



HOUSE BILL 532: WC/Truck Driver Status

2015-2016 General Assembly

Committee:	Senate Judiciary II	Date:	July 22, 2015
Introduced by:	Reps. McGrady, Jeter, West, Fisher	Prepared by:	Bill Patterson
Analysis of:	PCS to Second Edition H532-CSTG-46		Committee Counsel

SUMMARY: *House Bill 532 would repeal G.S. 97-19.1, which imposes liability for workers compensation benefits upon a principal contractor, intermediate contractor, or subcontractor who contracts with an independent contractor, its employees or subcontractors operating trucks, tractors, or tractor trailers, for injury or death arising out of and in the course of doing the work required under the contract, if the independent contractor has not secured payment of workers compensation benefits for the independent contractor personally or for its employees or subcontractors.*

CURRENT LAW: Under the Workers Compensation Act, an employer of three or more employees must provide workers compensation coverage for injuries or death to the employees that arise out of and in the course of the performance of work performed by the employees. The Act does not generally require that coverage be provided for persons who are independent contractors rather than employees.

G.S.97-19.1, however, provides an exception to this general rule for claims brought by persons who operate trucks, tractors, or tractor trailers licensed by the United States Department of Transportation. If such a person has not secured the payment of workers compensation for himself or for his employees and subcontractors, G.S. 97-19.1 provides that any principal contractor, intermediate contractor, or subcontractor who contracts with such a person must pay workers compensation benefits in a claim for injury to or death of that person or that person's employees or subcontractors that arose out of and in the course of the performance of the work covered by the contract. In that situation, the defendant is liable for payment of workers compensation benefits regardless of whether the claimant is an employee of the defendant and regardless of whether the defendant regularly employs three or more employees.

G.S. 97-19.1 also permits a principal contractor, intermediate contractor, or subcontractor to include an independent contractor, its employees and subcontractors under a blanket workers compensation policy and to be reimbursed by the independent contractor for the cost of that coverage.

BILL ANALYSIS: The PCS for House Bill 532 would repeal G.S. 97-19.1 in its entirety.

EFFECTIVE DATE: This act is effective when it becomes law.

O. Walker Reagan
Director



Research Division
(919) 733-2578