

Act No. 417  
Public Acts of 2004  
Approved by the Governor  
November 29, 2004

Filed with the Secretary of State  
November 29, 2004

EFFECTIVE DATE: 91st day after final adjournment of 2004 Regular Session

**STATE OF MICHIGAN  
92ND LEGISLATURE  
REGULAR SESSION OF 2004**

**Introduced by Reps. Ruth Johnson, Stakoe, Voorhees, Robertson, Wenke, Pappageorge, Rocca, Nofs,  
Woodward, Garfield, Milosch and Brandenburg**

**ENROLLED HOUSE BILL No. 5850**

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 section 1804 (MCL 380.1804) and by adding sections 1814, 1815, and 1816.

*The People of the State of Michigan enact:*

Sec. 1804. Except as otherwise provided in this act, a school official or member of a school board or intermediate school board or other person who neglects or refuses to do or perform an act required by this act, or who violates or knowingly permits or consents to a violation of this act, is guilty of a misdemeanor punishable by a fine not more than \$500.00, or imprisonment for not more than 3 months, or both.

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

(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 the intermediate school district for services, but does not include voluntary contributions made for a specific purpose by an intermediate school district board member, an intermediate school district employee, another individual, or a private entity.

Sec. 1815. A person who knowingly or intentionally violates the competitive bidding requirements of section 1267, or who knowingly or intentionally permits or consents to a violation of the competitive bidding requirements of section 1267, is guilty of a misdemeanor punishable by a fine in an amount equal to not more than 10% of the cost of the project involved in the violation or imprisonment for not more than 1 year, or both, but is not subject to the penalties of section 1804.

Sec. 1816. A person who knowingly or intentionally uses the proceeds of bonds issued under this act for a purpose other than a purpose for which the bonds were issued, as stated in the ballot proposal authorizing the issuance of the bonds, or who knowingly or intentionally permits or consents to such a misuse of the proceeds of bonds issued under this act, is guilty of a felony punishable by a fine in an amount equal to not more than 10% of the cost of the project involved in the violation or imprisonment for not more than 4 years, or both, but is not subject to the penalties of section 1804.



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Clerk of the House of Representatives



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Secretary of the Senate

Approved .....

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Governor