

# HOUSE BILL No. 1348

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 22-2-17.

**Synopsis:** Contractor cooperatives. Establishes a process by which a person may establish a contractor cooperative for the purpose of referring qualified cooperative members to firms that have agreements with the cooperative to pay an agreed upon minimum compensation to cooperative members.

**Effective:** July 1, 2014.

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## DeLaney

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January 15, 2014, read first time and referred to Committee on Employment, Labor and Pensions.

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Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

# HOUSE BILL No. 1348



A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 22-2-17 IS ADDED TO THE INDIANA CODE AS  
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2014]:  
4 **Chapter 17. Contractor Cooperatives**  
5 **Sec. 1. As used in this chapter, "commissioner" refers to the**  
6 **commissioner of the department appointed under IC 22-1-1-2.**  
7 **Sec. 2. As used in this chapter, "department" refers to the**  
8 **department of labor created by IC 22-1-1-1.**  
9 **Sec. 3. As used in this chapter, "member" means an individual**  
10 **who maintains membership in a contractor cooperative established**  
11 **under this chapter.**  
12 **Sec. 4. As used in this chapter, "participating firm" means a**  
13 **person that has an agreement with a contractor cooperative to**  
14 **accept referrals of qualified members from the contractor**  
15 **cooperative.**  
16 **Sec. 5. As used in this chapter, "person" means an individual, a**



1 corporation, a limited liability company, a partnership, or other  
2 legal entity.

3 **Sec. 6. (a)** A person that wants to establish a contractor  
4 cooperative to refer qualified workers to participating firms must  
5 register with the department.

6 **(b)** The registration under subsection (a) must include the  
7 following:

8 **(1)** The names and addresses of the individuals establishing  
9 the contractor cooperative.

10 **(2)** The address where the contractor cooperative's office will  
11 be maintained.

12 **(3)** The name and contact information of the individual who  
13 will be in charge of the contractor cooperative's office and  
14 records.

15 **(4)** A statement of the dues (as determined under section  
16 8(a)(1) of this chapter) to be charged a member of the  
17 contractor cooperative for services received by the member.

18 **(5)** Other information determined necessary by the  
19 commissioner.

20 **(c)** After receiving a registration under subsection (a) and the  
21 information required under subsection (b), the commissioner shall  
22 issue to the contractor cooperative a notice that states that the  
23 contractor cooperative has registered as provided under this  
24 chapter.

25 **(d)** A contractor cooperative established under this chapter may  
26 not be organized or operate as a for-profit entity.

27 **Sec. 7. (a)** A contractor cooperative established under this  
28 chapter shall file an annual report.

29 **(b)** An annual report filed under this section must include at  
30 least:

31 **(1)** a summary of the contractor cooperative's activities  
32 during the year; and

33 **(2)** other information requested by the commissioner.

34 **(c)** An annual report required by this section must be filed with  
35 the commissioner not later than twelve (12) months after the date  
36 the commission first issues a registration notice to the contractor  
37 cooperative under section 6(c) of this chapter and on that date each  
38 year thereafter.

39 **Sec. 8. (a)** A contractor cooperative established under this  
40 chapter shall do all the following:

41 **(1)** Establish dues for payment of services received by a  
42 member. The dues are equal to the sum of:



- 1           (A) a set monthly amount; plus  
 2           (B) a percentage of the total compensation received by a  
 3           member during the preceding month from all participating  
 4           firms for which the member performed services.  
 5           The dues formula may not include any amount charged by the  
 6           contractor cooperative as a fee for referring a member to a  
 7           participating firm.  
 8           (2) Screen individuals for membership, based on  
 9           qualifications and experience, and offer membership to  
 10          qualified individuals.  
 11          (3) Set the amount of compensation that a participating firm  
 12          must pay a member for performing services. The minimum  
 13          compensation rate:  
 14                (A) must be determined by the members of the contractor  
 15                cooperative; and  
 16                (B) may not be less than one hundred fifty percent (150%)  
 17                of the current minimum wage established under IC 22-2-2.  
 18          (4) Enter into nonexclusive referral agreements with  
 19          participating firms to refer members to those firms.  
 20          (5) Establish, in consultation with each participating firm, the  
 21          minimum qualifications for members referred to that  
 22          participating firm.  
 23          (6) Refer qualified members to participating firms.  
 24          (b) A contractor cooperative established under this chapter may  
 25          do any of the following:  
 26                (1) Provide navigator services under the Patient Protection  
 27                and Affordable Care Act (as defined in IC 4-1-12-1) to  
 28                members, but may not offer health insurance.  
 29                (2) Work with the Indiana public retirement system  
 30                (established by IC 5-10.5-2-1) to offer pension or retirement  
 31                plans to members.  
 32                (3) Facilitate training for members to increase the members'  
 33                job skills and work readiness.  
 34                (4) Receive and account for state funds for the training  
 35                described in subdivision (3).  
 36                (5) Provide other services to members, including at least the  
 37                following:  
 38                    (A) Assistance in:  
 39                        (i) tax planning, and the determination and payment of  
 40                        taxes; and  
 41                        (ii) making contributions to pension or retirement plans  
 42                        and for charitable purposes.



- 1           **(B) Training in financial literacy or individual financial**  
 2           **planning.**  
 3           **(C) Discounts for members on services and other**  
 4           **purchases.**  
 5           **(D) Assistance in obtaining child care services.**  
 6           **(6) Enter into agreements for member training and to provide**  
 7           **other benefits to members.**  
 8           **(c) A contractor cooperative may not receive compensation or**  
 9           **other payments directly from a participating firm.**  
 10           **(d) A contractor cooperative may not discriminate based on**  
 11           **race, religion, color, sex, disability, national origin, or ancestry**  
 12           **against any individual who meets the qualifications for**  
 13           **membership and is available to perform services for a**  
 14           **participating firm.**  
 15           **(e) A contractor cooperative may not enter into a referral**  
 16           **agreement with a person to refer members to positions covered by**  
 17           **or subject to a collective bargaining agreement.**  
 18           **Sec. 9. (a) An agreement between a participating firm and a**  
 19           **contractor cooperative is not exclusive. The participating firm may**  
 20           **obtain and hire workers from sources in addition to the contractor**  
 21           **cooperative.**  
 22           **(b) A member may perform services for persons other than, and**  
 23           **in addition to, the participating firms to which the member is**  
 24           **referred by the contractor cooperative.**  
 25           **Sec. 10. (a) A member referred by a contractor cooperative to**  
 26           **a participating firm shall perform the services for which the**  
 27           **member was referred as an independent contractor and not as an**  
 28           **employee.**  
 29           **(b) A member who accepts employment with a participating**  
 30           **firm shall, not later than five (5) days after the date the member**  
 31           **accepts the employment:**  
 32               **(1) notify the referring contractor cooperative of the**  
 33               **acceptance; and**  
 34               **(2) resign from membership in the contractor cooperative.**  
 35           **(c) A member who fails to notify the contractor cooperative of**  
 36           **the member's acceptance of employment as provided in subsection**  
 37           **(b) is considered to have resigned from the contractor cooperative**  
 38           **on the first day the member performs services as an employee for**  
 39           **the participating firm.**

