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**By: Senator Derr**

Introduced and read first time: January 15, 1996

Assigned to: Finance

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 1, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

**2 Workers' Compensation - Owner Operator of a Class E (Truck) Vehicle**

3 FOR the purpose of providing that an owner operator of a certain Class E (truck) vehicle  
4 who enters into a certain agreement with a motor carrier is not a covered employee  
5 for certain purposes of Workers' Compensation Law and is not entitled to  
6 compensation from a principal contractor under a certain provision of the Workers'  
7 Compensation Law; and generally relating to owner operators of certain Class E  
8 (truck) vehicles who enter into certain agreements with motor carriers.

9 BY repealing and reenacting, with amendments,  
10 Article - Labor and Employment  
11 Section 9-218  
12 Annotated Code of Maryland  
13 (1991 Volume and 1995 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article - Transportation  
16 Section 13-916 and 13-919  
17 Annotated Code of Maryland  
18 (1992 Replacement Volume and 1995 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

2

1 **Article - Labor and Employment**

2 9-218.

3 (A) (1) THIS SECTION APPLIES TO AN INDIVIDUAL WHO IS AN OWNER  
4 OPERATOR OF:

5 (I) A CLASS F (TRACTOR) VEHICLE, AS DESCRIBED IN § 13-923 OF  
6 THE TRANSPORTATION ARTICLE; OR

7 (II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,  
8 A CLASS E (TRUCK) VEHICLE, AS DESCRIBED IN § 13-916 OF THE TRANSPORTATION  
9 ARTICLE, INCLUDING A CLASS E (TRUCK) VEHICLE DESCRIBED IN § 13-919 OF THE  
10 TRANSPORTATION ARTICLE.

11 (2) THIS SECTION DOES NOT APPLY TO THE OWNER OPERATOR OF A  
12 VEHICLE REGISTERED AS A CLASS T VEHICLE UNDER § 13-920 OF THE  
13 TRANSPORTATION ARTICLE.

14 [(a)] (B) An individual who is [the] AN owner operator [of a Class F(tractor)  
15 vehicle, as described in § 13-923 of the Transportation Article,] is not a covered  
16 employee if:

17 (1) the individual and motor carrier make a written agreement for  
18 permanent or trip leasing;

19 (2) under the agreement:

20 (i) there is no intent to create an employer-employee relationship;

21 and

22 (ii) the individual is paid rental compensation; and

23 (3) for federal tax purposes, the individual qualifies as an independent  
24 contractor.

25 [(b)] (C) (1) A motor carrier who enters into an agreement under subsection  
26 [(a)] (B) of this section is considered a principal contractor under § 9-508 of this title.

27 (2) An individual who is an owner operator [of a Class F (tractor) vehicle]  
28 and enters into an agreement under subsection [(a)] (B) of this section is:

29 (i) considered a subcontractor under § 9-508 of this title;

30 (ii) for purposes of being a subcontractor, not considered a covered  
31 employee of the entity that the individual operator owns; and

32 (iii) not entitled to compensation from a principal contractor under §  
33 9-508 of this title.

34 [(c)] (D) An individual who is an owner operator [of a Class F (tractor) vehicle]  
35 and enters into a written agreement under subsection [(a)] (B) of this section shall  
36 provide proof of insurance for any covered employee of the individual as may be required  
37 by this title.

3

1 **Article - Transportation**

2 13-916.

3 (a) When registered with the Administration, every single unit truck with two or  
4 more axles is a Class E (truck) vehicle.

5 (b) For each Class E (truck) vehicle, the annual registration fee is based on the  
6 maximum gross weight of the vehicle or combination of vehicles, as follows:

7 Maximum Gross Weight	Fee (per 1,000 Pounds
8 Limit (in Pounds)	or Fraction Thereof)
9 10,000 (minimum) - 18,000	\$ 4.75
10 18,001 - 26,000	7.50
11 26,001 - 40,000	8.50
12 40,001 - 60,000	10.50
13 60,001 - 80,000 (maximum)	11.75

14 13-919.

15 (a) On application, the Administration shall issue a special Class E "dump service  
16 registration" to any applicant who certifies that the vehicle for which the application is  
17 made is a Class E (truck) vehicle that:

18 (1) Is designed to haul cargo and to self-unload by gravity or mechanical  
19 means; and

20 (2) Is to be used to haul feed or other loose materials in bulk.

21 (b) The maximum gross weight limitation for a vehicle registered under this  
22 section is for a vehicle with two axles -- 40,000 pounds.

23 (c) (1) The maximum gross weight limitation for a vehicle registered under this  
24 section after December 31, 1994 is for a vehicle with three axles -- 55,000 pounds.

