

CHAPTER 2012-71

Committee Substitute for House Bill No. 827

An act relating to limited agricultural associations; amending s. 604.14, F.S.; providing for the conversion of limited agricultural associations to corporations not for profit; conforming provisions; amending s. 617.0122, F.S.; specifying a fee for filing a limited agricultural association's certificate of conversion to a domestic corporation; creating s. 617.1809, F.S.; defining the term "limited agricultural association" for purposes of the act; providing procedures for conversion of a limited agricultural association to a domestic corporation not for profit; requiring the filing of a certificate of conversion and articles of incorporation with the Department of State; providing for the effective date of the conversion; providing that the conversion does not affect any obligation or liability of the association; providing that all rights, property, and obligations of the association are vested in the corporation; specifying that the association is not required to wind up its affairs or pay its liabilities and distribute its assets; providing for the association's approval before the certificate of conversion is filed; authorizing the association to provide a plan or other record of conversion; providing an effective date.

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

Section 1. Section 604.14, Florida Statutes, is amended to read:

604.14 Limited agricultural association; dissolution; conversion to a corporation not for profit.—

(1) ~~A Any~~ limited agricultural association may be dissolved upon the presentation by its members of a petition for dissolution to ~~a the~~ circuit judge of the circuit ~~in which the association's~~ ~~wherein its~~ principal place of business is located. ~~The Such~~ judge may ~~issue any~~ ~~make all~~ orders necessary ~~for to~~ the preservation of the rights of the members and creditors and the winding up of the affairs of the association. ~~Such~~ Notice of hearing on the petition for dissolution ~~must~~ shall be given as ~~may by~~ the judge ~~deems~~ be deemed proper.

(2) A limited agricultural association may convert to a corporation not for profit in accordance with s. 617.1809.

Section 2. Subsection (22) of section 617.0122, Florida Statutes, is renumbered as subsection (23), and a new subsection (22) is added to that section 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:

(22) Certificate of conversion of a limited agricultural association to a domestic corporation: \$35.

Any citizen support organization that is required by rule of the Department of Environmental Protection to be formed as a nonprofit organization and is under contract with the department is exempt from any fees required for incorporation as a nonprofit organization, and the 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 3. Section 617.1809, Florida Statutes, is created 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(2), must be a date certain and the same as the effective date of the articles of incorporation.

(4) When the certificate of conversion and articles of incorporation are filed with the department, or upon the delayed effective date, the association is converted to the domestic corporation, and the corporation becomes subject to this chapter. However, notwithstanding s. 617.0123, the existence of the corporation is deemed to have commenced when the association was initially formed under ss. 604.09-604.14.

(5) Conversion of a limited agricultural association to a domestic corporation does not affect any obligation or liability of the association that was incurred before the conversion.

(6) When a conversion takes effect under this section, all rights, privileges, and powers of the converting association, all property, real, personal, and mixed, and all debts due to the association, as well as all other assets and causes of action belonging to the association, are vested in the domestic corporation to which the association is converted and are the property of the corporation as they were of the association. The title to any real property that is vested by deed or otherwise in the converting association does not revert and is not impaired by the operation of this chapter, but all rights of creditors and all liens upon any property of the association are preserved unimpaired, and all debts, liabilities, and duties of the association attach to the domestic corporation and are enforceable against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by the corporation.

(7) The limited agricultural association is not required to wind up its affairs or pay its liabilities and distribute its assets. Conversion does not constitute a dissolution of the association but is a continuation of the association's existence in the form of the domestic corporation.

(8) Before a limited agricultural association may file a certificate of conversion with the department, unless otherwise specified in the association's articles of association or bylaws, the conversion must be approved by a majority vote of the association's members, and the articles of incorporation must be approved by the same authorization required for approval of the conversion. As part of the approval, the converting association may provide a plan or other record of conversion which describes the manner and basis of converting the membership interests in the association into membership interests in the domestic corporation. The plan or other record may also contain other provisions relating to the conversion, including, but not limited to, the right of the converting association to abandon the proposed conversion or an effective date for the conversion that is consistent with paragraph (3)(d).

Section 4. This act shall take effect upon becoming a law.

Approved by the Governor April 6, 2012.

Filed in Office Secretary of State April 6, 2012.