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HOUSE BILL 46

**51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013**

INTRODUCED BY

Thomas C. Taylor

AN ACT

RELATING TO CORPORATIONS; IMPLEMENTING A CONSTITUTIONAL MANDATE TO TRANSFER RESPONSIBILITY FOR CHARTERING AND REGULATING CORPORATIONS FROM THE PUBLIC REGULATION COMMISSION TO THE SECRETARY OF STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 3-28-4 NMSA 1978 (being Laws 1965, Chapter 300, Section 14-27-4, as amended) is amended to read:

"3-28-4. ACKNOWLEDGMENT AND FILING OF ORIGINAL CERTIFICATE--RECORDING OF COPY.--The certificate of association shall be acknowledged as required for deeds of real estate and shall be filed in the office of the [~~state corporation commission~~] secretary of state, and a copy of the certificate, duly certified by the [~~state corporation commission~~] secretary of state, shall be recorded in the office of the county clerk

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1 of the county or counties where the lands or works are located.  
2 The certificate or a copy thereof duly certified by the  
3 [~~commission~~] secretary of state or county clerk shall be  
4 evidence in all courts and places."

5 SECTION 2. Section 3-28-6 NMSA 1978 (being Laws 1965,  
6 Chapter 300, Section 14-27-6, as amended) is amended to read:

7 "3-28-6. AMENDMENT OF CERTIFICATE OF INCORPORATION.--  
8 Every association formed under Chapter 3, Article 28 NMSA 1978  
9 may change its name, increase or decrease its capital stock or  
10 membership, change the location of its principal office in this  
11 state, extend the period of its existence and make such other  
12 amendment, change or alteration as may be desired, not  
13 inconsistent with Chapter 3, Article 28 NMSA 1978 or other law  
14 of this state, by a resolution duly adopted by a [~~two-thirds~~]  
15 two-thirds' vote of the entire membership of the board of  
16 directors. A certified copy of such resolution with the  
17 affidavit of the president and secretary that the resolution  
18 was duly adopted by a [~~two-thirds~~] two-thirds' vote of the  
19 entire membership of the board of directors at a meeting held  
20 in accordance with the provisions of its bylaws shall be filed  
21 and recorded as provided for filing the original certificate of  
22 incorporation, and, thereupon, the certificate of incorporation  
23 shall be deemed to be amended accordingly, and a copy of the  
24 certificate of amendment certified by the [~~state corporation~~  
25 ~~commission~~] secretary of state and the county clerk shall be

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1 accepted as evidence of such change or amendment in all courts  
2 and places."

3 SECTION 3. Section 3-29-17 NMSA 1978 (being Laws 1965,  
4 Chapter 300, Section 14-28-17, as amended) is amended to read:

5 "3-29-17. FILING OF CERTIFICATE AND BYLAWS.--The  
6 certificate of association and bylaws shall be acknowledged as  
7 required for deeds of real estate and shall be filed in the  
8 office of the [~~public regulation commission~~] secretary of  
9 state. A copy of the certificate, duly certified by the  
10 [~~commission~~] secretary of state or county clerk, shall be  
11 evidence in all courts and places."

12 SECTION 4. Section 3-29-17.2 NMSA 1978 (being Laws 2001,  
13 Chapter 200, Section 5) is amended to read:

14 "3-29-17.2. CHANGE OF REGISTERED OFFICE OR REGISTERED  
15 AGENT.--

16 A. An association may change its registered office  
17 or its registered agent, or both, by filing in the office of  
18 the [~~public regulation commission~~] secretary of state a  
19 statement that includes:

- 20 (1) the name of the association;
- 21 (2) the address of its registered office;
- 22 (3) if the address of the association's  
23 registered office is changed, the address to which the  
24 registered office is changed;
- 25 (4) the name of its registered agent;

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1 (5) if the association's registered agent is  
2 changed:

3 (a) the name of its successor registered  
4 agent; and

5 (b) if the successor registered agent is  
6 an individual, a statement executed by the successor registered  
7 agent acknowledging [~~his~~] acceptance of the appointment by the  
8 filing association as its registered agent; or

9 (c) if the successor registered agent is  
10 a corporation, an affidavit executed by the president or vice  
11 president of the corporation in which the officer acknowledges  
12 the corporation's acceptance of the appointment by the filing  
13 association as its registered agent;

14 (6) a statement that the address of the  
15 association's registered office and the address of the office  
16 of its registered agent, as changed, will be identical; and

17 (7) a statement that the change was authorized  
18 by resolution duly adopted by its board of directors.

19 B. The statement made pursuant to the provisions of  
20 Subsection A of this section shall be executed by the  
21 association by any two members and delivered to the [~~public~~  
22 ~~regulation commission~~] secretary of state. If the [~~commission~~]  
23 secretary of state finds that the statement conforms to the  
24 provisions of the Sanitary Projects Act, it shall file the  
25 statement in the office of the [~~commission~~] secretary of state.

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1 The change of address of the registered office, or the  
2 appointment of a new registered agent, or both, shall become  
3 effective upon filing of the statement required by this  
4 section.

5 C. A registered agent of an association may resign  
6 as agent upon filing a written notice thereof, executed in  
7 duplicate, with the [~~public regulation commission~~] secretary of  
8 state. The [~~commission~~] secretary of state shall mail a copy  
9 immediately to the association in care of an officer, who is  
10 not the resigning registered agent, at the address of the  
11 officer as shown by the most recent annual report of the  
12 association. The appointment of the agent shall terminate upon  
13 the expiration of thirty days after receipt of the notice by  
14 the [~~commission~~] secretary of state."

15 SECTION 5. Section 3-29-17.4 NMSA 1978 (being Laws 2001,  
16 Chapter 200, Section 7, as amended) is amended to read:

17 "3-29-17.4. ANNUAL REPORT.--

18 A. An association shall file, within the time  
19 prescribed by the Sanitary Projects Act, on forms prescribed  
20 and furnished by the [~~public regulation commission~~] secretary  
21 of state to the association not less than thirty days prior to  
22 the date the report is due, an annual report setting forth:

- 23 (1) the name of the association;  
24 (2) the address of the registered office of  
25 the association in the state and the name of its registered

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1 agent in this state at that address;

2 (3) a brief statement of the character of the  
3 affairs that the association is actually conducting; and

4 (4) the names and respective addresses of the  
5 directors and officers of the association.

6 B. The report shall be signed and sworn to by two  
7 of the members of the association. If the association is in  
8 the hands of a receiver or trustee, the report shall be  
9 executed on behalf of the association by the receiver or  
10 trustee. A copy of the report shall be maintained at the  
11 association's principal place of business as contained in the  
12 report and shall be made available to the general public for  
13 inspection during regular business hours."

14 SECTION 6. Section 3-29-19 NMSA 1978 (being Laws 1965,  
15 Chapter 300, Section 14-28-19, as amended) is amended to read:

16 "3-29-19. AMENDMENT OF CERTIFICATE OF ASSOCIATION AND  
17 BYLAWS--METHOD.--Every association may make such amendment,  
18 change or alteration to its certificate of association or  
19 bylaws as may be desired not inconsistent with the Sanitary  
20 Projects Act or other law of this state by a resolution adopted  
21 by a vote of a majority of the members present at any regular  
22 or special meeting duly held upon such notice as the bylaws  
23 provide. A certified copy of such resolution with the  
24 affidavit of the president and secretary that the resolution  
25 was duly adopted by a majority vote of the members at a meeting

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1 held in accordance with the provisions of this section shall be  
2 filed and recorded as provided for filing and recording the  
3 original certificate of association and bylaws, and thereupon  
4 the certificate of association and bylaws shall be deemed to be  
5 amended accordingly, and a copy of such certificate of  
6 amendment certified by the [~~public regulation commission~~]  
7 secretary of state or the county clerk shall be accepted as  
8 evidence of each change or amendment in all courts and places."

9 SECTION 7. Section 3-29-20 NMSA 1978 (being Laws 2000,  
10 Chapter 56, Section 4, as amended) is amended to read:

11 "3-29-20. REORGANIZATION OF COOPERATIVE ASSOCIATIONS AND  
12 NONPROFIT CORPORATIONS PURSUANT TO THE SANITARY PROJECTS ACT.--

13 A. Cooperative associations formed pursuant to  
14 Sections 53-4-1 through 53-4-45 NMSA 1978 and nonprofit  
15 corporations formed under the Nonprofit Corporation Act may  
16 reorganize under the Sanitary Projects Act upon approval of the  
17 reorganization by a majority vote of a quorum of the members of  
18 a cooperative association or nonprofit corporation. Notice of  
19 the meeting to consider the reorganization and a copy of the  
20 proposed certificate of association shall be sent at least  
21 fifteen days prior to such meeting by the cooperative  
22 association to each member at the member's last known address  
23 and by the nonprofit corporation to each member, if any, at the  
24 member's last known address. Upon approval of the  
25 reorganization by the majority vote of a quorum of the members,

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1 the cooperative association or the nonprofit corporation shall  
2 execute a certificate of association pursuant to Sections  
3 3-29-16 and 3-29-17 NMSA 1978. The certificate of association  
4 shall state that it supersedes the articles of incorporation  
5 and all amendments to the articles of incorporation of the  
6 cooperative association or the nonprofit corporation.

7 B. Duplicate originals of the certificate of  
8 association shall be filed with the [~~public regulation~~  
9 ~~commission~~] secretary of state. One duplicate original of the  
10 certificate of association shall be returned to the  
11 association.

12 C. The certificate of association is effective upon  
13 filing and supersedes the articles of incorporation and all  
14 amendments to the articles of incorporation of the prior  
15 cooperative association or nonprofit corporation. The  
16 association shall:

17 (1) be the surviving entity, and the separate  
18 existence of the prior cooperative association or nonprofit  
19 corporation shall cease;

20 (2) have all of the rights, privileges,  
21 immunities and powers and shall be subject to all the duties  
22 and liabilities of an association organized pursuant to the  
23 Sanitary Projects Act;

24 (3) possess all the rights, privileges,  
25 immunities and franchises of the prior cooperative association

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1 or nonprofit corporation. All property, real, personal and  
2 mixed; all debts due on whatever account; all other choses in  
3 action; and all and every other interest of or belonging to or  
4 due to the prior cooperative association or nonprofit  
5 corporation shall be taken and deemed to be transferred to and  
6 vested in the association without further act or deed. The  
7 title to any real estate, or any interest therein, vested in  
8 the prior cooperative association or nonprofit corporation  
9 shall not revert or be in any way impaired by reason of the  
10 reorganization; and

11 (4) be liable for all the liabilities and  
12 obligations of the prior cooperative association or nonprofit  
13 corporation, and any claim existing or action or proceeding  
14 pending by or against the cooperative association or nonprofit  
15 corporation may be prosecuted as if the reorganization had not  
16 taken place or the new association may be substituted in its  
17 place. Neither the rights of creditors nor any liens upon the  
18 property of the cooperative association or nonprofit  
19 corporation shall be impaired by the reorganization.

20 D. A cooperative association formed pursuant to the  
21 Cooperative Association Act or nonprofit corporation formed  
22 pursuant to the Nonprofit Corporation Act that reorganized  
23 under Subsection A of this section prior to June 30, 2006 may,  
24 within three years of the effective date of this 2006 act,  
25 reorganize pursuant to the act under which it had previously

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1 been organized upon approval of the reorganization by a two-  
2 thirds' vote of the directors of the association or  
3 corporation. Notice of the meeting to consider the  
4 reorganization and a copy of the proposed articles of  
5 incorporation shall be sent by the association or the  
6 corporation at least fifteen days prior to the meeting to each  
7 member at the member's last known address. Upon approval of  
8 the reorganization, the association or corporation shall  
9 execute articles of incorporation pursuant to Sections 53-4-5  
10 and 53-4-6 or 53-8-31 and 53-8-32 NMSA 1978. The articles of  
11 incorporation shall state that they supersede the certificate  
12 of association or incorporation and all amendments thereto of  
13 the association or corporation and shall follow the filing  
14 procedures of Subsections B and C of this section."

15 SECTION 8. Section 7-1-80 NMSA 1978 (being Laws 1965,  
16 Chapter 248, Section 83, as amended) is amended to read:

17 "7-1-80. DISSOLUTION OR WITHDRAWAL OF CORPORATION.--The  
18 [~~state corporation commission~~] secretary of state shall not  
19 issue any certificate of dissolution to any taxpayer or allow  
20 any corporate taxpayer to withdraw from the state until:

21 A. the taxpayer files with the [~~state corporation~~  
22 ~~commission~~] secretary of state a certificate signed by the  
23 secretary of taxation and revenue or the [~~secretary's~~]  
24 secretary of taxation and revenue's delegate stating that as of  
25 a certain date the taxpayer is not liable for any tax and

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1 containing a statement verified by a responsible official of  
2 the corporation to the effect that the taxpayer has not engaged  
3 in business after the date above specified. If the taxpayer  
4 has so engaged in business, any certificate of dissolution or  
5 withdrawal shall be of no effect and all liabilities of the  
6 corporation shall continue as if no certificate had been  
7 granted;

8 B. a successor, acceptable to the secretary of  
9 taxation and revenue or the secretary's delegate, to any  
10 corporation requesting dissolution or withdrawal enters into a  
11 binding agreement by provision of which the successor assumes  
12 full liability for payment of all taxes due or expected to  
13 become due from the corporation and certification thereof is  
14 given by the secretary of taxation and revenue or the  
15 secretary's delegate; or

16 C. satisfactory security for payment of the taxes  
17 due or expected to become due from the corporation is furnished  
18 in accordance with the provisions of Section 7-1-54 NMSA 1978  
19 and certification thereof is given by the secretary of taxation  
20 and revenue or the secretary's delegate."

21 SECTION 9. A new section of Chapter 8, Article 4 NMSA  
22 1978 is enacted to read:

23 "[NEW MATERIAL] CORPORATIONS.--As of July 1, 2013, the  
24 secretary of state, pursuant to Article 11, Section 19 of the  
25 constitution of New Mexico, shall assume responsibility for

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1 chartering corporations as provided by law, including the  
2 performance of the functions of the former corporations bureau  
3 of the public regulation commission. As used in Chapter 53,  
4 Articles 1, 2, 4 through 6, 7B, 8, 11 through 14 and 16 through  
5 20 NMSA 1978, except for Subsection D of Section 53-5-8 NMSA  
6 1978, references to the "public regulation commission", "state  
7 corporation commission" or "commission" shall be construed to  
8 be references to the secretary of state."

