

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

SESSION LAW 2003-235  
HOUSE BILL 892

AN ACT TO DETERMINE WHETHER A DRIVER OF A TRUCK, TRACTOR, OR TRUCK TRACTOR TRAILER OF AN INTERSTATE OR INTRASTATE MOTOR CARRIER IS AN EMPLOYEE SUBJECT TO THE WORKERS' COMPENSATION ACT AND TO DEFINE THE OBLIGATIONS UNDER THE ACT FOR SUCH DRIVERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 1 of Chapter 97 of the General Statutes is amended by adding a new section to read:

**"§ 97-19.1. Truck, tractor, or truck tractor trailer driver's status as employee or independent contractor.**

An individual in the interstate or intrastate carrier industry who operates a truck, tractor, or truck tractor trailer licensed by a governmental motor vehicle regulatory agency may be an employee or an independent contractor under this Article dependent upon the application of the common law test for determining employment status.

Any principal contractor, intermediate contractor, or subcontractor, irrespective of whether such contractor regularly employs three or more employees, who contracts with an individual in the interstate or intrastate carrier industry who operates a truck, tractor, or truck tractor trailer licensed by a governmental motor vehicle regulatory agency and who has not secured the payment of compensation in the manner provided for employers set forth in G.S. 97-93 for himself personally and for his employees and subcontractors, if any, shall be liable as an employer under this Article for the payment of compensation and other benefits on account of the injury or death of the independent contractor and his employees or subcontractors due to an accident arising out of and in the course of the performance of the work covered by such contract.

The principal contractor, intermediate contractor, or subcontractor may insure any and all of his independent contractors and their employees or subcontractors in a blanket policy, and when insured, the independent contractors, subcontractors, and employees will be entitled to compensation benefits under the blanket policy.

A principal contractor, intermediate contractor, or subcontractor may include in the governing contract with an independent contractor in the interstate or intrastate carrier industry who operates a truck, tractor, or truck tractor trailer licensed by a governmental motor vehicle regulatory agency an agreement for the independent contractor to reimburse the cost of covering that independent contractor under the principal contractor's, intermediate contractor's, or subcontractor's coverage of his business."

**SECTION 2.** This act is effective when it becomes law and applies to any claim arising on or after October 1, 2003.

In the General Assembly read three times and ratified this the 12<sup>th</sup> day of June, 2003.

s/ Beverly E. Perdue  
President of the Senate

s/ Richard T. Morgan  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 12:56 p.m. this 19<sup>th</sup> day of June, 2003