

**12-16,102. Employee benefits contribution fund in certain taxing subdivisions; tax levy; use of proceeds; use of trust fund to hold and invest postemployment benefits funds, management of trust fund.** (a) Except as provided in this section, "taxing subdivision" means any city, county, township or other political subdivision of the state of Kansas having authority to levy taxes on taxable tangible property. A community college district shall not be considered a taxing subdivision for the purpose of this section. A school district shall not be considered a taxing subdivision for the purpose of this section except that any school district operating a public library pursuant to K.S.A. 72-1623, and amendments thereto, for that purpose, shall be considered a taxing subdivision for the purpose of this section.

(b) For purposes of this section, "other postemployment benefits" means any postemployment healthcare, life insurance and other benefits provided by a taxing subdivision, other than pension benefits, so long as such benefits are provided separately from a pension plan.

(c) Any taxing subdivision may create and establish employee benefits contribution funds, including pension, retirement or other postemployment benefits funds, for (1) the taxing subdivision or (2) any political subdivision for which a tax is levied by such taxing subdivision for the purpose of paying the employer's share of any employee benefits, including pensions, retirement or other postemployment benefits, exclusive of any salaries, wages or other direct payments to such employees, as may be prescribed in the ordinance or resolution of the governing body creating such funds. The taxing subdivision may receive and place in such funds any moneys from any source whatsoever which may be lawfully utilized for the purposes stated in the ordinance or resolution creating such funds, including the proceeds of tax levies authorized by law for such purposes.

(d) The governing body of any taxing subdivision having established employee benefits funds, including pension, retirement or other postemployment benefits funds under subsection (c) is hereby authorized to levy an annual tax upon all taxable tangible property within the taxing subdivision in an amount determined by the governing body to be necessary for the purposes for which such funds were created and to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county.

(e) (1) For the purpose of holding and investing the assets of other postemployment benefits funds, and notwithstanding the provisions of any statute, any taxing subdivision may, by ordinance or resolution, either establish one or more trust funds or determine to participate in a multi-employer trust fund.

(2) Each taxing subdivision establishing or participating in such a trust fund shall provide for the management and investment of such funds and any such trust. The taxing subdivision may establish a board or commission or designate an existing board or commission to manage the trust and invest the trust funds. Each taxing subdivision that chooses to establish or designate such a board or commission shall provide for the organization of and the manner of election or appointment of the members of such board or commission.

(3) Notwithstanding any limitations on the investment of municipal funds set forth in K.S.A. 12-1675, and amendments thereto, funds held in any such trust may be invested in accordance with the terms of such other postemployment benefit plans, as such terms may be amended from time to time. The investment and management of the assets of any such trust shall be in compliance with the prudent investor rule as set forth in K.S.A. 58-24a01 to 58-24a19, inclusive, and amendments thereto.

(f) The trust funds created pursuant to subsection (e) or in which money from other postemployment benefit funds is held and invested pursuant to subsection (e) shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. The taxing subdivision may receive and place in such trust funds any moneys from any source that may be lawfully utilized for the purposes stated in the ordinance or resolution creating such trust funds, including transfers from employee benefit funds established for other postemployment benefits.

(g) The provisions of subsections (c) and (e) of this section shall not operate to invalidate the establishment by any municipality or subdivision thereof, pursuant to the provisions of any statute, ordinance or resolution, of any other postemployment benefit system duly established prior to effective date of this act or of any trust duly established or board or commission duly established or designated prior to the effective date of this act with respect to other postemployment benefit systems.

**History:** L. 1978, ch. 67, § 1; L. 1978, ch. 163, § 3; L. 1979, ch. 52, § 48; L. 1983, ch. 65, § 1; L. 1987, ch. 71, § 13; L. 1990, ch. 73, § 1; L. 1991, ch. 57, § 1; L. 1999, ch. 147, § 78; L. 2007, ch. 82, § 1; Apr. 12.