
By: Senator Derr

Introduced and read first time: January 15, 1996

Assigned to: Finance

A BILL ENTITLED

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:

21 **Article - Labor and Employment**

22 9-218.

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

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

27 (II) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,
28 A CLASS E (TRUCK) VEHICLE, AS DESCRIBED IN § 13-916 OF THE TRANSPORTATION
29 ARTICLE, INCLUDING A CLASS E (TRUCK) VEHICLE DESCRIBED IN § 13-919 OF THE
30 TRANSPORTATION ARTICLE.

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

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

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

9 (2) under the agreement:

10 (i) there is no intent to create an employer-employee relationship;
11 and

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

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

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

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

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

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

22 (iii) not entitled to compensation from a principal contractor under §
23 9-508 of this title.

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

28 **Article - Transportation**

29 13-916.

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

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

| 34 Maximum Gross Weight | Fee (per 1,000 Pounds |
|------------------------------|-----------------------|
| 35 Limit (in Pounds) | or Fraction Thereof) |
| 36 10,000 (minimum) - 18,000 | \$ 4.75 |
| 37 18,001 - 26,000 | 7.50 |
| 38 26,001 - 40,000 | 8.50 |

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| 1 | 40,001 - 60,000 | 10.50 |
| 2 | 60,001 - 80,000 (maximum) | 11.75 |

3 13-919.

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

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

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

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

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

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

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

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

22 (d) (1) (i) Subject to the provisions of subparagraph (ii) of this paragraph,
23 three-axle vehicles registered before December 31, 1994 may continue to be operated at
24 the gross vehicle weight limit specified by the applicable law in effect on December 31,
25 1994 for a period of 20 years beginning:

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

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

29 (ii) Notwithstanding any other provision of law, any vehicle registered
30 under this section before December 31, 1994 may continue to be operated until
31 December 31, 1999 under the applicable provisions of law in effect on December 31,
32 1994.

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

37 1. Was registered under this section before December 31, 1994;

38 or

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

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

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