9 SECTION 10. Section 8-8-7 NMSA 1978 (being Laws 1998,  
10 Chapter 108, Section 7, as amended) is amended to read:

11 "8-8-7. ADMINISTRATIVE SERVICES DIVISION--CHIEF  
12 CLERK.--

13 A. The director of the administrative services  
14 division of the commission shall record the judgments, rules,  
15 orders and other proceedings of the commission and make a  
16 complete index to the judgments, rules, orders and other  
17 proceedings; issue and attest all processes issuing from the  
18 commission and affix the seal of the commission to them; and  
19 preserve the seal and other property belonging to the  
20 commission.

21 B. The administrative services division [~~includes~~  
22 ~~the "corporations bureau" and~~] shall perform the following  
23 functions:

- 24 (1) case docketing;
- 25 (2) budget and accounting;

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- 1 (3) personnel services;
- 2 (4) procurement; and
- 3 (5) information systems services.

4 [~~G. The corporations bureau shall perform the~~  
5 ~~functions of the corporations department of the former state~~  
6 ~~corporation commission.~~]"

7 SECTION 11. Section 21-21A-16 NMSA 1978 (being Laws 1981,  
8 Chapter 319, Section 16, as amended) is amended to read:

9 "21-21A-16. ANNUAL REPORT AND AUDIT.--

10 A. The foundation shall, promptly following the  
11 close of each fiscal year, submit an annual report of its  
12 activities for the preceding year to the governor, the  
13 [~~corporations bureau of the public regulation commission]~~  
14 secretary of state, the state auditor and the legislative  
15 finance committee. Each report shall set forth a complete  
16 operating and financial statement of the foundation during the  
17 year. The board of directors of the foundation shall annually  
18 contract with an independent certified public accountant,  
19 licensed by the state, to perform an examination and audit of  
20 the accounts and books of the foundation, including its  
21 receipts, disbursements, contracts, leases, sinking funds,  
22 investments and any other records and papers relating to its  
23 financial standing, and shall make a determination as to  
24 whether the foundation has complied with the provisions of the  
25 Educational Assistance Act. The person performing the audit

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1 shall furnish copies of the audit report to the governor, the  
2 [~~corporations bureau~~] secretary of state, the state auditor and  
3 the legislative finance committee, where they shall be placed  
4 on file and made available for inspection by the general  
5 public.

6 B. Subject to the provisions of any contract with  
7 bondholders or noteholders, the foundation shall prescribe a  
8 system of accounts.

9 C. The costs of audits and examinations performed  
10 pursuant to this section shall be paid by the foundation."

11 SECTION 12. Section 21-23-12 NMSA 1978 (being Laws 1975,  
12 Chapter 148, Section 12, as amended) is amended to read:

13 "21-23-12. COOPERATION.--The [~~commission~~] higher  
14 education department shall cooperate with federal and other  
15 state agencies in administering the provisions of the  
16 Post-Secondary Educational Institution Act. The [~~state~~  
17 ~~corporation commission~~] secretary of state shall cooperate with  
18 the [~~commission~~] higher education department by identifying  
19 post-secondary educational institutions that apply for  
20 corporate charters. The [~~state department of~~] public education  
21 department shall cooperate with the [~~commission~~] higher  
22 education department by providing the technical assistance  
23 necessary to develop minimum standards that post-secondary  
24 educational institutions shall meet and any other assistance  
25 that would be of aid in the administration of the Post-

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1 Secondary Educational Institution Act."

2 SECTION 13. Section 21-28-17 NMSA 1978 (being Laws 1989,  
3 Chapter 264, Section 17, as amended) is amended to read:

4 "21-28-17. ANNUAL REPORT AND AUDIT.--

5 A. A research park corporation shall, within ninety  
6 days following the close of each fiscal year, submit an annual  
7 report of its activities for the preceding year as required by  
8 the Nonprofit Corporation Act or the Business Corporation Act  
9 under which the research park is incorporated. The board of  
10 directors of the research park corporation shall annually  
11 contract with an independent certified public accountant,  
12 licensed by the state, to perform an examination and audit of  
13 the accounts and books of the research park corporation,  
14 including its receipts, disbursements, contracts, leases,  
15 sinking funds, investments and any other records and papers  
16 relating to its financial standing, and the certified public  
17 accountant shall make a determination as to whether the  
18 research park corporation has complied with the provisions of  
19 the University Research Park and Economic Development Act. The  
20 person performing the audit shall furnish copies of the audit  
21 report to the regents of the university and the ~~[public~~  
22 ~~regulation commission]~~ secretary of state, where they shall be  
23 placed on file and made available for inspection by the general  
24 public.

25 B. Subject to the provisions of any contract with

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1 bondholders or noteholders, a research park corporation shall  
2 prescribe a system of accounts.

3 C. The costs of audits and examinations performed  
4 pursuant to this section shall be paid by the research park  
5 corporation."

6 SECTION 14. Section 49-2-18 NMSA 1978 (being Laws 1967,  
7 Chapter 43, Section 1) is amended to read:

8 "49-2-18. CONVERSION OF CORPORATIONS ORGANIZED UNDER LAWS  
9 1891, CHAPTER 86 INTO GENERAL CORPORATIONS.--Twenty or more  
10 owners and proprietors of record of a corporation organized  
11 under Laws 1891, Chapter 86 may prepare proposed articles of  
12 incorporation and bylaws and a plan of conversion for the  
13 purpose of converting the existing corporation into a  
14 corporation organized under the general corporation law of this  
15 state. Upon notice, the proposers shall call a meeting of all  
16 owners and proprietors of record entitled to vote in the  
17 affairs of the existing corporation. The notice shall be  
18 published in English in a newspaper of general circulation in a  
19 county in which the existing corporation is located, once a  
20 week for three consecutive weeks, the last publication to be  
21 not more than thirty days prior to the date set for the  
22 meeting. Similar publication shall also be made in Spanish if  
23 there is a Spanish language newspaper of general circulation in  
24 the county. The proposed articles of incorporation and bylaws  
25 and the plan of conversion shall be presented at the meeting,

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1 and, if approved by a vote of the majority of the owners and  
2 proprietors of record present at the meeting, then, upon the  
3 filing of the articles of incorporation and bylaws with the  
4 [~~state corporation commission~~] secretary of state and the  
5 issuance of a certificate of incorporation, the corporation  
6 organized under Laws 1891, Chapter 86 is converted into a  
7 domestic corporation authorized to do business and entitled to  
8 all privileges and immunities of a domestic corporation  
9 organized under the general corporation laws of this state."

10 SECTION 15. Section 57-5-1 NMSA 1978 (being Laws 1933,  
11 Chapter 177, Section 1) is amended to read:

12 "57-5-1. DEFINITIONS.--~~[(a) The term]~~ As used in Chapter  
13 57, Article 5 NMSA 1978:

14 A. "corporation" [~~when used in this Act, includes~~]  
15 means any subsidiary holding company, joint purchasing or  
16 selling association, business trust, joint stock association  
17 and officers and agents or employees serving in any capacity;

18 ~~[(b) The term]~~ B. "person" [~~when used in this Act,~~  
19 ~~includes~~] means a natural person, partnership, firm of two or  
20 more persons having a joint or common interest or a  
21 corporation, association or business trust;

22 ~~[(c) The term]~~ C. "producer" [~~when used in this~~  
23 ~~Act, includes~~] means all persons or [~~corporations~~] their  
24 distributors or agents who make, manufacture, lease, license or  
25 sell motion pictures of any kind;

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1           ~~[(d) The term]~~ D. "distributor" ~~[when used in this~~  
2 ~~Act, includes]~~ means all persons ~~[or corporations]~~ or their  
3 agents who make, manufacture, buy, act as lessor, sell or  
4 traffic in motion pictures in any way;

5           ~~[(e) The term]~~ E. "product" ~~[when used in this Act,~~  
6 ~~shall mean]~~ means any stated number of motion pictures, group,  
7 series or the annual output of motion pictures of any producer,  
8 manufacturer or distributor of motion pictures;

9           ~~[(f) The term]~~ F. "theatre" ~~[when used in this Act~~  
10 ~~shall mean and include]~~ means any auditorium, room, hall or  
11 place where motion pictures are exhibited, played or shown;

12           ~~[(g) The term]~~ G. "exhibitor" ~~[when used in this~~  
13 ~~Act, shall mean and include]~~ means any person ~~[firm or~~  
14 ~~corporation]~~ engaged in the showing and exhibition of motion  
15 pictures;

16           ~~[(h) The term]~~ H. "competitive situation" ~~[when~~  
17 ~~used in this Act, shall mean]~~ means any ~~[town or city]~~  
18 municipality in which there are two or more persons engaged in  
19 the business of exhibiting motion pictures and each is a  
20 competitor of the other;

21           ~~[(i) The term]~~ I. "competitive exhibitor" ~~[when~~  
22 ~~used in this Act, shall mean and include]~~ means any person ~~[or~~  
23 ~~corporation]~~ owning or operating any motion picture show or  
24 theatre or who is in any way interested in the exhibition of  
25 motion pictures in any ~~[city or town]~~ municipality where there

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1 are two or more competitive exhibitors engaged in ~~[said]~~ the  
2 business;

3 ~~[(j) The term]~~ J. "box office value" ~~[when used in~~  
4 ~~this Act, shall mean and include]~~ means the potential power of  
5 a motion picture to draw patronage;

6 ~~[(k) The word]~~ K. "franchise" ~~[when used in this~~  
7 ~~Act, shall mean and include]~~ means any contract, agreement or  
8 understanding whereby a producer or distributor either grants  
9 or gives the exclusive right to use of its product ~~[or~~  
10 ~~products]~~ to another producer, ~~[and/or]~~ distributor, ~~[or]~~  
11 exhibitor or other person for a period of more than one year;

12 ~~[(l) The term]~~ L. "first run pictures" ~~[when used~~  
13 ~~in this Act, shall mean and include]~~ means any motion picture  
14 ~~[or pictures which have]~~ that has not been previously exhibited  
15 or shown in a certain ~~[town or city]~~ municipality;

16 ~~[(m) The term]~~ M. "second run pictures" ~~[when used~~  
17 ~~in this Act, shall mean and include]~~ means any motion picture  
18 ~~[or pictures which have]~~ that has been previously exhibited or  
19 shown in one or more consecutive days in a certain ~~[town or~~  
20 ~~community]~~ municipality;

21 ~~[(n) The term]~~ N. "first run theatre" ~~[when used in~~  
22 ~~this Act, shall mean and include]~~ means any theatre ~~[which]~~  
23 that exhibits first run pictures, and not more than two second  
24 run pictures in each calendar month, throughout the year;

25 ~~[(o) The term]~~ O. "second run theatre" ~~[when used~~

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1 ~~in this Act, shall mean and include~~ means any theatre ~~[which]~~  
2 that exhibits more than two second run pictures in any calendar  
3 month throughout the year;

4 ~~[(p) The term]~~ P. "playing arrangement" ~~[when used~~  
5 ~~in this Act, shall mean]~~ means the number of days a motion  
6 picture ~~[or pictures, are]~~ is to be played, the admission price  
7 to be charged ~~[for same]~~ and the specific conditions governing  
8 the playing of a motion picture ~~[or pictures]~~ when any of ~~[the~~  
9 ~~above]~~ these arrangements are specified in the contracts or  
10 leasing, licensing or renting arrangements between exhibitor  
11 and distributor;

12 ~~[(q) The term]~~ Q. "play" ~~[when used in this Act,~~  
13 ~~shall mean]~~ means the exhibition, ~~[presentations]~~ presentation  
14 or showing of motion pictures or productions in motion picture  
15 theaters; and

16 R. "state corporation commission" or "corporation  
17 commission" means the secretary of state."

18 SECTION 16. Section 58-1-3 NMSA 1978 (being Laws 1963,  
19 Chapter 305, Section 3, as amended) is amended to read:

20 "58-1-3. DEFINITIONS.--As used in the Banking Act, unless  
21 the context otherwise requires:

22 A. "action" in the sense of a judicial proceeding  
23 means any proceeding in which rights are determined;

24 B. "allowances for loan and lease losses" means the  
25 difference between:

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1 (1) the balance of the valuation reserve on  
2 the date of the most recent federal financial institutions  
3 examination council report of condition or income plus  
4 additions to the reserve charged to operations since that date;  
5 and

6 (2) losses charged against the allowance, net  
7 of recoveries;

8 C. "board" means the board of directors of any  
9 given bank;

10 D. "capital" or "capital stock" means the amount of  
11 common stock outstanding and unimpaired plus the amount of  
12 perpetual preferred stock outstanding and unimpaired;

13 E. "capital surplus" means the total of those  
14 accounts reflecting:

15 (1) amounts paid in excess of the par or  
16 stated value of capital stock;

17 (2) amounts contributed to the bank other than  
18 for capital stock;

19 (3) amounts transferred from undivided profits  
20 pursuant to Section 58-1-55 NMSA 1978; and

21 (4) other amounts transferred from undivided  
22 profits;

23 F. "commissioner" or "director" means the director  
24 of the financial institutions division of the regulation and  
25 licensing department;

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1 G. "community" means a city, town or village in  
2 this state;

3 H. "county" means any of the political subdivisions  
4 of this state as defined in Chapter 4 NMSA 1978, except that  
5 when applied to locations within the exterior boundaries of a  
6 federally recognized Indian reservation or pueblo, "county"  
7 means all lands within the exterior boundaries of that  
8 reservation or pueblo without regard to the county boundaries  
9 established in Chapter 4 NMSA 1978. For purposes of the  
10 Banking Act, the Indian reservation or pueblo lands defined as  
11 a "county" by this subsection shall be considered to be  
12 adjoining any of the counties, as defined by Chapter 4 NMSA  
13 1978, ~~which~~ that are adjoining the county or counties in  
14 which that Indian reservation or pueblo is located;

15 I. "court" means a court of competent jurisdiction;

16 J. "cumulative voting" means, in all elections of  
17 directors, each shareholder shall have the right to vote the  
18 number of shares owned by ~~him~~ the shareholder for as many  
19 persons as there are directors to be elected or to cumulate  
20 such shares and give one candidate as many votes as the number  
21 of directors, multiplied by the number of ~~his~~ the  
22 shareholder's shares, shall equal or to distribute them on the  
23 same principle among as many candidates as ~~he~~ the shareholder  
24 thinks fit. In deciding all other questions at meetings of  
25 shareholders, each shareholder shall be entitled to one vote on

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1 each share of stock held by ~~him~~ the shareholder, except that  
2 this shall not be construed as limiting the voting rights of  
3 holders of preferred stock under the terms and provisions of  
4 articles of association or amendments thereto;

5 K. "department" or "division" means the financial  
6 institutions division of the regulation and licensing  
7 department;

8 L. "executive officer", when referring to a bank,  
9 means any person designated as such in the bylaws and includes,  
10 whether or not so designated, the president, any vice  
11 president, the treasurer, the cashier and the comptroller or  
12 auditor, or any person who performs the duties appropriate to  
13 those offices;

