

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 100 of the Regular Session

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

# A Bill

HOUSE BILL 1233

5 By: Representative Sullivan  
6  
7

## For An Act To Be Entitled

9 AN ACT TO MAKE TECHNICAL CORRECTIONS TO THE  
10 PUBLIC EMPLOYEES' SOCIAL SECURITY LAWS; AND FOR  
11 OTHER PURPOSES.  
12

### Subtitle

14 TO MAKE TECHNICAL CORRECTIONS TO THE  
15 PUBLIC EMPLOYEES' SOCIAL SECURITY LAWS.  
16  
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. Arkansas Code Title 24, Chapter 1, Subchapter 2 is amended  
21 to read as follows:

22 24-1-201. Declaration of policy.

23 In order to extend to employees of the State of Arkansas and its  
24 political subdivisions and the employees' dependents and survivors the basic  
25 protection accorded to others by the ~~old age and survivors' insurance system~~  
26 federal old age, survivors' and disability insurance, and health insurance  
27 coverage embodied in the Social Security Act, it is declared to be the policy  
28 of the State of Arkansas, subject to the limitations of this subchapter, that  
29 steps be taken to provide protection to employees of the state and its  
30 political subdivisions in compliance with the provisions of the Social  
31 Security Act.  
32

33 24-1-202. Definitions.

34 As used in this subchapter, ~~unless the context otherwise requires:~~

35 (1) "Commissioner of Social Security" means any individual to



1 whom the Commissioner of Social Security has delegated any of his or her  
 2 functions under the Social Security Act with respect to coverage under that  
 3 act of employees of the state and its political subdivisions;

4 ~~(1)~~(2) "Employee" means an officer or an employee of the state  
 5 or a political subdivision ~~thereof~~ of the state. All public employees of the  
 6 State of Arkansas and its political subdivisions, for social security  
 7 purposes, shall be deemed employees of the paying political entity for which  
 8 services are rendered, which entity shall be the proper agency for making the  
 9 deductions, matching contributions, and report required by this subchapter;

10 (3) "Employer" means the State of Arkansas and its political  
 11 subdivisions;

12 ~~(2)~~(4) "Employment" means any service performed by an employee  
 13 in the employ of the state or any political subdivision of the state for his  
 14 employer except:

15 (A) Services which, in the absence of any agreement  
 16 entered into under this subchapter, would constitute employment as defined in  
 17 the Social Security Act; or

18 (B) Services which, under ~~the Social Security Act~~  
 19 applicable federal law, may not be included or may have been voluntarily  
 20 excluded, ~~under authority granted by federal law or regulations~~, in an  
 21 agreement between the state and the ~~federal security administrator~~  
 22 Commissioner of Social Security entered into under this subchapter;

23 ~~(3) "Federal Insurance Contributions Act" means Subchapter A of~~  
 24 ~~Chapter 9 of the federal Internal Revenue Code, as amended;~~

25 ~~(4) "Federal security administrator" means any individual to~~  
 26 ~~whom the federal Social Security Administrator has delegated any of his~~  
 27 ~~functions under the Social Security Act with respect to coverage under that~~  
 28 ~~act of employees of the state and its political subdivisions;~~

29 (5) "Modification" means an amendment to the original federal-  
 30 state agreement to extend coverage to groups of additional employee  
 31 classifications consistent with the provisions of Section 218 of the Social  
 32 Security Act and this subchapter;

33 ~~(5)~~(6) "Political subdivision" means an instrumentality of the  
 34 state, of one (1) or more of its political subdivisions, or of the state and  
 35 one (1) or more of its political subdivisions, but only if its  
 36 instrumentality is a juristic entity which is legally separate and distinct

1 from the state or subdivision and only if its employees are not, by virtue of  
 2 their relation to the juristic entity, employees of the state or subdivision;

