

HOUSE BILL No. 5397

January 11, 2018, Introduced by Rep. Lucido and referred to the Committee on Appropriations.

A bill to prohibit expenditure of state and local funds on the settlement of certain claims and actions or on certain judgments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Local unit of government" means a city, village,
3 township, or county.

4 (b) "Public entity" means this state or an agency or authority
5 of this state or a local unit of government.

6 (c) "Public funds" means both of the following:

7 (i) Funds drawn from the state treasury or other fund of this
8 state.

1 (ii) Funds drawn from revenue collected or imposed by a local
2 unit of government.

3 (d) "Public official" means an individual who holds an
4 elective or appointive office of a public entity.

5 Sec. 3. (1) A public entity shall not make an expenditure of
6 public funds to settle a claim or action or pay a court-ordered
7 judgment involving the gross negligence, intentional misconduct, or
8 criminal conduct of a public official.

9 (2) If a court finds that a public official was grossly
10 negligent or engaged in intentional misconduct, or the public
11 official is convicted of a crime, the public official shall, within
12 30 days after the finding or conviction becomes final, reimburse a
13 public entity for any public funds the public entity expended in
14 the defense of the public official.

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