

ing and measuring appliances and devices used in the ascertainment of weight or measure in the buying, selling, or transporting of goods, wares, merchandise, or other commodities and to seal such as are found accurate with an appropriate seal or mark to be kept by him for that purpose; such seal or mark shall be placed so as to be easily seen, and shall show the date on which the inspection is made.

Section 2. From and after the effective date of this Act the Tax Commissioner shall do and perform all acts heretofore done and performed by the Treasurer under the provisions of Sections 35-5-2 to 35-5-11 inclusive.

Section 3. An emergency is hereby declared to exist, and this Act shall taken effect immediately upon its passage and approval.

Approved March 23, 1951.

Emergency
clause

CHAPTER 95

AN ACT

[S. B. 53]

To provide for the coverage of certain officers and employees of Territorial and local governments under the old-age and survivors insurance provisions of title II of the Federal Social Security Act, as amended; and declaring an emergency.

Be it enacted by the Legislature of the Territory of Alaska:

Section 1. DECLARATION OF POLICY. In order to extend to employees of the Territory and its political

Police.

subdivisions and to the dependents and survivors of such employees, the basic protection accorded to others by the old-age and survivors insurance system embodied in the Social Security Act, it is hereby declared to be the policy of the legislature, subject to the limitations of this Act, that such steps be taken as to provide such protection to employees of the Territory and its political subdivisions on as broad a basis as is permitted under the Social Security Act.

Section 2. DEFINITIONS. For the purposes of this Act— Definitions

(a) The term "wages" means all remuneration for employment as defined herein, including the cash value Wages. 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;

(b) The term "employment" means any service Employment. performed by an employee in the employ of the Territory, or any political subdivision thereof for such employer, except (1) service which in the absence of an agreement entered into under this 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 Territory and the Federal Security Administrator entered into under this Act.

(c) The term "employee" includes an officer of Employee the Territory or political subdivision thereof;

(d) The term "Territorial Agency" means the Audi- Territorial Agency tor of Alaska;

Federal
Security
Agency.

(e) The term "Federal Security Administrator" includes any individual to whom the Federal Security Administrator has delegated any of his functions under the Social Security Act with respect to coverage under such Act of employees of States and Territories and their political subdivision;

Political
subdivision.

(f) The term "political subdivision" includes an instrumentality of the Territory, of one or more of its political subdivisions, or of the Territory 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 Territory or subdivision and only if its employees are not by virtue of their relation to such juristic entity employees of the Territory or subdivision;

Social
Security
Act.

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

Federal
Insurance
Contributions
Act.

(h) The term "Federal Insurance Contributions Act" means subchapter A of chapter 9 of the Federal Internal Revenue Code as such Code has been and may from time to time be amended.

Territory
may make
agreement
with
Federal
Agency.

Section 3. (a) FEDERAL-TERRITORIAL AGREEMENT. The Territorial Agency, with the approval of the Governor, is hereby authorized to enter on behalf of the Territory into an agreement with the Federal Security Administrator, consistent with the terms and provisions of this Act, for the purpose of extending the benefits of the Federal old-age and survivors insurance system to employees of the Territory or any political subdivision thereof with respect to services specified in

such agreement which constitute "employment" as defined in Section 2 of this Act. Such agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration, and other appropriate provisions as the Territorial Agency and Federal Security Administrator shall agree upon, but, except as may be otherwise required by or under the Social Security Act as to the services to be covered, such agreement shall provide in effect that—

(1) Benefits will be provided for employees whose services are covered by the agreement (and their dependents and survivors) on the same basis as though such services constituted employment within the meaning of title II of the Social Security Act; How benefits provided.

(2) The Territory will pay to the Secretary of the Treasury, at such time or times as may be prescribed under the Social Security Act, contributions with respect to wages (as defined in Section 2 of this Act), equal to the sum of the taxes which would be imposed by sections 1400 and 1410 of the Federal Insurance Contributions Act if the services covered by the agreement constituted employment within the meaning of that Act; Territory to pay sums due.

