

## CHAPTER 2014-209

### Committee Substitute for Committee Substitute for House Bill No. 685

An act relating to business organizations; amending s. 605.0112, F.S.; providing additional exceptions regarding the requirement that limited liability company names be distinguishable from the names of other entities or filings; specifying differences in names which are not considered distinguishable; designating part I of ch. 607, F.S., entitled "General Provisions"; amending s. 607.0101, F.S.; revising a provision to conform to changes made by the act; amending s. 607.0401, F.S.; providing additional exceptions regarding the requirement that corporate names be distinguishable; specifying differences in corporate names which are not considered distinguishable; amending s. 607.1302, F.S.; providing that the amendment of articles of incorporation or the merger, conversion, or share exchange of a social purpose or benefit corporation entitles the shareholders to appraisal rights; creating part II of ch. 607, F.S., entitled "Social Purpose Corporations"; creating s. 607.501, F.S.; providing application and effect; creating s. 607.502, F.S.; providing definitions; creating s. 607.503, F.S.; establishing requirements for the formation of a social purpose corporation; creating s. 607.504, F.S.; providing procedures for an existing corporation to become a social purpose corporation; creating s. 607.505, F.S.; providing procedures for the termination of a social purpose corporation status; creating s. 607.506, F.S.; requiring that the corporate purpose must be to create a public benefit; providing criteria; creating s. 607.507, F.S.; requiring that the directors of a social purpose corporation meet a standard of conduct; providing criteria for the standards; creating s. 607.508, F.S.; authorizing the articles of incorporation of a social purpose corporation to provide for a benefit director; providing powers and duties of a benefit director; creating s. 607.509, F.S.; requiring that the officers of a social purpose corporation meet a standard of conduct; providing criteria for the standards of conduct; creating s. 607.510, F.S.; authorizing a social purpose corporation to designate an officer as a benefit officer; providing for the powers and duties of a benefit officer; creating s. 607.511, F.S.; authorizing certain legal actions to be brought against a social purpose corporation, its officers, or its directors; creating s. 607.512, F.S.; requiring the board of directors to prepare an annual benefit report; providing criteria for the preparation of the report; creating s. 607.513, F.S.; establishing requirements for the availability and dissemination of the annual report; authorizing a court to order dissemination of the report; providing criteria; creating part III of ch. 607, F.S., entitled "Benefit Corporations"; creating s. 607.601, F.S.; providing for application and effect; creating s. 607.602, F.S.; providing definitions; creating s. 607.603, F.S.; establishing requirements for the formation of a benefit corporation; creating s. 607.604, F.S.; providing procedures for an existing corporation to become a benefit corporation; creating s. 607.605, F.S.; providing procedures for the termination of a benefit corporation

status; creating s. 607.606, F.S.; requiring that the corporate purpose be to create a public benefit; providing criteria; creating s. 607.607, F.S.; requiring the directors of a benefit corporation to meet a standard of conduct; providing criteria for the standards; creating s. 607.608, F.S.; authorizing the articles of incorporation of a benefit corporation to provide for a benefit director; providing powers and duties of the benefit director; creating s. 607.609, F.S.; requiring the officers of a benefit corporation to meet a standard of conduct; providing criteria for the standards of conduct; creating s. 607.610, F.S.; authorizing a benefit corporation to designate an officer as a benefit officer; providing for the powers and duties of the benefit officer; creating s. 607.611, F.S.; authorizing certain legal actions to be brought against a benefit corporation, its officers, or its directors; creating s. 607.612, F.S.; requiring the board of directors to prepare an annual benefit report; providing criteria for the preparation of the report; creating s. 607.613, F.S.; establishing requirements for the availability and dissemination of the annual report; authorizing a court to order dissemination of the report; amending ss. 617.0401 and 620.1108, F.S.; providing additional exceptions regarding the requirement that the names of entities be distinguishable; specifying differences in names which are not considered distinguishable; amending ss. 48.091, 215.555, 243.54, 310.171, 310.181, 329.10, 339.412, 420.101, 420.111, 420.161, 440.02, 440.386, 609.08, 617.1908, 618.221, 619.04, 624.430, 624.462, 624.489, 628.041, 631.262, 636.204, 641.2015, 655.0201, 658.23, 658.2953, 658.30, 658.36, 663.03, 663.04, 663.301, 663.306, 663.313, 718.111, 719.104, 720.302, 720.306, 766.101, and 865.09, F.S.; conforming cross-references to changes made by the act; providing an effective date.

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

Section 1. Subsection (1) of section 605.0112, Florida Statutes, is amended to read:

605.0112 Name.—

(1) The name of a limited liability company:

(a) Must contain the words “limited liability company” or the abbreviation “L.L.C.” or “LLC.”;

(b) Must be distinguishable in the records of the Division of Corporations of the department from the names of all other entities or filings that are on file with the division, except fictitious name registrations pursuant to s. 865.09, general partnership registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under the laws of this state, which names are on file with the division; however, a limited liability company may register under a name that is not otherwise distinguishable on the records of the division with the written consent of the owner entity if, provided the consent is filed with the division at the time of registration of such name. A

name that is different from the name of another entity or filing due to any of the following is not considered distinguishable:

- 1. A suffix.
- 2. A definite or indefinite article.
- 3. The word “and” and the symbol “&.”
- 4. The singular, plural, or possessive form of a word.
- 5. A recognized abbreviation of a root word.
- 6. A punctuation mark or a symbol.;

(c) May not contain language stating or implying that the limited liability company is organized for a purpose other than a purpose authorized in this chapter and its articles of organization.;

(d) May not contain language stating or implying that the limited liability company is connected with a state or federal government agency or a corporation or other entity chartered under the laws of the United States.

Section 2. Sections 607.0101 through 607.193, Florida Statutes, are designated as part I of chapter 607, Florida Statutes, and entitled “GENERAL PROVISIONS.”

Section 3. Section 607.0101, Florida Statutes, is amended to read:

607.0101 Short title.—~~This chapter act shall be known and~~ may be cited as the “Florida Business Corporation Act.”

Section 4. Section 607.0401, Florida Statutes, is amended to read:

607.0401 Corporate name.—A corporate name:

(1) Must contain the word “corporation,” “company,” or “incorporated” or the abbreviation “Corp.,” “Inc.,” or “Co.,” or the designation “Corp,” “Inc,” or “Co,” as will clearly indicate that it is a corporation instead of a natural person, partnership, or other business entity.;

(2) May not contain language stating or implying that the corporation is organized for a purpose other than that permitted in this act and its articles of incorporation.;

(3) May not contain language stating or implying that the corporation is connected with a state or federal government agency or a corporation chartered under the laws of the United States.;

(4) Must be distinguishable from the names of all other entities or filings that are on file with the Division of Corporations, except fictitious name

registrations pursuant to s. 865.09, general partnership registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under the laws of this state, which names are on file with the Division of Corporations. A name that is different from the name of another entity or filing due to any of the following is not considered distinguishable:

(a) A suffix.

(b) A definite or indefinite article.

(c) The word “and” and the symbol “&.”

(d) The singular, plural, or possessive form of a word.

(e) A recognized abbreviation of a root word.

(f) A punctuation mark or a symbol.

~~(5) The name of the corporation~~ As filed with the Department of State, is ~~shall be~~ for public notice only and does ~~shall~~ not alone create any presumption of ownership beyond that which is created under the common law.

Section 5. Subsection (1) of section 607.1302, Florida Statutes, is amended to read:

607.1302 Right of shareholders to appraisal.—

(1) A shareholder of a domestic corporation is entitled to appraisal rights, and to obtain payment of the fair value of that shareholder’s shares, in the event of any of the following corporate actions:

(a) Consummation of a conversion of such corporation pursuant to s. 607.1112 if shareholder approval is required for the conversion and the shareholder is entitled to vote on the conversion under ss. 607.1103 and 607.1112(6), or the consummation of a merger to which such corporation is a party if shareholder approval is required for the merger under s. 607.1103 and the shareholder is entitled to vote on the merger or if such corporation is a subsidiary and the merger is governed by s. 607.1104;

(b) Consummation of a share exchange to which the corporation is a party as the corporation whose shares will be acquired if the shareholder is entitled to vote on the exchange, except that appraisal rights are ~~shall~~ not be available to any shareholder of the corporation with respect to any class or series of shares of the corporation that is not exchanged;

(c) Consummation of a disposition of assets pursuant to s. 607.1202 if the shareholder is entitled to vote on the disposition, including a sale in dissolution but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of

the sale will be distributed to the shareholders within 1 year after the date of sale;

(d) An amendment of the articles of incorporation with respect to the class or series of shares which reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the corporation has the obligation or right to repurchase the fractional share so created;

(e) Any other amendment to the articles of incorporation, merger, share exchange, or disposition of assets to the extent provided by the articles of incorporation, bylaws, or a resolution of the board of directors, except that no bylaw or board resolution providing for appraisal rights may be amended or otherwise altered except by shareholder approval; ~~or~~

(f) With regard to a class of shares prescribed in the articles of incorporation prior to October 1, 2003, including any shares within that class subsequently authorized by amendment, any amendment of the articles of incorporation if the shareholder is entitled to vote on the amendment and if such amendment would adversely affect such shareholder by:

1. Altering or abolishing any preemptive rights attached to any of his or her shares;

2. Altering or abolishing the voting rights pertaining to any of his or her shares, except as such rights may be affected by the voting rights of new shares then being authorized of any existing or new class or series of shares;

3. Effecting an exchange, cancellation, or reclassification of any of his or her shares, when such exchange, cancellation, or reclassification would alter or abolish the shareholder’s voting rights or alter his or her percentage of equity in the corporation, or effecting a reduction or cancellation of accrued dividends or other arrearages in respect to such shares;

4. Reducing the stated redemption price of any of the shareholder’s redeemable shares, altering or abolishing any provision relating to any sinking fund for the redemption or purchase of any of his or her shares, or making any of his or her shares subject to redemption when they are not otherwise redeemable;

5. Making noncumulative, in whole or in part, dividends of any of the shareholder’s preferred shares which had theretofore been cumulative;

6. Reducing the stated dividend preference of any of the shareholder’s preferred shares; or

7. Reducing any stated preferential amount payable on any of the shareholder’s preferred shares upon voluntary or involuntary liquidation;

(g) An amendment of the articles of incorporation of a social purpose corporation to which s. 607.504 or s. 607.505 applies;

(h) An amendment of the articles of incorporation of a benefit corporation to which s. 607.604 or s. 607.605 applies;

(i) A merger, conversion, or share exchange of a social purpose corporation to which s. 607.504 applies; or

(j) A merger, conversion, or share exchange of a benefit corporation to which s. 607.604 applies.