14 M. "fiduciary" means a trustee, agent, executor,  
15 administrator, committee, guardian or conservator for a minor  
16 or other incompetent person, receiver, trustee in bankruptcy,  
17 assignee for creditors or any holder of a similar position of  
18 trust;

19 N. "good faith" means honesty in fact in the  
20 conduct or transaction concerned;

21 O. "intangible assets" means those purchased assets  
22 that are required to be reported as intangible assets by the  
23 federal deposit insurance corporation;

24 P. "item" means any instrument for the payment of  
25 money, even though it is not negotiable, but does not include

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1 money;

2 Q. "legal tender" means coins and currency;

3 R. "lessee" means a person contracting with a  
4 lessor for the use of a safe deposit box;

5 S. "lessor" means a bank or subsidiary renting safe  
6 deposit facilities and includes a safe deposit company  
7 organized and operating under the jurisdiction of the division  
8 solely for the purpose of leasing safe deposit facilities;

9 T. "limited life preferred stock" means preferred  
10 stock that has a stated maturity date or may be redeemed at the  
11 option of the holder;

12 U. "mandatory convertible debt" means a  
13 subordinated debt instrument that:

14 (1) unqualifiedly requires the issuer to  
15 exchange either common or perpetual preferred stock for the  
16 instrument by a date on or before the expiration of twelve  
17 years; and

18 (2) meets the requirements of Subparagraph (b)  
19 of Paragraph (2) of Subsection [GG] DD of this section or other  
20 requirements adopted by the division;

21 V. "minority interest in consolidated subsidiaries"  
22 means the portion of equity capital accounts of all  
23 consolidated subsidiaries of the bank that is allocated to  
24 minority shareholders of those subsidiaries;

25 W. "mortgage servicing rights" means the rights



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1 owned by the bank to service for a fee mortgage loans that are  
2 owned by others;

3 X. "officer", when referring to a bank, means any  
4 person designated as such in the bylaws and includes, whether  
5 or not so designated, any executive officer, the [~~chairman~~  
6 chair of the board of directors, the [~~chairman~~] chair of the  
7 executive committee and any trust officer, assistant vice  
8 president, assistant treasurer, assistant cashier, assistant  
9 comptroller or any person who performs the duties appropriate  
10 to those offices;

11 Y. "perpetual preferred stock" means preferred  
12 stock that does not have a stated maturity date and cannot be  
13 redeemed at the option of the holder;

14 Z. "person" means an individual, corporation,  
15 partnership, joint venture, trust estate or unincorporated  
16 association;

17 AA. "reason to know" means that, to a person of  
18 ordinary intelligence, the fact in question exists or has a  
19 substantial chance of existing and that the exercise of  
20 reasonable care would predicate conduct upon the assumption of  
21 its existence;

22 BB. "safe deposit box" means a safe deposit box,  
23 vault or other safe deposit receptacle maintained by a lessor,  
24 and the rules relating thereto apply to property or documents  
25 kept in safekeeping in the bank's vault; [~~and~~]

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1                    CC. "state corporation commission" means the  
2                    secretary of state; and

3                    ~~[CC.]~~ DD. "surplus" or "unimpaired surplus fund":

4                    (1) means:

5                    (a) the difference between: 1) the sum  
6 of capital surplus; undivided profits; reserves for  
7 contingencies and other capital reserves, excluding accrued  
8 dividends on perpetual and limited life preferred stock;  
9 minority interests in consolidated subsidiaries; and allowances  
10 for loan and lease losses; and 2) intangible assets, including  
11 those, other than mortgage servicing rights, purchased prior to  
12 April 15, 1985, but not to exceed twenty-five percent of Item  
13 1) of this subparagraph;

14                    (b) purchased mortgage servicing rights;

15                    (c) mandatory convertible debt to the  
16 extent of twenty percent of the sum of Subparagraph (d) and  
17 Subparagraphs (a) and (b) of this paragraph; and

18                    (d) other mandatory convertible debt,  
19 limited preferred stock and subordinated notes and debentures;  
20 and

21                    (2) is subject to the following limitations:

22                    (a) issues of limited life preferred  
23 stock and subordinated notes and debentures, except mandatory  
24 convertible debt, must have original weighted average  
25 maturities of at least five years to be included in surplus;

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1 (b) a subordinated note or debenture  
2 must also: 1) be subordinated to the claims of depositors; 2)  
3 state on the instrument that it is not a deposit and is not  
4 insured by the federal deposit insurance corporation; 3) be  
5 approved as capital by the division; 4) be unsecured; 5) be  
6 ineligible as collateral for a loan by the issuing bank; 6)  
7 provide that once any scheduled payments of principal begin,  
8 all scheduled payments shall be made at least annually and the  
9 amount repaid in each year shall be no less than in the prior  
10 year; and 7) provide that no accelerated payment by reason of  
11 default or otherwise may be made without the prior written  
12 approval of the division; and

13 (c) the total amount of mandatory  
14 convertible debt included in Subparagraph (d) of Paragraph (1)  
15 of this subsection considered as surplus is limited to fifty  
16 percent of the sum of Subparagraphs (a) and (c) of Paragraph  
17 (1) of this subsection."

18 SECTION 17. Section 58-10-2 NMSA 1978 (being Laws 1967,  
19 Chapter 61, Section 2, as amended) is amended to read:

20 "58-10-2. DEFINITIONS.--As used in the Savings and Loan  
21 Act:

22 A. "association" means a savings association or  
23 savings and loan association or building and loan association  
24 subject to the provisions of the Savings and Loan Act;

25 B. "dividends or interest on savings accounts"

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1 means that part of the income of an association [~~which~~] that is  
2 declared payable on savings accounts from time to time by the  
3 board of directors and is the cost of savings-money to the  
4 association;

5 C. "federal association" means a savings and loan  
6 association incorporated pursuant to the Home Owners Loan Act  
7 of 1933, as amended, whose principal business office is located  
8 within this state;

9 D. "loss reserves" means the aggregate amount of  
10 the reserves allocated by an association for the sole purpose  
11 of absorbing losses;

12 E. "member" means a person holding a savings  
13 account in an association, or borrowing from, [~~or~~] assuming or  
14 obligated upon a loan in which an association has an interest  
15 or owning property [~~which~~] that secures a loan in which an  
16 association has an interest;

17 F. "savings account" means that part of the savings  
18 liability of an association [~~which~~] that is credited to a  
19 member by reason of the placement of funds in the association;

20 G. "savings and loan association" means an  
21 association whose primary purpose is to promote thrift and home  
22 financing and whose principal activity is the lending to its  
23 members of money accumulated in savings accounts of its  
24 members;

25 H. "savings liability" means the aggregate amount

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1 of the withdrawal value of the savings accounts of the members  
2 of an association at any particular time as shown by the books  
3 of the association;

4 I. "service corporation" means an organization,  
5 substantially all the activities of which consist of  
6 originating, purchasing, selling and servicing loans upon real  
7 estate and participating interests therein, or clerical,  
8 bookkeeping, accounting, statistical or similar functions  
9 performed primarily for financial institutions, plus such other  
10 activities as the supervisor may approve;

11 J. "state corporation commission" means the  
12 secretary of state;

13 [~~J.~~] K. "supervisor" means the chief of the savings  
14 and loan bureau appointed by and acting under supervision of  
15 the director of the financial institutions division of the  
16 [~~commerce and industry~~] regulation and licensing department or  
17 the director of the financial institutions division if the  
18 position is vacant;

19 [~~K.~~] L. "surplus" means the aggregate amount of the  
20 undistributed earnings of an association held as undivided  
21 profits or unallocated reserves for general corporate purposes  
22 and any paid-in surplus held by an association;

23 [~~L.~~] M. "withdrawal value of a savings account"  
24 means the credit balance of a savings account at any particular  
25 time as shown by the books of the association; and

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1           [M-] N. "net worth" means the sum of all reserve  
2 accounts, undivided profits, surplus, capital stock and any  
3 other notwithdrawable accounts."

4           **SECTION 18.** Section 58-11-10 NMSA 1978 (being Laws 1987,  
5 Chapter 311, Section 10, as amended) is amended to read:

6           "58-11-10. FORMATION OF CREDIT UNION.--

7           A. Any seven or more residents of this state of  
8 legal age that share the common bond referred to in Section  
9 58-11-21 NMSA 1978 may organize a credit union and become  
10 charter members thereof by complying with this section.

11           B. The organizers shall prepare, adopt and execute  
12 in triplicate articles of organization and agree to the terms  
13 thereof. The articles shall state:

14                       (1) the credit union's name and the location  
15 of the proposed credit union's principal place of business;

16                       (2) that the existence of the credit union  
17 shall be perpetual;

18                       (3) the names and addresses of the organizers;

19           and

20                       (4) that each member shall subscribe to one  
21 share of the credit union.

22           C. The organizers shall prepare, adopt and execute  
23 in duplicate bylaws consistent with the Credit Union Act for  
24 the general governance of the credit union.

25           D. The organizers shall select at least five

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1 persons who are eligible for membership and who agree to become  
2 members and serve on the board of directors and at least three  
3 other persons who are eligible for membership and who agree to  
4 become members and serve on the supervisory committee. The  
5 persons selected to serve on the board of directors and  
6 supervisory committee shall execute an agreement to serve in  
7 these capacities until the first annual meeting or until the  
8 election of their respective successors, whichever is later.

9 E. The organizers shall forward the triplicate  
10 articles of organization, the duplicate bylaws and the  
11 agreements to serve to the director who shall act upon the  
12 application within sixty days. The director shall issue a  
13 certificate of approval if the articles and bylaws are in  
14 conformity with applicable provisions of the Credit Union Act  
15 and ~~[he]~~ the director is satisfied that:

16 (1) the characteristics of the common bond set  
17 forth in the proposed bylaws are favorable to the economic  
18 viability of the proposed credit union;

19 (2) the reputation and character of the  
20 initial board of directors and supervisory committee provide  
21 assurance that the credit union's affairs will be properly  
22 administered; and

23 (3) the share and deposit insurance  
24 requirements of Section 58-11-48 NMSA 1978 will be met.

25 F. The following provisions apply to issuance and

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1 denial of certificate:

2 (1) if the director issues a certificate of  
3 approval, ~~[he]~~ the director shall return a copy of the bylaws  
4 to the organizers and, upon payment of the required fee, file  
5 the triplicate originals of the articles of organization with  
6 the ~~[state corporation commission]~~ secretary of state; and

7 (2) if the director denies a certificate of  
8 approval, ~~[he]~~ the director shall notify the organizers and set  
9 forth ~~[his]~~ reasons for the denial. The organizers may appeal  
10 ~~[his]~~ the director's decision to the court of appeals within  
11 thirty days after receipt of the notice of denial.

12 G. The organizers shall not transact any credit union  
13 business until a certificate of approval has been received and  
14 shall accept no payments on shares or deposit until insurance  
15 of accounts has been obtained as provided by Section 58-11-48  
16 NMSA 1978.

17 H. Any credit union, the articles of organization of  
18 which have been approved by the director, shall commence  
19 business within six months after satisfactory proof has been  
20 filed with the director showing that insurance of share and  
21 deposit accounts has been obtained. Upon showing of good cause  
22 for failure to commence business within this time, the director  
23 may grant a reasonable extension to overcome the reason for  
24 delay. Failure to commence business as required in this  
25 section or failure to obtain insurance of accounts within one

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1 year from the date of approval of the articles of organization  
2 constitutes grounds for forfeiture of the credit union's  
3 articles of organization."

4 SECTION 19. Section 58-12-3 NMSA 1978 (being Laws 1973,  
5 Chapter 114, Section 3, as amended) is amended to read:

6 "58-12-3. FORMATION OF CORPORATION--PURPOSE.--Any seven  
7 or more credit unions in this state or in any other state  
8 organized and existing under the provisions of [~~Sections~~  
9 ~~58-11-1 through 58-11-33 NMSA 1978~~] the Credit Union Act or  
10 under other substantially similar state laws may, subject to  
11 the prior approval of the [~~commissioner~~] director, form a  
12 corporation under the Credit Union Share Insurance Corporation  
13 Act to be known as the "New Mexico credit union share insurance  
14 corporation" for the purpose of creating and maintaining a fund  
15 for the insurance of shares and deposits of those credit unions  
16 [~~which~~] that become members. Each of the credit unions  
17 participating in the formation of the corporation shall execute  
18 articles of incorporation therefor, which shall be submitted  
19 for filing to the [~~state corporation commission~~] secretary of  
20 state with a filing fee of five dollars (\$5.00) after [~~same~~  
21 ~~has~~] the articles of incorporation have been approved by the  
22 [~~commissioner~~] director. In the event that credit unions  
23 chartered in other states join this corporation, the corporate  
24 name may be changed by the board of directors to reflect such  
25 multistate membership. Any contract or agreement or amendment

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1 thereto for the purposes of joining this corporation to which a  
2 credit union chartered in another state is a party shall be  
3 subject to prior review and approval by the [~~commissioner~~  
4 director]."

5 SECTION 20. Section 59A-34-5 NMSA 1978 (being Laws 1984,  
6 Chapter 127, Section 551) is amended to read:

7 "59A-34-5. FILING, RECORDING OF ARTICLES--AUTHORITY TO  
8 RAISE CAPITAL OR TRANSACT INSURANCE REQUIRED.--

9 A. When executed and acknowledged by the  
10 incorporators, the articles of incorporation shall be filed [~~in~~  
11 ~~the office of the corporation commission~~] with the secretary of  
12 state, and copies thereof certified by the [~~corporation~~  
13 ~~commission~~] secretary of state shall be filed with the  
14 superintendent and recorded in the office of the county clerk  
15 in the county of New Mexico wherein the corporation proposes to  
16 have its principal place of business.

17 B. Upon completion of such filings and recording, the  
18 [~~corporation commission~~] secretary of state shall issue to the  
19 corporation a certificate of incorporation, and incorporation  
20 shall be deemed effective as of date of issuance of such  
21 certificate.

22 C. The corporation shall not raise any capital  
23 through sale of shares or otherwise except in compliance with  
24 Chapter 59A, Article 35 [~~(sale of insurance securities) of the~~  
25 ~~Insurance Code~~] NMSA 1978, and shall not transact business as

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1 an insurer until it has applied for and received from the  
2 superintendent a certificate of authority as provided for under  
3 Chapter 59A, Article 5 [~~authorization of insurers and general~~  
4 ~~requirements) of the Insurance Code~~] NMSA 1978."

