SENATE BILL 110

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

INTRODUCED BY

Michael Padilla

AN ACT

RELATING TO NONPROFIT CORPORATIONS; PROVIDING THAT CERTAIN NONPROFIT CORPORATION BOARDS OF DIRECTORS SHALL INCLUDE MEMBERS FROM A GROUP OR CLASS OF PERSONS THAT RECEIVES SUPPORT FROM THE NONPROFIT CORPORATION.

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

SECTION 1. Section 53-8-17 NMSA 1978 (being Laws 1975, Chapter 217, Section 17) is amended to read:

"53-8-17. BOARD OF DIRECTORS.--

A. The affairs of a corporation shall be managed by a board of directors. Directors need not be residents of New Mexico or members of the corporation unless the articles of incorporation or the bylaws so require. Subject to Subsection B of this section, the articles of incorporation or the bylaws may prescribe other qualifications for directors.

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B. On and after July 1, 2013, if a nonprofit corporation exists or is organized for a purpose that is charitable, benevolent, eleemosynary, educational or civic, the articles of incorporation shall provide or be amended to provide that one or more director positions, beginning with the initial board of directors for corporations organized on or after July 1, 2013, or the next director selection event scheduled on or after July 1, 2013 for an existing corporation, shall be held by persons from a group or class of persons that receives assistance, benefit or service from the nonprofit corporation. If the articles of incorporation provide that directors are elected, then at least one director position shall be filled by an election from a list of candidates who are members of the group or class of persons that receives assistance, benefit or service from the nonprofit corporation."

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