

SENATE BILL No. 2

By Senator Bruce

6-16

1 AN ACT concerning Special Session Test; amending K.S.A. 2015 Supp.
2 40-2305 and repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2015 Supp. 40-2305 is hereby amended to read as
6 follows: 40-2305. (a) Each political subdivision of the state is hereby
7 authorized to submit for approval by the state agency a plan for extending
8 or modifying the ~~benefits of title II of the social security act,~~ in conformity
9 with the applicable provisions of such act, to employees, including any
10 holding the office or position of policeman or fireman, of such political
11 subdivisions.

12 ***Eddie - QA Test*** Whenever the governor certifies to the secretary of health
13 and human services that, as a result of a referendum held pursuant to
14 subsection (b) of K.S.A. 40-2305a, and amendments thereto, school
15 employees who are covered by the state system for retirement and
16 payment of annuities to school employees as provided for in article 55 of
17 chapter 72 of the Kansas Statutes Annotated, and amendments thereto, the
18 conditions specified in section 218(d)(3) of the social security act have
19 been met with respect to such employees under such separate retirement
20 system, the state agency shall adopt a plan or amend a plan for extending
21 such benefits to school employees, as defined in subsection (d) of K.S.A.
22 72-5501, and amendments thereto, of every political subdivision and such
23 political subdivision, and its employees shall be liable under such plan or
24 amended plan to the same extent as if the political subdivision had
25 submitted the plan and the same had been approved by the state agency.
26 Each such plan and any amendment thereof shall be approved by the state
27 agency if it finds that such plan, or such plan as amended, is in conformity
28 with such requirements as are provided in regulations of the state agency,
29 except that no such plan shall be approved unless: (1) It is in conformity
30 with the requirements of the federal social security act and with the
31 agreement entered into pursuant to K.S.A. 40-2303, and amendments
32 thereto; (2) it provides that all services which constitute employment as
33 defined in subsection (b) of K.S.A. 40-2302, and amendments thereto, and
34 are performed in the employ of the political subdivision by employees
35 thereof, including any holding the office or position of policeman or
36 fireman, shall be covered by the plan, except that it may exclude services

1 performed by other individuals to whom section 218(c)(3)(C) of the
2 federal social security act is applicable; (3) it specifies the source or
3 sources from which the funds necessary to make the payments required by
4 paragraph (1) of subsection (c) of this section and by subsection (d) of this
5 section are expected to be derived and contains reasonable assurance that
6 such sources will be adequate for such purpose; (4) it provides for such
7 methods of administration of the plan by the political subdivision as are
8 found by the state agency to be necessary for the proper and efficient
9 administration of the plan; (5) it provides that the political subdivision will
10 make such reports, in such form and containing such information, as the
11 state agency may from time to time require, and comply with such
12 provisions as the state agency or the secretary of health and human
13 services may from time to time find necessary to assure the correctness
14 and verification of such reports; and (6) it authorizes the state agency to
15 terminate the plan in its entirety, in the discretion of the state agency, if it
16 finds there has been a failure to comply substantially with any provision
17 contained in such plan, such termination to take effect at the expiration of
18 such notice and on such conditions as may be provided by regulations of
19 the state agency and may be consistent with the provisions of the social
20 security act.

21 (b) The state agency shall not finally refuse to approve a plan
22 submitted by a political subdivision under subsection (a) of this section,
23 and shall not terminate an approved plan, without reasonable notice and
24 opportunity for hearing to the political subdivision affected thereby.
25 Hearings under this subsection shall be conducted in accordance with the
26 provisions of the Kansas administrative procedure act.

