpose or purposes described  
2800 in the meeting notice may be conducted at a special meeting of



2801 members.

2802 (d) Special meetings of members may be held in or out of  
2803 this state at a place stated in or fixed in accordance with the  
2804 articles of incorporation or the bylaws or, when not  
2805 inconsistent with the articles of incorporation or the bylaws,  
2806 in the notice of the special meeting. If no place is stated or  
2807 fixed in accordance with the articles of incorporation or the  
2808 bylaws or in the notice of the special meeting, special meetings  
2809 must be held at the corporation's principal office.

2810 ~~(a) The president;~~

2811 ~~(b) The chair of the board of directors;~~

2812 ~~(c) The board of directors;~~

2813 ~~(d) Other officers or persons as are provided for in the~~  
2814 ~~articles of incorporation or the bylaws;~~

2815 ~~(e) The holders of at least 5 percent of the voting power~~  
2816 ~~of a corporation when one or more written demands for the~~  
2817 ~~meeting, which describe the purpose for which the meeting is to~~  
2818 ~~be held, are signed, dated, and delivered to a corporate~~  
2819 ~~officer; or~~

2820 ~~(f) A person who signs a demand for a special meeting~~  
2821 ~~pursuant to paragraph (e) if notice for a special meeting is not~~  
2822 ~~given within 30 days after receipt of the demand. The person~~  
2823 ~~signing the demand may set the time and place of the meeting and~~  
2824 ~~give notice under this subsection.~~

2825 (4) Unless otherwise provided in the articles of

2826 incorporation or bylaws, action required or permitted by this  
2827 chapter to be taken at an annual or special meeting of members  
2828 may be taken without a meeting, without prior notice, and  
2829 without a vote if the action is taken by the members entitled to  
2830 vote on such action and having not less than the minimum number  
2831 of votes necessary to authorize such action at a meeting at  
2832 which all members entitled to vote on such action were present  
2833 and voted.

2834 (a) To be effective, the action must be evidenced by one  
2835 or more written consents describing the action taken, dated and  
2836 signed by approving members having the requisite number of votes  
2837 and entitled to vote on such action, and delivered to the  
2838 corporation to its principal office in this state, its principal  
2839 place of business, the corporate secretary, or another officer  
2840 or agent of the corporation having custody of the book in which  
2841 proceedings of meetings of members are recorded. The action  
2842 taken by written consent is effective when such written consent  
2843 is signed by members entitled to cast the required number of  
2844 votes on the action and has been delivered to the corporation by  
2845 delivery as set forth in this section, but only if ~~Written~~  
2846 ~~consent to take the corporate action referred to in the consent~~  
2847 ~~is not effective unless~~ the consent is signed by members having  
2848 the requisite number of votes necessary to authorize the action  
2849 within 90 days after the date of the earliest dated consent ~~and~~  
2850 ~~is delivered in the manner required by this section.~~

2851 (b) Any written consent may be revoked before ~~prior to~~ the  
2852 date that the corporation receives the required number of  
2853 consents to authorize the proposed action. A revocation is not  
2854 effective unless in writing and until received by the  
2855 corporation at its principal office ~~in this state~~ or its  
2856 principal place of business, or received by the corporate  
2857 secretary or other officer or agent of the corporation having  
2858 custody of the book in which proceedings of meetings of members  
2859 are recorded.

2860 (c) If the articles of incorporation or bylaws require  
2861 that notice of proposed corporate action be delivered to members  
2862 not entitled to vote on the action and the action is to be taken  
2863 by consent of the members entitled to vote, within 30 days after  
2864 obtaining authorization by written consent, notice must be given  
2865 to those members who are entitled to vote on the action but who  
2866 have not consented in writing and to those members who are not  
2867 entitled to vote. The notice must fairly summarize the material  
2868 features of the authorized action.

2869 (d) A consent signed under this section has the effect of  
2870 a meeting vote and may be described as such in any document.

2871 (e) If the action to which the members consent is such as  
2872 would have required the filing of articles or a certificate  
2873 under any other section of this chapter if such action had been  
2874 voted on by members at a meeting, the articles or certificate  
2875 filed under such other section must state that written consent

has been given in accordance with this section.

(f) Whenever action is taken pursuant to this section, the written consent of the members consenting thereto ~~to such action~~ or the written reports of inspectors appointed to tabulate such consents must be filed with the minutes of member proceedings.

(5) (a) A member may waive any notice required by this chapter, the articles of incorporation, or the bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed electronically or otherwise by the member entitled to the notice, and delivered to the corporation for filing by the corporation with the minutes or corporate records ~~Notice of a meeting of members need not be given to any member who signs a waiver of notice, in person or by proxy, either before or after the meeting.~~ Unless required by the articles of incorporation or bylaws, neither the affairs to be transacted at nor the purpose of the meeting need to be specified in the waiver.

(b) Attendance of a member at a meeting waives objection to:

1. Lack, either in person or by proxy, constitutes waiver of notice or defective notice of the meeting, unless the member promptly objects to holding the meeting or transacting business at the beginning of the meeting and does not thereafter vote for or assent to action taken at the meeting; and

2. Consideration of a particular matter at the meeting

2901 which is not within the purposes described in the meeting notice  
2902 ~~waiver of any and all objections to the place of the meeting,~~  
2903 ~~the time of the meeting, or the manner in which it has been~~  
2904 ~~called or convened,~~ unless the member objects to considering the  
2905 matter when it is presented at the meeting attends a meeting  
2906 ~~solely for the purpose of stating, at the beginning of the~~  
2907 ~~meeting, any such objection or objections to the transaction of~~  
2908 ~~affairs.~~

2909 (6) Subsections (1) and (3) do not apply to any  
2910 corporation that is an association as defined in s. 720.301; a  
2911 corporation regulated by chapter 718, chapter 719, chapter 720,  
2912 chapter 721, or chapter 723; or a corporation where membership  
2913 in such corporation is required pursuant to a document recorded  
2914 in the county official ~~property~~ records.

2915 **Section 33. Section 617.0721, Florida Statutes, is amended**  
2916 **to read:**

2917 617.0721 Voting by members.—

2918 (1) Members are not entitled to vote except as conferred  
2919 by the articles of incorporation or the bylaws.

2920 (2) A member who is entitled to vote may vote in person  
2921 or, unless the articles of incorporation or the bylaws otherwise  
2922 provide, may vote by proxy ~~executed in writing by the member or~~  
2923 ~~by his or her duly authorized attorney in fact.~~

2924 (3) (a) A member or the member's attorney-in-fact may  
2925 appoint a proxy to vote or otherwise act for the member by:

2926       1. Signing an appointment form, with his or her signature  
2927 affixed, by any reasonable means, including, but not limited to,  
2928 facsimile or electronic signature;

2929       2. Transmitting or authorizing the transmission of an  
2930 electronic signature to the person who will be appointed as the  
2931 proxy or to a proxy solicitation firm, a proxy support service  
2932 organization, a registrar, or an agent authorized by the person  
2933 who will be designated as the proxy to receive such  
2934 transmission; or

2935       3. Using such other means as provided for in the articles  
2936 of incorporation or the bylaws.

2937       (b) An appointment form must contain or be accompanied by  
2938 information from which it can be determined that the member or  
2939 the member's attorney in fact authorized the appointment of the  
2940 proxy.

2941       (4) Notwithstanding any provision to the contrary in the  
2942 articles of incorporation or bylaws, any copy, facsimile  
2943 transmission, or other reliable reproduction of the appointment  
2944 form ~~original proxy~~ may be substituted or used in lieu of the  
2945 original proxy for any purpose for which the original proxy  
2946 could be used if the copy, facsimile transmission, or other  
2947 reproduction is a complete reproduction of the appointment form  
2948 ~~entire proxy~~. An appointment of a proxy is effective when a  
2949 signed appointment in a record is received by the inspectors of  
2950 election, the officer or agent of the corporation authorized to

count votes, or the secretary. An appointment of a proxy is ~~not~~  
valid for ~~after~~ 11 months ~~following the date of its execution~~  
unless a longer period, which may not exceed 3 years, is  
expressly ~~otherwise~~ provided in the appointment form ~~proxy~~. The  
death or incapacity of the member appointing a proxy does not  
affect the right of the corporation to accept the proxy's  
authority unless notice of the death or incapacity is received  
by the inspectors of election, the officer or agent authorized  
to count votes, or the secretary before the proxy exercises his  
or her authority under the appointment. A member may revoke  
appointment of a proxy unless the appointment form or electronic  
transmission states that it is irrevocable and the appointment  
is coupled with an interest.

(a) If directors or officers are to be elected by members,  
the bylaws may provide that such elections may be conducted by  
mail.

(b) A corporation may reject a vote, ballot, consent,  
waiver, demand, or proxy appointment if the person ~~secretary or~~  
~~other officer or agent~~ authorized to accept or reject such vote,  
ballot, consent, waiver, demand, or proxy appointment ~~tabulate~~  
~~votes~~, acting in good faith, has a reasonable basis to doubt ~~for~~  
~~doubting~~ the validity of the signature on it or the signatory's  
authority to sign for the member.

~~(5) (a) (3) If authorized by the board of directors, and~~  
~~subject to such guidelines and procedures as the board of~~

~~directors may adopt,~~ Members of any class, their attorneys-in-  
fact, and proxies may participate in any and proxy holders who  
~~are not physically present at a meeting of members may,~~ by means  
of remote communication to the extent the board of directors  
authorizes such participation for such class. Participation by  
means of remote communication is subject to the guidelines and  
procedures adopted by the board of directors and must be in  
conformity with paragraph (b).÷

~~(a) Participate in the meeting.~~

(b) Members, their attorneys-in-fact, and proxies  
participating in a members' meeting by means of remote  
communication authorized in paragraph (a) are ~~Be~~ deemed to be  
present in person and may vote at the meeting if the corporation  
has implemented reasonable measures to:

1. ~~The corporation implements reasonable means to~~ Verify  
that each person participating remotely as a member is a member,  
a member's attorney-in-fact, or a proxy ~~deemed present and~~  
~~authorized to vote by means of remote communication is a member~~  
~~or proxy holder;~~ and

2. ~~The corporation implements reasonable measures to~~  
Provide such members, member's attorneys-in-fact, and proxies ~~or~~  
~~proxy holders with~~ a reasonable opportunity to participate in  
the meeting and to vote on matters submitted to the members,  
including an opportunity to communicate and to read or hear the  
proceedings of the meeting substantially concurrent with the



proceedings.

(c) If any member, attorney-in-fact for a member, or proxy holder votes or takes other action at a members' meeting by means of remote communication, a record of such vote or other action that member's participation in the meeting must be maintained by the corporation in accordance with s. 617.1601.

(d) Unless the articles of incorporation, bylaws, or demands of members in accordance with s. 617.0701(3) require a meeting of members to be held at a geographic location, the board of directors may determine that any meeting of members will not be held at a geographic location, and instead will be held solely by means of remote communication, but only if the corporation implements the measures required by paragraph (b).

(6)-(4) If any entity corporation, whether for profit or not for profit, is a member of a corporation organized under this chapter, the chair of the governing body board, the president, any vice president, the secretary, or the treasurer of the member entity corporation, and any such officer or cashier or trust officer of a banking or trust corporation holding such membership, and any like officer of a foreign entity corporation whether for profit or not for profit, holding such membership in a domestic corporation, is shall be deemed by the corporation in which membership is held to have the authority to vote on behalf of the member entity corporation and to execute proxies and written waivers and consents in relation

3026 thereto, unless, before a vote is taken or a waiver or consent  
3027 is acted upon, it appears pursuant to a certified copy of the  
3028 bylaws or other governing documents of the entity or a  
3029 resolution of the governing documents ~~board of directors~~ or  
3030 executive committee of the member entity ~~corporation~~ that such  
3031 authority does not exist or is vested in some other officer or  
3032 person. In the absence of such certification, a person executing  
3033 any such proxies, waivers, or consents or presenting himself or  
3034 herself at a meeting as one of such officers of a ~~corporate~~  
3035 member entity ~~is shall be~~, for the purposes of this section,  
3036 conclusively deemed to be duly elected, qualified, and acting as  
3037 such officer and to be fully authorized. In the case of  
3038 conflicting representation, the ~~corporate~~ member entity shall be  
3039 represented by its senior officer, in the order stated in this  
3040 subsection.

3041 ~~(7)(5)~~ The articles of incorporation or the bylaws may  
3042 provide that, in all elections for directors, every member  
3043 entitled to vote has the right to cumulate the member's ~~his or~~  
3044 ~~her~~ votes and to give one candidate a number of votes equal to  
3045 the number of votes the member ~~he or she~~ could give if one  
3046 director were being elected multiplied by the number of  
3047 directors to be elected or to distribute such votes on the same  
3048 principles among any number of such candidates. A corporation  
3049 may not have cumulative voting unless such voting is expressly  
3050 authorized in the articles of incorporation.

3051        ~~(8)(6)~~ If a corporation has no members or its members do  
3052 not have the right to vote, the directors ~~shall~~ have the sole  
3053 voting power.

3054        ~~(9)(7)~~ Subsections (1), ~~(7)~~ ~~(5)~~, and ~~(8)~~ ~~(6)~~ do not apply  
3055 to a corporation that is an association, as defined in s.  
3056 720.301, or a corporation regulated by chapter 718 or chapter  
3057 719.

3058        **Section 34. Section 617.0741, Florida Statutes, is created**  
3059 **to read:**

3060        617.0741 Standing.—A director, an officer, or a member may  
3061 not commence a proceeding in the right of a domestic or foreign  
3062 corporation unless such director, officer, or member holds that  
3063 position at the time the action is commenced and:

3064        (1) Was a director, an officer, or a member when the  
3065 conduct giving rise to the action occurred; or

3066        (2) The person became a member through transfer or by  
3067 operation of law from a person who was a member when the conduct  
3068 giving rise to the action occurred.

3069        **Section 35. Section 617.0742, Florida Statutes, is created**  
3070 **to read:**

3071        617.0742 Complaint; demand and excuse.—A complaint in a  
3072 proceeding brought in the right of a corporation must be  
3073 verified and allege with particularity:

3074        (1) The demand, if any, made to obtain the action desired  
3075 by the director, officer, or member from the board of directors;

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and

(2) Either:

(a) If such demand was made, that the demand was refused, rejected, or ignored by the board of directors before the expiration of 90 days from the date the demand was made.

(b) If such a demand was made, why irreparable injury to the corporation or misapplication or waste of corporate assets causing material injury to the corporation would result by waiting for the expiration of a 90-day period from the date the demand was made; or

(c) The reason or reasons the director, officer, or member did not make the effort to obtain the desired action from the board of directors or comparable authority.

**Section 36. Section 617.0743, Florida Statutes, is created to read:**

617.0743 Stay of proceedings.—If the corporation commences an inquiry into the allegations made in the demand or complaint, the court may stay any derivative proceeding for such period as the court deems appropriate.

**Section 37. Section 617.0744, Florida Statutes, is created to read:**

617.0744 Dismissal.—

(1) A derivative proceeding may be dismissed, in whole or in part, by the court upon motion by the corporation if a group specified in subsection (2) or subsection (3) has determined in

3101 good faith, after conducting a reasonable inquiry, that the  
3102 maintenance of the derivative proceeding is not in the best  
3103 interests of the corporation. In all such cases, the corporation  
3104 has the burden of proof regarding the qualifications, good  
3105 faith, and reasonable inquiry of the group making the  
3106 determination.

3107 (2) Unless a panel is appointed pursuant to subsection  
3108 (3), the determination required in subsection (1) must be made  
3109 by:

3110 (a) A majority of qualified directors present at a meeting  
3111 of the board of directors if the qualified directors constitute  
3112 a quorum; or

3113 (b) A majority vote of a committee consisting of two or  
3114 more qualified directors appointed by majority vote of qualified  
3115 directors present at a meeting of the board of directors,  
3116 regardless of whether such qualified directors constitute a  
3117 quorum.

3118 (3) Upon motion by the corporation, the court may appoint  
3119 a panel consisting of one or more disinterested and independent  
3120 persons to make a determination required in subsection (1).

3121 (4) This section does not prevent the court from:

3122 (a) Enforcing a person's rights under the corporation's  
3123 articles of incorporation or bylaws or this chapter, including  
3124 the person's rights to information under s. 617.1602; or

3125 (b) Exercising its equitable or other powers, including

3126 granting extraordinary relief in the form of a temporary  
3127 restraining order or preliminary injunction.

3128 **Section 38. Section 617.0745, Florida Statutes, is created**  
3129 **to read:**

3130 617.0745 Discontinuance or settlement; notice.—

3131 (1) A derivative action on behalf of a corporation may not  
3132 be discontinued or settled without the court's approval.

3133 (2) If the court determines that a proposed discontinuance  
3134 or settlement will substantially affect the interest of any of  
3135 the corporation's members, the court must direct that notice be  
3136 given to the members affected. The court may determine which  
3137 party or parties to the derivative action bears the expense of  
3138 giving the notice.

3139 **Section 39. Section 617.0746, Florida Statutes, is created**  
3140 **to read:**

3141 617.0746 Proceeds and expenses.—On termination of a  
3142 derivative proceeding, the court may:

3143 (1) Order the corporation to pay from the amount recovered  
3144 by the corporation the plaintiff's reasonable expenses,  
3145 including attorney fees and costs, incurred in the derivative  
3146 proceeding if it finds in favor of the plaintiff in whole or in  
3147 part; or

3148 (2) Order the plaintiff to pay any of the defendant's  
3149 reasonable expenses, including reasonable attorney fees and  
3150 costs, incurred in defending the proceeding if it finds that the

proceeding was commenced or maintained without reasonable cause  
or for an improper purpose.

**Section 40. Section 617.0747, Florida Statutes, is created  
to read:**

617.0747 Applicability to foreign corporations.—In any  
derivative proceeding in the right of a foreign corporation  
brought in the courts of this state, the matters covered by ss.  
617.0741–617.0747 are governed by the laws of the jurisdiction  
of incorporation of the foreign corporation, except for ss.  
617.0743, 617.0745, and 617.0746.

**Section 41. Section 617.0803, Florida Statutes, is amended  
to read:**

617.0803 Number of directors.—

~~(1)~~ A board of directors must consist of one ~~three~~ or more  
persons individuals, as may be ~~with the number~~ specified in or  
fixed in accordance with the articles of incorporation or the  
bylaws, as may be amended, except that a corporation that is  
exempt from federal income taxation under s. 501(c)(3) of the  
Internal Revenue Code of 1986, as amended, must have a board of  
directors that consists of three or more persons.

~~(2) The number of directors may be increased or decreased  
from time to time by amendment to, or in the manner provided in,  
the articles of incorporation or the bylaws, but the corporation  
must never have fewer than three directors.~~

~~(3) Directors shall be elected or appointed in the manner~~

3176 ~~and for the terms provided in the articles of incorporation or~~  
3177 ~~the bylaws.~~

3178 **Section 42. Section 617.0804, Florida Statutes, is created**  
3179 **to read:**

3180 617.0804 Selection of directors.—

3181 (1) The directors of a membership corporation, except for  
3182 any initial directors named in the articles of incorporation or  
3183 elected by the incorporators, shall be elected by the members  
3184 entitled to vote at the time at the first annual meeting of  
3185 members, and at each annual meeting thereafter. Notwithstanding  
3186 this subsection, the articles of incorporation or bylaws may  
3187 provide some other time or method of election, or provide that  
3188 some or all of the directors are appointed by some other person  
3189 or designated in some other manner.

3190 (2) The directors of a nonmembership corporation, except  
3191 for any initial directors named in the articles of incorporation  
3192 or elected by the incorporators, shall be elected, appointed, or  
3193 designated as provided in the articles of incorporation or  
3194 bylaws. If no method of election, appointment, or designation is  
3195 set forth in the articles of incorporation or bylaws, such  
3196 directors are elected by the board of directors.

3197 (3) If the articles of incorporation or bylaws divide, or  
3198 authorize dividing, the members into classes, the articles of  
3199 incorporation or bylaws may also authorize the election of all  
3200 or a specified number of directors by the holders of one or more



3201 authorized classes of members. A class or multiple classes of  
3202 members entitled to elect one or more directors is a separate  
3203 voting group for purposes of the election of directors.

3204 **Section 43. Section 617.0805, Florida Statutes, is created**  
3205 **to read:**

3206 617.0805 Terms of directors, generally.—

3207 (1) The articles of incorporation or bylaws may specify  
3208 the terms of directors. If a term is not specified in the  
3209 articles of incorporation or bylaws, the term of a director is 1  
3210 year.

3211 (2) A decrease in the number of directors or term of  
3212 office does not shorten an incumbent director's term.

3213 (3) Except as provided in the articles of incorporation or  
3214 bylaws, the term of a director elected to fill a vacancy expires  
3215 at the end of the term that the director is filling.

3216 (4) Notwithstanding the expiration of a director's term,  
3217 the director continues to serve until the director's successor  
3218 is elected, appointed, or designated and until the director's  
3219 successor takes office unless otherwise provided in the articles  
3220 of incorporation or bylaws or there is a decrease in the number  
3221 of directors.

3222 **Section 44. Present subsection (3) of section 617.0808,**  
3223 **Florida Statutes, is redesignated as subsection (2) of that**  
3224 **section, and subsection (1) and present subsection (2) of that**  
3225 **section are amended, to read:**

617.0808 Removal of directors.—

(1) ~~Subject to subsection (2),~~ A director may be removed from office pursuant to procedures provided in the articles of incorporation or the bylaws. Unless the articles of incorporation or bylaws provide otherwise, a director may be removed as follows ~~, which shall provide the following, and if they do not do so, shall be deemed to include the following:~~

(a) Any member of the board of directors may be removed from office with or without cause by:

1. Except as provided in paragraph (i), a majority of all votes of the directors, if the director was elected or appointed by the directors; or

2. A majority of all votes of the members, if the director was elected or appointed by the members.

(b) If a director is elected by a class, chapter, or other organizational unit, or by region or other geographic grouping, the director may be removed only by the members of that class, chapter, unit, or grouping. However:

1. A director may be removed only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors, except as provided in subparagraphs 2. and 3.

2. If cumulative voting is authorized, a director may not be removed if the number of votes sufficient to elect the director under cumulative voting is voted against the removal of

the director.

3. If at the beginning of the term of a director the articles of incorporation or bylaws provide that the director may be removed for missing a specified number of board meetings, the board may remove the director for failing to attend the specified number of meetings. The director may be removed only if a majority of the directors then in office vote for the removal.

(c) The notice of a meeting to recall a member or members of the board of directors must ~~shall~~ state the specific directors sought to be removed.

(d) A proposed removal of a director at a meeting requires ~~shall require~~ a separate vote for each director whose removal is sought. Where removal is sought by written consent, a separate consent is required for each director to be removed.

(e) If removal is effected at a meeting, any vacancies created must be ~~shall be~~ filled by the members or directors eligible to vote for the removal.

(f) Any director who is removed from the board is not eligible to stand for reelection until the next annual meeting at which directors are elected.

(g) Any director removed from office must ~~shall~~ turn over to the board of directors within 72 hours any and all records of the corporation in such director's ~~his or her~~ possession.

(h) If a director who is removed does not relinquish such

3276 director's ~~his or her~~ office or turn over records as required  
3277 under this section, the circuit court in the county where the  
3278 corporation's principal office is located may summarily order  
3279 the director to relinquish such director's ~~his or her~~ office and  
3280 turn over corporate records upon application of any member.

3281 (i) A director elected or appointed by the board may be  
3282 removed without cause by a vote of two-thirds of the directors  
3283 then in office or such greater number as is set forth in the  
3284 articles of incorporation or bylaws.

3285 ~~(2) A director of a corporation described in s. 501(c) of~~  
3286 ~~the Internal Revenue Code may be removed from office pursuant to~~  
3287 ~~procedures provided in the articles of incorporation or the~~  
3288 ~~bylaws, and the corporation may provide in the articles of~~  
3289 ~~incorporation or the bylaws that it is subject to the provisions~~  
3290 ~~of subsection (1).~~

3291 **Section 45. Present subsection (4) of section 617.0809,**  
3292 **Florida Statutes, is redesignated as subsection (3) of that**  
3293 **section, and subsections (1) and (2) and present subsection (3)**  
3294 **of that section are amended, to read:**

3295 617.0809 Board vacancy.—

3296 (1) Except as otherwise provided in subsection (2) ~~s.~~  
3297 ~~617.0808(1)(f)~~, the articles of incorporation, or the bylaws, if  
3298 a any vacancy occurs ~~occurring~~ on the board of directors,  
3299 including a vacancy resulting from an increase in the number of  
3300 directors, the vacancy may be filled by a ~~the affirmative vote~~

3301 ~~of the majority of the remaining directors in office, even if~~  
3302 ~~though the remaining directors constitute less than a quorum, or~~  
3303 ~~by the sole remaining director or, if the vacancy is not so~~  
3304 ~~filled or if no director remains, by the members or, on the~~  
3305 ~~application of any person, by the circuit court of the county~~  
3306 ~~where the registered office of the corporation is located.~~

3307 (2) Except as otherwise provided in the articles of  
3308 incorporation or bylaws, whenever a vacancy in the position of a  
3309 director who is: ~~occurs with respect to a director~~

3310 (a) Elected by a voting group of members, a class, chapter  
3311 or other organizational, unit of members, or a region or other  
3312 geographic grouping of members group, the vacancy may be filled  
3313 during the first 3 months after the vacancy occurs only by  
3314 ~~members of that voting class, chapter, unit, or group, chapter,~~  
3315 unit, region, or grouping, or by a majority of the directors  
3316 then in office elected by such voting group, chapter, unit,  
3317 region, or grouping class, chapter, unit, or group. If the  
3318 vacancy has not been filled within the 3-month period, the  
3319 vacancy may be filled by vote of a majority of the directors  
3320 remaining in office in accordance with subsection (1);

3321 (b) Appointed by persons, other than the members, may be  
3322 filled only by those persons; or

3323 (c) Designated in the articles of incorporation or bylaws  
3324 may not be filled by action of the board of directors.

3325 ~~(3) The term of a director elected or appointed to fill a~~

~~vacancy expires at the next annual meeting at which directors are elected. Any directorship to be filled by reason of an increase in the number of directors may be filled by the board of directors, but only for a term of office continuing until the next election of directors by the members or, if the corporation has no members or no members having the right to vote thereon, for such term of office as is provided in the articles of incorporation or the bylaws.~~

**Section 46. Section 617.08091, Florida Statutes, is created to read:**

617.08091 Removal of directors by judicial proceedings.—

(1) The court of the county where the principal office of a corporation, or if one is not in this state, its registered office, is located may remove a director from office in a proceeding commenced by or in the right of the corporation if the court finds that:

(a) The director engaged in fraudulent conduct with respect to the corporation or its members, grossly abused the position of director, or intentionally inflicted harm on the corporation; and

(b) Considering the director's course of conduct and the inadequacy of other available remedies, removal is in the best interest of the corporation.

(2) Only a member, an officer, or a director may bring an action under this section, and such action must comply with the

3351 requirements of ss. 617.0742-617.0747. An action by a member may  
3352 not be brought unless the complaint is filed by a member having,  
3353 or is formally joined by members collectively having, no less  
3354 than 10 percent of the corporation's voting power.

3355 (3) In addition to removing the director, the court may  
3356 bar the director from being reelected, redesignated, or  
3357 reappointed for a period prescribed by the court.

3358 (4) This section does not limit the equitable powers of  
3359 the court to order other relief.

3360 **Section 47. Section 617.0820, Florida Statutes, is amended**  
3361 **to read:**

3362 617.0820 Board meetings.—

3363 (1) The board of directors may hold regular or special  
3364 meetings in or out of this state.

3365 (2) A majority of the directors present, whether or not a  
3366 quorum exists, may adjourn any meeting of the board of directors  
3367 to another time and place. Unless the bylaws otherwise provide,  
3368 notice of any such adjourned meeting shall be given to the  
3369 directors who were not present at the time of the adjournment  
3370 and, unless the time and place of the adjourned meeting are  
3371 announced at the time of the adjournment, to the other  
3372 directors.

3373 (3) Unless the articles of incorporation or the bylaws  
3374 provide otherwise, meetings of the board of directors may be  
3375 called and notice of the meeting delivered by the chair of the

board, the president or a similarly situated officer, or 20  
percent of the directors then in office ~~or by the president~~  
~~unless otherwise provided in the articles of incorporation or~~  
~~the bylaws.~~

(4) Unless the articles of incorporation or the bylaws  
provide otherwise, the board of directors may permit any or all  
directors to participate in a regular or special meeting by, or  
conduct the meeting through the use of, any means of  
communication by which all directors participating may  
simultaneously hear each other during the meeting. A director  
participating in a meeting by this means is deemed to be present  
in person at the meeting.

(5) Unless the articles of incorporation or the bylaws  
provide for a longer or shorter period, regular meetings of the  
board of directors may be held without notice of the date, time,  
place, or purpose of the meeting.

(6) Unless the articles of incorporation or the bylaws  
provide otherwise, a special meeting of the board of directors  
must be preceded by at least 2 days' notice of the date, time,  
and place of the meeting. The notice need not describe the  
purpose of the special meeting unless required by the articles  
of incorporation or the bylaws.

**Section 48. Subsections (1) and (2) of section 617.0821,**  
**Florida Statutes, are amended to read:**

617.0821 Action by directors without a meeting.—



(1) Unless the articles of incorporation or the bylaws provide otherwise, action required or permitted by this chapter ~~act~~ to be taken at a board of directors' meeting or committee meeting may be taken without a meeting if the action is taken by all members of the board or of the committee. The action must be evidenced by one or more written consents describing the action taken and signed by each director or committee member and delivered to the corporation.

(2) Action taken under this section is effective when the last director signs the consent and delivers the consent to the corporation, unless the consent specifies a different effective date. A director's consent may be withdrawn by a revocation signed by the director and delivered to the corporation before delivery to the corporation of unrevoked written consents signed by all the directors.

**Section 49. Section 617.0823, Florida Statutes, is amended to read:**

617.0823 Waiver of notice.—Notice of a meeting of the board of directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting constitutes ~~shall constitute~~ a waiver of notice of such meeting and a waiver of any objection ~~and all objections~~ to the date of the meeting, the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the

beginning of the meeting or promptly upon arrival at the meeting, any objection to holding the meeting or the transaction of affairs because the meeting is not lawfully called or convened and, after such objection, the director does not vote for or consent to action taken at the meeting.

**Section 50. Section 617.0830, Florida Statutes, is amended to read:**

(Substantial rewording of section. See s. 617.0830, F.S., for present text.)

617.0830 General standards for directors.—

(1) Each member of the board of directors, when discharging duties of a director, including in discharging duties as a member of a board committee, shall act:

(a) In good faith; and

(b) In a manner such director reasonably believes is in the best interests of the corporation.

(2) The members of the board of directors or a board committee, when becoming informed in connection with a decisionmaking function or devoting attention to an oversight function, shall discharge their duties with the care that an ordinary prudent person in a like position would reasonably believe appropriate under similar circumstances.

(3) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the

persons specified in paragraph (5)(a) or paragraph (5)(b) to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

(4) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on any information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (5).