5 SECTION 21. Section 59A-34-6 NMSA 1978 (being Laws 1984,  
6 Chapter 127, Section 552) is amended to read:

7 "59A-34-6. AMENDMENT OF ARTICLES OF INCORPORATION.--

8 A. The articles of incorporation of a stock insurer  
9 may be amended in accordance with the general statutes of New  
10 Mexico applying to corporations formed for profit. A copy of  
11 the amendment, certified by the [~~corporation commission~~]  
12 secretary of state, shall be filed with the superintendent, and  
13 a copy likewise certified shall be recorded in the county  
14 clerk's office of the county of the corporation's principal  
15 place of business. No amendment shall reduce authorized  
16 capital below the amount of paid-in capital stock required  
17 under Section [~~83 of the Insurance Code~~] 59A-5-16 NMSA 1978 for  
18 the certificate of authority covering the kinds of insurance  
19 immediately thereafter to be transacted by the insurer.

20 B. The articles of incorporation of a mutual insurer  
21 may be amended by the affirmative vote of two-thirds of its  
22 members present in person or by proxy at a regular or special  
23 meeting of its members of which notice in writing of the  
24 proposed amendment was mailed to all members at least thirty  
25 [~~30~~] days in advance, unless notice shall otherwise be

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1 provided for as approved by the superintendent. A certificate  
2 of the amendment, signed and acknowledged by the president and  
3 attested by the secretary of the corporation, shall be filed  
4 and recorded as required of original articles of  
5 incorporation."

6 SECTION 22. Section 59A-50-4 NMSA 1978 (being Laws 1984,  
7 Chapter 127, Section 910) is amended to read:

8 "59A-50-4. REQUIREMENTS AND APPLICATION FOR CERTIFICATE  
9 OF AUTHORITY.--

10 A. Each motor club shall obtain a certificate of  
11 authority by filing a written application [~~therefor~~] with the  
12 superintendent as hereinafter provided and otherwise in such  
13 form and manner as the superintendent shall require.

14 B. The applicant shall furnish to the superintendent  
15 such data and information as the superintendent may deem  
16 reasonably necessary to enable [~~him~~] the superintendent to  
17 determine, in accordance with the provisions of [~~this article~~]  
18 Chapter 59A, Article 50 NMSA 1978, whether or not a certificate  
19 of authority should be issued to the applicant. It shall be  
20 executed under oath by the applicant, or if other than an  
21 individual, by an authorized officer of the applicant, and the  
22 information filed with the application shall include the  
23 following:

24 (1) if such applicant is a corporation, a  
25 certificate of good standing from the [~~state corporation~~

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1 ~~commission]~~ secretary of state, together with the names and  
2 addresses of all officers and directors, and the names and  
3 addresses of all persons owning in excess of ten percent of the  
4 capital stock of the corporation issued and outstanding;

5 (2) if not incorporated, a list of all persons  
6 owning an interest in the applicant, the officers thereof and  
7 the parties to any operating or management agreement affecting  
8 the applicant, together with a copy of such agreement;

9 (3) a financial statement certified by a  
10 registered or certified public accountant, as of the end of the  
11 next preceding calendar year, presenting fairly, in accordance  
12 with generally accepted accounting principles, the financial  
13 position of the applicant and containing such other information  
14 as the superintendent may prescribe;

15 (4) a copy of its service contract, the terms of  
16 which shall not:

17 (a) contain inconsistent, ambiguous or  
18 misleading clauses or exceptions or conditions [~~which~~] that  
19 deceptively affect the risk purported to be assumed or the  
20 service to be performed;

21 (b) contain any inequitable provision or  
22 provisions without substantial benefit to the member or  
23 subscriber; or

24 (c) provide for the payment of fees [~~which~~]  
25 that are unreasonable in relation to the services agreed to be

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1 performed;

2 (5) security in the form of a deposit or bond of  
3 not less than twenty-five thousand dollars (\$25,000) nor more  
4 than two hundred thousand dollars (\$200,000) with the amount to  
5 be based upon annual membership fees collected from state  
6 residents at the following rates:

7 Annual Resident Fees

8 Amount of Deposit or Bond

9	\$ 1.00 to \$ 150,000.00 . . . . .	\$ 25,000.00
10	\$ 150,001.00 to \$ 250,000.00 . . . . .	\$ 40,000.00
11	\$ 250,001.00 to \$ 500,000.00 . . . . .	\$ 80,000.00
12	\$ 500,001.00 to \$1,000,000.00 . . . . .	.\$150,000.00
13	\$1,000.001.00 [ <del>to Up</del> ] <u>and over</u> . . . . .	.\$200,000.00

14 The security shall be deposited with the superintendent in  
15 trust or in any other manner [~~he~~] the superintendent may  
16 direct, and the applicant may deposit either government  
17 securities having a market value equal to the amount of  
18 security required, or a corporate surety bond in the proper  
19 amount in such form as the superintendent may prescribe. The  
20 bond shall be issued by a surety insurer authorized to do  
21 business in this state, and conditioned upon faithful  
22 performance by the applicant of its obligations under [~~this~~  
23 ~~article~~] Chapter 59A, Article 50 NMSA 1978, including payment  
24 of any fines, fees or penalties imposed on it or restitution  
25 ordered, but the aggregate liability of the surety for all

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1 breaches of the conditions of the bond shall in no event exceed  
2 the amount of the bond. The surety on the bond shall have the  
3 right to cancel the bond by giving thirty [~~30~~] days' notice  
4 to the superintendent and thereafter shall be relieved of  
5 liability for any breach of condition occurring after the  
6 effective date of cancellation. The superintendent may  
7 promulgate rules and regulations specifying conditions  
8 concerning the bond and providing methods for its termination;  
9 and

10 (6) the bond or deposit provided for in  
11 Paragraph (5) of this subsection shall be maintained so long as  
12 the licensee has any outstanding liability or obligation in  
13 this state. Upon proof satisfactory to the superintendent that  
14 the licensee has ceased to do business and that all its  
15 liabilities and obligations have been satisfied, the  
16 superintendent shall return the security to the licensee."

17 **SECTION 23.** Section 62-2-1 NMSA 1978 (being Laws 1887,  
18 Chapter 12, Section 1, as amended) is amended to read:

19 "62-2-1. COMPANIES FOR SUPPLYING WATER--ARTICLES OF  
20 INCORPORATION.--[~~SEC. 143.~~] Any five persons who [~~may~~] desire  
21 to form a company for the purpose of constructing and  
22 maintaining reservoirs and canals or ditches and pipelines for  
23 [~~the purpose of~~] supplying water for [~~the purpose of~~]  
24 irrigation, mining, manufacturing, domestic and other public  
25 uses, including cities and towns, and for the [~~purpose of~~

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1 ~~colonization and the~~ improvement of lands in connection  
2 therewith [~~for either or both of said objects, either jointly~~  
3 ~~or separately~~] shall make and sign articles of incorporation  
4 [~~which~~] that shall be acknowledged before the secretary of  
5 state or some person authorized by law to take the  
6 acknowledgment of conveyances of real estate [~~and~~]. When so  
7 acknowledged, [~~such~~] the articles shall be filed with the  
8 [~~state corporation commission~~] secretary of state."

9 SECTION 24. Section 62-2-3 NMSA 1978 (being Laws 1887,  
10 Chapter 12, Section 3, as amended) is amended to read:

11 "62-2-3. FILING OF ARTICLES--CERTIFIED COPIES.--[~~SEC.~~  
12 ~~145.~~] A duly certified copy of [~~such~~] the articles of  
13 incorporation executed by the [~~state corporation commission~~]  
14 secretary of state shall be filed in the office of the county  
15 clerk of each county through or into which any [~~such~~] canal,  
16 [~~or~~] ditch or pipeline may run or [~~such~~] any reservoir may be  
17 established or in which [~~any such~~] the company may desire to  
18 transact business [~~and~~]. Duly certified copies of [~~such~~] the  
19 articles of incorporation shall be given by [~~said commission~~]  
20 the secretary of state or [~~said~~] county clerks, on the payment  
21 of the fees allowed by law, [~~which copies~~] and shall be  
22 received as evidence in any of the courts of this state."

23 SECTION 25. Section 62-15-4 NMSA 1978 (being Laws 1939,  
24 Chapter 47, Section 4) is amended to read:

25 "62-15-4. NAME.--The name of each cooperative shall

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1 include the words "electric" and "cooperative" and the  
2 abbreviation "inc."; provided [~~however, such~~] that limitation  
3 shall not apply if, in an affidavit made by the president or  
4 vice president of a cooperative and filed with the [~~state~~  
5 ~~corporation commission~~] secretary of state, it [~~shall appear~~]  
6 appears that the cooperative desires to transact business in  
7 another state and is precluded therefrom by reason of its name.  
8 The name of a cooperative shall distinguish it from the name of  
9 any other corporation organized under the laws of, or  
10 authorized to transact business in, this state. The words  
11 "electric" and "cooperative" shall not both be used in the name  
12 of any corporation organized under the laws of, or authorized  
13 to transact business in, this state, except a cooperative or a  
14 corporation transacting business in this state pursuant to the  
15 provisions of [~~this~~] the Rural Electric Cooperative Act."

16 SECTION 26. Section 62-15-6 NMSA 1978 (being Laws 1939,  
17 Chapter 47, Section 6) is amended to read:

18 "62-15-6. ARTICLES OF INCORPORATION.--

19 [~~(a)~~] A. The articles of incorporation of a  
20 cooperative shall recite in the caption that they are executed  
21 pursuant to [~~this~~] the Rural Electric Cooperative Act, shall be  
22 signed and acknowledged by each of the incorporators and shall  
23 state:

- 24 (1) the name of the cooperative;
- 25 (2) the address of its principal office;

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1 (3) the names and addresses of the  
2 incorporators;

3 (4) the names and addresses of the persons who  
4 ~~[shall]~~ constitute its first board of trustees; and

5 (5) any provisions not inconsistent with ~~[this]~~  
6 the Rural Electric Cooperative Act deemed necessary or  
7 advisable for the conduct of its business and affairs.

8 ~~[(b) — Such]~~ B. The articles of incorporation shall be  
9 submitted to the ~~[state corporation commission]~~ secretary of  
10 state for filing as provided in ~~[this]~~ the Rural Electric  
11 Cooperative Act.

12 ~~[(c)]~~ C. It shall not be necessary to set forth in  
13 the articles of incorporation of a cooperative the purpose for  
14 which it is organized or any of the corporate powers vested in  
15 a cooperative under ~~[this]~~ the Rural Electric Cooperative Act."

16 SECTION 27. Section 62-15-12 NMSA 1978 (being Laws 1939,  
17 Chapter 47, Section 12) is amended to read:

18 "62-15-12. AMENDMENT OF ARTICLES OF INCORPORATION.--

19 ~~[(a)]~~ A. A cooperative may amend its articles of  
20 incorporation by complying with the following requirements:

21 (1) the proposed amendment shall be first  
22 approved by the board of trustees and shall then be submitted  
23 to a vote of the members at any annual or special meeting  
24 ~~[thereof]~~, the notice of which shall set forth the proposed  
25 amendment. The proposed amendment, with such changes as the

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1 members shall choose to make [~~therein~~], shall be deemed to be  
2 approved on the affirmative vote of not less than two-thirds of  
3 those members voting [~~thereon~~] on the amendment at [~~such~~] that  
4 meeting; and

5 (2) upon [~~such~~] approval by the members,  
6 articles of amendment shall be executed and acknowledged on  
7 behalf of the cooperative by its president or vice president,  
8 and its corporate seal shall be affixed thereto and attested by  
9 its secretary. The articles of amendment shall recite in the  
10 caption that they are executed pursuant to [~~this~~] the Rural  
11 Electric Cooperative Act and shall state:

- 12 (a) the name of the cooperative;  
13 (b) the address of its principal office;  
14 (c) the date of the filing of its articles  
15 of incorporation in the office of the [~~state corporation~~  
16 ~~commission~~] secretary of state; and  
17 (d) the amendment to its articles of  
18 incorporation.

19 The president or vice president executing [~~such~~] the  
20 articles of amendment shall [~~also~~] make and annex thereto an  
21 affidavit stating that the provisions of this section were duly  
22 complied with. [~~Such~~] The articles of amendment and affidavit  
23 shall be submitted to the [~~state corporation commission~~]  
24 secretary of state for filing as provided in [~~this~~] the Rural  
25 Electric Cooperative Act.

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1           ~~[(b)]~~ B. A cooperative may, without amending its  
2 articles of incorporation, upon authorization of its board of  
3 trustees, change the location of its principal office by filing  
4 a certificate of change of principal office, executed and  
5 acknowledged by its president or vice president under its seal  
6 attested by its secretary, in the office of the ~~[state~~  
7 ~~corporation commission]~~ secretary of state and ~~[also]~~ in the  
8 office of the county clerk in each county in this state in  
9 which its articles of incorporation or any prior certificate of  
10 change of principal office ~~[of such cooperative has been]~~ was  
11 filed. ~~[Such]~~ The cooperative shall ~~[also]~~, within thirty  
12 ~~[(30)]~~ days after the filing of ~~[such]~~ the certificate of  
13 change of principal office in the office of the county clerk,  
14 file ~~[therein]~~ in the county clerk's office certified copies of  
15 its articles of incorporation and all amendments thereto, if  
16 ~~[the same]~~ they are not already on file ~~[therein]~~ in the county  
17 clerk's office."

