

MICHIGAN GENERAL CORPORATION STATUTE (EXCERPT)
Act 327 of 1931

450.106 Cooperative corporations; distribution of dividends; reserves; distribution of cooperative dividends; determining annual privilege fee.

Sec. 106.

The shareholders of every cooperative corporation shall provide in the bylaws what percent upon the paid-up capital stock of the corporation, not exceeding 8% per annum, shall be first paid and distributed to the holders of the paid-up capital stock as dividends before dividing the surplus earnings or profits, as provided in this act, and whether or not the dividends shall be cumulative. The bylaws shall further provide what amount or percentage of the annual profit and earnings of the business, over and above the dividends to shareholders shall be retained and kept in the treasury of the corporation as a reserve, and in what manner, method, and proportion the surplus annual earnings and profits of the business of the corporation, in excess of the dividends and reserves, shall be divided up and distributed as a cooperative dividend, under the cooperative plan or principle adopted by the corporation among shareholders or members doing business with the corporation; and may also provide for cooperative dividends to nonstockholders or nonmembers. For the purposes of determining the amount owing by the cooperative corporation as an annual privilege fee, the balance of the reserve in excess of 30% of the paid-up capital of the corporation shall be considered as surplus.

History: 1931, Act 327, Eff. Sept. 18, 1931 ;-- Am. 1941, Act 327, Eff. Jan. 10, 1942 ;-- CL 1948, 450.106 ;-- Am. 1978, Act 121, Imd. Eff. Apr. 25, 1978

Former Law: See section 9 of Ch. IV of Part II of Act 84 of 1921, being CL 1929, § 10035.