Section 6. Sections 607.501 through 607.513, Florida Statutes, are designated as part II of chapter 607, Florida Statutes, and entitled “SOCIAL PURPOSE CORPORATIONS.”

Section 7. Section 607.501, Florida Statutes, is created to read:

607.501 Application and effect of part.—

(1) This part applies to a social purpose corporation and does not affect a corporation that is not a social purpose corporation.

(2) Except as otherwise provided in this part, this chapter applies generally to all social purpose corporations.

(3) A social purpose corporation may be simultaneously subject to this part and to one or more chapters, including chapter 621. In such event, this part takes precedence with respect to a social purpose corporation.

(4) Except as authorized by this part, a provision of the articles of incorporation or bylaws of a social purpose corporation, or a shareholders agreement among shareholders of a social purpose corporation, may not limit, be inconsistent with, or supersede a provision of this part.

Section 8. Section 607.502, Florida Statutes, is created to read:

607.502 Definitions.—As used in this part, unless the context otherwise requires, the term:

(1) “Benefit director” means:

(a) The director designated as the benefit director of a social purpose corporation under s. 607.508; or

(b) A person with one or more of the powers, duties, or rights of a benefit director to the extent provided in the articles of incorporation or bylaws under s. 607.508.

(2) “Benefit enforcement proceeding” means a claim or action for:

(a) The failure of a social purpose corporation to pursue or create a public benefit or a specific public benefit established in its articles of incorporation; or

(b) A violation of any obligation, duty, or standard of conduct under this part.

(3) “Benefit officer” means the individual designated as the benefit officer of a social purpose corporation under s. 607.510.

(4) “Independent” means not having a material relationship with the social purpose corporation or a subsidiary of the social purpose corporation. A person does not have a material relationship solely by virtue of serving as the benefit director or benefit officer of the social purpose corporation or a subsidiary of the social purpose corporation. In determining whether a director or officer is independent, a material relationship between an individual and a social purpose corporation or any of its subsidiaries will be conclusively presumed to exist, at the time independence is to be determined, if any of the following apply:

(a) The individual is or was within the prior 3 years an employee, other than a benefit officer, of the social purpose corporation or a subsidiary.

(b) An immediate family member of the individual is or was within the prior 3 years an executive officer, other than a benefit officer, of the social purpose corporation or a subsidiary.

(c) When ownership is calculated as if all outstanding rights to acquire equity interests in the social purpose corporation had been exercised, there is beneficial or record ownership of 5 percent or more of the outstanding shares of the social purpose corporation by:

1. The individual; or

2. An entity:

a. Of which the individual is a director, an officer, or a manager; or

b. In which, when ownership is calculated as if all outstanding rights to acquire equity interests in the entity had been exercised, the individual owns beneficially or of record 5 percent or more of the outstanding equity interests.

(5) “Minimum status vote” means:

(a) In the case of a corporation that is to become a social purpose corporation, whether by amendment of the articles of incorporation or by way of or pursuant to a merger, conversion, or share exchange; a social purpose corporation whose articles of incorporation are to be amended pursuant to s. 607.506(2); or a social purpose corporation that is to cease being a social purpose corporation, in addition to any other required approval or vote, the satisfaction of the following conditions:

1. The holders of each class or series of shares shall be entitled to vote as a separate voting group on the corporate action regardless of any limitation

on the voting rights of any class or series stated in the articles of incorporation or bylaws.

2. The corporate action is approved by vote of each class or series of shares entitled to vote by at least two-thirds of the total votes of the class or series.

(b) In the case of a domestic entity, other than a corporation, which is to be simultaneously converted to a social purpose corporation or merged into a social purpose corporation, in addition to any other required approval, vote, or consent, the satisfaction of the following conditions:

1. The holders of each class or series of equity interest in the entity who are entitled to receive a distribution of any kind are entitled, as a separate voting group, to vote on or consent to the action regardless of any applicable limitation on the voting or consent rights of any class or series.

2. The action is approved by vote or consent of each class or series of equity interest described in subparagraph 1. who are entitled to vote by at least two-thirds of the votes or consent of the class or series.

(6) "Public benefit" means a positive effect, or the minimization of negative effects, taken as a whole, on the environment or on one or more categories of persons or entities, other than shareholders in their capacity as shareholders, of an artistic, charitable, economic, educational, cultural, literary, religious, social, ecological, or scientific nature, from the business and operations of a social purpose corporation. The term includes, but is not limited to, the following:

(a) Providing low-income or underserved individuals or communities with beneficial products or services.

(b) Promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business.

(c) Protecting or restoring the environment.

(d) Improving human health.

(e) Promoting the arts, sciences, or advancement of knowledge.

(f) Increasing the flow of capital to entities that have as their stated purpose the provision of a benefit to society or the environment.

(7) "Social purpose corporation" means a corporation that is formed, or has elected to become, subject to this part, the status of which as a social purpose corporation has not been terminated.

(8) "Specific public benefit" means a benefit identified as a purpose of the social purpose corporation which is set forth in the articles of incorporation and is consistent with a public benefit.



(9) “Subsidiary” means, in relation to a person other than an individual, an entity in which the person owns beneficially or of record 50 percent or more of the outstanding equity interests.

(10) “Third-party standard” means a recognized standard for defining, reporting, and assessing the societal and environmental performance of a business which is:

(a) Comprehensive, because it assesses the effect of the business and its operations upon the interests listed in s. 607.507(1)(a).

(b) Developed by an entity that is not controlled by the social purpose corporation.

(c) Credible, because it is developed by an entity that has access to necessary expertise to assess the overall effect of the business and uses a balanced, collaborative approach to develop the standard, including a period for public comment.

(d) Transparent, because the following information is publicly available:

1. The criteria considered under the standard when measuring the overall effect of the business and its operations upon the interests provided in s. 607.507(1)(a) and the relative weights, if any, of those criteria; and

2. The process used in the development and revision of the third-party standard regarding the identity of the directors, officers, material owners, and governing body of the entity that developed and controls revisions to the standard; the process by which revisions to the standard and changes to the membership of the governing body are made; and an accounting of the revenue and sources of financial support for the entity with sufficient detail to disclose any relationships that could reasonably be considered to present a potential conflict of interest.

Section 9. Section 607.503, Florida Statutes, is created to read:

607.503 Incorporation.—To incorporate as a social purpose corporation, an incorporator must satisfy the requirements of this chapter, and the articles of incorporation must state that the corporation is a social purpose corporation under this part.

Section 10. Section 607.504, Florida Statutes, is created to read:

607.504 Election of social purpose corporation status.—

(1) An existing corporation may become a social purpose corporation under this part by amending its articles of incorporation to include a statement that the corporation is a social purpose corporation under this part. The amendment must be adopted by the minimum status vote.

(2) A plan of merger, conversion, or share exchange must be adopted by the minimum status vote if an entity that is not a social purpose corporation is a party to the merger or conversion or if the exchanging entity in a share exchange and the surviving, new, or resulting entity is, or will be, a social purpose corporation.

(3) If an entity elects to become a social purpose corporation by amendment of the articles of incorporation or by a merger, conversion, or share exchange, the shareholders of the entity are entitled to appraisal rights under and pursuant to ss. 607.1301-607.1333.

Section 11. Section 607.505, Florida Statutes, is created to read:

607.505 Termination of social purpose corporation status.—

(1) A social purpose corporation may terminate its status as such and cease to be subject to this part by amending its articles of incorporation to delete the provision required under s. 607.503 or s. 607.504. The amendment must be adopted by the minimum status vote.

(2) A plan of merger, conversion, or share exchange which has the effect of terminating the status of a corporation as a social purpose corporation must be adopted by the minimum status vote. A sale, lease, exchange, or other disposition of all or substantially all of the assets of a social purpose corporation is not effective unless the transaction is approved by the minimum status vote. However, a minimum status vote is not required if the transaction is in the usual and regular course of business, is pursuant to court order, or is a sale pursuant to which all or a substantial portion of the net proceeds of the sale will be distributed to the shareholders within 1 year after the date of the sale.

(3) If a corporation's status as a social purpose corporation is terminated pursuant to subsection (1) or subsection (2), shareholders of the corporation are entitled to appraisal rights under and pursuant to ss. 607.1301-607.1333.

Section 12. Section 607.506, Florida Statutes, is created to read:

607.506 Corporate purpose.—

(1) A social purpose corporation has the purpose of creating a public benefit. This purpose is in addition to its purpose under s. 607.0301.

(2) The articles of incorporation of a social purpose corporation may identify one or more specific public benefits as its purpose in addition to its purposes under s. 607.0301 and subsection (1). A social purpose corporation may amend its articles of incorporation to add, amend, or delete the identification of a specific public benefit purpose; however, the amendment must be adopted by the minimum status vote.

(3) The creation of a public benefit and a specific public benefit under subsections (1) and (2) is deemed to be in the best interest of the social purpose corporation.

(4) A professional corporation that is a social purpose corporation does not violate s. 621.08 by having as its purpose the creation of a public benefit or a specific public benefit.

