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FLORIDA'S SERIES LLC LAW TAKES EFFECT JULY 1, 2026: EVALUATE YOUR BUSINESS STRUCTURE NOW

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In just five weeks, Florida will join Delaware, Texas, Illinois, and other states that permit the formation of Series LLCs — a flexible business structure that allows a single "parent" LLC to house multiple protected series, each with its own assets, members, and liabilities. Signed into law by Governor DeSantis on June 20, 2025, Senate Bill 316 takes effect on July 1, 2026. Whether you are a real estate investor, an entrepreneur with multiple ventures, or a family office overseeing diversified holdings, this law may offer meaningful advantages in liability protection, operational efficiency, and cost savings. Now is the time to begin evaluating whether your existing structure should be adjusted in anticipation of the law's effective date.

What Is a Series LLC?

A Series LLC is a limited liability company that permits a single "parent" LLC to create one or more internal divisions — known as "protected series" — each of which functions, for liability purposes, much like a standalone entity. Each protected series may hold its own assets, conduct its own operations, and maintain its own membership and management structure, all under the umbrella of the parent LLC.

The defining feature is liability segregation: the debts and obligations of one series are enforceable only against that series — not against the parent LLC and not against any other series. Unlike the traditional approach of forming multiple separate LLCs (with separate filings, registered agents, and annual reports for each), the Series LLC achieves comparable liability compartmentalization with substantially less administrative overhead and cost.

How Does Florida's New Law Work?

1. Formation and Naming Requirements

A Florida LLC may establish one or more protected series by filing a "protected series designation" with the Florida Department of State. Each protected series must bear a name that begins with the full legal name of the parent LLC and includes the designation "protected series," "P.S.," or "PS." Strict compliance with these naming requirements is essential.

2. Liability Protection

The debts, obligations, and liabilities of a particular protected series are enforceable solely against the assets of that series. The parent LLC is not liable for the obligations of any series merely by virtue of being the parent, and no series is liable for the obligations of any other series. However, this liability shield is not self-executing — it depends on rigorous compliance with the law's recordkeeping requirements.

3. Recordkeeping Obligations

Each series must maintain records that clearly identify its assets and liabilities, separate from those of the parent LLC and every other series. Commingling assets or failing to maintain adequate books and records could give creditors grounds to "pierce the veil" and reach assets of the parent LLC or other series. Disciplined, ongoing recordkeeping is non-negotiable.

4. Annual Reporting
The parent LLC must include the name of each protected series in its annual report filed with the Florida Department of State. Failure to properly report protected series could create ambiguity about a series' standing, with potentially adverse consequences for liability protection.

5. Restrictions on Certain Transactions
The new law imposes limitations on mergers, conversions, and other entity transactions involving Series LLCs. Businesses considering such transactions should seek legal counsel to ensure compliance.

6. Recognition of Foreign Series LLCs
Florida will also recognize out-of-state ("foreign") Series LLCs that wish to operate within Florida. Businesses headquartered in states like Delaware or Texas that already use the Series LLC structure can register and do business in Florida with confidence that their internal liability protections will be respected.

Who Stands to Benefit Most?

1. Real Estate Investors
Investors holding multiple properties can place each property into its own protected series. If a lawsuit arises in connection with one property, the exposure is limited to that series — the investor's other properties remain shielded, with far less administrative complexity and cost than maintaining separate LLCs.

2. Entrepreneurs with Multiple Ventures
Business owners operating multiple lines of business can segregate each venture into its own protected series, reducing cross-venture liability risk and simplifying management under a single parent entity.

3. Family Businesses and Investment Groups
Families and investment groups managing diversified assets can compartmentalize them for both liability and management purposes, with different members participating in different series under tailored governance arrangements.

What Should You Be Doing Now?

With July 1, 2026 just weeks away, clients who may benefit from the Series LLC structure should begin taking concrete steps:

- Evaluate your current entity structure. If you operate through multiple separate LLCs — particularly in a real estate portfolio — a Series LLC may offer a more efficient alternative. If you hold multiple assets in a single LLC without liability segregation, a Series LLC could provide meaningful new protections.
- Assess your recordkeeping practices. Ensure you have internal systems to maintain separate books, records, and accounts for each protected series on an ongoing basis.
- Understand the tax implications. Each protected series may be treated as a separate entity for federal tax purposes, carrying its own reporting obligations. Tax planning should be integral to any decision to adopt this structure.
- Plan the transition. Restructuring existing entities into a Series LLC framework requires careful planning around asset transfers, contract assignments, existing liabilities, and lender consents.
- Engage your advisors early. Thoughtful planning now — not a last-minute scramble after July 1 — will yield the best results.

How Can Berger Singerman Help?

Berger Singerman's Business, Finance & Tax Team has been tracking this legislation from its earliest stages and is fully prepared to advise on all aspects of the new law — from entity formation and structuring to real estate transactions and tax planning. Whether you are considering forming a new Series LLC, restructuring existing entities, or evaluating how this law affects your current operations, we are ready to help. For more information, please contact the authors, Robert Barron or Sophia Carballo, or a member of our Business,

Finance & Tax Team to begin developing a strategy tailored to your business.

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