(5) A director is entitled to rely, in accordance with subsection (3) or subsection (4), on:

(a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;

(b) Legal counsel, public accountants, or other persons retained by the corporation or by a committee of the board of the corporation as to matters involving skills or expertise the director reasonably believes are matters:

1. Within the particular person's professional or expert competence; or

2. As to which the particular person merits confidence; or

(c) A committee of the board of directors of which the

3476 director is not a member if the director reasonably believes the  
3477 committee merits confidence.

3478 (d) In the case of a corporation engaged in religious  
3479 activity, religious authorities and ministers, priests, rabbis,  
3480 imams, or other persons whose positions or duties the director  
3481 reasonably believes justify reliance and confidence and whom the  
3482 director believes to be reliable and competent in the matters  
3483 presented.

3484 (6) A director is not a trustee with respect to the  
3485 corporation or with respect to any property held or administered  
3486 by the corporation in trust, including property that may be  
3487 subject to restrictions imposed by the donor or transferor of  
3488 the property.

3489 **Section 51. Section 617.0832, Florida Statutes, is amended**  
3490 **to read:**

3491 (Substantial rewording of section.

3492 See s. 617.0832, F.S., for present text.)

3493 617.0832 General standards for directors.-

3494 (1) As used in this section, the term:

3495 (a) "Director's conflict of interest transaction" means a  
3496 transaction between a corporation and one or more of its  
3497 directors, or another entity in which one or more of the  
3498 corporation's directors is directly or indirectly a party to the  
3499 transaction, other than being an indirect party as a result of  
3500 being a member of the corporation, and has a direct or indirect

3501 material financial interest or other material interest.

3502 (b) "Fair to the corporation" means that the transaction,  
3503 as a whole, is beneficial to the corporation and its members,  
3504 taking into appropriate account whether it is:

3505 1. Fair in terms of the director's dealings with the  
3506 corporation in connection with that transaction; and

3507 2. Comparable to what might have been obtainable in an  
3508 arm's length transaction.

3509 (c) "Family member" includes any of the following:

3510 1. The director's spouse.

3511 2. A child, stepchild, parent, stepparent, grandparent,  
3512 sibling, step sibling, or half sibling of the director or the  
3513 director's spouse.

3514 (d) "Indirect material financial interest" or "indirectly  
3515 a party to a transaction" means that a director's family member  
3516 has a material financial interest in the transaction, other than  
3517 having an indirect interest as a member of the corporation, or  
3518 if the transaction is with an entity, other than the  
3519 corporation, which has a material financial interest in the  
3520 transaction and controls, or is controlled by, the director or  
3521 another person specified in this chapter.

3522 (e) "Indirect material financial interest" or "other  
3523 material interest" means a director has a financial or other  
3524 interest in the transaction which would reasonably be expected  
3525 to impair the objectivity of the director's judgment when

3526 participating in the action on the authorization of the  
3527 transaction.

3528 (f) "Indirectly a party to a transaction" means a director  
3529 who has a material financial interest in or is a director,  
3530 officer, member, manager, or partner of a person, other than the  
3531 corporation, who is a party to the transaction.

3532 (2) If a director's conflict of interest transaction is  
3533 fair to the corporation at the time it is authorized, approved,  
3534 effectuated, or ratified:

3535 (a) Such transaction is not void or voidable; and

3536 (b) The fact that the transaction is a director's conflict  
3537 of interest transaction is not grounds for any equitable relief,  
3538 an award of damages, or other sanctions, because of that  
3539 relationship or interest, because such director or directors are  
3540 present at the meeting of the board of directors or a committee  
3541 thereof which authorizes, approves, or ratifies such  
3542 transaction, or because such directors or their votes are  
3543 counted for such purpose.

3544 (3) (a) In a proceeding challenging the validity of a  
3545 director's conflict of interest transaction or in a proceeding  
3546 seeking equitable relief, award of damages, or other sanctions  
3547 with respect to a director's conflict of interest transaction,  
3548 the person challenging the validity or seeking equitable relief,  
3549 award of damages, or other sanctions has the burden of proving  
3550 the lack of fairness of the transaction if:

3551       1. The material facts of the transaction and the  
3552       director's interest in the transaction were disclosed or known  
3553       to the board of directors or committee that authorizes,  
3554       approves, or ratifies the transaction and the transaction was  
3555       authorized, approved, or ratified by a vote of a majority of the  
3556       qualified directors, even if the qualified directors constitute  
3557       less than a quorum of the board or the committee; however, the  
3558       transaction may not be authorized, approved, or ratified under  
3559       this subsection solely by a single director; or

3560       2. The material facts of the transaction and the  
3561       director's interest in the transaction were disclosed or known  
3562       to the members who voted upon such transaction and the  
3563       transaction was authorized, approved, or ratified by a majority  
3564       of the votes cast by disinterested members or by the written  
3565       consent of disinterested members representing a majority of the  
3566       votes that could be cast by all disinterested members. A  
3567       membership interest owned by or voted under the control of a  
3568       director who has a relationship or an interest in the director's  
3569       conflict of interest transaction may not be considered a  
3570       membership interest owned by a disinterested member and may not  
3571       be counted in a vote of members to determine whether to  
3572       authorize, approve, or ratify a director's conflict of interest  
3573       transaction under this subsection. The vote of those membership  
3574       interests, however, is counted in determining whether the  
3575       transaction is approved under other sections of this chapter. A

majority of the membership interests, whether or not present,  
which are entitled to be counted in a vote on the transaction  
under this subsection, constitutes a quorum for the purpose of  
taking action under this section.

(b) If neither of the conditions provided in paragraph (a)  
have been satisfied, the person defending or asserting the  
validity of a director's conflict of interest transaction has  
the burden of proving its fairness in a proceeding challenging  
the validity of the transaction.

(4) The presence of or a vote cast by a director with an  
interest in the transaction does not affect the validity of an  
action taken in paragraph (3) (a) if the transaction is otherwise  
authorized, approved, or ratified as provided in subsection (3),  
but the presence or vote of the director may be counted for  
purposes of determining whether the transaction is approved  
under this chapter.

(5) In addition to other grounds for challenge, a party  
challenging the validity of the transaction is not precluded  
from asserting and proving that a particular director or member  
was not disinterested on grounds of financial or other interest  
for purposes of the vote on, consent to, or approval of the  
transaction.

(6) If directors' action under this section does not  
otherwise satisfy a quorum or voting requirement applicable to  
the authorization of the transaction by directors as required by



the articles of incorporation, the bylaws, this chapter, or any other law, an action to satisfy such authorization requirements, whether as part of the same action or by way of another action, must be taken by the board of directors or a committee in order to authorize the transaction. In such action, the vote or consent of directors who are not disinterested may be counted.

(7) If members' action under this section does not satisfy a quorum or voting requirement applicable to the authorization of the transaction by members as required by the articles of incorporation, the bylaws, this chapter, or any other law, an action to satisfy such authorization requirements, whether as part of the same action or by way of another action, must be taken by the members in order to authorize the transaction. In such action, the vote or consent of members who are not disinterested members may be counted.

**Section 52.** Section 617.0834, Florida Statutes, is reordered and amended to read:

617.0834 Liability of directors and officers ~~and directors of certain corporations and associations not for profit; immunity from civil liability.~~

(1) A director or an officer ~~or director of a nonprofit organization recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of the Internal Revenue Code of 1986, as amended, or of an agricultural or a horticultural organization recognized under s. 501(c)(5), of the Internal Revenue Code of 1986, as~~

3626 ~~amended,~~ is not personally liable for monetary damages to the  
3627 corporation or any person for any statement, vote, decision to  
3628 take or not,~~or failure~~ to take an action, or any failure to  
3629 take any action, as a director or an officer ~~regarding~~  
3630 ~~organizational management or policy by an officer or director,~~  
3631 unless:

3632 (a) The director or officer ~~or director~~ breached or failed  
3633 to perform the director's or officer's ~~his or her~~ duties as a  
3634 director or an officer ~~or director~~; and

3635 (b) The director's or officer's ~~or director's~~ breach of,  
3636 or failure to perform, the director's or officer's ~~his or her~~  
3637 duties constitutes any of the following:

3638 1. A violation of the criminal law, unless the ~~officer or~~  
3639 director or officer had reasonable cause to believe the  
3640 director's or officer's ~~his or her~~ conduct was lawful or had no  
3641 reasonable cause to believe the director's or officer's ~~his or~~  
3642 ~~her~~ conduct was unlawful. A judgment or other final adjudication  
3643 against a director or an officer ~~or director~~ in any criminal  
3644 proceeding for violation of the criminal law estops that  
3645 director or officer ~~or director~~ from contesting the fact that  
3646 the director's or officer's ~~his or her~~ breach, or failure to  
3647 perform, constitutes a violation of the criminal law, but does  
3648 not estop the director or officer ~~or director~~ from establishing  
3649 that the director or officer ~~he or she~~ had reasonable cause to  
3650 believe that the director's or officer's ~~his or her~~ conduct was

3651 lawful or had no reasonable cause to believe that the director's  
3652 or officer's ~~his or her~~ conduct was unlawful;

3653 2. A transaction from which the director or officer ~~or~~  
3654 ~~director~~ derived an improper personal benefit, directly or  
3655 indirectly; ~~or~~

3656 3. In a proceeding by or in the right of the corporation  
3657 to procure a judgment in its favor or by or in the right of a  
3658 member, conscious disregard for the best interest of the  
3659 corporation, or willful or intentional misconduct; or

3660 4. In a proceeding by or in the right of someone other  
3661 than the corporation or a member, recklessness or an act or  
3662 omission that was committed in bad faith or with malicious  
3663 purpose or in a manner exhibiting wanton and willful disregard  
3664 of human rights, safety, or property.

3665 (2) A director or an officer is deemed not to have derived  
3666 an improper personal benefit from any transaction if the  
3667 transaction and the nature of any personal benefit derived by  
3668 the director or officer are not prohibited by state or federal  
3669 law or regulation and, without further limitation, the  
3670 transaction is fair to the corporation at the time it is  
3671 authorized, approved, or ratified as determined in accordance  
3672 with s. 617.0832.

3673 (3) The circumstances set forth in subsection (2) are not  
3674 exclusive and do not preclude the existence of other  
3675 circumstances under which a director or officer will be deemed

not to have derived an improper benefit.

(4) For the purposes of this section, the term:

(c) ~~(a)~~ "Recklessness" means the acting, or omission to act, in conscious disregard of a risk:

1. Known, or so obvious that it should have been known, to the director or officer ~~or director~~; and

2. Known to the director or officer ~~or director~~, or so obvious that it should have been known, to be so great as to make it highly probable that harm would follow from such action or omission.

(a) ~~(b)~~ "Director" means a person who serves as a director, trustee, or member of the governing board of an organization.

(b) ~~(c)~~ "Officer" means a person who serves as an officer without compensation except reimbursement for actual expenses incurred or to be incurred.

**Section 53. Subsection (4) of section 617.0835, Florida Statutes, is amended to read:**

617.0835 Prohibited activities by private foundations.—

(4) ~~The provisions of Subsections (2) and (3) do not apply to any corporation that was incorporated before January 1, 1970, and that has been properly relieved from the requirements of 26 U.S.C. s. 508(e)(1) by a timely judicial proceeding to the extent that a court of competent jurisdiction determines that such application would be contrary to the terms of the articles of incorporation or organization or other instrument governing~~

3701 ~~such corporation or governing the administration of charitable~~  
3702 ~~funds held by it and that the same may not properly be changed~~  
3703 ~~to conform to such subsections.~~

3704 **Section 54. Section 617.0844, Florida Statutes, is created**  
3705 **to read:**

3706 617.0844 Standards of conduct for officers.—

3707 (1) An officer, when discharging his or her duties, shall  
3708 act:

3709 (a) In good faith; and

3710 (b) In a manner such officer reasonably believes to be in  
3711 the best interests of the corporation.

3712 (2) An officer, when becoming informed in connection with  
3713 a decisionmaking function or devoting attention to an oversight  
3714 function, shall discharge his or her duties with the care that  
3715 an ordinary prudent person in a like position would reasonably  
3716 believe appropriate under similar circumstances.

3717 (3) In discharging his or her duties, an officer who does  
3718 not have knowledge that makes reliance unwarranted is entitled  
3719 to rely on the performance by any of the persons specified in  
3720 paragraph (5) (a) or paragraph (5) (b) to whom the board may have  
3721 delegated, formally or informally by course of conduct, the  
3722 authority or duty to perform one or more of the board's  
3723 functions that are delegable under applicable law.

3724 (4) In discharging his or her duties, an officer who does  
3725 not have knowledge that makes reliance unwarranted is entitled

3726 to rely on any information, opinions, reports, or statements,  
3727 including financial statements and other financial data,  
3728 prepared or presented by any of the persons specified in  
3729 subsection (5).

3730 (5) An officer is entitled to rely, in accordance with  
3731 subsection (3) or subsection (4), on:

3732 (a) One or more officers or employees of the corporation  
3733 whom the officer reasonably believes to be reliable and  
3734 competent in the functions performed or the information,  
3735 opinions, reports, or statements provided;

3736 (b) Legal counsel, public accountants, or other persons  
3737 retained by the corporation or by a committee of the board of  
3738 the corporation as to matters involving skills or expertise the  
3739 officer reasonably believes are matters:

3740 1. Within the particular person's professional or expert  
3741 competence; or

3742 2. As to which the particular person merits confidence; or

3743 (c) A committee of the board of directors of which the  
3744 officer is not a member if the officer reasonably believes the  
3745 committee merits confidence.

3746 (d) In the case of a corporation engaged in religious  
3747 activity, religious authorities and ministers, priests, rabbis,  
3748 imams, or other persons whose positions or duties the officer  
3749 reasonably believes justify reliance and confidence and whom the  
3750 officer believes to be reliable and competent in the matters

presented.

(6) The duty of an officer includes the obligation to:

(a) Inform the superior officer to whom, or the board of directors or the committee to which, the officer reports of information about the affairs of the corporation known to the officer, within the scope of the officer's functions, and known or as should be known to the officer to be material to such superior officer, board, or committee; and

(b) Inform such officer's superior officer, or another appropriate person within the corporation, or the board of directors, or a committee thereof, of any actual or probable material violation of law involving the corporation or material breach of duty to the corporation by an officer, employee, or agent of the corporation the officer believes has occurred or is likely to occur.

(7) An officer is not a trustee with respect to the corporation or to any property held or administered by the corporation in trust, including property that may be subject to restrictions imposed by the donor.

**Section 55. Subsection (1) of section 617.1001, Florida Statutes, is amended to read:**

617.1001 Authority to amend the articles of incorporation.—

(1) A corporation may amend its articles of incorporation at any time to add or change a provision that is required or

permitted in the articles of incorporation or to delete a provision not required to be contained in the articles of incorporation. Whether a provision is required or permitted in the articles of incorporation is determined as of the effective date of the amendment ~~as provided in this act.~~

**Section 56. Present paragraph (b) of subsection (1) and present subsections (2) and (3) of section 617.1002, Florida Statutes, are redesignated as subsections (2), (4), and (5), respectively, a new subsection (3) is added to that section, and present subsection (1) of that section is amended, to read:**

617.1002 Procedure for amending articles of incorporation.—

(1) Unless the articles of incorporation provide otherwise ~~an alternative procedure~~, amendments to the articles of incorporation shall ~~must~~ be adopted ~~made~~ in the following manner:

(a) If there are members entitled to vote on a proposed amendment to the articles of incorporation, the proposed amendment shall first be adopted by the board of directors. ~~must adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote on the proposed amendment, which may be either an annual or a special meeting. Written notice setting forth the proposed amendment or a summary of the changes to be effected by the amendment must be given to each member entitled to vote at~~



~~such meeting in accordance with the articles of incorporation or the bylaws. The proposed amendment shall be adopted upon receiving at least a majority, or any larger or smaller percentage specified in the articles of incorporation or the bylaws, of the votes which members present at such meeting or represented by proxy are entitled to cast; or~~

(b) Except as provided in subsection (3) or, with respect to restatements that do not require member approval, or s. 617.1007, the members shall approve the amendment.

(c) In submitting the proposed amendment to the members for approval, the board of directors shall recommend that the members approve the amendment unless the board of directors determines that, because of a conflict of interest or other special circumstances, it should not make such a recommendation, in which case the board must inform the members of the basis for proceeding without such recommendation.

(d) The board of directors may set conditions for the approval of the amendment by the members or the effectiveness of the amendment.

(e) If the amendment is required to be approved by the members, and the approval is to be given at a meeting, the corporation must notify each member entitled to vote on the amendment of the meeting of members at which the amendment is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider

the amendment, and must contain or be accompanied by a copy of the amendment.

(f) Unless this chapter, the articles of incorporation, or the board of directors, acting pursuant to paragraph (d), requires a greater vote or a greater quorum, the approval of the amendment requires the approval of the members at a meeting at which the current required quorum exists.

~~(2)(b)~~ If there are no members or if members are not entitled to vote on proposed amendments to the articles of incorporation, unless the articles of incorporation provide otherwise, an amendment may be adopted at a meeting of the board of directors by a majority vote of the directors then in office, or by the incorporators if no board has been elected. Unless the articles of incorporation provide otherwise, an amendment adopted by the board of directors under this subsection must also be approved, if the amendment changes or deletes a provision regarding the appointment of a director by persons other than the board, by those persons as if they constituted a voting group.

(3) Unless the articles of incorporation provide otherwise, the board of directors of a corporation with members entitled to vote on proposed amendments may adopt amendments to the corporation's articles of incorporation without approval of the members to:

(a) Extend the duration of the corporation if it was

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incorporated at a time when limited duration was required by  
law;

(b) Delete the names and addresses of the initial  
directors;

(c) Delete the name and address of the initial registered  
agent or registered office, if a statement of change is on file  
with the department;

(d) Delete any other information contained in the articles  
of incorporation which is solely of historical interest;

(e) Change the corporate name by substituting the word  
"corporation," "incorporated," or the abbreviation "Corp.," or  
"Inc.," for a similar word or abbreviation in the name, or by  
adding, deleting, or changing a geographical attribution for the  
name; or

(f) Restate without change all of the then operative  
provisions of the articles of incorporation as provided in s.  
617.1007.

**Section 57. Section 617.1006, Florida Statutes, is amended**  
**to read:**

617.1006 Contents of articles of amendment.—

(1) After an amendment to the articles of incorporation  
has been adopted and approved as required by this chapter, the  
corporation shall deliver to the department for filing articles  
of amendment which must be signed in accordance with ~~The~~  
~~articles of amendment must be executed by the corporation as~~

~~provided in~~ s. 617.01201 and must set forth:

~~(a) (1)~~ The name of the corporation;

~~(b) (2)~~ The text of each amendment adopted or the  
information required by s. 617.01201(10), if applicable;

(c) If the amendment provides for an exchange, a  
reclassification, or a cancellation of memberships, provisions  
for implementing the amendment if not contained in the amendment  
itself, which may be made dependent upon facts objectively  
ascertainable outside the articles of amendment in accordance  
with s. 617.01201(10);

(d) The date of each amendment's adoption; and

(e) If the amendment:

1. Was adopted by the incorporators or the board of  
directors without member approval, a statement that the  
amendment was adopted by the incorporators or by the board of  
directors and that member approval was not required;  
2. Required approval by the members, a statement that the  
amendment was duly approved by the members in the manner  
required by this chapter and by the articles of incorporation  
and bylaws; or

3. Is being filed pursuant to s. 617.01201(10), a  
statement to that effect.

(2) Articles of amendment take effect on the effective  
date determined pursuant to s. 617.0123.

~~(3) If there are members entitled to vote on a proposed~~

~~amendment, the date of the adoption of the amendment by the members and a statement that the number of votes cast for the amendment was sufficient for approval; and~~

~~(4) If there are no members or if members are not entitled to vote on a proposed amendment, a statement of such fact and the date of the adoption of the amendment by the board of directors.~~

**Section 58. Section 617.1101, Florida Statutes, is amended to read:**

(Substantial rewording of section.

See s. 617.1101, F.S., for present text.)

617.1101 Plan of merger.—

(1) By complying with this chapter, including adopting a plan of merger in accordance with subsection (3) and complying with s. 617.1103:

(a) Subject to and except as otherwise provided in s. 617.1102, one or more domestic corporations may merge with one or more domestic or foreign eligible entities pursuant to a plan of merger, resulting in a survivor; and

(b) Any two or more eligible entities may merge, resulting in a surviving entity that is a domestic corporation created in the merger.

(2) Subject to and except as otherwise provided in s. 617.1102, a domestic eligible entity that is not a corporation may be a party to a merger with a domestic corporation, or may

3926 be created as the survivor in a merger in which a domestic  
3927 corporation is a party, but only if the parties to the merger  
3928 comply with this chapter and the merger is permitted by the  
3929 organic law of the domestic eligible entity that is not a  
3930 corporation. A foreign eligible entity may be a party to a  
3931 merger with a domestic corporation or, subject to and as  
3932 otherwise provided in s. 617.1102, may be created as the  
3933 survivor in a merger in which a domestic corporation is a party,  
3934 but only if the parties to the merger comply with this chapter  
3935 and the merger is permitted by the organic law of the foreign  
3936 eligible entity.

3937 (3) The plan of merger must set forth:

3938 (a) As to each party to the merger, its name, jurisdiction  
3939 of formation, and type of entity;

3940 (b) The survivor's name, jurisdiction of formation, and  
3941 type of entity, and, if the survivor is to be created in the  
3942 merger, a statement to that effect;

3943 (c) The terms and conditions of the merger, including:

3944 1. A statement that the interests in such entity are to be  
3945 canceled; or

3946 2. The manner of converting the interests in such entity  
3947 into interests, securities, obligations, money, other property,  
3948 rights to acquire interests or securities, or any combination of  
3949 the foregoing;

3950 (d) The articles of incorporation of any domestic or

foreign corporation, or the public organic record of any other domestic or foreign eligible entity to be created by the merger, or if a new domestic or foreign corporation or other eligible entity is not to be created by the merger, any amendment to, or restatement of, the survivor's articles of incorporation or other public organic record;

(e) The effective date and time of the merger, which may be on or after the filing date of filing the articles of merger; and

(f) Any other provision required by the laws under which any party to the merger is organized or by which it is governed, or by the articles of incorporation or organic rules of any such party.

(4) In addition to the requirements of subsection (3), a plan of merger may contain any other provision that is not prohibited by law.

(5) Terms of a plan of merger may be made dependent upon facts objectively ascertainable outside the plan in accordance with s. 617.01201(10).

(6) A plan of merger may be amended only with the consent of each party to the merger, except as provided in the plan. A domestic party to a merger may approve an amendment to a plan:

(a) In the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or

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3976        (b) In the manner provided in the plan, except that an  
3977        interest holder that was entitled to vote on or consent to the  
3978        approval of the plan is entitled to vote on or consent to any  
3979        amendment to the plan which will change:

3980        1. The amount or kind of interests, securities,  
3981        obligations, money, other property, rights to acquire interests  
3982        or securities, or any combination of the foregoing, to be  
3983        received under the plan by the interest holders of any party to  
3984        the merger;

3985        2. The articles of incorporation of any domestic  
3986        corporation, or the organic rules of any other type of entity,  
3987        that will be the survivor of the merger, except for changes  
3988        permitted by s. 617.1002(3) or by comparable provisions of the  
3989        organic law of any other type of entity; or

3990        3. Any of the other terms or conditions of the plan if the  
3991        change would adversely affect the interest holder in any  
3992        material respect.

3993        **Section 59. Section 617.1102, Florida Statutes, is amended**  
3994        **to read:**

3995        617.1102 Limitation on merger.—A domestic corporation that  
3996        holds property for a charitable purpose ~~not for profit organized~~  
3997        ~~under this chapter~~ may merge with one or more other eligible  
3998        ~~entities, as identified in s. 607.1101(1),~~ only if the surviving  
3999        entity of such merger is a domestic or foreign corporation ~~not~~  
4000        ~~for profit~~ or other eligible entity that has been organized as a



4001 nonprofit ~~not-for-profit~~ entity under a governing statute or  
4002 other applicable law that allows such a merger.

4003 **Section 60. Section 617.1103, Florida Statutes, is amended**  
4004 **to read:**

4005 (Substantial rewording of section.

4006 See s. 617.1103, F.S., for present text.)

4007 617.1103 Approval of plan of merger; abandonment of plan  
4008 thereafter.—

4009 (1) In the case of a domestic corporation that is a party  
4010 to a merger, the plan of merger shall be adopted in the  
4011 following manner if there are members of the domestic  
4012 corporation entitled to vote on the merger:

4013 (a) The plan of merger shall first be adopted by the board  
4014 of directors of such domestic corporation.

4015 (b) Except as provided in paragraph (h), and in s.  
4016 617.1104, the members entitled to vote shall vote to adopt the  
4017 plan of merger.

4018 (c) In submitting the plan of merger to the members for  
4019 approval, the board of directors shall recommend that the  
4020 members approve the plan, unless the board of directors makes a  
4021 determination that because of conflicts of interest or other  
4022 special circumstances it should not make such a recommendation,  
4023 in which case the board shall inform the members of the basis  
4024 for proceeding without such recommendation.

4025 (d) The board of directors may set conditions for the

4026 approval of the proposed merger by the members or the  
4027 effectiveness of the plan of merger.

4028 (e) If the approval by members is to be given at a  
4029 meeting, the corporation shall notify each member entitled to  
4030 vote of the meeting of members at which the plan is submitted  
4031 for approval in accordance with this chapter and the articles of  
4032 incorporation and bylaws of the corporation. The notice must  
4033 also state that the purpose, or one of the purposes, of the  
4034 meeting is to consider the plan of merger, regardless of whether  
4035 the meeting is an annual or a special meeting, and contain or be  
4036 accompanied by a copy of the plan. If the corporation is not to  
4037 be the surviving entity, the notice must also include or be  
4038 accompanied by a copy of the articles of incorporation and  
4039 bylaws or the organic rules of the surviving entity.

4040 (f) Unless this chapter, the articles of incorporation, or  
4041 the board of directors, acting pursuant to paragraph (d),  
4042 requires a greater vote or a greater quorum in the respective  
4043 case, approval of the plan of merger shall require the approval  
4044 of the members at a meeting at which the current required quorum  
4045 exists by a majority of the votes entitled to be cast on the  
4046 plan and, if any class of members is entitled to vote as a  
4047 separate voting group on the plan of merger, the approval of  
4048 each such separate voting group at a meeting at which a quorum  
4049 of the voting group is present by a majority of the votes  
4050 entitled to be cast on the merger by that voting group.

4051        (g) Subject to paragraph (h), unless otherwise provided in  
4052 the articles of incorporation, separate voting on a plan of  
4053 merger is required for each class of members that is to be  
4054 converted under the plan of merger into securities, interests,  
4055 or obligations; rights to acquire securities or other interests;  
4056 or cash, other property, or any combination thereof.

4057        (h) The articles of incorporation may expressly limit or  
4058 eliminate the separate voting rights as to any class of members.

4059        (2) If a domestic corporation that is a party to a merger  
4060 has no members or if its members are not entitled to vote on a  
4061 plan of merger, such plan may be adopted at a meeting of its  
4062 board of directors by a majority vote of the directors then in  
4063 office.

4064        (3) (a) After a plan of merger has been approved and before  
4065 articles of merger are effective, the plan may be abandoned as  
4066 provided in the plan. Unless prohibited by the plan, the plan  
4067 may be abandoned by the board of directors in the same manner as  
4068 the plan was approved by:

4069            1. A domestic corporation; or  
4070            2. A merging domestic eligible entity if the organic law  
4071 of the entity does not provide for amendment of a plan of  
4072 merger.

4073        (b) If a merger is abandoned under paragraph (a) after  
4074 articles of merger have been delivered to the department for  
4075 filing but before the articles of merger have become effective,

a statement of abandonment signed by all the parties that signed the articles of merger shall be delivered to the department for filing before the articles of merger become effective. The statement takes effect on filing, whereupon the merger is deemed abandoned and does not become effective. The statement of abandonment must contain:

1. The name of each party to the merger;
2. The date on which the articles of merger were filed by the department; and
3. A statement that the merger has been abandoned in accordance with this section.

**Section 61. Section 617.1104, Florida Statutes, is created to read:**

617.1104 Short-form merger between parent and subsidiary or between subsidiaries.—

(1)(a) A domestic or foreign parent eligible entity that holds a membership in a domestic corporation that carries at least 80 percent of the voting power of each class of membership of the domestic corporation which has voting power may:

1. Merge the subsidiary into itself, or into another domestic or foreign eligible entity in which the parent eligible entity owns at least 80 percent of the voting power of each class and series of the outstanding interests that have voting power; or
2. Merge itself into the subsidiary.

4101        (b) Mergers under subparagraphs (a)1. and 2. do not  
4102 require the approval of the board of directors or members of the  
4103 subsidiary unless the articles of incorporation or organic rules  
4104 of the parent eligible entity or the articles of incorporation  
4105 of the subsidiary entity otherwise provide. The articles of  
4106 merger relating to a merger under this section do not need to be  
4107 signed by the subsidiary entity.

4108        (2) The parent eligible entity shall, within 10 days after  
4109 the effective date of a merger approved under subsection (1),  
4110 notify each of the subsidiary entity's members that the merger  
4111 has become effective.

4112        (3) Except as provided for in subsections (1) and (2), a  
4113 merger between a parent eligible entity and a domestic  
4114 subsidiary corporation is governed by ss. 617.1101-617.1107,  
4115 which are applicable to mergers generally.

4116        **Section 62. Section 617.1105, Florida Statutes, is amended**  
4117 **to read:**

4118        (Substantial rewording of section.

4119 See s. 617.1105, F.S., for present text.)

4120 617.1105 Articles of merger.—

4121        (1) After a plan of merger has been adopted and approved  
4122 as required by this chapter or, if the merger is being effected  
4123 pursuant to s. 617.1101(1)(b), the merger has been approved as  
4124 required by the organic law governing the parties to the merger,  
4125 the articles of merger must be signed by each party to the

4126 merger, except as provided in s. 617.1104. The articles of  
4127 merger must set forth:

4128 (a) The name, jurisdiction of formation, and type of  
4129 entity of each party to the merger;

4130 (b) If not already identified as the survivor pursuant to  
4131 paragraph (a), the name, jurisdiction of formation, and type of  
4132 entity of the survivor;

4133 (c) If the articles of incorporation of the survivor are  
4134 being amended, or if a new domestic corporation is being created  
4135 as a result of the merger:

4136 1. The amendments to the survivor's articles of  
4137 incorporation; or

4138 2. The articles of incorporation of the new corporation;

4139 (d) If the plan of merger required approval by the members  
4140 of a domestic corporation that is a party to the merger, a  
4141 statement that the plan was duly approved by the members and, if  
4142 voting by any separate voting group was required, by each such  
4143 separate voting group, in the manner required by this chapter  
4144 and the articles of incorporation of such domestic corporation;

4145 (e) If the plan of merger did not require approval by the  
4146 members of a domestic corporation that is a party to the merger,  
4147 a statement to that effect;

4148 (f) As to each foreign corporation that is a party to the  
4149 merger, a statement that the participation of the foreign  
4150 corporation was duly authorized in accordance with such

4151 corporation's organic law;

4152 (g) As to each domestic or foreign eligible entity that is  
4153 a party to the merger and that is not a domestic or foreign  
4154 corporation, a statement that the participation of the eligible  
4155 entity in the merger was duly authorized in accordance with such  
4156 eligible entity's organic law; and

4157 (h) If the survivor is not a domestic or foreign  
4158 corporation or other eligible entity that has been organized as  
4159 a nonprofit entity under a governing statute or other applicable  
4160 law that allows such a merger, as to each domestic corporation  
4161 that is a party to the merger, a statement that it does not hold  
4162 any property for a charitable purpose.

