

**PUBLIC CHAPTER NO. 1041****HOUSE BILL NO. 1645****By Representative Mumpower****Substituted for: Senate Bill No. 1748****By Senator Ketron**

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 6, relative to the liability of principal, intermediate contractor or subcontractor.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-113, is amended by deleting subdivision (f)(1) and replacing it with the following language:

(A) Any person engaged in the construction industry, including principal contractors, intermediate contractors and subcontractors shall be required to carry workers' compensation insurance.

(B) Notwithstanding subdivision (A) above, a sole proprietor or partner engaged in the construction industry shall not be required to carry workers' compensation on themselves if they are doing work directly for the owner of the property pursuant to subdivision (f)(1)(C), but shall be required to carry workers' compensation insurance on any subcontractor, employee or worker not otherwise covered by a policy of workers' compensation; however, if a sole proprietor or partner is working as an intermediate contractor or subcontractor contractor then workers' compensation insurance shall be required on themselves.

(C) The provisions of this subsection shall not apply to any person building a dwelling or other structure, or performing maintenance, repairs, or making additions to structures, on the person's own property for the person's own use and for which the person receives no compensation.

SECTION 2. Tennessee Code Annotated, Section 50-6-113, is amended by deleting subdivision (f)(3) and replacing it with the following language:

For purposes of this subsection (f), "a person engaged in the construction industry" means any person or entity assigned to the Contracting Group as those classifications are designated by the rate service organization designated by the Commissioner of Commerce and Insurance as provided in Section 56-5-320.

SECTION 3. Tennessee Code Annotated, Section 50-6-113, is hereby amended by adding the following new subsection immediately preceding the last section and by renumbering the subsequent sections accordingly:

(g) If anything in this act shall be deemed unconstitutional, the unconstitutional section shall be severed from the rest of the statute without affecting the constitutionality of the act as a whole.

SECTION 4. Tennessee Code Annotated, Section 50-6-113 (f)(4), is hereby deleted.

SECTION 5. This act shall take effect on December 31, 2009, the public welfare requiring it.

**PASSED: May 13, 2008**

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
RON RAMSEY, SPEAKER  
SENATE OF THE SENATE

**APPROVED this 28th day of May 2008**

  
PHIL BREDESEN, GOVERNOR