3 (7) "Section 218 agreement" means the federal-state agreement  
 4 between the Commissioner of Social Security and the State of Arkansas entered  
 5 into December 20, 1951, as authorized by the Social Security Enabling Act for  
 6 the purpose of extending coverage under Title II of the Social Security Act;

7 ~~(6)~~(8) "Social Security Act" means the Act of Congress approved  
 8 August 14, 1935, Chapter 531, 49 Stat. 620, officially cited as the "Social  
 9 Security Act", as amended, including regulations and requirements issued  
 10 pursuant thereto;

11 ~~(7)~~(9) "State agency" means ~~the Board of Trustees of the~~  
 12 ~~Arkansas Public Employees' Retirement System;~~ and

13 ~~(8)~~(10) "Wages" means all remuneration for employment as defined  
 14 in subdivision (4) of this section, including the cash value of all  
 15 remuneration paid in any medium other than cash, ~~except that it shall not~~  
 16 ~~include that part of such remuneration which, even if it were for employment~~  
 17 ~~within the meaning of the Federal Insurance Contributions Act, would not~~  
 18 ~~constitute wages within the meaning of that act.~~

19  
 20 24-1-203. Rules and regulations.

21 The ~~state agency~~ Arkansas Public Employees' Retirement System shall  
 22 make and publish rules and regulations not inconsistent with the provisions  
 23 of this subchapter it finds necessary or appropriate to the efficient  
 24 administration of the functions with which it is charged under this  
 25 subchapter.

26  
 27 24-1-204. Agreements with federal government and other states.

28 (a) The Arkansas Public Employees' Retirement System ~~state agency,~~  
 29 ~~with the approval of the Governor,~~ is authorized to enter, on behalf of the  
 30 state, into ~~an agreement~~ a Section 218 agreement, consistent with the terms  
 31 and provisions of this subchapter, with the ~~federal security administrator~~  
 32 Commissioner of Social Security for the purpose of extending the benefits of  
 33 the federal old age, ~~and survivors' insurance system~~ survivors' and  
 34 disability insurance, and health insurance coverage to employees of the  
 35 state, or any political subdivision ~~thereof~~ of the state, with respect to  
 36 services specified in the agreement which constitute employment as defined in

1 § 24-1-202. This agreement may contain provisions relating to coverage,  
 2 benefits, ~~contributions~~, effective date, modification and ~~termination~~ of the  
 3 agreement, administration, and such other matters as the ~~state agency~~  
 4 Arkansas Public Employees' Retirement System and the ~~federal security~~  
 5 ~~administrator~~ Commissioner of Social Security shall agree upon, but, except  
 6 as may be otherwise required by or under the Social Security Act as to the  
 7 services to be covered, the agreement shall provide, in effect, that:

8 (1) Benefits will be provided for employees whose services are  
 9 covered by the agreement, as well as for their dependents and survivors, on  
 10 the same basis as though the services constituted employment within the  
 11 meaning of Title II of the Social Security Act;

12 (2) The ~~state employer~~ shall pay to the ~~Secretary of the~~  
 13 Treasury Internal Revenue Service, at such time or times as may be prescribed  
 14 under the Social Security Act, contributions with respect to wages, as  
 15 defined in § 24-1-202, equal to the sum of the taxes levied by ~~which would be~~  
 16 ~~imposed by §§ 1400 and 1410 of the Federal Insurance Contributions Act if~~  
 17 ~~the services covered by the agreement constituted employment within the~~  
 18 ~~meaning of that act;~~

19 ~~(3) It shall be effective with respect to services in employment~~  
 20 ~~covered by the agreement performed after a date specified therein, but in no~~  
 21 ~~event may it be effective with respect to any services performed prior to~~  
 22 ~~January 1, 1951, or such other date as may be provided by the Social Security~~  
 23 ~~Act;~~

24 ~~(4)~~(3) All services which constitute employment as defined in §  
 25 24-1-202 and are performed in the employ of the state by employees of the  
 26 state shall be covered by the agreement; and

27 ~~(5)~~(4) All services shall be covered by the agreement which:

28 (A) Constitute employment as defined in § 24-1-202;

29 (B) Are performed in the employ of a political subdivision  
 30 of the state; and

31 (C) Are covered by a plan which is in conformity with the  
 32 terms of the agreement and has been approved by the ~~state agency~~ Arkansas  
 33 Public Employees' Retirement System under § 24-1-205.