4163 (2) In addition to the requirements of subsection (1),  
4164 articles of merger may contain any other provision not  
4165 prohibited by law.

4166 (3) The articles of merger shall be delivered to the  
4167 department for filing, and, subject to subsection (4), the  
4168 merger must take effect on the effective date determined in  
4169 accordance with s. 617.0123.

4170 (4) With respect to a merger in which one or more foreign  
4171 entities is a party or a foreign corporation created by the  
4172 merger is the survivor, the merger itself becomes effective at  
4173 the later of:

4174 (a) When all documents required to be filed in all foreign  
4175 jurisdictions to effect the merger have become effective; or

(b) When the articles of merger take effect.

(5) Articles of merger required to be filed under this section may be combined with any filing required under the organic law governing any other domestic eligible entity involved in the transaction if the combined filing satisfies the requirements of both this section and the other organic law.

**Section 63. Section 617.1106, Florida Statutes, is amended to read:**

(Substantial rewording of section.

See s. 617.1106, F.S., for present text.)

617.1106 Effect of merger.—

(1) When a merger becomes effective:

(a) The domestic or foreign eligible entity that is designated in the plan of merger as the survivor continues or comes into existence, as the case may be;

(b) The separate existence of every merging entity, other than the survivor, ceases;

(c) All property owned by, and every contract right and other right possessed by, each merging entity vests in the survivor, without transfer, reversion, or impairment;

(d) All debts, obligations, and other liabilities of each merging entity become debts, obligations, and liabilities of the survivor;

(e) The name of the survivor may be, but need not be, substituted in any pending proceeding for the name of any party



4201 to the merger whose separate existence ceased in the merger;

4202 (f) Neither the rights of creditors nor any liens upon the  
4203 property of any corporation party to the merger are impaired by  
4204 such merger;

4205 (g) If the survivor is a domestic eligible entity, the  
4206 articles of incorporation and bylaws or the organic rules of the  
4207 survivor are amended to the extent provided in the plan of  
4208 merger;

4209 (h) The articles of incorporation and bylaws or the  
4210 organic rules of a survivor that is a domestic eligible entity  
4211 and is created by the merger become effective;

4212 (i) The interests of each merging entity which are to be  
4213 canceled or converted in the merger are canceled or converted,  
4214 and the interest holders of those interests are entitled only to  
4215 the rights provided to them under the plan of merger and to any  
4216 appraisal rights they have under the merging entity's organic  
4217 law;

4218 (j) Except as provided by law or the plan of merger, all  
4219 the rights, privileges, franchises, and immunities of each  
4220 eligible entity that is a party to the merger, other than the  
4221 survivor, become the rights, privileges, franchises, and  
4222 immunities of the survivor; and

4223 (k) If the survivor exists before the merger:

4224 1. All the property and contract and other rights of the  
4225 survivor remain its property and contract and other rights

4226 without transfer, reversion, or impairment;

4227 2. The survivor remains subject to all of its debts,  
4228 obligations, and other liabilities; and

4229 3. Except as provided by law or the plan of merger, the  
4230 survivor continues to hold all of its rights, privileges,  
4231 franchises, and immunities.

4232 (2) Except as provided in the organic law governing a  
4233 party to a merger or in its articles of incorporation or organic  
4234 rules, the merger does not give rise to any rights that any  
4235 interest holder or third party would have upon a dissolution,  
4236 liquidation, or winding up of that party. The merger does not  
4237 require a party to the merger to wind up its affairs and does  
4238 not constitute or cause its dissolution or termination.

4239 (3) Property held in trust or otherwise dedicated to a  
4240 charitable purpose and held by a domestic or foreign eligible  
4241 entity immediately before a merger becomes effective may not, as  
4242 a result of the merger, be diverted from the purposes for which  
4243 it was donated, granted, devised, or otherwise transferred  
4244 except pursuant to the laws of this state addressing cy pres or  
4245 dealing with nondiversion of charitable assets.

4246 (4) Any bequest, devise, gift, grant, or promise contained  
4247 in a will or other instrument of donation, subscription, or  
4248 conveyance which is made to an eligible entity that is a party  
4249 to a merger that is not the survivor and which takes effect or  
4250 remains payable after the merger inures to the survivor.

4251        (5) A trust obligation that would govern property if the  
4252 property is directed to be transferred to a nonsurviving  
4253 eligible entity applies to property that is to be transferred  
4254 instead to the survivor after a merger becomes effective.

4255        **Section 64. Section 617.1107, Florida Statutes, is amended**  
4256 **to read:**

4257        617.1107 Merger of domestic and foreign corporations.—

4258        ~~(1) One or more foreign corporations and one or more~~  
4259 ~~domestic corporations may be merged into a corporation of this~~  
4260 ~~state or of another jurisdiction if such merger is permitted by~~  
4261 ~~the laws of the jurisdiction under which each such foreign~~  
4262 ~~corporation is organized and if:~~

4263        ~~(a) Each foreign corporation complies with the applicable~~  
4264 ~~laws of the jurisdiction under which it is organized; and~~

4265        ~~(b) Each domestic corporation complies with the provisions~~  
4266 ~~of this act relating to the merger of domestic corporations.~~

4267        ~~(2)~~ Following a merger in accordance with s. 617.1101, if  
4268 the surviving eligible entity is a foreign eligible entity  
4269 ~~corporation is to be governed by the laws of any jurisdiction~~  
4270 ~~other than this state, it must comply with the provisions of~~  
4271 this chapter ~~act~~ with respect to foreign corporations if it is  
4272 to conduct its affairs in this state, and in every case it will  
4273 be deemed to have filed with the department of State:

4274        (a) An agreement that it may be served with process in  
4275 this state in any proceeding for the enforcement of any

obligation of any domestic corporation which is a party to such merger; and

(b) An irrevocable appointment of the department ~~of State of this state~~ as its agent to accept service of process in any such proceeding.

(2) ~~(3)~~ Following a merger in accordance with s. 617.1101, if the surviving eligible entity is a corporation ~~is~~ to be governed by the laws of this state, the effect of such merger is the same as in the case of the merger of domestic corporations. If the surviving eligible entity ~~corporation~~ is to be governed by the laws of any jurisdiction other than this state, the effect of such merger is governed by the laws of such other jurisdiction.

~~(4) At any time prior to the filing of the articles of merger by the Department of State, the merger may be abandoned pursuant to provisions therefor, if any, set forth in the plan of merger.~~

**Section 65. Section 617.1202, Florida Statutes, is amended to read:**

617.1202 Sale, lease, exchange, or other disposition of corporate property and assets requiring member approval. ~~A sale, lease, exchange, or other disposition of all or substantially all of the property and assets of a corporation, in all cases other than those not requiring member approval as specified in s. 617.1201, may be made upon such terms and conditions and for~~

4301 ~~such consideration, which may consist in whole or in part of~~  
4302 ~~money or property, real or personal, including shares, bonds, or~~  
4303 ~~other securities of any corporation or corporations for profit,~~  
4304 ~~domestic or foreign, and must be authorized in the following~~  
4305 ~~manner:~~

4306       (1) If a ~~the~~ corporation has members entitled to vote, the  
4307 corporation may sell, lease, exchange, or otherwise dispose of  
4308 all, or substantially all, of its property, with or without good  
4309 will, on the terms and conditions and for the consideration  
4310 determined by the corporation's board of directors, but only if  
4311 the board of directors proposes and its members approve the  
4312 proposed transaction in the following manner: ~~on the sale,~~  
4313 ~~lease, exchange, or other disposition of corporate property, the~~  
4314 ~~board of directors must adopt a resolution approving such sale,~~  
4315 ~~lease, exchange, or other disposition, and directing that it be~~  
4316 ~~submitted to a vote at a meeting of members entitled to vote~~  
4317 ~~thereon, which may be either an annual or special meeting.~~  
4318 ~~Written notice stating that the purpose, or one of the purposes,~~  
4319 ~~of such meeting is to consider the sale, lease, exchange, or~~  
4320 ~~other disposition of all or substantially all of the property~~  
4321 ~~and assets of the corporation must be given to each member~~  
4322 ~~entitled to vote at such meeting in accordance with the articles~~  
4323 ~~of incorporation or the bylaws. At such meeting, the members may~~  
4324 ~~authorize such sale, lease, exchange, or other disposition and~~  
4325 ~~may approve or fix, or may authorize the board of directors to~~

4326 ~~fix, any or all of the terms and conditions thereof and the~~  
4327 ~~consideration to be received by the corporation therefor. Such~~  
4328 ~~authorization requires at least a majority of the votes which~~  
4329 ~~members present at such meeting or represented by proxy are~~  
4330 ~~entitled to cast. After such authorization by a vote of members,~~  
4331 ~~the board of directors may, in its discretion, abandon such~~  
4332 ~~sale, lease, exchange, or other disposition of assets, subject~~  
4333 ~~to the rights of third parties under any contracts relating to~~  
4334 ~~such sale, lease, exchange, or other disposition, without~~  
4335 ~~further action or approval by members.~~

4336 (a) The board of directors shall first adopt a resolution  
4337 approving the disposition, and thereafter, the disposition must  
4338 also be approved by the corporation's members having voting  
4339 rights thereon.

4340 (b) In submitting the disposition to the members who have  
4341 voting rights for approval, the board of directors shall  
4342 recommend the proposed transaction to the members of record  
4343 unless the board of directors makes a determination that because  
4344 of a conflict of interest or other special circumstances it  
4345 should not make such a recommendation, in which event the board  
4346 of directors shall inform the members of the basis for its so  
4347 proceeding without such recommendation.

4348 (c) The board of directors may set conditions for approval  
4349 of the disposition or the effectiveness of the disposition.

4350 (d) If the disposition is required to be approved by the

4351 members under this subsection and if the approval is to be given  
4352 at the meeting, the corporation must notify each member entitled  
4353 to vote of the meeting of members at which the disposition is to  
4354 be submitted for approval. The notice must state that the  
4355 purpose, or one of the purposes, of the meeting is to consider  
4356 the disposition and must contain a description of the  
4357 disposition and the consideration to be received by the  
4358 corporation.

4359 (e) Unless this chapter, the articles of incorporation, or  
4360 the board of directors acting pursuant to paragraph (c) requires  
4361 a greater vote or a greater quorum, the approval of the  
4362 disposition shall require the approval of the members entitled  
4363 to vote at a meeting at which the current required quorum exists  
4364 consisting of a majority of all the votes entitled to be cast on  
4365 the disposition.

4366 (2) After a disposition has been approved by the members  
4367 under this section, and at any time before the disposition has  
4368 been consummated, it may be abandoned by the corporation without  
4369 action by the members, subject to any contractual rights of  
4370 other parties to the disposition.

4371 (3) A disposition of assets in the course of dissolution  
4372 is governed by ss. 617.1401-617.1440 and not by this section.

4373 (4) If the corporation has no members or if its members  
4374 are not entitled to vote thereon, a sale, lease, exchange, or  
4375 other disposition of all or substantially all the property and

assets of a corporation may be authorized by a majority vote of the directors then in office.

**Section 66. Subsection (2) of section 617.1401, Florida Statutes, is amended, and subsection (3) of that section is reenacted, to read:**

617.1401 Voluntary dissolution of corporation prior to conducting its affairs.—

(2) Articles of dissolution must be executed in accordance with s. 617.01201 and must set forth:

(a) The name of the corporation;

(b) The date of filing of its articles of incorporation;

(c) That the corporation has not commenced to conduct its affairs;

(d) That no debts of the corporation remain unpaid; ~~and~~

(e) That any net assets of the corporation remaining after winding up have been distributed in accordance with s. 617.1406; and

(f) That the incorporator or a majority of the incorporators or a majority of the directors, as the case may be, authorized the dissolution.

(3) The articles of dissolution must be filed and shall become effective in accordance with s. 617.1403, may be revoked in accordance with s. 617.1404, and shall have the effect prescribed in s. 617.1405.

**Section 67. Section 617.1402, Florida Statutes, is amended**



4401 **to read:**

4402       617.1402 Dissolution of corporation subsequent to  
4403 conducting its affairs.—A corporation desiring to dissolve and  
4404 wind up its affairs must adopt a resolution to dissolve in the  
4405 following manner:

4406       (1) If the corporation has members entitled to vote on a  
4407 resolution to dissolve, and unless the board of directors  
4408 determines that because of a conflict of interest or other  
4409 substantial reason it should not make any recommendation, the  
4410 board of directors must adopt a resolution recommending that the  
4411 corporation be dissolved and directing that the question of such  
4412 dissolution be submitted to a vote at a meeting of members  
4413 entitled to vote thereon, which may be either an annual or  
4414 special meeting. Written notice stating that the purpose, or one  
4415 of the purposes, of such meeting is to consider the advisability  
4416 of dissolving the corporation must be given to each member  
4417 entitled to vote at such meeting in accordance with the articles  
4418 of incorporation or the bylaws. A resolution to dissolve the  
4419 corporation must ~~shall~~ be adopted upon receiving at least a  
4420 majority of the votes which members present at such meeting or  
4421 represented by proxy are entitled to cast.

4422       (2) If the corporation has no members or if its members  
4423 are not entitled to vote on a resolution to dissolve, the  
4424 dissolution of the corporation may be authorized at a meeting of  
4425 the board of directors by a majority vote of the directors then

in office.

**Section 68. Subsection (1) of section 617.1403, Florida Statutes, is amended, and subsection (3) is added to that section, to read:**

617.1403 Articles of dissolution.—

(1) At any time after dissolution is authorized, the corporation may dissolve by delivering to the department ~~of~~ ~~State~~ for filing articles of dissolution setting forth:

(a) The name of the corporation;

(b) If the corporation has members entitled to vote on dissolution, the date of the meeting of members at which the resolution to dissolve was adopted, a statement that the number of votes cast for dissolution was sufficient for approval, or a statement that such a resolution was adopted by written consent and executed in accordance with s. 617.0701; and

(c) If the corporation has no members or if its members are not entitled to vote on dissolution, a statement of such fact, the date of the adoption of such resolution by the board of directors, the number of directors then in office, and the vote for the resolution.

(3) For purposes of ss. 617.1401-617.1422, the term "dissolved corporation" means a corporation whose articles of dissolution have become effective and includes a successor entity, as defined in s. 617.01401.

**Section 69. Subsection (1) of section 617.1405, Florida**

4451 **Statutes, is amended, subsections (5) and (6) are added to that**  
4452 **section, and subsection (4) of that section is reenacted, to**  
4453 **read:**

4454 617.1405 Effect of dissolution.—

4455 (1) A ~~dissolved~~ corporation that has dissolved continues  
4456 its corporate existence but may not conduct its affairs except  
4457 to the extent appropriate to wind up and liquidate its affairs,  
4458 including:

4459 (a) Collecting its assets;

4460 (b) Disposing of its properties that will not be  
4461 distributed in kind pursuant to the plan of distribution of  
4462 assets adopted under s. 617.1406;

4463 (c) Discharging or making provision for discharging its  
4464 liabilities;

4465 (d) Distributing its remaining property in accordance with  
4466 the plan of distribution of assets adopted under s. 617.1406;  
4467 and

4468 (e) Doing every other act necessary to wind up and  
4469 liquidate its affairs.

4470 (4) The name of a dissolved corporation is not available  
4471 for assumption or use by another corporation until 120 days  
4472 after the effective date of dissolution unless the dissolved  
4473 corporation provides the department with an affidavit, executed  
4474 pursuant to s. 617.01201, authorizing the immediate assumption  
4475 or use of the name by another corporation.

4476       (5) For purposes of this section, the circuit court may  
4477 appoint a trustee, custodian, receiver, or provisional director  
4478 as described in s. 617.1435 for any property owned or acquired  
4479 by the corporation who may engage in any act permitted in  
4480 accordance with subsection (1) if any director or officer of the  
4481 dissolved corporation is unwilling or unable to serve or cannot  
4482 be located.

4483       (6) Property held in trust or otherwise dedicated to a  
4484 public or charitable purpose may not be diverted from its trust  
4485 or charitable purpose by the dissolution of a corporation except  
4486 in compliance with and pursuant to the laws of this state  
4487 addressing cy pres or otherwise dealing with the nondiversion of  
4488 charitable assets.

4489       **Section 70. Section 617.1406, Florida Statutes, is amended**  
4490 **to read:**

4491       617.1406 Plan of distribution of assets.—A plan providing  
4492 for the distribution of assets, not inconsistent with this  
4493 chapter ~~act~~ or the articles of incorporation, must be adopted by  
4494 a corporation in the following manner:

4495       (1) If the corporation has members entitled to vote on a  
4496 plan of distribution of assets, the board of directors must  
4497 adopt a resolution recommending a plan of distribution and  
4498 directing its submission to a vote at a meeting of members  
4499 entitled to vote thereon, which may be either an annual or a  
4500 special meeting. Written notice setting forth the proposed plan

4501 of distribution or a summary thereof must be given to each  
4502 member entitled to vote at such meeting in accordance with the  
4503 articles of incorporation or the bylaws. Such plan of  
4504 distribution shall be adopted upon receiving at least a majority  
4505 of the votes which the members present at such meeting or  
4506 represented by proxy are entitled to cast.

4507       (2) If the corporation has no members or if its members  
4508 are not entitled to vote on a plan of distribution, such plan  
4509 may be adopted at a meeting of the board of directors by a  
4510 majority vote of the directors then in office.

4511       (3) A plan of distribution of assets must provide that:

4512       (a) All liabilities and obligations of the corporation be  
4513 paid and discharged, or adequate provisions be made therefor;

4514       (b) Assets held by the corporation upon condition  
4515 requiring return, transfer, or conveyance, which condition  
4516 occurs by reason of the dissolution, be returned, transferred,  
4517 or conveyed in accordance with such requirements;

4518       (c) Assets received and held by the corporation subject to  
4519 limitations permitting their use only for charitable, religious,  
4520 ~~eleemosynary,~~ benevolent, educational, or similar purposes, but  
4521 not held upon a condition requiring return, transfer, or  
4522 conveyance by reason of the dissolution, be transferred or  
4523 conveyed to one or more domestic or foreign corporations,  
4524 trusts, societies, or organizations engaged in activities  
4525 substantially similar to those of the dissolving corporation, as

provided in the plan of distribution of assets;

(d) Other assets, if any, be distributed in accordance with the ~~provisions of the~~ articles of incorporation or the bylaws to the extent that the articles of incorporation or the bylaws determine the distributive rights of members, or any class or classes of members, or provide for distribution to others; and

(e) Any remaining assets be distributed to such persons, trusts, societies, organizations, or domestic or foreign corporations, whether for profit or not for profit, as specified in the plan of distribution of assets.

(4) A copy of the plan of distribution of assets, authenticated by an officer of the corporation and containing the officer's certificate of compliance with the requirements of subsection (1) or subsection (2) must be filed with the department ~~of State~~.

**Section 71. Section 617.1407, Florida Statutes, is amended to read:**

617.1407 Unknown claims against dissolved corporation.—

(1) A dissolved corporation or successor entity may execute one of the following procedures to resolve payment of unknown claims:

(a) A dissolved corporation or successor entity may file notice of its dissolution with the department on the form prescribed by the department and request that persons with

4551 ~~having~~ claims against the corporation which are not known claims  
4552 as defined in s. 617.1408(5) to the corporation or successor  
4553 entity present them in accordance with the notice. The notice  
4554 must:

4555 1. State the name of the corporation that is the subject  
4556 ~~and the date~~ of the dissolution;

4557 2. State that the corporation is the subject of a  
4558 dissolution and the effective date of the dissolution;

4559 3. Specify ~~Describe~~ the information that must be included  
4560 in a claim;

4561 4. State that a claim must be in writing and provide a  
4562 mailing address to which the claim may be sent; and

4563 5.3. ~~State~~ that a claim against the corporation under this  
4564 subsection will be ~~is~~ barred unless a proceeding to enforce the  
4565 claim is commenced within 4 years after the date of the filing  
4566 of the notice.

4567 (b) A dissolved corporation or successor entity may,  
4568 within 10 days after filing articles of dissolution with the  
4569 department, publish a "Notice of Corporate Dissolution." The  
4570 notice must appear once a week for 2 consecutive weeks in a  
4571 newspaper of general circulation in the county in the state in  
4572 which the corporation has its principal office, if any, or, if  
4573 none, in a county in the state in which the corporation owns  
4574 real or personal property. Such newspaper shall meet the  
4575 requirements as are prescribed by law for such purposes. The

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notice must:

1. State the name of the corporation that is the subject  
~~and the date of the~~ dissolution;

2. State that the corporation is the subject of a  
dissolution and the effective date of the dissolution;

3. Specify ~~Describe~~ the information that must be included  
in a claim;

4. State that a claim must be in writing and provide a  
mailing address to which the claim may be sent; and

~~5.3.~~ State that a claim against the corporation under this  
subsection will be ~~is~~ barred unless a proceeding to enforce the  
claim is commenced within 4 years after the filing ~~date of the~~  
~~second consecutive weekly publication~~ of the notice.

(2) If the dissolved corporation or successor entity  
complies with paragraph (1)(a) or paragraph (1)(b), unless  
sooner barred by another statute limiting actions, the claim of  
each of the following claimants is barred unless the claimant  
commences a proceeding to enforce the claim against the  
dissolved corporation within 4 years after the date of filing  
the notice with the department or the date of the second  
consecutive weekly publication, as applicable:

(a) A claimant who was not given ~~did not receive~~ written  
notice under s. 617.1408 ~~;(9), or whose claim is not provided for~~  
~~under s. 617.1408(10), regardless of whether such claim is based~~  
~~on an event occurring before or after the effective date of~~



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4601 ~~dissolution.~~

4602 (b) A claimant whose claim was timely sent to the  
4603 dissolved corporation but on which no action was taken; ~~or.~~

4604 (c) A claimant whose claim was excluded as a known claim  
4605 as defined in s. 617.1408(5)(b).

4606 (3) This section does not preclude or relieve the  
4607 corporation from its notification to claimants otherwise set  
4608 forth in this chapter ~~A claim may be entered under this section:~~

4609 ~~(a) Against the dissolved corporation, to the extent of~~  
4610 ~~its undistributed assets; or~~

4611 ~~(b) If the assets have been distributed in liquidation,~~  
4612 ~~against a member of the dissolved corporation to the extent of~~  
4613 ~~such member's pro rata share of the claim or the corporate~~  
4614 ~~assets distributed to such member in liquidation, whichever is~~  
4615 ~~less; however, the aggregate liability of any member of a~~  
4616 ~~dissolved corporation may not exceed the amount distributed to~~  
4617 ~~the member in dissolution.~~

4618 **Section 72. Section 617.1408, Florida Statutes, is amended**  
4619 **to read:**

4620 (Substantial rewording of section.

4621 See s. 617.1408, F.S., for present text.)

4622 617.1408 Known claims against dissolved corporation.

4623 (1) A dissolved corporation or a successor entity may  
4624 dispose of the known claims against it by giving written notice  
4625 that satisfies the requirements of subsection (2) to its known

claimants of the dissolution at any time after the effective date of the dissolution, but no later than the date that is 270 days before the date which is 3 years after the effective date of the dissolution.

(2) The written notice must:

(a) State the name of the corporation that is the subject of the dissolution;

(b) State that the corporation is the subject of a dissolution and the effective date of the dissolution;

(c) Specify the information that must be included in a claim;

(d) State that a claim must be in writing and provide a mailing address where a claim may be sent;

(e) State the deadline, which may not be less than 120 days after the date of the written notice is received by the claimant, by which the dissolved corporation must receive the claim;

(f) State that the claim will be barred if not received by the deadline;

(g) State that the dissolved corporation or successor entity may make distributions thereafter to other claimants and the members of the corporation or persons interested as having been such claimants without further notice; and

(h) Be accompanied by a copy of ss. 617.1405-617.14091.

(3) A dissolved corporation or successor entity may

4651 reject, in whole or in part, a claim submitted by a claimant and  
4652 received before the deadline specified in the written notice  
4653 pursuant to subsections (1) and (2) by mailing notice of the  
4654 rejection to the claimant, on or before the date that is the  
4655 earlier of 90 days after the dissolved corporation receives the  
4656 claim, or the date that is at least 150 days before the date  
4657 which is 3 years after the effective date of the dissolution. A  
4658 rejection notice sent by the dissolved corporation pursuant to  
4659 this subsection must state that the claim will be barred unless  
4660 the claimant, not later than 120 days after the claimant  
4661 receives the rejection notice, commences an action in the  
4662 circuit court in the applicable county against the dissolved  
4663 corporation to enforce the claim.

4664 (4) A claim against a dissolved corporation is barred:

4665 (a) If a claimant who is given written notice pursuant to  
4666 this section does not deliver the claim to the dissolved  
4667 corporation by the specified deadline; or

4668 (b) If the claim was timely received by the dissolved  
4669 corporation but was timely rejected by the dissolved corporation  
4670 under subsection (3) and the claimant does not commence the  
4671 required action in the applicable county within 120 days after  
4672 the claimant receives the rejection notice.

4673 (5) (a) For purposes of this chapter, "known claim" means  
4674 any claim or liability that, as of the date of the giving of  
4675 written notice described in subsections (1) and (2) above:

4676       1. Has matured sufficiently on or before the date of  
4677       dissolution to be legally capable of assertion against the  
4678       dissolved corporation; or

4679       2. Is unmatured as of the date of dissolution but will  
4680       mature in the future solely because of the passage of time.

4681       (b) For purposes of this chapter, "known claim" does not  
4682       include a contingent liability or a claim based on an event  
4683       occurring after the effective date of the dissolution.

4684       (6) The giving of any notice pursuant to this section does  
4685       not revive any claim then barred or constitute acknowledgment by  
4686       the dissolved corporation that any person to whom such notice is  
4687       sent is a proper claimant and does not operate as a waiver of  
4688       any defense or counterclaim in respect of any claim asserted by  
4689       any person to whom such notice is sent.

4690       **Section 73. Section 617.1409, Florida Statutes, is created**  
4691       **to read:**

4692       617.1409 Court proceedings.—

4693       (1) A dissolved corporation that has filed a notice under  
4694       s. 617.1407(1)(a) or published a notice under s. 617.1407(1)(b)  
4695       may file an application with the circuit court in the applicable  
4696       county for a determination of the amount and form of security to  
4697       be provided for payment of claims that are not known claims as  
4698       defined in s. 617.1408(5) but that, based on the facts known to  
4699       the dissolved corporation, are reasonably estimated to arise  
4700       after the effective date of dissolution. Provisions need not be

4701 made for any claim that is or is reasonably anticipated to be  
4702 barred under s. 617.1407(2).

4703 (2) Within 10 days after the filing of the application  
4704 pursuant to subsection (1), notice of the proceeding must be  
4705 given by the dissolved corporation to each claimant holding a  
4706 claim whose identity and contingent claim is known to the  
4707 dissolved corporation.

4708 (3) In any proceeding under this section, the court may  
4709 appoint a guardian ad litem to represent all claimants whose  
4710 identities are unknown. The reasonable fees and expenses of such  
4711 guardian ad litem, including all reasonable expert witness fees,  
4712 must be paid by the dissolved corporation.

4713 (4) Provisions by the dissolved corporation for security  
4714 in the amount and the form ordered by the court under subsection  
4715 (1) satisfies the dissolved corporation's obligations with  
4716 respect to claims that are contingent, have not been made known  
4717 to the dissolved corporation, or are based on an event occurring  
4718 after the effective date of dissolution, and such claims may not  
4719 be enforced against a person who received assets in liquidation.

4720 **Section 74. Section 617.14091, Florida Statutes, is**  
4721 **created to read:**

4722 617.14091 Limitation on director liability for a dissolved  
4723 corporation; claims against dissolved corporation; enforcement.—

4724 (1) Directors of a dissolved corporation or governing  
4725 persons of a successor entity that has disposed of claims under

s. 617.1407, s. 617.1408, or s. 617.1409 are not personally  
liable to the claimants of the dissolved corporation.

(2) For a claim that is not barred by s. 617.1407 or s.  
617.1408, or by any other law, limiting actions may be enforced:

(a) Against the dissolved corporation, to the extent of  
its undistributed assets; or

(b) Except as provided in s. 617.1409(4), if the assets  
have been distributed in liquidation, against a member of the  
dissolved corporation to the extent of the member's pro rata  
share of the claim or the corporate assets distributed to the  
member in liquidation, whichever is less, provided that the  
aggregate liability of any member of a dissolved corporation  
arising under s. 617.1408 or otherwise may not exceed the total  
amount distributed to the member in dissolution.

**Section 75. Subsection (1) of section 617.1420, Florida  
Statutes, is amended, and subsections (3) and (4) are added to  
that section, to read:**

617.1420 Grounds for administrative dissolution.—

(1) The department ~~of State~~ may commence a proceeding  
under s. 617.1421 to administratively dissolve a corporation if:

(a) The corporation has failed to file its annual report  
and pay the annual report filing fee by 5 p.m. Eastern Time on  
the third Friday in September;

(b) The corporation is without a registered agent or  
registered office in this state for 30 days or more;

4751 (c) The corporation does not notify the department ~~of~~  
4752 ~~State~~ within 30 days after its registered agent or registered  
4753 office has been changed, after its registered agent has  
4754 resigned, or after its registered office has been discontinued;

4755 (d) The corporation has failed to answer truthfully and  
4756 fully, within the time prescribed by this chapter act,  
4757 interrogatories propounded by the department ~~of State~~; or

4758 (e) The corporation's period of duration stated in its  
4759 articles of incorporation has expired.

4760 (3) If the department determines that one or more grounds  
4761 exist for administratively dissolving a corporation under  
4762 paragraph (1)(a), paragraph (1)(b), paragraph (1)(c), or  
4763 paragraph (1)(d), the department shall serve notice in a record  
4764 to the corporation of its intent to administratively dissolve  
4765 the corporation. Issuance of the notice may be made by  
4766 electronic transmission to a corporation that has provided the  
4767 department with an e-mail address.

4768 (4) If, within 60 days after sending the notice of intent  
4769 to administratively dissolve pursuant to subsection (3), a  
4770 corporation does not correct each ground for dissolution under  
4771 paragraph (1)(a), paragraph (1)(b), paragraph (1)(c), or  
4772 paragraph (1)(d), or demonstrate to the reasonable satisfaction  
4773 of the department that each ground determined by the department  
4774 does not exist, the department shall dissolve the corporation  
4775 administratively and issue to the corporation a notice in a

record of administrative dissolution that states the grounds for dissolution. Issuance of the notice of administrative dissolution may be made by electronic transmission to a corporation that has provided the department with an e-mail address.

**Section 76. Subsections (1), (2), and (4) of section 617.1421, Florida Statutes, are amended, and subsection (3) of that section is reenacted, to read:**

617.1421 Procedure for and effect of administrative dissolution.—

(1) If the department ~~of State~~ determines that one or more grounds exist under s. 617.1420 for administratively dissolving a corporation, it shall serve the corporation with notice of its intent under s. 617.0504(2) to administratively dissolve the corporation. If the corporation has provided the department with an e-mail ~~electronic mail~~ address, such notice shall be by electronic transmission. Administrative dissolution for failure to file an annual report shall occur on the fourth Friday in September of each year. The department ~~of State~~ shall issue a certificate of dissolution to each dissolved corporation. Issuance of the certificate of dissolution may be by electronic transmission to any corporation that has provided the department with an e-mail ~~electronic mail~~ address.

