

AN ACT

RELATING TO RURAL ELECTRIC COOPERATIVES; AMENDING THE RURAL ELECTRIC COOPERATIVE ACT TO ALLOW MERGERS AND CONSOLIDATIONS WITH CERTAIN CORPORATIONS AND COOPERATIVES ORGANIZED UNDER THE LAWS OF ANOTHER STATE; DECLARING AN EMERGENCY.

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

Section 1. Section 62-15-2 NMSA 1978 (being Laws 1939, Chapter 47, Section 2, as amended) is amended to read:

"62-15-2. PURPOSE--DEFINITION. --Cooperative nonprofit membership corporations may be organized under the Rural Electric Cooperative Act for the primary purpose of supplying electric power and energy and promoting and extending the use of electricity in rural areas. Corporations organized under that act and corporations which become subject to that act in the manner provided in that act and for the purposes of Sections 62-15-13, 62-15-14, 62-15-15 and 62-15-19 NMSA 1978, corporations organized on a nonprofit or cooperative basis under the laws of another state for the primary purpose of supplying electric power or energy are referred to in the Rural Electric Cooperative Act as "cooperatives". "

Section 2. Section 62-15-15 NMSA 1978 (being Laws 1939, Chapter 47, Section 15) is amended to read:

"62-15-15. EFFECT OF CONSOLIDATION OR MERGER. -- The

effect of consolidation or merger shall be as follows:

A. the several cooperatives, parties to the consolidation or merger, shall be a single cooperative, which in the case of a consolidation shall be the new cooperative provided for in the articles of consolidation and in the case of a merger shall be that cooperative designated in the articles of merger as the surviving cooperative, and the separate existence of all cooperatives, parties to the consolidation or merger, except the new or surviving cooperative shall cease;

B. the new or surviving cooperative shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a cooperative organized under the provisions of the Rural Electric Cooperative Act. It shall possess all the rights, privileges, immunities and franchises, of a public as well as of a private nature, and all property, real and personal, applications for membership, all debts due on whatever account and all other choses in action of each of the consolidating or merging cooperatives, and every interest of or belonging or due to each of the cooperatives consolidated or merged shall be deemed to be transferred to and vested in the new or surviving cooperative without further act or deed. The title to any real estate, or any interest therein, under the laws of this state vested in any such

cooperatives shall not revert or be in any way impaired by reason of the consolidation or merger;

C. the new or surviving cooperative shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the cooperatives consolidated or merged, and any claim existing, or action or proceeding pending, by or against any of such cooperatives may be prosecuted as if the consolidation or merger had not taken place, but the new or surviving cooperative may be substituted in its place;

D. neither the rights of creditors nor any liens upon the property of any of such cooperatives shall be impaired by the consolidation or merger; and

E. in the case of a consolidation, the articles of consolidation shall be deemed to be the articles of incorporation of the new cooperative; and in the case of a merger, the articles of incorporation of the surviving cooperative shall be deemed to be amended to the extent, if any, that changes in the articles of incorporation are provided for in the articles of merger. "

Section 3. EMERGENCY. --It is necessary for the public peace, health and safety that this act takes effect immediately. _____