18           **SECTION 28.** Section 62-15-13 NMSA 1978 (being Laws 1939,  
19 Chapter 47, Section 13, as amended) is amended to read:

20           "62-15-13. CONSOLIDATION.--Any two or more cooperatives,  
21 each of which is ~~[hereinafter]~~ designated a "consolidating  
22 cooperative" in this section, may consolidate into a new  
23 cooperative, ~~[hereinafter]~~ designated the "new cooperative" in  
24 this section, by complying with the following requirements:

25           A. the proposition for the consolidation of the

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1 consolidating cooperatives into the new cooperative and  
2 proposed articles of consolidation to give effect [~~thereto~~] to  
3 the consolidation shall be first approved by the board of  
4 trustees of each consolidating cooperative. The proposed  
5 articles of consolidation shall recite in the caption that they  
6 are executed pursuant to the Rural Electric Cooperative Act and  
7 shall state:

8 (1) the name of each consolidating cooperative,  
9 the address of its principal office and the date of the filing  
10 of its articles of incorporation in the office of the [~~state~~  
11 ~~corporation commission~~] secretary of state;

12 (2) the name of the new cooperative and the  
13 address of its principal office;

14 (3) the names and addresses of the persons who  
15 shall constitute the first board of trustees of the new  
16 cooperative;

17 (4) the terms and conditions of the  
18 consolidation and the mode of carrying [~~the same~~] it into  
19 effect, including the manner and basis of converting  
20 memberships in each consolidating cooperative into memberships  
21 in the new cooperative and the issuance of certificates of  
22 membership in respect of [~~such~~] the converted memberships; and

23 (5) any provisions not inconsistent with the  
24 Rural Electric Cooperative Act deemed necessary or advisable  
25 for the conduct of the business and affairs of the new

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1 cooperative;

2 B. the proposition for the consolidation of the  
3 consolidating cooperatives into the new cooperative and the  
4 proposed articles of consolidation approved by the board of  
5 trustees of each consolidating cooperative shall then be  
6 submitted to a vote of the members [~~thereof~~] of each  
7 consolidating cooperative at any annual or special meeting  
8 [~~thereof~~], the notice of which shall set forth full particulars  
9 concerning the proposed consolidation. The proposed  
10 consolidation and the proposed articles of consolidation shall  
11 be deemed to be approved upon the affirmative vote of a simple  
12 majority of those members of each consolidating cooperative  
13 voting thereon at [~~such~~] that meeting; and

14 C. upon [~~such~~] approval by the members of the  
15 respective consolidating cooperatives, articles of  
16 consolidation in the form approved shall be executed and  
17 acknowledged on behalf of each consolidating cooperative by its  
18 president or vice president, and its seal shall be affixed  
19 thereto and attested by its secretary. The president or vice  
20 president of each consolidating cooperative executing [~~such~~]  
21 the articles of consolidation shall [~~also~~] make and annex  
22 [~~thereto~~] to the articles of incorporation an affidavit stating  
23 that the provisions of this section were duly complied with by  
24 [~~such~~] that cooperative. [~~Such~~] The articles of consolidation  
25 and affidavits shall be submitted to the [~~state corporation~~

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1 ~~commission]~~ secretary of state for filing as provided in  
2 Section 62-15-19 NMSA 1978."

3 SECTION 29. Section 62-15-14 NMSA 1978 (being Laws 1939,  
4 Chapter 47, Section 14, as amended) is amended to read:

5 "62-15-14. MERGER.--Any one or more cooperatives, each of  
6 which is [~~hereinafter~~] designated a "merging cooperative" in  
7 this section, may merge into another cooperative, [~~hereinafter~~]  
8 designated the "surviving cooperative" in this section, by  
9 complying with the following requirements:

10 A. the proposition for the merger of the merging  
11 cooperatives into the surviving cooperative and proposed  
12 articles of merger to give effect [~~thereto~~] to the merger shall  
13 be first approved by the board of trustees of each merging  
14 cooperative and by the board of trustees of the surviving  
15 cooperative. The proposed articles of merger shall recite in  
16 the caption that they are executed pursuant to the Rural  
17 Electric Cooperative Act and shall state:

18 (1) the name of each merging cooperative, the  
19 address of its principal office and the date of the filing of  
20 its articles of incorporation in the office of the [~~state~~  
21 ~~corporation-commission]~~ secretary of state;

22 (2) the name of the surviving cooperative and  
23 the address of its principal office;

24 (3) a statement that the merging cooperatives  
25 elect to be merged into the surviving cooperative;

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1                   (4) the terms and conditions of the merger and  
2 the mode of carrying [~~the same~~] it into effect, including the  
3 manner and basis of converting the memberships in the merging  
4 [~~cooperative or~~] cooperatives into memberships in the surviving  
5 [~~cooperatives~~] cooperative and the issuance of certificates of  
6 membership in respect of [~~such~~] the converted memberships; and

7                   (5) any provisions not inconsistent with the  
8 Rural Electric Cooperative Act deemed necessary or advisable  
9 for the conduct of the business and affairs of the surviving  
10 cooperative;

11                   B. the proposition for the merger of the merging  
12 cooperatives into the surviving cooperative and the proposed  
13 articles of merger approved by the board of trustees of the  
14 respective cooperatives, parties to the proposed merger, shall  
15 then be submitted to a vote of the members of each such  
16 cooperative at any annual or special meeting [~~thereof~~], the  
17 notice of which shall set forth full particulars concerning the  
18 proposed merger. The proposed merger and the proposed articles  
19 of merger shall be deemed to be approved upon the affirmative  
20 vote of a simple majority of those members of each cooperative  
21 voting thereon at [~~such~~] that meeting; and

22                   C. upon [~~such~~] approval by the members of the  
23 respective cooperatives, parties to the proposed merger,  
24 articles of merger in the form approved shall be executed and  
25 acknowledged on behalf of each such cooperative by its



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1 president or vice president, and its seal shall be affixed  
2 thereto and attested by its secretary. The president or vice  
3 president of each cooperative executing [~~such~~] the articles of  
4 merger shall [~~also~~] make and annex [~~thereto~~] to the articles of  
5 merger an affidavit stating that the provisions of this section  
6 were duly complied with by such cooperative. [~~Such~~] The  
7 articles of merger and affidavits shall be submitted to the  
8 [~~state corporation commission~~] secretary of state for filing as  
9 provided in Section 62-15-19 NMSA 1978."

10 SECTION 30. Section 62-15-16 NMSA 1978 (being Laws 1939,  
11 Chapter 47, Section 16) is amended to read:

12 "62-15-16. CONVERSION OF EXISTING CORPORATIONS.--Any  
13 corporation organized under the laws of this state for the  
14 purpose, among others, of supplying electric energy in rural  
15 areas may be converted into a cooperative and become subject to  
16 [~~this~~] the Rural Electric Cooperative Act with the same effect  
17 as if originally organized under [~~this~~] that act by complying  
18 with the following requirements:

19 [~~(a)~~] A. the proposition for the conversion of [~~such~~]  
20 a] the corporation into a cooperative and proposed articles of  
21 conversion to give effect [~~thereto~~] to the conversion shall be  
22 first approved by the board of trustees or the board of  
23 directors [~~as the case may be~~] of [~~such~~] the corporation. The  
24 proposed articles of conversion shall recite in the caption  
25 that they are executed pursuant to [~~this~~] the Rural Electric

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1 Cooperative Act and shall state:

2 (1) the name of the corporation prior to its  
3 conversion into a cooperative;

4 (2) the address of the principal office of  
5 [~~such~~] the corporation;

6 (3) the date of the filing of articles of  
7 incorporation of [~~such~~] the corporation in the office of the  
8 [~~state corporation commission~~] secretary of state;

9 (4) the statute [~~or statutes~~] under which [~~such~~]  
10 the corporation was organized;

11 (5) the name assumed by [~~such~~] the corporation  
12 in compliance with the provisions of [~~this~~] the Rural Electric  
13 Cooperative Act;

14 (6) a statement that [~~such~~] the corporation  
15 elects to become a cooperative nonprofit membership corporation  
16 subject to [~~this~~] the Rural Electric Cooperative Act;

17 (7) the manner and basis of converting either  
18 memberships in or shares of stock of [~~such~~] the corporation  
19 into membership in the converted corporation; and

20 (8) any provisions not inconsistent with [~~this~~]  
21 the Rural Electric Cooperative Act deemed necessary or  
22 advisable for the conduct of the business and affairs of [~~such~~]  
23 the corporation;

24 [~~(b)~~] B. the proposition for the conversion of [~~such~~]  
25 the corporation into a cooperative and the proposed articles of

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1 conversion approved by the board of trustees or board of  
2 directors [~~as the case may be~~] of [~~such~~] the corporation shall  
3 then be submitted to a vote of the members or stockholders [~~as~~  
4 ~~the case may be~~] of [~~such~~] the corporation at any duly held  
5 annual or special meeting [~~thereof~~], the notice of which shall  
6 set forth full particulars concerning the proposed conversion.  
7 The proposition for the conversion of [~~such~~] the corporation  
8 into a cooperative and the proposed articles of conversion,  
9 with such amendments thereto as the members or stockholders of  
10 [~~such~~] the corporation [~~shall~~] choose to make, shall be deemed  
11 to be approved upon the affirmative vote of not less than two-  
12 thirds of those members of [~~such~~] the corporation voting  
13 thereon at [~~such~~] that meeting or, if [~~such~~] the corporation is  
14 a stock corporation, upon the affirmative vote of the holders  
15 of not less than two-thirds of the capital stock of [~~such~~] the  
16 corporation represented at [~~such~~] that meeting;

17 [~~(c)~~] C. upon [~~such~~] approval by the members or  
18 stockholders of [~~such~~] the corporation, articles of conversion  
19 in the form approved by [~~such~~] the members or stockholders  
20 shall be executed and acknowledged on behalf of [~~such~~] the  
21 corporation by its president or vice president, and its  
22 corporate seal shall be affixed thereto and attested by its  
23 secretary. The president or vice president executing [~~such~~]  
24 the articles of conversion on behalf of [~~such~~] the corporation  
25 shall [~~also~~] make and annex [~~thereto~~] to the articles of

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1 conversion an affidavit stating that the provisions of this  
2 section with respect to the approval of its trustees or  
3 directors and its members or stockholders of the proposition  
4 for the conversion of [~~such~~] the corporation into a cooperative  
5 and [~~such~~] the articles of conversion were duly complied with.  
6 [~~Such~~] The articles of conversion and affidavit shall be  
7 submitted to the [~~state corporation commission~~] secretary of  
8 state for filing as provided in [~~this~~] the Rural Electric  
9 Cooperative Act; and

10 [~~(d)~~] D. the term "articles of incorporation" as used  
11 in [~~this~~] the Rural Electric Cooperative Act shall be deemed to  
12 include the articles of conversion of a converted corporation."

13 **SECTION 31.** Section 62-15-18 NMSA 1978 (being Laws 1939,  
14 Chapter 47, Section 18, as amended) is amended to read:

15 "62-15-18. DISSOLUTION.--

16 A. A cooperative [~~which~~] that has not commenced  
17 business may dissolve voluntarily by delivering to the [~~state~~  
18 ~~corporation commission~~] secretary of state articles of  
19 dissolution, executed and acknowledged on behalf of the  
20 cooperative by a majority of the incorporators, which state:

- 21 (1) the name of the cooperative;  
22 (2) the address of its principal office;  
23 (3) the date of its incorporation;  
24 (4) that the cooperative has not commenced  
25 business;

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1                   (5) that the amount, if any, actually paid in on  
2 account of membership fees, less any part of that money  
3 disbursed for necessary expenses, has been returned to those  
4 entitled to it and that all easements have been released to the  
5 grantors;

6                   (6) that no debt of the cooperative remains  
7 unpaid; and

8                   (7) that a majority of the incorporators elect  
9 that the cooperative be dissolved.

10 The articles of dissolution shall be submitted to the [~~state~~  
11 ~~corporation commission~~] secretary of state for filing as  
12 provided in the Rural Electric Cooperative Act.

13                   B. A cooperative [~~which~~] that has commenced business  
14 may dissolve voluntarily and wind up its affairs in the  
15 following manner:

16                   (1) the board of trustees shall first recommend  
17 that the cooperative be dissolved voluntarily, and the  
18 proposition that the cooperative be dissolved shall be  
19 submitted to the members of the cooperative at any annual or  
20 special meeting, the notice of which shall set forth that  
21 proposition. The proposed voluntary dissolution shall be  
22 deemed to be approved upon the affirmative vote of not less  
23 than two-thirds of all of the members of the cooperative;

24                   (2) upon such approval, a certificate of  
25 election to dissolve, designated the "certificate" in this

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1 section, shall be executed and acknowledged on behalf of the  
2 cooperative by its president or vice president, and its  
3 corporate seal shall be affixed thereto and attested by its  
4 secretary. The certificate shall state:

5 (a) the name of the cooperative;

6 (b) the address of its principal office;

7 (c) the names and addresses of its trustees;

8 and

9 (d) the total number of members of the  
10 cooperative and the number of members who voted for and against  
11 the voluntary dissolution of the cooperative.

12 The president or vice president executing the certificate shall  
13 make and annex to it an affidavit stating that the provisions  
14 of this subsection were duly complied with. The certificate  
15 and affidavit shall be submitted to the [~~state corporation~~  
16 ~~commission~~] secretary of state for filing as provided in the  
17 Rural Electric Cooperative Act;

18 (3) upon the filing of the certificate and  
19 affidavit with the [~~state corporation commission~~] secretary of  
20 state, the cooperative shall cease to carry on its business  
21 except insofar as may be necessary for the winding up thereof,  
22 but its corporate existence shall continue until articles of  
23 dissolution have been filed by the [~~state corporation~~  
24 ~~commission~~] secretary of state;

25 (4) after the filing of the certificate and

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1 affidavit with the [~~state corporation commission~~] secretary of  
2 state, the board of trustees shall immediately cause notice of  
3 the winding up of proceedings to be mailed to each known  
4 creditor and claimant and to be published once a week for two  
5 successive weeks in a newspaper of general circulation in the  
6 county in which the principal office of the cooperative is  
7 located;

8 (5) the board of trustees shall have full power  
9 to wind up and settle the affairs of the cooperative and shall  
10 proceed to collect the debts owing to the cooperative, convey  
11 and dispose of its property and assets, pay, satisfy and  
12 discharge its debts, obligations and liabilities and do all  
13 other things required to liquidate its business and affairs.  
14 After paying or adequately providing for the payment of all its  
15 debts, obligations and liabilities, the board of trustees shall  
16 distribute the remainder of its property and assets among its  
17 members in proportion to the aggregate patronage of each member  
18 during the seven years next preceding the date of filing of the  
19 certificate or, if the cooperative was not in existence for  
20 that period, during the period of its existence; and

21 (6) when all debts, liabilities and obligations  
22 of the cooperative have been paid and discharged or adequate  
23 provision has been made therefor and all of the remaining  
24 property and assets of the cooperative have been distributed to  
25 the members pursuant to the provisions of this section, the

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1 board of trustees shall authorize the execution of articles of  
2 dissolution [~~which~~] that shall thereupon be executed and  
3 acknowledged on behalf of the cooperative by its president or  
4 vice president, and its corporate seal shall be affixed thereto  
5 and attested by its secretary. The articles of dissolution  
6 shall recite in the caption that they are executed pursuant to  
7 the Rural Electric Cooperative Act and shall state:

8 (a) the name of the cooperative;

9 (b) the address of the principal office of  
10 the cooperative;

11 (c) that the cooperative has delivered to  
12 the [~~state corporation commission~~] secretary of state a  
13 certificate of election to dissolve and the date on which the  
14 certificate was filed by the [~~state corporation commission~~]  
15 secretary of state in the records of [~~its~~] that office;

16 (d) that all debts, obligations and  
17 liabilities of the cooperative have been paid and discharged or  
18 that adequate provision has been made therefor;

19 (e) that all the remaining property and  
20 assets of the cooperative have been distributed among the  
21 members in accordance with the provisions of this section; and

22 (f) that there are no actions or suits  
23 pending against the cooperative.