27 (c) (1) Each political subdivision as to which a plan has been
28 approved under this section shall pay into the contribution fund, with
29 respect to wages, as defined in subsection (a) of K.S.A. 40-2302, and
30 amendments thereto, at such time or times as the state agency may by
31 regulation prescribe, contributions in the amounts and at the rates specified
32 in the applicable agreement entered into by the state agency under K.S.A.
33 40-2303, and amendments thereto. Delinquent contributions shall be
34 subject to a late penalty to defray the costs of the collection efforts in the
35 amount of \$10 for each contribution period. All moneys received for the
36 late penalty imposed by this paragraph (1) of subsection (c) shall be
37 remitted to the state treasurer in accordance with the provisions of K.S.A.
38 75-4215, and amendments thereto. Upon receipt of each such remittance,
39 the state treasurer shall deposit the entire amount in the state treasury to
40 the credit of the municipal accounting services recovery fund.

41 (2) Each political subdivision required to make payments under
42 paragraph (1) of this subsection (c) is authorized, in consideration of the
43 employee's retention in, or entry upon, employment after enactment of this

1 act, to impose upon each of its employees, as to services which are
2 covered by an approved plan, a contribution with respect to such
3 employee's wages, as defined in subsection (a) of K.S.A. 40-2302, and
4 amendments thereto, not exceeding the amount of the employee tax which
5 would be imposed by the federal insurance contributions act if such
6 services constituted employment within the meaning of that act, and to
7 deduct the amount of such contribution from such employee's wages as
8 and when paid. Contributions so collected shall be paid into the
9 contribution fund in partial discharge of the liability of such political
10 subdivision or instrumentality under paragraph (1) of this subsection (c).
11 Failure to deduct such contribution shall not relieve the employee or
12 employer of liability therefor.

13 (d) Delinquent payments due under paragraph (1) of subsection (c) of
14 this section may, with interest at the rate prescribed by federal statute or
15 regulation for delinquent social security remittances, be recovered by the
16 state agency by action in a court of competent jurisdiction against the
17 political subdivision liable therefor or may, at the request of the state
18 agency, be deducted from any other moneys payable to such subdivision
19 by any department or agency of the state or may be offset against any
20 funds of the subdivision held by the county treasurer upon certification by
21 the state agency of such liability to the officials of the subdivision and to
22 the county treasurer. Upon receipt of the state agency's certification, the
23 county treasurer shall remit from the funds of such political subdivision
24 the amount certified. The county treasurer shall notify the subdivision of
25 the amount remitted to the state agency.

26 (e) Each political subdivision, other than an instrumentality of the
27 state, shall pay its contributions required under the provisions of
28 subsection (c) of this section from the same fund that the wages for which
29 such contribution is made are paid or from any other funds available to it
30 for such purpose. Each political subdivision, except an instrumentality of
31 the state or a school district, which is by law authorized to levy taxes for
32 other purposes, annually at the time of its levy of taxes for other purposes,
33 may levy a tax, which may be in addition to all other taxes authorized by
34 law, for the purpose of making its contributions under subsection (c) of
35 this section and, in the case of cities and counties, to pay a portion of the
36 principal and interest on bonds issued under the authority of K.S.A. 12-
37 1774, and amendments thereto, by cities located in the county, which tax
38 together with any other funds available to such political subdivision for
39 such purpose shall be sufficient to enable it to make such contributions.
40 Any taxing subdivision authorized to levy a tax under this subsection, in
41 lieu of levying such tax, may pay the required employer contribution from
42 any employee benefits contribution fund established pursuant to K.S.A.
43 12-16,102, and amendments thereto. All contributions of such political

1 subdivisions shall be transmitted to the state agency in the manner as the
2 state agency shall by rules and regulations provide, and, upon receipt of
3 the same, the state agency shall remit such contributions to the state
4 treasurer, in accordance with the provisions of K.S.A. 75-4215, and
5 amendments thereto. Upon receipt of each such remittance, the state
6 treasurer shall deposit the entire amount in the state treasury to the credit
7 of the contribution fund created by K.S.A. 40-2307, and amendments
8 thereto.

9 Sec. 2. K.S.A. 2015 Supp. 40-2305 is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the statute book.