Section 13. Section 607.507, Florida Statutes, is created to read:

607.507 Standard of conduct for directors.—

(1) In discharging their duties and in considering the best interests of the social purpose corporation, the directors:

(a) Shall consider the effects of any action or inaction upon:

- 1. The shareholders of the social purpose corporation; and
- 2. The ability of the social purpose corporation to accomplish its public benefit or any specific public benefit purpose.

(b) May consider the effects of any action or inaction upon any of the following:

- 1. The employees and work force of the social purpose corporation, its subsidiaries, and its suppliers.
- 2. The interests of customers and suppliers as beneficiaries of the public benefit or specific public benefits of the social purpose corporation.
- 3. Community and societal factors, including those of each community in which offices or facilities of the social purpose corporation, its subsidiaries, or its suppliers are located.
- 4. The local and global environment.
- 5. The short-term and long-term interests of the social purpose corporation, including benefits that may accrue to the social purpose corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the social purpose corporation.

(c) May consider other pertinent factors or the interests of any other group that they deem appropriate.

(d) Are not required to give priority to the interests of a particular person or group referred to in paragraph (a), paragraph (b), or paragraph (c) unless the social purpose corporation states in its articles of incorporation its intention to give such priority.

(e) Are not required to give equal weight to the interests of any particular person or group referred to in paragraph (a), paragraph (b), or paragraph (c)

unless the social purpose corporation has stated in its articles of incorporation its intention to give such equal weight.

(2) Except as provided in the articles of incorporation, a director is not personally liable for monetary damages to the corporation, or to any other person, for the failure of the social purpose corporation to pursue or create a public benefit or a specific public benefit. A director is subject to the duties specified in s. 607.0830.

(3) Except as provided in the articles of incorporation, a director does not have a duty to a person who is a beneficiary of the public benefit purpose or any one or more specific public benefit purposes of a social purpose corporation.

Section 14. Section 607.508, Florida Statutes, is created to read:

607.508 Benefit director.—

(1) If the articles of incorporation so provide, the board of directors of a social purpose corporation may include a director who is designated as the benefit director and, in addition to the powers, duties, rights, and immunities of the other directors of the social purpose corporation, has the powers, duties, rights, and immunities provided in this part.

(2) The benefit director shall be elected, and may be removed, in the manner provided by this chapter. Except as provided under subsection (5), the benefit director shall be independent and may serve as a benefit officer. The articles of incorporation or bylaws may prescribe additional qualifications of the benefit director.

(3) Unless the articles of incorporation or bylaws provide otherwise, the benefit director shall prepare, and the social purpose corporation shall include in the annual benefit report to shareholders required under s. 607.512, the opinion of the benefit director on the following:

(a) Whether the social purpose corporation in all material respects acted in accordance with its public benefit purpose and any specific public benefit purpose during the period covered by the report.

(b) Whether the directors and officers complied with ss. 607.507(1) and 607.509(1).

(c) Whether the social purpose corporation or its directors or officers failed to comply with paragraph (a) or s. 607.507(1) or s. 607.509(1), including a description of the ways in which the social purpose corporation or its directors or officers failed to comply.

(4) The action or inaction of an individual in his or her capacity as a benefit director shall constitute for all purposes an action or inaction of that individual in his or her capacity as a director of the social purpose corporation.

(5) The benefit director of a corporation formed under chapter 621 is not required to be independent.

Section 15. Section 607.509, Florida Statutes, is created to read:

607.509 Standard of conduct for officers.—

(1) If an officer of a social purpose corporation reasonably believes that a matter may have a material effect on the ability of the corporation to create a public benefit or a specific public benefit identified in the articles of incorporation and the officer has discretion to act on the matter, the officer shall consider the interests and factors provided in s. 607.507(1).

(2) The officer’s consideration of interests and factors under subsection (1) does not constitute a violation of s. 607.0841.

(3) Except as provided in the articles of incorporation, an officer is not personally liable for monetary damages to the corporation or any other person for the failure of the social purpose corporation to pursue or create a public benefit or a specific public benefit; however, he or she is subject to s. 607.0841.

(4) Except as provided in the articles of incorporation, an officer does not have any duty to a person who is a beneficiary of the public benefit purpose or any specific public benefit purpose of a social purpose corporation arising from the status of the person as a beneficiary.

Section 16. Section 607.510, Florida Statutes, is created to read:

607.510 Benefit officer.—

(1) A social purpose corporation may designate an officer as the benefit officer.

(2) The benefit officer has the powers and duties set forth in the bylaws or determined by the board of directors, which may include, but are not limited to:

(a) Powers and duties relating to the public benefit or a specific public benefit purpose of the corporation; and

(b) The duty to prepare the annual benefit report required under s. 607.512.

Section 17. Section 607.511, Florida Statutes, is created to read:

607.511 Right of action.—

(1)(a) Except in a benefit enforcement proceeding, a person may not bring an action or assert a claim against a social purpose corporation or its directors or officers with respect to:

1. A failure to pursue or create a public benefit or a specific public benefit set forth in its articles of incorporation; or

2. A violation of an obligation, duty, or standard of conduct under this part.

(b) A social purpose corporation is not liable for monetary damages under this part for the failure of the social purpose corporation to pursue or create a public benefit or a specific public benefit.

(2) A benefit enforcement proceeding may be commenced or maintained only:

(a) Directly by the social purpose corporation; or

(b) Derivatively by:

1. A shareholder of record on the date of the action or inaction complained of in the benefit enforcement proceeding;

2. A director;

3. A person or group of persons that owns beneficially or of record 5 percent or more of the outstanding equity interests in an entity of which the social purpose corporation is a subsidiary on the date of the action or inaction complained of in the benefit enforcement proceeding; or

4. Any other person who is specified in the articles of incorporation or bylaws of the social purpose corporation.

Section 18. Section 607.512, Florida Statutes, is created to read:

607.512 Preparation of annual benefit report.—

(1) Unless it is prepared by a benefit director or benefit officer, the board of directors shall prepare an annual benefit report. The annual benefit report must include all of the following:

(a) A narrative description of:

1. The ways in which the social purpose corporation pursued a public benefit during the year and the extent to which a public benefit was created.

2. Any circumstance that has hindered the pursuit or creation of a public benefit by the social purpose corporation.

3. The process and rationale for selecting or changing the third-party standard used to prepare the benefit report, if the articles of incorporation of the social purpose corporation require, or the board of directors determines, that the annual benefit report must be prepared in accordance with a third-party standard.

(b) If the articles of incorporation of the social purpose corporation require, or the board of directors determines, that the annual benefit report must be prepared in accordance with a third-party standard, the third-party standard must be:

1. Applied consistently with any previous application in prior annual benefit reports; or

2. Accompanied by an explanation of the reasons for inconsistent application or any change in the standard from the immediate prior report.

(c) The name of the benefit director and the benefit officer, if those positions exist, and the respective addresses to which correspondence may be directed.

(d) If the corporation has a benefit director, his or her statement as provided in s. 607.508(3).

(e) If the articles of incorporation of the social purpose corporation require, or the board of directors determines, that the annual benefit report must be prepared in accordance with a third-party standard, a statement of any connection between the organization that established the third-party standard, or its directors, officers, or any holder of 5 percent or more of the governance interests in the organization, and the social purpose corporation or its directors, officers, or any holder of 5 percent or more of the outstanding shares of the social purpose corporation, including any financial or governance relationship that might materially affect the credibility of the use of the third-party standard.

(2) If, during the year covered by an annual benefit report, a benefit director resigned from, or refused to stand for reelection to, his or her position, or was removed from his or her position, and he or she furnished written correspondence to the social purpose corporation concerning the circumstances surrounding his or her departure, that correspondence must be included as an exhibit in the annual benefit report.

(3) The annual benefit report and the assessment of the performance of the social purpose corporation in the annual benefit report required under paragraph (1)(b) are not required to be audited or certified by a third-party standards provider.

Section 19. Section 607.513, Florida Statutes, is created to read:

607.513 Availability of annual benefit report.—

(1) Each social purpose corporation shall send its annual benefit report to each shareholder:

(a) Within 120 days after the end of the fiscal year of the social purpose corporation; or

(b) At the same time that the social purpose corporation delivers any other annual report to its shareholders.

(2) A social purpose corporation shall post each annual benefit report on the public portion of its website, if any, and it shall remain posted for at least 3 years.

(3) If a social purpose corporation does not have a website, the corporation shall provide a copy of its most recent annual benefit report, without charge, to any person who requests a copy.

(4) If a social purpose corporation does not comply with the annual benefit report delivery requirement, the circuit court in the county in which the principal office of the social purpose corporation is located or, if no office is located in this state, the county in which its registered office is located, may, after a shareholder of the social purpose corporation requests a copy, summarily order the corporation to furnish the annual benefit report. If the court orders the annual benefit report to be furnished, the court may also order the social purpose corporation to pay the shareholder's costs, including reasonable attorney fees, which were incurred in obtaining the order and otherwise enforce his or her rights under this section.

Section 20. Sections 607.601 through 607.613, Florida Statutes, are designated as part III of chapter 607, Florida Statutes, entitled "BENEFIT CORPORATIONS."

Section 21. Section 607.601, Florida Statutes, is created to read:

607.601 Application and effect of part.—

(1) This part applies to a benefit corporation and does not affect a corporation that is not a benefit corporation.

(2) Except as provided in this part, this chapter applies generally to all benefit corporations.

(3) A benefit corporation may be simultaneously subject to this part and to one or more chapters, including chapter 621. In such event, this part takes precedence with respect to a benefit corporation.

(4) Except as authorized by this part, a provision of the articles of incorporation or bylaws of a benefit corporation, or a shareholders agreement among shareholders of a benefit corporation, may not limit, be inconsistent with, or supersede a provision of this part.

Section 22. Section 607.602, Florida Statutes, is created to read:

607.602 Definitions.—As used in this part, unless the context otherwise requires, the term:



(1) “Benefit corporation” means a corporation that is formed, or has elected to become, subject to this part, the status of which as a benefit corporation has not been terminated.

