

CONSTRUCTION LIEN ACT (EXCERPT)
Act 497 of 1980

570.1205 Payment by department from fund; subrogation; action by department against contractor or subcontractor; depositing amount recovered in state treasury.

Sec. 205. (1) This state and any of its officers or employees in the administration of this act shall not be personally liable to any subcontractor, supplier, or laborer for payment of any sum found to be owing in connection with a contract for the improvement of a residential structure, except from the fund.

(2) If a payment is made by the department from the fund, the department shall be subrogated to the rights of the person to whom the payment was made, and the department may maintain an action in its own name against the contractor or subcontractor who did not pay the claimant receiving the payment from the fund. Any amount recovered by the department shall be deposited in the state treasury to the credit of the fund.

History: 1980, Act 497, Eff. Jan. 1, 1982.

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.