

Act No. 477
Public Acts of 2014
Approved by the Governor
January 10, 2015
Filed with the Secretary of State
January 12, 2015
EFFECTIVE DATE: April 12, 2015

**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014**

Introduced by Senators Hansen, Jones, Robertson, Green, Marleau and Walker

ENROLLED SENATE BILL No. 81

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," 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:

Sec. 1254. (1) Except as provided in subsection (3) and section 1217a, the board of a school district or intermediate school district, the board of directors of a public school academy, or an authority board of an education achievement authority may pay the actual and necessary expenses incurred by its members and employees in the discharge of official duties or in the performance of functions authorized by the board. The expenditure, and the policy described in subsection (2)(b) that establishes specific categories of reimbursable expenses, shall be a public record and shall be made available to a person upon request.

(2) The board of a school district or intermediate school district, the board of directors of a public school academy, or an authority board of an education achievement authority shall not approve payment of an expense incurred by a board member under subsection (1) unless 1 or both of the following conditions are met:

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

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

(3) The board of a school district or intermediate school district, the board of directors of a public school academy, or an authority board of an education achievement authority shall not provide, allow, or obtain credit cards for, issue credit cards to, or provide to a board member a debit card or similar instrument that pledges payment of funds from an account of the school district, intermediate school district, public school academy, or education achievement authority except in compliance with law.

Sec. 1814. (1) Except as otherwise provided in subsection (2), a person shall not use school district, intermediate school district, public school academy, or education achievement authority funds or other public funds under the control

of a school district, intermediate school district, public school academy, or education achievement authority for purchasing alcoholic beverages, jewelry, gifts, fees for golf, or any item the purchase or possession of which is illegal.

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

(3) In addition to any other penalty provided by law, a person who knowingly or intentionally violates subsection (1) is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine, or both. The amount of the fine shall be as follows:

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

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

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

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

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

(4) A court shall order a person convicted of a violation of subsection (1) to make restitution to the affected school district, intermediate school district, public school academy, or education achievement authority.

(5) As used in this section, "public funds" means funds generated from taxes levied under this act, state appropriations of state or federal funds, or payments to a school district, intermediate school district, public school academy, or education achievement authority for services, but does not include voluntary contributions made for a specific purpose by a school district, intermediate school district, public school academy, or education achievement authority board member; a school district, intermediate school district, public school academy, or education achievement authority employee; another individual; or a private entity.

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Sandy E. Randall

Clerk of the House of Representatives

Approved

.....
Governor