

CHAPTER 919—H. F. No. 2043

[Coded]

An act providing for the coverage under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, of certain employees of the state and its political subdivisions who by reason of state legislative action prior to January 1, 1958, are or will be without coverage of any State Retirement System; and appropriating money therefor.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [269.31] **Definitions.** Subdivision 1. For the purposes of this act the terms defined in this section have the meanings ascribed to them.

Subd. 2. "Enabling act" means the act entitled "An Act to provide for the coverage of certain officers and employees of the state and local governments under the old age and survivors insurance provisions of Title II of the Federal Social Security Act, as amended, and appropriating moneys therefor", being Laws 1955, Chapter 665.

Subd. 3. "Wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that such term shall not include that part of such remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that act.

Subd. 4. "Employment" means any service performed by an employee in the employ of the state, or any political subdivision thereof, for such employer, who by reason of state legislative action taken prior to January 1, 1958, is or will be without coverage of any state retirement system, except (1) service which in the absence of an agreement entered into under the enabling act would constitute "employment" as defined in the Social Security Act; or (2) service which under the Social Security Act may not be included in an agreement between the state and the Secretary of Health, Education, and Welfare entered into under the enabling act. Service which under the Social Security Act may be included in an agreement only upon certification by the Governor in accordance with Section 218 (d) (3) of that act shall be included in the term "employment" if and when the Governor issues, with respect to such service, a certificate to the Secretary of Health, Education and Welfare.

Subd. 5. "State Retirement System" means the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), and Teachers Retirement Fund, as the case may be, established by Laws of Minnesota, Chapters 352, 353, and 135, respectively.

Subd. 6. (a) "Employee" has the same meaning ascribed thereto by Laws 1955, Chapter 665.

(b) "Noncoverage employee" means any employee of the state and its political subdivisions who by reason of state legislative action prior to January 1, 1958, is or will be without coverage of any state retirement system.

Subd. 7. "State agency" means the Commissioner of Administration.

Subd. 8. "Secretary of Health, Education, and Welfare" includes any individual to whom the Secretary of Health, Education, and Welfare has delegated any functions under the Social Security Act with respect to coverage under such act of employees of states and their political subdivisions.

Subd. 9. "Political subdivision" includes an instrumentality of the state, of one or more of its political subdivisions, or of the state and one or more of its political subdivisions, but only if such instrumentality is a juristic entity which is legally separate and distinct from the state or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the state or subdivision.

Subd. 10. "Social Security Act" means the Act of Congress approved August 14, 1935, Chapter 531, 49 Stat. 620, officially cited as the "Social Security Act", as such act has been and may from time to time be amended (including regulations and requirements issued pursuant thereto).

Subd. 11. "Federal Insurance Contributions Act" means Sub-chapters A and B of Chapter 21 of the Federal Internal Revenue Code of 1954, as such Code has been and may from time to time be amended; and the term "employee tax" means the tax imposed by Section 3101 of such Code of 1954.

Subd. 12. "Contribution fund" means the fund established under Section 5 of the enabling act.

Sec. 2. [269.32] Duties of state agency. Subdivision 1. With the approval of the Governor, the state agency may modify the agreement with the Secretary of Health, Education, and Welfare, made under the enabling act, to obtain

the benefits of the federal old age and survivors insurance system in respect to the employment of noncoverage employees within the meaning of Section 1, Subd. 5. Such modification shall be effective retroactively with respect to employment after December 31, 1955. The modification shall not be applicable to any employment in positions the compensation for which is on a fee basis.

Subd. 2. In accordance with Section 218 (d) (6) of the Social Security Act, the State Employees Retirement Fund (Association), the Public Employees Retirement Fund (Association), and the Teachers Retirement Fund shall each be deemed a separate retirement system for the purpose of this act with respect to noncoverage employees, as defined in Section 1, Subd. 6, such noncoverage employees in each of said retirement systems shall be deemed a separate coverage group.

