

## In Retrospect

**E**LUSIVE indeed is the perfect solution to the problem of the multiplicity and diversity of nonprofit corporation statutes. Initially there must be resolved fundamental questions on procedure: whether to have a completely separate and independent act for some or all of these organizations; whether to provide for them in supplementary provisions to the general business corporation act; or whether to attempt a complete amalgamation into the general corporate law. Michigan, of course, follows the second of these alternatives, and such procedure is believed basically sound.

Providing completely independent acts for one or more of these organizations results in unnecessary duplication as to routine corporate matters. On the other hand, to amalgamate completely the provisions into the general act invites ambiguity and cumbersomeness because of the many distinct characteristics and unique problems of these organizations. Using the general act for routine matters and adopting special provisions for the particular requirements, however, results in utmost flexibility with minimum duplication.

After determining the basic method of treatment, the next problem is to decide which corporations require special provisions. Undoubtedly, substantial agreement could be reached on a few of them. In practically all jurisdictions there are either separate sections of the general act or completely separate acts providing for the incorporation of nonprofit corporations generally, cooperatives, and church corporations. From here on, however, agreement ceases and divergence predominates. Perhaps the

significant issues are not so much how many different types of corporate provisions are enacted, but rather how concisely, how uniformly, how clearly, and how logically they are constructed.

It may appear that the recommendations herein provided are too modest and not sufficiently comprehensive to accomplish significant consolidations. It is true that all the chief categories of the special provisions of the present general Act are retained. Some important changes are proposed, however. The cooperative sections are modernized in many ways; the nonprofit sections are expanded considerably; the fraternal sections are greatly reduced; the educational and ecclesiastical sections are clarified and simplified; and the cemetery provisions are added to the general Act. Thus, the four burial corporation acts can be eliminated. Church trustee and religious society sections are consolidated into the ecclesiastical provisions, and many repetitious sections are omitted throughout the Act. Further, all the specific acts providing for the incorporation of the very many different types of lodges and churches can be repealed. Special acts for the incorporation of labor organizations are not needed in view of the comprehensive provisions of the nonprofit sections. Special acts for agricultural and horticultural societies, except possibly those that receive public aid and may be at least quasi-municipal corporations, are not needed. Thus, from seventy five to one hundred acts can be eliminated without detriment.

That this study and its proposed Act are neither the final solution nor the last word on so complex a matter is obvious. That it may act as a catalyst to stimulate capable minds to the challenge of statutory reform, however, is a hope which, if fulfilled, will amply justify the effort expended.