24 The president or vice president executing the articles of  
25 dissolution shall make and annex thereto an affidavit stating

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1 that the provisions of this subsection were duly complied with.  
2 The articles of dissolution and affidavit, accompanied by proof  
3 of the publication required in this subsection, shall be  
4 submitted to the [~~state corporation commission~~] secretary of  
5 state for filing as provided in the Rural Electric Cooperative  
6 Act."

7 SECTION 32. Section 62-15-19 NMSA 1978 (being Laws 1939,  
8 Chapter 47, Section 19) is amended to read:

9 "62-15-19. FILING OF ARTICLES.--Articles of  
10 incorporation, amendment, consolidation, merger, conversion or  
11 dissolution, [~~as the case may be~~] when executed and  
12 acknowledged and accompanied by such affidavits as may be  
13 required by applicable provisions of [~~this~~] the Rural Electric  
14 Cooperative Act, shall be presented to the [~~state corporation~~  
15 ~~commission~~] secretary of state for filing in the records of  
16 that office. If the [~~state corporation commission shall find~~]  
17 secretary of state finds that the articles presented conform to  
18 the requirements of [~~this~~] that act, [~~he~~] the secretary of  
19 state shall, upon the payment of the fees as [~~in this Act~~]  
20 provided in that act, file the articles [~~so presented~~] in the  
21 records of [~~his~~] the secretary of state's office, and upon such  
22 filing the incorporation, amendment, consolidation, merger,  
23 conversion or dissolution provided for [~~therein~~] in those  
24 articles shall be in effect. The [~~state corporation~~  
25 ~~commission~~] secretary of state, immediately upon the filing in

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1     ~~[his]~~ the secretary of state's office of any articles pursuant  
2     to ~~[this]~~ the Rural Electric Cooperative Act, shall transmit a  
3     certified copy ~~[thereof]~~ of the articles to the county clerk of  
4     the county in which the principal office of each cooperative or  
5     corporation affected by ~~[such]~~ the incorporation, amendment,  
6     consolidation, merger, conversion or dissolution ~~[shall be]~~ is  
7     located. The clerk of any county, upon receipt of any such  
8     certified copy, shall file and index ~~[the same]~~ it in the  
9     records of ~~[his]~~ the clerk's office, but the failure of the  
10    ~~[state corporation commission]~~ secretary of state or of a clerk  
11    of a county to comply with the provisions of this section shall  
12    not invalidate ~~[such]~~ the articles. The provisions of this  
13    section shall ~~[also]~~ apply to certificates of election to  
14    dissolve and affidavits of compliance executed pursuant to  
15    Paragraph (2) of Subsection [b-(2)] B of Section [18 of this  
16    ~~Act]~~ 62-15-18 NMSA 1978."

17           **SECTION 33.** Section 62-15-26 NMSA 1978 (being Laws 1939,  
18    Chapter 47, Section 26) is amended to read:

19           "62-15-26. FOREIGN CORPORATIONS.--Any corporation  
20    organized on a nonprofit or a cooperative basis for the purpose  
21    of supplying electric energy in rural areas and owning and  
22    operating electric transmission or distribution lines in a  
23    state adjacent to this state shall be permitted to extend its  
24    lines into and to transact business in this state without  
25    complying with any statute of this state pertaining to the

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1 qualification of foreign corporations for the transaction of  
2 business in this state. Any such foreign corporation, as a  
3 prerequisite to the extension of its lines into and the  
4 transaction of business in this state, shall, by an instrument  
5 executed and acknowledged in its behalf by its president or  
6 vice president under its corporate seal attested by its  
7 secretary, designate the [~~state corporation commission~~]  
8 secretary of state as its agent to accept service of process in  
9 its behalf. [~~In the event~~] If any process [~~shall be~~] is served  
10 upon the [~~state corporation commission, he~~] secretary of state,  
11 the secretary of state shall forthwith forward the [~~same~~]  
12 process by registered mail to [~~such~~] the corporation at the  
13 address [~~thereof~~] specified in such instrument. Any such  
14 corporation may sue and be sued in the courts of this state to  
15 the same extent that a cooperative may sue or be sued in such  
16 courts. Any such foreign corporation may secure its notes,  
17 bonds or other evidences of indebtedness by mortgage, pledge,  
18 deed of trust or other encumbrance upon any or all of its then-  
19 owned or after-acquired real or personal property, assets or  
20 franchises located or to be located in this state and [~~also~~]  
21 upon the revenues and income."

22 SECTION 34. Section 62-15-27 NMSA 1978 (being Laws 1939,  
23 Chapter 47, Section 27) is amended to read:

24 "62-15-27. FEES.--The [~~state corporation commission~~]  
25 secretary of state shall charge and collect for:

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1           [~~(a)~~] A. filing articles of incorporation, five  
2 dollars (\$5.00);

3           [~~(b)~~] B. filing articles of amendment, three dollars  
4 (\$3.00);

5           [~~(c)~~] C. filing articles of consolidation or merger,  
6 five dollars (\$5.00);

7           [~~(d)~~] D. filing articles of conversion, five dollars  
8 (\$5.00);

9           [~~(e)~~] E. filing certificate of election to dissolve,  
10 two dollars (\$2.00);

11           [~~(f)~~] F. filing articles of dissolution, three  
12 dollars (\$3.00); and

13           [~~(g)~~] G. filing certificate of change of principal  
14 office, one dollar (\$1.00)."

15           SECTION 35. Section 63-1-6 NMSA 1978 (being Laws 1878,  
16 Chapter 1, Section 1-6, as amended) is amended to read:

17           "63-1-6. FILING--EFFECT.--[~~SEC. 15. Said~~] Articles of  
18 incorporation, with the powers of attorney mentioned in [~~\$~~  
19 ~~4655~~] Section 63-1-3 NMSA 1978, if any such there be, and the  
20 affidavit mentioned in [~~\$ 4657 must~~] Section 63-1-5 NMSA 1978  
21 shall be filed in the office of the [~~state corporation~~  
22 ~~commission~~] secretary of state, and thereupon, the persons who  
23 have signed [~~said~~] the articles, and their associates and  
24 successors, shall be a body politic and corporate, by the name  
25 stated in [~~said~~] the articles, for the term of years therein

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1 specified."

2 SECTION 36. Section 63-1-7 NMSA 1978 (being Laws 1878,  
3 Chapter 1, Section 1-8, as amended) is amended to read:

4 "63-1-7. ARTICLES OF INCORPORATION--CERTIFIED COPIES.--  
5 ~~[SEC. 17.]~~ A copy of any articles of incorporation filed in  
6 pursuance of the provisions of this chapter, certified by the  
7 ~~[state incorporation commission]~~ secretary of state, or  
8 heretofore certified by the secretary of the territory of New  
9 Mexico, must be received in all courts and other places as  
10 prima facie evidence of the facts therein stated."

11 SECTION 37. Section 63-1-42 NMSA 1978 (being Laws 1871-  
12 1872, Chapter 13, Section 8, as amended) is amended to read:

13 "63-1-42. CHANGE OF NAME.--~~[SEC. 30.]~~ Any corporation  
14 ~~[heretofore or hereafter]~~ formed under the laws of this state  
15 may at any time by resolution of ~~[their]~~ its stockholders, at a  
16 regular or special meeting, change its corporate name. After  
17 ~~[said]~~ the resolution ~~[shall have]~~ has been adopted, the  
18 president of ~~[said]~~ the company or corporation seeking to  
19 change its name, and the secretary thereof, shall sign a  
20 certificate, attested with the seal of ~~[said]~~ the company,  
21 which shall state, substantially, that ~~[said]~~ the company or  
22 corporation, by resolution duly adopted, agreed to change the  
23 original corporate name of ~~[such]~~ the corporation, to whatever  
24 name has been agreed on, and under ~~[such]~~ the new corporate  
25 name ~~[such]~~ the corporation proposes, from and after the date

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1 of [~~said~~] the certificate, to do, carry on and transact all  
2 business pertaining to [~~said~~] the corporation, which shall be  
3 filed in the office of the [~~state corporation commission~~]  
4 secretary of state, and immediately upon the filing of [~~said~~]  
5 the certificate [~~as aforesaid~~], the name of the corporation  
6 shall be changed to the name set forth in [~~said~~] the  
7 certificate."

8 SECTION 38. Section 63-2-2 NMSA 1978 (being Laws 1878,  
9 Chapter 1, Section 6-2, as amended) is amended to read:

10 "63-2-2. ADDITIONAL POWERS.--[~~SEC. 45.~~] In addition to  
11 [~~the foregoing~~] those powers enumerated in Section 63-2-1 NMSA  
12 1978, every railroad corporation shall have the following  
13 powers:

14 [~~First.~~] A. to cause such examinations and surveys to  
15 be made as may be necessary to the selection of the most  
16 suitable routes for its railroad and telegraph lines, and for  
17 that purpose, by its officers and agents, to enter upon the  
18 lands and waters of the state, of private persons and of  
19 private and public [~~corporation~~] corporations, subject,  
20 however, to responsibility for all damages [~~which~~] that it may  
21 do thereto;

22 [~~Second.~~] B. to take, hold and convey, by deed or  
23 otherwise, the same as a natural person, such voluntary grants  
24 and donations of real and personal property as may be made to  
25 aid the construction and maintenance and to provide for the

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1 accommodation of its railroad and telegraph lines, or either  
2 thereof;

3 ~~[Third.]~~ C. to purchase and, by voluntary grants and  
4 donations, to receive and take and, by its officers, engineers,  
5 surveyors and agents, to enter upon, possess, hold and use in  
6 any manner it may deem proper all such lands and other property  
7 as its directors may deem necessary, proper and convenient for  
8 the construction, maintenance and operation of its railroad and  
9 telegraph lines, or either thereof, and for the erection of  
10 stations, depots, water tanks, side tracks, turnouts,  
11 turntables, yards, workshops, warehouses and for all other  
12 purposes necessary or convenient to ~~[said]~~ the corporation in  
13 the transaction of its business;

14 ~~[Fourth.]~~ D. to lay out its railroad and branches,  
15 not exceeding two hundred feet wide, and to construct and  
16 maintain the same, with single or double track, with such  
17 appendages as its directors may deem necessary for the  
18 convenient use thereof. For the purpose of making embankments,  
19 excavations, ditches, drains, culverts and the like and of  
20 procuring timber, stone, gravel and other materials for the  
21 proper construction and security of its railroad and branches,  
22 ~~[such]~~ the corporation may take and occupy as much more land as  
23 its directors may deem necessary or convenient for the purposes  
24 aforesaid;

25 ~~[Fifth.]~~ E. to construct its railroads and telegraphs

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1 across, along or upon any stream of water, water course,  
2 street, avenue or highway or across any railway, canal, ditch  
3 or flume [~~which~~] that its railroad and telegraph, or either  
4 thereof, shall intersect, cross or run along; but [~~such~~] the  
5 corporation shall restore such stream, water courses, streets,  
6 avenues, highways, railways, canals, ditches and flumes, so  
7 intersected, to their former state, as near as may be, so as  
8 not to unnecessarily impair their use or injure their  
9 franchises [~~and~~]. Wherever its road [~~shall cross~~] crosses a  
10 navigable stream or body of water, the bridge shall be  
11 constructed with a draw, if a draw [~~be~~] is necessary, to avoid  
12 obstructing the navigation of such stream or body of water;

13 [~~Sixth.~~] F. to cross, intersect, join and unite its  
14 railroad with any other railroads that have been [~~heretofore~~]  
15 constructed or that may be [~~hereafter~~] constructed at any point  
16 [~~or points~~] on the routes thereof, and upon the grounds of such  
17 other railroad companies, with the necessary turnouts, sidings  
18 and switches and such other conveniences and appliances as may  
19 be necessary to make and complete [~~said~~] the crossings,  
20 intersections and connections [~~and~~]. Such other railroad  
21 companies shall unite with the directors of [~~such~~] the  
22 corporation in making [~~said~~] the crossings, intersections and  
23 connections and shall grant the facilities therefor upon such  
24 terms and conditions as may be agreed upon between them; but if  
25 they are unable to agree upon the compensation to be made

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1 therefor or the points at which or the manner in which such  
2 crossings, intersections and connections shall be made, the  
3 same shall be ascertained, determined and declared in the  
4 manner and by the proceedings hereinafter provided for the  
5 taking of private property for the use of [~~such~~] the  
6 corporation;

7 [~~Seventh.~~] G. to purchase or take by donation or  
8 otherwise, land, timber, stone, gravel or other materials to be  
9 used in the construction and maintenance of its railroads and  
10 telegraphs, or either thereof, and if the same cannot be  
11 obtained by agreement with the owners thereof, to take the same  
12 by the proceedings and in the manner hereinafter provided for  
13 the taking of private property for the use of [~~such~~] the  
14 corporation;

15 [~~Eighth.~~] H. to take, transport, carry and convey  
16 persons and property on its railroads by the force and power of  
17 steam, of animals or any other mechanical power, or by any  
18 combination thereof, and to collect and receive tolls or  
19 compensation therefor;

20 [~~Ninth.~~] I. to erect and maintain all necessary and  
21 convenient buildings, stations, depots, watering places,  
22 fixtures and machinery for the accommodation of its passengers,  
23 freight and business and to obtain and hold, by purchase,  
24 donation or condemnation as hereinafter provided, lands and  
25 other property necessary therefor;

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1           ~~[Tenth.]~~ J. to take, possess and enjoy, by purchase,  
2 donation or condemnation, such natural springs and streams of  
3 water, or so much thereof as may be necessary for its uses and  
4 purposes in operating its railroad, together with the right of  
5 way thereto for pipes, ditches, canals or ~~[aqueducts]~~  
6 aqueducts for the conveyance thereof;

7           ~~[Eleventh.]~~ K. to regulate the time and manner in  
8 which passengers and property shall be transported over its  
9 roads and the tolls or compensation to be paid therefor;  
10 provided that it shall be unlawful for such corporation to  
11 charge more than six cents  (\$.06) per mile for each passenger  
12 and fifteen cents  (\$.15) per mile for each ton of two thousand  
13 pounds, or forty cubic feet, of freight transported on its  
14 roads; provided, further, that in no case shall such  
15 corporation be required to receive less than twenty-five cents  
16  (\$.25) for any one lot of freight for any distance; provided,  
17 further, that such corporation shall not be required to  
18 transport domestic animals, nitroglycerine compounds,  
19 gunpowder, acids, ~~[phosporous]~~ phosphorous and other explosive  
20 or destructive combustible materials except upon such terms,  
21 conditions and rates of freightage as its board of directors  
22 may from time to time prescribe and establish;

23           ~~[Twelfth.]~~ L. to regulate the force and speed of its  
24 locomotives, cars, trains or other machinery used on its roads  
25 and to establish, execute and enforce all needful and proper