Sec. 3. [269.33] **Payments into contribution fund.** Subdivision 1. Effective retroactively with respect to services rendered after December 31, 1955, by noncoverage employees as herein defined who are such on the date the modification is entered into or thereafter, each state department, teachers college, and institution, and each political subdivision affected by the modification, is hereby authorized, required and directed to pay into the contribution fund contributions with respect to wages equal to the sum of the employer taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by such modification constituted employment within the meaning of that act. With respect to wages for services performed after December 31, 1955, but prior to the date of such modification, the payments shall be made on account of all services performed in positions covered by the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), and the Teachers Retirement Fund, as the case may be, by the employer who is such on the date of the modification, irrespective of for whom the services were performed during such prior period. The state department, teachers college, institution or political subdivision in which the noncoverage employee is currently employed shall pay such tax to the contribution fund and shall then be reimbursed by the state department, teachers college, institution, or political subdivision in which such noncoverage employee was formerly employed for any amounts attributable to such former employment. 12/31/55

Subd. 2. Effective retroactively with respect to services performed after December 31, 1955, by noncoverage employees as herein defined who are such on the date the modification is entered into or thereafter, each state department,

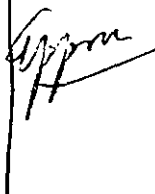
teachers college, and institution, and each and every political subdivision affected by the modification is hereby authorized, required, and directed, in consideration of the noncoverage employee's retention in, or entry upon, employment after enactment of this act, to impose upon each such noncoverage employee a contribution with respect to his wages not exceeding the amount of the employee tax which would be imposed by the Federal Insurance Contributions Act if such services constituted employment within the meaning of that act, and to deduct the amount of such contribution from his wages as and when paid. With respect to deductions from wages for services performed in positions covered by the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), and the Teachers Retirement Fund, the deduction as to each noncoverage employee shall be made by the employer who is such on the date of the modification, irrespective of for whom the services were performed during such prior period. Contributions so collected shall be paid into the contribution fund in partial discharge of the liability of each and every political subdivision in respect thereto. Failure to deduct such contribution shall not relieve the noncoverage employee or the state or political subdivision of liability therefor. In lieu of deductions from wages received for such service during the period prior to the date of modification, the noncoverage employee may elect to make the payments into the contribution fund in cash. Any noncoverage employee who is a member of the State Employees Retirement Fund (Association), Public Employees Retirement Fund (Association), or the Teachers Retirement Fund, may authorize the governing board of said fund to pay the contribution fund from his retirement account maintained in accordance with state law applicable thereto, the amount of such payment. Any noncoverage employee making said election may repay the amount to the fund within a period of three years with four percent interest or he may elect not to make any repayment, in which event the cash refund or the annuity provided by state law applicable thereto shall be reduced accordingly.

Subd. 3. The deduction from wages provided in Sec. 3, Subd. 2 of this act shall commence as of the date of the modification agreement with the Secretary of Health, Education and Welfare. Delinquent payments under this section, with interest at the rate of six percent per annum, may be recovered by action in a court of competent jurisdiction against each political subdivision liable therefor, or may, at the request of the state agency, be deducted from any other moneys payable to such political subdivision by any department or agency of the state.

Sec. 4. [269.34] Reports. Each state department, teachers college, and institution, and each political subdivision affected by the modification, shall make such reports in such form and containing such information as the state agency may from time to time require, and comply with such provisions as the state agency or the Secretary of Health, Education, and Welfare may from time to time find necessary to assure the correctness and verification of such reports.

Sec. 5. [269.35] Tax levies to pay obligations. Each political subdivision affected by the modification is hereby authorized and directed to pay its obligations under this act from moneys collected from taxes or other revenues. Each political subdivision may include in its tax levy the amount necessary to pay such obligations. If the taxes authorized to be levied under this section cause the total amount of taxes levied to exceed any limitation whatsoever over the power of a political subdivision to levy taxes, such political subdivision may levy taxes in excess of the limitation in such amount as is necessary to meet the obligations under this act. The governing body of a political subdivision, for the purpose of meeting its liabilities under this act in the event of a deficit, may issue its obligations payable in not more than two years, in an amount which may cause its indebtedness to exceed any limitation without an election and may levy taxes to pay therefor.

