



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5850 (Substitute S-3 as reported by the Committee of the Whole)
House Bill 5851 (as reported without amendment)
Sponsor: Representative Ruth Johnson
House Committee: Education
Senate Committee: Education

CONTENT

House Bill 5850 (H-2) would amend the Revised School Code to establish criminal penalties for the use of intermediate school district (ISD) funds for certain purchases, and for violations involving competitive bidding or the misuse of bond proceeds.

Specifically, it would be a misdemeanor for a person knowingly or intentionally to use ISD funds or other public funds under the control of an ISD to purchase alcoholic beverages, jewelry, gifts, fees for golf, or any item whose purchase or possession is illegal. This would not prohibit the use of public funds to purchase a plaque, trophy, or other award for the recognition of an employee, volunteer, or pupil if the purchase did not exceed \$100 per recipient. A violation would be punishable by imprisonment for up to 93 days' imprisonment and/or a fine. The amount of the fine would range from a maximum of \$1,000 to a minimum of \$4,000, depending on the value of the funds used.

It would be a felony for a person knowingly or intentionally to violate the Code's competitive bidding requirements or permit or consent to a violation. It also would be a felony for a person knowingly or intentionally to use the proceeds of bonds issued under the Code for a purpose other than the one for which the bonds were issued, or permit or consent to such a misuse. Both felonies would be punishable by a maximum fine of 10% of the cost of the project involved in the violation, imprisonment for up to four years, or both.

House Bill 5851 would amend the Code of Criminal Procedure to include in the sentencing guidelines the proposed felonies involving competitive bidding or the misuse of bond proceeds. These offenses would be Class H felonies against the public trust. The bill is tie-barred to House Bill 5850.

MCL 380.1804 et al. (H.B. 5850)
777.13p (H.B. 5851)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have an indeterminate fiscal impact on State and local government. There are no data to indicate how many offenders would be convicted of the proposed crimes. Local units would incur the costs of misdemeanor probation and incarceration in a local facility, which vary by county. The State would incur the cost of felony probation at an average annual cost of \$1,800, as well as the cost of incarceration in a State facility at an average annual cost of \$28,000.

Date Completed: 11-9-04

Fiscal Analyst: Bethany Wicksall

[floor\hb5850](#)

Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.