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1 rules and regulations for the management of its trains, the  
2 conduct of its business and to secure the safety, comfort and  
3 good behavior of its passengers and [~~employees~~] employees and  
4 agents and for the prevention and suppression of gambling of  
5 every kind and description on its cars or within its depots or  
6 station grounds;

7 [~~Thirteenth.~~] M. to expel from its cars at any  
8 stopping place, using no more force than may be necessary, any  
9 passenger who, upon demand, [~~shall refuse~~] refuses to pay [~~his~~]  
10 the passenger's fare or [~~shall behave~~] behaves in a rude,  
11 riotous or disorderly manner toward other passengers or the  
12 [~~employees~~] employees of such corporations in charge of such  
13 cars or, upon [~~his~~] the passenger's attention being called  
14 thereto, [~~shall persist~~] persists in violating the rules of the  
15 corporation against gambling upon its cars;

16 [~~Fourteenth.~~] N. to borrow on the credit of the  
17 corporation and under authority of its board of directors or in  
18 such manner as [~~said~~] the board may prescribe under regulation,  
19 resolution or otherwise such sums of money as may be necessary  
20 for constructing and equipping its railroad and telegraph lines  
21 or for making extensions or additions thereto or betterments or  
22 improvements thereof or for funding or refunding its  
23 outstanding indebtedness or retiring its obligations and for  
24 such other purposes as may be deemed proper in the conduct of  
25 its business or in the execution of its powers and to issue and

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1 dispose of its bonds and promissory notes or obligations  
2 therefor in denominations of not less than one hundred dollars  
3 (\$100) or any multiple thereof and at a rate of interest not  
4 exceeding ten percent per [~~annum~~] year and for such amounts as  
5 the board of directors may deem proper, although in excess of  
6 its capital stock [~~and~~]. To secure the payment of such bonds,  
7 notes or obligations or the bonds or obligations of any other  
8 corporation [~~which~~] that may be issued in its interest, or for  
9 any of the above purposes or to raise funds therefor, it may  
10 mortgage or convey in trust its corporate property or any part  
11 thereof and the rights, privileges, powers and franchises in  
12 connection therewith or appurtenant thereto;

13 [~~Fifteenth.~~] O. to grant to any railroad corporation  
14 the right to use in common with it its railroad and telegraph  
15 lines or any part thereof. In making such grants and in  
16 agreeing upon and prescribing the terms and conditions thereof  
17 and the amount and nature of the consideration therefor, such  
18 corporation shall have all the rights, powers, capacities and  
19 abilities [~~which~~] that are enjoyed by natural persons;

20 [~~Sixteenth.~~] P. to take grants of the right to use in  
21 common railroad and telegraph lines of other railroad  
22 corporations and, in taking and receiving such grants, to have  
23 and enjoy the same rights, powers, capacities and abilities  
24 [~~which~~] that are granted in [~~said last preceding sub-division~~]  
25 Subsection O of this section;

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1           ~~[Seventeenth.]~~ Q. to change the line of its road, in  
2 whole or in part, whenever a majority of its directors may so  
3 determine; provided no such change shall vary the general route  
4 of such road as described in its articles of incorporation.

5 The land required for such new line may be acquired by contract  
6 with the owners thereof or by condemnation, as provided by law,  
7 as in the case of the original line;

8           ~~[Eighteenth.]~~ R. to increase or diminish its capital  
9 stock if at any time it ~~[shall appear]~~ appears that the amount  
10 thereof, as fixed in its articles of incorporation, is either  
11 more or less than is actually required for constructing,  
12 equipping, operating and maintaining its road and telegraph  
13 lines. Such increase or decrease shall not be made except by a  
14 vote of stockholders representing at least two-thirds of the  
15 subscribed capital stock. A certified copy of the proceedings  
16 of the meeting and its action in the premises, under the seal  
17 of the corporation, ~~[must]~~ shall be filed in the office of the  
18 ~~[state corporation commission]~~ secretary of state and be, by  
19 ~~[said commission]~~ the secretary of state, attached to the  
20 articles of incorporation on file in ~~[its]~~ the secretary of  
21 state's office; and

22           ~~[Nineteenth.]~~ S. to consolidate with one or more  
23 railroad corporations or under the laws of any other state or  
24 territory, its capital stock, properties, roads, equipments,  
25 adjuncts, franchises, claims, demands, contracts, agreements,

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1 obligations, debts, liabilities and assets of every kind and  
2 description upon such terms and in such manner as may be agreed  
3 upon by the respective boards of directors; provided no such  
4 consolidation shall take effect until [~~the same shall have~~] it  
5 has been ratified and confirmed in writing by stockholders of  
6 the respective corporations representing [~~three-fourth~~] three-  
7 fourths of the subscribed capital stock of their respective  
8 corporations. In case of such consolidation, articles of  
9 incorporation and consolidation [~~must~~] shall be prepared  
10 setting forth:

11 [~~I.~~] (1) the name of the new corporation;

12 [~~II.~~] (2) the purpose for which it is formed;

13 [~~III.~~] (3) the place where its principal  
14 business is to be transacted;

15 [~~IV.~~] (4) the term for which it is to exist,  
16 which shall not exceed fifty years;

17 [~~V.~~] (5) the number of its directors, which  
18 shall not be less than five nor more than eleven, and the names  
19 and residences of the persons appointed to act as such until  
20 their successors are elected and qualified;

21 [~~VI.~~] (6) the amount of its capital stock, which  
22 shall not exceed the amount actually required for the purposes  
23 of the new corporation, as estimated by competent engineers,  
24 and the number of shares into which it is divided;

25 [~~VII.~~] (7) the amount of stock actually

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1 subscribed and by whom;

2 [VIII.] (8) the termini of its road [~~or roads~~]  
3 and branches;

4 [IX.] (9) the estimated length of its road [~~or~~  
5 roads] and branches;

6 [X.] (10) that at least ten percent of its  
7 subscribed capital stock has been paid in;

8 [XI.] (11) the names of the [~~constituent~~]  
9 constituent corporations and the terms and conditions of  
10 consolidation in full. [~~Said~~] The articles of incorporation  
11 and consolidation [~~must~~] shall be signed and countersigned by  
12 the presidents and secretaries of the several constituent  
13 corporations and sealed with their corporate seals. There  
14 [~~must~~] shall be annexed thereto memoranda of the ratification  
15 and confirmation thereof by the stockholders of each  
16 constituent corporation, which must be respectively signed by  
17 stockholders representing at least three-fourths of the capital  
18 stock of their respective corporations. When completed, [~~as~~  
19 ~~aforsaid, said~~] the articles [~~must~~] shall be filed in the  
20 office of the [~~state corporation commission~~] secretary of  
21 state, and thereupon the constituent corporations named therein  
22 must be deemed and held to have become extinct in all courts  
23 and places and [~~said~~] the new corporation [~~must~~] shall be  
24 deemed and held in all courts and places to have succeeded to  
25 all their several capital stocks, properties, roads,

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1 equipments, adjuncts, franchises, claims, demands, contracts,  
2 agreements, assets, choses and rights in action, of every kind  
3 and description, both at law and in equity, and to be entitled  
4 to possess, enjoy and enforce the same and every thereof, as  
5 fully and completely as either and every of its constituents  
6 might have done had no consolidation taken place. [~~Said~~] The  
7 consolidated or new corporation [~~must~~] shall also, in all  
8 courts and places, be deemed and held to have become subrogated  
9 to its several constituents and each thereof in respect to all  
10 their contracts and agreements with other parties and all their  
11 debts, obligations and liabilities of every kind and nature to  
12 any persons, corporations or bodies politic [~~whomsoever, or~~  
13 ~~whatsoever, and said~~]. The new corporation [~~must~~] shall sue  
14 and be sued in its own name in any and every case in which any  
15 or either of its constituents might have sued or might have  
16 been sued, at law or in equity, had no such consolidation been  
17 made. Such consolidated or new corporation shall possess,  
18 enjoy and exercise all its franchises, properties, powers,  
19 privileges, abilities, rights and immunities under the  
20 provisions of this chapter, and shall conduct its business  
21 according to its provisions and be subject to all its pains and  
22 penalties. Nothing in this [~~sub-division contained~~] paragraph  
23 shall be construed to impair the obligation of any contract to  
24 which any of such constituents were parties at the date of  
25 [~~such~~] consolidation. All such contracts may be enforced by

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1 action or suit, as the case may be, against the consolidated  
2 corporation and satisfaction obtained out of the property  
3 ~~[which]~~ that, at the date of the consolidation, belonged to the  
4 constituent, ~~[which]~~ that was a party to the contract in action  
5 or suit, as well as out of any other property belonging to the  
6 consolidated corporation; and

7 ~~[XII.]~~ (12) every railroad corporation, in  
8 addition to the foregoing, shall have such further powers as  
9 may be necessary or ~~[convenient]~~ convenient to enable it to  
10 exercise and enjoy, fully and completely, all the powers  
11 granted by this chapter and, generally all such powers as are  
12 usually conferred upon, required and exercised by railroad  
13 corporations and, in the exercise of its powers and every  
14 thereof, shall have and enjoy all the rights, privileges,  
15 abilities and capacities ~~[which]~~ that are enjoyed by natural  
16 persons."

17 **SECTION 39.** Section 63-2-9 NMSA 1978 (being Laws 1878,  
18 Chapter 1, Section 8-19, as amended) is amended to read:

19 "63-2-9. LOCATION MAPS TO BE FILED.--~~[SEC. 50.]~~ Every  
20 corporation formed under this chapter within a reasonable time  
21 after its road ~~[shall have]~~ has been finally located ~~[must]~~  
22 shall cause a map and profile thereof and of the land required  
23 and taken for the use thereof and the boundaries of the several  
24 counties through which the same may run to be made and file the  
25 same in the office of the ~~[state corporation commission]~~

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1 secretary of state and also similar maps of the parts thereof  
2 located in different counties and file the same in the office  
3 of the county clerk of the county in which such parts of the  
4 road shall be situated, there to remain on record forever. In  
5 case the line of the road ~~[be]~~ is changed at any time, as in  
6 this chapter provided, similar maps of the new line must be  
7 made and filed ~~[as aforesaid. Said]~~. The maps and profiles  
8 ~~[must]~~ shall be certified by the chief engineer of the  
9 corporation and copies ~~[of the same]~~ so filed and certified  
10 ~~[must]~~ shall be kept in the office of the secretary of the  
11 corporation, subject to examination by all persons interested.  
12 Copies of ~~[such]~~ the maps and profiles certified by any  
13 secretary of the territory of New Mexico or by ~~[said~~  
14 ~~commission]~~ the secretary of state shall be received as prima  
15 facie evidence of what they contain in all courts and places  
16 within this state."

17 **SECTION 40.** Section 63-2-10 NMSA 1978 (being Laws 1878,  
18 Chapter 1, Section 8-24, as amended) is amended to read:

19 "63-2-10. COMMENCEMENT AND COMPLETION OF ROAD.--~~[SEC.~~  
20 ~~51.]~~ Every corporation formed under this chapter ~~[must]~~ shall  
21 commence the construction of its road within two years after  
22 the date of the filing of its articles of incorporation in the  
23 office of the ~~[state corporation commission]~~ secretary of state  
24 and ~~[must]~~ shall finish and put the same in full operation  
25 within six years thereafter or its right to further complete

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1 the same, in the discretion of the legislature of this state,  
2 may be forfeited."

3 SECTION 41. Section 63-2-13 NMSA 1978 (being Laws 1878,  
4 Chapter 3, Section 1, as amended) is amended to read:

5 "63-2-13. CORPORATE POWER UNDER FORMER ACTS.--[~~SEC. 82.~~]  
6 All the powers, privileges and exemptions conferred upon  
7 corporations organized under the preceding sections of this  
8 chapter are conferred upon all corporations incorporated under  
9 the laws of this state for the purpose of constructing  
10 railroads and also upon all corporations organized for railroad  
11 purposes that have registered in the office of the [~~state~~  
12 ~~corporation commission~~] secretary of state the original, or a  
13 certified copy, of their articles of incorporation, in  
14 accordance with an act entitled, "An act to amend an act  
15 entitled an act to create a general incorporation law,  
16 permitting persons to associate themselves together as bodies  
17 corporate, for mining, manufacturing and other industrial  
18 pursuits, and to repeal the sixteenth section of said act,  
19 approved January 30th, 1868"."

20 SECTION 42. Section 63-2-16 NMSA 1978 (being Laws 1901,  
21 Chapter 9, Section 2, as amended) is amended to read:

22 "63-2-16. FOREIGN ROADS--EXTENSIONS--CERTIFICATE TO BE  
23 FILED--TIME FOR COMMENCEMENT AND COMPLETION.--[~~SEC. 86.~~] Any  
24 such railroad corporation owning or operating a line of  
25 railroad in this state and projecting one or more extensions or  
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1 branches of such line of railroad in this state shall file in  
2 the office of the [~~state corporation commission~~] secretary of  
3 state and in the office of the county clerk of each county  
4 through or in which the line of any such extension or branch  
5 shall be located a declaration, subscribed by its president or  
6 vice president and attested under its corporate seal, of its  
7 intention to construct such extension or branch line, stating  
8 the places from and to which it is intended to build the same,  
9 together with a map or plat showing the surveyed line or route  
10 thereof. The filing of such declaration and map or plat shall  
11 entitle such railroad corporation to a prior right to construct  
12 such extension or branch line along the line or route described  
13 therein; provided such corporation shall commence construction  
14 within four years after date of [~~such~~] filing in the office of  
15 [~~state corporation commission~~] the secretary of state and  
16 complete the same within six years, and provided further, that  
17 it shall comply with the laws of this state for acquiring lands  
18 for right of way. Nothing in this [~~or the preceding~~] section  
19 or Section 63-2-15 NMSA 1978 shall be deemed to exclude the  
20 jurisdiction of this state over the control of all railroads or  
21 parts thereof situate within the boundaries of this state."

