

FOR the purpose of providing that persons who do business as a Maryland Professional Services Corporation, and who incorporate under the Maryland Professional Services Compensation Corporation Act, and who are certain officers and stockholders in the professional services corporation, may elect not to be covered by the Workmen's Compensation Act; and generally relating to workmen's compensation coverage.

BY repealing and reenacting, with amendments,

Article 101 - Workmen's Compensation  
Section 21(b)(2) and 67(4)  
Annotated Code of Maryland  
(1979 Replacement Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 101 - Workmen's Compensation

21.

(b) The following shall constitute employees subject to the provisions of this act, except as exempted under subsection (c) of this section:

(2) Every officer of a corporation rendering services for the corporation for monetary remuneration except:

(i) An officer of a close corporation, as defined in the Corporations and Associations Article, electing not to be covered under the provisions of Section 67(4) of this article[.];

(ii) An officer owning 20 percent or more of the outstanding capital stock of a farm corporation electing not to be covered under the provisions of § 67(4) of this article. For purposes of this subparagraph (ii) a farm corporation is defined as a corporation that derives at least 75 percent of its income from farm operations[.]; OR

~~(iii) -- AN -- OFFICER -- OF -- A -- PROFESSIONAL -- CORPORATION ORGANIZED -- TO -- PERFORM -- A -- PROFESSIONAL -- SERVICE, -- AS -- DEFINED -- IN -- THE CORPORATIONS -- AND -- ASSOCIATIONS -- ARTICLE, -- WHO -- ELECTS -- NOT -- TO -- BE COVERED -- UNDER -- THE -- PROVISIONS -- OF -- SECTION -- 67(4) -- OF -- THIS -- ARTICLE.~~

(III) AN OFFICER OWNING 20 PERCENT OR MORE OF THE OUTSTANDING CAPITAL STOCK OF A PROFESSIONAL SERVICES CORPORATION (AND PERFORMING PROFESSIONAL SERVICES FOR THAT CORPORATION AS DEFINED IN THE CORPORATIONS AND ASSOCIATIONS ARTICLE), ELECTING NOT TO BE COVERED UNDER THE PROVISIONS OF § 67(4) OF THIS ARTICLE.