(2) “Benefit director” means:

(a) The director designated as the benefit director of a benefit corporation under s. 607.608; or

(b) A person with one or more of the powers, duties, or rights of a benefit director to the extent provided in the articles of incorporation or bylaws under s. 607.608.

(3) “Benefit enforcement proceeding” means any claim or action for:

(a) The failure of a benefit corporation to pursue or create general public benefit or a specific public benefit purpose set forth in its articles of incorporation; or

(b) A violation of any obligation, duty, or standard of conduct under this part.

(4) “Benefit officer” means the individual designated as the benefit officer of a benefit corporation under s. 607.610.

(5) “General public benefit” means a material, positive effect on society and the environment, taken as a whole, as assessed using a third-party standard which is attributable to the business and operations of a benefit corporation.

(6) “Independent” means not having a material relationship with the benefit corporation or a subsidiary of the benefit corporation. A person does not have a material relationship solely by virtue of serving as the benefit director or benefit officer of the benefit corporation or a subsidiary of the benefit corporation. In determining whether a director or officer is independent, a material relationship between an individual and a benefit corporation or any of its subsidiaries will be conclusively presumed to exist, at the time independence is to be determined, if any of the following apply:

(a) The individual is or has been within the prior 3 years an employee, other than a benefit officer, of the benefit corporation or a subsidiary.

(b) An immediate family member of the individual is or has been within the prior 3 years an executive officer, other than a benefit officer, of the benefit corporation or a subsidiary.

(c) When ownership is calculated as if all outstanding rights to acquire equity interests in the benefit corporation had been exercised, there is beneficial or record ownership of 5 percent or more of the outstanding shares of the benefit corporation by:

1. The individual; or

2. An entity:

a. Of which the individual is a director, an officer, or a manager; or

b. In which, when ownership is calculated as if all outstanding rights to acquire equity interests in the entity had been exercised, the individual owns beneficially or of record 5 percent or more of the outstanding equity interests.

(7) “Minimum status vote” means:

(a) In the case of a corporation that is to become a benefit corporation, whether by amendment of the articles of incorporation or by way of or pursuant to a merger, conversion, or share exchange; a benefit corporation whose articles of incorporation are to be amended pursuant to s. 607.606(2); or a benefit corporation that is to cease being a benefit corporation, in addition to any other required approval or vote, the satisfaction of the following conditions:

1. The holders of each class or series of shares shall be entitled to vote as a separate voting group on the corporate action regardless of any limitation on the voting rights of any class or series stated in the articles of incorporation or bylaws.

2. The corporate action is approved by vote of each class or series of shares entitled to vote by at least two-thirds of the total votes of the class or series.

(b) In the case of a domestic entity, other than a corporation, which is to be simultaneously converted to a benefit corporation or merged into a benefit corporation, in addition to any other required approval, vote, or consent, the satisfaction of the following conditions:

1. The holders of each class or series of equity interest in the entity who are entitled to receive a distribution of any kind are entitled, as a separate voting group, to vote on or consent to the action regardless of any applicable limitation on the voting or consent rights of any class or series.

2. The action is approved by vote or consent of each class or series of equity interest described in subparagraph 1. who are entitled to vote by at least two-thirds of the votes or consent of the class or series.

(8) “Specific public benefit” includes, but is not limited to:

(a) Providing low-income or underserved individuals or communities with beneficial products or services;

(b) Promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business;

(c) Protecting or restoring the environment;

- (d) Improving human health;
- (e) Promoting the arts, sciences, or advancement of knowledge;
- (f) Increasing the flow of capital to entities that have as their stated purpose the provision of a benefit to society or the environment; and
- (g) Any other public benefit consistent with the purposes of the benefit corporation.

(9) “Subsidiary” means, in relation to a person other than an individual, an entity in which a person owns beneficially or of record 50 percent or more of the outstanding equity interests.

(10) “Third-party standard” means a recognized standard for defining, reporting, and assessing the societal and environmental performance of a business which is:

(a) Comprehensive, because it assesses the effect of the business and its operations upon the interests provided in s. 607.607(1)(a)2.-5.

(b) Developed by an entity that is not controlled by the benefit corporation.

(c) Credible, because it is developed by an entity that has access to necessary expertise to assess the overall societal and environmental performance of a business and uses a balanced, collaborative approach to develop the standard, including a period for public comment.

(d) Transparent, because the following information is publicly available:

1. The criteria considered under the standard when measuring the overall societal and environmental performance of a business and the relative weights, if any, of those criteria.

2. The identity of the directors, officers, material owners, and the governing body of the entity that developed and controlled revisions; the process by which revisions to the standard and changes to the membership of the governing body are made; and an accounting of the revenue and sources of financial support for the entity, with sufficient detail to disclose any relationships that could reasonably be considered to present a potential conflict of interest.

Section 23. Section 607.603, Florida Statutes, is created to read:

607.603 Incorporation.—To incorporate as a benefit corporation, an incorporator must satisfy the requirements of this chapter, and the articles of incorporation must state that the corporation is a benefit corporation under this part.

Section 24. Section 607.604, Florida Statutes, is created to read:

607.604 Election of benefit corporation status.—

(1) An existing corporation may become a benefit corporation under this part by amending its articles of incorporation to include a statement that the corporation is a benefit corporation under this part. The amendment must be adopted by the minimum status vote.

(2) A plan of merger, conversion, or share exchange must be adopted by the minimum status vote if an entity that is not a benefit corporation is a party to a merger or conversion or if the exchanging entity in a share exchange and the surviving, new, or resulting entity is, or will be, a benefit corporation.

(3) If an entity elects to become a benefit corporation by amendment of the articles of incorporation or by a merger, conversion, or share exchange, the shareholders of the entity are entitled to appraisal rights under and pursuant to ss. 607.1301-607.1333.

Section 25. Section 607.605, Florida Statutes, is created to read:

607.605 Termination of benefit corporation status.—

(1) A benefit corporation may terminate its status as such and cease to be subject to this part by amending its articles of incorporation to delete the provision required under s. 607.603 or s. 607.604. The amendment must be adopted by the minimum status vote.

(2) A plan of merger, conversion, or share exchange which has the effect of terminating the status of a corporation as a benefit corporation must be adopted by the minimum status vote. A sale, lease, exchange, or other disposition of all or substantially all of the assets of a benefit corporation is not effective unless the transaction is approved by the minimum status vote. However, a minimum status vote is not required if the transaction is in the usual and regular course of business, is pursuant to court order, or is a sale pursuant to which all or a substantial portion of the net proceeds of the sale will be distributed to the shareholders within 1 year after the date of the sale.

(3) If a corporation's status as a benefit corporation is terminated pursuant to subsection (1) or subsection (2), shareholders of the corporation are entitled to appraisal rights under and pursuant to ss. 607.1301-607.1333.

Section 26. Section 607.606, Florida Statutes, is created to read:

607.606 Corporate purpose.—

(1) A benefit corporation has the purpose of creating general public benefit. This purpose is in addition to its purpose under s. 607.0301.

(2) The articles of incorporation of a benefit corporation may identify one or more specific public benefits as its purpose in addition to its purposes under s. 607.0301 and subsection (1). A benefit corporation may amend its

articles of incorporation to add, amend, or delete the identification of a specific public benefit purpose; however, the amendment must be adopted by the minimum status vote. The identification of a specific public benefit under this subsection does not limit the obligation of a benefit corporation under subsection (1).

(3) The creation of general public benefit and a specific public benefit under subsections (1) and (2) is deemed to be in the best interest of the benefit corporation.

(4) A professional corporation that is a benefit corporation does not violate s. 621.08 by having as its purpose the creation of general public benefit or a specific public benefit.

Section 27. Section 607.607, Florida Statutes, is created to read:

607.607 Standard of conduct for directors.—

(1) In discharging their duties and in considering the best interests of the benefit corporation, the directors:

(a) Shall consider the effects of any action or inaction upon:

1. The shareholders of the benefit corporation;

2. The employees and workforce of the benefit corporation, its subsidiaries, and its suppliers;

3. The interests of customers and suppliers as beneficiaries of the general public benefit and any specific public benefit purposes of the benefit corporation;

4. Community and societal factors, including those of each community in which offices or facilities of the benefit corporation, its subsidiaries, or its suppliers are located;

5. The local and global environment;

6. The short-term and long-term interests of the benefit corporation, including benefits that may accrue to the benefit corporation from its long-term plans and the possibility that these interests may be best served by the continued independence of the benefit corporation; and

7. The ability of the benefit corporation to accomplish its general public benefit purpose and each of its specific public benefit purposes, if any.

(b) May consider other pertinent factors or the interests of any other group that they deem appropriate.

(c) Are not required to give priority to the interests of a particular person or group referred to in paragraph (a) or paragraph (b) over the interests of

any other person or group, unless the benefit corporation has stated in its articles of incorporation its intention to give priority to certain interests.

(d) Are not required to give equal weight to the interests of a particular person or group referred to in paragraph (a) or paragraph (b) unless the benefit corporation has stated in its articles of incorporation its intention to give such equal weight.

(2) Except as provided in the articles of incorporation, a director is not personally liable for monetary damages to the corporation, or to any other person, for the failure of the benefit corporation to pursue or create general public benefit or a specific public benefit. A director is subject to the duties established in s. 607.0830.

(3) Except as provided in the articles of incorporation, a director does not have a duty to a person who is a beneficiary of the general public benefit purpose or any one or more specific public benefit purposes of the benefit corporation.

Section 28. Section 607.608, Florida Statutes, is created to read:

607.608 Benefit director.—

(1) If the articles of incorporation so provide, the board of directors of a benefit corporation may include a director who is designated as the benefit director and, in addition to the powers, duties, rights, and immunities of the other directors of the benefit corporation, has the powers, duties, rights, and immunities provided in this part.

(2) The benefit director shall be elected, and may be removed, in the manner provided by this chapter. Except as provided under subsection (5), the benefit director shall be independent and may serve as a benefit officer. The articles of incorporation or bylaws may prescribe additional qualifications of the benefit director.

