

Foreword

NONPROFIT corporation statutes in the states of the United States all too frequently grew helter skelter with practically no attempt to systematize or correlate them into any simplified statutory pattern. Practicing lawyers have not had sufficient recurring problems to demand legislative action, which would make some orderly statement of the statutory law, as they have in the profit corporation field. Such lack of problems, the diversity of such problems, and the astonishing number of nonprofit statutes have made it a task of major proportions to examine the statutes systematically for purposes of simplifying and correlating the legislation. The Model Non-Profit Corporation Act sponsored by the American Bar Association eliminates no part of the examination of the laws of a particular jurisdiction where there are a substantial number of nonprofit corporation statutes. The legislative process, vested interests, prejudice, and general conservatism prevent repealing the present statutes en masse and substituting a completely new act. In Michigan, in addition to the provisions of the General Corporation Act which permits the incorporation of nonprofit corporations generally and covers some six special kinds of nonprofit corporations, there are eighty-six other acts covering various such corporations. To expect that all these statutory provisions could be summarily repealed and a completely new simple act substituted is unrealistic.

This study by Professor Boyer is directed first to a careful, accurate appraisal of the nonprofit corporation statutes of a particular state (Michigan) and a recommended statute which is primarily for the purpose of simplifying

the nonprofit statutory law in Michigan. The scope and magnitude of his task are staggering. By his comparative examination of the statutory and case law of the various states he has not only provided Michigan with the means of re-appraisal of its nonprofit statutes but has also furnished a basis for any state with a similarly complicated and duplicated set of such statutes to re-appraise its nonprofit statutory provisions. The synthesized recommended statute builds on the present general sections of the Michigan General Corporation Act but is complete and broad enough to be adaptable in any state.

The state of Michigan owes a debt of gratitude to Professor Boyer for his careful, painstaking examination of its nonprofit statutes and the understanding manner in which he has integrated this study into a proposed simplified statute.

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Preface

THE nonprofit corporation has become an important factor in the social and economic life of the American people. The American predisposition to organization and affiliation has led to an enormous number of such organizations, which in itself is a significant factor. Further, many nonprofit corporations have become national and international entities yielding tremendous economic and political influence. In spite of these factors, however, these organizations have largely escaped the serious study and academic analysis so generously bestowed upon the regular business corporation. This study is directed at an analysis of the legal framework within which such organizations operate. Its aim is to ascertain the sufficiency of the corporation statutes in view of nonprofit organizational operations, and to suggest appropriate changes. Controversial policy considerations concerning the wisdom of particular purposes, functions, or policies are not considered. The goal herein is simply a stimulation toward the achievement of an adequate, coherent, and logical code of nonprofit corporation statutes. The regulation of anti-social or undesirable activity is an additional problem beyond the scope of this study.

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