

(d) If a principal contractor is liable to pay compensation under this section, the principal contractor is entitled to indemnity from any employer who would have been liable to pay compensation independent of this section.

(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:

(+) (I) 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;

(+) (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

(+) (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.

May 23, 1996

The Honorable Thomas V. Mike Miller, Jr.  
President of the Senate  
State House  
Annapolis MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 174.

This bill delays the full-scale implementation of the enhanced Vehicle Emissions Inspection Program (VEIP) from June 1, 1996 to June 1, 1997.

House Bill 66, which was passed by the General Assembly and signed by me on May 14,