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FLORIDA'S NEW SERIES LLC LAW: KEY INSIGHTS FOR BUSINESS OWNERS AHEAD OF 2026

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Florida is making a major move to modernize its business landscape. On June 20, 2025, Governor Ron DeSantis signed Senate Bill 316 into law, officially allowing the formation and recognition of Series LLCs in the Sunshine State. This new law, effective July 1, 2026, will bring significant changes for entrepreneurs, real estate investors, and anyone looking to streamline their business operations while maximizing liability protection. Below, we break down what Series LLCs are, how Florida's new law works, and what it means for business owners.

1. What is a Series LLC?

A Series LLC is a unique type of limited liability company that allows a single "parent" LLC to create multiple "series" or "protected series" within itself. Each series can have its own assets, operations, members, and liabilities, while remaining under the umbrella of one parent LLC.

Key Features:

- Liability Segregation: The debts and obligations of one series are generally not enforceable against the parent LLC or any other series.
- Administrative Efficiency: Instead of forming multiple separate LLCs (and paying separate filing fees), business owners can manage several ventures or assets under one legal entity.
- Flexibility: Each series can have different members, managers, purposes, and **assets.**

2. Why Is This a Big Deal for Florida?

Until now, Florida did not allow the formation of Series LLCs, placing it at a disadvantage compared to states like Delaware, Texas, and Illinois. With the new law, Florida joins the ranks of states offering this flexible business structure, enhancing its appeal to entrepreneurs and investors.

3. How Does the New Law Work?

- Formation and Naming
  - A Florida LLC can establish one or more protected series by filing a "protected series designation" with the Florida Department of State.
  - Each series must have a name that begins with the parent LLC's name and includes "protected series," "P.S.," or "PS."
- Operations and Governance
  - Each series can have its own members, managers, assets, and liabilities, distinct from the parent LLC and other series.
  - The law outlines specific requirements for recordkeeping. Each series must maintain clear records identifying its assets and liabilities. Failure to do so could allow creditors to "pierce the veil" and reach

other series or the parent LLC for debts of a particular series.

- Liability Protection
  - The law explicitly states that the debts and obligations of a series are solely those of that series—not the parent LLC or other series.
  - Similarly, the parent LLC is not liable for the debts of any series simply because it is the parent.
- Annual Reporting
  - The parent LLC must include the name of each protected series in its annual report to the state.
- Restrictions on Transactions
  - Series LLCs face certain restrictions on mergers, conversions, and other entity transactions. For example, a Series LLC can only merge with other LLCs, and the surviving company in a merger cannot be created as a result of the merger.
- Recognition of Foreign Series LLCs
  - Florida will also recognize out-of-state (foreign) Series LLCs that want to operate within Florida, providing more flexibility for businesses headquartered elsewhere.

4. **Who Benefits from Series LLCs?**

- Real Estate Investors: Perhaps the most common use case, real estate investors can hold each property in a separate series. If one property faces a lawsuit, the others are shielded from liability.
- Entrepreneurs with Multiple Ventures: Those managing multiple lines of business can separate them into different series, reducing risk and administrative burden.
- Family Businesses and Investment Groups: Families or groups managing different assets or investments can segregate them for liability and management purposes.

Florida's adoption of the Series LLC structure marks a major advancement the state's business environment. By offering greater flexibility, liability protection, and administrative efficiency, the new law is poised to attract more entrepreneurs and investors to Florida. Careful planning and ongoing compliance will be critical to taking full advantage of this new structure.

Berger Singerman's attorneys are well-versed in Florida's new Series LLC law and its implications for businesses, real estate investors, and entrepreneurs. Please reach out to a member of our Business, Finance & Tax Team for guidance on how to prepare for this change ahead of its July 1, 2026 effective date.

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