- 1 HB497
- 2 136409-2
- 3 By Representatives Shiver, Jackson, Grimsley, Baker and Drake
- 4 RFD: Commerce and Small Business
- 5 First Read: 08-MAR-12

1	<u>ENGROSSED</u>
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4	A BILL
5	TO BE ENTITLED
6	AN ACT
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8	To amend Section 25-5-50 of the Code of Alabama
9	1975, relating to the exemption from workers' compensation
10	coverage for certain independent contractors; to qualify
11	sports officials as independent contractors; to exempt sports
12	officials from workers' compensation coverage and to further
13	provide that sports officials shall not be subject to
14	liability in any civil action for injuries or damages claimed
15	in connection with his or her duties at sporting events.
16	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
17	Section 1. Section 25-5-50 of the Code of Alabama
18	1975, is amended to read as follows:
19	"§25-5-50.
20	"(a) This article and Article 2 of this chapter
21	shall not be construed or held to apply to an employer of a
22	domestic employee; an employer of a farm laborer; an employer
23	of a person whose employment at the time of the injury is
24	casual and not in the usual course of the trade, business,
25	profession, or occupation of the employer; an employer who
26	regularly employs less than five employees in any one
27	business, other than the business of constructing or assisting

on-site in the construction of new single-family, detached residential dwellings; or a municipality having a population of less than 2,000 according to the most recent federal decennial census. An employer who regularly employs less than five employees in any one business; a farm-labor employer; an employer of a domestic employee; or a municipality having a population of less than 2,000 according to the most recent federal decennial census, may accept and become subject to this article and Article 4 of this chapter by filing written notice thereof with the Department of Industrial Relations, a copy thereof to be posted at the place of business of the employer; provided further, that an employer who has so elected to accept this article and Article 4 of this chapter may at any time withdraw the acceptance by giving like notice of withdrawal. Notwithstanding the foregoing, an employer electing not to accept coverage under this article and Article 4 of this chapter shall notify in writing each employee of the withdrawal of coverage. Additionally, the employer shall post a notice in a conspicuous place notifying all employees and applicants for employment that workers' compensation insurance coverage is not available.

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"(b) Notwithstanding subsection (a), an officer of a corporation may elect annually to be exempt from coverage by filing written certification of the election with the department and the employer's insurance carrier.

"At the end of any calendar year, a corporate officer who has been exempted, by proper certification from

coverage, may revoke the exemption and thereby accept coverage by filing written certification of his or her election to be covered with the department and the employer's insurance carrier.

"The certification for exemption or reinstatement of coverage shall become effective on the first day of the calendar month following the filing of the certification of exemption or reinstatement of coverage with the department.

"If the corporate officer elects to be exempt from coverage, the election shall not relieve the employer from continuing coverage for all other eligible employees who may have been covered prior to the election or who may subsequently be employed by the firm.

- "(c) This section shall not be construed to mandate any school board to provide coverage until sufficient funds are appropriated from the Education Trust Fund to implement the provisions. Nothing contained herein shall prohibit any school board that voluntarily elects to provide such coverage from doing so with local or other available funds.
- "(d) This section shall provide for voluntary coverage of certified volunteer fire departments as described in Section 9-3-17 and legally organized rescue squads that meet the minimum personnel and equipment standards as established by the Alabama Association of Rescue Squads, that are engaged in fighting a fire or performing other duties involving any emergency incident and while performing any official supervised duties of the organization, including

maintaining equipment and attending official training classes,
and while traveling to and from an emergency incident.

- "(e) In all cases where an injury that is compensable under the terms of the Alabama Workers'

 Compensation Law is received by a volunteer fire fighter or rescue squad member, the wages for purposes of computing the average weekly wage shall be equal to 66 2/3 percent of what he or she is earning at his or her regular place of employment or 66 2/3 percent of the minimum wage, whichever is greater.
- "(f) State certified volunteer fire departments and legally organized rescue squads are herein granted the right to purchase workers' compensation medical or disability insurance, or both, but in no event are they required to do so.

"In no event shall the regular employer of a volunteer fire fighter or rescue squad member be liable for a compensable injury under this section.

- "(g) A licensed real estate agent operating under a licensed broker shall not be considered an employee for the purposes of this chapter.
- "(h) An individual who performs services as a product demonstrator shall not be considered an employee for purposes of this chapter. The term "product demonstrator" shall mean any individual who satisfies both of the following requirements:
- "(1) Is engaged in the trade or business of demonstrating, exhibiting, or soliciting the purchase of food,

food-related products offered for sale, or other consumer

products offered for sale to any buyer on the premises of a

grocery store, dry good store, or similar retail

establishment, or trade show;

"(2) Who performs those services pursuant to a written contract between the individual and a person whose principal business is providing demonstrators to third parties for such purposes and the contract provides that the individual will not be treated as an employee with respect to the services for federal tax purposes.

"(i) (1) For purposes of this subsection, sports
official means an individual who is a neutral participant in a
sports event, including, without limitation, an umpire, a
referee, judge, linesman, scorekeeper, or timekeeper. Sports
official does not include any person, otherwise employed by an
organization or entity sponsoring a sports event, who performs
services as a sports official as a part of his or her regular
employment.

"(2) A person who performs services as a sports official for an entity sponsoring an interscholastic or intercollegiate sports event or if such person performs services as a sports official for a public entity or a private, nonprofit organization which sponsors an amateur sports event shall be an independent contractor and not an employee.

"(3) Any sports official who officiates a sports event at any level of competition in Alabama shall not be

1	liable to any person or entity in any civil action for
2	injuries or damages claimed to have arisen by virtue of
3	actions or inaction related in any manner to officiating
4	duties at a sports event, provided the official does not act
5	willfully, maliciously, fraudulently, or in a manner that is
6	contrary to how a reasonably prudent official would act under
7	the same or similar circumstances."
8	Section 2. This act shall become effective on the
9	first day of the third month following its passage and
10	approval by the Governor, or its otherwise becoming law.

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3	House of Representatives
4 5 6 7	Read for the first time and re- ferred to the House of Representa- tives committee on Commerce and Small Business
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9 10 11	Read for the second time and placed on the calendar 2 amendments 22-MAR-12
12 13 14	Read for the third time and passed as amended
14	Yeas 91, Nays 0, Abstains 0
15 16 17 18	Greg Pappas Clerk