(2) If the corporation does not correct each ground for dissolution under s. 617.1420(1)(b), (c), (d), or (e) or



4801 demonstrate to the reasonable satisfaction of the department ~~of~~  
4802 ~~State~~ that each ground determined by the department does not  
4803 exist within 60 days after issuance of the notice, the  
4804 department shall administratively dissolve the corporation by  
4805 issuing a certificate of dissolution that recites the ground or  
4806 grounds for dissolution and its effective date. Issuance of the  
4807 certificate of dissolution may be by electronic transmission to  
4808 any corporation that has provided the department with an e-mail  
4809 ~~electronic-mail~~ address.

4810 (3) A corporation administratively dissolved continues its  
4811 corporate existence but may not conduct any affairs except that  
4812 necessary to wind up and liquidate its affairs under s. 617.1405  
4813 and adopt a plan of distribution of assets pursuant to s.  
4814 617.1406.

4815 (4) A director, officer, or agent of a corporation  
4816 dissolved pursuant to this section, purporting to act on behalf  
4817 of the corporation, is not personally liable for the debts,  
4818 obligations, and liabilities of the corporation arising from  
4819 such action and incurred subsequent to the corporation's  
4820 administrative dissolution unless that officer, director, or  
4821 agent ~~only if he or she~~ has actual notice of the administrative  
4822 dissolution at the time such action is taken. Any, ~~but~~ such  
4823 liability shall be terminated upon the ratification of such  
4824 action by the corporation's board of directors or members  
4825 subsequent to the reinstatement of the corporation.

**Section 77. Section 617.1430, Florida Statutes, is amended to read:**

617.1430 Grounds for judicial dissolution.—A circuit court may dissolve a corporation or order such other remedy as provided in s. 617.1432 or s. 617.1434:

(1) (a) In a proceeding by the Department of Legal Affairs if it is established that:

1. The corporation obtained its articles of incorporation through fraud; or

2. The corporation has exceeded or abused, or is continuing to exceed or abuse ~~continued to exceed or abuse~~ the authority conferred upon it by law.

(b) The enumeration in paragraph (a) of grounds for judicial dissolution does not exclude actions or special proceedings by the Department of Legal Affairs or any state official for the annulment or dissolution of a corporation for other causes as provided by law.

(2) In a proceeding brought by at least 50 members or members holding at least 10 percent of the voting power, whichever is less, or by a member or group or percentage of members as otherwise provided in the articles of incorporation or bylaws, or by a director or any person authorized in the articles of incorporation, if it is established that:

(a) The directors are deadlocked in the management of the corporate affairs, the members are unable to break the deadlock,

and irreparable injury to the corporation or its mission is threatened or being suffered because of the deadlock;

(b) The members are deadlocked in voting power and have failed, for a period that includes at least two consecutive annual meeting dates, to elect successors to directors whose terms have expired or would have expired upon qualification of their successors; ~~or~~

(c) The corporate assets are being misapplied or wasted;

(d) The directors or those in control of the corporation have acted, are acting, or are reasonably expected to act in a manner that is illegal or fraudulent; or

(e) The corporation has insufficient assets to continue its activities and is no longer able to assemble a quorum of directors or members.

(3) In a proceeding by a creditor if it is established that:

(a) The creditor's claim has been reduced to judgment, the execution on the judgment returned unsatisfied, and the corporation is insolvent; or

(b) The corporation has admitted in writing that the creditor's claim is due and owing and the corporation is insolvent.

(4) In a proceeding by the corporation to have its voluntary dissolution continued under court supervision.

**Section 78. Section 617.1431, Florida Statutes, is amended**

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to read:

617.1431 Procedure for judicial dissolution.—

(1) Venue for a proceeding brought under s. 617.1430 lies in the circuit court of the applicable county ~~where the corporation's principal office is or was last located, as shown by the records of the Department of State, or, if none in this state, where its registered office is or was last located.~~

(2) It is not necessary to make members or directors parties to a proceeding to dissolve a corporation unless relief is sought against them individually.

(3) A court in a proceeding brought to dissolve a corporation may issue injunctions, appoint a receiver or custodian during the proceeding ~~pendente lite~~ with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, and carry on the affairs of the corporation until a full hearing can be held.

(4) If the court determines that any party has commenced, continued, or participated in a proceeding under s. 617.1430, and has acted arbitrarily, frivolously, vexatiously, or in bad faith, the court may award reasonable attorney fees and costs to the other parties to the proceeding who have been affected adversely by such actions.

**Section 79. Subsections (1) through (5) of section 617.1432, Florida Statutes, are amended to read:**

617.1432 Receivership or custodianship.—

4901           (1) A court in a judicial proceeding brought under s.  
4902 617.1430 to dissolve a corporation may appoint one or more  
4903 receivers to wind up and liquidate, or one or more custodians to  
4904 manage, the affairs of the corporation, except as otherwise  
4905 provided herein. The court shall hold a hearing, after notifying  
4906 all parties to the proceeding and any interested persons  
4907 designated by the court, before appointing a receiver or  
4908 custodian. The court appointing a receiver or custodian has  
4909 exclusive jurisdiction over the corporation and all of its  
4910 property wherever located. A court may not appoint a custodian  
4911 or a receiver in a judicial proceeding brought under s.  
4912 617.1430(2)(a) or s. 617.1430(2)(b) if the members, directors,  
4913 or any person authorized in the articles of incorporation, by  
4914 agreement or otherwise, or a court pursuant to s. 617.1435, have  
4915 provided for the appointment of a provisional director or other  
4916 means for the resolution of the deadlock, but the court may  
4917 enforce the remedy so provided, if appropriate.

4918           (2) The court may appoint a natural person or an eligible  
4919 entity ~~a corporation~~ authorized to act as a receiver or  
4920 custodian. The eligible entity ~~corporation~~ may be a domestic  
4921 ~~corporation~~ or a foreign eligible entity ~~corporation~~ authorized  
4922 to transact business in this state. The court may require the  
4923 receiver or custodian to post bond, with or without sureties, in  
4924 an amount the court directs.

4925           (3) The court shall describe the powers and duties of the

receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:

(a) The receiver:

1. May dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court; and

2. May sue and defend in the receiver's ~~his or her~~ own name as receiver of the corporation in all courts of this state.

(b) The custodian may exercise all of the powers of the corporation, through or in place of its board of directors or officers, to the extent necessary to manage the affairs of the corporation in the best interests of its members and creditors.

(4) The court during a receivership may redesignate the receiver to act as a custodian, and during a custodianship may redesignate the custodian to act as a receiver, if doing so is consistent with the mission of the corporation and in the best interests of the corporation, and its members, if any, and creditors. The court may amend the order designating the receiver as custodian and custodian as receiver as the court deems appropriate.

(5) The court from time to time during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to the receiver or custodian and ~~his or her~~ counsel for the receiver or custodian from the assets of the corporation or proceeds from the sale of

the assets.

**Section 80. Section 617.1433, Florida Statutes, is amended to read:**

617.1433 Judgment of dissolution.—

(1) If after a hearing in a proceeding under s. 617.1430 the court determines that one or more grounds for judicial dissolution described in s. 617.1430 exist, it may enter a judgment dissolving the corporation and specifying the effective date of the dissolution, and the clerk of the court shall deliver a certified copy of the judgment to the department of ~~State~~, which shall file it.

(2) After entering the judgment of dissolution, the court shall direct or oversee the winding up and liquidation of the corporation's affairs in accordance with ss. 617.1405 and 617.1406, and the notification of claimants in accordance with ss. 617.1407 and 617.1408, subject to ~~the provisions of~~ subsection (3).

(3) In a proceeding for judicial dissolution, the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims, it shall fix a date, which shall be not less than 4 months after the date of the order, as the last day for filing of claims. The court shall prescribe the method by which such notice for the deadline for

4976 filing claims ~~that~~ shall be given to creditors and claimants.  
4977 ~~Before~~ ~~Prior to~~ the fixed date ~~so fixed~~, the court may extend  
4978 the time for the filing of claims by court order. Creditors and  
4979 claimants failing to file proofs of claim on or before the fixed  
4980 date ~~so fixed~~ may be barred, by order of court, from  
4981 participating in the distribution of the assets of the  
4982 corporation. ~~Nothing in~~ This section does not affect ~~affects~~ the  
4983 enforceability of any recorded mortgage or lien or the perfected  
4984 security interest or rights of a person in possession of real or  
4985 personal property.

4986 **Section 81. Section 617.1434, Florida Statutes, is created**  
4987 **to read:**

4988 617.1434 Alternative remedies to judicial dissolution.—

4989 (1) In a proceeding under s. 617.1430, the court may, as  
4990 an alternative to directing the dissolution of the corporation  
4991 and upon a showing of sufficient merit to warrant such remedy:

4992 (a) Appoint a receiver or a custodian during the  
4993 proceeding as provided in s. 617.1432;

4994 (b) Appoint a provisional director as provided in s.  
4995 617.1435; or

4996 (c) Make any order or grant any equitable relief other  
4997 than dissolution as in its discretion it may deem appropriate.

4998 (2) Alternative remedies, such as the appointment of a  
4999 receiver or custodian, may also be ordered upon a showing of  
5000 sufficient merit to warrant such remedy, in advance of directing



5001 the dissolution of the corporation or, after a judgment of  
5002 dissolution is entered, to assist in facilitating the winding up  
5003 of the corporation.

5004 **Section 82. Section 617.1435, Florida Statutes, is created**  
5005 **to read:**

5006 617.1435 Provisional director.—

5007 (1) (a) In a proceeding under s. 617.1430(2), the court may  
5008 appoint a provisional director if it appears that such  
5009 appointment will remedy the grounds alleged by the complaining  
5010 members or director to support the jurisdiction of the court  
5011 under s. 617.1430. A provisional director may be appointed  
5012 notwithstanding the absence of a vacancy on the board of  
5013 directors, and such director has all the rights and powers of a  
5014 duly elected director, including the right to notice of and to  
5015 vote at meetings of directors.

5016 (b) A provisional director retains the rights described in  
5017 paragraph (a) until such time as the provisional director is  
5018 removed by order of the court or, unless otherwise ordered by a  
5019 court, removed by a vote of the members or directors sufficient  
5020 either to elect a majority of the board of directors or, if  
5021 greater than majority voting is required by the articles of  
5022 incorporation or the bylaws, to elect the requisite number of  
5023 directors needed to take action. A provisional director shall be  
5024 an impartial person who is neither a member nor a creditor of  
5025 the corporation or of any subsidiary or affiliate of the

corporation, and whose further qualifications, if any, may be determined by the court.

(2) The provisional director shall report to the court as ordered by the court concerning the matter complained of, or the status of the deadlock, if any, and of the status of the corporation's affairs, as the court shall direct. A provisional director is not liable for any action taken or decision made, except as directors may be liable under s. 617.0831. In addition, the provisional director must submit to the court, if so directed, recommendations as to the appropriate disposition of the action. Whenever a provisional director is appointed, any officer or director of the corporation may petition the court for instructions clarifying the duties and responsibilities of such officer or director.

(3) In any proceeding under which a provisional director is appointed pursuant to this section, the court must allow reasonable compensation to the provisional director for services rendered and reimbursement or direct payment of reasonable costs and expenses, which amounts shall be paid by the corporation.

**Section 83. Section 617.1440, Florida Statutes, is amended to read:**

617.1440 Deposit with Department of Financial Services.—  
Unless otherwise provided in ss. 617.1407-617.1409, assets of a dissolved corporation that should be transferred to a creditor, claimant, member of the corporation, or other person who cannot

5051 be found or who is not competent to receive them must ~~shall~~ be  
5052 deposited, or reduced to cash and deposited, as appropriate,  
5053 within 6 months after the date fixed for the payment of the  
5054 final liquidating distribution, with the Department of Financial  
5055 Services for safekeeping, where such assets shall be held as  
5056 abandoned property. When the creditor, claimant, member, or  
5057 other person furnishes satisfactory proof of entitlement to the  
5058 amount or assets deposited, the Department of Financial Services  
5059 shall pay the creditor, claimant, member, or other person, or  
5060 their ~~him or her or his or her~~ representative for that creditor,  
5061 claimant, member or other person, that amount or those assets.

5062 **Section 84. Section 617.15015, Florida Statutes, is**  
5063 **created to read:**

5064 617.15015 Foreign corporation governing law.—

5065 (1) The laws of this state or other jurisdiction under  
5066 which a foreign corporation exists govern:

5067 (a) The organization and internal affairs of the foreign  
5068 corporation; and

5069 (b) The interest holder liability of its members.

5070 (2) A foreign corporation may not be denied a certificate  
5071 of authority by reason of a difference between the laws of its  
5072 jurisdiction of formation and the laws of this state.

5073 (3) A certificate of authority does not authorize a  
5074 foreign corporation to engage in any business or exercise any  
5075 power that a corporation may not engage in or exercise in this

5076 state.

5077 **Section 85. Subsection (4) of section 617.1502, Florida**  
5078 **Statutes, is amended, and subsections (6), (7), and (8) are**  
5079 **added to that section, to read:**

5080 617.1502 Consequences of conducting affairs without  
5081 authority.—

5082 (4) A foreign corporation which conducts its affairs in  
5083 this state without authority to do so is ~~shall be~~ liable to this  
5084 state for the years or parts thereof during which it conducted  
5085 its affairs in this state without authority in an amount equal  
5086 to all fees and taxes which would have been imposed by this  
5087 chapter act upon such corporation had it duly applied for and  
5088 received authority to conduct its affairs in this state as  
5089 required by this chapter act. In addition to the payments ~~thus~~  
5090 prescribed in this subsection, such corporation is ~~shall be~~  
5091 liable for a civil penalty of not less than \$500 or more than  
5092 \$1,000 for each year or part thereof during which it conducts  
5093 its affairs in this state without a certificate of authority.  
5094 The department ~~of State~~ may collect all penalties due under this  
5095 subsection.

5096 (6) A member, an officer, or a director of a foreign  
5097 corporation is not liable for the debts, obligations, or other  
5098 liabilities of the foreign corporation solely because the  
5099 foreign corporation transacted business in this state without a  
5100 certificate of authority.

5101       (7) Section 617.15015(1) applies even if a foreign  
5102 corporation fails to have a certificate of authority to transact  
5103 business in this state.

5104       (8) If a foreign corporation transacts business in this  
5105 state without a certificate of authority or cancels its  
5106 certificate of authority, it appoints the Secretary of State as  
5107 its agent for service of process in proceedings and actions  
5108 arising out of the transaction of business in this state.

5109       **Section 86. Subsections (1) and (3) of section 617.1503,**  
5110 **Florida Statutes, are amended to read:**

5111       617.1503 Application for certificate of authority.—

5112       (1) A foreign corporation may apply for a certificate of  
5113 authority to conduct its affairs in this state by delivering an  
5114 application to the department ~~of State~~ for filing. Such  
5115 application must ~~shall~~ be made on forms prescribed and furnished  
5116 by the department ~~of State~~ and must ~~shall~~ set forth:

5117       (a) The name of the foreign corporation or, if its name is  
5118 unavailable for use in this state, a corporate name that  
5119 satisfies the requirements of s. 617.1506;

5120       (b) The jurisdiction under the law of which it is  
5121 incorporated;

5122       (c) Its date of incorporation and period of duration;

5123       (d) The purpose or purposes which it intends to pursue in  
5124 this state and a statement that it is authorized to pursue such  
5125 purpose or purposes in the jurisdiction of its incorporation;

(e) The street address of its principal office;

(f) The address of its registered office in this state and the name of its registered agent at that office;

(g) The names and usual business addresses of its current directors and officers; and

(h) Such additional information as may be necessary or appropriate in order to enable the department ~~of State~~ to determine whether such corporation is entitled to file an application for authority to conduct its affairs in this state and to determine and assess the fees and taxes payable as prescribed in this chapter ~~act~~.

~~(3) A foreign corporation may not be denied authority to conduct its affairs in this state by reason of the fact that the laws of the jurisdiction under which such corporation is organized governing its organization and internal affairs differ from the laws of this state.~~

**Section 87. Section 617.1504, Florida Statutes, is amended to read:**

617.1504 Amended certificate of authority.—

(1) A foreign corporation authorized to conduct its affairs in this state shall make application to the department ~~of State~~ to obtain an amended certificate of authority if it changes:

(a) Its corporate name;

(b) The period of its duration;

(c) The purpose or purposes which it intends to pursue in this state; ~~or~~

(d) The jurisdiction of its incorporation; or

(e) The name and street address in this state of the foreign corporation's registered agent in this state, unless the change was timely made in accordance with s. 617.1508.

(2) Such application must ~~shall~~ be made within 90 days after the occurrence of any change mentioned in subsection (1), ~~shall be made~~ on forms prescribed by the department, and must ~~shall~~ be executed and filed in the same manner as an original application for authority, and must ~~shall~~ set forth:

(a) The name of the foreign corporation as it appears on the department's records;

(b) The jurisdiction of its incorporation;

(c) The date it was authorized to conduct its affairs in this state;

(d) If the name of the foreign corporation has changed, the name relinquished, the new name, a statement that the change of name has been effected under the laws of the jurisdiction of its incorporation, and the date the change was effected;

(e) If the period of duration has changed, a statement of such change and the date the change was effected;

(f) If the jurisdiction of incorporation has changed, a statement of such change and the date the change was effected; and

5176 (g) If the purposes that the foreign corporation intends  
5177 to pursue in this state have changed, a statement of such new  
5178 purposes, and a further statement that the foreign corporation  
5179 is authorized to pursue such purposes in the jurisdiction of its  
5180 incorporation.

5181 (3) The requirements of s. 617.1503 for obtaining an  
5182 original certificate of authority apply to obtaining an amended  
5183 certificate under this section unless the official having  
5184 custody of the foreign corporation's publicly filed records in  
5185 its jurisdiction of incorporation did not require an amendment  
5186 to effectuate the change on its records.

5187 (4) Subject to subsection (3), a foreign corporation  
5188 authorized to transact business in this state may make an  
5189 application to the department to obtain an amended certificate  
5190 of authority to add, remove, or change the name, title,  
5191 capacity, or address of an officer or director of the foreign  
5192 corporation.

5193 **Section 88. Section 617.1505, Florida Statutes, is amended**  
5194 **to read:**

5195 617.1505 Effect of certificate of authority.—

5196 (1) Unless the department determines that an application  
5197 for a certificate of authority does not comply with the filing  
5198 requirements of this chapter, upon payment of all filing fees, a  
5199 certificate of authority authorizes the foreign corporation to  
5200 which it is issued to conduct its affairs in this state subject,



5201 however, to the right of the department ~~of State~~ to suspend or  
5202 revoke the certificate as provided in this chapter ~~act~~.

5203 (2) A foreign corporation with a valid certificate of  
5204 authority has the same but no greater rights and has the same  
5205 but no greater privileges as, and except as otherwise provided  
5206 by this chapter ~~act~~ is subject to the same duties, restrictions,  
5207 penalties, and liabilities now or later imposed on, a domestic  
5208 corporation of like character.

5209 ~~(3) This act does not authorize this state to regulate the~~  
5210 ~~organization or internal affairs of a foreign corporation~~  
5211 ~~authorized to conduct its affairs in this state.~~

5212 **Section 89. Section 617.1506, Florida Statutes, is amended**  
5213 **to read:**

5214 617.1506 Corporate name of foreign corporation.—

5215 (1) A foreign corporation whose name is unavailable under  
5216 or whose name does not otherwise comply with s. 617.0401 must  
5217 use an alternate name that complies with s. 617.0401 to transact  
5218 business in this state. An alternate name adopted for use in  
5219 this state must be cross-referenced to the actual name of the  
5220 foreign corporation in the records of the Division of  
5221 Corporations, provided that no cross-reference is required if  
5222 the alternate name involves no more than adding the suffix  
5223 "corporation" or "incorporated" or the abbreviation "Corp.," or  
5224 "Inc.," or the designation "Corp" or "Inc" to the name; provided  
5225 that the name of a foreign corporation may not contain the word

5226 "company" or the abbreviation "co." If the actual name of the  
5227 foreign corporation subsequently becomes available in this state  
5228 and the foreign corporation elects to operate in this state  
5229 under its actual name, or the foreign corporation chooses to  
5230 change its alternate name, a record approving the election or  
5231 change, as the case may be, by its board of directors or by its  
5232 members if such members are entitled to vote on such a record,  
5233 and signed as required pursuant to s. 617.01201, must be  
5234 delivered to the department for filing ~~may not file an~~  
5235 ~~application for a certificate of authority unless the corporate~~  
5236 ~~name of such corporation satisfies the requirements of s.~~  
5237 ~~617.0401. To obtain or maintain a certificate of authority to~~  
5238 ~~transact business in this state, the foreign corporation:~~  
5239       ~~(a) May add the word "corporation" or "incorporated" or~~  
5240 ~~the abbreviation "corp." or "inc." or words of like import,~~  
5241 ~~which clearly indicate that it is a corporation instead of a~~  
5242 ~~natural person or partnership or other business entity; however,~~  
5243 ~~the name of a foreign corporation may not contain the word~~  
5244 ~~"company" or the abbreviation "co."; or~~  
5245       ~~(b) May use an alternate name to transact business in this~~  
5246 ~~state if its real name is unavailable. Any alternate corporate~~  
5247 ~~name adopted for use in this state must be cross-referenced to~~  
5248 ~~the real corporate name in the records of the Division of~~  
5249 ~~Corporations. If the real corporate name of the corporation~~  
5250 ~~becomes available in this state or if the corporation chooses to~~

5251 ~~change its alternate name, a copy of the resolution of its board~~  
5252 ~~of directors, changing or withdrawing the alternate name and~~  
5253 ~~executed as required by s. 617.01201, must be delivered for~~  
5254 ~~filing.~~

5255 (2) The corporate name, including the alternate name, of a  
5256 foreign corporation must be distinguishable, within the records  
5257 of the Division of Corporations, from:

5258 (a) Any corporate name of a corporation for profit  
5259 incorporated or authorized to transact business in this state.

5260 (b) The alternate name of another foreign corporation  
5261 authorized to transact business in this state.

5262 (c) The corporate name of a nonprofit ~~not-for-profit~~  
5263 corporation incorporated or authorized to transact business in  
5264 this state.

5265 (d) The names of all other entities or filings, except  
5266 fictitious name registrations pursuant to s. 865.09, organized,  
5267 or registered under the laws of this state, that are on file  
5268 with the Division of Corporations.

5269 (3) A foreign corporation that adopts an alternate name  
5270 under subsection (1) and obtains a certificate of authority with  
5271 the alternate name need not comply with s. 865.09 with respect  
5272 to the alternate name.

5273 (4) So long as a foreign corporation maintains a  
5274 certificate of authority with an alternate name, it may transact  
5275 business in this state under the alternate name unless the

foreign corporation is authorized under s. 865.09 to transact business in this state under another name.

(5) If a foreign corporation authorized to transact business in this state changes its corporate name to one that does not satisfy the requirements of s. 617.0401, such corporation may not transact business in this state under the changed name until the corporation adopts a name satisfying the requirements of s. 617.0401 and obtains an amended certificate of authority under s. 617.1504.

(6) Notwithstanding this section, a foreign corporation may register under a name that is not otherwise distinguishable on the records of another entity registered with the department if:

(a) The other entity consents to the use and submits an undertaking in a form satisfactory to the Secretary of State to change its name to a name that is distinguishable upon the records of the department from the name of the applying corporation; or

(b) The applicant delivers to the department a certified copy of a final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in the state.

**Section 90. Subsections (2) and (3) of section 617.1507, Florida Statutes, are amended, and subsection (4), (5), and (6) are added to that section, to read:**

5301           617.1507 Registered office and registered agent of foreign  
5302 corporation.—

5303           (2) Each initial A registered agent, and each appointed  
5304 ~~pursuant to this section or a~~ successor registered agent  
5305 appointed pursuant to s. 617.1508 on whom process may be served  
5306 shall ~~each~~ file a statement in writing with the department ~~of~~  
5307 ~~State, in the such~~ form and manner ~~as shall be~~ prescribed by the  
5308 department, accepting the appointment as a registered agent  
5309 while simultaneously with his or her being designated as the  
5310 registered agent. Such statement of acceptance shall state that  
5311 the registered agent is familiar with, and accepts, the  
5312 obligations of that position.

5313           (3) The duties of a registered agent are:

5314           (a) To forward to the foreign corporation at the address  
5315 most recently supplied to the registered agent by the foreign  
5316 corporation, a process, notice, or demand pertaining to the  
5317 foreign corporation which is served on or received by the  
5318 registered agent; and

5319           (b) If the registered agent resigns, to provide the  
5320 statement required under s. 617.1509 to the foreign corporation  
5321 at the address most recently supplied to the registered agent by  
5322 the foreign corporation ~~For purposes of this section,~~  
5323 ~~"authorized entity" means:~~

5324           ~~(a) A corporation for profit;~~

5325           ~~(b) A limited liability company;~~

5326 ~~(c) A limited liability partnership; or~~  
5327 ~~(d) A limited partnership, including a limited liability~~  
5328 ~~limited partnership.~~

5329 (4) The department shall maintain an accurate record of  
5330 the registered agents and registered offices for service of  
5331 process and promptly furnish any information disclosed thereby  
5332 upon request and payment of the required fee.

5333 (5) A foreign corporation may not prosecute or maintain  
5334 any action in a court in this state until the foreign  
5335 corporation complies with this section, pays to the department  
5336 the amounts required by this chapter, and, to the extent ordered  
5337 by a court of competent jurisdiction, pays to the department a  
5338 penalty of \$5 for each day it has failed to so comply, or \$500,  
5339 whichever is less.

5340 (6) A court may stay a proceeding commenced by a foreign  
5341 corporation until the corporation complies with this section.

5342 **Section 91. Section 617.1508, Florida Statutes, is amended**  
5343 **to read:**

5344 617.1508 Change of registered office and registered agent  
5345 of foreign corporation.—

5346 (1) A foreign corporation authorized to conduct its  
5347 affairs in this state may change its registered office or  
5348 registered agent by delivering to the department ~~of State~~ for  
5349 filing a statement of change that sets forth:

5350 (a) Its name;

(b) The street address of its current registered office;

(c) If the current registered office is to be changed, the street address of its new registered office;

(d) The name of its current registered agent; and

(e) If the current registered agent is to be changed, the name of its new registered agent and the new agent's written consent described in s. 617.1507(3), ~~either on the statement or attached to it,~~ to the appointment;

~~(f) That, after the change or changes are made, the street address of its registered office and the business office of its registered agent will be identical; and~~

~~(g) That any such change was authorized by resolution duly adopted by its board of directors or by an officer of the corporation so authorized by the board of directors.~~

(2) A statement of change is effective when filed by the department.

(3) If a registered agent changes the name or street address of the registered agent's ~~his or her~~ business office, they ~~he or she~~ may change the name or street address of the registered office of any foreign corporation for which they are ~~he or she is~~ the registered agent by notifying the corporation in writing of the change and signing, ~~either manually or in facsimile,~~ and delivering to the department ~~of State~~ for filing a statement of change that complies with the requirements of paragraphs (1) (a) - (e) ~~(1) (a) - (f)~~ and recites that the

corporation has been notified of the change.

(4) The changes described in this section may also be made on the foreign corporation's annual report or in an application for reinstatement filed with the department under s. 617.1422.

**Section 92. Section 617.1509, Florida Statutes, is amended to read:**

617.1509 Resignation of registered agent of foreign corporation.—

(1) The registered agent of a foreign corporation may resign as agent ~~his or her agency appointment~~ by signing and delivering to the department ~~of State~~ for filing a statement of resignation and mailing a copy of such statement to the corporation at the corporation's principal office address shown in its most recent annual report or, if none, shown in its application for a certificate of authority or other most recently filed document. After delivering the statement of resignation to the department for filing, the registered agent must promptly mail a copy to the foreign corporation at its current mailing address ~~The statement of resignation must state that a copy of such statement has been mailed to the corporation at the address so stated.~~ The statement of resignation may include a statement that the registered office is also discontinued.

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

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



5401 of resignation; or

5402 (b) When a statement of change or other record designating  
5403 a new registered agent is filed with the department ~~The agency~~  
5404 ~~appointment is terminated as of the 31st day after the date on~~  
5405 ~~which the statement was filed and, unless otherwise provided in~~  
5406 ~~the statement, termination of the agency acts as a termination~~  
5407 ~~of the registered office.~~

5408 (3) When a statement of resignation takes effect, the  
5409 registered agent ceases to have responsibility for a matter  
5410 thereafter tendered to them as agent for the foreign  
5411 corporation. The resignation does not affect contractual rights  
5412 that the foreign corporation has against the agent or that the  
5413 agent has against the foreign corporation.

5414 (4) A registered agent may resign from a foreign  
5415 corporation regardless of whether the foreign corporation has  
5416 active status.

5417 **Section 93. Section 617.15091, Florida Statutes, is**  
5418 **created to read:**

5419 617.15091 Delivery of notice or other communication.—

5420 (1) Except as otherwise provided in this chapter,  
5421 permissible means of delivery of a notice or other communication  
5422 includes delivery by hand, the United States Postal Service, a  
5423 commercial delivery service, and electronic transmission, all as  
5424 more particularly described in s. 617.0141.

5425 (2) Except as provided in subsection (3), delivery to the

department is effective only when a notice or other communication is received by the department.

(3) If a check is mailed to the department for payment of an annual report fee, the check is deemed to have been received by the department as of the postmark date appearing on the envelope or package transmitting the check if the envelope or the package is received by the department.

**Section 94. Section 617.1520, Florida Statutes, is amended to read:**

(Substantial rewording of section.

See s. 617.1520, F.S., for present text.)

617.1520 Withdrawal and cancellation of certificate of authority for foreign corporation.—

(1) To cancel its certificate of authority to conduct affairs in this state, a foreign corporation must deliver to the department for filing a notice of withdrawal of certificate of authority. The certificate of authority is canceled when the notice of withdrawal becomes effective pursuant to s. 617.0123. The notice of withdrawal of certificate of authority must be signed by an officer or a director and state all of the following:

(a) The name of the foreign corporation as it appears on the records with the department.

(b) The name of the foreign corporation's jurisdiction of incorporation.

5451 (c) The date the foreign corporation was authorized to  
5452 conduct affairs in this state.

5453 (d) That the foreign corporation is withdrawing its  
5454 certificate of authority in this state.

5455 (e) That the foreign corporation revokes the authority of  
5456 its registered agent to accept service on its behalf and  
5457 appoints the Secretary of State as its agent for service of  
5458 process based on a cause of action arising during the time it  
5459 was authorized to conduct its affairs in this state.

5460 (f) A mailing address and an e-mail address to which a  
5461 party seeking to effectuate service of process may send a copy  
5462 of any process served on the Secretary of State under paragraph  
5463 (e).

5464 (g) A commitment to notify the department in the future of  
5465 any change in its mailing address or e-mail address.

5466 (2) After the withdrawal of the foreign corporation is  
5467 effective, service of process is on the Secretary of State using  
5468 the procedures in s. 48.161 for service on the foreign  
5469 corporation.