25 (2) Except as provided in paragraph (1) of this subsection, the maximum  
26 gross weight limitation for a vehicle registered under this section after December 31, 1994  
27 is:

28 (i) In Allegany and Garrett Counties for a vehicle with four or more  
29 axles in use when loaded -- 70,000 pounds; and

30 (ii) For a vehicle with four axles that is in compliance with regulations  
31 adopted by the Department that specify alternative vehicle design configurations based  
32 on recommendations of the Dump Truck Technical Task Force -- 70,000 pounds.

33 (d) (1) (i) Subject to the provisions of subparagraph (ii) of this paragraph,  
34 three-axle vehicles registered before December 31, 1994 may continue to be operated at  
35 the gross vehicle weight limit specified by the applicable law in effect on December 31,  
36 1994 for a period of 20 years beginning:

37 1. For a new vehicle registered for the first time, the later of the  
38 vehicle's model year or date of registration; and

39 2. For a used vehicle, the vehicle's model year.

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1 (ii) Notwithstanding any other provision of law, any vehicle registered  
2 under this section before December 31, 1994 may continue to be operated until  
3 December 31, 1999 under the applicable provisions of law in effect on December 31,  
4 1994.

5 (2) (i) A vehicle may continue to be registered under this section,  
6 regardless of the vehicle's configuration, and to be operated under the same  
7 administrative regulations that were in effect on December 31, 1994, for the applicable  
8 time periods specified in paragraph (1) of this subsection, if the vehicle:

9 1. Was registered under this section before December 31, 1994;  
10 or

11 2. Is a three-axle vehicle that on December 31, 1994 was in the  
12 inventory of a dealer licensed under Title 15 of this article and was sold and registered  
13 before June 1, 1995.

14 (ii) Subparagraph (i) of this paragraph does not apply to flat bed  
15 trucks used to haul concrete blocks.

16 (e) The Administration:

17 (1) Shall stamp the words "dump service" on each registration card issued  
18 for a vehicle registered under this section; and

19 (2) May issue special registration plates to distinguish registrations made  
20 under this section.

21 (f) For each vehicle registered under this section, the annual registration fee is  
22 the greater of:

23 (1) \$18.50 for each thousand pounds of gross weight of the vehicle; or

24 (2) \$740.

25 (g) Except while it is operating on a divided highway with two or more lanes in  
26 each direction or while it is unloaded, a vehicle registered under this section may not be  
27 operated on any highway at a speed of more than 45 miles an hour.

28 (h) (1) Subject to the provisions of paragraph (2) of this subsection, if a vehicle  
29 registered under this section is hauling loose materials in bulk for a distance of not more  
30 than 40 miles:

31 (i) Subject to the provisions of subsection (i) of this section, the  
32 vehicle is limited as to maximum gross weight only by the allowable and paid registration  
33 weight; and

34 (ii) 1. Except in Allegany and Garrett Counties, the vehicle is not  
35 subject to any restrictions of the Maryland Vehicle Law on the weight, gross weight, or  
36 axle loads of a vehicle other than the restrictions on gross vehicle weight imposed under  
37 this section; and

38 2. In Allegany and Garrett Counties, the vehicle is not subject  
39 to any other restrictions of the Maryland Vehicle Law on the weight, gross weight, or axle

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1 loads of a vehicle unless the vehicle exceeds its maximum registered gross weight by 10  
2 percent or one of its axles is not carrying at least 15 percent of the vehicle's total gross  
3 weight.

4 (2) A vehicle registered under this section may be operated on a statewide  
5 basis without any distance limitations if the vehicle is:

6 (i) A three-axle vehicle with a maximum gross vehicle weight of  
7 55,000 pounds; or

8 (ii) A four-axle vehicle with a maximum gross vehicle weight of 70,000  
9 pounds that is in compliance with the regulations described under subsection (c)(2)(ii) of  
10 this section.

11 (i) (1) Except as provided in paragraph (2) of this subsection, a vehicle  
12 registered under this section with a registered maximum gross weight limitation of more  
13 than 65,000 pounds that is not in compliance with the regulations described in subsection  
14 (c)(2)(ii) of this section is limited to a maximum gross weight of 65,000 pounds when the  
15 vehicle is operated on an interstate highway or in a county in the State other than  
16 Allegany County or Garrett County.

17 (2) A vehicle used to haul coal, logs, or pulpwood that is registered under  
18 this section and operated on Interstate Route 68 in Allegany County or Garrett County is  
19 allowed a maximum gross weight limitation of 70,000 pounds, regardless of whether the  
20 vehicle is in compliance with the regulations described in subsection (c)(2)(ii) of this  
21 section.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 1996.