

SENATE CS FOR CS FOR HOUSE BILL NO. 212(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 5/10/02

Referred: Judiciary

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to workers' compensation insurance; and providing for an effective
2 date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 23.30.045(a) is amended to read:

5 (a) An employer is liable for and shall secure [THE] payment [TO
6 EMPLOYEES] of the compensation payable to employees under AS 23.30.041,
7 23.30.050, 23.30.095, 23.30.145, and 23.30.180 - 23.30.215. If the employer is a
8 subcontractor, the subcontractor shall secure payment of the compensation
9 payable to the subcontractor's employees. If the subcontractor fails to secure
10 payment of the compensation payable, the contractor is liable for and shall secure
11 the payment of the compensation payable to employees of the subcontractor. A
12 subcontractor who is a sole proprietor and is an independent contractor may not
13 be considered an employee of the contractor, and the contractor is not
14 responsible for securing payment of compensation for the subcontractor

1 [UNLESS THE SUBCONTRACTOR SECURES THE PAYMENT].

2 * **Sec. 2.** AS 23.30.395(12) is amended to read:

3 (12) "employee" means an employee employed by an employer as
4 defined in (13) of this section; **"employee" does not include an independent**
5 **contractor;**

6 * **Sec. 3.** AS 23.30.395 is amended by adding a new paragraph to read:

7 (35) "independent contractor" means a person who contracts to
8 perform work or provide a service for the benefit of another and who

9 (A) is paid by the job and not by the hour or some other time-
10 measured basis;

11 (B) is free to hire as many employees or helpers as desired and
12 may determine the pay of each employee or helper;

13 (C) is free, while under contract to the hiring contractor, to
14 work for other contractors or is free to send employees or helpers to work for
15 other contractors;

16 (D) acts as a sole proprietor or in a partnership;

17 (E) acts as the employer of any employee by paying wages,
18 directing activities, paying necessary payroll taxes, and performing other
19 similar functions characteristic of an employer-employee relationship;

20 (F) is required to furnish or to have employees if necessary to
21 perform the work or service and to furnish necessary tools, supplies, or
22 materials to perform the work or service;

23 (G) possesses the skills required for the specific work or
24 service; and

25 (H) possesses a business license for the purpose of the work or
26 service under contract.

27 * **Sec. 4.** This Act takes effect January 1, 2003.