5470 **Section 95. Section 617.1521, Florida Statutes, is created**  
5471 **to read:**

5472 617.1521 Withdrawal of certificate of authority deemed on  
5473 conversion to domestic filing entity.—A foreign corporation  
5474 authorized to conduct affairs in this state that converts to a  
5475 domestic corporation or another domestic eligible entity that is

5476 organized, incorporated, registered, or otherwise formed through  
5477 the delivery of a record to the department for filing is deemed  
5478 to have withdrawn its certificate of authority on the effective  
5479 date of the conversion.

5480 **Section 96. Section 617.1522, Florida Statutes, is created**  
5481 **to read:**

5482 617.1522 Withdrawal on dissolution, merger, or conversion  
5483 to certain non-filing entities.—

5484 (1) A foreign corporation that is authorized to conduct  
5485 affairs in this state that has dissolved and completed winding  
5486 up, has merged into a foreign eligible entity that is not  
5487 authorized to conduct affairs in this state, or has converted to  
5488 a domestic or foreign eligible entity that is not organized,  
5489 incorporated, registered, or otherwise formed through the public  
5490 filing of a record, must deliver a notice of withdrawal of  
5491 certificate of authority to the department for filing in  
5492 accordance with s. 617.1520.

5493 (2) After a withdrawal under this section of a foreign  
5494 corporation that has converted to another type of entity is  
5495 effective, service of process in any action or proceeding based  
5496 on a cause of action arising during the time the foreign  
5497 corporation was authorized to conduct affairs in this state may  
5498 be made pursuant to s. 617.1510.

5499 **Section 97. Section 617.1523, Florida Statutes, is created**  
5500 **to read:**

5501        617.1523 Action against foreign corporation by Department  
5502 of Legal Affairs.—The Department of Legal Affairs may maintain  
5503 an action to enjoin a foreign corporation from conducting  
5504 affairs in this state in violation of this chapter.

5505        **Section 98. Section 617.1530, Florida Statutes, is amended**  
5506 **to read:**

5507        617.1530 ~~Grounds for~~ Revocation of certificate of  
5508 authority to transact business.—

5509        (1) A ~~conduct affairs.—The Department of State may~~  
5510 ~~commence a proceeding under s. 617.1531 to revoke the~~  
5511 ~~certificate of authority of a foreign corporation to transact~~  
5512 ~~business authorized to conduct its affairs in this state may be~~  
5513 ~~revoked by the department if:~~

5514        (a)(1) The foreign corporation does not deliver ~~has failed~~  
5515 ~~to file its annual report to with the department of State by 5~~  
5516 ~~p.m. Eastern Time on the third Friday in September of each~~  
5517 ~~year;—~~

5518        (b)(2) The foreign corporation does not pay a fee or  
5519 ~~penalty due to, within the department under time required by~~  
5520 ~~this chapter; act, any fees, taxes, or penalties imposed by this~~  
5521 ~~act or other law.~~

5522        (c)(3) The foreign corporation does not appoint and  
5523 ~~maintain is without~~ a registered agent as required by s.  
5524 617.1507; or registered office in this state for 30 days or  
5525 ~~more.~~

5526 ~~(4) The foreign corporation does not notify the Department~~  
5527 ~~of State under s. 617.1508 or s. 617.1509 that its registered~~  
5528 ~~agent has resigned or that its registered office has been~~  
5529 ~~discontinued within 30 days after the date of such resignation~~  
5530 ~~or discontinuance.~~

5531 (d)(5) The foreign corporation does not deliver for filing  
5532 a statement of a change under s. 617.1508 within 30 days after  
5533 the change in the name or address of the agent has occurred,  
5534 unless, within 30 days after the change occurred, either:

5535 1. The registered agent files a statement of change under  
5536 s. 617.1508; or

5537 2. The change was made in accordance with s. 617.1508(4)  
5538 or s. 617.1504(1)(e);

5539 (e) The foreign corporation has failed to amend its  
5540 certificate of authority to reflect a change in its name on the  
5541 records of the department or its jurisdiction of incorporation;

5542 (f) The foreign corporation's period of duration stated in  
5543 its articles of incorporation has expired;

5544 (g) An incorporator, director, officer, or agent of the  
5545 foreign corporation signs signed a document that he or she knew  
5546 was false in a any material respect with the intent that the  
5547 document be delivered to the department of State for filing;:-

5548 (h)(6) The department receives a duly authenticated  
5549 certificate from the secretary of state or other official having  
5550 custody of corporate records in the jurisdiction under the law

5551 of which the foreign corporation is incorporated stating that it  
5552 has been dissolved or is no longer active on the official's  
5553 record; or disappeared as the result of a merger.

5554 (i) ~~(7)~~ The foreign corporation has failed to answer  
5555 truthfully and fully, within the time prescribed by this chapter  
5556 act, interrogatories propounded by the department of State.

5557 (2) Revocation of a foreign corporation's certificate of  
5558 authority for failure to file an annual report shall occur on  
5559 the fourth Friday in September of each year. The department  
5560 shall issue a notice in a record of the revocation to the  
5561 revoked foreign corporation. Issuance of the notice may be made  
5562 by electronic transmission to a foreign corporation that has  
5563 provided the department with an e-mail address.

5564 (3) If the department determines that one or more grounds  
5565 exist under paragraph (1) (b) for revoking a foreign  
5566 corporation's certificate of authority, the department shall  
5567 issue a notice in a record to the foreign corporation of the  
5568 department's intent to revoke the certificate of authority.  
5569 Issuance of the notice may be made by electronic transmission to  
5570 a foreign corporation that has provided the department with an  
5571 e-mail address.

5572 (4) If, within 60 days after the department sends the  
5573 notice of intent to revoke in accordance with subsection (3),  
5574 and the foreign corporation does not correct each ground for  
5575 revocation or demonstrate to the reasonable satisfaction of the

department that each ground determined by the department does not exist, the department shall revoke the foreign corporation's authority to transact business in this state and issue a notice in a record of revocation which states the grounds for revocation. Issuance of the notice may be made by electronic transmission to a foreign corporation that has provided the department with an e-mail address.

(5) Revocation of a foreign corporation's certificate of authority does not terminate the authority of the registered agent of the corporation.

**Section 99. Section 617.15315, Florida Statutes, is created to read:**

617.15315 Reinstatement following revocation.—

(1) A foreign corporation whose certificate of authority has been revoked pursuant to s. 617.1530 or former s. 617.1531 may apply to the department for reinstatement at any time after the effective date of revocation of authority. The foreign corporation applying for reinstatement must submit all fees and penalties then owed by the foreign corporation at rates provided by law at the time the foreign corporation applies for reinstatement, together with an application for reinstatement prescribed and furnished by the department, which is signed by both the registered agent and an officer or director of the foreign corporation and states:

(a) The name under which the foreign corporation is



5601 authorized to conduct affairs in this state.

5602 (b) The street address of the foreign corporation's  
5603 principal office and mailing address.

5604 (c) The jurisdiction of the foreign corporation's  
5605 formation and the date on which it became qualified to conduct  
5606 affairs in this state.

5607 (d) The foreign corporation's federal employer  
5608 identification number or, if none, whether one has been applied  
5609 for.

5610 (e) The name, title or capacity, and address of at least  
5611 one officer or director of the foreign corporation.

5612 (f) Additional information that is necessary or  
5613 appropriate to enable the department to carry out this chapter.

5614 (2) In lieu of the requirement to file an application for  
5615 reinstatement as described in subsection (1), a foreign  
5616 corporation whose certificate of authority has been revoked may  
5617 submit all fees and penalties owed by the corporation at the  
5618 rates provided by law at the time the corporation applies for  
5619 reinstatement, together with a current annual report, signed by  
5620 both the registered agent and an officer or director of the  
5621 corporation, which contains the information described in  
5622 subsection (1).

5623 (3) If the department determines that an application for  
5624 reinstatement contains the information required under subsection  
5625 (1) or subsection (2) and that the information is correct, upon

5626 payment of all required fees and penalties, the department shall  
5627 reinstate the foreign corporation's certificate of authority.

5628 (4) When a reinstatement becomes effective, it relates  
5629 back to and takes effect as of the effective date of the  
5630 revocation of authority, and the foreign corporation may operate  
5631 in this state as if the revocation of authority had never  
5632 occurred.

5633 (5) The name of the foreign corporation whose certificate  
5634 of authority has been revoked is not available for assumption or  
5635 use by another eligible entity until 1 year after the effective  
5636 date of revocation of authority unless the corporation provides  
5637 the department with a record signed as required by s. 617.01201,  
5638 which authorizes the immediate assumption or use of the name by  
5639 another eligible entity.

5640 (6) If the name of the foreign corporation applying for  
5641 reinstatement has been lawfully assumed in this state by another  
5642 eligible entity, the department must require the foreign  
5643 corporation to comply with s. 617.1506 before accepting its  
5644 application for reinstatement.

5645 **Section 100. Section 617.1532, Florida Statutes, is**  
5646 **amended to read:**

5647 (Substantial rewording of section.

5648 See s. 617.1532, F.S., for present text.)

5649 617.1532 Judicial review of denial of reinstatement.—

5650 (1) If the department denies a foreign corporation's

application for reinstatement after revocation of its  
certificate of authority, the department shall serve the foreign  
corporation pursuant to s. 617.1510 with a written notice that  
explains the reasons for the denial.

(2) Within 30 days after service of a notice of denial of  
reinstatement, a foreign corporation may appeal the department's  
denial by petitioning the Circuit Court of Leon County to set  
aside the revocation. The petition must be served on the  
department and contain a copy of the department's notice of  
revocation, the foreign corporation's application for  
reinstatement, and the department's notice of denial.

(3) The circuit court may order the department to  
reinstate the certificate of authority of the foreign  
corporation or take other action the court considers  
appropriate.

(4) The circuit court's final decision may be appealed as  
in other civil proceedings.

**Section 101. Section 617.1601, Florida Statutes, is**  
**amended to read:**

617.1601 Corporate records.—

(1) A corporation shall maintain the following records:

(a) Its articles of incorporation, as currently in effect.

(b) Its bylaws, as currently in effect.

(c) If the corporation has members, the minutes of all  
members' meetings and records of all action taken by members

5676 without a meeting for the past 3 years.

5677 (d) The minutes of all meetings of its board of directors,  
5678 a record of all actions taken by the board of directors without  
5679 a meeting, and a record of all actions taken by a committee of  
5680 the board of directors in place of the board of directors on  
5681 behalf of the corporation.

5682 (e) If the corporation has members, all written  
5683 communications within the past 3 years to members generally or  
5684 to members of a class, including the financial statements  
5685 furnished for the past 3 years under s. 617.1605.

5686 (f) A list of the names and business street addresses, or  
5687 the home street addresses if there is no business street  
5688 address, of its current directors and officers.

5689 (g) Its most recent annual report delivered to the  
5690 department under s. 617.1622 ~~keep as records minutes of all~~  
5691 ~~meetings of its members and board of directors, a record of all~~  
5692 ~~actions taken by the members or board of directors without a~~  
5693 ~~meeting, and a record of all actions taken by a committee of the~~  
5694 ~~board of directors in place of the board of directors on behalf~~  
5695 ~~of the corporation.~~

5696 (2) A corporation shall maintain ~~accurate~~ accounting  
5697 records in a form that permits preparation of its financial  
5698 statements as required by s. 617.1605.

5699 (3) If a corporation has members, a corporation or its  
5700 agent must ~~shall~~ maintain a record of its members in a form that

permits preparation of a list of the names and addresses, which  
may be an e-mail address or other electronic contact  
information, of all members in alphabetical order by class of  
~~voting~~ members. This subsection does not require the corporation  
to include the e-mail address or other electronic contact  
information of a member in such record.

(4) A corporation shall maintain the its records specified  
in this section in a manner that allows them to be made  
available for inspection ~~written form or in another form capable~~  
~~of conversion into written form~~ within a reasonable time.

~~(5) A corporation shall keep a copy of the following~~  
~~records:~~

~~(a) Its articles of incorporation or restated articles of~~  
~~incorporation and all amendments to them currently in effect.~~

~~(b) Its bylaws or restated bylaws and all amendments to~~  
~~them currently in effect.~~

~~(c) The minutes of all members' meetings and records of~~  
~~all action taken by members without a meeting for the past 3~~  
~~years.~~

~~(d) Written communications to all members generally or all~~  
~~members of a class within the past 3 years, including the~~  
~~financial statements furnished for the past 3 years under s.~~  
~~617.1605.~~

~~(e) A list of the names and business street, or home if~~  
~~there is no business street, addresses of its current directors~~

5726 ~~and officers.~~

5727 ~~(f) Its most recent annual report delivered to the~~  
5728 ~~Department of State under s. 617.1622.~~

5729 **Section 102. Section 617.1602, Florida Statutes, is**  
5730 **amended to read:**

5731 617.1602 Inspection of records by members.—

5732 (1) A member of a corporation is entitled to inspect and  
5733 copy, during regular business hours at the corporation's  
5734 principal office or at a reasonable location specified by the  
5735 corporation, any of the records of the corporation described in  
5736 s. 617.1601(1) ~~s. 617.1601(5)~~, excluding minutes of meetings of,  
5737 and records of actions taken without a meeting by, the  
5738 corporation's board of directors and any committee of the  
5739 corporation, if the member delivers to ~~gives~~ the corporation  
5740 written notice of the member's ~~his or her~~ demand at least 5 ~~10~~  
5741 business days before the date on which the member ~~he or she~~  
5742 wishes to inspect and copy.

5743 (2) A member of a corporation is entitled to inspect and  
5744 copy, during regular business hours at a reasonable location  
5745 specified by the corporation, any of the following records of  
5746 the corporation if the member meets the requirements of  
5747 subsection (3) and gives the corporation written notice of the  
5748 member's ~~his or her~~ demand at least 5 ~~10~~ business days before  
5749 the date on which the member ~~he or she~~ wishes to inspect and  
5750 copy:

5751 (a) Excerpts from minutes of any meeting of, or records of  
5752 any actions taken without a meeting by, the corporation's board  
5753 of directors and board committees of the corporation maintained  
5754 in accordance with s. 617.1601(1) (d); ~~records of any action of~~  
5755 ~~a committee of the board of directors while acting in place of~~  
5756 ~~the board of directors on behalf of the corporation, minutes of~~  
5757 ~~any meeting of the members, and records of action taken by the~~  
5758 ~~members or board of directors without a meeting, to the extent~~  
5759 ~~not subject to inspection under subsection (1).~~

5760 (b) Accounting records of the corporation;;

5761 (c) The record of members maintained in accordance with s.  
5762 617.1601(3); and

5763 (d) Any other books and records.

5764 (3) A member may inspect and copy the records described in  
5765 subsection (2) only if:

5766 (a) The member's demand is made in good faith and for a  
5767 proper purpose;

5768 (b) The member's demand ~~member~~ describes with reasonable  
5769 particularity the member's ~~his or her~~ purpose and the records  
5770 the member ~~he or she~~ desires to inspect; and

5771 (c) The records are directly connected with the member's  
5772 purpose.

5773 (4) The corporation may impose reasonable restrictions on  
5774 the disclosure, use, or distribution of, and reasonable  
5775 obligations to maintain the confidentiality of, records

described in subsection (2).

(5) For any meeting of members for which the record date for determining members entitled to vote at the meeting is different than the record date for notice of the meeting, any person who becomes a member after the record date for notice of the meeting and is entitled to vote at the meeting is entitled to obtain from the corporation upon request the notice and any other information provided by the corporation to members in connection with the meeting, unless the corporation has made such information generally available to members by posting it on its website or by other generally recognized means. Failure of a corporation to provide such information does not affect the validity of action taken at the meeting.

(6) The right of inspection granted by this section may not be abolished or limited by a corporation's articles of incorporation or bylaws.

(7)~~(4)~~ This section does not affect:

(a) The right of a member in litigation with the corporation to inspect and copy records to the same extent as any other litigant; or~~;~~

(b) The power of a court, independently of this chapter, to compel the production of corporate records for examination and to impose reasonable restrictions as provided in s. 617.1604(3), provided that, in the case of production of records described in subsection (2) at the request of the member, the



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5801 member has met the requirements of subsection (3).

5802 (8)~~(5)~~ A corporation may deny any demand for inspection  
5803 made pursuant to subsection (2) if the demand was made for an  
5804 improper purpose, or if the demanding member has within 2 years  
5805 preceding the member's ~~his or her~~ demand sold or offered for  
5806 sale any list of members of the corporation or any other  
5807 corporation, has aided or abetted any person in procuring any  
5808 list of members for any such purpose, or has improperly used any  
5809 information secured through any prior examination of the records  
5810 of the corporation or any other corporation.

5811 (9) A member may not sell or otherwise distribute any  
5812 information or records inspected under this section, except to  
5813 the extent that such use is for a proper purpose.

5814 (10) Without consent of the board of directors, a  
5815 membership list or any part thereof may not be obtained or used  
5816 by any person for any purpose unrelated to a member's interest  
5817 as a member. Without limiting the foregoing, without the consent  
5818 of the board, a membership list or any part thereof may not be:

5819 (a) Used to solicit money or property unless the money or  
5820 property will be used solely to solicit the votes of the  
5821 members;

5822 (b) Used for any commercial purpose; or

5823 (c) Sold to or purchased by any person.

5824 (11)~~(6)~~ For purposes of this section, the term "member"  
5825 includes a beneficial owner whose beneficial interest is ~~shares~~

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5826 ~~are~~ held in a voting trust or by a nominee on the individual's  
5827 ~~his or her~~ behalf.

5828 (12)-(7) For purposes of this section, a "proper purpose"  
5829 means a purpose reasonably related to such person's interest as  
5830 a member.

5831 (13) The rights of a member to obtain records under  
5832 subsections (1) and (2) apply to the records of subsidiaries of  
5833 the corporation.

5834 **Section 103. Section 617.1603, Florida Statutes, is**  
5835 **amended to read:**

5836 617.1603 Scope of inspection right.—

5837 (1) A member's agent or attorney has the same inspection  
5838 and copying rights as the member ~~he or she represents~~.

5839 (2) The corporation may, if deemed reasonable, satisfy the  
5840 right of a member to copy records under s. 617.1602 by  
5841 furnishing to the member copies by such means as are chosen by  
5842 the corporation, including furnishing copies through electronic  
5843 delivery ~~The right to copy records under s. 617.1602 includes,~~  
5844 ~~if reasonable, the right to receive copies made by photographic,~~  
5845 ~~xerographic, or other means.~~

5846 (3) The corporation may impose a reasonable charge,  
5847 covering the costs of labor and material, for copies of any  
5848 documents provided to the member. The charge may not exceed the  
5849 estimated cost of production or reproduction of the records. If  
5850 the records are kept in other than written form, the corporation

5851 must ~~shall~~ convert such records into written form upon the  
5852 request of any person entitled to inspect the same. The  
5853 corporation shall bear the reasonable costs of converting any  
5854 records described in s. 617.1601(1) ~~s. 617.1601(5)~~. The  
5855 requesting member shall bear the costs, including the cost of  
5856 compiling the information requested, incurred to convert any  
5857 records described in s. 617.1602(2).

5858 (4) If requested by a member, the corporation shall comply  
5859 with a member's demand to inspect the records of members under  
5860 s. 617.1602(2)(c) by providing the member ~~him or her~~ with a list  
5861 of its members of the nature described in s. 617.1601(3). Such a  
5862 list must ~~shall~~ be compiled as of the last record date for which  
5863 it has been compiled or as of a subsequent date if specified by  
5864 the member.

5865 **Section 104. Section 617.1604, Florida Statutes, is**  
5866 **amended to read:**

5867 617.1604 Court-ordered inspection.—

5868 (1) If a corporation does not, within a reasonable time,  
5869 allow a member who complies with s. 617.1602 to inspect and copy  
5870 any record, and the member complies with any prerequisites to  
5871 inspection and copying imposed by this section, the member may  
5872 apply to the circuit court in the county where the corporation's  
5873 principal office, or, if none in this state, its registered  
5874 office, is located for an order to permit inspection and copying  
5875 of the records demanded. The court shall dispose of an

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5876 application under this subsection on an expedited ~~summary~~ basis.

5877 (2) If the court orders inspection or copying of the  
5878 records demanded, it shall also order the corporation and the  
5879 custodian of the particular records demanded to pay the member's  
5880 costs, including reasonable attorney ~~attorney's~~ fees, reasonably  
5881 incurred to obtain the order and enforce its rights under this  
5882 section unless the corporation establishes that the corporation,  
5883 ~~or the officer, director, or agent, as the case may be, provides~~  
5884 ~~that it or he or she~~ refused inspection in good faith because it  
5885 ~~or he or she~~ had:

5886 (a) A reasonable basis for doubt about the right of the  
5887 member to inspect or copy the records demanded; or

5888 (b) Required reasonable restrictions on the disclosure,  
5889 use, or distribution of, and reasonable obligations to maintain  
5890 the confidentiality of, such records demanded to which the  
5891 demanding member had been unwilling to agree.

5892 (3) If the court orders inspection or copying of the  
5893 records demanded, it may impose reasonable restrictions on their  
5894 confidentiality and the use or distribution of the records by  
5895 the demanding member.

5896 **Section 105. Section 617.1605, Florida Statutes, is**  
5897 **amended to read:**

5898 617.1605 Financial reports for members.—

5899 (1) A corporation, upon a member's written demand, shall  
5900 furnish that member its latest annual financial statements,

5901 which may be consolidated or combined statements of the  
5902 corporation and one or more of its subsidiaries or affiliates,  
5903 as appropriate, and which include a balance sheet as of the end  
5904 of the fiscal year and a statement of operations for that year.  
5905 If financial statements are prepared for the corporation on the  
5906 basis of generally accepted accounting principles, the annual  
5907 financial statements must also be prepared on such basis.

5908 (2) A corporation must deliver or make available the  
5909 latest annual financial statements to such member within 5  
5910 business days after the request if the annual financial  
5911 statements have already been prepared and are available. If the  
5912 annual financial statements have not been prepared for the  
5913 fiscal year requested, the corporation must notify the member  
5914 within 5 business days that the annual financial statements have  
5915 not yet been prepared and must deliver or make available such  
5916 annual financial statements to the member within 60 days after  
5917 the corporation receives the request, or within such additional  
5918 time thereafter as is reasonably necessary to enable the  
5919 corporation to prepare its annual financial statements if, for  
5920 reasons beyond the corporation's control, it is unable to  
5921 prepare its annual financial statements within the prescribed  
5922 period.

5923 (3) A corporation may fulfill its responsibilities under  
5924 this section by delivering the specified annual financial  
5925 statements by posting the specified annual financial statements

5926 on its website or by any other generally recognized means.

5927 (4) Notwithstanding subsections (1), (2), and (3):

5928 (a) As a condition to delivering or making available  
5929 annual financial statements to any requesting member, the  
5930 corporation may require the requesting member to agree to  
5931 reasonable restrictions on the confidentiality, use, and  
5932 distribution of such annual financial statements; and

5933 (b) The corporation may, if it reasonably determines that  
5934 the member's request is not made in good faith or for a proper  
5935 purpose, decline to deliver or make available such annual  
5936 financial statements to that member.

5937 (5) If a corporation does not respond to a member's  
5938 request for annual financial statements pursuant to this section  
5939 within the applicable period specified in subsection (2), all of  
5940 the following apply:

5941 (a) The requesting member may apply to the circuit court  
5942 in the applicable county for an order requiring delivery of or  
5943 access to the requested annual financial statements. The court  
5944 shall dispose of an application under this subsection on an  
5945 expedited basis.

5946 (b) If the court orders delivery or access to the  
5947 requested annual financial statements, it may impose reasonable  
5948 restrictions on their confidentiality, use, or distribution.

5949 (c) In such proceeding, if the corporation has declined to  
5950 deliver or make available such annual financial statements

5951 because the member had been unwilling to agree to restrictions  
5952 proposed by the corporation on the confidentiality, use, and  
5953 distribution of such financial statements, the corporation has  
5954 the burden of demonstrating that the restrictions proposed by  
5955 the corporation were reasonable.

5956 (d) In such a proceeding, if the corporation has declined  
5957 to deliver or make available such annual financial statements  
5958 pursuant to this section, the corporation has the burden of  
5959 demonstrating that it reasonably determined that the member's  
5960 request was not made in good faith or for a proper purpose.

5961 (6) If the court orders delivery or access to the  
5962 requested annual financial statements, it shall order the  
5963 corporation to pay the member's expenses, including reasonable  
5964 attorney fees, incurred to obtain such order unless the  
5965 corporation establishes that it had refused delivery or access  
5966 to the requested annual financial statements because the member  
5967 had refused to agree to reasonable restrictions on the  
5968 confidentiality, use, or distribution of the annual financial  
5969 statements or that the corporation had reasonably determined  
5970 that the member's request was not made in good faith or for a  
5971 proper purpose.

5972 **Section 106. Section 617.16051, Florida Statutes, is**  
5973 **created to read:**

5974 617.16051 Inspection rights of directors.—

5975 (1) A director of a corporation is entitled to inspect and

copy the books, records, and documents of the corporation at any reasonable time to the extent reasonably related to the performance of the director's duties as a director, including duties as a member of a board committee, but not for any other purpose or in any manner that would violate any duty to the corporation or attorney-client privilege or work-product privilege of the corporation.

(2) The circuit court of the applicable county may order inspection and copying of the books, records, and documents at the corporation's expense, upon application of a director who has been refused such inspection rights, unless the corporation establishes that the director is not entitled to such inspection rights. The court shall dispose of an application under this subsection on an expedited basis.

(3) If an order is issued, the court may include provisions protecting the corporation from undue burden or expense and prohibiting the director from using information obtained upon exercise of the inspection rights in a manner that would violate a duty to the corporation, and may also order the corporation to reimburse the director for the director's costs, including reasonable attorney fees, incurred in connection with the application.

**Section 107. Section 617.1622, Florida Statutes, is amended to read:**

617.1622 Annual report for department ~~of State.~~



6001           (1) Each domestic corporation and each foreign corporation  
6002 authorized to transact business ~~conduct its affairs~~ in this  
6003 state shall deliver to the department ~~of State~~ for filing an a  
6004 ~~sworn~~ annual report, ~~on such form as the Department of State~~  
6005 ~~prescribes,~~ that states the following sets forth:

6006           (a) The name of the corporation or, if a foreign  
6007 corporation, the name under which the foreign corporation is  
6008 authorized to transact business in this state ~~and the state or~~  
6009 ~~country under the law of which it is incorporated;~~

6010           (b) The date of its incorporation and or, if a foreign  
6011 corporation, the jurisdiction of its incorporation and the date  
6012 on which it became qualified to transact business ~~was admitted~~  
6013 ~~to conduct its affairs~~ in this state;

6014           (c) The street address of its ~~the~~ principal office and the  
6015 mailing address of the corporation;

6016           (d) The corporation's or foreign corporation's federal  
6017 employer identification number, if any, or, if none, whether one  
6018 has been applied for;

6019           (e) The names and business street addresses of its  
6020 directors and principal officers; and

6021           (f) ~~The street address of its registered office in this~~  
6022 ~~state and the name of its registered agent at that office; and~~

6023           ~~(g)~~ Any such additional information that the department  
6024 has identified ~~as may be~~ necessary or appropriate to enable the  
6025 department ~~of State~~ to carry out the provisions of this chapter

6026 aet.

6027 (2) If an annual report contains the name and address of a  
6028 registered agent which differs from the information shown in the  
6029 records of the department immediately before the annual report  
6030 becomes effective, the differing information in the annual  
6031 report is considered a statement of change under s. 617.0502 or  
6032 s. 617.1508, as the case may be ~~The deposit of such report, on~~  
6033 ~~or before May 1, in the United States mail in a sealed envelope,~~  
6034 ~~properly addressed with postage prepaid, constitutes compliance~~  
6035 ~~with subsection (1).~~

6036 (3) If an annual report does not contain the information  
6037 required by this section ~~subsection (1)~~, the department ~~of State~~  
6038 shall promptly notify the reporting domestic corporation or  
6039 foreign corporation ~~in writing and return the report to it for~~  
6040 ~~correction~~. If the report is corrected to contain the  
6041 information required by subsection (1) and delivered to the  
6042 department ~~of State~~ within 30 days after the effective date of  
6043 notice, it will ~~is deemed to be~~ considered timely delivered  
6044 filed.

6045 (4) ~~Each annual report must be executed by the corporation~~  
6046 ~~by an officer or director or, if the corporation is in the hands~~  
6047 ~~of a receiver or trustee, must be executed on behalf of the~~  
6048 ~~corporation by such receiver or trustee, and the signing of the~~  
6049 ~~annual report shall have the same legal effect as if made under~~  
6050 ~~oath, without the necessity of appending such oath thereto.~~

6051 ~~(5)~~ The first annual report must be delivered to the department  
6052 ~~of State~~ between January 1 and May 1 of the year following the  
6053 calendar year in which a domestic corporation's articles of  
6054 incorporation became effective or a foreign corporation obtained  
6055 its certificate of authority to transact business in this state  
6056 ~~corporation was incorporated or a foreign corporation was~~  
6057 ~~authorized to conduct affairs.~~ Subsequent annual reports must be  
6058 delivered to the department ~~of State~~ between January 1 and May 1  
6059 of each the subsequent calendar year thereafter. If one or more  
6060 forms of annual report are submitted for a calendar year, the  
6061 department shall file each of them and make the information  
6062 contained in them part of the official record. The first form of  
6063 annual report filed in a calendar year shall be considered the  
6064 annual report for that calendar year, and each report filed  
6065 after that one in the same calendar year shall be treated as an  
6066 amended report for that calendar year ~~years.~~

6067 ~~(5)(6)~~ Information in the annual report must be current as  
6068 of the date the annual report is delivered to the department for  
6069 filing ~~executed on behalf of the corporation.~~

6070 ~~(7)~~ If an additional report is received, the department  
6071 shall file the document and make the information contained  
6072 therein part of the official record.

6073 ~~(6)(8)~~ Any domestic corporation or foreign corporation  
6074 that fails to file an annual report that ~~which~~ complies with the  
6075 requirements of this section may not prosecute or maintain ~~or~~

6076 ~~defend~~ any action in any court of this state until the ~~such~~  
6077 report is filed and all fees and penalties ~~taxes~~ due under this  
6078 chapter act are paid, and ~~such corporation~~ is subject to  
6079 dissolution or cancellation of its certificate of authority to  
6080 transact business ~~conduct its affairs~~ as provided in this  
6081 chapter act.

6082 (7)(9) The department shall prescribe the forms, which may  
6083 be in an electronic format, on which to make the annual report  
6084 called for in this section and may substitute the uniform  
6085 business report, pursuant to s. 606.06, as a means of satisfying  
6086 the requirement of this chapter ~~section~~.

6087 (8) As a condition of a merger under s. 617.1101, each  
6088 party to a merger which exists under the laws of this state, and  
6089 each party to a merger which exists under the laws of another  
6090 jurisdiction and has a certificate of authority to transact  
6091 business or conduct its affairs in this state, must be active  
6092 and current in filing its annual reports in the records of the  
6093 department through December 31 of the calendar year in which the  
6094 articles of merger are submitted to the department for filing.

