
By: **Delegates Menes, Montague, and Grosfeld**
Introduced and read first time: February 11, 2000
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment - New Hires Directory - Independent Contractors**

3 FOR the purpose of requiring certain employers, within a certain time period, to
4 submit certain information concerning certain employees, including
5 independent contractors, to the Secretary of Labor, Licensing, and Regulation;
6 providing certain penalties for violations of this Act; requiring the Department
7 of Human Resources to reimburse the Secretary for certain costs; defining
8 certain terms; providing for the Department of Labor, Licensing, and Regulation
9 to work with the Department of Human Resources to develop regulations and
10 contracts to carry out the provisions of this Act; and generally relating to
11 requiring certain employers to report certain information concerning certain
12 employees to the Secretary of Labor, Licensing, and Regulation.

13 BY adding to
14 Article - Labor and Employment
15 Section 3-901 to be under the new subtitle "Subtitle 9. New Hires Directory"
16 Annotated Code of Maryland
17 (1999 Replacement Volume)

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

20 **Article - Labor and Employment**

21 **SUBTITLE 9. NEW HIRES DIRECTORY.**

22 3-901.

23 (A) (1) IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS
24 INDICATED.

25 (2) "DATE OF EMPLOYMENT" MEANS THE DATE ON WHICH AN
26 EMPLOYEE COMMENCES WORKING FOR AN EMPLOYER.

27 (3) "EMPLOYEE" INCLUDES AN INDEPENDENT CONTRACTOR.

1 (4) "EMPLOYER" MEANS A PERSON ENGAGED IN A BUSINESS, INDUSTRY,
2 PROFESSION, TRADE, OR OTHER ENTERPRISE IN THE STATE.

3 (B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, WITHIN 20
4 DAYS OF AN EMPLOYEE'S BEGINNING EMPLOYMENT, THE EMPLOYER SHALL SUBMIT
5 TO THE SECRETARY:

6 (1) THE SOCIAL SECURITY NUMBER OF THE EMPLOYEE;

7 (2) THE NAME OF THE EMPLOYEE;

8 (3) THE ADDRESS OF THE EMPLOYEE;

9 (4) THE DATE OF EMPLOYMENT;

10 (5) THE EMPLOYER'S NAME AND ADDRESS; AND

11 (6) THE FEDERAL EMPLOYER IDENTIFICATION NUMBER OF THE
12 EMPLOYER.

13 (C) (1) THE EMPLOYER SHALL REPORT THE REQUIRED INFORMATION BY:

14 (I) MAIL;

15 (II) MAGNETICALLY OR ELECTRONICALLY; OR

16 (III) OTHER MEANS AS DETERMINED BY THE SECRETARY.

17 (2) IF AN EMPLOYER CHOOSES TO TRANSMIT DATA MAGNETICALLY OR
18 ELECTRONICALLY AT A RATE OF TWICE PER MONTH, THEN THE REPORT MUST BE
19 SUBMITTED NOT LESS THAN 12 DAYS OR MORE THAN 16 DAYS APART.

20 (D) (1) ANY EMPLOYER THAT FAILS TO REPORT AS REQUIRED:

21 (I) SHALL BE GIVEN A WRITTEN WARNING FOR THE FIRST
22 VIOLATION; AND

23 (II) SHALL BE SUBJECT TO A CIVIL PENALTY OF \$20 FOR EACH
24 MONTH IN WHICH A SUBSEQUENT VIOLATION OCCURS, OR \$500 IF THE FAILURE IS
25 THE RESULT OF A CONSPIRACY BETWEEN THE EMPLOYER AND THE EMPLOYEE TO
26 NOT SUPPLY THE REQUIRED REPORT OR TO SUPPLY A FALSE OR INCOMPLETE
27 REPORT, UNLESS THE SECRETARY WAIVES THE PENALTY FOR CAUSE.

28 (2) ALL VIOLATIONS OCCURRING IN A SINGLE MONTH TO THE SAME
29 EMPLOYER SHALL BE CONSIDERED A SINGLE VIOLATION.

30 (E) AN ASSESSMENT UNDER THIS SECTION IS FINAL UNLESS, WITHIN 15 DAYS
31 AFTER THE MAILING OF THE ASSESSMENT, AN EMPLOYER APPLIES TO THE
32 SECRETARY FOR A HEARING. THE SECRETARY MAY FORWARD THE APPLICATION TO
33 THE OFFICE OF ADMINISTRATIVE HEARINGS FOR ADJUDICATION.

1 (F) THE DEPARTMENT OF HUMAN RESOURCES SHALL REIMBURSE THE
2 SECRETARY FOR ALL COSTS INCURRED TO CARRY OUT THIS SECTION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Labor,
4 Licensing, and Regulation shall work with the Department of Human Resources in
5 developing regulations and any contracts to execute the provisions of this Act.

6 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2000.