

**CONSTRUCTION LIEN ACT (EXCERPT)**  
**Act 497 of 1980**

**570.1202 Management of fund by department; annual financial statement; audit; depositing or investing fund money; earned interest; carry-forward of unexpended fund balance; employment of office help and claims investigators; attorney general; contracting with private attorneys to defend actions; wages, professional fees, and other administrative expenditures.**

Sec. 202. (1) The director of the department shall manage the fund according to this act. A detailed financial statement of the condition of the fund shall be published by the director annually. The fund shall be subject to an audit by the auditor general. The state treasurer shall deposit or invest money from the fund, in the same manner as and subject to all provisions of law that apply to the deposit or investment of state funds by the state treasurer, and interest earned shall be credited to the fund. The unexpended fund balance shall carry forward to the new fiscal year at the end of each fiscal year.

(2) The department may employ office clerical and professional help and claims investigators as necessary to carry out this act. The attorney general shall assign members of his or her staff and may supplement that staff by contracting with private attorneys as necessary to adequately defend actions against the fund. All wages, professional fees, and other administrative expenditures necessary for operation and defense of the fund, including legal counsel, shall be charged to and payable from the fund. Except for legal counsel fees, the amount paid in a fiscal year for wages, professional fees, and other administrative expenditures shall not exceed 20% of the average of the ending balances in the fund for the previous 2 fiscal years.

**History:** 1980, Act 497, Eff. Jan. 1, 1982;—Am. 1981, Act 191, Eff. Jan. 1, 1982;—Am. 2006, Act 572, Imd. Eff. Jan. 3, 2007.

**Compiler's note:** For transfer of powers and duties of certain occupational functions, boards, and commissions from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws.