

SUBSTITUTE FOR
SENATE BILL NO. 81

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 1254 and 1814 (MCL 380.1254 and 380.1814),
section 1254 as amended by 1995 PA 289 and section 1814 as added by
2004 PA 417.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1254. (1) Except as provided in subsection (3) and
2 section 1217a, the board of a school district or intermediate
3 school district, **THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY,**
4 **OR AN AUTHORITY BOARD OF AN EDUCATION ACHIEVEMENT AUTHORITY** may pay
5 the actual and necessary expenses incurred by its members and
6 employees in the discharge of official duties or in the performance
7 of functions authorized by the board. The expenditure, **AND THE**
8 **POLICY DESCRIBED IN SUBSECTION (2) (B) THAT ESTABLISHES SPECIFIC**

1 **CATEGORIES OF REIMBURSABLE EXPENSES**, shall be a public record and
2 shall be made available to a person upon request.

3 (2) The board of a school district or intermediate school
4 district, **THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY, OR AN**
5 **AUTHORITY BOARD OF AN EDUCATION ACHIEVEMENT AUTHORITY** shall not
6 approve payment of an expense incurred by a board member under
7 subsection (1) unless 1 or both of the following conditions are
8 met:

9 (a) The board, by a majority vote of its members at an open
10 meeting, approved reimbursement of the specific expense before the
11 expense was incurred.

12 (b) The expense is consistent with a policy adopted by the
13 board, by a majority vote of its members at a regular board
14 meeting, establishing specific categories of reimbursable expenses
15 and the board, by a majority vote of its members at an open
16 meeting, approves the reimbursement before it is actually paid.

17 (3) The board of ~~any~~ **A school district OR INTERMEDIATE SCHOOL**
18 **DISTRICT, THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY, OR AN**
19 **AUTHORITY BOARD OF AN EDUCATION ACHIEVEMENT AUTHORITY** shall not
20 provide, allow, or obtain credit cards for, issue credit cards to,
21 or provide to a ~~school~~ board member a debit card or similar
22 instrument that pledges payment of funds from ~~a school district~~ **AN**
23 **account OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,**
24 **PUBLIC SCHOOL ACADEMY, OR EDUCATION ACHIEVEMENT AUTHORITY** except in
25 compliance with law.

26 Sec. 1814. (1) Except as otherwise provided in subsection (2),
27 a person shall not use **SCHOOL DISTRICT**, intermediate school

1 district, **PUBLIC SCHOOL ACADEMY, OR EDUCATION ACHIEVEMENT AUTHORITY**
2 funds or other public funds under the control of ~~the~~ **A SCHOOL**
3 **DISTRICT**, intermediate school district, **PUBLIC SCHOOL ACADEMY, OR**
4 **EDUCATION ACHIEVEMENT AUTHORITY** for purchasing alcoholic beverages,
5 jewelry, gifts, fees for golf, or any item the purchase or
6 possession of which is illegal.

7 (2) Subsection (1) does not prohibit the use of public funds
8 for the purchase of a plaque, medal, trophy, or other award for the
9 recognition of an employee, volunteer, or pupil if the purchase
10 does not exceed \$100.00 per recipient. Beginning January 1, 2005,
11 the monetary amount for this exception shall be adjusted each
12 January 1 by multiplying the amount for the immediately preceding
13 year by the percentage by which the average consumer price index
14 for all items for the 12 months ending August 31 of the year in
15 which the adjustment is made differs from that index's average for
16 the 12 months ending on August 31 of the immediately preceding year
17 and adding that product to the maximum amount that applied in the
18 immediately preceding year, rounding to the nearest whole dollar.
19 The adjustment shall apply only to expenditures or violations
20 occurring after the date of the adjusting of the amount. The
21 adjusted amount shall be determined and announced by the department
22 on or before December 15 of each year and shall be provided to all
23 persons requesting the adjusted amount. If the index is
24 unavailable, the department shall make a reasonable approximation.

25 (3) In addition to any other penalty provided by law, a person
26 who knowingly or intentionally violates subsection (1) is guilty of
27 a misdemeanor punishable by imprisonment for not more than 93 days

1 or a fine, or both. The amount of the fine shall be as follows:

2 (a) If the cumulative amount of the funds that were used by
3 the person in violation of subsection (1) is less than \$5,000.00,
4 up to \$1,000.00.

5 (b) If the cumulative amount of the funds that were used by
6 the person in violation of subsection (1) is at least \$5,000.00 and
7 less than \$10,000.00, at least \$1,000.00 and not to exceed
8 \$2,000.00.

9 (c) If the cumulative amount of the funds that were used by
10 the person in violation of subsection (1) is at least \$10,000.00
11 and less than \$15,000.00, at least \$2,000.00 and not to exceed
12 \$3,000.00.

13 (d) If the cumulative amount of the funds that were used by
14 the person in violation of subsection (1) is at least \$15,000.00
15 and less than \$25,000.00, at least \$3,000.00 and not to exceed
16 \$4,000.00.

17 (e) If the cumulative amount of the funds that were used by
18 the person in violation of subsection (1) is \$25,000.00 or more, at
19 least \$4,000.00.

20 (4) A court shall order a person convicted of a violation of
21 subsection (1) to make restitution to the affected **SCHOOL DISTRICT,**
22 **intermediate school district, PUBLIC SCHOOL ACADEMY, OR EDUCATION**
23 **ACHIEVEMENT AUTHORITY.**

24 (5) As used in this section, "public funds" means funds
25 generated from taxes levied under this act, state appropriations of
26 state or federal funds, or payments to ~~the~~ **A SCHOOL DISTRICT,**
27 **intermediate school district, PUBLIC SCHOOL ACADEMY, OR EDUCATION**

1 **ACHIEVEMENT AUTHORITY** for services, but does not include voluntary
2 contributions made for a specific purpose by ~~an~~**A SCHOOL DISTRICT**,
3 intermediate school district, **PUBLIC SCHOOL ACADEMY, OR EDUCATION**
4 **ACHIEVEMENT AUTHORITY** board member; ~~an~~**A SCHOOL DISTRICT**,
5 intermediate school district, **PUBLIC SCHOOL ACADEMY, OR EDUCATION**
6 **ACHIEVEMENT AUTHORITY** employee; ~~another~~ individual; ~~or~~ a
7 private entity.

8 Enacting section 1. This amendatory act takes effect 90 days
9 after the date it is enacted into law.

10 Enacting section 2. This amendatory act does not take effect
11 unless Senate Bill No. 80 of the 97th Legislature is enacted into
12 law.