6095 (9) As a condition of a conversion of an entity to a  
6096 corporation under s. 617.1804, the entity, if it exists under  
6097 the laws of this state or if it exists under the laws of another  
6098 jurisdiction and has a certificate of authority to transact  
6099 business or conduct its affairs in this state, must be active  
6100 and current in filing its annual reports in the records of the

department through December 31 of the calendar year in which the articles of conversion are submitted to the department for filing.

(10) As a condition of a conversion of a domestic corporation to another type of entity under s. 617.1804, the domestic corporation converting to the other type of entity must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of conversion are submitted to the department for filing.

(11) As a condition of domestication of a domestic corporation into a foreign jurisdiction under s. 617.180301, the domestic corporation domesticating into a foreign jurisdiction must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of domestication are submitted to the department for filing.

**Section 108. Section 617.180301, Florida Statutes, is created to read:**

617.180301 Domestication.—

(1) By complying with this section and ss. 617.18031-617.18034, as applicable, a foreign corporation may become a domestic corporation if the domestication is permitted by the organic law of the foreign corporation.

(2) By complying with this section and ss. 617.18031-

6126 617.18034, as applicable, a domestic corporation may become a  
6127 foreign corporation pursuant to a plan of domestication if the  
6128 domestication is permitted by the organic law of the foreign  
6129 corporation.

6130 (3) In a domestication under subsection (2), the  
6131 domesticating corporation must enter into a plan of  
6132 domestication. The plan of domestication must include:

6133 (a) The name of the domesticating corporation;

6134 (b) The name and governing jurisdiction of the  
6135 domesticated corporation;

6136 (c) The manner and basis of cancelling or converting the  
6137 eligible interests or other rights of the domesticating  
6138 corporation into other eligible interests, obligations, rights  
6139 to acquire eligible interests, cash, other property, or any  
6140 combination of the foregoing of the domesticated corporation;

6141 (d) The proposed organic rules of the domesticated  
6142 corporation, which must be in writing; and

6143 (e) The other terms and conditions of the domestication.

6144 (4) In addition to the requirements of subsection (3), a  
6145 plan of domestication may contain any other provision not  
6146 prohibited by law.

6147 (5) The terms of a plan of domestication may be made  
6148 dependent upon facts objectively ascertainable outside the plan  
6149 in accordance with s. 617.01201(10).

6150 (6) If a protected agreement of a domesticating

corporation in effect immediately before the domestication becomes effective contains a provision applying to a merger of the corporation and the agreement does not refer to a domestication of the corporation, the provision applies to a domestication of the corporation as if the domestication were a merger until such time as the provision is first amended after July 1, 2026.

**Section 109. Section 617.18031, Florida Statutes, is created to read:**

617.18031 Action on a plan of domestication.—In the case of a domestication of a domestic corporation into a foreign jurisdiction, the plan of domestication must be adopted in the following manner:

(1) Except as otherwise provided in the articles of incorporation or bylaws, the plan of domestication must first be adopted by the board of directors of such domestic corporation. If the domesticating corporation does not have any members entitled to vote on the domestication, a plan of domestication is adopted by the corporation when it has been adopted by the board of directors pursuant to this section.

(2) If the domesticating corporation has members entitled to vote on the domestication, the plan of domestication must be approved by such members. In submitting the plan of domestication to the members for approval, the board of directors shall recommend that the members approve the plan,

6176 unless the board of directors makes a determination that because  
6177 of conflicts of interest or other special circumstances it  
6178 should not make such a recommendation, in which case the board  
6179 of directors must inform the members of the basis for its so  
6180 proceeding without such recommendation.

6181 (3) The board of directors may set conditions for approval  
6182 of the plan of domestication by the members or the effectiveness  
6183 of the plan of domestication.

6184 (4) If the plan of domestication is required to be  
6185 approved by the members, and if the approval of the members is  
6186 to be given at a meeting, the corporation must notify each  
6187 member entitled to vote on the domestication of the meeting of  
6188 members at which the plan of domestication is to be submitted  
6189 for approval. The notice must state that the purpose, or one of  
6190 the purposes, of the meeting is to consider the plan of  
6191 domestication and must contain or be accompanied by a copy of  
6192 the plan. The notice must include or be accompanied by a written  
6193 copy of the organic rules of the domesticated corporation as  
6194 they will be in effect immediately after the domestication.

6195 (5) Unless this chapter, the articles of incorporation,  
6196 the bylaws, or the board of directors acting pursuant to  
6197 subsection (3) require a greater vote or a greater quorum in the  
6198 respective case, approval of the plan of domestication requires:

6199 (a) The approval of the members entitled to vote on the  
6200 domestication at a meeting at which a quorum exists consisting



6201 of a majority of the votes entitled to be cast on the plan; and

6202 (b) If any class of members is entitled to vote as a  
6203 separate group on the plan of domestication, the approval of  
6204 each class of members voting as a separate voting group at a  
6205 meeting at which a quorum of the voting group exists consisting  
6206 of a majority of the votes entitled to be cast on the plan by  
6207 that voting group.

6208 (6) The articles of incorporation may expressly limit or  
6209 eliminate the separate voting rights provided in paragraph  
6210 (5)(b) as to any class of members, except when the public  
6211 organic rules of the foreign corporation resulting from the  
6212 domestication include what would be in effect an amendment that  
6213 would entitle the class to vote as a separate voting group if it  
6214 were a proposed amendment of the articles of incorporation of a  
6215 domestic domesticating corporation.

6216 (7) If, as a result of a domestication, one or more  
6217 members of a domestic domesticating corporation would become  
6218 subject to interest holder liability, approval of the plan of  
6219 domestication must require the signing in connection with the  
6220 domestication, by each such member, of a separate written  
6221 consent to become subject to such interest holder liability,  
6222 unless in the case of a member that already has interest holder  
6223 liability with respect to the domesticating corporation, the  
6224 terms and conditions of the interest holder liability with  
6225 respect to the domesticated corporation are substantially

identical to those of the existing interest holder liability,  
other than for changes that eliminate or reduce such interest  
holder liability.

(8) In addition to the adoption and approval of the plan  
of domestication by the board of directors and any members  
entitled to vote on the domestication as required by this  
section, the plan of domestication must be approved in writing  
by any person or group of persons whose approval is required  
under the articles of incorporation or bylaws or whose approval  
is required to amend the articles of incorporation or bylaws.

**Section 110. Section 617.18032, Florida Statutes, is**  
**created to read:**

617.18032 Articles of incorporation; effectiveness.—

(1) Articles of domestication must be signed by the  
domesticating corporation after:

(a) A plan of domestication of a domestic corporation has  
been adopted and approved as required by this chapter; or

(b) A foreign corporation that is the domesticating  
corporation has approved a domestication as required by this  
chapter and under the foreign corporation's organic law.

(2) Articles of domestication must set forth:

(a) The name of the domesticating corporation and its  
governing jurisdiction;

(b) The name and governing jurisdiction of the  
domesticated corporation; and

6251       (c)1. If the domesticating corporation is a domestic  
6252 corporation, a statement that the plan of domestication was  
6253 approved in accordance with this chapter; or

6254       2. If the domesticating corporation is a foreign  
6255 corporation, a statement that the domestication was approved in  
6256 accordance with its organic law.

6257       (3) If the domesticated corporation is to be a domestic  
6258 corporation, articles of incorporation of the domesticated  
6259 corporation that satisfy the requirements of s. 617.0202 must be  
6260 attached to the articles of domestication. Provisions that would  
6261 not be required to be included in restated articles of  
6262 incorporation may be omitted from the articles of incorporation  
6263 attached to the articles of domestication.

6264       (4) The articles of domestication shall be delivered to  
6265 the department for filing and shall take effect on the effective  
6266 date determined in accordance with s. 617.0123.

6267       (5) (a) If the domesticated corporation is a domestic  
6268 corporation, the domestication becomes effective when the  
6269 articles of domestication are effective.

6270       (b) If the domesticated corporation is a foreign  
6271 corporation, the domestication becomes effective on the later of  
6272 the date and time provided by the organic law of the  
6273 domesticated corporation or when the articles of domestication  
6274 are effective.

6275       (6) If the domesticating corporation is a foreign

6276 corporation that is qualified to transact business in this state  
6277 under ss. 617.1501-617.1532, its certificate of authority is  
6278 automatically canceled when the domestication becomes effective.

6279 (7) A copy of the articles of domestication, certified by  
6280 the department, may be filed in the official records of any  
6281 county in this state in which the domesticating corporation  
6282 holds an interest in real property.

6283 **Section 111. Section 617.18033, Florida Statutes, is**  
6284 **created to read:**

6285 617.18033 Amendment of a plan of domestication;  
6286 abandonment.—

6287 (1) Except as otherwise provided in the plan of  
6288 domestication and before the articles of domestication have  
6289 taken effect, a plan of domestication of a domestic corporation  
6290 adopted under s. 617.180301(3) may be amended:

6291 (a) In the same manner as the plan of domestication was  
6292 approved, if the plan does not provide for the manner in which  
6293 it may be amended; or

6294 (b) In the manner provided in the plan of domestication,  
6295 except that an interest holder who was entitled to vote on or  
6296 consent to approval of the plan is entitled to vote on or  
6297 consent to any amendment of the plan which will change:

6298 1. The amount or kind of eligible interests or other  
6299 rights, obligations, rights to acquire eligible interests, cash,  
6300 other property, or any combination of the foregoing, to be

6301 received by any of the interest holders of the domesticating  
6302 corporation under the plan;

6303 2. The organic rules of the domesticated corporation that  
6304 are to be in writing and that will be in effect immediately  
6305 after the domestication becomes effective, except for changes  
6306 that do not require approval of the interest holder of the  
6307 domesticated corporation under its proposed organic rules as set  
6308 forth in the plan of domestication; or

6309 3. Any of the other terms or conditions of the plan, if  
6310 the change would adversely affect the interest holder in any  
6311 material respect.

6312 (2) After a plan of domestication has been adopted and  
6313 approved by a domestic corporation as required by this chapter,  
6314 and before the articles of domestication have become effective,  
6315 the plan may be abandoned by the corporation in the same manner  
6316 as the plan was approved by the corporation without action by  
6317 its interest holders in accordance with any procedures set forth  
6318 in the plan or, if no such procedures are set forth in the plan,  
6319 in the manner determined by the board of directors of the  
6320 domestic corporation.

6321 (3) If a domestication is abandoned after the articles of  
6322 domestication have been delivered to the department for filing  
6323 but before the articles of domestication become effective, a  
6324 statement of abandonment signed by the domesticating corporation  
6325 must be delivered to the department for filing before the

articles of domestication become effective. The statement shall take effect upon filing, and the domestication shall be deemed abandoned and may not become effective. The statement of abandonment must contain:

(a) The name of the domesticating corporation;

(b) The date on which the articles of domestication were filed by the department; and

(c) A statement that the domestication has been abandoned in accordance with this section.

**Section 112. Section 617.18034, Florida Statutes, is created to read:**

617.18034 Effect of domestication.—

(1) When a domestication becomes effective:

(a) All real property and other property owned by the domesticating corporation, including any interests therein and all title thereto, and every contract right and other right possessed by the domesticating corporation, are the property, contract rights, and other rights of the domesticated corporation without transfer, reversion, or impairment;

(b) All debts, obligations, and other liabilities of the domesticating corporation are the debts, obligations, and other liabilities of the domesticated corporation;

(c) The name of the domesticated corporation may be, but need not be, substituted for the name of the domesticating corporation in any pending action or proceeding;

6351        (d) The organic rules of the domesticated corporation  
6352 become effective;

6353        (e) The eligible interests or other rights of the  
6354 domesticating corporation are cancelled or reclassified into  
6355 eligible interests or other rights, obligations, rights to  
6356 acquire eligible interests, cash, other property, or any  
6357 combination of the foregoing, in accordance with the terms of  
6358 the domestication, and the interest holders of the domesticating  
6359 corporation are entitled only to the rights provided to them by  
6360 those terms; and

6361        (f) The domesticated corporation is:

6362        1. Incorporated under and subject to the organic law of  
6363 the domesticated corporation;

6364        2. The same corporation, without interruption, as the  
6365 domesticating corporation; and

6366        3. Deemed to have been incorporated on the date the  
6367 domesticating corporation was originally incorporated.

6368        (2) Except as otherwise provided in the organic law or  
6369 organic rules of a domesticating foreign corporation, the  
6370 interest holder liability of an interest holder in a foreign  
6371 corporation that is domesticated into this state who had  
6372 interest holder liability with respect to such domesticating  
6373 corporation before the domestication becomes effective must be  
6374 as follows:

6375        (a) The domestication does not discharge that prior

6376 interest holder liability with respect to any interest holder  
6377 liabilities that arose before the domestication becomes  
6378 effective.

6379 (b) The organic law of the domesticating corporation must  
6380 continue to apply to the collection or discharge of any interest  
6381 holder liabilities preserved by paragraph (a), as if the  
6382 domestication had not occurred.

6383 (c) The interest holder shall have such rights of  
6384 contribution from other persons as are provided by the organic  
6385 law of the domesticating corporation with respect to any  
6386 interest holder liabilities preserved by paragraph (a), as if  
6387 the domestication had not occurred.

6388 (d) The interest holder may not, by reason of such prior  
6389 interest holder liability, have interest holder liability with  
6390 respect to any interest holder liabilities that are incurred  
6391 after the domestication becomes effective.

6392 (3) An interest holder who becomes subject to interest  
6393 holder liability in respect of the domesticated corporation as a  
6394 result of the domestication has such interest holder liability  
6395 only with respect to interest holder liabilities that arise  
6396 after the domestication becomes effective.

6397 (4) A domestication does not constitute or cause the  
6398 dissolution of the domesticating corporation.

6399 (5) Property held in trust or otherwise dedicated to a  
6400 charitable purpose and held by a domestic or foreign corporation



immediately before a domestication becomes effective may not, as a result of the domestication, be diverted from the purposes for which it was donated, granted, devised, or otherwise transferred except pursuant to the laws of this state addressing cy pres or dealing with nondiversion of charitable assets.

(6) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance which is made to the domesticating corporation, and which takes effect or remains payable after the domestication inures to the domesticated corporation.

(7) A trust obligation that would govern property if transferred to the domesticating corporation applies to property that is to be transferred to the domesticated corporation after the domestication takes effect.

**Section 113. Section 617.1804, Florida Statutes, is created to read:**

617.1804 Conversion.—

(1) By complying with this chapter, including being eligible under s. 617.18041, adopting a plan of conversion in accordance with s. 617.18042, and complying with s. 617.18043, a domestic corporation may become:

(a) A domestic eligible entity, other than a domestic corporation; or

(b) If the conversion is permitted by the organic law of the foreign eligible entity, a foreign eligible entity.

(2) By complying with this section and ss. 617.18042-617.18046, as applicable, and applicable provisions of its organic law, a domestic eligible entity other than a domestic corporation may become a domestic corporation.

(3) By complying with this section and ss. 617.18042-617.18046, as applicable, and by complying with the applicable provisions of its organic law, a foreign eligible entity may become a domestic corporation, but only if the organic law of the foreign eligible entity permits it to become a nonprofit corporation in another jurisdiction.

(4) If a protected agreement of a domestic converting corporation in effect immediately before the conversion becomes effective contains a provision applying to a merger of the corporation that is a converting corporation and the agreement does not refer to a conversion of the corporation, the provision applies to a conversion of the corporation as if the conversion were a merger, until such time as the provision is first amended after July 1, 2026.

**Section 114. Section 617.18041, Florida Statutes, is created to read:**

617.18041 Limitation on conversion.—A domestic corporation that holds property for a charitable purpose is prohibited from becoming a domestic eligible entity or a foreign eligible entity, except by domestication to become a foreign corporation.

**Section 115. Section 617.18042, Florida Statutes, is**

created to read:

617.18042 Plan of conversion.—

(1) A domestic corporation may convert to a domestic or foreign eligible entity under this chapter by approving a plan of conversion. The plan of conversion must include all of the following:

(a) The name of the domestic converting corporation.

(b) The name, governing jurisdiction, and type of entity of the converted eligible entity.

(c) The manner and basis of canceling or converting the eligible interests or other rights of the domestic corporation; or the rights to acquire eligible interests, obligations, or any combination of the foregoing of the domestic corporation, into:

1. Shares.

2. Other securities.

3. Eligible interests.

4. Obligations.

5. Rights to acquire shares, other securities, or eligible interests.

6. Cash.

7. Other property.

8. Other rights.

(d) The other terms and conditions of the conversion.

(e) The full text, as it will be in effect immediately after the conversion becomes effective, of the organic rules of

6476 the converted eligible entity, which are to be in writing.

6477 (2) In addition to the requirements of subsection (1), a  
6478 plan of conversion may contain any other provision not  
6479 prohibited by law.

6480 (3) The terms of a plan of conversion may be made  
6481 dependent upon facts objectively ascertainable outside the plan  
6482 in accordance with s. 617.01201(10).

6483 **Section 116. Section 617.18043, Florida Statutes, is**  
6484 **created to read:**

6485 617.18043 Action on a plan of conversion.—In the case of a  
6486 conversion of a domestic corporation to a domestic or foreign  
6487 eligible entity other than a domestic corporation, the plan of  
6488 conversion must be adopted in the following manner:

6489 (1) Except as provided in the articles of incorporation or  
6490 bylaws, the plan of conversion must first be adopted by the  
6491 board of directors of such domestic corporation. If the  
6492 converting corporation does not have any members entitled to  
6493 vote on the conversion, a plan of conversion is adopted by the  
6494 corporation when it has been adopted by the board of directors  
6495 pursuant to this section.

6496 (2) (a) If the converting corporation has members entitled  
6497 to vote on the conversion, the plan of conversion must then be  
6498 approved by such members.

6499 (b) In submitting the plan of conversion to the members  
6500 for approval, the board of directors must recommend that the

6501 members approve the plan of conversion, unless the board of  
6502 directors makes a determination that because of conflicts of  
6503 interest or other special circumstances it should not make such  
6504 a recommendation, in which case the board of directors must  
6505 inform the members of the basis for proceeding without such  
6506 recommendation.

6507 (3) The board of directors may set conditions for approval  
6508 of the plan of conversion by the members or the effectiveness of  
6509 the plan of conversion.

6510 (4) If a plan of conversion is required to be approved by  
6511 the members, and if the approval of the members is to be given  
6512 at a meeting, the corporation must notify each member entitled  
6513 to vote on the conversion of the meeting of members at which the  
6514 plan of conversion is to be submitted for approval. The notice  
6515 must state that the purpose, or one of the purposes, of the  
6516 meeting is to consider the plan of conversion and must contain  
6517 or be accompanied by a copy of the plan. The notice must include  
6518 or be accompanied by a written copy of the organic rules of the  
6519 converted eligible entity as they will be in effect immediately  
6520 after the conversion.

6521 (5) Unless this chapter, the articles of incorporation,  
6522 bylaws, or the board of directors acting pursuant to subsection  
6523 (3) require a greater vote or a greater quorum in the respective  
6524 case, approval of the plan of conversion requires:

6525 (a) The approval of the members entitled to vote on the

6526 conversion at a meeting at which a quorum exists consisting of a  
6527 majority of the votes entitled to be cast on the plan; and

6528 (b) If any class of members is entitled to vote as a  
6529 separate group on the plan of conversion, the approval of each  
6530 class of members voting as a separate voting group at a meeting  
6531 at which a quorum of the voting group exists consisting of a  
6532 majority of the votes entitled to be cast on the plan by that  
6533 voting group.

6534 (6) If, as a result of the conversion, one or more members  
6535 of the converting domestic corporation would become subject to  
6536 interest holder liability, approval of the plan of conversion  
6537 must require the signing in connection with the conversion, by  
6538 each such member, of a separate written consent to become  
6539 subject to such interest holder liability, unless in the case of  
6540 a member that already has interest holder liability with respect  
6541 to the converting corporation, the terms and conditions of the  
6542 interest holder liability with respect to the converted entity  
6543 are substantially identical to those of the existing interest  
6544 holder liability, other than for changes that eliminate or  
6545 reduce such interest holder liability.

6546 (7) If the converted eligible entity is a partnership or  
6547 limited partnership, a member of the converting domestic  
6548 corporation may not, as a result of the conversion, become a  
6549 general partner of the partnership or limited partnership,  
6550 unless such member specifically consents in writing to becoming

a general partner of such partnership or limited partnership,  
and, unless such written consent is obtained from each such  
member, such conversion may not become effective under s.  
617.18044. Any member providing such consent in writing is  
deemed to have voted in favor of the plan of conversion pursuant  
to which the member became a general partner.

(8) In addition to the adoption and approval of the plan  
of conversion by the board of directors and any members entitled  
to vote on the conversion as required by this section, the plan  
of conversion must also be approved in writing by any person or  
group of persons whose approval is required under the articles  
of incorporation or bylaws or whose approval is required to  
amend the articles of incorporation or bylaws.

**Section 117. Section 617.18044, Florida Statutes, is**  
**created to read:**

617.18044 Articles of conversion; effectiveness.—

(1) After a plan of conversion of a domestic corporation  
has been adopted and approved as required by this chapter, or a  
domestic or foreign eligible entity, other than a domestic  
corporation, that is the converting eligible entity has approved  
a conversion as required by its organic law, articles of  
conversion must be signed by the converting eligible entity as  
required by s. 617.01201 and must:

(a) State the name, governing jurisdiction, and type of  
entity of the converting eligible entity;

6576        (b) State the name, governing jurisdiction, and type of  
6577 entity of the converted eligible entity;

6578        (c) If the converting eligible entity is:

6579            1. A domestic corporation, state that the plan of  
6580 conversion was approved in accordance with this chapter; or

6581            2. A domestic or foreign eligible entity other than a  
6582 domestic corporation, state that the conversion was approved by  
6583 the eligible entity in accordance with its organic law; and

6584        (d) If the converted eligible entity is:

6585            1. A domestic corporation or a domestic or foreign  
6586 eligible entity that is not a domestic corporation, attach the  
6587 public organic record of the converted eligible entity, except  
6588 that provisions that would not be required to be included in a  
6589 restated public organic record may be omitted; or

6590            2. A domestic limited liability partnership, attach the  
6591 filing or filings required to become a domestic limited  
6592 liability partnership.

6593        (2) If the converted eligible entity is a domestic  
6594 corporation, its articles of incorporation must satisfy the  
6595 requirements of s. 617.0202, except that provisions that would  
6596 not be required to be included in restated articles of  
6597 incorporation may be omitted from the articles of incorporation.  
6598 If the converted eligible entity is a domestic eligible entity  
6599 that is not a domestic corporation, its public organic record,  
6600 if any, must satisfy the applicable requirements of the organic



6601 law of this state, except that the public organic record does  
6602 not need to be signed.

6603 (3) The articles of conversion must be delivered to the  
6604 department for filing and shall take effect on the effective  
6605 date determined in accordance with s. 617.0123.

6606 (4) (a) If the converted eligible entity is a domestic  
6607 eligible entity, the conversion becomes effective when the  
6608 articles of conversion are effective.

6609 (b) If the converted eligible entity is a foreign eligible  
6610 entity, the conversion becomes effective at the later of:

6611 1. The date and time provided by the organic law of that  
6612 eligible entity; or

6613 2. When the articles of conversion take effect.

6614 (5) Articles of conversion required to be filed under this  
6615 section may be combined with any filing required under the  
6616 organic law of a domestic eligible entity that is the converting  
6617 eligible entity or the converted eligible entity if the combined  
6618 filing satisfies the requirements of both this section and the  
6619 other organic law.

6620 (6) If the converting eligible entity is a foreign  
6621 eligible entity that is authorized to transact business in this  
6622 state under a law similar to ss. 617.1501-617.1532, its foreign  
6623 qualification is canceled automatically on the effective date of  
6624 its conversion.

6625 (7) A copy of the articles of conversion, certified by the

department, may be filed in the official records of any county in this state in which the converting eligible entity holds an interest in real property.

**Section 118. Section 617.18045, Florida Statutes, is created to read:**

617.18045 Amendment to a plan of conversion; abandonment.—

(1) Except as otherwise provided in the plan of conversion and before the articles of conversion have taken effect, a plan of conversion of a converting eligible entity that is a domestic corporation may be amended:

(a) In the same manner as the plan of conversion was approved, if the plan does not provide for the manner in which it may be amended; or

(b) In the manner provided in the plan of conversion, except that an interest holder that was entitled to vote on or consent to approval of the plan is entitled to vote on or consent to any amendment of the plan which will change:

1. The amount or kind of interests; obligations; rights to acquire other interests; cash; other property; or any combination of the foregoing, to be received by any of the interest holders of the converting corporation under the plan;

2. The organic rules of the converted eligible entity which will be in effect immediately after the conversion becomes effective, except for changes that do not require approval of the eligible interest holders of the converted eligible entity

6651 under its organic law or organic rules; or

6652 3. Any other terms or conditions of the plan, if the  
6653 change would adversely affect such interest holders in any  
6654 material respect.

6655 (2) After a plan of conversion has been adopted and  
6656 approved by a converting eligible entity that is a domestic  
6657 corporation in the manner required by this chapter and before  
6658 the articles of conversion become effective, the plan may be  
6659 abandoned by the domestic corporation without action by its  
6660 interest holders in accordance with any procedures set forth in  
6661 the plan or, if no such procedures are set forth in the plan, in  
6662 the manner determined by the board of directors of the domestic  
6663 corporation.

6664 (3) If a conversion is abandoned after the articles of  
6665 conversion have been delivered to the department for filing but  
6666 before the articles of conversion have become effective, a  
6667 statement of abandonment signed by the converting eligible  
6668 entity must be delivered to the department for filing before the  
6669 articles of conversion become effective. The statement takes  
6670 effect upon filing, and the conversion is deemed abandoned and  
6671 may not become effective. The statement of abandonment must  
6672 contain:

6673 (a) The name of the converting eligible entity;

6674 (b) The date on which the articles of conversion were  
6675 filed by the department; and

6676        (c) A statement that the conversion has been abandoned in  
6677 accordance with this section.

6678        **Section 119. Section 617.18046, Florida Statutes, is**  
6679 **created to read:**

6680        617.18046 Effect of conversion.—

6681        (1) When a conversion becomes effective:

6682        (a) All real property and other property owned by the  
6683 converting eligible entity, including any interest therein and  
6684 all title thereto, and every contract right and other right  
6685 possessed by the converting eligible entity remain the property,  
6686 contract rights, and other rights of the converted eligible  
6687 entity without transfer, reversion, or impairment;

6688        (b) All debts, obligations, and other liabilities of the  
6689 converting eligible entity remain the debts, obligations, and  
6690 other liabilities of the converted eligible entity;

6691        (c) The name of the converted eligible entity may be  
6692 substituted for the name of the converting eligible entity in  
6693 any pending action or proceeding;

6694        (d) If the converted eligible entity is a filing entity, a  
6695 domestic corporation, or a domestic or foreign corporation, its  
6696 public organic record and its private organic rules become  
6697 effective;

6698        (e) If the converted eligible entity is a nonfiling  
6699 entity, its private organic rules become effective;

6700        (f) If the converted eligible entity is a limited

6701 liability partnership, the filing required to become a limited  
6702 liability partnership and its private organic rules become  
6703 effective;

6704 (g) The shares; obligations; eligible interests; other  
6705 securities; and rights to acquire shares, obligations, eligible  
6706 interests, or other securities of the converting eligible entity  
6707 are reclassified into shares; obligations; eligible interests;  
6708 other securities; and rights to acquire shares, obligations,  
6709 eligible interests, or other securities; or eligible interests,  
6710 cash; other property; or any combination of the foregoing, in  
6711 accordance with the terms of the conversion, and the members or  
6712 interest holders of the converting eligible entity are entitled  
6713 only to the rights provided to them by those terms or under the  
6714 organic law of the converting eligible entity; and

6715 (h) The converted eligible entity is:

6716 1. Deemed to be incorporated or organized under and  
6717 subject to the organic law of the converted eligible entity;

6718 2. Deemed to be the same entity without interruption as  
6719 the converting eligible entity; and

6720 3. Deemed to have been incorporated or otherwise organized  
6721 on the date that the converting eligible entity was originally  
6722 incorporated or organized.

6723 (2) Except as otherwise provided in the articles of  
6724 incorporation or bylaws of a domestic corporation or the organic  
6725 law or organic rules of a domestic or foreign eligible entity

6726 other than a domestic corporation, a member or eligible interest  
6727 holder who becomes subject to interest holder liability in  
6728 respect of a domestic corporation or domestic or foreign  
6729 eligible entity other than a domestic corporation as a result of  
6730 the conversion shall have such interest holder liability only in  
6731 respect of interest holder liabilities that arise after the  
6732 conversion becomes effective.

6733 (3) Except as otherwise provided in the organic law or the  
6734 organic rules of the domestic or foreign eligible entity, the  
6735 interest holder liability of an interest holder in a converting  
6736 eligible entity that converts to a domestic corporation who had  
6737 interest holder liability in respect of such converting eligible  
6738 entity before the conversion becomes effective is as follows:

6739 (a) The conversion does not discharge that prior interest  
6740 holder liability with respect to any interest holder liabilities  
6741 that arose before the conversion became effective.

6742 (b) The organic law of the eligible entity continues to  
6743 apply to the collection or discharge of any interest holder  
6744 liabilities preserved by paragraph (a), as if the conversion had  
6745 not occurred.

6746 (c) The eligible interest holder has such rights of  
6747 contribution from other persons as are provided by the organic  
6748 law of the eligible entity with respect to any interest holder  
6749 liabilities preserved by paragraph (a), as if the conversion had  
6750 not occurred.

6751        (d) The eligible interest holder may not, by reason of  
6752 such prior interest holder liability, have interest holder  
6753 liability with respect to any interest holder liabilities that  
6754 arise after the conversion becomes effective.

6755        (4) A conversion does not require the converting eligible  
6756 entity to wind up its affairs and does not constitute or cause  
6757 the dissolution or termination of the entity.

6758        (5) Property held for charitable purposes under the laws  
6759 of this state by a domestic or foreign eligible entity  
6760 immediately before a conversion becomes effective may not, as a  
6761 result of the conversion, be diverted from the purposes for  
6762 which it was donated, granted, devised, or otherwise transferred  
6763 except and to the extent permitted by or pursuant to the laws of  
6764 this state addressing cy pres or dealing with nondiversion of  
6765 charitable assets.

6766        (6) Any bequest, devise, gift, grant, or promise contained  
6767 in a will or other instrument of donation, subscription, or  
6768 conveyance which is made to the converting eligible entity and  
6769 which takes effect or remains payable after the conversion  
6770 inures to the converted eligible entity.

6771        (7) A trust obligation that would govern property if  
6772 transferred to the converting eligible entity applies to  
6773 property that is to be transferred to the converted eligible  
6774 entity after the conversion becomes effective.

6775        **Section 120. Section 617.2005, Florida Statutes, is**

6776 **amended to read:**

6777       617.2005 Extinct churches and religious societies;  
6778 dissolution.—Any church or religious society in this state which  
6779 has ceased or failed to maintain religious worship or service,  
6780 or to use its property for religious worship or services  
6781 according to the tenets, usages, and customs of a church of the  
6782 denomination of which it is a member in this state for the space  
6783 of 2 consecutive years, or whose membership has so diminished in  
6784 numbers or in financial strength as to render it impossible for  
6785 such church or society to maintain religious worship or  
6786 services, or to protect its property from exposure to waste and  
6787 dilapidation for a period of 2 years, shall be extinct. Upon an  
6788 action filed by a member of the church or religious society, the  
6789 facts being established to the satisfaction of the circuit court  
6790 in and for the county in which such church or society has been  
6791 situated, an order of such court may be made dissolving the  
6792 church or religious society and the property of such church or  
6793 society, or the property which may be held in trust for such  
6794 church or society, may by court order be transferred to and the  
6795 title and possession thereof vested in the denomination of which  
6796 such church or society was a member. A copy of the decree of  
6797 dissolution must ~~shall~~ be filed with the department ~~of State~~.

