

June 20, 2005

Ms. Glenda E. Hood  
Secretary of State  
Florida Department of State  
R.A. Gray Building  
500 South Bronough Street  
Tallahassee, Florida 32399-0250

Dear Secretary Hood:

By the authority vested in me as Governor of Florida, under the provisions of Article III, Section 8, of the Constitution of Florida, I hereby transmit to you Committee Substitute for Senate Bill 1056, enacted during the 37<sup>th</sup> Session of the Legislature of Florida convened under the Constitution of 1968, during the Regular Session of 2005, and entitled:

An act relating to business entities . . .

Committee Substitute for Senate Bill 1056 contains the Florida Revised Uniform Limited Partnership Act (2005,) which replaces in its entirety the existing Florida Limited Partnership statute. The bill also contains revisions to the Florida Business Corporation Act. This bill represents the hard work of many individuals active with the Florida Bar and provides numerous benefits and incentives for conducting business in Florida. Because this legislation increases business and economic opportunity that encourages Florida's continuing economic growth, I support this bill.

It is important to note, however, that this bill includes language that changes the appraisal rights of minority shares in small businesses. Amendments offered on the floor of the Senate that amend Sections 607.1301 and 607.1302 of the Florida Business Corporation Act did not receive adequate committee review and consideration during the legislative process. While late amendments such as these certainly are not precluded from approval, they do warrant extra scrutiny. Limited legislative review is not how controversial issues should be approached and resolved.

After additional scrutiny, it has been brought to my attention that these amendments may have been specifically designed, in both timing and effect, to alter the outcome of pending litigation in the Fifteenth Judicial Circuit Court of Florida. Such actions stymie our legal process and further emphasize the need for transparency in the legislative arena. It would be inappropriate to apply new valuation methodologies to transactions that precede the effective date of this legislation. Businesses and investors rely on the law at the time agreements are formed. Changing the law retroactively jeopardizes the certainty and predictability of our corporate law and establishes a precedent that sends a bad signal to employers about Florida's business climate.

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Representative Goodlette, the bill's co-sponsor, has assured me in writing that he had no intention of affecting the outcome of any pending litigation. Based on his assurances, I am transmitting Committee Substitute for Senate Bill 1056 with my signature.

Sincerely,

Jeb Bush