34 (b) The ~~state agency~~ Arkansas Public Employees' Retirement System is  
 35 authorized to enter, on behalf of the state, into an agreement with the  
 36 appropriate agency or agencies of any other state and with the ~~federal~~

1 ~~security administrator~~ Commissioner of Social Security, whereby the benefits  
 2 of the federal old age, survivors' and disability insurance, and health  
 3 insurance coverage and survivors' insurance system shall be extended to  
 4 employees of any instrumentality jointly created by this state and any other  
 5 state or states. The agreement shall, to the extent practicable, be  
 6 consistent with the terms and provisions of subsection (a) of this section  
 7 and other provisions of this subchapter.

8  
 9 24-1-205. Plans for employees of political subdivisions.

10 ~~(a)~~ Each political subdivision of the state is authorized to submit  
 11 for approval by the ~~state agency~~ Arkansas State Employees' Retirement System  
 12 a plan for extending the benefits of Title II of the Social Security Act, in  
 13 conformity with the applicable provisions of that act, to employees of the  
 14 political subdivisions. Each plan, and any amendment to it, shall be approved  
 15 by the ~~state agency~~ system if it finds that the plan, or plan as amended, is  
 16 in conformity with such requirements as are provided in regulations of the  
 17 ~~state agency~~ system, except that no plan shall be approved unless:

18 (1) It is in conformity with the requirements of the Social  
 19 Security Act and with the agreement entered into under § 24-1-204;

20 (2) It provides that all services which constitute employment as  
 21 defined in § 24-1-202 and are performed by the employees of a political  
 22 subdivision in the employ of the political subdivisions by the employees  
 23 ~~thereof~~ shall be covered by the plan;

24 (3) It specifies the sources from which the funds necessary to  
 25 make the payments required by § 24-1-208(a)(1) and (b) are expected to be  
 26 derived and contains reasonable assurance that the sources will be adequate  
 27 for that purpose;

28 (4) It provides for methods of administration of the plan by the  
 29 political subdivision as are found by the ~~state agency~~ system to be necessary  
 30 for the proper and efficient administration of the plan; and

31 (5) It provides that the political subdivision shall make  
 32 reports in such form and containing such information as the ~~state agency~~  
 33 system may require and shall comply with the provisions as the ~~state agency~~  
 34 system or the ~~federal security administrator~~ Commissioner of Social Security  
 35 may find necessary from time to time to assure the correctness and  
 36 verification of reports; ~~and~~.

1           ~~(6)(A) It authorizes the state agency to terminate the plan in~~  
2 ~~its entirety in the discretion of the state agency, if the state agency finds~~  
3 ~~that there has been a failure to comply substantially with any provision~~  
4 ~~contained in the plan.~~

5           ~~(B) The termination is to take effect at the expiration of~~  
6 ~~the notice and on the conditions as may be provided by regulations of the~~  
7 ~~state agency and as may be consistent with the provisions of the Social~~  
8 ~~Security Act.~~

9           ~~(b) The state agency shall not finally refuse to approve a plan~~  
10 ~~submitted by a political subdivision under subsection (a) of this section and~~  
11 ~~shall not terminate an approved plan without reasonable notice and~~  
12 ~~opportunity for hearing to the political subdivision affected thereby.~~

13  
14           24-1-206. Agents.

15           (a) For the purpose of entering into agreements with the ~~state agency~~  
16 Arkansas Public Employees' Retirement System, the following named officers  
17 are authorized and empowered to make the agreement on behalf of their agency  
18 or political subdivision:

19           (1)(A)(i) The board of control of each state institution or  
20 agency having a board or the administrative head of each state department.