6798       **Section 121. Section 617.2006, Florida Statutes, is**  
6799 **amended to read:**

6800       617.2006 Incorporation of labor unions or bodies.—



6801        (1) Any group or combination of groups of workers or wage  
6802 earners, bearing the name labor, organized labor, federation of  
6803 labor, brotherhood of labor, union labor, union labor committee,  
6804 trade union, trades union, union labor council, building trades  
6805 council, building trades union, allied trades union, central  
6806 labor body, central labor union, federated trades council, local  
6807 union, state union, national union, international union,  
6808 district labor council, district labor union, American  
6809 Federation of Labor, Florida Federation of Labor, or any  
6810 component parts or significant words of such terms, whether the  
6811 same be used in juxtaposition or with interspace, may be  
6812 incorporated under this chapter ~~act~~.

6813        (2)~~(1)~~ In addition to the requirements of ss. 617.02011  
6814 and 617.0202, the articles of incorporation for a labor union or  
6815 body must ~~shall~~ set forth the necessity for the incorporation,  
6816 ~~shall~~ be subscribed to by not less than five persons, and ~~shall~~  
6817 be acknowledged by all of the subscribers, who shall also make  
6818 and subscribe to an oath, to be endorsed on the articles of  
6819 incorporation, that it is intended in good faith to carry out  
6820 the purposes and objects set forth in the articles of  
6821 incorporation. ~~The articles of incorporation shall be filed in~~  
6822 ~~the office of the clerk of the circuit court of the county in~~  
6823 ~~which the labor union or body is organized, and the approval of~~  
6824 ~~the judge of the circuit court shall be obtained.~~

6825        ~~(2) The subscribers of the articles of incorporation shall~~

6826 ~~give notice of their intention to obtain approval thereof by the~~  
6827 ~~circuit judge. Such notice shall state the name of the judge,~~  
6828 ~~the date the articles of incorporation will be presented, and~~  
6829 ~~the general nature and necessity of the articles of~~  
6830 ~~incorporation. Notice shall be published in a newspaper of~~  
6831 ~~general circulation in the county in which the labor union or~~  
6832 ~~body is organized at least once, or posted at the courthouse~~  
6833 ~~door in counties having no newspapers, at least 10 days prior to~~  
6834 ~~the date the articles of incorporation will be presented to the~~  
6835 ~~judge.~~

6836 ~~(3) When presented to the judge, the articles of~~  
6837 ~~incorporation shall be accompanied by a petition, signed and~~  
6838 ~~sworn to by the subscribers, stating fully the aims and purposes~~  
6839 ~~of such organization and the necessity therefor.~~

6840 ~~(4) Upon the filing of the articles of incorporation and~~  
6841 ~~the petition, and the giving of such notice, the circuit judge~~  
6842 ~~to whom such petition may be addressed shall, upon the date~~  
6843 ~~stated in such notice, take testimony and inquire into the~~  
6844 ~~admissions and purposes of such organization and the necessity~~  
6845 ~~therefor, and upon such hearing, if the circuit judge shall be~~  
6846 ~~satisfied that the allegations set forth in the petition and~~  
6847 ~~articles of incorporation have been substantiated, and shall~~  
6848 ~~find that such organization will not be harmful to the community~~  
6849 ~~in which it proposes to operate, or to the state, and that it is~~  
6850 ~~intended in good faith to carry out the purposes and objects set~~

~~forth in the articles of incorporation, and that there is a necessity therefor, the judge shall approve the articles of incorporation and endorse his or her approval thereon. Upon the filing of the articles of incorporation with its endorsements thereupon with the Department of State and payment of the filing fees specified in s. 617.0122, the subscribers and their associates and successors shall be a corporation by the name given.~~

~~(5) Any person may intervene by filing an answer to the petition stating his or her reasons, if any, and be heard thereon, why the circuit judge shall not approve the articles of incorporation.~~

~~(6) The existence, amendment of the articles of incorporation, and dissolution of any such corporation shall be in accordance with this act.~~

**Section 122. Subsection (7) of section 39.8298, Florida Statutes, is amended to read:**

39.8298 Guardian ad Litem direct-support organization.—

(7) LIMITS ON DIRECT-SUPPORT ORGANIZATION.—The direct-support organization shall not exercise any power under s. 617.0302(11) or (15) ~~s. 617.0302(12) or (16)~~. No state employee shall receive compensation from the direct-support organization for service on the board of directors or for services rendered to the direct-support organization.

**Section 123. Paragraph (a) of subsection (2) of section**

**381.00316, Florida Statutes, is amended to read:**

381.00316 Discrimination by governmental and business entities based on health care choices; prohibition.—

(2) As used in this section, the term:

(a) "Business entity" has the same meaning as in s. 606.03. The term also includes a charitable organization as defined in s. 496.404, a nonprofit corporation ~~not for profit~~ as defined in s. 617.01401, or any other business operating in this state.

**Section 124. Subsection (6) of section 605.1025, Florida Statutes, is amended to read:**

605.1025 Articles of merger.—

(6) A limited liability company is not required to deliver articles of merger for filing pursuant to subsection (1) if the limited liability company is named as a merging entity or surviving entity in articles of merger or a certificate of merger filed for the same merger in accordance with s. 607.1105, ~~s. 617.1108~~, s. 620.2108(3), or s. 620.8918(3), and if such articles of merger or certificate of merger substantially comply with the requirements of this section. In such a case, the other articles of merger or certificate of merger may also be used for purposes of subsection (5).

**Section 125. Section 617.0102, Florida Statutes, is amended to read:**

617.0102 Reservation of power to amend or repeal.—The

Legislature has the power to amend or repeal all or part of this chapter ~~act~~ at any time, and all domestic and foreign corporations subject to this chapter ~~act~~ shall be governed by the amendment or repeal.

**Section 126. Section 617.0121, Florida Statutes, is amended to read:**

617.0121 Forms.—

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

(a) An application for certificate of status,

(b) A foreign corporation's application for certificate of authority to conduct its affairs in the state,

(c) A foreign corporation's application for certificate of withdrawal, and

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

If the department ~~of State~~ so requires, the use of these forms are ~~shall be~~ mandatory.

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

**Section 127. Section 617.0122, Florida Statutes, is**

**amended to read:**

617.0122 Fees for filing documents and issuing certificates.—The department ~~of State~~ shall collect the following fees on documents delivered to the department for filing:

- (1) Articles of incorporation: \$35.
- (2) Application for registered name: \$87.50.
- (3) Application for renewal of registered name: \$87.50.
- (4) Corporation's statement of change of registered agent or registered office or both if not included on the annual report: \$35.
- (5) Designation of and acceptance by registered agent: \$35.
- (6) Agent's statement of resignation from a corporation that has not been dissolved: \$87.50.
- (7) Agent's statement of resignation from a dissolved corporation or a composite statement of resignation from two or more dissolved corporations pursuant to s. 617.05021(1)(b) ~~s. 617.0502(2)(b)~~: \$35.
- (8) Amendment of articles of incorporation: \$35.
- (9) Restatement of articles of incorporation with amendment of articles: \$35.
- (10) Articles of merger for each party thereto: \$35.
- (11) Articles of dissolution: \$35.
- (12) Articles of revocation of dissolution: \$35.

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6951           (13) Application for reinstatement following  
6952 administrative dissolution: \$175.

6953           (14) Application for certificate of authority to transact  
6954 business in this state by a foreign corporation: \$35.

6955           (15) Application for amended certificate of authority:  
6956 \$35.

6957           (16) Application for certificate of withdrawal by a  
6958 foreign corporation: \$35.

6959           (17) Annual report: \$61.25.

6960           (18) Articles of correction: \$35.

6961           (19) Application for certificate of status: \$8.75.

6962           (20) Certified copy of document: \$52.50.

6963           (21) Serving as agent for substitute service of process:  
6964 \$87.50.

6965           (22) Certificate of conversion of a limited agricultural  
6966 association to a domestic corporation: \$35.

6967           (23) Any other document required or permitted to be filed  
6968 by this chapter: \$35.

6969

6970 Any citizen support organization that is required by rule of the  
6971 Department of Environmental Protection to be formed as a  
6972 nonprofit organization and is under contract with the Department  
6973 of Environmental Protection ~~department~~ is exempt from any fees  
6974 required for incorporation as a nonprofit organization, and the  
6975 Secretary of State may not assess any such fees if the citizen

support organization is certified by the Department of Environmental Protection to the Secretary of State as being under contract with the Department of Environmental Protection.

**Section 128. Section 617.0125, Florida Statutes, is amended to read:**

617.0125 Filing duties of the department ~~of State~~.

(1) If a document delivered to the department for filing satisfies the requirements of s. 617.01201, the department shall file it.

(2) The department files a document by stamping or otherwise endorsing "filed," together with the Secretary of State's official title and the date and time of receipt. After filing a document, the department shall send a notice of the filing to the electronic mail address on file for the domestic or foreign corporation or its representative or send a copy of the document to the mailing address of such corporation or its representative. If the record changes the electronic mail address of the domestic or foreign corporation, the department must send such notice to the new electronic mail address and to the most recent prior electronic mail address. If the record changes the mailing address of the domestic or foreign corporation, the department must send such notice to the new mailing address and to the most recent prior mailing address.

(3) If the department refuses to file a document, it shall return it to the domestic or foreign corporation or its



representative within 15 days after the document was received for filing, together with a brief, written explanation of the reason for refusal.

(4) The department's duty to file documents under this section is ministerial. The filing or refusing to file a document does not:

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

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

(c) Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

(5) If not otherwise provided by law and ~~the provisions of~~ this chapter ~~act~~, the department shall determine, by rule, the appropriate format for, number of copies of, manner of execution of, method of electronic transmission of, and amount of and method of payment of fees for, any document placed under its jurisdiction.

**Section 129. Section 617.02011, Florida Statutes, is amended to read:**

617.02011 Incorporators.—One or more persons may act as the incorporator or incorporators of a corporation by delivering articles of incorporation to the department ~~of State~~ for filing.

**Section 130. Subsection (2) of section 617.0203, Florida**

**Statutes, is amended to read:**

617.0203 Incorporation.—

(2) The department's ~~Department of State's~~ filing of the articles of incorporation, and the original recorded charter or certified copy of the charter of a corporation which has not been reincorporated under s. 617.0901, is conclusive proof that the incorporators satisfied all conditions precedent to incorporation and that the corporation has been incorporated under this chapter ~~act~~, except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation.

**Section 131. Subsection (2) of section 617.0205, Florida Statutes, is amended to read:**

617.0205 Organizational meeting of directors.—

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

**Section 132. Section 617.0301, Florida Statutes, is amended to read:**

617.0301 Purposes and application.—Corporations may be organized under this chapter ~~act~~ for any lawful purpose or purposes not for pecuniary profit and not specifically prohibited to corporations under other laws of this state. Such

purposes include, without limitation, charitable, benevolent, eleemosynary, educational, historical, civic, patriotic, political, religious, social, fraternal, literary, cultural, athletic, scientific, agricultural, horticultural, animal husbandry, and professional, commercial, industrial, or trade association purposes. If special provisions are made, by law, for the organization of designated classes of nonprofit corporations ~~not for profit~~, such corporations must ~~shall~~ be formed under such provisions and not under this chapter ~~act~~.

**Section 133. Subsection (2) of section 617.0504, Florida Statutes, is amended to read:**

617.0504 Serving process, giving notice, or making a demand on a corporation.—

(2) Any notice to or demand on a corporation made pursuant to this chapter ~~act~~ may be made to the chair of the board, the president, any vice president, the secretary, the treasurer, the registered agent of the corporation at the registered office of the corporation in this state, or any address in this state that is in fact the principal office of the corporation in this state.

**Section 134. Section 617.0806, Florida Statutes, is amended to read:**

617.0806 Staggered terms for directors.—The articles of incorporation or bylaws may provide that directors be divided into classes. Each director shall hold office for the term to

7076 which such director ~~he or she~~ is elected or appointed and until  
7077 such director's ~~his or her~~ successor has been elected or  
7078 appointed and qualified or until such director's ~~his or her~~  
7079 earlier resignation, removal from office, or death.

7080 **Section 135. Subsection (4) of section 617.0824, Florida**  
7081 **Statutes, is amended to read:**

7082 617.0824 Quorum and voting.—

7083 (4) A director of a corporation who is present at a  
7084 meeting of the board of directors or a committee of the board of  
7085 directors when corporate action is taken is deemed to have  
7086 assented to the action taken unless:

7087 (a) The director objects, at the beginning of the meeting  
7088 or promptly upon such director's ~~his or her~~ arrival, to holding  
7089 the meeting or transacting specified affairs at the meeting; or

7090 (b) The director votes against or abstains from the action  
7091 taken.

7092 **Section 136. Subsections (3), (4), and (7) of section**  
7093 **617.0825, Florida Statutes, are amended to read:**

7094 617.0825 Board committees and advisory committees.—

7095 (3) To the extent provided by the board of directors in a  
7096 resolution or in the articles of incorporation or the bylaws of  
7097 the corporation, each such committee has ~~shall have~~ and may  
7098 exercise powers and authority of the board of directors, except  
7099 that ~~no~~ such committee does not ~~shall~~ have the power or  
7100 authority to:

7101 (a) Approve or recommend to members actions or proposals  
7102 required by this chapter ~~act~~ to be approved by members.

7103 (b) Fill vacancies on the board of directors or any  
7104 committee thereof.

7105 (c) Adopt, amend, or repeal the bylaws.

7106 (4) Unless the articles of incorporation or the bylaws  
7107 provide otherwise, ss. 617.0820, 617.0823, and 617.0824 ~~ss.~~  
7108 ~~617.0820, 617.0822, 617.0823, and 617.0824,~~ which govern  
7109 meetings, ~~notice and~~ waiver of notice, and quorum and voting  
7110 requirements of the board of directors, apply to committees and  
7111 their members as well.

7112 (7) ~~Neither~~ The designation of any such committee, the  
7113 delegation thereto of authority, or ~~nor~~ action by such committee  
7114 pursuant to such authority does not ~~shall~~ alone constitute  
7115 compliance by any member of the board of directors not a member  
7116 of the committee in question with such member's ~~his or her~~  
7117 responsibility to act in good faith, in a manner such member ~~he~~  
7118 ~~or she~~ reasonably believes to be in the best interests of the  
7119 corporation, and with such care as an ordinarily prudent person  
7120 in a like position would use under similar circumstances.

7121 **Section 137. Section 617.0831, Florida Statutes, is**  
7122 **amended to read:**

7123 617.0831 Indemnification and liability of officers,  
7124 directors, employees, and agents.— Sections ~~Except as provided~~  
7125 ~~in s. 617.0834, s. 607.0831 and ss. 607.0850-607.0859~~ apply to a

corporation organized under this chapter ~~act~~ and a rural electric cooperative organized under chapter 425. Any reference to "directors" in those sections includes the directors, managers, or trustees of a corporation organized under this chapter ~~act~~ or of a rural electric cooperative organized under chapter 425. However, the term "director" as used in s. 607.0831 and ss. 607.0850-607.0859 does not include a director appointed by the developer to the board of directors of a condominium association under chapter 718, a cooperative association under chapter 719, a homeowners' association defined in s. 720.301, or a timeshare managing entity under chapter 721. Any reference to "shareholders" in those sections includes members of a corporation organized under this chapter ~~act~~ and members of a rural electric cooperative organized under chapter 425.

**Section 138. Section 617.0901, Florida Statutes, is amended to read:**

617.0901 Reincorporation.—

(1) Any corporation which has a charter approved by a circuit judge under former chapter 617, Florida Statutes (1989), or a charter granted by the Legislature of this state, on or prior to September 1, 1959, the effective date of chapter 59-427, Laws of Florida, may reincorporate under this chapter ~~act~~ by filing with the department ~~of State~~ a copy of its charter and all amendments thereto, certified by the clerk of the circuit court of the county wherein recorded, as to charters and

7151 amendments granted by circuit judges, and by the department ~~of~~  
7152 ~~State~~, as to legislative charters, together with a certificate  
7153 containing the provisions required in original articles of  
7154 incorporation by s. 617.0202, and accepting ~~the provisions of~~  
7155 this chapter ~~act~~.

7156 (2) A certificate of reincorporation must be executed in  
7157 accordance with s. 617.01201, and it must show that its issuance  
7158 was duly authorized by a meeting of its members regularly  
7159 called, or if there are no members entitled to vote on  
7160 reincorporation, by a meeting of its board of directors. Upon  
7161 the filing of a certificate of reincorporation in accordance  
7162 with s. 617.01201, the corporation is ~~shall be~~ deemed to be  
7163 incorporated under this chapter ~~act~~ and the certificate  
7164 constitutes ~~shall constitute~~ its articles of incorporation.

7165 (3) The corporation shall then be entitled to and be  
7166 possessed of all the privileges, franchises, and powers as if  
7167 originally incorporated under this chapter ~~act~~, and all the  
7168 properties, rights, and privileges belonging to the corporation  
7169 before ~~prior to~~ reincorporation, which were acquired by gift,  
7170 grant, conveyance, assignment, or otherwise are hereby ratified,  
7171 approved, confirmed, and assured to the corporation with like  
7172 effect and to all intents and purposes as if they had been  
7173 originally acquired pursuant to incorporation under this chapter  
7174 ~~act~~. However, any corporation reincorporating under this chapter  
7175 is ~~act shall be~~ subject to all the contracts, duties, and

obligations resting upon the corporation before ~~prior to~~ reincorporation or to which the corporation is ~~shall then be~~ in any way liable.

**Section 139. Subsection (2) of section 617.1008, Florida Statutes, is amended to read:**

617.1008 Amendment pursuant to reorganization.—

(2) The individual or individuals designated by the court shall deliver to the department ~~of State~~ for filing articles of amendment setting forth:

(a) The name of the corporation;

(b) The text of each amendment approved by the court;

(c) The date of the court's order or decree approving the articles of amendment;

(d) The title of the reorganization proceeding in which the order or decree was entered; and

(e) A statement that the court had jurisdiction of the proceeding under federal or state law.

**Section 140. Section 617.1009, Florida Statutes, is amended to read:**

617.1009 Effect of amendment.—An amendment to articles of incorporation does not affect a cause of action existing against or in favor of the corporation, a proceeding to which the corporation is a party, or the existing rights of persons other than members of the corporation. An amendment changing a corporation's name does not affect ~~abate~~ a proceeding brought by



or against the corporation in its former name.

**Section 141. Subsection (3) of section 617.1404, Florida Statutes, is amended to read:**

617.1404 Revocation of dissolution.—

(3) After the revocation of dissolution is authorized, the corporation may revoke the dissolution by delivering to the department ~~of State~~ for filing articles of revocation of dissolution, together with a copy of its articles of dissolution, that set forth:

(a) The name of the corporation;

(b) The effective date of the dissolution that was revoked;

(c) The date that the revocation of dissolution was authorized;

(d) If the corporation's board of directors revoked a dissolution authorized by the members, a statement that revocation was permitted by action by the board of directors alone pursuant to that authorization; and

(e) If member action was required to revoke the dissolution, the information required by s. 617.1403(1)(b) or (c), whichever is applicable.

**Section 142. Subsection (1) of section 617.1422, Florida Statutes, is amended, and subsection (4) of that section is reenacted, to read:**

617.1422 Reinstatement following administrative

dissolution.—

(1) A corporation administratively dissolved under s. 617.1421 may apply to the department for reinstatement at any time after the effective date of dissolution. The corporation must submit a reinstatement form prescribed and furnished by the department or a current uniform business annual report signed by a registered agent and an officer or director and submit all fees owed by the corporation and computed at the rate provided by law at the time the corporation applies for reinstatement.

(4) The name of the dissolved corporation is not available for assumption or use by another corporation until 1 year after the effective date of dissolution unless the dissolved corporation provides the department with an affidavit executed pursuant to s. 617.01201 authorizing the immediate assumption or use of the name by another corporation.

**Section 143. Subsections (2) and (3) of section 617.1423, Florida Statutes, are amended to read:**

617.1423 Appeal from denial of reinstatement.—

(2) After exhaustion of administrative remedies, the corporation may appeal the denial of reinstatement to the appropriate court as provided in s. 120.68 within 30 days after service of the notice of denial is perfected. The corporation appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the department's ~~department of State's~~ certificate of dissolution, the

corporation's application for reinstatement, and the department's notice of denial.

(3) The court may summarily order the department ~~of State~~ to reinstate the dissolved corporation or may take other action the court considers appropriate.

**Section 144. Subsection (1) of section 617.1501, Florida Statutes, is amended to read:**

617.1501 Authority of foreign corporation to conduct affairs required.—

(1) A foreign corporation may not conduct its affairs in this state until it obtains a certificate of authority from the department ~~of State~~.

**Section 145. Subsection (2) of section 617.1510, Florida Statutes, is amended to read:**

617.1510 Serving process, giving notice, or making a demand on a foreign corporation.—

(2) Any notice to or demand on a foreign corporation made pursuant to this chapter ~~act~~ may be made in accordance with the procedures for notice to or demand on domestic corporations under s. 617.0504.

**Section 146. Section 617.1606, Florida Statutes, is amended to read:**

617.1606 Access to records.—Sections 617.1601-617.16051 ~~617.1601-617.1605~~ do not apply to a corporation that is an association, as defined in s. 720.301, or a corporation

regulated under chapter 718 or chapter 719.

**Section 147. Paragraphs (a), (b), (d), and (e) of subsection (1) of section 617.1623, Florida Statutes, are amended, to read:**

617.1623 Corporate information available to the public; application to corporations incorporated by circuit courts and by special act of the Legislature.—

(1)(a) Each corporation incorporated in this state shall maintain a registered agent and registered office in accordance with s. 617.0501, and current information regarding the corporations incorporated in this state must ~~shall~~ be readily available to the public. At a minimum, such information must include the text of the charter or articles of incorporation and all amendments thereto, the name of the corporation, the date of incorporation, the street address of the principal office of the corporation, the corporation's federal employer identification number, the name and business street address of each officer, the name and business street address of each director, the name of its registered agent, and the street address of its registered office.

(b) Any corporation which has a charter approved by a circuit judge under former chapter 617, Florida Statutes 1989, or a charter granted by the Legislature on or before September 1, 1959, the effective date of chapter 59-427, Laws of Florida, must file with the department ~~of State~~, not later than July 1,

1992, a copy of its charter and all amendments thereto, certified by the clerk of the circuit court of the county wherein recorded, together with a registration containing the provisions required in paragraph (a), as to charters and amendments granted by circuit judges, and by the department ~~of State~~, as to legislative charters, and the corporation thereafter is ~~shall be~~ subject to the requirements of ss. 617.0501 and 617.1622.

(d) Any corporation dissolved pursuant to paragraph (c) shall be reinstated upon application to the department ~~of State~~, signed by an officer or director thereof, accompanied by a copy of its charter and all amendments thereto, certified by the clerk of the circuit court of the county wherein recorded, as to charters and amendments granted by circuit judges, and by the department ~~of State~~, as to legislative charters, together with a registration containing the provisions required in paragraph (a), and the payment of all fees due from the time of dissolution computed at the rate provided by law at the time the corporation applies for reinstatement.

(e) Whenever the application for reinstatement is approved and filed by the department ~~of State~~, the corporate existence is ~~shall be~~ deemed to have continued without interruption from the date of dissolution. The reinstatement terminates any personal liability of the directors, officers, or agents of the corporation incurred on account of actions taken during the

7326 period between dissolution and reinstatement. Upon  
7327 reinstatement, the corporation is ~~shall be~~ subject to the  
7328 requirements of ss. 617.0501 and 617.1622.

7329 **Section 148. Section 617.1701, Florida Statutes, is**  
7330 **amended to read:**

7331 617.1701 Application to existing domestic corporation.—  
7332 This chapter act applies to all domestic corporations in  
7333 existence on July 1, 1991, that were incorporated under any  
7334 general statute of this state providing for incorporation of  
7335 nonprofit corporations ~~not for profit~~ if power to amend or  
7336 repeal the statute under which the corporation was incorporated  
7337 was reserved.

7338 **Section 149. Section 617.1702, Florida Statutes, is**  
7339 **amended to read:**

7340 617.1702 Application to qualified foreign corporations.—A  
7341 foreign corporation authorized to conduct its affairs in this  
7342 state on July 1, 1991, is subject to this chapter act but is not  
7343 required to obtain a new certificate of authority to conduct its  
7344 affairs under this chapter act.

7345 **Section 150. Subsection (2) of section 617.1703, Florida**  
7346 **Statutes, is amended to read:**

7347 617.1703 Application of chapter.—

7348 (2) Sections ~~The provisions of ss.~~ 617.0605-617.0608 do  
7349 not apply to corporations regulated by any of the foregoing  
7350 chapters or to any other corporation where membership in the

corporation is required pursuant to a document recorded in the  
county's official ~~county property~~ records.

**Section 151. Section 617.1711, Florida Statutes, is  
amended to read:**

617.1711 Application to foreign and interstate commerce.—  
~~The provisions of This chapter applies act apply~~ to commerce  
with foreign nations and among the several states only insofar  
as such commerce may be permitted under the Constitution and  
laws of the United States.

**Section 152. Section 617.1808, Florida Statutes, is  
amended to read:**

617.1808 Application of chapter act to corporation  
converted to nonprofit corporation ~~not for profit~~. ~~All the~~  
~~provisions of This chapter act~~ relating to corporations ~~not for~~  
~~profit~~, except insofar as they are inconsistent with ss.  
617.1804-617.18046, apply ~~ss. 617.1805, 617.1806, and 617.1807~~,  
~~shall be applicable~~ to any for profit corporation whose  
character has been changed under ss. 617.1804-617.18046 ss.  
~~617.1805, 617.1806, and 617.1807~~ and shall henceforth govern  
such corporation.

**Section 153. Section 617.1809, Florida Statutes, is  
amended to read:**

617.1809 Limited agricultural association; conversion to a  
domestic corporation ~~not for profit~~.—

(1) As used in this section, the term "limited

agricultural association" or "association" means a limited agricultural association formed under ss. 604.09-604.14.

(2) A limited agricultural association may convert to a domestic corporation ~~not for profit~~ by filing the following documents with the department in accordance with s. 617.01201:

(a) A certificate of conversion, which must be executed by a person authorized in s. 617.01201(6) and such other persons that may be required in the association's articles of association or bylaws.

(b) Articles of incorporation, which must comply with s. 617.0202 and be executed by a person authorized in s. 617.01201(6).

(3) The certificate of conversion must include:

(a) The date upon which the association was initially formed under ss. 604.09-604.14.

(b) The name of the association immediately before filing the certificate of conversion.

(c) The name of the domestic corporation as set forth in its articles of incorporation.

(d) The effective date of the conversion. If the conversion does not take effect upon filing the certificate of conversion and articles of incorporation, the delayed effective date for the conversion, subject to the limitation in s. 617.0123(1) ~~s. 617.0123(2)~~, must be a date certain and the same as the effective date of the articles of incorporation.



7401           (4) When the certificate of conversion and articles of  
7402 incorporation are filed with the department, or upon the delayed  
7403 effective date, the association is converted to the domestic  
7404 corporation, and the corporation becomes subject to this  
7405 chapter. However, notwithstanding s. 617.0123, the existence of  
7406 the corporation is deemed to have commenced when the association  
7407 was initially formed under ss. 604.09-604.14.

7408           (5) Conversion of a limited agricultural association to a  
7409 domestic corporation does not affect any obligation or liability  
7410 of the association that was incurred before the conversion.

7411           (6) When a conversion takes effect under this section, all  
7412 rights, privileges, and powers of the converting association,  
7413 all property, real, personal, and mixed, and all debts due to  
7414 the association, as well as all other assets and causes of  
7415 action belonging to the association, are vested in the domestic  
7416 corporation to which the association is converted and are the  
7417 property of the corporation as they were of the association. The  
7418 title to any real property that is vested by deed or otherwise  
7419 in the converting association does not revert and is not  
7420 impaired by the operation of this chapter, but all rights of  
7421 creditors and all liens upon any property of the association are  
7422 preserved unimpaired, and all debts, liabilities, and duties of  
7423 the association attach to the domestic corporation and are  
7424 enforceable against it to the same extent as if the debts,  
7425 liabilities, and duties had been incurred or contracted by the

7426 corporation.

7427 (7) The limited agricultural association is not required  
7428 to wind up its affairs or pay its liabilities and distribute its  
7429 assets. Conversion does not constitute a dissolution of the  
7430 association but is a continuation of the association's existence  
7431 in the form of the domestic corporation.

7432 (8) Before a limited agricultural association may file a  
7433 certificate of conversion with the department, unless otherwise  
7434 specified in the association's articles of association or  
7435 bylaws, the conversion must be approved by a majority vote of  
7436 the association's members, and the articles of incorporation  
7437 must be approved by the same authorization required for approval  
7438 of the conversion. As part of the approval, the converting  
7439 association may provide a plan or other record of conversion  
7440 which describes the manner and basis of converting the  
7441 membership interests in the association into membership  
7442 interests in the domestic corporation. The plan or other record  
7443 may also contain other provisions relating to the conversion,  
7444 including, but not limited to, the right of the converting  
7445 association to abandon the proposed conversion or an effective  
7446 date for the conversion that is consistent with paragraph  
7447 (3) (d) .

7448 **Section 154. Section 617.1904, Florida Statutes, is**  
7449 **amended to read:**

7450 617.1904 Estoppel.—A ~~No~~ body of persons acting as a

corporation may not ~~shall~~ be permitted to set up the lack of legal organization as a defense to an action against them as a corporation, nor may ~~shall~~ any person sued on a contract made with the corporation or sued for an injury to its property or a wrong done to its interests be permitted to set up the lack of such legal organization in such person's ~~his or her~~ defense.

**Section 155. Subsection (2) of section 617.1907, Florida Statutes, is amended to read:**

617.1907 Effect of repeal or amendment of prior acts.—

(2) If a penalty or punishment imposed for violation of a statute repealed or amended by this chapter is reduced by this chapter act, the penalty or punishment if not already imposed shall be imposed in accordance with this chapter.

**Section 156. Section 617.1908, Florida Statutes, is amended to read:**

617.1908 Applicability of Florida Business Corporation Act.—Except as made applicable by specific reference in any other section of this chapter, part I of chapter 607, the Florida Business Corporation Act, does not apply to any nonprofit corporations ~~not for profit~~.

**Section 157. Section 617.2001, Florida Statutes, is amended to read:**

617.2001 Corporations which may be incorporated hereunder; incorporation of certain medical services corporations.—

(1) Corporations may be organized and incorporated under

7476 this chapter act for any one or more lawful purposes not for  
7477 pecuniary profit. However, nonprofit corporations ~~not for profit~~  
7478 which may be incorporated under any other law of this state  
7479 governing particular types of corporations may not be  
7480 incorporated under this chapter act.