(3) Such agreement shall be effective with respect to services in employment covered by the agreement performed after a date specified therein but in no event may it be effective with respect to any such services performed prior to the first day of the calendar year in which such agreement is entered into or in which the modification of the agreement making it applicable to such services, is entered into: When employment covered.

(4) All services which constitute employment as defined in Section 2 and are performed in the employ of the Territory by employees of the Territory, may be covered by the agreement; and Services covered.

Coverage
of political
subdivisions.

(5) All services which (A) constitute employment as defined in Section 2, (B) are performed in the employ of a political subdivision of the Territory, and (C) are covered by a plan which is in conformity with the terms of the agreement and has been approved by the Territorial Agency under Section 5, shall be covered by the agreement.

Employee
contributions.

Section 4. CONTRIBUTIONS BY TERRITORIAL EMPLOYEES. (a) Every employee of the Territory whose services are covered by an agreement entered into under Section 3 shall be required to pay for the period of such coverage, into the Contribution Fund established by Section 6, contributions, with respect to wages (as defined in Section 2 of this Act), equal to the amount of tax which would be imposed by section 1400 of the Federal Insurance Contributions Act if such services constituted employment within the meaning of that Act. Such liability shall arise in consideration of the employee's retention in the service of the Territory, or his entry upon such service, after the enactment of this Act.

Collection
by deduction.

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

Adjustments.

(c) If more or less than the correct amount of the contribution imposed by this section is paid or deducted with respect to any remuneration, proper adjustments, or refund if adjustment is impracticable, shall be made, without interest, in such manner and at such times as the Territorial Agency shall prescribe.

Requirements.
Political
subdivisions.

Section 5. PLANS FOR COVERAGE OF EMPLOYEES OF POLITICAL SUBDIVISIONS. (a) Each political subdivision of the Territory is hereby authorized to submit

for approval by the Territorial Agency a plan for extending the benefits of title II of the Social Security Act, in conformity with applicable provisions of such Act, to employees of such political subdivision. Each such plan and any amendment thereof shall be approved by the Territorial Agency if it finds that such plan, or such plan as amended, is in conformity with such requirements as are provided in regulations of the Territorial Agency, except that no such plan shall be approved unless—

(1) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under Section 3; Conformity.

(2) It provides that all services which constitute employment as defined in Section 2 and are performed in the employ of the political subdivision by employees thereof, shall be covered by the plan; Services covered.

(3) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (1) of subsection (c) and by subsection (d) are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose; Fund.

(4) It provides for such methods of administration of the plan by the political subdivision as are found by the Territorial Agency to be necessary for the proper and efficient administration of the plan; Administration.

(5) It provides that the political subdivision will make such reports, in such form and containing such information, as the Territorial Agency may from time to time require, and comply with such provisions as the Territorial Agency or the Federal Security Administrator may from time to time find necessary to assure the correctness and verification of such reports: and Reports.

Termination
for
non-compliance.

(6) It authorizes the Territorial Agency to terminate the plan in its entirety, in the discretion of the Territorial Agency, if it finds that there has been a failure to comply substantially with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the Territorial Agency and may be consistent with the provisions of the Social Security Act.

Notice.

(b) The Territorial Agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (a), and shall not terminate an approved plan, without reasonable notice and opportunity for hearing to the political subdivision affected thereby.

Payments.

(c) (1) each political subdivision as to which a plan has been approved under this section shall pay into the Contribution Fund, with respect to wages (as defined in Section 2 of this Act), at such time or times as the Territorial Agency may by regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the Territorial Agency under Section 3.

Deduction
from
employees.

(2) Each political subdivision required to make payments under paragraph (1) of this subsection is authorized, in consideration of the employee's retention in, or entry upon, employment after enactment of this Act, to impose upon each of its employees, as to services which are covered by an approved plan, a contribution with respect to his wages (as defined in Section 2 of this Act), not exceeding the amount of tax which would be imposed by section 1400 of 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. Contributions so collected shall be paid into

the Contribution Fund in partial discharge of the liability of such political subdivision or instrumentality under paragraph (1) of this subsection. Failure to deduct such contribution shall not relieve the employee or employer of liability therefor.