(3) Unless the articles of incorporation or bylaws provide otherwise, the benefit director shall prepare, and the benefit corporation shall include in the annual benefit report to shareholders required under s. 607.612, the opinion of the benefit director on the following:

(a) Whether the benefit corporation in all material respects acted in accordance with its general public benefit purpose and any specific public benefit purpose during the period covered by the report.

(b) Whether the directors and officers complied with ss. 607.607(1) and 607.609(1).

(c) Whether the benefit corporation or its directors or officers failed to comply with paragraph (a) or s. 607.607(1) or s. 607.609(1), including a description of the ways in which the benefit corporation or its directors or officers failed to comply.

(4) The action or inaction of an individual in his or her capacity as a benefit director shall constitute for all purposes an action or inaction of that individual in his or her capacity as a director of the benefit corporation.

(5) The benefit director of a corporation formed under chapter 621 is not required to be independent.

Section 29. Section 607.609, Florida Statutes, is created to read:

607.609 Standard of conduct for officers.—

(1) If an officer of a benefit corporation reasonably believes that a matter may have a material effect on the ability of the corporation to create, or the creation by the corporation of, general public benefit or a specific public benefit identified in the articles of incorporation and the officer has discretion to act on the matter, the officer shall consider the interests and factors provided in s. 607.607(1).

(2) The officer’s consideration of interests and factors under subsection (1) does not constitute a violation of s. 607.0841.

(3) Except as provided in the articles of incorporation, an officer is not personally liable for monetary damages to the corporation or to any other person for the failure of the benefit corporation to pursue or create general public benefit or a specific public benefit; however, he or she is subject to s. 607.0841.

(4) Except as provided in the articles of incorporation, an officer does not have a duty to a person who is a beneficiary of the general public benefit purpose or any specific public benefit purpose of the benefit corporation arising from the status of the person as a beneficiary.

Section 30. Section 607.610, Florida Statutes, is created to read:

607.610 Benefit officer.—

(1) A benefit corporation may designate an officer as the benefit officer.

(2) The benefit officer has the powers and duties set forth in the bylaws or determined by the board of directors, which may include, but are not limited to:

(a) Powers and duties relating to the general public benefit or a specific public benefit purpose of the corporation; and

(b) The duty to prepare the annual benefit report required under s. 607.612.

Section 31. Section 607.611, Florida Statutes, is created to read:

607.611 Right of action.—

(1)(a) Except in a benefit enforcement proceeding, no person may bring an action or assert a claim against a benefit corporation or its directors or officers with respect to:

1. A failure to pursue or create a general public benefit or a specific public benefit set forth in its articles of incorporation; or

2. A violation of an obligation, duty, or standard of conduct under this part.

(b) A benefit corporation is not liable for monetary damages under this part for the failure of the benefit corporation to pursue or create general public benefit or a specific public benefit.

(2) A benefit enforcement proceeding may be commenced or maintained only:

(a) Directly by the benefit corporation; or

(b) Derivatively by:

1. A shareholder of record on the date of the action or inaction complained of in the benefit enforcement proceeding;

2. A director;

3. A person or group of persons that owns beneficially or of record 5 percent or more of the outstanding equity interests in an entity of which the benefit corporation is a subsidiary on the date of the action or inaction complained of in the proceeding; or

4. Any other person who is specified in the articles of incorporation or bylaws of the benefit corporation.

Section 32. Section 607.612, Florida Statutes, is created to read:

607.612 Preparation of annual benefit report.—

(1) Unless it is prepared by a benefit director or a benefit officer, the board of directors shall prepare an annual benefit report. The annual benefit report must include all of the following:

(a) A narrative description of:

1. The ways in which the benefit corporation pursued general public benefit during the year and the extent to which the general public benefit was created.

2. Any circumstance that has hindered the pursuit or creation of general public benefit or a specific public benefit by the benefit corporation.



3. The process and rationale for selecting or changing the third-party standard used to prepare the benefit report.

(b) The name of the benefit director and the benefit officer, if those positions exist, and the respective business addresses to which correspondence may be directed.

(c) If the corporation has a benefit director, the statement as provided in s. 607.608(3).

(d) A statement of any connection between the organization that established the third-party standard, or its directors, officers, or any holder of 5 percent or more of the governance interests in the organization, and the benefit corporation or its directors, officers, or any holder of 5 percent or more of the outstanding shares of the benefit corporation, including any financial or governance relationship that might materially affect the credibility of the use of the third-party standard.

(2) The annual benefit report must be prepared in accordance with a third-party standard that is:

(a) Applied consistently with any previous application in prior annual benefit reports; or

(b) Accompanied by an explanation of the reasons for any inconsistent application or any change in the standard from the immediate prior report.

(3) If, during the year covered by an annual benefit report, a benefit director resigned from, or refused to stand for reelection to, his or her position, or was removed from his or her position, and he or she furnished written correspondence to the benefit corporation concerning the circumstances surrounding his or her departure, that correspondence must be included as an exhibit in the annual benefit report.

(4) The annual benefit report and the assessment of the performance of the benefit corporation in the annual benefit report required under subsection (2) are not required to be audited or certified by a third-party standards provider.

Section 33. Section 607.613, Florida Statutes, is created to read:

607.613 Availability of annual benefit report.—

(1) Each benefit corporation shall send its annual benefit report to each shareholder:

(a) Within 120 days after the end of the fiscal year of the benefit corporation; or

(b) At the same time that the benefit corporation delivers any other annual report to its shareholders.

(2) A benefit corporation shall post each annual benefit report on the public portion of its website, if any, and it shall remain posted for at least 3 years.

(3) If a benefit corporation does not have a website, the benefit corporation shall provide a copy of its most recent annual benefit report, without charge, to any person who requests a copy.

(4) If a benefit corporation does not comply with the annual benefit report delivery requirement, the circuit court in the county in which the principal office of the benefit corporation is located or, if no office is located in this state, the county in which its registered office is located, may, after a shareholder of the benefit corporation requests a copy, summarily order the corporation to furnish the report. If the court orders the report to be furnished, the court may also order the benefit corporation to pay the shareholder's costs, including reasonable attorney fees, which were incurred in obtaining the order and otherwise enforce his or her rights under this section.

Section 34. Subsection (1) of section 617.0401, Florida Statutes, is amended to read:

617.0401 Corporate name.—

(1) A corporate name:

(a) Must contain the word “corporation” or “incorporated” or the abbreviation “Corp.” ~~“corp.”~~ or “Inc.” ~~“inc.”~~ or words or abbreviations of like import in language, as will clearly indicate that it is a corporation instead of a natural person, unincorporated association, or partnership. The name of the corporation may not contain the word “company” or its abbreviation “Co.” ~~“co.”~~;

(b) May contain the word “cooperative” or “co-op” only if the resulting name is distinguishable from the name of any corporation, agricultural cooperative marketing association, or nonprofit cooperative association existing or doing business in this state under part I of chapter 607, chapter 618, or chapter 619.;

(c) May not contain language stating or implying that the corporation is organized for a purpose other than that permitted in this act and its articles of incorporation.;

(d) May not contain language stating or implying that the corporation is connected with a state or federal government agency or a corporation chartered under the laws of the United States.;

~~and~~

(e) Must be distinguishable from the names of all other entities or filings that are on file with the Division of Corporations, except fictitious name registrations pursuant to s. 865.09, general partnership registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under

the laws of this state, ~~that are on file with the Division of Corporations.~~ A name that is different from a name of another entity or filing due to any of the following is not considered distinguishable:

1. A suffix.
2. A definite or indefinite article.
3. The word “and” and the symbol “&.”
4. The singular, plural, or possessive form of a word.
5. A recognized abbreviation of a root word.
6. A punctuation mark or a symbol.

Section 35. Subsection (4) of section 620.1108, Florida Statutes, is amended to read:

620.1108 Name.—

(4) The name of a limited partnership must be distinguishable in the records of the Department of State from the names of all other entities or filings ~~that are on file with the Department of State,~~ except fictitious name registrations pursuant to s. 865.09, general partnership registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under the laws of this state, the names of which are on file with the Department of State. A name that is different from the name of another entity or filing due to any of the following is not considered distinguishable:

- (a) A suffix.
- (b) A definite or indefinite article.
- (c) The word “and” and the symbol “&.”
- (d) The singular, plural, or possessive form of a word.
- (e) A recognized abbreviation of a root word.
- (f) A punctuation mark or a symbol.

Section 36. Subsection (1) of section 48.091, Florida Statutes, is amended to read:

48.091 Corporations; designation of registered agent and registered office.—

(1) Every Florida corporation and every foreign corporation now qualified or hereafter qualifying to transact business in this state shall designate a

registered agent and registered office in accordance with part I of chapter 607.

Section 37. Paragraph (d) of subsection (6) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(6) REVENUE BONDS.—

(d) *State Board of Administration Finance Corporation*.—

1. In addition to the findings and declarations in subsection (1), the Legislature also finds and declares that:

a. The public benefits corporation created under this paragraph will provide a mechanism necessary for the cost-effective and efficient issuance of bonds. This mechanism will eliminate unnecessary costs in the bond issuance process, thereby increasing the amounts available to pay reimbursement for losses to property sustained as a result of hurricane damage.

b. The purpose of such bonds is to fund reimbursements through the Florida Hurricane Catastrophe Fund to pay for the costs of construction, reconstruction, repair, restoration, and other costs associated with damage to properties of policyholders of covered policies due to the occurrence of a hurricane.

c. The efficacy of the financing mechanism will be enhanced by the corporation's ownership of the assessments, by the insulation of the assessments from possible bankruptcy proceedings, and by covenants of the state with the corporation's bondholders.