7481 (2) A nonprofit corporation ~~not for profit~~ organized  
7482 ~~before~~ ~~prior to~~ December 1, 1987, pursuant to ~~the provisions of~~  
7483 chapter 85-56, Laws of Florida, or to ~~the provisions of~~ s. 2,  
7484 chapter 87-296, Laws of Florida, may conduct the practice of  
7485 medicine, conduct programs of medical education, and carry on  
7486 major medical research efforts.

7487 **Section 158. Section 617.2002, Florida Statutes, is**  
7488 **amended to read:**

7489 617.2002 Nonprofit corporation ~~not for profit~~ organized  
7490 pursuant to s. 2, ch. 87-296; requirements.—A nonprofit  
7491 corporation ~~not for profit~~ organized pursuant to ~~the provisions~~  
7492 ~~of~~ s. 2, chapter 87-296, Laws of Florida, must meet the  
7493 following requirements:

7494 (1) At least 25 percent of its physicians must have a  
7495 full-time contract for the provision of medical services with  
7496 the corporation, be currently certified as specialists by the  
7497 appropriate American specialty boards accredited by the Council  
7498 on Medical Education of the American Medical Association, and  
7499 have clinical privileges at one or more hospitals in this state.

7500 (2) A hospital owned by a corporation organized pursuant

7501 to s. 2, chapter 87-296, Laws of Florida, must provide Medicaid  
7502 and charity care.

7503 **Section 159. Section 617.2003, Florida Statutes, is**  
7504 **amended to read:**

7505 617.2003 Proceedings to revoke articles of incorporation  
7506 or charter or prevent its use.—If any member or citizen  
7507 complains to the Department of Legal Affairs that any  
7508 corporation organized under this chapter ~~act~~ was organized or is  
7509 being used as a cover to evade any of the laws against crime, or  
7510 for purposes inconsistent with those stated in its articles of  
7511 incorporation or charter, or that an officer or director of a  
7512 corporation has participated in a sale or transaction that is  
7513 affected by a conflict of interest or from which the officer or  
7514 director ~~he or she~~ derived an improper personal benefit, either  
7515 directly or indirectly, and submits ~~shall submit~~ prima facie  
7516 evidence to sustain such charge, together with sufficient money  
7517 to cover court costs and expenses, the department shall  
7518 institute and in due course prosecute to final judgment such  
7519 legal or equitable proceedings as may be considered advisable  
7520 either to revoke the articles of incorporation or charter, to  
7521 prevent its improper use, or to recover on behalf of the  
7522 corporation or its unknown beneficiaries any profits improperly  
7523 received by the corporation or its officers or directors.

7524 **Section 160. Section 617.2007, Florida Statutes, is**  
7525 **amended to read:**

617.2007 Sponge packing and marketing corporations.—  
Persons engaged in the business of buying, selling, packing, and  
marketing commercial sponges may incorporate under this chapter  
~~act~~ to aid in facilitating the orderly cooperative buying,  
selling, packing, and marketing of commercial sponges. Such  
association is not a combination in restraint of trade or an  
illegal monopoly or an attempt to lessen competition or fix  
prices arbitrarily, and any marketing contract or agreement by  
the corporation and its members, or the exercise of any power  
granted by this chapter ~~act~~ is not illegal or in restraint of  
trade.

**Section 161. Section 617.2101, Florida Statutes, is  
amended to read:**

617.2101 Corporation authorized to act as trustee.—Any  
corporation, organized under this chapter ~~act~~, may act as  
trustee of property whenever the corporation has either a  
beneficial, contingent, or remainder interest in such property.  
Any corporation may accept and hold the legal title to property,  
the beneficial interest of which is owned by any other  
~~eleemosynary institution or~~ nonprofit corporation or fraternal,  
benevolent, charitable, or religious society or association.

**Section 162. Subsection (1) of section 617.221, Florida  
Statutes, is amended to read:**

617.221 Membership associations.—

(1) As used in this section, the term "membership

7551 association" means a nonprofit ~~not-for-profit~~ corporation,  
7552 including a department or division of such corporation, the  
7553 majority of whose board members are constitutional officers who,  
7554 pursuant to s. 1001.32(2), operate, control, and supervise  
7555 public entities that receive annual state appropriations through  
7556 a statutorily defined formulaic allocation that is funded and  
7557 prescribed annually in the General Appropriations Act or the  
7558 substantive bill implementing the annual appropriations act. The  
7559 term does not include a labor organization as defined in s.  
7560 447.02 or an entity funded through the Justice Administrative  
7561 Commission.

7562 **Section 163. Subsection (3) of section 620.2108, Florida**  
7563 **Statutes, is amended to read:**

7564 620.2108 Filings required for merger; effective date.—

7565 (3) Each constituent limited partnership shall deliver the  
7566 certificate of merger for filing in the Department of State  
7567 unless the constituent limited partnership is named as a party  
7568 or constituent organization in articles of merger or a  
7569 certificate of merger filed for the same merger in accordance  
7570 with ~~s. 605.1025~~, s. 607.1105, s. 617.1108, or s. 620.8918(1)  
7571 and (2) and such articles of merger or certificate of merger  
7572 substantially complies with the requirements of this section. In  
7573 such a case, the other articles of merger or certificate of  
7574 merger may also be used for purposes of s. 620.2109(3).

7575 **Section 164. Subsection (3) of section 620.8918, Florida**

**Statutes, is amended to read:**

620.8918 Filings required for merger; effective date.—

(3) Each domestic constituent partnership shall deliver the certificate of merger for filing with the Department of State, unless the domestic constituent partnership is named as a party or constituent organization in articles of merger or a certificate of merger filed for the same merger in accordance with s. 605.1025, s. 607.1105, ~~s. 617.1108~~, or s. 620.2108(3). The articles of merger or certificate of merger must substantially comply with the requirements of this section. In such a case, the other articles of merger or certificate of merger may also be used for purposes of s. 620.8919(3). Each domestic constituent partnership in the merger shall also file a registration statement in accordance with s. 620.8105(1) if it does not have a currently effective registration statement filed with the Department of State.

**Section 165. Paragraph (b) of subsection (1) and subsections (5), (8), and (9) of section 628.910, Florida Statutes, are amended to read:**

628.910 Incorporation options and requirements.—

(1) A pure captive insurance company may be:

(b) Incorporated as a public benefit, mutual benefit, or religious nonprofit corporation with members in accordance with the Florida Nonprofit ~~Not For Profit~~ Corporation Act.

(5) The articles of incorporation, the certificate issued



pursuant to this section, and the organization fees required by the Florida Business Corporation Act or the Florida Nonprofit ~~Not For Profit~~ Corporation Act, as applicable, must be transmitted to the Secretary of State, who must record the articles of incorporation and the certificate.

(8) A captive insurance company formed as a corporation or a nonprofit corporation, pursuant to ~~the provisions of~~ this chapter, has the privileges and is subject to the ~~provisions of~~ the general corporation law, including the Florida Nonprofit ~~Not For Profit~~ Corporation Act for nonprofit corporations, as applicable, as well as the applicable provisions contained in this chapter. If a conflict occurs between ~~a provision of~~ the general corporation law, including the Florida Nonprofit ~~Not For Profit~~ Corporation Act for nonprofit corporations, as applicable, and ~~a provision of~~ this chapter, the latter controls. The provisions of this title pertaining to mergers, consolidations, conversions, mutualizations, and redomestications apply in determining the procedures to be followed by a captive insurance company in carrying out any of the transactions described in such provisions, except that the office may waive or modify the requirements for public notice and hearing in accordance with rules the office may adopt addressing categories of transactions. If a notice of public hearing is required, but no one requests a hearing, the office may cancel the hearing.

(9) The articles of incorporation or bylaws of a captive insurance company may authorize a quorum of a board of directors to consist of no fewer than one-third of the fixed or prescribed number of directors as provided for by the Florida Business Corporation Act or the Florida Nonprofit ~~Not For Profit~~ Corporation Act.

**Section 166. Paragraph (a) of subsection (2) of section 768.38, Florida Statutes, is amended to read:**

768.38 Liability protections for COVID-19-related claims.—

(2) As used in this section, the term:

(a) "Business entity" has the same meaning as provided in s. 606.03. The term also includes a charitable organization as defined in s. 496.404 and a nonprofit corporation ~~not for profit~~ as defined in s. 617.01401.

**Section 167. Paragraph (f) of subsection (15) of section 893.055, Florida Statutes, is amended to read:**

893.055 Prescription drug monitoring program.—

(15) The department may establish a direct-support organization to provide assistance, funding, and promotional support for the activities authorized for the prescription drug monitoring program.

(f) The direct-support organization may not exercise any power under s. 617.0302(11) or (15) ~~s. 617.0302(12) or (16)~~.

**Section 168. Section 617.07401, Florida Statutes, is repealed.**

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7651        **Section 169.**    Section 617.0822, Florida Statutes, is  
7652    repealed.

7653        **Section 170.**    Section 617.1108, Florida Statutes, is  
7654    repealed.

7655        **Section 171.**    Section 617.1301, Florida Statutes, is  
7656    repealed.

7657        **Section 172.**    Section 617.1302, Florida Statutes, is  
7658    repealed.

7659        **Section 173.**    Section 617.1531, Florida Statutes, is  
7660    repealed.

7661        **Section 174.**    Section 617.1533, Florida Statutes, is  
7662    repealed.

7663        **Section 175.**    Section 617.1803, Florida Statutes, is  
7664    repealed.

7665        **Section 176.**    Section 617.1805, Florida Statutes, is  
7666    repealed.

7667        **Section 177.**    Section 617.1806, Florida Statutes, is  
7668    repealed.

7669        **Section 178.**    Section 617.1807, Florida Statutes, is  
7670    repealed.

7671        **Section 179.**    Section 617.2102, Florida Statutes, is  
7672    repealed.

7673        **Section 180.**    **For the purpose of incorporating the**  
7674    **amendment made by this act to sections 617.01201 and 617.1006,**  
7675    **Florida Statutes, in references thereto, subsection (3) of**

**section 617.1007, Florida Statutes, is reenacted to read:**

617.1007 Restated articles of incorporation.—

(3) A corporation restating its articles of incorporation shall deliver to the department for filing articles of restatement, executed in accordance with s. 617.01201, setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

(a) Whether the restatement contains an amendment to the articles of incorporation requiring member approval and, if it does not, that the board of directors adopted the restatement; or

(b) If the restatement contains an amendment to the articles of incorporation requiring member approval, the information required by s. 617.1006.

**Section 181. For the purpose of incorporating the amendment made by this act to section 617.0302, Florida Statutes, in a reference thereto, paragraph (a) of subsection (5) of section 295.21, Florida Statutes, is reenacted to read:**

295.21 Florida Is For Veterans, Inc.—

(5) POWERS.—In addition to the powers and duties prescribed in chapter 617 and the articles and bylaws adopted thereunder, the board of directors may:

(a) Make and enter into contracts and other instruments necessary or convenient for the exercise of its powers and

7701 functions. However, notwithstanding s. 617.0302, the corporation  
7702 may not issue bonds.

7703  
7704 The credit of the State of Florida may not be pledged on behalf  
7705 of the corporation.

7706 **Section 182. For the purpose of incorporating the**  
7707 **amendment made by this act to section 617.0830, Florida**  
7708 **Statutes, in a reference thereto, paragraph (b) of subsection**  
7709 **(4) of section 409.987, Florida Statutes, is reenacted to read:**

7710 409.987 Lead agency procurement; boards; conflicts of  
7711 interest.—

7712 (4) In order to serve as a lead agency, an entity must:

7713 (b) Be governed by a board of directors or a board  
7714 committee composed of board members. Board members shall provide  
7715 oversight and ensure accountability and transparency for the  
7716 system of care. The board of directors shall provide fiduciary  
7717 oversight to prevent conflicts of interest, promote  
7718 accountability and transparency, and protect state and federal  
7719 funding from misuse. The board of directors shall act in  
7720 accordance with s. 617.0830. The membership of the board of  
7721 directors or board committee must be described in the bylaws or  
7722 articles of incorporation of each lead agency, which must  
7723 provide that at least 75 percent of the membership of the board  
7724 of directors or board committee must be composed of persons  
7725 residing in this state, and at least 51 percent of the state

residents on the board of directors must reside within the service area of the lead agency. The lead agency shall ensure that board members participate in annual training related to their responsibilities. The department shall set forth minimum training criteria in the contracts with the lead agencies. However, for procurements of lead agency contracts initiated on or after July 1, 2014:

1. At least 75 percent of the membership of the board of directors must be composed of persons residing in this state, and at least 51 percent of the membership of the board of directors must be composed of persons residing within the service area of the lead agency. If a board committee governs the lead agency, 100 percent of its membership must be composed of persons residing within the service area of the lead agency.

2. The powers of the board of directors or board committee include, but are not limited to, approving the lead agency's budget and setting the lead agency's operational policy and procedures. A board of directors must additionally have the power to hire the lead agency's executive director, unless a board committee governs the lead agency, in which case the board committee must have the power to confirm the selection of the lead agency's executive director.

**Section 183. For the purpose of incorporating the amendment made by this act to section 617.0830, Florida Statutes, in a reference thereto, subsection (1) of section**

**718.1265, Florida Statutes, is reenacted to read:**

718.1265 Association emergency powers.—

(1) To the extent allowed by law, unless specifically prohibited by the declaration of condominium, the articles, or the bylaws of an association, and consistent with s. 617.0830, the board of administration, in response to damage or injury caused by or anticipated in connection with an emergency, as defined in s. 252.34(4), for which a state of emergency is declared pursuant to s. 252.36 in the locale in which the condominium is located, may exercise the following powers:

(a) Conduct board meetings, committee meetings, elections, and membership meetings, in whole or in part, by telephone, real-time videoconferencing, or similar real-time electronic or video communication with notice given as is practicable. Such notice may be given in any practicable manner, including publication, radio, United States mail, the Internet, electronic transmission, public service announcements, and conspicuous posting on the condominium property or association property or any other means the board deems reasonable under the circumstances. Notice of decisions also may be communicated as provided in this paragraph.

(b) Cancel and reschedule any association meeting.

(c) Name as assistant officers persons who are not directors, which assistant officers shall have the same authority as the executive officers to whom they are assistants

7776 during the state of emergency to accommodate the incapacity or  
7777 unavailability of any officer of the association.

7778 (d) Relocate the association's principal office or  
7779 designate alternative principal offices.

7780 (e) Enter into agreements with local counties and  
7781 municipalities to assist counties and municipalities with debris  
7782 removal.

7783 (f) Implement a disaster plan or an emergency plan before,  
7784 during, or following the event for which a state of emergency is  
7785 declared which may include, but is not limited to, shutting down  
7786 or off elevators; electricity; water, sewer, or security  
7787 systems; or air conditioners.

7788 (g) Based upon advice of emergency management officials or  
7789 public health officials, or upon the advice of licensed  
7790 professionals retained by or otherwise available to the board,  
7791 determine any portion of the condominium property or association  
7792 property unavailable for entry or occupancy by unit owners,  
7793 family members, tenants, guests, agents, or invitees to protect  
7794 the health, safety, or welfare of such persons.

7795 (h) Require the evacuation of the condominium property in  
7796 the event of an evacuation order in the locale in which the  
7797 condominium is located. If a unit owner or other occupant of a  
7798 condominium fails or refuses to evacuate the condominium  
7799 property or association property for which the board has  
7800 required evacuation, the association is immune from liability or



injury to persons or property arising from such failure or refusal.

(i) Based upon advice of emergency management officials or public health officials, or upon the advice of licensed professionals retained by or otherwise available to the board, determine whether the condominium property, association property, or any portion thereof can be safely inhabited, accessed, or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.

(j) Mitigate further damage, injury, or contagion, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus or contagion, including, but not limited to, mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the condominium property, even if the unit owner is obligated by the declaration or law to insure or replace those fixtures and to remove personal property from a unit.

(k) Contract, on behalf of any unit owner or owners, for items or services for which the owners are otherwise individually responsible, but which are necessary to prevent further injury, contagion, or damage to the condominium property or association property. In such event, the unit owner or owners on whose behalf the board has contracted are responsible for

7826 reimbursing the association for the actual costs of the items or  
7827 services, and the association may use its lien authority  
7828 provided by s. 718.116 to enforce collection of the charges.

7829 Without limitation, such items or services may include the  
7830 drying of units, the boarding of broken windows or doors, the  
7831 replacement of damaged air conditioners or air handlers to  
7832 provide climate control in the units or other portions of the  
7833 property, and the sanitizing of the condominium property or  
7834 association property, as applicable.

7835 (1) Regardless of any provision to the contrary and even  
7836 if such authority does not specifically appear in the  
7837 declaration of condominium, articles, or bylaws of the  
7838 association, levy special assessments without a vote of the  
7839 owners.

7840 (m) Without unit owners' approval, borrow money and pledge  
7841 association assets as collateral to fund emergency repairs and  
7842 carry out the duties of the association when operating funds are  
7843 insufficient. This paragraph does not limit the general  
7844 authority of the association to borrow money, subject to such  
7845 restrictions as are contained in the declaration of condominium,  
7846 articles, or bylaws of the association.

7847 **Section 184. For the purpose of incorporating the**  
7848 **amendment made by this act to section 617.0830, Florida**  
7849 **Statutes, in a reference thereto, subsection (1) of section**  
7850 **719.128, Florida Statutes, is reenacted to read:**

719.128 Association emergency powers.—

(1) To the extent allowed by law, unless specifically prohibited by the cooperative documents, and consistent with s. 617.0830, the board of administration, in response to damage or injury caused by or anticipated in connection with an emergency, as defined in s. 252.34(4), for which a state of emergency is declared pursuant to s. 252.36 in the area encompassed by the cooperative, may exercise the following powers:

(a) Conduct board meetings, committee meetings, elections, or membership meetings, in whole or in part, by telephone, real-time videoconferencing, or similar real-time electronic or video communication after notice of the meetings and board decisions is provided in as practicable a manner as possible, including via publication, radio, United States mail, the Internet, electronic transmission, public service announcements, conspicuous posting on the cooperative property, or any other means the board deems appropriate under the circumstances. Notice of decisions may also be communicated as provided in this paragraph.

(b) Cancel and reschedule an association meeting.

(c) Designate assistant officers who are not directors. If the executive officer is incapacitated or unavailable, the assistant officer has the same authority during the state of emergency as the executive officer he or she assists.

(d) Relocate the association's principal office or

7876 designate an alternative principal office.

7877 (e) Enter into agreements with counties and municipalities  
7878 to assist counties and municipalities with debris removal.

7879 (f) Implement a disaster or an emergency plan before,  
7880 during, or following the event for which a state of emergency is  
7881 declared, which may include turning on or shutting off  
7882 elevators; electricity; water, sewer, or security systems; or  
7883 air conditioners for association buildings.

7884 (g) Based upon the advice of emergency management  
7885 officials or public health officials, or upon the advice of  
7886 licensed professionals retained by or otherwise available to the  
7887 board of administration, determine any portion of the  
7888 cooperative property unavailable for entry or occupancy by unit  
7889 owners or their family members, tenants, guests, agents, or  
7890 invitees to protect their health, safety, or welfare.

7891 (h) Based upon the advice of emergency management  
7892 officials or public health officials, or upon the advice of  
7893 licensed professionals retained by or otherwise available to the  
7894 board of administration, determine whether the cooperative  
7895 property or any portion thereof can be safely inhabited or  
7896 occupied. However, such determination is not conclusive as to  
7897 any determination of habitability pursuant to the cooperative  
7898 documents.

7899 (i) Require the evacuation of the cooperative property in  
7900 the event of an evacuation order in the area in which the

7901 cooperative is located or prohibit or restrict access to the  
7902 cooperative property in the event of a public health threat. If  
7903 a unit owner or other occupant of a cooperative fails or refuses  
7904 to evacuate the cooperative property for which the board has  
7905 required evacuation, the association is immune from liability  
7906 for injury to persons or property arising from such failure or  
7907 refusal.

7908 (j) Mitigate further damage, injury, or contagion,  
7909 including taking action to contract for the removal of debris  
7910 and to prevent or mitigate the spread of fungus, including mold  
7911 or mildew, by removing and disposing of wet drywall, insulation,  
7912 carpet, cabinetry, or other fixtures on or within the  
7913 cooperative property, regardless of whether the unit owner is  
7914 obligated by the cooperative documents or law to insure or  
7915 replace those fixtures and to remove personal property from a  
7916 unit or to sanitize the cooperative property.

7917 (k) Contract, on behalf of a unit owner, for items or  
7918 services for which the owner is otherwise individually  
7919 responsible, but which are necessary to prevent further injury,  
7920 contagion, or damage to the cooperative property. In such event,  
7921 the unit owner on whose behalf the board has contracted is  
7922 responsible for reimbursing the association for the actual costs  
7923 of the items or services, and the association may use its lien  
7924 authority provided by s. 719.108 to enforce collection of the  
7925 charges. Such items or services may include the drying of the

unit, the boarding of broken windows or doors, the replacement of a damaged air conditioner or air handler to provide climate control in the unit or other portions of the property, and the sanitizing of the cooperative property.

(1) Notwithstanding a provision to the contrary, and regardless of whether such authority does not specifically appear in the cooperative documents, levy special assessments without a vote of the owners.

(m) Without unit owners' approval, borrow money and pledge association assets as collateral to fund emergency repairs and carry out the duties of the association if operating funds are insufficient. This paragraph does not limit the general authority of the association to borrow money, subject to such restrictions contained in the cooperative documents.

**Section 185. For the purpose of incorporating the amendment made by this act to section 617.0830, Florida Statutes, in a reference thereto, subsection (1) of section 720.316, Florida Statutes, is reenacted to read:**

720.316 Association emergency powers.—

(1) To the extent allowed by law, unless specifically prohibited by the declaration or other recorded governing documents, and consistent with s. 617.0830, the board of directors, in response to damage or injury caused by or anticipated in connection with an emergency, as defined in s. 252.34(4), for which a state of emergency is declared pursuant

7951 to s. 252.36 in the area encompassed by the association, may  
7952 exercise the following powers:

7953 (a) Conduct board meetings, committee meetings, elections,  
7954 or membership meetings, in whole or in part, by telephone, real-  
7955 time videoconferencing, or similar real-time electronic or video  
7956 communication after notice of the meetings and board decisions  
7957 is provided in as practicable a manner as possible, including  
7958 via publication, radio, United States mail, the Internet,  
7959 electronic transmission, public service announcements,  
7960 conspicuous posting on the common area, or any other means the  
7961 board deems appropriate under the circumstances. Notice of  
7962 decisions may also be communicated as provided in this  
7963 paragraph.

7964 (b) Cancel and reschedule an association meeting.

7965 (c) Designate assistant officers who are not directors. If  
7966 the executive officer is incapacitated or unavailable, the  
7967 assistant officer has the same authority during the state of  
7968 emergency as the executive officer he or she assists.

7969 (d) Relocate the association's principal office or  
7970 designate an alternative principal office.

7971 (e) Enter into agreements with counties and municipalities  
7972 to assist counties and municipalities with debris removal.

7973 (f) Implement a disaster or an emergency plan before,  
7974 during, or following the event for which a state of emergency is  
7975 declared, which may include, but is not limited to, turning on

7976 or shutting off elevators; electricity; water, sewer, or  
7977 security systems; or air conditioners for association buildings.

7978 (g) Based upon the advice of emergency management  
7979 officials or public health officials, or upon the advice of  
7980 licensed professionals retained by or otherwise available to the  
7981 board, determine any portion of the common areas or facilities  
7982 unavailable for entry or occupancy by owners or their family  
7983 members, tenants, guests, agents, or invitees to protect their  
7984 health, safety, or welfare.

7985 (h) Based upon the advice of emergency management  
7986 officials or public health officials or upon the advice of  
7987 licensed professionals retained by or otherwise available to the  
7988 board, determine whether the common areas or facilities can be  
7989 safely inhabited, accessed, or occupied. However, such  
7990 determination is not conclusive as to any determination of  
7991 habitability pursuant to the declaration.

7992 (i) Mitigate further damage, injury, or contagion,  
7993 including taking action to contract for the removal of debris  
7994 and to prevent or mitigate the spread of fungus, including mold  
7995 or mildew, by removing and disposing of wet drywall, insulation,  
7996 carpet, cabinetry, or other fixtures on or within the common  
7997 areas or facilities or sanitizing the common areas or  
7998 facilities.

7999 (j) Notwithstanding a provision to the contrary, and  
8000 regardless of whether such authority does not specifically



8001 appear in the declaration or other recorded governing documents,  
8002 levy special assessments without a vote of the owners.

8003       (k) Without owners' approval, borrow money and pledge  
8004 association assets as collateral to fund emergency repairs and  
8005 carry out the duties of the association if operating funds are  
8006 insufficient. This paragraph does not limit the general  
8007 authority of the association to borrow money, subject to such  
8008 restrictions contained in the declaration or other recorded  
8009 governing documents.

8010       **Section 186. For the purpose of incorporating the**  
8011 **amendment made by this act to section 617.0832, Florida**  
8012 **Statutes, in a reference thereto, subsections (2) and (5) of**  
8013 **section 718.3027, Florida Statutes, are reenacted to read:**

8014       718.3027 Conflicts of interest.—

8015       (2) If a director or an officer, or a relative of a  
8016 director or an officer, proposes to engage in an activity that  
8017 is a conflict of interest, as described in subsection (1), the  
8018 proposed activity must be listed on, and all contracts and  
8019 transactional documents related to the proposed activity must be  
8020 attached to, the meeting agenda. The association shall comply  
8021 with the requirements of s. 617.0832, and the disclosures  
8022 required by s. 617.0832 shall be entered into the written  
8023 minutes of the meeting. Approval of the contract or other  
8024 transaction requires an affirmative vote of two-thirds of all  
8025 other directors present. At the next regular or special meeting

of the members, the existence of the contract or other transaction shall be disclosed to the members. Upon motion of any member, the contract or transaction shall be brought up for a vote and may be canceled by a majority vote of the members present. If the contract is canceled, the association is only liable for the reasonable value of the goods and services provided up to the time of cancellation and is not liable for any termination fee, liquidated damages, or other form of penalty for such cancellation.

(5) A contract entered into between a director or an officer, or a relative of a director or an officer, and the association, which is not a timeshare condominium association, that has not been properly disclosed as a conflict of interest or potential conflict of interest as required by this section or s. 617.0832 is voidable and terminates upon the filing of a written notice terminating the contract with the board of directors which contains the consent of at least 20 percent of the voting interests of the association.

**Section 187. For the purpose of incorporating the amendment made by this act to sections 617.0832 and 617.0834, Florida Statutes, in references thereto, paragraphs (a) and (b) of subsection (2) and subsection (3) of section 720.3033, Florida Statutes, are reenacted to read:**

720.3033 Officers and directors.—

(2) If the association enters into a contract or other

transaction with any of its directors or a corporation, firm, association that is not an affiliated homeowners' association, or other entity in which an association director is also a director or officer or is financially interested, the board must:

(a) Comply with the requirements of s. 617.0832.

(b) Enter the disclosures required by s. 617.0832 into the written minutes of the meeting.

(3) An officer, a director, or a manager may not solicit, offer to accept, or accept a kickback. As used in this subsection, the term "kickback" means any thing or service of value for which consideration has not been provided for an officer's, a director's, or a manager's benefit or for the benefit of a member of his or her immediate family from any person providing or proposing to provide goods or services to the association. An officer, a director, or a manager who knowingly solicits, offers to accept, or accepts a kickback commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084, and is subject to monetary damages under s. 617.0834. If the board finds that an officer or a director has violated this subsection, the board must immediately remove the officer or director from office. The vacancy shall be filled according to law until the end of the officer's or director's term of office. However, an officer, a director, or a manager may accept food to be consumed at a

8076 business meeting with a value of less than \$25 per individual or  
8077 a service or good received in connection with trade fairs or  
8078 education programs.

8079 **Section 188. For the purpose of incorporating the**  
8080 **amendment made by this act to section 617.0834, Florida**  
8081 **Statutes, in a reference thereto, paragraph (a) of subsection**  
8082 **(13) of section 721.13, Florida Statutes, is reenacted to read:**

8083 721.13 Management.—

8084 (13) (a) Notwithstanding any provisions of chapter 607,  
8085 chapter 617, or chapter 718, an officer, director, or agent of  
8086 an owners' association, including a timeshare management firm  
8087 and any individual licensed under part VIII of chapter 468  
8088 employed by the timeshare management firm, shall discharge its  
8089 duties in good faith, with the care an ordinarily prudent person  
8090 in a like position would exercise under similar circumstances,  
8091 and in a manner it reasonably believes to be in the interests of  
8092 the owners' association. An officer, director, or agent of an  
8093 owners' association, including a timeshare management firm and  
8094 any individual licensed under part VIII of chapter 468 employed  
8095 by the timeshare management firm, is exempt from liability for  
8096 monetary damages in the same manner as provided in s. 617.0834  
8097 unless such officer, director, agent, or firm breached or failed  
8098 to perform its duties and the breach of, or failure to perform,  
8099 its duties constitutes a violation of criminal law as provided  
8100 in s. 617.0834; constitutes a transaction from which the officer

or director derived an improper personal benefit, either directly or indirectly; or constitutes recklessness or an act or omission that was in bad faith, with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

**Section 189. For the purpose of incorporating the amendment made by this act to sections 617.0830 and 617.0834, Florida Statutes, in references thereto, paragraph (d) of subsection (1) of section 718.111, Florida Statutes, is reenacted to read:**

718.111 The association.—

(1) CORPORATE ENTITY.—

(d) As required by s. 617.0830, an officer, director, or agent shall discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the interests of the association. An officer, director, or agent shall be liable for monetary damages as provided in s. 617.0834 if such officer, director, or agent breached or failed to perform his or her duties and the breach of, or failure to perform, his or her duties constitutes a violation of criminal law as provided in s. 617.0834; constitutes a transaction from which the officer or director derived an improper personal benefit, either directly or indirectly; or constitutes recklessness or an act or omission

8126 that was in bad faith, with malicious purpose, or in a manner  
8127 exhibiting wanton and willful disregard of human rights, safety,  
8128 or property. Forgery of a ballot envelope or voting certificate  
8129 used in a condominium association election is punishable as  
8130 provided in s. 831.01, the theft or embezzlement of funds of a  
8131 condominium association is punishable as provided in s. 812.014,  
8132 and the destruction of or the refusal to allow inspection or  
8133 copying of an official record of a condominium association that  
8134 is accessible to unit owners within the time periods required by  
8135 general law in furtherance of any crime is punishable as  
8136 tampering with physical evidence as provided in s. 918.13 or as  
8137 obstruction of justice as provided in chapter 843. An officer or  
8138 director charged by information or indictment with a crime  
8139 referenced in this paragraph must be removed from office, and  
8140 the vacancy shall be filled as provided in s. 718.112(2)(d)2.  
8141 until the end of the officer's or director's period of  
8142 suspension or the end of his or her term of office, whichever  
8143 occurs first. If a criminal charge is pending against the  
8144 officer or director, he or she may not be appointed or elected  
8145 to a position as an officer or a director of any association and  
8146 may not have access to the official records of any association,  
8147 except pursuant to a court order. However, if the charges are  
8148 resolved without a finding of guilt, the officer or director  
8149 must be reinstated for the remainder of his or her term of  
8150 office, if any.

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8151 |        **Section 190.**   This act shall take effect July 1, 2026. |