

CHAPTER 9.**OVER-EXPENDITURE AND OVER-OBLIGATION OF FUNDS****ARRANGEMENT OF SECTIONS****Section**

§901. Short title.

§902. Personal liability for over-expenditure.

§903. Over-obligation of appropriated funds void.

An Act to impose personal liability for over-expenditure and over-obligation of appropriated funds. [Section numbering style modified to conform to new code format (Rev.2003)]

Commencement: June 7, 1977
 Source: M.I. Code (1975)
 D.L. 24-36 (1977)

§901. Short title.

This Act may be cited as the "Over-expenditure and Over-obligation of Appropriated Funds Act 1977".

§902. Personal liability for over-expenditure.

(1) No person shall authorize or expend any governmental funds in excess of appropriated amounts except in emergencies and only pursuant to procedure provided by law.

(2) Any person who authorizes the over-expenditure of appropriated funds, and fails to strictly follow procedures that may be provided by law for such emergency over-expenditure shall be personally liable to the Nitijela for the amounts over-expended and for such other and additional sums as may be incurred as collection costs in the event the over-expenditure must be collected by judicial process: including attorney fees, court costs and foreclosure costs. [M.I. Code (1975), §5.401.]

§903. Over-obligation of appropriated funds void.

(1) No person shall authorize the obligation of funds or obligate funds in excess of authorized appropriated amounts, unless specifically authorized by law. Any authorization to obligate funds in excess of appropriated amounts, not specifically authorized by law, is void.

(2) Any person who authorizes the over-obligation of funds beyond appropriated amounts, or contracts to expend funds in excess of appropriated amounts, without specific authorization by law to do so, shall be personally liable for whatever damages may result to any third party by that party's justifiable reliance upon such person's unauthorized approval of over-obligation or contract

to over-obligate funds in excess of appropriated amounts and that person shall hold the Nitijela free and harmless from any liability for such unauthorized, ultra vires action. [M.I.Code (1975), §5.402.]