2.a. There is created a public benefits corporation, which is an instrumentality of the state, to be known as the State Board of Administration Finance Corporation.

b. The corporation shall operate under a five-member board of directors consisting of the Governor or a designee, the Chief Financial Officer or a designee, the Attorney General or a designee, the director of the Division of Bond Finance of the State Board of Administration, and the Chief Operating Officer of the Florida Hurricane Catastrophe Fund.

c. The corporation has all of the powers of corporations under part I of chapter 607 and under chapter 617, subject only to ~~the provisions of this subsection~~.

d. The corporation may issue bonds and engage in such other financial transactions as are necessary to provide sufficient funds to achieve the purposes of this section.

e. The corporation may invest in any of the investments authorized under s. 215.47.

f. There shall be no liability on the part of, and no cause of action shall arise against, any board members or employees of the corporation for any actions taken by them in the performance of their duties under this paragraph.

3.a. In actions under chapter 75 to validate any bonds issued by the corporation, the notice required under by s. 75.06 shall be published in two newspapers of general circulation in the state, and the complaint and order of the court shall be served only on the State Attorney of the Second Judicial Circuit.

b. The state hereby covenants with holders of bonds of the corporation that the state will not repeal or abrogate the power of the board to direct the Office of Insurance Regulation to levy the assessments and to collect the proceeds of the revenues pledged to the payment of such bonds as long as any such bonds remain outstanding unless adequate provision has been made for the payment of such bonds pursuant to the documents authorizing the issuance of such bonds.

4. The bonds of the corporation are not a debt of the state or of any political subdivision, and neither the state nor any political subdivision is liable on such bonds. The corporation does not have the power to pledge the credit, the revenues, or the taxing power of the state or of any political subdivision. The credit, revenues, or taxing power of the state or of any political subdivision shall not be deemed to be pledged to the payment of any bonds of the corporation.

5.a. The property, revenues, and other assets of the corporation; the transactions and operations of the corporation and the income from such transactions and operations; and all bonds issued under this paragraph and interest on such bonds are exempt from taxation by the state and any political subdivision, including the intangibles tax under chapter 199 and the income tax under chapter 220. This exemption does not apply to any tax imposed by chapter 220 on interest, income, or profits on debt obligations owned by corporations other than the State Board of Administration Finance Corporation.

b. All bonds of the corporation shall be and constitute legal investments without limitation for all public bodies of this state; for all banks, trust companies, savings banks, savings associations, savings and loan associations, and investment companies; for all administrators, executors, trustees, and other fiduciaries; for all insurance companies and associations and other persons carrying on an insurance business; and for all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of the state and shall be and constitute eligible securities to be deposited as collateral for the security of any state, county, municipal, or other public funds. This sub-subparagraph is ~~shall be considered as~~ additional and

supplemental authority and may shall not be limited without specific reference to this sub-subparagraph.

6. The corporation and its corporate existence continues shall ~~continue~~ until terminated by law; however, ~~no~~ such law may not shall take effect as long as the corporation has bonds outstanding unless adequate provision has been made for the payment of such bonds pursuant to the documents authorizing the issuance of such bonds. Upon termination of the existence of the corporation, all of its rights and properties in excess of its obligations shall pass to and be vested in the state.

7. The State Board of Administration Finance Corporation is for all purposes the successor to the Florida Hurricane Catastrophe Fund Finance Corporation.

Section 38. Subsection (1) of section 243.54, Florida Statutes, is amended to read:

243.54 Powers of the authority.—The purpose of the authority is to assist institutions of higher education in constructing, financing, and refinancing projects throughout the state and, for this purpose, the authority may:

(1) Exercise all powers granted to corporations under part I of the Florida Business Corporation Act, chapter 607.

Section 39. Section 310.171, Florida Statutes, is amended to read:

310.171 Pilots may incorporate themselves.—Any one or more licensed state pilots may incorporate in the manner provided under part I of chapter 607 or chapter 621.

Section 40. Section 310.181, Florida Statutes, is amended to read:

310.181 Corporate powers.—All the rights, powers, and liabilities conferred or imposed by the laws of Florida relating to corporations for profit organized under part I of chapter 607 or under chapter 608 before January 1, 1976, or to corporations organized under chapter 621 shall apply to corporations organized pursuant to s. 310.171.

Section 41. Paragraph (c) of subsection (4) of section 329.10, Florida Statutes, is amended to read:

329.10 Aircraft registration.—

(4) It is a violation of this section for any person or corporate entity to knowingly supply false information to any governmental entity in regard to ownership by it or another firm, business, or corporation of an aircraft in or operated in this state if it is determined that such corporate entity or other firm, business, or corporation:

(c) Has lapsed into a state of no longer being a legal entity in this state as defined in part I of chapter 607 or s. 865.09, and no documented attempt has been made to correct such information with the governmental entity for a period of 90 days after the date on which such lapse took effect with the Secretary of State.

Section 42. Subsection (1) of section 339.412, Florida Statutes, is amended to read:

339.412 Powers of corporation.—As to designated projects and in addition to other powers prescribed by law, a corporation may exercise the following powers with respect to the promotion and development of transportation facilities, pursuant to a written contract for the same, together with all powers incidental thereto or necessary for the performance of those hereinafter stated:

(1) The corporation may exercise all the powers as granted by the department to work directly with landowners, local and state governmental agencies, elected officials, and any other person to support those activities required to promote and develop the projects. These activities shall include:

(a) Acquiring, holding, investing, and administering property and transferring title of such property to the department for development of projects on behalf of the department;

(b) Performing preliminary and final alignment studies in a manner consistent with state and federal laws;

(c) Receiving contributions of land for rights-of-way and cash donations to be applied to the purchase of rights-of-way not donated or to be applied to the design or construction of the projects;

(d) Reviewing candidates for advisory directorships and adding or removing such advisory directors as may be appropriate;

(e) Retaining such administrative staff and legal, public relations, and engineering services as may be required for the development of the projects and paying such employees and consultants from funds donated for this purpose;

(f) Preparing such exhibits, right-of-way documents, environmental reports, schematics, and preliminary and final engineering plans as are necessary for the development of the projects;

(g) Borrowing money to meet any expenses or needs associated with the regular operations of the corporation or a particular project; provided, however, that no corporation shall have the power to issue bonds, the provisions of part I of chapter chapters 607 and chapter 617 notwithstanding;

(h) Making official presentations to the state and other affected agencies or groups concerning the development of the projects;

- (i) Issuing press releases and other material to promote the activities of the projects; and
- (j) Performing any other functions requested by the department in order to promote and develop the projects.

Nothing in this act empowers the corporation to enter into any contracts for construction or to undertake any construction, on behalf of the department.

Section 43. Subsection (4) of section 420.101, Florida Statutes, is amended to read:

420.101 Housing Development Corporation of Florida; creation, membership, and purposes.—

(4) Whenever the articles of incorporation have been filed in the Department of State and approved by it and all filing fees and taxes prescribed by part I of chapter 607 have been paid, the subscribers and their successors and assigns shall constitute a corporation, and the corporation shall then be authorized to commence business, and stock thereof to the extent herein or hereafter duly authorized may from time to time be issued.

Section 44. Section 420.111, Florida Statutes, is amended to read:

420.111 Housing Development Corporation of Florida; additional powers.—In furtherance of its purposes and in addition to the powers now or hereafter conferred on business corporations by part I of chapter 607, the corporation shall, subject to the restrictions and limitations ~~herein~~ contained in this section, have the following powers:

(1) To elect, appoint, and employ officers, agents and employees and to make contracts and incur liabilities for any of the purposes of the corporation, except that the corporation ~~may shall~~ not incur any secondary liability by way of guaranty or endorsement of the obligations of any person, firm, corporation, joint-stock company, association, or trust, or in any other manner.

(2) To borrow money from its stockholders, other financial institutions, and state and federal agencies for any of the purposes of the corporation; to issue therefor its bonds, debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and to secure the same by mortgage, pledge, deed of trust, or other lien on its property, franchises, rights, and privileges of every kind and nature, or any part thereof or interest therein, without securing stockholder approval.

(3) To make loans to any person, firm, corporation, joint-stock company, association, or trust and to regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith, provided subsidies may be in the form of below market interest rates or such other assistance as determined by the board with the concurrence of the applicable regulatory agencies governing the several stockholder industries.



(4) To purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, transfer, lease, or otherwise dispose of, real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(5) For the purposes of foreclosure, to acquire the good will, business, rights, real and personal property, and other assets, or any part thereof, or interest therein, of any persons, firms, corporations, joint-stock companies, associations or trusts, and to assume, undertake, or pay the obligations, debts and liabilities of any such person, firm, corporation, joint-stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing new housing or rehabilitation thereof; for the purposes of disposing of such real estate to others for the construction of housing or rehabilitation thereof; and to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of such housing, provided, however that nothing herein contained shall authorize the acquisition, construction, reconstruction, or operation of any public lodging establishment as defined in chapter 509.

(6) To acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of the stock, shares, bonds, debentures, notes, or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint-stock company, association, or trust, and, while the owner or holder thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.

(7) To mortgage, pledge, or otherwise encumber any property, right, or thing of value, acquired pursuant to the powers contained in subsection (4), subsection (5), or subsection (6), as security for the payment of any part of the purchase price thereof.

(8) To cooperate with, and avail itself of the facilities of, the United States Department of Housing and Urban Development, the Department of Economic Opportunity, and any other similar local, state, or Federal Government agency; and to cooperate with and assist, and otherwise encourage, organizations in the various communities of the state on the promotion, assistance, and development of the housing and economic welfare of such communities or of this state or any part thereof.

(9) To do all acts and things necessary or convenient to carry out the powers expressly granted in this part.

Section 45. Subsection (2) of section 420.161, Florida Statutes, is amended to read:

420.161 Housing Development Corporation of Florida; period of existence; method of dissolution.—

(2) The corporation may, upon the affirmative vote of two-thirds of the votes to which the stockholders ~~are shall be~~ entitled, dissolve ~~the said~~ corporation as provided ~~under part I of by~~ chapter 607, ~~as long as that part does insofar as chapter 607 is not in conflict with the provisions of this act.~~ Upon any dissolution of the corporation, ~~none of the corporation's assets may not shall~~ be distributed to the stockholders until all sums due the members of the corporation as creditors thereof have been paid in full.

