K1 HB 658/04 - ECM

By: Delegates Simmons, Feldman, and McHale

Introduced and read first time: February 7, 2005

Assigned to: Economic Matters

#### A BILL ENTITLED

# 1 AN ACT concerning

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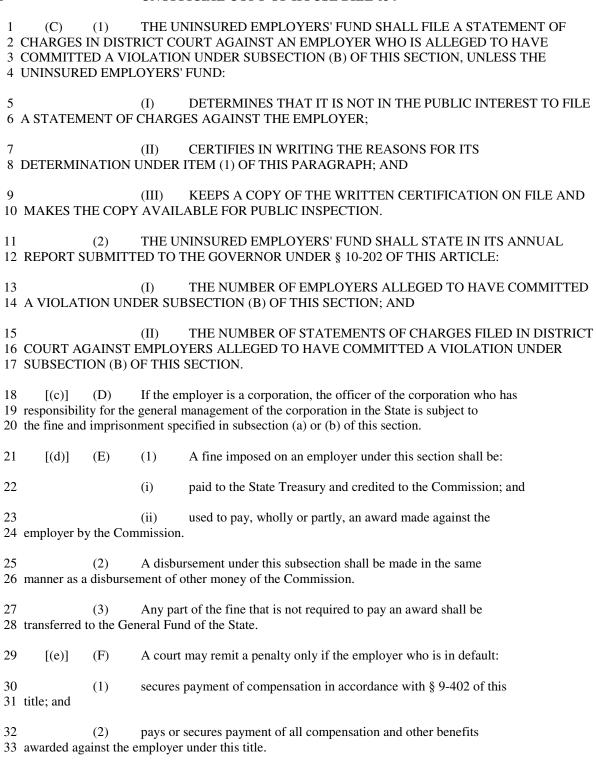
## Workers' Compensation - Uninsured Employers - Penalties

- 3 FOR the purpose of increasing certain penalties for an employer who fails to pay, or
- 4 secure payment of, certain compensation under workers' compensation law;
- 5 requiring the Uninsured Employers' Fund to file a statement of charges in
- 6 District Court against an employer for an allegation of certain violations unless
- 7 certain conditions are met; requiring the Fund to include certain information in
- 8 its annual report submitted to the Governor; and generally relating to
- 9 uninsured employers under workers' compensation law.
- 10 BY repealing and reenacting, with amendments,
- 11 Article Labor and Employment
- 12 Section 9-1107 and 9-1108
- 13 Annotated Code of Maryland
- 14 (1999 Replacement Volume and 2004 Supplement)
- 15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 16 MARYLAND, That the Laws of Maryland read as follows:

### 17 Article - Labor and Employment

18 9-1107.

- 19 (a) An employer who self insures under § 9-405 of this title or participates in
- 20 a governmental self-insurance group under § 9-404 of this subtitle and fails to apply
- 21 to the Commission for approval of the self-insurance plan of the employer or
- 22 governmental self-insurance group in accordance with § 9-403 of this subtitle is
- 23 guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$5,000 or
- 24 imprisonment not exceeding 1 year or both.
- 25 (b) An employer who is subject to this title and fails to secure payment of
- 26 compensation in accordance with § 9-402 of this title or fails to pay an award of
- 27 compensation is guilty of a misdemeanor and on conviction is subject to a fine not
- 28 exceeding [\$5,000] \$10,000 or imprisonment not exceeding [1 year] 5 YEARS or both.



#### **UNOFFICIAL COPY OF HOUSE BILL 634**

- 1 9-1108.
- 2 (a) An employer who fails to secure payment of compensation in accordance
- 3 with § 9-402 of this title that will be in force on the date a cancellation of a contract
- 4 of workers' compensation insurance becomes effective is guilty of a misdemeanor and
- 5 on conviction is subject to a fine not exceeding [\$5,000] \$10,000 or imprisonment not
- 6 exceeding [1 year] 5 YEARS or both.
- 7 (b) If the employer is a corporation, the officer of the corporation who has
- 8 responsibility for the general management of the corporation in the State is subject to
- 9 the fine and imprisonment specified in subsection (a) of this section.
- 10 (c) A fine imposed against and collected from an employer under this section
- 11 shall be paid into the Uninsured Employers' Fund.
- 12 (D) (1) THE UNINSURED EMPLOYERS' FUND SHALL FILE A STATEMENT OF
- 13 CHARGES IN DISTRICT COURT AGAINST AN EMPLOYER WHO IS ALLEGED TO HAVE
- 14 COMMITTED A VIOLATION UNDER THIS SECTION UNLESS THE UNINSURED
- 15 EMPLOYERS' FUND:
- 16 (I) DETERMINES THAT IT IS NOT IN THE PUBLIC INTEREST TO FILE
- 17 A STATEMENT OF CHARGES AGAINST THE EMPLOYER;
- 18 (II) CERTIFIES IN WRITING THE REASONS FOR ITS
- 19 DETERMINATION IN ITEM (I) OF THIS PARAGRAPH; AND
- 20 (III) KEEPS A COPY OF THE WRITTEN CERTIFICATION ON FILE AND
- 21 MAKES THE COPY AVAILABLE FOR PUBLIC INSPECTION.
- 22 (2) THE UNINSURED EMPLOYERS' FUND SHALL INCLUDE IN ITS ANNUAL
- 23 REPORT SUBMITTED TO THE GOVERNOR UNDER § 10-320 OF THIS ARTICLE:
- 24 (I) THE NUMBER OF EMPLOYERS ALLEGED TO HAVE COMMITTED
- 25 A VIOLATION UNDER THIS SECTION; AND
- 26 (II) THE NUMBER OF STATEMENTS OF CHARGES FILED IN DISTRICT
- 27 COURT AGAINST EMPLOYERS ALLEGED TO HAVE COMMITTED A VIOLATION UNDER
- 28 THIS SECTION.
- 29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 30 October 1, 2005.