22 SECTION 43. Section 63-5-1 NMSA 1978 (being Laws 1897,  
23 Chapter 19, Section 1, as amended) is amended to read:

24 "63-5-1. FORECLOSURE--RIGHTS OF PURCHASERS--NEW  
25 CORPORATION--ORGANIZATION.--[~~SEC. 68. That~~] Whenever the

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1 railroad lands or other property of any railroad corporation  
2 created by or under any law of the United States or of the  
3 state [~~of New Mexico~~] or the part of the railroad, lands or  
4 other property of any such corporation situated in [~~such~~] the  
5 state [~~of New Mexico, shall be~~] is sold by virtue of a mortgage  
6 or deed of trust or pursuant to the judgment or decree of any  
7 court of competent jurisdiction or by virtue of any execution  
8 issued thereon, the purchasers at any such sale may acquire and  
9 become vested with the property sold and may acquire any other  
10 property and franchises, rights and powers of [~~such~~] the  
11 corporation in this state or elsewhere. [~~Such~~] Purchasers may  
12 associate with themselves any number of persons and with their  
13 associates may become a corporation with power to own, operate,  
14 exercise and enjoy the properties, franchises, rights and  
15 powers acquired by [~~such~~] the purchasers upon making,  
16 acknowledging and filing in the office of the [~~state~~  
17 ~~corporation commission~~] secretary of state a certificate in  
18 which [~~they shall~~] the purchasers describe by name and by  
19 reference to the charter or law under which it was organized,  
20 the corporation whose property or part of whose property [~~they~~]  
21 the purchasers have acquired, [~~and~~] the court [~~or courts~~] by  
22 whose authority the sale was made, with the date of the  
23 judgment or decree authorizing or directing the [~~same, and~~]  
24 sale, a brief description of the property sold and also the  
25 following particulars:

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1           ~~[First]~~ A. the name of the new corporation intended  
2 to be formed by the filing of ~~[such]~~ the certificate;

3           ~~[Second]~~ B. the maximum amount of its capital stock  
4 and the number of shares into which it is divided, and  
5 specifying the classes thereof, whether common or preferred,  
6 and the amount of and rights pertaining to each class; and

7           ~~[Third]~~ C. the number of directors, not less than  
8 three nor more than fifteen, who shall manage the affairs of  
9 the new corporation and the names and post office addresses of  
10 the directors for the first year."

11           SECTION 44. Section 73-1-12 NMSA 1978 (being Laws 1931,  
12 Chapter 97, Section 12) is amended to read:

13           "73-1-12. RECORDING OF FINDINGS AND DECREE--FEES.--As  
14 soon as practical and within thirty ~~(30)~~ days after the  
15 ~~[said]~~ district has been declared a corporation by the court,  
16 the clerk of ~~[said]~~ the court shall transmit to the ~~[state~~  
17 ~~corporation-commission]~~ secretary of state and to the county  
18 clerk of each of the counties having lands in ~~[said]~~ the  
19 district certified copies of the findings and the decree of the  
20 court incorporating ~~[said]~~ the district. The ~~[same]~~ copies  
21 shall be filed in the office of the ~~[state-corporation~~  
22 ~~commission]~~ secretary of state, and copies shall also be filed  
23 in the office of the county clerk of each county in which a  
24 part of the district may be, where they shall become permanent  
25 records ~~[and]~~. The ~~[said]~~ clerk in each county shall receive a

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1 fee of one [~~(\$1.00)~~] dollar (\$1.00) for filing and preserving  
2 the [~~same and~~] copies. The [~~state corporation commission~~]  
3 secretary of state shall receive a fee of five [~~(\$5.00)~~]  
4 dollars (\$5.00) for filing and preserving the [~~same~~] copies."

5 SECTION 45. Section 73-5-3 NMSA 1978 (being Laws 1909,  
6 Chapter 76, Section 3, as amended) is amended to read:

7 "73-5-3. ACKNOWLEDGMENT--RECORDING--EVIDENCE.--[~~SEC. 3.~~  
8 ~~Said~~] The certificate shall be acknowledged as required for  
9 deeds of real estate and shall be filed in the office of the  
10 [~~state corporation commission and~~] secretary of state. A copy  
11 thereof duly certified by [~~said commission~~] the secretary of  
12 state shall be recorded in the office of the county clerk of  
13 the county or counties where the [~~said~~] lands or works are  
14 located, and [~~such~~] the certificate or a copy thereof duly  
15 certified by the [~~commission~~] secretary of state or county  
16 clerk shall be evidence in all courts and places."

17 SECTION 46. Section 73-5-5 NMSA 1978 (being Laws 1909,  
18 Chapter 76, Section 5, as amended) is amended to read:

19 "73-5-5. AMENDMENTS TO CERTIFICATE.--[~~SEC. 5.~~] Every such  
20 association may change its name, increase or decrease its  
21 capital stock or membership, change the location of its  
22 principal office in this state, extend the period of its  
23 existence and make such other amendment, change or alteration  
24 as may be desired, not inconsistent with [~~this~~] Chapter 73,  
25 Article 5 NMSA 1978 or other law of this state, by a resolution

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1 adopted by a vote of two-thirds in interest of the shareholders  
2 or members present at any regular or special meeting duly held  
3 upon such notice as the bylaws provide or, in the absence of  
4 such provision, upon twenty days' notice in writing given  
5 personally or by mail [~~and provided that such~~]. The notice  
6 shall state that the amendment or change is to be voted upon at  
7 such meeting and the nature and purpose thereof, and provided,  
8 further, that a majority in interest of the shareholders or  
9 members [~~be~~] are present at [~~such~~] the meeting in person or by  
10 duly authorized representative. A certified copy of [~~such~~] the  
11 resolution with the affidavit of the president and secretary  
12 that [~~said~~] the resolution was duly adopted by a two-thirds'  
13 vote of [~~such~~] the shareholders or members at a meeting held in  
14 accordance with the provisions of this section shall be filed  
15 and recorded as provided for filing and recording the original  
16 certificate of incorporation [~~and thereupon~~]. The certificate  
17 of incorporation shall be deemed to be amended accordingly and  
18 a copy of [~~such~~] the certificate of amendment certified by the  
19 [~~state corporation commission~~] secretary of state or the county  
20 clerk shall be accepted as evidence of such change or amendment  
21 in all courts and places."

22 SECTION 47. Section 73-14-16 NMSA 1978 (being Laws 1927,  
23 Chapter 45, Section 207) is amended to read:

24 "73-14-16. FILING ORDER OF INCORPORATION.--Within thirty  
25 [~~(30)~~] days after the [~~said~~] district has been declared a

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1 corporation by the court, the clerk shall transmit to the  
2 [~~state corporation commission~~] secretary of state and to the  
3 probate clerk and ex-officio recorder in each of the counties  
4 having lands in [~~said~~] the district, copies of the findings and  
5 the order of the court incorporating [~~said~~] the district. The  
6 [~~same~~] copies of the findings shall be filed in the office of  
7 the [~~state corporation commission~~] secretary of state in the  
8 same manner as articles of incorporation are now required to be  
9 filed under the general laws concerning corporations [~~and~~].  
10 Copies shall also be filed in the office of the probate clerk  
11 and ex-officio recorder of each county in which a part of the  
12 district may be, where they shall become permanent records  
13 [~~and~~]. The [~~said~~] recorder in each county shall receive a fee  
14 of one [~~(\$1.00)~~] dollar (\$1.00) for filing and preserving [~~the~~  
15 ~~same~~] them, and the [~~state corporation commission~~] secretary of  
16 state shall receive a fee of five [~~(\$5.00)~~] dollars (\$5.00) for  
17 filing and preserving [~~the same~~] them."

18 SECTION 48. Section 76-2-10 NMSA 1978 (being Laws 1919,  
19 Chapter 74, Section 1, as amended) is amended to read:

20 "76-2-10. COUNTY FARM AND LIVESTOCK BUREAUS.--

21 A. For the purpose of further extending the  
22 cooperative work provided in Sections [~~45-1-1 and 45-1-2 NMSA~~  
23 ~~1953~~] 76-2-1 and 76-2-2 NMSA 1978 and the work provided in  
24 Sections [~~45-1-4 through 45-1-9 NMSA 1953~~] 76-2-4 through  
25 76-2-9 NMSA 1978, there may be created in each county a public

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1 corporation known as the county farm and livestock bureau.

2 B. Whenever any number of bona fide farmers and  
3 stockmen comprising not less than five percent of the total  
4 number of farmers and stockmen within any county, as determined  
5 by the last United States decennial census, desire to form an  
6 organization for doing extension work in agriculture, home  
7 economics and marketing and ~~[has]~~ have held a meeting at which  
8 the organization is approved by a majority of those present,  
9 application may be made to the ~~[state corporation commission]~~  
10 secretary of state for incorporation as a nonprofit corporation  
11 or association under the provisions of the Nonprofit  
12 Corporation Act. When such corporation or association has been  
13 effected, it shall be recognized as the official body within  
14 the county for carrying on extension work in agriculture and  
15 home economics in cooperation with New Mexico state university.  
16 When its charter has been issued, the corporation may make  
17 regulations and bylaws for its government and the carrying on  
18 of its work, not inconsistent with the provisions of this  
19 section and Sections ~~[45-1-11 and 45-1-12 NMSA 1953]~~ 76-2-11  
20 and 76-2-12 NMSA 1978.

21 C. Any county farm and livestock bureau or other  
22 county organization that is now doing extension work in  
23 agriculture and home economics in cooperation with New Mexico  
24 state university may be incorporated by furnishing satisfactory  
25 evidence of compliance with this section to the ~~[state~~

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1 ~~corporation commission]~~ secretary of state; provided that only  
2 one such corporation may be formed in any county."

3 SECTION 49. Section 76-12-7 NMSA 1978 (being Laws 1937,  
4 Chapter 152, Section 7) is amended to read:

5 "76-12-7. ARTICLES OF INCORPORATION.--The incorporators  
6 of an association to be formed under [~~this~~] the Cooperative  
7 Marketing Association Act must prepare and file articles of  
8 incorporation setting forth:

9 [~~(a)~~] A. the name of the association, which may or  
10 may not include the word "cooperative";

11 [~~(b)~~] B. its purposes;

12 [~~(c)~~] C. its duration;

13 [~~(d)~~] D. its principal place of business in the  
14 state;

15 [~~(e)~~] E. the name and post office address of each of  
16 the incorporators;

17 [~~(f)~~] F. the names and addresses of those who are to  
18 serve as incorporating directors for the first term or until  
19 the election and qualifications of their successors;

20 [~~(g)~~] G. if organized without capital stock, whether  
21 the property rights and interests of each member are to be  
22 equal or unequal; if unequal, the general rule applicable to  
23 all members by which the property rights and interests  
24 respectively of each member shall be determined; and provision  
25 for the admission of new members who shall share in the

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1 property of the association in accordance with [~~such~~] the  
2 general rule;

3 [~~(h)~~] H. if organized with capital stock, the amount  
4 of such stock and the number of shares into which the capital  
5 stock is to be divided, whether all or part of the capital  
6 stock shall have par value and, if so, the par value thereof;  
7 and if there is to be more than one class of stock created, a  
8 description of the different classes, the number of shares in  
9 each class, the relative rights, interests and preferences each  
10 class shall represent and the dividends, which may be  
11 cumulative not exceeding eight [~~per centum per annum~~] percent  
12 per year, to which each share shall be entitled; and

13 [~~(i)~~] I. in addition to the foregoing, the articles  
14 of incorporation may contain any provision consistent with law  
15 with respect to management, regulation, government, financing,  
16 indebtedness, membership, the establishment of voting districts  
17 and the election of delegates for representative purposes, the  
18 issuance, retirement and transfer of its stock, if formed with  
19 capital stock, or any provision relative to the way or manner  
20 in which it shall operate with respect to its members, officers  
21 or directors and any other provisions relating to its affairs.

22 The articles of incorporation must be subscribed by the  
23 incorporators and acknowledged by one of them before an officer  
24 authorized by the law of [~~this~~] the state to take and certify  
25 acknowledgments of deeds and conveyances and shall be filed

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1 with the [~~state corporation commission of this~~] secretary of  
2 state. When [~~se~~] filed, [~~said~~] the articles of incorporation  
3 or certified copies thereof shall be received in all courts of  
4 [~~this~~] the state as prima facie evidence of the facts contained  
5 therein and of the due incorporation of [~~such~~] the  
6 association."

7 SECTION 50. Section 76-12-8 NMSA 1978 (being Laws 1937,  
8 Chapter 152, Section 8, as amended) is amended to read:

9 "76-12-8. FILING AND RECORDING ARTICLES OF  
10 INCORPORATION.--The articles of incorporation shall be filed  
11 with the [~~state corporation commission~~] secretary of state, and  
12 a copy thereof, duly certified by the [~~commission~~] secretary of  
13 state shall be recorded in the office of the county clerk of  
14 the county where the principal office of the association is to  
15 be located in this state. For filing the articles of  
16 incorporation, an association shall pay to the [~~state~~  
17 ~~corporation commission~~] secretary of state fifty dollars  
18 (\$50.00), together with the proportionate part of the annual  
19 license fee that may be due for the succeeding fraction of the  
20 fiscal year, and for filing an amendment to the articles,  
21 twenty-five dollars (\$25.00)."

22 SECTION 51. Section 76-12-20 NMSA 1978 (being Laws 1937,  
23 Chapter 152, Section 20, as amended) is amended to read:

24 "76-12-20. TAXATION.--It is the duty of every association  
25 organized [~~under~~] pursuant to provisions of the Cooperative

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1 Marketing Association Act and foreign associations admitted to  
2 do business in this state under that act to procure annually  
3 from the [~~state corporation commission~~] secretary of state a  
4 license authorizing the transaction of business in the state.  
5 Each domestic or foreign corporation shall pay annually a  
6 license fee of twenty-five dollars (\$25.00) to the [~~state~~  
7 ~~corporation commission~~] secretary of state before receiving  
8 such license."

9 SECTION 52. TEMPORARY PROVISIONS.--

10 A. On July 1, 2013, all personnel and all money,  
11 appropriations, records, furniture, equipment, supplies and  
12 other property belonging to or used by the corporations bureau  
13 of the public regulation commission are transferred to the  
14 secretary of state.

15 B. On and after July 1, 2013, all existing contracts,  
16 agreements and other obligations in effect for the corporations  
17 bureau of the public regulation commission shall be binding on  
18 the secretary of state.

19 C. On and after July 1, 2013, all pending cases,  
20 legal actions, appeals and other legal proceedings of every  
21 description and all pending administrative proceedings that  
22 involve the corporations bureau of the public regulation  
23 commission shall be unaffected and shall continue in the name  
24 of the secretary of state.

25 D. On and after July 1, 2013, all rules, tariffs,

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1 orders and other official acts of the corporations bureau of  
2 the public regulation commission or of the public regulation  
3 commission on behalf of the corporations bureau shall continue  
4 in effect until amended, replaced or repealed by the secretary  
5 of state.

6 E. On and after July 1, 2013, all references in law,  
7 rules, tariffs, orders and other official acts to the  
8 corporations bureau of the public regulation commission or to  
9 the public regulation commission in regard to matters performed  
10 by the corporations bureau shall be construed to be references  
11 to the secretary of state.

12 SECTION 53. REPEAL.--Section 8-8-21 NMSA 1978 (being Laws  
13 1998, Chapter 108, Section 80) is repealed.

14 SECTION 54. EFFECTIVE DATE.--The effective date of the  
15 provisions of this act is July 1, 2013.