21                           (ii) The board of control shall have authority to  
22 designate an agent to represent the agency over which it has control.

23           (B) In the case of state agencies which do not have a  
24 board of control, the chief administrative officer shall act as the  
25 contracting officer for the agency;

26           (2) The county judge of each county entering into an agreement  
27 with the ~~state agency~~ system shall make and enter of record a county court  
28 order approving the agreement with the ~~state agency~~ system and shall  
29 designate the county clerk as the agent of the county to deal with the ~~state~~  
30 ~~agency~~ system;

31           (3) The city council of each municipality is authorized to  
32 approve the agreement with the ~~state agency~~ system and shall adopt an  
33 ordinance designating the city clerk or recorder to represent the  
34 municipality;

35           (4) The board of directors of each school district shall have  
36 authority to approve the agreement with the ~~state agency~~ system and shall

1 designate the county school supervisor or the local superintendent of each  
 2 school district to deal with the ~~state agency~~ system.

3 (b)~~(1)~~ In complying with the provisions of this subchapter, each  
 4 political subdivision which qualifies to participate in the social security  
 5 plan shall be required as a part of its agreement with the ~~state agency~~  
 6 system to designate an agent to represent the political subdivision in all  
 7 matters affecting the administration of the plan.

8 ~~(2) Each agent shall be required to execute a corporate surety~~  
 9 ~~bond with a corporate surety company authorized to do business in the State~~  
 10 ~~of Arkansas in the sum the state agency may determine to be proper and just~~  
 11 ~~to assure the faithful performance of the duties imposed and the proper~~  
 12 ~~accounting of all funds due the Contribution Fund from the subdivision.~~

13 (c) All agents provided for under the provisions of this subchapter  
 14 who represent the state or a local subdivision in connection with the  
 15 enforcement of this subchapter shall receive no additional remuneration or  
 16 emolument of their offices in connection with the administration of this  
 17 subchapter.

18  
 19 24-1-207. Contributions – State employees.

20 (a) Every employee of the state whose services are covered by an  
 21 agreement entered into under § 24-1-204 shall be required to pay  
 22 contributions, for the period of the coverage, ~~into the Contribution Fund~~  
 23 ~~established by § 24-1-210, contributions,~~ with respect to wages as defined in  
 24 § 24-1-202, equal to the amount of tax levied under the Social Security Act  
 25 ~~which would be imposed by § 1400 of the Federal Insurance Contributions Act~~  
 26 ~~if those services constituted employment within the meaning of that act.~~ This  
 27 liability shall arise in consideration of the employee's retention in the  
 28 service of the state, or his entry upon such service.

29 (b) The contributions imposed by this section shall be collected by  
 30 deducting the amount of the contributions from wages as and when paid, but  
 31 failure to make the deduction shall not relieve the employee from liability  
 32 for his contributions.

33 (c) If more or less than the correct amount of the contributions  
 34 imposed by this section is paid or deducted with respect to any remuneration,  
 35 proper adjustments, or a refund if an adjustment is impracticable, shall be  
 36 made, without interest, in such manner and at such times as the ~~state agency~~

1 Arkansas Public Employees' Retirement System shall prescribe.

2  
 3 24-1-208. Contributions – Employees of political subdivisions.

4 (a)(1) Each political subdivision as to which a plan has been approved  
 5 under § 24-1-205 shall pay ~~into the Contribution Fund~~, with respect to wages  
 6 as defined in § 24-1-202 and at such time or times as the ~~state agency~~  
 7 Arkansas Public Employees' Retirement System may by regulation prescribe,  
 8 contributions in the amounts and at the rates specified in the applicable  
 9 agreement entered into by the ~~state agency system~~ under § 24-1-204.

10 (2)(A)(i) Each political subdivision required to make payments  
 11 under subdivision (1) of this subsection is authorized, in consideration of  
 12 the employee's retention in, or entry upon, employment, to impose upon each  
 13 of its employees, as to services which are covered by an approved plan, a  
 14 contribution with respect to the employee's wages as defined in § 24-1-202.

