

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.3104 Definitions; I to U.

Sec. 1104.

As used in this chapter:

- (a) "Insolvent" means being unable to pay debts as they become due in the usual course of a debtor's business.
- (b) "Member capital" means the assets that a member must provide by payment, transfer, or allocation of net savings to a cooperative as a condition of admission to or retention of membership and with respect to which the member has rights to dividends, redemption, or distributions on dissolution under this chapter.
- (c) "Membership fee" means a nonredeemable fee that a member must pay to a cooperative as a condition of admission to or retention of membership in the cooperative that is not member capital or a fee for goods, services, or facilities.
- (d) "Patron" means a person whose economic exchange is a regular part of the business of a cooperative or foreign cooperative, if the economic exchange is the same type of regular economic exchange engaged in by any class of members.
- (e) "Patronage" means the selling or providing of goods, services, or facilities to, or the buying of goods, services, or facilities from members or other persons, or providing labor or services to or by a cooperative.
- (f) "Redemption" means any method by which a cooperative exchanges cash or debt instruments for member capital, including, but not limited to, repurchase, redemption, refund, or repayment.
- (g) "Referendum" means a method of member voting that utilizes secret ballot and established polling places as provided in the cooperative's bylaws or under section 409.
- (h) "Unincorporated cooperative" means either of the following:
 - (i) An association of 2 or more persons that is organized on a cooperative basis and that is not a corporation.
 - (ii) An association of 2 or more persons that is organized under the laws of another state and operates on either a cooperative basis or a similar basis provided in that state as the criterion for being a cooperative, and that is not a corporation.

History: Add. 1984, Act 209, Eff. Nov. 1, 1985 ;-- Am. 2014, Act 557, Imd. Eff. Jan. 15, 2015