

8-406; 8-407.

(A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CODE" MEANS THE INTERNAL REVENUE CODE OF 1986 AND INCLUDES REGULATIONS AND RULINGS ISSUED UNDER THAT CODE.

(3) (I) "FINANCIAL OFFICER" MEANS THE SECRETARY OF THE PRINCIPAL DEPARTMENT THAT INCLUDES THE APPROPRIATE UNIT OR THE HEAD OF THE UNIT IF THE UNIT IS AN INDEPENDENT UNIT.

~~(II) (H) "FINANCIAL OFFICER" MEANS THE CONTROLLER, THE DIRECTOR OF FINANCE, OR SIMILAR OFFICIAL OF A UNIT OF THE STATE GOVERNMENT.~~

~~(H) "FINANCIAL OFFICER" INCLUDES, TO THE EXTENT NECESSARY, THE TREASURER AND THE COMPTROLLER.~~

(4) "PROCEEDS" MEANS MONEYS RECEIVED FROM THE SALE OF A CAPITAL LEASE, AND INCLUDES ANY MONEYS DEEMED TO BE PROCEEDS OF A CAPITAL LEASE UNDER THE CODE.

(B) THE FINANCIAL OFFICER MAY ESTABLISH AND MAINTAIN FUNDS AND ACCOUNTS FOR THE ADMINISTRATION, MANAGEMENT, INVESTMENT AND ACCOUNTING OF PROCEEDS, INCLUDING ANY INVESTMENT EARNINGS ON PROCEEDS, THAT MAY BE NECESSARY OR APPROPRIATE FROM TIME TO TIME TO COMPLY WITH THE CODE AND TO ESTABLISH OR MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON A CAPITAL LEASE.

(C) (1) THE FINANCIAL OFFICER MAY MANAGE AND INVEST PROCEEDS, INCLUDING ANY INVESTMENT EARNINGS ON PROCEEDS, IN A MANNER SO AS TO MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON A CAPITAL LEASE.

(2) THE FINANCIAL OFFICER MAY RESTRICT THE YIELDS ON INVESTMENTS OF PROCEEDS IF AND TO THE EXTENT NECESSARY TO MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON A CAPITAL LEASE.

(D) THE FINANCIAL OFFICER MAY PREPARE AND MAINTAIN RECORDS OF THE RECEIPT, DEPOSIT, INVESTMENT, MANAGEMENT, DISBURSEMENT AND APPLICATION OF PROCEEDS, INCLUDING ANY INVESTMENT EARNINGS ON PROCEEDS, THAT MAY BE NECESSARY OR APPROPRIATE FROM TIME TO TIME TO COMPLY WITH THE CODE AND TO MAINTAIN OR VERIFY THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON A CAPITAL LEASE.