15 (ii) This amount shall not exceed the amount of tax  
 16 which would be imposed by the Social Security Act § 1400 of the Federal  
 17 ~~Insurance Contributions Act if the services constituted employment within the~~  
 18 ~~meaning of that act.~~

19 (B)~~(i)~~ The political subdivision is authorized to deduct  
 20 the amount of the contribution from the employee's wages as and when paid.

21 ~~(ii) Contributions so collected shall be paid into~~  
 22 ~~the Contribution Fund in partial discharge of the liability of the political~~  
 23 ~~subdivision or instrumentality under subdivision (1) of this subsection.~~

24 (C) Failure to deduct the contribution shall not relieve  
 25 the employee or employer of liability ~~therefor~~ for the payments.

26 (b) Delinquent payments due under subdivision (a)(1) of this section  
 27 may be recovered, with interest at the rate of six percent (6%) per annum, by  
 28 an action in a court of competent jurisdiction against the political  
 29 subdivision liable ~~therefor~~ for the payments or at the request of the ~~state~~  
 30 ~~agency system~~ may be deducted from any other moneys payable to the  
 31 subdivision by any department or agency of the state.

32  
 33 ~~24-1-209. Matching contributions – Transfer.~~

34 ~~(a)(1) All subdivisions of the state government which enter into the~~  
 35 ~~agreements provided for under this subchapter, together with all state~~  
 36 ~~agencies whose funds are not deposited in the State Treasury, are authorized~~

1 and directed to match contributions of employees out of the funds as are  
 2 available.

3           (2) ~~No additional appropriation or authorization shall be~~  
 4 ~~required for matching contributions.~~

5           (b)(1) ~~After the close of each quarter, the state agency shall make~~  
 6 ~~and certify to the Treasurer of State the amount required as matching~~  
 7 ~~contributions by the agencies and departments operating from State Treasury~~  
 8 ~~funds, setting out the amount to be charged against each fund.~~

9           (2) ~~Upon receipt of the certificate, the Treasurer of State~~  
 10 ~~shall charge the fund so affected and shall credit a like amount to the~~  
 11 ~~Contribution Fund.~~

12

13           ~~24-1-210. Contribution Fund.~~

14           (a) ~~There is established a special fund in the State Treasury to be~~  
 15 ~~known as the Contribution Fund, which shall consist of and there shall be~~  
 16 ~~deposited therein;~~

17           (1) ~~All contributions, interest, and penalties collected under~~  
 18 ~~§§ 24-1-207 and 24-1-208;~~

19           (2) ~~All matching contributions due under the provisions of this~~  
 20 ~~subchapter;~~

21           (3) ~~Any moneys paid to the state pursuant to any agreement~~  
 22 ~~entered into under § 24-1-204(b);~~

23           (4) ~~Any property or securities, and earnings thereof, acquired~~  
 24 ~~through the use of moneys belonging to the fund;~~

25           (5) ~~Interest earned upon any moneys in the fund; and~~

26           (6) ~~All sums recovered upon the bond of the custodian or~~  
 27 ~~otherwise for losses sustained by the fund and all other moneys received for~~  
 28 ~~the fund from any other source.~~

29           (b) ~~All moneys in the fund shall be mingled and undivided.~~

30           (c) ~~Subject to the provisions of this subchapter, the state agency is~~  
 31 ~~vested with full power, authority, and jurisdiction over the fund, including~~  
 32 ~~all moneys and property or securities belonging thereto. The state agency may~~  
 33 ~~perform any and all acts, whether or not specifically designated, which are~~  
 34 ~~necessary to the administration thereof and are consistent with the~~  
 35 ~~provisions of this subchapter.~~

36           (d) ~~The Contribution Fund shall be established and held separate and~~

1 ~~apart from any other funds or moneys of the state and shall be used and~~  
 2 ~~administered exclusively for the purpose of this subchapter.~~