(d) Delinquent payments due under paragraph (1) of subsection (c) may, with interest at the rate of 6 per centum per annum, be recovered by action in a court of competent jurisdiction against the political subdivision liable therefor or may, at the request of the Territorial Agency, be deducted from any other moneys payable to such subdivision by any department or agency of the Territory.

Section 6. CONTRIBUTION FUND. (a) There is hereby established a special fund to be known as the Contribution Fund. Such fund shall consist of and there shall be deposited in such fund: (1) all contributions, interest, and penalties collected under Sections 4 and 5; (2) all moneys appropriated thereto under this Act; (3) any property or securities and earnings thereof acquired through the use of moneys belonging to the fund; (4) interest earned upon any moneys in the fund, and (5) all sums recovered upon the bond of the custodian or otherwise for losses sustained by the fund and all other moneys received for the fund from any other source. All moneys in the fund shall be mingled and undivided. Subject to the provisions of this Act, the Territorial Agency is vested with full power, authority and jurisdiction over the fund, including all moneys and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated, which are necessary to the administration thereof and are consistent with the provisions of this Act.

(b) The Contribution Fund shall be established and held separate and apart from any other funds or moneys

of the Territory and shall be used and administered exclusively for the purpose of this Act. Withdrawals from such fund shall be made for, and solely for (A) payment of amounts required to be paid to the Secretary of the Treasury pursuant to an agreement entered into under Section 3; (B) payment of refunds provided for in Section 4 (c) of this Act; and (C) refunds of overpayments, not otherwise adjustable, made by a political subdivision or instrumentality.

(c) From the Contribution Fund the custodian of the Fund shall pay to the Secretary of the Treasury such amounts and at such time or times as may be directed by the Territorial Agency in accordance with any agreement entered into under Section 3 and the Social Security Act.

Payment
to Federal
Treasury.

(d) The Treasurer of the Territory shall be ex-officio treasurer and custodian of the Contribution Fund and shall administer such fund in accordance with the provisions of this Act and the directions of the Territorial Agency and shall pay all warrants drawn upon it in accordance with the provisions of this section and with such regulations as the Territorial Agency may prescribe pursuant thereto.

Authority of
Territorial
Treasurer.

(e) (1) There are hereby authorized to be appropriated to the Contribution Fund, in addition to the contributions collected and paid into the Contribution Fund under Sections 4 and 5, to be available for the purposes of Section 6 (b) and (c) until expended, such additional sums as are found to be necessary in order to make the payments to the Secretary of the Treasury which the Territory is obligated to make pursuant to an agreement entered into under Section 3.

Appropriation.

(2) The Territorial Agency shall submit to each regular session of the Territorial Legislature, at least

Estimate to
Legislature.

90 days in advance of the beginning of such session, an estimate of the amounts authorized to be appropriated to the Contribution Fund by paragraph (1) of this subsection for the next appropriation period.

Section 7. ADMINISTRATIVE APPROPRIATION. For the purpose of administering the provisions of this Act there is hereby appropriated from the Territorial Treasury the sum of \$5,000.00.

Administrative
Appropriation.

Section 8. RULES AND REGULATIONS. The Territorial Agency shall make and publish such rules and regulations, not inconsistent with the provisions of this Act, as it finds necessary or appropriate to the efficient administration of the functions with which it is charged under this Act.

Rules and
regulations.

Section 9. STUDIES AND REPORTS. The Territorial Agency shall make studies concerning the problem of old-age and survivors insurance protection for employees of the Territorial and local governments and their instrumentalities and concerning the operation of agreements made and plans approved under this Act and shall submit a report to the legislature at the beginning of each regular session, covering the administration and operation of this Act during the preceding biennium, including such recommendations for amendments to this Act as it considers proper.

Reports.

Section 10. SEPARABILITY. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Separability
clause.

Section 11. EMERGENCY CLAUSE. This Act shall take effect immediately upon its passage and approval.

Emergency
clause.

Approved March 23, 1951.