

Practice Update

The Florida Revised Limited Liability Act is Now Effective

January 1, 2014

What You Need to Know Starting Today

By Philip B. Schwartz and Andrew E. Schwartz

During the 2013 legislative session, the Florida Legislature adopted a complete re-write of Florida's limited liability company statute. The new limited liability company act (the New Act), which is called the Florida Revised Limited Liability Company Act and has been codified in new Chapter 605 of the Florida Statutes, becomes effective today for all Florida limited liability companies organized on or after this date and for all foreign limited liability companies that are already qualified to transact business in Florida.

The New Act represents a substantial evolution in Florida law. First, the New Act modernizes Florida's limited liability company (LLC) law, which has not kept pace with developments in the commercial use of LLCs. Second, the New Act corrects significant glitches in the existing Florida limited liability company statute (Chapter 608), makes Florida law regarding LLCs clearer, more understandable and easier to use for courts and practitioners, and makes Florida law with respect to LLCs more consistent with Florida's other business entity statutes. Finally, adoption of the New Act keeps Florida competitive with other leading commercial states, giving Florida the opportunity to retain LLC formations,

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businesses, and jobs that might potentially go to other states. A client alert that we published in May 2013 shortly after the adoption of the New Act and which describes the highlights of the New Act compared to the existing Florida LLC act, can be found [here](#).

With two exceptions, Florida limited liability companies that were organized prior to today will not become subject to the New Act until January 1, 2015. This one-year delay in the effective date is intended to give existing LLCs time to get their house in order before they become subject to the provisions of the New Act. However, existing Florida LLCs that want to become subject to the New Act ahead of the January 1, 2015 effective date may do so by affirmatively electing to become subject to the New Act earlier. Further, even though existing Florida LLCs are not subject to the New Act until January 1, 2015, any filing that an existing LLC makes starting today with the Florida Department of State must follow the filing requirements contained in the New Act.

In that regard, late last month the Florida Department of State issued new forms for use under the New Act. This includes forms for a broad range of filings that may be required under the New Act, including forms for articles of organization (and amendments thereto), forms relating to the dissolution of an LLC, forms for mergers and conversions of Florida LLC, forms for abandonment of mergers, interest exchanges, conversions and domestications, and forms for various statements that can be filed under the New Act (such as Statements of Authority, which provide who has or doesn't have authorization to bind the particular LLC). The Department's new forms can be found [here](#). Further, the Department has published a booklet containing a copy of the New Act and related materials, which can be found [here](#). Anyone who deals with Florida LLCs will want to download a copy of the Department's booklet and put it in their library.

Over the next few months, as we move closer to the date on which the New Act will become effective for existing LLCs, we intend to publish additional client alerts discussing the types of changes that Florida LLCs may wish to consider making in their articles of organization and operating agreements in light of the New Act.

If you have any questions, please contact the authors or another member of the Akerman team.

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