

(e) This section does not prevent a covered employee or a dependent of a covered employee from recovering compensation from a subcontractor instead of the principal contractor.

(F) (1) A PRINCIPAL CONTRACTOR IS NOT LIABLE TO PAY COMPENSATION TO AN INDIVIDUAL UNDER THIS TITLE IF THE INDIVIDUAL:

(+) (1) IS A CORPORATE OFFICER, OR A MEMBER OF A LIMITED LIABILITY COMPANY, WHO ELECTS TO BE EXEMPT FROM COVERAGE UNDER § 9-206 OF THIS TITLE;

(2) (II) IS A PARTNER IN A PARTNERSHIP AND THE PARTNERSHIP DOES NOT ELECT TO MAKE THE INDIVIDUAL A COVERED EMPLOYEE UNDER § 9-219 OF THIS TITLE; OR

(3) (III) IS A SOLE PROPRIETOR AND DOES NOT ELECT TO BE A COVERED EMPLOYEE UNDER § 9-227 OF THIS TITLE.

(2) AN INDIVIDUAL IS PRESUMED TO BE A SOLE PROPRIETOR WHO IS NOT A COVERED EMPLOYEE UNDER THIS SECTION IF:

(I) A SUBSTANTIAL PART OF THE INDIVIDUAL'S INCOME IS DERIVED FROM THE TRADE OR BUSINESS FOR WHICH A PRINCIPAL CONTRACTOR ENGAGES THE INDIVIDUAL AND FROM WHICH THE INDIVIDUAL HAS ATTEMPTED TO EARN TAXABLE INCOME; AND

(II) THE INDIVIDUAL HAS FILED THE APPROPRIATE INTERNAL REVENUE FORM 1040, SCHEDULE C OR F, FOR THE PREVIOUS TAXABLE YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1996.

Approved May 14, 1996.

CHAPTER 438

(House Bill 238)

AN ACT concerning

Pensions – Maryland Investigative Services Unit

FOR the purpose of requiring certain law enforcement officers employed by the Maryland Investigative Services Unit on or after a certain date to become members of a certain pension system; making membership optional for certain law enforcement officers employed by the Maryland Investigative Services Unit on a certain date; altering the title of the pension system; correcting certain cross-references; providing for the correction of certain cross-references; and generally relating to pensions for law enforcement officers employed by the Maryland Investigative Services Unit.