3 ~~(e) From the Contribution Fund, the custodian of the fund shall pay to~~  
 4 ~~the Secretary of the Treasury such amounts and at such time or times as may~~  
 5 ~~be directed by the state agency in accordance with any agreement entered into~~  
 6 ~~under § 24-1-204 and the Social Security Act.~~

7 ~~(f) The Treasurer of State shall be ex officio treasurer and custodian~~  
 8 ~~of the Contribution Fund and shall administer the fund in accordance with the~~  
 9 ~~provisions of this subchapter and the directions of the state agency. He~~  
 10 ~~shall pay all warrants drawn upon it in accordance with the provisions of~~  
 11 ~~this section and with such regulations as the state agency may prescribe~~  
 12 ~~pursuant to this section.~~

13 ~~(g)(1) In the event funds are due the state agency on account of~~  
 14 ~~matching contributions and settlement has not been made with the state agency~~  
 15 ~~prior to the time allowed for the state agency to make its report and~~  
 16 ~~remittance to the Secretary of the Treasury, the Treasurer of State shall,~~  
 17 ~~upon certification by the state agency, transfer from the General Revenue~~  
 18 ~~Fund Account of the State Apportionment Fund to the Contribution Fund the~~  
 19 ~~amount required to pay the balance due the Secretary of the Treasury by the~~  
 20 ~~state agency.~~

21 ~~(2) When amounts due the state are recovered by or paid to the~~  
 22 ~~state agency, as provided under this subchapter, then any amounts due the~~  
 23 ~~General Revenue Fund Account of the State Apportionment Fund on account of~~  
 24 ~~advances made shall be repaid to the fund upon certification to the Treasurer~~  
 25 ~~of State by the state agency.~~

26 ~~(3)(A) If any payments are made to the state agency in excess of~~  
 27 ~~amounts which would be required to meet the obligations of any political~~  
 28 ~~subdivision, the state agency shall have the authority to make such~~  
 29 ~~adjustments as are necessary and may refund any excess payments or amounts~~  
 30 ~~erroneously paid into the Contribution Fund.~~

31 ~~(B) Any adjustments or refunds may be made out of any~~  
 32 ~~appropriation which the General Assembly may make out of the Contribution~~  
 33 ~~Fund.~~

34  
 35 ~~24-1-211. Social Security Contributions Bank Fund.~~

36 ~~(a) In addition to the Contribution Fund established in § 24-1-210,~~

1 ~~there is created a trust fund which shall be designated the Social Security~~  
 2 ~~Contributions Bank Fund. This fund shall be maintained by the state agency in~~  
 3 ~~such depository banks as may be designated from time to time by the state~~  
 4 ~~agency and shall consist of and there may be deposited therein:~~

5 ~~(1) Any contributions, interest, and penalties collected under~~  
 6 ~~§§ 24-1-207 and 24-1-208;~~

7 ~~(2) All matching contributions due under the provisions of this~~  
 8 ~~subchapter;~~

9 ~~(3) Any moneys paid to the state pursuant to any agreement~~  
 10 ~~entered into under § 24-1-204(b);~~

11 ~~(4) Any property or securities, and earnings thereof, acquired~~  
 12 ~~through the use of moneys belonging to the fund;~~

13 ~~(5) Interest earned upon any money in the fund; and~~

14 ~~(6) All sums recovered upon the bond of the custodian or~~  
 15 ~~otherwise for losses sustained by the fund and all other moneys received for~~  
 16 ~~the fund from any source.~~

