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Agricultural Cooperative Formation:

Nevada



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Section 81.010 – Formation; Applicable Law; Revival of Certain Expired Corporations

1. Nonprofit cooperative corporations may be formed by the voluntary association of any three or more persons in the manner prescribed in NRS 81.010 to 81.160, inclusive. A majority of the persons must be residents of this State, and such a corporation has and may exercise the powers necessarily incident thereto. Except as otherwise provided in subsection 2, the provisions of chapter 78 of NRS govern each nonprofit cooperative corporation organized pursuant to NRS 81.010 to 81.160, inclusive. If such a nonprofit cooperative corporation is organized without shares of stock, the members shall be deemed to be “shareholders” or “stockholders” as these terms are used in chapter 78 of NRS.

2. If the term for which a nonprofit cooperative corporation was to exist has expired but the corporation has continued to perform the activities authorized by its original articles of incorporation or any amendment thereto, revival of its corporate existence does not require the consent of its members or stockholders. Each required action to accomplish a revival may be taken by a majority of the surviving directors. The revival is effective as of the date of expiration of the original term.

Section 81.110 – General Powers

A corporation incorporated pursuant to NRS 81.010 to 81.160, inclusive, may:

1. Appoint such agents and officers as its business may require, and the appointed agents may be either persons or corporations.

2. Admit persons and corporations to membership in the corporation.



3. Expel any member pursuant to the provisions of its bylaws.
4. Forfeit the membership of any member for violation of any agreement between the member and the corporation or for the member's violation of its bylaws.
5. Purchase, lease or otherwise acquire, and hold, own, enjoy, sell, lease, mortgage and otherwise encumber and dispose of, real and personal property.
6. Carry on any operation necessary or convenient in connection with the transactions of any of its business.

Section 81.040 – Articles of Incorporation; Required Provisions

Each corporation formed under NRS 81.010 to 81.160, inclusive, must prepare and file articles of incorporation in writing, setting forth:

1. The name of the corporation, which must contain the word “Cooperative” or “Co-op” or the abbreviation “N.C.C.”
2. The purpose for which it is formed.
3. The information required pursuant to NRS 77.310.
4. The term for which it is to exist, which may be perpetual.
5. If formed with stock, the amount of its stock and the number and par value, if any, and the shares into which it is divided, and the amount of common and of preferred stock that may be issued with the preferences, privileges, voting rights, restrictions and qualifications pertaining thereto.
6. The names and addresses of those selected to act as directors, not less than three, for the first year or until their successors have been elected and have accepted office.
7. Whether the property rights and interest of each member are equal or unequal, and if unequal the articles must set forth a general rule applicable to all members by which the property rights and interests of each member may be determined, but the corporation may admit new members who may vote and share in the property of the corporation with the old members, in accordance with the general rule.
8. The name and mailing or street address, either residence or business, of each of the incorporators signing the articles of incorporation.

Section 81.080 – Bylaws; Adoption; Amendment; Effectiveness



1. Each corporation incorporated under NRS 81.010 to 81.160, inclusive, must, within 1 month after filing articles of incorporation, adopt a code of bylaws for its government and management not inconsistent with the provisions of NRS 81.010 to 81.160, inclusive. A majority vote of the members or directors, or the written assent of such members or directors representing a majority of the votes, is necessary to adopt such bylaws.

2. The power to make additional bylaws and to alter the bylaws:

(a) If the bylaws were adopted by the members under the provisions of subsection 1, must remain in the members, but any corporation may, in its articles of incorporation, original or amended, or by resolution adopted by a majority vote, or by written consent of two-thirds of the members, confer that power upon the directors. Bylaws made by the directors under power so conferred may be altered by the directors or by the members.

(b) If the bylaws were adopted by the directors under the provisions of subsection 1, must remain in the directors, but any corporation may, in its articles of incorporation, original or amended, or by resolution adopted by a majority vote of the directors, or by written consent of two-thirds of the directors, confer that power upon the members. Bylaws made by the members under power so conferred may be altered by the directors or by the members.

3. The written consent of the owners of two-thirds of the stock or of two-thirds of the members shall suffice to adopt bylaws in addition to those adopted under the provisions of subsection 1, and to amend or repeal any bylaw.

4. All bylaws in force must be copied legibly in a book called the Book of Bylaws, kept at all times for inspection in the principal office. Until so copied, they shall not be effective or in force.

Section 78.115 – Board of Directors: Number and Qualifications

The business of every corporation must be managed under the direction of a board of directors or trustees, all of whom must be natural persons who are at least 18 years of age. A corporation must have at least one director, and may provide in its articles of incorporation or in its bylaws for a fixed number of directors or a variable number of directors, and for the manner in which the number of directors may be increased or decreased. Unless otherwise provided in the articles of incorporation, directors need not be stockholders.

Section 78.130 – Officers of Corporation: Selection; Qualifications; Terms; Powers and Duties; Filling of Vacancies



1. Every corporation must have a president, a secretary and a treasurer, or the equivalent thereof.
2. Every corporation may also have such other officers and agents as may be deemed necessary.
3. All officers must be natural persons and must be chosen in such manner, hold their offices for such terms and have such powers and duties as may be prescribed by the bylaws or determined by the board of directors. Any natural person may hold two or more offices.
4. An officer holds office after the expiration of his or her term until a successor is chosen or until the officer's resignation or removal before the expiration of his or her term. A failure to elect officers does not require the corporation to be dissolved. Any vacancy occurring in an office of the corporation by death, resignation, removal or otherwise, must be filled as the bylaws provide, or in the absence of such a provision, by the board of directors.

Section 81.030 – Memberships; Certificates; Transfer and Assignment

1. Any person or any number of persons, including and in addition to the original incorporators, may become members of the corporation upon such terms and conditions as to membership, and subject to such rules and regulations as to their, and each of their, contract and other rights and liabilities between it and the member, as the corporation shall prescribe in its bylaws.
2. The corporation shall issue a certificate of membership to each member, but the membership or the certificate thereof shall not, except as provided in NRS 81.010 to 81.160, inclusive, be assigned by any member to any other person, nor shall the assigns thereof be entitled to membership in the corporation, or to any property rights or interest therein.
3. The board of directors may, however, by motion duly adopted by it, consent to such assignment or transfer, and to the acceptance of the assignee or transferee as a member of the corporation.
4. The corporation shall also have the right, by its bylaws, to provide for or against the transfer of membership and for or against the assignment of membership certificates, and also the terms and conditions upon which any such transfer or assignment shall be allowed.

Section 81.020 – Capital Stock; Purpose; Voting Power of Members; Meetings; Dividends; Dealing in Products of Nonmembers; Distribution of Surplus Funds or Issuance of Refunds to Members



1. The corporation may or may not have capital stock, and its business must be operated for the mutual benefit of the members thereof.
2. No member of the cooperative corporation may have more than one vote in the management of its affairs. Meetings of the association or meetings of the board of directors may be held in or outside this State.
3. The corporation shall not pay dividends on stock or membership certificates in excess of 8 percent per annum.
4. The corporation or association, as it may be called, may deal in the products of nonmembers, but not to an amount greater in value than such as are handled by it for members, unless otherwise provided in its articles of incorporation or bylaws.
5. Nothing contained in this section shall be construed to prohibit the corporation from distributing surplus funds or issuing refunds to its members in accordance with its articles of incorporation.

