

SUBSTITUTE FOR  
SENATE BILL NO. 1051

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
(MCL 380.1 to 380.1852) by adding section 1203.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 1203. (1) A MEMBER OF THE BOARD OF A SCHOOL DISTRICT OR  
2 INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC  
3 SCHOOL ACADEMY WHO BELIEVES OR HAS REASON TO BELIEVE THAT HE OR SHE  
4 HAS A CONFLICT OF INTEREST WITH REGARD TO A CONTRACT OR OTHER  
5 FINANCIAL TRANSACTION THAT REQUIRES THE APPROVAL OF THE BOARD OR  
6 BOARD OF DIRECTORS SHALL ABSTAIN FROM VOTING ON THE CONTRACT OR  
7 OTHER FINANCIAL TRANSACTION AND SHALL DISCLOSE THE SPECIFIC  
8 CONFLICT OF INTEREST. A MEMBER OF THE BOARD OF A SCHOOL DISTRICT OR  
9 INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC  
10 SCHOOL ACADEMY IS PRESUMED TO HAVE A CONFLICT OF INTEREST IF THE

1 MEMBER OR HIS OR HER FAMILY MEMBER HAS A FINANCIAL INTEREST, OR A  
2 COMPETING FINANCIAL INTEREST, IN THE CONTRACT OR OTHER FINANCIAL  
3 TRANSACTION OR IS AN EMPLOYEE OF THE SCHOOL DISTRICT, INTERMEDIATE  
4 SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

5 (2) A PERSON SERVING AS THE LEGAL COUNSEL TO THE BOARD OF A  
6 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF  
7 DIRECTORS OF A PUBLIC SCHOOL ACADEMY, OR OTHERWISE ACTING AS AN  
8 ADVISOR OR CONSULTANT TO THE BOARD OR BOARD OF DIRECTORS, WHO  
9 BELIEVES OR HAS REASON TO BELIEVE THAT THE PERSON HAS A CONFLICT OF  
10 INTEREST WITH REGARD TO A CONTRACT OR OTHER FINANCIAL TRANSACTION  
11 THAT REQUIRES THE APPROVAL OF THE BOARD OR BOARD OF DIRECTORS SHALL  
12 DISCLOSE THE CONFLICT OF INTEREST TO THE BOARD OR BOARD OF  
13 DIRECTORS BEFORE THE VOTE ON THE CONTRACT OR OTHER FINANCIAL  
14 TRANSACTION. A PERSON SERVING AS THE LEGAL COUNSEL TO THE BOARD OF  
15 A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF  
16 DIRECTORS OF A PUBLIC SCHOOL ACADEMY OR OTHERWISE ACTING AS AN  
17 ADVISOR OR CONSULTANT TO THE BOARD OR BOARD OF DIRECTORS IS  
18 PRESUMED TO HAVE A CONFLICT OF INTEREST IF THE PERSON OR HIS OR HER  
19 FAMILY MEMBER HAS A FINANCIAL INTEREST, OR A COMPETING FINANCIAL  
20 INTEREST, IN THE CONTRACT OR OTHER FINANCIAL TRANSACTION.

21 (3) FOR THE PURPOSES OF THIS SECTION, IF A MEMBER OF THE BOARD  
22 OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF  
23 DIRECTORS OF A PUBLIC SCHOOL ACADEMY, OR A PERSON SERVING AS THE  
24 LEGAL COUNSEL TO THE BOARD OR BOARD OF DIRECTORS, HAS A CHILD WHO  
25 IS A PUPIL OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
26 PUBLIC SCHOOL ACADEMY, THAT RELATIONSHIP ALONE DOES NOT CONSTITUTE  
27 A CONFLICT OF INTEREST OR FINANCIAL INTEREST IN A CONTRACT OR OTHER

1 FINANCIAL TRANSACTION OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
2 DISTRICT, OR PUBLIC SCHOOL ACADEMY.

3 (4) THE PROVISIONS OF THIS SECTION ARE IN ADDITION TO OTHER  
4 PROVISIONS OF LAW CONCERNING CONFLICTS OF INTEREST THAT APPLY TO  
5 SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC SCHOOL  
6 ACADEMIES.

7 (5) AS USED IN THIS SECTION, "FAMILY MEMBER" MEANS A PERSON'S  
8 SPOUSE OR SPOUSE'S SIBLING OR CHILD; A PERSON'S SIBLING OR  
9 SIBLING'S SPOUSE OR CHILD; A PERSON'S CHILD OR CHILD'S SPOUSE; OR A  
10 PERSON'S PARENT OR PARENT'S SPOUSE, AND INCLUDES THESE  
11 RELATIONSHIPS AS CREATED BY ADOPTION OR MARRIAGE.