

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 144 (Senator Derr)
Finance

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

This bill provides that the owner operator of a Class E (truck) vehicle who enters into a written leasing agreement with a motor carrier is not a covered employee of the entity that the individual operator owns and is not entitled to workers' compensation benefits from a principal contractor if (1) there is no intent to make an employer-employee relationship; and (2) the employee is paid rental compensation.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: None.

Fiscal Analysis

State Expenditures: This bill closes a current loophole which allows owner operators of Class E (truck) vehicles, who enter into certain agreements with motor carriers, to claim compensation as statutory employees of their principal contractors. While the bill could reduce long-term costs for the Injured Workers' Insurance Fund and other workers' compensation insurers, any claims should be offset by a reduction in premiums collected. The bill does not affect State employees.

Information Source(s): Workers' Compensation Commission, Injured Workers' Insurance Fund, Subsequent Injury Fund, Uninsured Employers' Fund

Fiscal Note History: First Reader - February 7, 1996

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