Section 46. Subsection (9) of section 440.02, Florida Statutes, is amended to read:

440.02 Definitions.—When used in this chapter, unless the context clearly requires otherwise, the following terms shall have the following meanings:

(9) “Corporate officer” or “officer of a corporation” means any person who fills an office provided for in the corporate charter or articles of incorporation filed with the Division of Corporations of the Department of State or as ~~authorized permitted or required~~ under part I of by chapter 607. The term “officer of a corporation” includes a member owning at least 10 percent of a limited liability company created and approved under chapter 608.

Section 47. Paragraph (d) of subsection (10) of section 440.386, Florida Statutes, is amended to read:

440.386 Individual self-insurers’ insolvency; conservation; liquidation.

(10) TRANSFERS PRIOR TO PETITION.—

(d) The personal liability of the officers or directors of an insolvent individual self-insurer ~~is shall be~~ subject to part I of the provisions of chapter 607 and the penalties provided therein.

Section 48. Subsection (3) of section 609.08, Florida Statutes, is amended to read:

609.08 Merger of association into wholly owned subsidiary corporation; dissenters’ rights of appraisal.—

(3) If the surviving corporation is to be governed by the laws of any jurisdiction other than this state, it shall comply with part I of the provisions of chapter 607 with respect to foreign corporations if it is to transact business in this state, and in every case it shall file with the Department of State of this state:

(a) An agreement that it may be served with process in this state in any proceeding for the enforcement of any obligation of the association and in any proceeding for the enforcement of any rights under the declaration of trust of the association of a dissenting shareholder of the association against the surviving corporation.

(b) An irrevocable appointment of the Secretary of State as its agent to accept service of process in any such proceeding.

(c) An agreement that it will promptly pay to the dissenting shareholders of the association the amount, if any, to which they are ~~shall be~~ entitled under the ~~provisions of~~ its declaration of trust with respect to the rights of dissenting shareholders.

Section 49. Section 617.1908, Florida Statutes, is amended to read:

617.1908 Applicability of Florida Business Corporation Act.—Except as otherwise made applicable by specific reference in any other section of this chapter, part I ~~the provisions of~~ chapter 607, the Florida Business Corporation Act, does ~~shall~~ not apply to any corporations not for profit.

Section 50. Section 618.221, Florida Statutes, is amended to read:

618.221 Conversion into a corporation for profit.—Any association incorporated under or that has adopted the provisions of this chapter, may, by a majority vote of its stockholders or members be brought under part I ~~of the provisions of~~ chapter 607, as a corporation for profit by surrendering all right to carry on its business under this chapter, and the privileges and immunities incident thereto. It shall make out in duplicate a statement signed and sworn to by its directors to the effect that the association has, by a majority vote of its stockholders or members, decided to surrender all rights, powers, and privileges as a nonprofit cooperative marketing association under this chapter and to do business under and be bound by part I of the provisions of ~~said~~ chapter 607, as a corporation for profit and has authorized all changes accordingly. Articles of incorporation shall be delivered to the Department of State for filing as required under part I of chapter 607 ~~in and by s. 607.164~~, except that they shall be signed by the members of the then board of directors. The filing fees and taxes shall be as provided under part I of ~~in~~ chapter 607. Such articles of incorporation shall adequately protect and preserve the relative rights of the stockholders or members of the association so converting into a corporation for profit; provided that no rights or obligations due any stockholder or member of such association or any other person, firm, or corporation which has not been waived or satisfied shall be impaired by such conversion into a corporation for profit as herein authorized.

Section 51. Section 619.04, Florida Statutes, is amended to read:

619.04 Articles of incorporation.—Each association formed under this chapter must prepare and file articles of incorporation in the same manner and under the same regulations as required under part I of chapter 607, and therein shall set forth:

- (1) The name of the association.
- (2) The purpose for which it is formed.

- (3) The place where its principal business will be transacted.
- (4) The term for which it is to exist, not exceeding 50 years.
- (5) The number of directors thereof, which must not be less than three and which may be any number in excess thereof, and the names and residences of those selected for the first year and until their successors shall have been elected and shall have accepted office.
- (6) Whether the voting power and the property rights and interest of each member shall be equal, or unequal, and if unequal these articles shall set forth a general rule applicable to all members by which the voting power and the property rights and interests, respectively, of each member may and shall be determined and fixed, but the association shall have power to admit new members, who shall be entitled to vote and to share in the property of the association with the old members, in accordance with such general rule. This provision of the articles of incorporation may ~~shall~~ not be altered, amended, or repealed except by the unanimous written consent or the vote of all the members.

(7) Said articles must be subscribed by the original members and acknowledged by one of them before an officer authorized by the law of this state to take and certify acknowledgments of deeds of conveyance, and shall be filed in accordance with the provisions of law, and when so filed the said articles of incorporation or certified copies thereof shall be received in all the courts of this state and other places as prima facie evidence of the facts contained therein.

Section 52. Subsection (3) of section 624.430, Florida Statutes, is amended to read:

624.430 Withdrawal of insurer or discontinuance of writing certain kinds or lines of insurance.—

(3) Upon office approval of the surrender of the certificate of authority of a domestic property and casualty insurer that is a corporation, the insurer may initiate the dissolution of the corporation in accordance with the applicable provisions of part I of chapter 607.

Section 53. Subsection (1) of section 624.462, Florida Statutes, is amended to read:

624.462 Commercial self-insurance funds.—

(1) Any group of persons may form a commercial self-insurance fund for the purpose of pooling and spreading liabilities of its group members in any commercial property or casualty risk or surety insurance. Any fund established pursuant to subparagraph (2)(a)1. may be organized as a corporation under part I of chapter 607.

Section 54. Subsection (3) of section 624.489, Florida Statutes, is amended to read:

624.489 Liability of trustees of self-insurance trust fund and directors of self-insurance funds operating as corporations.—

(3) The immunities from liability provided in this section with respect to trustees also apply to members of the board of directors of a commercial self-insurance fund organized as a corporation under part I of chapter 607 if the board of directors has contracted with an administrator authorized under s. 626.88 to administer the day-to-day affairs of the fund.

Section 55. Section 628.041, Florida Statutes, is amended to read:

628.041 Applicability of general corporation statutes.—The applicable statutes of this state relating to the powers and procedures of domestic private corporations formed for profit shall apply to domestic stock insurers and to domestic mutual insurers, except:

(1) As to any domestic mutual insurers incorporated pursuant to chapter 617, which chapter shall govern such insurers when in conflict with part I of chapter 607; and

(2) When in conflict with the express provisions of this code.

Section 56. Subsection (4) of section 631.262, Florida Statutes, is amended to read:

631.262 Transfers prior to petition.—

(4) The personal liability of the officers or directors of an insolvent insurer ~~is shall be~~ subject to part I of the provisions of chapter 607 and the penalties provided therein.

Section 57. Subsection (1) of section 636.204, Florida Statutes, is amended to read:

636.204 License required.—

(1) Before doing business in this state as a discount medical plan organization, an entity must be a corporation, a limited liability company, or a limited partnership, incorporated, organized, formed, or registered under the laws of this state or authorized to transact business in this state in accordance with part I of chapter 607, chapter 608, chapter 617, chapter 620, or chapter 865, and must be licensed by the office as a discount medical plan organization or be licensed by the office pursuant to chapter 624, part I of this chapter, or chapter 641.

Section 58. Section 641.2015, Florida Statutes, is amended to read:

641.2015 Incorporation required.—On or after October 1, 1985, any entity that has not yet obtained a certificate of authority to operate a health

maintenance organization in this state shall be incorporated or shall be a division of a corporation formed under the provisions of either part I of chapter 607 or chapter 617 or shall be a public entity that is organized as a political subdivision. In the case of a division of a corporation, the financial requirements of this part shall apply to the entire corporation. Incorporation shall not be required of any entity which has already been issued an initial certificate of authority prior to this date and which is not a corporation on October 1, 1985, or which is incorporated in any other state on October 1, 1985; nor shall incorporation be required on renewal of any certificate of authority by such an organization or be required of a public entity that is organized as a political subdivision.

Section 59. Subsection (1) of section 655.0201, Florida Statutes, is amended to read:

655.0201 Service of process, notice, or demand on financial institutions.

(1) Process against any financial institution authorized by federal or state law to transact business in this state may be served in accordance with chapter 48, chapter 49, part I of chapter 607, or chapter 608, as appropriate.

Section 60. Subsection (2) of section 658.23, Florida Statutes, is amended to read:

658.23 Submission of articles of incorporation; contents; form; approval; filing; commencement of corporate existence; bylaws.—

(2) The articles of incorporation shall contain:

(a) The name of the proposed bank or trust company.

(b) The general nature of the business to be transacted or a statement that the corporation may engage in any activity or business permitted by law. Such statement shall authorize all such activities and business by the corporation.

(c) The amount of capital stock authorized, showing the maximum number of shares of par value common stock and of preferred stock, and of every kind, class, or series of each, together with the distinguishing characteristics and the par value of all shares.

(d) The amount of capital with which the corporation will begin business, which may ~~shall~~ not be less than the amount required by the office pursuant to s. 658.21.

(e) A provision that the corporation is to have perpetual existence unless existence is terminated pursuant to the financial institutions codes.

(f) The initial street address of the main office of the corporation, which shall be in this state.

(g) The number of directors, which shall be five or more, and the names and street addresses of the members of the initial board of directors.

(h) A provision for preemptive rights, if applicable.

(i) A provision authorizing the board of directors to appoint additional directors, pursuant to s. 658.33, if applicable.

The office shall provide to the proposed directors form articles of incorporation which must shall include only those provisions required under by this section or under part I of ~~by~~ chapter 607. The form articles shall be acknowledged by the proposed directors and returned to the office for filing with the Department of State.