Sec. 6. [269.36] Payments' into contribution fund and state agency revolving fund. The moneys directed to be paid by Section 3, Subdivision 1, and Section 4 of this act by each of the state departments, teachers colleges and institutions affected by the modification shall be paid from such accounts and funds from which each such employer receives its revenue, including appropriations from the general revenue fund or from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. The moneys necessary for the payments into the contribution fund and the state agency revolving fund, as provided herein, are hereby appropriated out of such revenue sources, including the general revenue fund or any other fund, now or hereafter existing, to each such employer in such sums as are required to make the payments herein directed. The amounts of each appropriation made by these provisions shall be certified by the state agency to the State Auditor at such times as he shall require. If there are insufficient moneys in any such account or fund or source of revenue to make the payments to the contribution fund or state agency revolving fund as required by this act by such employers, there is hereby appropriated to each such employer from any moneys in the state treasury not otherwise appro-



apropriated such moneys as are required to meet such deficiencies.

Sec. 7. [269.37] Reimbursement of costs of administering state agency. Subdivision 1. Each and every state department, teachers college, and institution, and each political subdivision affected by the modification shall reimburse the state agency for its pro rata share of the cost of administration of said agency in accordance with the rules and regulations of the state agency pertaining thereto, and such reimbursement shall be paid into the state agency revolving fund created by Laws 1955, Chapter 665.

Subd. 2. The moneys necessary for the payment into the contribution fund and the state agency revolving fund, as provided herein, are hereby appropriated out of such revenue sources to each department and agency in such sums as are required to make the payments herein directed, and such payments shall be charged an administrative cost by such units of state government.

Subd. 3. If there are insufficient moneys in any such accounts or fund or source of revenue to make the payments to the contribution fund required by this act by such departments or agencies, there is hereby appropriated to such department or agency from any moneys in the state treasury not otherwise appropriated such moneys as are required to meet such deficiencies. The amount of each appropriation made by these provisions shall be certified by the Commissioner of Administration to the State Auditor at such time as the State Auditor shall require.

Sec. 8. There is hereby appropriated out of the general revenue fund in the state treasury the sum of \$..... to the State Agency Revolving Fund.

Sec. 9. [269.38] Declaration of policy. In conformity with the policy of the Congress of the United States as set forth in Section 218 (e) (2) and (q) of the Social Security Act, and to implement the policy of the State of Minnesota as set forth in Laws 1955, Chapter 665, Section 1, it is hereby declared that the protection afforded noncoverage employees, as herein defined, in positions covered by the State Employees Retirement Fund (Association), the Public Employees Retirement Fund (Association), or the Teachers Retirement Fund, as the case may be, on the date the state agreement is made applicable to services performed in such positions, or receiving periodic benefits under such retirement system at such time, shall not be impaired as a result of making the agreement so applicable or as a result of legislative or executive action taken in anticipation or in consequence thereof.

Sec. 10. This act shall become effective coincident with the effective date of federal legislation amending the Social Security Act authorizing a modification of the agreement between the State and the Secretary of Health, Education, and Welfare so as to provide Social Security coverage for employees who by reason of state legislative action taken prior to January 1, 1958, are or will be excluded from coverage by a state retirement system.

Approved April 29, 1957.

CHAPTER 920—H. F. No. 168

[Coded in Part]

An act relating to livestock buyers or dealers bond; amending Minnesota Statutes 1953, Section 239.18, by adding a new Subdivision thereto.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1953, Section 239.18, is amended by adding a new subdivision thereto reading:

[Subd. 5] *Any person claiming to be damaged by any breach of the conditions of a bond given by an applicant or licensee may enter complaint thereof to the commission, which complaint shall be a written statement of the facts constituting the complaint and shall file it in the office of the secretary of the commission within one year from such breach of the conditions of the bond. Unless such complaint is filed with the commission within one year from such breach of the conditions of the bond, no action may be maintained by such person against the surety and in no event, may an action be commenced against the surety unless such action is brought within one year from and after the date on which the complaint is filed with the secretary of the commission.*

Approved April 29, 1957.

CHAPTER 921—H. F. No. 243

An act relating to the regulation of plumbers and plumbing, excluding certain related activities from regulations relating to plumbing; amending Minnesota Statutes 1953, Section 326.38.

Be it enacted by the Legislature of the State of Minnesota: