

Bullet Point Summary of Changes in the Proposed Chapter 607/Chapter 617 Glitch Bill
Proposed 2021 Legislation

Chapter 607

Tightening up of and fixing glitches in the appraisal rights provisions in Chapter 607 (the Florida Business Corporation Act), including, among other items:

- (i) removing the broad and ambiguous trigger associated with amendments to a Florida corporation's Articles or Bylaws;
- (ii) reinstating narrower triggers associated with certain more limited amendments to a Florida corporation's Articles;
- (iii) expanding the list of trigger events that get the benefit of exclusion under the "market out" exception for Florida corporations;
- (iv) allowing Florida corporations that meet the concept of having a "comparable trading process" to be considered as "traded in an organized market;"
- (v) changing the definition of "accrued interest" such that, if the parties can't agree on a rate of interest, the rate of interest will be as determined by the court, but in no event greater than the statutory rate provided for in Section 55.03, with no interest allowed (similar to that provided in the Section 607.1436 buy out right in a dissolution proceeding) if the court finds that the shareholder asserting appraisal rights acted arbitrarily or otherwise not in good faith; and
- (vi) conditioning the ability to exercise appraisal rights on having beneficial ownership of the shares on the record date for the applicable corporate action, as a further effort to eliminate perceived abuses engaged in by "appraisal rights arbitrageurs."

Chapter 617

Correcting a statutory cross reference typo in Section 617.0825 relating to not for profit corporation committee provisions that are considered superseded by provisions in Chapters 718, 719 and 720 and adding 720.405 as a further statutory cross reference override in Section 617.0825.

Expanding Section 617.1703 relating to not for profit corporations to further clarify and confirm that matters that are addressed by provisions in Chapter 617, but are addressed and otherwise provided for by provisions in Chapter 718, Chapter 719 or Chapter 720, as applicable, the respective provisions in Chapter 718, Chapter 719 or Chapter 720, as applicable, will apply instead.