17 ~~(b) All moneys in the fund shall be mingled and undivided.~~

18 ~~(c)(1) Subject to the provisions of this subchapter, the state agency~~  
 19 ~~is vested with full power, authority, and jurisdiction over the fund,~~  
 20 ~~including all moneys and property or securities belonging thereto. The state~~  
 21 ~~agency may invest the fund in direct general obligations of the United~~  
 22 ~~States, in certificates of deposit or savings accounts in an amount not to~~  
 23 ~~exceed the capital funds, represented by capital, surplus, and undivided~~  
 24 ~~profits in financial institutions located in Arkansas that are insured by an~~  
 25 ~~agency of the federal government and in repurchase agreements which are~~  
 26 ~~collateralized by direct general obligations of the United States or by~~  
 27 ~~bonds, notes, debentures, participation certificates, or other obligations~~  
 28 ~~issued by an agency of the United States, the principal and interest of which~~  
 29 ~~are guaranteed by the agency or the United States.~~

30 ~~(2) The term "agency", as used in this subsection, shall include~~  
 31 ~~the Federal National Mortgage Association, the Government National Mortgage~~  
 32 ~~Association, and the Federal Bookkeeping Entry System.~~

33 ~~(3) The investments authorized by this subsection may be made~~  
 34 ~~pending the time the funds shall be paid to the Social Security~~  
 35 ~~Administration.~~

36 ~~(d) The state agency may perform any and all acts, whether or not~~

1 ~~specifically designated, which are necessary to the administration of the~~  
 2 ~~fund and are consistent with the provisions of this subchapter.~~

3 ~~(e) All income of the fund of whatever nature is specifically declared~~  
 4 ~~to be cash funds.~~

5  
 6 ~~24-1-212. Withholding state funds.~~

7 ~~(a)(1)(A) In the event any agency, department, or political~~  
 8 ~~subdivision of the state shall fail, neglect, or refuse to make proper~~  
 9 ~~settlement with the state agency of any matching contributions, contributions~~  
 10 ~~withheld from the employees, or any other payments found to be legally due,~~  
 11 ~~then and in that event, the state agency is authorized to certify that fact~~  
 12 ~~to the Treasurer of State.~~

13 ~~(B) The Treasurer of State is directed to withhold from~~  
 14 ~~the agency, department, or political subdivision the amount found to be in~~  
 15 ~~default from any funds on hand or any funds that may come into the State~~  
 16 ~~Treasury belonging to the agency, department, or political subdivision.~~

17 ~~(2)(A) For the purposes of this subchapter, any funds so~~  
 18 ~~withheld arising from taxes collected by the State of Arkansas for the~~  
 19 ~~agency, department, or political subdivision of the state are declared to be~~  
 20 ~~taxes levied and collected for the operation of the agency, department, or~~  
 21 ~~political subdivision.~~

22 ~~(B) The Treasurer of State is directed to transfer the~~  
 23 ~~amount so withheld to the Contribution Fund.~~

24 ~~(b) In the event any agency, department, or political subdivision of~~  
 25 ~~the state shall fail, refuse, or neglect to make a report to the state agency~~  
 26 ~~under such rules and regulations as may be prescribed by the state agency not~~  
 27 ~~inconsistent with this subchapter, and when the state agency has certified~~  
 28 ~~that fact to the Treasurer of State, any state funds then due or that may~~  
 29 ~~become due the agency, department, or political subdivision shall be withheld~~  
 30 ~~by the Treasurer of State until such time as all delinquent reports are filed~~  
 31 ~~and approved by the state agency.~~

32  
 33 ~~24-1-213. Studies and reports.~~

34 ~~(a) The state agency Arkansas Public Employees' Retirement System~~  
 35 ~~shall make studies concerning the problem of old age, and survivors'~~  
 36 ~~insurance survivors' and disability insurance, and health insurance~~

1 protection for employees of the state and ~~local governments and their~~  
2 ~~instrumentalities~~ its political subdivisions and concerning the operation of  
3 agreements made and plans approved under this subchapter.

4 (b) The ~~state agency~~ system shall submit a report at the beginning of  
5 each regular legislative session covering the administration and operation of  
6 this subchapter during the preceding fiscal year and including such  
7 recommendations and amendments to this subchapter as it considers proper.

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10 APPROVED: 2/10/2005  
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