

MICHIGAN BIDCO ACT (EXCERPT)
Act 89 of 1986

487.1102 Purposes of act.

Sec. 102.

The purposes of this act are all of the following:

(a) Promote economic development by encouraging the formation of business and industrial development companies, a new type of private institution, and to help meet the financing assistance and management assistance needs of business firms in this state.

(b) Provide for a system of licensing, regulation, and enforcement that will enable business and industrial development companies to satisfy eligibility requirements to participate, if they so choose, in the program of the small business administration under section 7(a) of the small business act, Public Law 85-536, 15 U.S.C. 636, and other programs for which they may be eligible.

(c) Provide for a system of licensing, regulation, and enforcement designed to prevent fraud, conflict of interest, and mismanagement and to promote competent management, accurate record keeping, and appropriate communication with owners; in order to provide both of the following:

(i) Comfort to prospective owners so as to facilitate equity investments in business and industrial development companies.

(ii) Comfort to prospective debt sources so as to facilitate the borrowing of money by business and industrial development companies.

(d) Safeguard the general reputation of business and industrial development companies as a type of institution in order to increase the confidence of prospective equity investors in and prospective debt sources for those institutions.

(e) Eliminate unnecessary restrictions that have discouraged the formation of business development corporations under former 1963 PA 117, by repealing that act and substituting a more flexible regulatory framework.

History: 1986, Act 89, Imd. Eff. May 1, 1986 ;-- Am. 1997, Act 150, Imd. Eff. Dec. 2, 1997