

SENATE BILL NO. 636

October 30, 2025, Introduced by Senator ALBERT and referred to Committee on Government Operations.

A bill to amend 1986 PA 89, entitled
"Michigan BIDCO act,"
by amending sections 104 and 105 (MCL 487.1104 and 487.1105), as
amended by 2012 PA 358.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 104. (1) "Affiliate" means, if used with respect to a
- 2 specified person other than a natural person, a person controlling
- 3 or controlled by that specified person, or a person controlled by a
- 4 person that also controls the specified person.
- 5 (2) "BIDCO" means a business and industrial development

1 company licensed under this act. The term includes a business
2 development enterprise.

3 (3) "Board of the Michigan strategic fund" means either of the
4 following, as applicable:

5 (a) Until the effective date of the economic development fair
6 competition and free enterprise act, the board of directors of the
7 Michigan strategic fund under section 5 of former 1984 PA 270.

8 (b) Beginning on the effective date of the economic
9 development fair competition and free enterprise act, the bureau.

10 (4) "Bureau" means the bureau of fair competition and free
11 enterprise created in section 7 of the economic development fair
12 competition and free enterprise act.

13 (5) ~~(3)~~—"Business development enterprise" means a business and
14 industrial development company that meets all of the following:

15 (a) Has as part of its business plan the objective of
16 providing public benefit.

17 (b) Is licensed under this act.

18 (c) Is designated as a qualified business development
19 enterprise by the Michigan strategic fund under section 304.

20 (6) ~~(4)~~—"Business firm" means a person that transacts business
21 on a regular and continual basis, or a person that proposes to
22 transact business on a regular and continual basis.

23 (7) ~~(5)~~—"Commissioner" means the ~~commissioner of the office of~~
24 ~~financial and insurance regulation in the department of licensing~~
25 ~~and regulatory affairs.~~ **director of the department of insurance and**
26 **financial services.**

27 (8) ~~(6)~~—"Control" means, if used with respect to a specified
28 person, the power to direct or cause the direction of, directly or
29 indirectly through 1 or more intermediaries, the management and

1 policies of that specified person, whether by contract, other than
2 a commercial contract for goods or nonmanagement services, or
3 otherwise. A natural person is not considered to control a person
4 solely because he or she is a director, officer, manager, or
5 employee of that person. A person that, directly or indirectly, has
6 the power to vote or direct the voting of 20% or more of the total
7 ownership vote is rebuttably presumed to control that entity.

8 (9) ~~(7)~~—"Controlling person" means, if used with respect to a
9 specified person, a person that controls that specified person,
10 directly or indirectly through 1 or more intermediaries.

11 Sec. 105. (1) "Incorporating statute" means the business
12 corporation act, 1972 PA 284, MCL 450.1101 to 450.2098, the
13 nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192,
14 or the Michigan limited liability company act, 1993 PA 23, MCL
15 450.4101 to 450.5200.

16 (2) "Insolvent" means a licensee that ceases to pay its debts
17 in the ordinary course of business, that cannot pay its debts as
18 they become due, or whose liabilities exceed its assets.

19 (3) "Interests of the licensee" includes the interests of
20 shareholders of a licensee organized as a Michigan corporation and
21 members of a licensee organized as a Michigan limited liability
22 company.

23 (4) "License" means a license issued under this act
24 authorizing a Michigan corporation or Michigan limited liability
25 company to transact business as a BIDCO. The term includes a BIDCO
26 license issued to a business development enterprise.

27 (5) "Licensee" means a Michigan corporation or Michigan
28 limited liability company that holds a license under this act.

29 (6) "Manager" means a person designated by the members of a

1 Michigan limited liability company to manage the limited liability
 2 company as provided in its articles of organization or an operating
 3 agreement.

4 (7) "Member" means a person that has an ownership interest in
 5 a BIDCO organized as a Michigan limited liability company.

6 (8) "Michigan corporation" means a corporation incorporated
 7 under the business corporation act, 1972 PA 284, MCL 450.1101 to
 8 450.2098, or the nonprofit corporation act, 1982 PA 162, MCL
 9 450.2101 to 450.3192.

10 (9) "Michigan limited liability company" means a limited
 11 liability company organized under the Michigan limited liability
 12 company act, 1993 PA 23, MCL 450.4101 to 450.5200.

13 (10) "Michigan nonprofit corporation" means a corporation
 14 incorporated under the nonprofit corporation act, 1982 PA 162, MCL
 15 450.2101 to 450.3192.

16 (11) "Michigan strategic fund" means **either of the following,**
 17 **as applicable:**

18 (a) **Until the effective date of the economic development fair**
 19 **competition and free enterprise act,** the Michigan strategic fund as
 20 described in ~~the Michigan strategic fund act, former~~ 1984 PA 270. ~~7~~
 21 ~~MCL 125.2001 to 125.2094.~~

22 (b) **Beginning on the effective date of the economic**
 23 **development fair competition and free enterprise act, the bureau.**

24 Enacting section 1. This amendatory act does not take effect
 25 unless Senate Bill No. 631 of the 103rd Legislature is enacted into
 26 law.