Section 61. Paragraph (c) of subsection (11) of section 658.2953, Florida Statutes, is amended to read:

658.2953 Interstate branching.—

(11) DE NOVO INTERSTATE BRANCHING BY STATE BANKS.—

(c) An out-of-state bank may establish and maintain a de novo branch or acquire a branch in this state upon compliance with part I of chapter 607 or chapter 608 relating to doing business in this state as a foreign business entity, including maintaining a registered agent for service of process and other legal notice pursuant to s. 655.0201.

Section 62. Section 658.30, Florida Statutes, is amended to read:

658.30 Application of the Florida Business Corporation Act.—

(1) When not in direct conflict with or superseded by specific provisions of the financial institutions codes, the provisions of the Florida Business Corporation Act, part I of chapter 607, ~~shall~~ extend to state banks and trust companies formed under the financial institutions codes. This section shall be liberally construed to accomplish the purposes stated herein.

(2) Without limiting the generality of subsection (1), stockholders, directors, and committees of state banks and trust companies may hold meetings in any manner authorized ~~permitted~~ by part I of chapter 607, and any action by stockholders, directors, or committees required or authorized ~~permitted~~ to be taken at a meeting may be taken without a meeting in any manner authorized ~~provided or permitted~~ by part I of chapter 607.

Section 63. Subsection (3) of section 658.36, Florida Statutes, is amended to read:

658.36 Changes in capital.—

(3) If a bank or trust company’s capital accounts have been diminished by losses to less than the minimum required pursuant to the financial institutions codes, the market value of its shares of capital stock is less

than the present par value, and the bank or trust company cannot reasonably issue and sell new shares of stock to restore its capital accounts at a share price of par value or greater of the previously issued capital stock, the office, notwithstanding any other provisions of part I of chapter 607 or the financial institutions codes, may approve special stock offering plans.

(a) Such plans may include, but are not limited to, mechanisms for stock splits including reverse splits; revaluations of par value of outstanding stock; changes in voting rights, dividends, or other preferences; and creation of new classes of stock.

(b) The plan must be approved by majority vote of the bank or trust company's entire board of directors and by holders of two-thirds of the outstanding shares of stock.

(c) The office shall disapprove a plan that provides unfair or disproportionate benefits to existing shareholders, directors, executive officers, or their related interests. The office shall also disapprove any plan that is not likely to restore the capital accounts to sufficient levels to achieve a sustainable, safe, and sound financial institution.

(d) For any bank or trust company that the office determines to be a failing financial institution pursuant to s. 655.4185, the office may approve special stock offering plans without a vote of the shareholders.

Section 64. Section 663.03, Florida Statutes, is amended to read:

663.03 Applicability of the Florida Business Corporation Act chapter 607.—Notwithstanding s. 607.01401(12) the definition of the term “foreign corporation” appearing in s. ~~607.01401~~, all of the provisions of part I of chapter 607 not in conflict with the financial institutions codes which relate to foreign corporations shall apply to all international banking corporations and their offices doing business in this state.

Section 65. Subsection (3) of section 663.04, Florida Statutes, is amended to read:

663.04 Requirements for carrying on financial institution business.—An international banking corporation or trust company, or any affiliate, subsidiary, or other person or business entity acting as an agent for, on behalf of, or for the benefit of such international banking corporation or trust company who engages in such activities from an office located in this state, may not transact a banking or trust business, or maintain in this state any office for carrying on such business, or any part thereof, unless such corporation, trust company, affiliate, subsidiary, person, or business entity:

(3) Has filed with the office a certified copy of that information required to be supplied to the Department of State by those provisions of part I of chapter 607 which are applicable to foreign corporations.



Section 66. Paragraph (a) of subsection (1) of section 663.301, Florida Statutes, is amended to read:

663.301 Definitions.—

(1) As used in this part:

(a) “International development bank” means a corporation established for the purpose of promoting development in foreign countries by directly or indirectly making funding available to foreign business enterprises or foreign governments or by providing financing in connection with import-export transactions. Subject to the limitations contained in s. 663.313, an international development bank may be organized ~~either~~ under chapter 617 as a corporation not for profit or under part I of chapter 607 as a corporation for profit.

Section 67. Subsection (2) of section 663.306, Florida Statutes, is amended to read:

663.306 Decision by office.—The office may, in its discretion, approve or disapprove the application, but it shall not approve the application unless it finds that:

(2) The proposed capital structure is adequate, but in no case may the paid-in capital stock be:

(a) Less than \$400,000 in the case of an international development bank organized under chapter 617 as a corporation not for profit; or

(b) The amount required for a state bank in the case of an international development bank organized under part I of chapter 607 as a corporation for profit.

The office may disallow any illegally obtained currency, monetary instruments, funds, or other financial resources from the capitalization requirements of this section.

Section 68. Subsection (4) of section 663.313, Florida Statutes, is amended to read:

663.313 Ownership of stock.—

(4) All of the shares of voting stock of an international development bank organized under part I of chapter 607 as a corporation for profit shall be owned by a regional development bank or by one or more wholly owned subsidiaries of a regional development bank.

Section 69. Subsection (2) of section 718.111, Florida Statutes, is amended to read:

718.111 The association.—

(2) **POWERS AND DUTIES.**—The powers and duties of the association include those set forth in this section and, except as expressly limited or restricted in this chapter, those set forth in the declaration and bylaws and part I of chapter chapters 607 and chapter 617, as applicable.

Section 70. Subsection (10) of section 719.104, Florida Statutes, is amended to read:

719.104 Cooperatives; access to units; records; financial reports; assessments; purchase of leases.—

(10) **POWERS AND DUTIES.**—The powers and duties of the association include those set forth in this section and, except as expressly limited or restricted in this chapter, those set forth in the articles of incorporation and bylaws and part I of chapter chapters 607 and chapter 617, as applicable.

Section 71. Subsection (5) of section 720.302, Florida Statutes, is amended to read:

720.302 Purposes, scope, and application.—

(5) Unless expressly stated to the contrary, corporations that operate residential homeowners' associations in this state shall be governed by and subject to part I of chapter 607, if the association was incorporated under that part chapter, or to chapter 617, if the association was incorporated under that chapter, and this chapter. This subsection is intended to clarify existing law.

Section 72. Paragraph (c) of subsection (1) of section 720.306, Florida Statutes, is amended to read:

720.306 Meetings of members; voting and election procedures; amendments.—

(1) **QUORUM; AMENDMENTS.**—

(c) Unless otherwise provided in the governing documents as originally recorded or permitted by this chapter or chapter 617, an amendment may not materially and adversely alter the proportionate voting interest appurtenant to a parcel or increase the proportion or percentage by which a parcel shares in the common expenses of the association unless the record parcel owner and all record owners of liens on the parcels join in the execution of the amendment. For purposes of this section, a change in quorum requirements is not an alteration of voting interests. The merger or consolidation of one or more associations under a plan of merger or consolidation under part I of chapter 607 or chapter 617 ~~is shall not be considered~~ a material or adverse alteration of the proportionate voting interest appurtenant to a parcel.

Section 73. Paragraph (a) of subsection (1) of section 766.101, Florida Statutes, is amended to read:

766.101 Medical review committee, immunity from liability.—

(1) As used in this section:

(a) The term “medical review committee” or “committee” means:

1.a. A committee of a hospital or ambulatory surgical center licensed under chapter 395 or a health maintenance organization certificated under part I of chapter 641;;

b. A committee of a physician-hospital organization, a provider-sponsored organization, or an integrated delivery system;;

c. A committee of a state or local professional society of health care providers;;

d. A committee of a medical staff of a licensed hospital or nursing home, provided the medical staff operates pursuant to written bylaws that have been approved by the governing board of the hospital or nursing home;;

e. A committee of the Department of Corrections or the Correctional Medical Authority as created under s. 945.602, or employees, agents, or consultants of either the department or the authority or both;;

f. A committee of a professional service corporation formed under chapter 621 or a corporation organized under part I of chapter 607 or chapter 617, which is formed and operated for the practice of medicine as defined in s. 458.305(3), and which has at least 25 health care providers who routinely provide health care services directly to patients;;

g. A committee of the Department of Children and Families ~~Family~~ Services which includes employees, agents, or consultants to the department as deemed necessary to provide peer review, utilization review, and mortality review of treatment services provided pursuant to chapters 394, 397, and 916;;

h. A committee of a mental health treatment facility licensed under chapter 394 or a community mental health center as defined in s. 394.907, provided the quality assurance program operates pursuant to the guidelines that ~~which~~ have been approved by the governing board of the agency;;

i. A committee of a substance abuse treatment and education prevention program licensed under chapter 397 provided the quality assurance program operates pursuant to the guidelines that ~~which~~ have been approved by the governing board of the agency;;

j. A peer review or utilization review committee organized under chapter 440;;

k. A committee of the Department of Health, a county health department, healthy start coalition, or certified rural health network, when

reviewing quality of care, or employees of these entities when reviewing mortality records; or

1. A continuous quality improvement committee of a pharmacy licensed pursuant to chapter 465,

which committee is formed to evaluate and improve the quality of health care rendered by providers of health service, to determine that health services rendered were professionally indicated or were performed in compliance with the applicable standard of care, or that the cost of health care rendered was considered reasonable by the providers of professional health services in the area; or

2. A committee of an insurer, self-insurer, or joint underwriting association of medical malpractice insurance, or other persons conducting review under s. 766.106.

Section 74. Subsection (14) of section 865.09, Florida Statutes, is amended to read:

865.09 Fictitious name registration.—

(14) PROHIBITION.—A fictitious name registered as provided in this section may not contain the words “Corporation” or “Incorporated,” or the abbreviations “Corp.” or “Inc.,” unless the person or business for which the name is registered is incorporated or has obtained a certificate of authority to transact business in this state pursuant to part I of chapter 607 or chapter 617.

Section 75. This act shall take effect July 1, 2014.

Approved by the Governor June 20, 2014.

Filed in Office Secretary of State June 20, 2014.