

Although a cooperative is a unique model for conducting business, it is still considered a corporation under the New Mexico Statutes Annotated 1978 (NMSA 1978), and regulatory steps must be followed in order to “cooperate.” According to the New Mexico Public Regulation Commission (NMPRC) website (<http://www.nmprc.state.nm.us>), New Mexico corporations are formed by filing articles of incorporation with the NMPRC Corporations Bureau. Public domain templates for writing articles of incorporation are available online. The cooperative may be for-profit or non-profit. The Cooperative Association Act set forth in Chapter 53, Article 4 of the NMSA 1978 outlines the limitations. Specifically, any five or more people or two or more associations may incorporate. Articles of incorporation must be signed by each member of the corporation and acknowledged by at least three members before an approved officer (presidents and secretaries must acknowledge before an approved officer if associations are involved). The following regulatory steps must be completed before the cooperative can begin the process of product development or sales.

The articles of incorporation should contain

- A. a statement as to the purpose for which the association is formed;
- B. the name of the association, which shall include the word ‘cooperative’;
- C. the term of existence of the association, which may be perpetual;

- D. the location and address of the principal office of the association;
- E. the names and addresses of the incorporators of the association;
- F. the names and addresses of the directors who will manage the affairs of the association for the first year, unless sooner changed by the members;
- G. a statement of whether the association is organized with or without shares and the number of shares or memberships subscribed for;
- H. if the association is organized with shares, the amount of authorized capital, the number and types of shares and the par value thereof, which may be placed at any figure, and the rights, preferences and restrictions of each type of share;
- I. the minimum number of shares of the association that shall be owned in order to qualify for membership;
- J. the maximum amount or percentage of capital of the association that may be owned or controlled by any member;
- K. the method by which any surplus, upon dissolution of the association, shall be distributed in conformity with the requirements of the Cooperative Association Act [Chapter 53, Article 4 NMSA 1978] for division of such surplus;

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- L. the address of the initial registered office of the association and the name of the initial registered agent at that address; and
- M. a statement executed by the registered agent in which the agent acknowledges acceptance of the appointment by the filing association, if the agent is an individual, or a statement executed by an authorized officer of a corporation in which the officer acknowledges the corporation's acceptance of the appointment by the filing association as its registered agent, if the agent is a corporation" (NMSA 1978, § 53-4-5).

The fee for filing the articles of incorporation with the NMPRC is \$50. A \$1 fee is required to record the articles of incorporation with the appropriate county clerk (i.e., county where cooperative office resides). Annual fees include \$20 for a license and \$10 for reporting. Electronic filing is now available (see the NMPRC website for details and link).

In New Mexico, most businesses must also register with the New Mexico Taxation and Revenue Department (www.tax.newmexico.gov). If the business has employees, it will be required to register

with the New Mexico Department of Workforce Solutions (www.dws.state.nm.us). To learn more about cooperatives in New Mexico, see Guide Z117, *Startup Guide for Forestry and Wood Products Cooperatives in New Mexico*, (http://aces.nmsu.edu/pubs/_z/Z117.pdf).

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